



**RICHLAND COUNTY COUNCIL  
SPECIAL CALLED MEETING AGENDA**

**JULY 27, 2010  
8:00 PM**

**CALL TO ORDER** **HONORABLE PAUL LIVINGSTON, CHAIR**

**INVOCATION** **HONORABLE KELVIN E. WASHINGTON, SR.**

**PLEDGE OF ALLEGIANCE** **HONORABLE KELVIN E. WASHINGTON, SR.**

**Approval Of Minutes**

1. Regular Session: July 20, 2010 [PAGES 5-13]

**Adoption Of The Agenda**

**Report Of The Attorney For Executive Session Items**

**Citizen's Input**

2. For Items on the Agenda Not Requiring a Public Hearing

**Report Of The County Administrator**

3. a. Lower Richland Sewer Update

**Report Of The Clerk Of Council**

**Report Of The Chairman**

**Presentations**

4. Midlands Authority for Convention Sports and Tourism: Kelly Barbrey, Vice President

**Third Reading Items**

5. An Ordinance Authorizing and Providing for the creation of the Hopkins Waterworks System and for the issuance of Hopkins Waterworks System Improvement Revenue Bonds of Richland

County, South Carolina; prescribing the form of bonds; limiting the payment of the bonds solely to the net revenues derived from the operation of the Waterworks System and pledging the revenues to such payment; creating certain funds and providing for payments into such funds; and making other covenants and agreements in connection with the foregoing [PAGES 18-62]

### **Report Of Development And Services Committee**

6. Ensure that any negotiations with the Fire Departments, City and County, make it a priority to keep ISO ratings and is in the best interest of the citizens and Firefighter Safety
7. Paving Overlook Drive
8. Construction Services for Lake Cary Water Quality Capital Improvement Project
9. Construction Services for Lake Elizabeth Phase III Cumbess Creek Water Quality Capital Improvements
10. Through Trucks prohibited on N. Donar Drive and Prima Drive
11. Arcadia Lakes Floodplain Management Services Agreement
12. Direct Staff to Review the Floodplain Ordinance to ensure that there are appropriate enforcement mechanisms to ensure compliance
13. Sease Road
14. Farmers' Market

### **Report Of Administration And Finance Committee**

15. Caughman Creek Appraisal
16. Hospitality Tax Ordinance Amendments: Oversight and Accountability
17. Property Insurance and Fire Operations Liability and Property Insurance-Risk Management
18. Improve Accountability for Richland County Grantees
19. Coroner: Request for approval to renew contract with Professional Pathology Services
20. Tourism Development Fee Ordinance Amendments
21. Establish an Ad-Hoc Committee to work with the City of Columbia to make a recommendation on an ordinance to restrict operating hours of establishments that serve alcohol

### **Other Items**

22. A Resolution to appoint and commission Leroy Cain as a Code Enforcement Officer for the

proper security, general welfare, and convenience of Richland County [**PAGE 80**]

23. Community Development Annual Action Plan [**PAGES ]**

24. Report of the Transportation Ad Hoc Committee

a. Intergovernmental Agreement with SCDOT [**ACTION**]

b. Transportation Sales Tax: Consultant and Educational Campaign Budget Amendment [**ACTION**] [**PAGES 83-84**]

### **Citizen's Input**

25. Must Pertain to Items Not on the Agenda

### **Executive Session**

### **Motion Period**

### **Adjournment**



# Richland County Council Request of Action

**Subject**

Regular Session: July 20, 2010 [PAGES 5-13]

# MINUTES OF



## RICHLAND COUNTY COUNCIL REGULAR SESSION TUESDAY, JULY 20, 2010 6:00 p.m.

*In accordance with the Freedom of Information Act, a copy of the agenda was sent to radio and TV stations, newspapers, persons requesting notification, and was posted on the bulletin board located in the lobby of the County Administration Building.*

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### MEMBERS PRESENT:

Chair	Paul Livingston
Vice Chair	Damon Jeter
Member	Gwendolyn Davis Kennedy
Member	Valerie Hutchinson
Member	Norman Jackson
Member	Bill Malinowski
Member	L. Gregory Pearce, Jr.
Member	Kit Smith
Member	Kelvin Washington
Absent	Joyce Dickerson
	Jim Manning

**OTHERS PRESENT** – Michelle Cannon-Finch, Milton Pope, Tony McDonald, Sparty Hammett, Roxanne Ancheta, Randy Cherry, Stephany Snowden, Jennifer Dowden, Tamara King, Larry Smith, Daniel Driggers, Sara Salley, Dale Welch, Erica Hinke, Michael Byrd, Andy Metts, Johnny Gathers, Sandra Haynes, John Hixson, Dwight Hanna, Tommy DeLage, Amelia Linder, Valeria Jackson, Monique Walters, Michelle Onley

### CALL TO ORDER

The meeting was called to order at approximately 6:06 p.m.

### INVOCATION

The Invocation was given by the Honorable L. Gregory Pearce, Jr.

## PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by the Honorable L. Gregory Pearce, Jr.

**POINT OF PERSONAL PRIVILEGE** – Mr. Livingston recognized that Rep. Jimmy Bales was in the audience.

## PRESENTATION OF RESOLUTION

**Resolution honoring Jim McCauley for his service as President of the Hickory Ridge Subdivision** – Mr. Jackson and Rep. Bales presented Mr. McCauley with resolutions from the County and the State respectfully.

**Resolution honoring Coach Ray Tanner and the USC Baseball Team for their successful season** – The resolution was presented earlier in the evening at a reception held in honor of Coach Tanner, former Mayor Coble and Mayor Benjamin.

**Resolution honoring Former Mayor Bob Coble for his years of service** – The resolution was presented earlier in the evening at a reception held in honor of Coach Tanner, former Mayor Coble and Mayor Benjamin.

**Resolution honoring Mayor Steven Benjamin on becoming the first African American mayor of the City of Columbia** – The resolution was presented earlier in the evening at a reception held in honor of Coach Tanner, former Mayor Coble and Mayor Benjamin.

## APPROVAL OF MINUTES

**Regular Session: July 6, 2010** – Mr. Malinowski requested that the tape be reviewed regarding the items entitled: *“An Ordinance Authorizing (1) the execution and delivery of an infrastructure credit and incentive agreement by and among Richland County, South Carolina (the “County”), Navistar, Inc. (“Navistar”), and Pure Power Technologies, LLC (“PPT”), to provide for, in part, special source revenue credits to Navistar, PPT, and other respective affiliates, successors, and assigns, the conveyance by Richland County of certain land and real property improvements, and the inclusion and maintenance of certain property in a joint county industrial or business park; and (2) other matters related thereto” and “An Ordinance establishing a policy for grant administrative fees and establishing the amount of such fees”* to ascertain the seconded of those motions. Mr. Malinowski further stated that the portion of the minutes regarding *“A Resolution to Appoint and Commission Duste Beckroge Johnston as a Code Enforcement Officer for the proper security, general welfare, and convenience of Richland County”* needed to reflect that the resolution included in the agenda packet contained an incorrect date. Mr. Malinowski additionally requested that the approval of the portion of the minutes under

the Report of the Rules & Appointments Committee entitled: “*East Richland Public Service Commission*” be deferred.

Mr. Washington moved, seconded by Ms. Hutchinson, to approve the minutes as amended. The vote in favor was unanimous.

#### **ADOPTION OF AGENDA**

Mr. Pope stated that two additional items entitled: “ACT Team Recognition” and “Richland 101 for Kids” needed to be added under the Report of the County Administrator and that a “Personnel Matter” needed to be added under the Report of the Attorney for Executive Session Items.

Mr. Jeter moved, seconded by Mr. Jackson, to adopt the agenda as amended. The vote in favor was unanimous.

#### **REPORT OF THE COUNTY ATTORNEY FOR EXECUTIVE SESSION MATTERS**

- a. **McEntire vs. Richland County**
- b. **Personnel Matter**

#### **CITIZENS’ INPUT**

No one signed up to speak.

#### **REPORT OF THE COUNTY ADMINISTRATOR**

**M-1 Zoning Update** – Mr. Pope stated that Mr. Geo Price would be giving a presentation at the July Zoning Public Hearing

**Lower Richland Sewer Update** – Mr. Andy Metts gave a brief update regarding the response staff received from Palmetto Utilities. It was further stated that the USDA requested that the project be divided into three phases and that the approved preliminary engineering report has been submitted to the State Office for funding. An update will be presented to Council at the Special Called Meeting on July 27<sup>th</sup>.

**Promotion of CRC 911 Deputy Director Kimberly Gathers to CRC 911 Director** – Mr. Pope recognized Ms. Kimberly Gathers on her promotion to CRC 911 Director.

**Employee Service Recognition** – Mr. Pope recognized Ms. Jennifer Dowden for her years of service to Richland County.

**NIP: Neighborhood Leadership Training Forum** – Ms. Erica Hinke presented certificates of completion to individual that participated in the Neighborhood Leadership Training program.

**Community Development Annual Action Plan** – Ms. Valeria Jackson presented the proposed Annual Action Plan to Council. This item will be included on the July 27<sup>th</sup> Special Called Meeting agenda.

**ACT Team Recognition** – Mr. Pope recognized the graduates of ACT. These individuals are volunteers who are trained and equipped to respond to contaminated animal incidents. The volunteers use equipment and protective suits to decontaminate pets following a hazardous materials incident. The members receive approximately 30 hours of training including response to a simulated incident.

**Richland 101 for Kids** – Mr. Pope stated that Richland 101 for Kids will be held Thursday, July 29<sup>th</sup>, 9 a.m.-1 p.m. at Dutch Square Mall.

#### REPORT OF THE CLERK OF COUNCIL

No report was given.

#### REPORT OF THE CHAIRMAN

**Richland County Transportation Study Commission** – Mr. Livingston thanked the members of the Richland County Transportation Study Commission who worked to develop the foundation of the current transportation sales tax recommendations. The County Administrator was directed to contact those individuals and express the County's appreciation for their tireless commitment.

**Reapportionment** – Mr. Livingston stated he has consulted with the County Attorney regarding the upcoming reapportionment and that he will be appointing a committee to begin the process in the near future.

#### APPROVAL OF CONSENT ITEMS

- **10-12MA, Richland County Conservation Commission, Jim Wilson, Apply Conservation Overlay to an existing PDD (236 Acres), 17500-03-42, Longtown Rd. [THIRD READING]**
- **10-13MA, Richland County Conservation Commission, Jim Wilson, Apply Conservation Overlay to an existing RU (3 Acres), 09411-05-71, Blue Ridge Terrace [THIRD READING]**
- **10-14MA, Richland County Conservation Commission, Jim Wilson, Apply Conservation Overlay to an existing PDD (3 Acres), 20300-02-40, Rice Creek Farms [THIRD READING]**
- **10-15MA, Richland County Conservation Commission, Jim Wilson, Apply Conservation Overlay to an existing PDD (7 Acres), 20300-02-34, Lee Rd. [THIRD READING]**
- **10-16MA, Richland County Conservation Commission, Jim Wilson, Apply Conservation Overlay to an existing RM-HD (11 Acres), 17300-02-35, Farrow Rd. [THIRD READING]**



- **An Ordinance Amending the Richland County Code of Ordinances; Chapter 26, Land Development; Section 26-59, Planned Development Review/Approval; so as to correct the section reference for PDD Regulations [THIRD READING]**
- **An Ordinance Authorizing (1) the execution and delivery of an infrastructure credit and incentive agreement by and among Richland County, South Carolina (the "County"), Navistar, Inc. ("Navistar"), and Pure Power Technologies, LLC ("PPT"), to provide for, in part, special source revenue credits to Navistar, PPT, and other respective affiliates, successors, and assigns, the conveyance by Richland County of certain land and real property improvements, and the inclusion and maintenance of certain property in a joint county industrial or business park; and (2) other matters related thereto [THIRD READING]**
- **An Ordinance establishing a policy for grant administrative fees and establishing the amount of such fees [SECOND READING]**
- **Sheriff's Vehicle Bond Ordinance [SECOND READING]**

Mr. Jeter moved, seconded by Ms. Hutchinson, to approve the consent items. The vote in favor was unanimous.

#### **REPORT OF ADMINISTRATION AND FINANCE COMMITTEE**

**Richland County Freedom of Information Policy** – Mr. Washington made a substitute motion, seconded by Mr. Malinowski, to approve this item with the following amendment: "that Council is not required to pay fee as long as it pertains to a policy issue." A discussion took place.

<b><u>For</u></b>	<b><u>Against</u></b>
Malinowski	Pearce
Jackson	Jeter
Hutchinson	Livingston
Kennedy	Smith
Washington	

The vote was in favor.

**Same Sex Interpersonal Violence Support Group Grant** – Ms. Smith moved, seconded by Mr. Pearce, to approve this item. The vote in favor was unanimous.

#### **REPORT OF ECONOMIC DEVELOPMENT**

**Ordinance Authorizing the County to execute and deliver a Master Park Agreement for the creation and maintenance of a multicounty business industrial park between Richland County, South Carolina, and Fairfield County, South**

**Carolina; and other related matters [FIRST READING]** – Mr. Pearce stated that the committee recommended approval of this item. The vote in favor was unanimous.

**Ordinance authorizing pursuant to Chapter 44 of Title 12, South Carolina Code of Laws, 1976, as amended, the execution and delivery of a fee-in-lieu of tax agreement, by and between Richland County, South Carolina, and Verizon Wireless, as sponsor, and one or more sponsor affiliates, to provide for a fee-in-lieu of ad valorem taxes incentive, including the grant of an infrastructure credit; and other related matters [FIRST READING]** – Mr. Pearce stated that the committee recommended approval of this item. A discussion took place.

The vote was in favor.

**Ordinance Authorizing Richland County, South Carolina to issue, from time to time or at one time, in one or more issues or series, its revenue bonds, in an aggregate principal amount not to exceed \$20,000,000, the proceeds of which will be used to finance the acquisition, construction and renovation of certain property to be used in connection with the Eastover, South Carolina Mill of International Paper Company, consisting of capital improvements, including, but not limited to, any recovery zone property, pulp mill and power facilities, paper production facilities and related facilities, at the Mill, pursuant to Section 4-29-10 et seq of the 1976 Code of Laws of South Carolina, as amended; authorizing the execution and delivery of a contract of purchase providing for the issuance, sale, and purchase of such bonds; and authorizing the issuance of the bonds and the execution of necessary documents and the taking of any other action necessary to be taken by Richland County, South Carolina to cause the issuance and sale of such bonds [FIRST READING]** – Mr. Pearce stated that the committee recommended approval of this item. The vote in favor was unanimous.

**Resolution confirming the County's intent to use the County's American Recovery and Reinvestment Act of 2009 Bond-Cap Allocations; Authorizing the County Administrator to make determinations with respect to appropriate projects, if any, eligible to use the cap; and other related matters.** – Mr. Pearce stated that the committee recommended approval of this item. The vote in favor was unanimous.

## REPORT OF RULES AND APPOINTMENTS COMMITTEE

### I. NOTIFICATION OF APPOINTMENTS

- a. **Midlands Workforce Development Board—6** – Mr. Malinowski stated that the committee retained this item in committee.

## II. DISCUSSION FROM RULES AND APPOINTMENTS COMMITTEE

- a. **Cultural Council Appointment** – Mr. Malinowski stated that the committee recommended that the Chair appoint a liaison annually. The vote in favor was unanimous.
- b. **Bonding attorneys are to limit their presentations to answering the questions asked and only providing the facts of a specific bond. They are not to provide support for or forecast possible future need for the item the bond is being sought. No personal opinion or interjection is to be given. [Malinowski]** – Mr. Malinowski stated that this item was retained in committee.
- c. **Financial System Access for Council members [Washington]** – Mr. Malinowski stated this item was retained in committee.

### OTHER ITEMS

**Tiered Health Insurance** – Mr. Washington moved, seconded by Ms. Kennedy, to defer this item to the July 27<sup>th</sup> Special Called meeting. The motion failed.

Mr. Jeter moved, seconded by Mr. Malinowski, to defer this item to the September 7<sup>th</sup> Council meeting. The vote was in favor.

### **Report of the Transportation Ad Hoc Committee:**

- a. **Intergovernmental Agreement with SCDOT** – This item was deferred to the July 27<sup>th</sup> Special Called meeting.
- b. **Transportation Sales Tax: Consultant and Educational Campaign Budget Amendment** – This item was deferred to the July 27<sup>th</sup> Special Called meeting.

**HUD Sustainable Communities Regional Planning Grant/MOU** – Mr. Jeter moved, seconded by Mr. Jackson, to approve this item and to verify that the County will not be monetarily liable for participation on this MOU. The vote in favor was unanimous.

### CITIZEN'S INPUT

No one signed up to speak.

## EXECUTIVE SESSION

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Council went into Executive Session at approximately 7:37 p.m. and came out at  
approximately 8:11 p.m.  
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- a. **McEntire vs. Richland County** – No action was taken.
- b. **Personnel Matter** – No action was taken.

## MOTION PERIOD

**The subdivision of land for heirs should not be treated and subjected to the same as that of a developer. Subdividing land should identify lots with access but not subject to engineering drawings and paved roads with sidewalks [JACKSON]** – This item was referred to the D&S Committee.

**Review all departments and determine possible consolidation and/or outsourcing and prioritize them [JACKSON]** – This item was referred to the A&F Committee.

**Review Home Owners Association covenants by developers and the time frame for transfer and the strength of the contracts [JACKSON]** – This item was referred to the D&S Committee.

**(If there are no existing laws prohibiting the County from creating such an ordinance): Staff will work with the Home Builders Association to create an ordinance setting minimum requirements for the completion of infrastructure in new developments within a specified time frame after development has begun or has reached a certain percentage of completion [MALINOWSKI]** – This item was referred to the D&S Committee.

**Richland County will begin negotiations with Columbia to obtain water usage records for water customers served by Columbia and the Broad River Waste Water Treatment Plant and create a sewage billing system based on that usage [MALINOWSKI]** – This item was referred to the D&S Committee.

**Broadcast Resolution [JETER]** – Mr. Jeter moved, seconded by Mr. Malinowski, to adopt this resolution. The vote in favor was unanimous.

**Motion to direct the County Administrator to review Richland County's Economic Development Strategic Plan and recommend a joint effort process to develop criteria so as to maximize the County's and City's Economic Development resources in a strategic process [JETER]** – This item was referred to the Economic Development Committee.

## ADJOURNMENT

The meeting adjourned at approximately 8:29 p.m.

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Paul Livingston, Chair

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Damon Jeter, Vice-Chair

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Gwendolyn Davis Kennedy

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Joyce Dickerson

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Valerie Hutchinson

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Norman Jackson

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Bill Malinowski

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Jim Manning

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L. Gregory Pearce, Jr.

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Kit Smith

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Kelvin E. Washington, Sr.

The minutes were transcribed by Michelle M. Onley

# Richland County Council Request of Action

**Subject**

For Items on the Agenda Not Requiring a Public Hearing

# Richland County Council Request of Action

**Subject**

- a. Lower Richland Sewer Update

# Richland County Council Request of Action

**Subject**

Midlands Authority for Convention Sports and Tourism: Kelly Barbrey, Vice President



# Richland County Council Request of Action

## **Subject**

An Ordinance Authorizing and Providing for the creation of the Hopkins Waterworks System and for the issuance of Hopkins Waterworks System Improvement Revenue Bonds of Richland County, South Carolina; prescribing the form of bonds; limiting the payment of the bonds solely to the net revenues derived from the operation of the Waterworks System and pledging the revenues to such payment; creating certain funds and providing for payments into such funds; and making other covenants and agreements in connection with the foregoing **[PAGES 18-62]**

## **Notes**

May 25, 2010: The committee forwarded this item to Council without a recommendation. The vote was in favor.

First Reading: June 1, 2010  
Second Reading: June 15, 2010  
Third Reading:  
Public Hearing: July 6, 2010

STATE OF SOUTH CAROLINA  
COUNTY COUNCIL FOR RICHLAND COUNTY  
GENERAL BOND ORDINANCE NO. \_\_\_\_\_

AUTHORIZING AND PROVIDING FOR THE CREATION OF THE HOPKINS WATERWORKS SYSTEM AND FOR THE ISSUANCE OF HOPKINS WATERWORKS SYSTEM IMPROVEMENT REVENUE BONDS OF RICHLAND COUNTY, SOUTH CAROLINA; PRESCRIBING THE FORM OF BONDS; LIMITING THE PAYMENT OF THE BONDS SOLELY TO THE NET REVENUES DERIVED FROM THE OPERATION OF THE WATERWORKS SYSTEM AND PLEDGING THE REVENUES TO SUCH PAYMENT; CREATING CERTAIN FUNDS AND PROVIDING FOR PAYMENTS INTO SUCH FUNDS; AND MAKING OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE FOREGOING.

Pursuant to the authority by the Constitution of the State of South Carolina and the General Assembly of the State of South Carolina, BE IT ENACTED BY RICHLAND COUNTY COUNCIL:

## ARTICLE I

### DEFINITIONS

Section 1.1 Definitions. Unless the context shall clearly indicate some other meaning, the terms defined in this Section shall, for all purposes of this Ordinance and of any ordinance, resolution, certificate, opinion, instrument or other document herein or therein mentioned, have the meanings herein specified, with the definitions to be equally applicable to both the singular and plural forms of any of the terms herein defined and vice versa. The term:

“Accountant” shall mean an independent certified public accountant or a firm of independent certified public accountants selected by the County.

“Act” shall mean Title 6, Chapter 21, Code of Laws of South Carolina, 1976, and all other statutory authorizations, now or hereinafter enacted, authorizing and enabling the County to provide for the issuance of the Bonds.

“Annual Budget” shall mean the annual budget required by Section 7.8 hereof and adopted in conformance therewith.

“Bondholders” or the term “Holders” or any similar term shall mean the registered owner or owners of any Outstanding Bond or Bonds.

“Bond” or “Bonds” shall mean any Bond, some of the Bonds or all of the Bonds issued under and pursuant to Article III hereof, excluding bonds or other indebtedness issued under Section 3.5 and Section 3.6 hereof.

“Bond and Interest Redemption Fund” shall mean each of the respective funds of that name established pursuant to Section 6.7 of this Ordinance and so designated pursuant to a Supplemental Ordinance to provide for the payment of the principal of and interest on the respective Series of Bonds issued pursuant to this Ordinance and such Supplemental Ordinance as the same respectively become due and payable.

“Bond Counsel” shall mean any attorney or firm of attorneys of nationally recognized standing in matters pertaining to the federal tax exemption of interest on obligations issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States.

“Books of Registry” shall mean the registration books maintained by the Registrar in accordance with Section 4.3 hereof.

“Business Day” shall mean any day other than a Saturday, a Sunday or a day on which banking institutions in the State or the office of the Custodian/Trustee are required or authorized by law (including executive orders) to close.

“Combined System” shall mean the Richland County Waterworks and Sewer System consisting of various components including the Broad River Sewer System, the Eastover Sewer System, the Franklin Park Water System, the Albene Water System, the Franklin Park Sewer System, the Pond Drive System, and upon its creation, the Hopkins System.

“Construction Fund” shall mean any fund established with and maintained by the Custodian named by ordinance or resolution of the County, and derived from certain of the proceeds of the sale of the Bonds and intended to defray the cost of all or a portion of any Project and to pay all Costs of Acquisition and Construction in connection therewith, as established in a Supplemental Ordinance authorizing the issuance of any Series of Bonds.

“Consulting Engineer” shall mean the engineer or engineering firm or corporation registered and qualified to practice the profession of engineering under the laws of the State of South Carolina and having a favorable reputation for skill and experience in the construction and operation of sewage disposal and treatment systems, employed by the County to perform and carry out the duties imposed by this Ordinance, and who or which is not a full-time employee of the County.

“Contingent Fund” shall mean the fund of that name established pursuant to Section 6.10 of this Ordinance.

“Cost of Acquisition and Construction” shall mean, to the extent permitted by the Act, all costs of acquiring, reconstructing, replacing, extending, repairing, bettering, improving, equipping, developing, embellishing or otherwise improving the Hopkins System, including the Costs of Issuance and capitalized interest on Bonds. Cost of Acquisition and Construction shall include the payment of amounts due on bond anticipation notes, the proceeds of which were used for Cost of Acquisition and Construction.

“Cost of Issuance” shall mean all items of expense, directly or indirectly payable or reimbursable by or to the County and related to the authorization, sale and issuance of Bonds including, but not limited to, printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of any Custodian/Trustee, Custodian, Registrar or Paying Agent, legal fees and charges, auditing and accounting fees and charges, fees and disbursements of consultants and professionals, costs of credit ratings, fees and charges for preparation, execution, transportation and safekeeping of Bonds, costs and expenses of refunding, premiums for insurance of the payment of Bonds, financing charges, accrued interest with respect to the initial investment of proceeds of Bonds and any other costs, charges or fees in connection with the original issuance of Bonds.

“Council” shall mean the County Council of Richland County, South Carolina.

“County” shall mean Richland County, South Carolina.

“Custodian” shall mean any bank, depository or trust company duly qualified and doing business within the State selected by the County as a depository of moneys or securities held in the Construction Fund.

“Custodian/Trustee” shall mean a bank, a trust company, a national banking association or a national association qualified under the terms of Article VIII hereof as shall be appointed in a Supplemental Ordinance authorizing a Series of Bonds.

“Debt Service” shall mean, with respect to each Series of Bonds and with respect to any particular Fiscal Year, the aggregate of the amounts to be paid or set aside (or estimated to be required to be

paid or set aside) in the applicable Bond and Interest Redemption Fund in such Fiscal Year for the payment of the principal of, redemption premium, if any, and interest (to the extent not capitalized) on such Series of Bonds; provided that the interest on Variable Rate Indebtedness then Outstanding shall be calculated at the actual average rate of interest on the Variable Rate Indebtedness during the twelve (12) months immediately preceding the date of calculation; provided further, that for purposes of Section 3.3 hereof, interest on Variable Rate Indebtedness then proposed to be issued shall be calculated at the initial interest rate on such Variable Rate Indebtedness as of the date of such calculation.

“Debt Service Reserve Fund” shall mean the respective funds, if any, of that name established pursuant to Section 6.8 of this Ordinance and so designated pursuant to a Supplemental Ordinance.

“Default” or “Event of Default” shall mean any of those defaults specified in and defined by Article X hereof.

“Depreciation Fund” shall mean the fund of that name established pursuant to Section 6.9 of this Ordinance.

“Expenses of Operating and Maintaining the Hopkins System” shall mean the current expenses, paid or accrued, of operation, maintenance and current repair of the System, and shall include, without limiting the generality of the foregoing, salaries, wages, employee benefits, cost of materials and supplies, cost of routine repairs, renewals, replacements and alterations occurring in the usual course of business, cost of billings and collections, cost of insurance, costs of any audit required by this Ordinance, the premiums for all insurance required with respect to the System, taxes, if any, amounts payable by way of arbitrage rebate. Expenses of Operating and Maintaining the System shall not include the payment of interest on Bonds, any allowance for depreciation or renewals or replacements of capital assets of the System and amounts deemed to be payments in lieu of taxes or other equity transfers.

“Fiscal Year” shall mean the fiscal year for the Combined System as determined by the County, initially being the period from July 1 in any year to and including June 30 in the following year.

“Government Obligations” shall mean any of the following:

(a) non-callable bonds, notes or direct obligations and general obligations of the United States;

(b) non-callable U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series - “SLGS”);

(c) non-callable direct obligations of the U.S. Treasury which have been stripped by the U.S. Treasury;

(d) non-callable obligations issued by any agency or instrumentality of the United States of America which are backed by the full faith and credit of the United States; and

(e) prerefunded municipal bonds which are rated “Aaa” by Moody's or “AAA” by S&P.

“Hopkins System” shall mean the Hopkins Waterworks System established herein, as the same is now constituted, all properties, real and personal, and matters and things used or useful in the maintenance, operation or functioning thereof, all apparatus and equipment used in connection therewith, and

all replacements, enlargements, improvements, extensions, additions, and betterments that may be made thereto, including any Project, and any other public utility system with which the Hopkins System may hereafter be combined pursuant to ordinance of Council. The Franklin Park Water System and the Albene Water System will become part of the Hopkins System.

“Interest Account” shall mean the account by that name created within each respective Bond and Interest Redemption Fund.

“Interest Payment Date” shall mean the respective interest payment dates for a Series of Bonds as determined by a Supplemental Ordinance.

“Initial Bond” shall mean the first bond issued pursuant to the Ordinance and a Supplemental Ordinance.

“Junior Bonds” shall mean either (a) bonds secured by a pledge of Revenues junior and subordinate in all respects to the pledge securing the Bonds or (b) any other form of indebtedness, including lease purchase obligations secured by sums available in the Revenue Fund after provision has been made for all payments required to be made with respect to the Bonds.

“Maximum Debt Service” shall mean the highest principal and interest requirements (to the extent not capitalized) on the Bonds then Outstanding during any Fiscal Year. With respect to any Series of Variable Rate Bonds, the following methods shall determine the interest rate to be used:

(a) in the case of determining the Reserve Fund Requirement, the interest rate shall be equal to the lesser of (i) the 25-Bond Revenue Index published by *The Bond Buyer* no more than (2) weeks prior to, but in no event after, the issuance of the Series of Bonds to which the Reserve Fund Requirement in question applies, or (ii) the maximum interest rate allowable on such Variable Rate Bonds;

(b) in the case of determining the Maximum Debt Service for purposes of Section 3.3 of this Ordinance, the interest rate shall be equal to the initial interest rate on such Variable Rate Indebtedness for the applicable period.

provided, however, that if the 25-Bond Revenue Index referred to in (a) above is no longer published, any reasonably equivalent nationally recognized index published for the periods in questions may be selected by the County for use in its stead.

“Net Revenues” shall mean the Revenues of the Hopkins System after deducting the Expenses of Operating and Maintaining the Hopkins System.

“Operation and Maintenance Fund” shall mean the fund of that name established pursuant to Section 6.6 of this Ordinance.

“Ordinance” shall mean this ordinance as from time to time amended or supplemented by one or more Supplemental Ordinances.

“Outstanding” when used with respect to any Bond shall have the construction given to such word in Article XII hereof; i.e., a Bond shall not be Outstanding if such Bond is not, or would not be, at the time, deemed to be Outstanding by reason of the operation and effect of said Article XII.

“Paying Agent” shall mean for each Series of Bonds the respective paying agent or paying agents appointed pursuant to the proceedings authorizing such Bonds.

“Permitted Investments” shall mean (a) any one or more of the investments now or hereafter permitted by Section 6-5-10, Code of Laws of South Carolina 1976, as amended and in effect from time to time, or any authorization relating to the investment of County funds; and (b) the South Carolina Pooled Investment Fund or similar State-administered pool investment fund.

“Principal Account” shall mean the account by that name created within each respective Bond and Interest Redemption Fund.

“Project” shall mean any work, undertaking or project which the County is or may hereafter be authorized to construct or acquire with the proceeds of any Bonds and which will become a part of the Hopkins System, including the acquisition of any system which shall be combined with or consolidated into the System pursuant to law.

“Rate Covenant” shall mean the covenant as to fees, rates and other charges described in Section 7.1 hereof.

“Record Date” shall mean with respect to any Series of Bonds the fifteenth (15th) day (whether or not a Business Day) of the calendar month immediately preceding an Interest Payment Date or such other day as may be provided in the Supplemental Ordinance authorizing the issuance of such Series of Bonds.

“Registrar” shall mean for each Series of Bonds the registrar appointed pursuant to the proceedings authorizing such Bonds.

“Reserve Fund Requirement” shall mean, as of the date of calculation, the debt service reserve fund requirement, if any, established pursuant to a Supplemental Ordinance authorizing the issuance of a Series of Bonds.

“Revenue Fund” shall mean the fund of that name established pursuant to Section 6.5 of this Ordinance.

“Revenues” shall mean all receipts, income, revenues, fees and other charges to be levied and collected in connection with, and all other income and receipts of whatever kind or character derived by the County from the operation of the Hopkins System, including, but not limited to, tap fees, connection charges, impact fees, developer fees, plant capacity fees, interest earnings and other earnings or investments, as such earnings or investments are computed in accordance with generally accepted accounting practices, but excluding the proceeds of any grants or debt, contributions in aid of construction, gains or losses on extinguishment of debt, fees derived from assessments and extraordinary items, and the receipts, income, revenues, fees and other charges derived from the operation of Special Facilities.

“Series” or “Series of Bonds” or “Bonds of Series” shall mean all Bonds designated as being of the same series issued and delivered on original issuance in a simultaneous transaction, and any Bonds thereafter delivered in lieu thereof or in substitution therefor pursuant to this Ordinance.

“Special Facilities” shall mean any project or undertaking, the revenues and expenses resulting from the operation of which can be segregated from the revenues and expenses of the Hopkins System and which the County shall designate as such by ordinance of Council.

“Special Facilities Bonds” shall mean any bonds issued in accordance with Section 3.6 hereof.

“State” shall mean the State of South Carolina.

“Supplemental Ordinance” shall mean any ordinance by the County providing for the issuance of Bonds and any ordinance enacted by the Council pursuant to and in compliance with the provisions of Article IX hereof amending or supplementing the provisions of this Ordinance.

“Test Period” shall mean that period defined in Section 3.3 hereof.

“Variable Rate Bonds” shall mean indebtedness in the form of Bonds the interest rate on which is not established at a fixed or constant rate at the time such indebtedness is incurred.

## ARTICLE II

### FINDINGS AND DETERMINATIONS

Section 2.1. Findings and Determinations. The Council hereby finds and determines:

A. Pursuant to Section 4-9-10, Code of Laws of South Carolina, 1976, as amended (the “Code”), the Council/Administrator form of government was selected and the Council constitutes the governing body of the County.

B. In the exercise of the powers vested in the County by the Constitution and statutes of the State of South Carolina, and in conformity with the provisions thereof, the County, pursuant to the favorable results of a referendum heretofore duly held on November 7, 1978, is authorized and empowered to acquire, construct and operate a waterworks system or systems in any of the unincorporated areas of the County.

C. The County currently operates the Richland County Combined System as a department of the County.

D. It is the County’s best interest to create a waterworks system to serve the residents of the Hopkins area and other communities in lower Richland County, which shall be operated as a component of the Combined System.

E. Article X, Section 14 of the Constitution of the State of South Carolina, 1895, as amended, provides that a county or political subdivision may incur indebtedness payable solely from a revenue-producing project which source does not involve revenues from any tax or license.

F. Pursuant to the Act, the County may issue revenue bonds to defray the cost of improvements, enlargements and extensions to the Combined System, including the Hopkins System

G. The Combined System, including the Hopkins System, will be operated on a fiscal year basis, which presently commences on July 1 of each year and ends on June 30 of the following year.



H. By the enactment of the Ordinance, the County intends to provide for the issuance of the revenue bonds at the time and on the terms and conditions set forth in the Ordinance and Supplemental Ordinances hereto.

### ARTICLE III

#### ESTABLISHMENT OF HOPKINS WATERWORKS SYSTEM

a. Pursuant to the Constitution and statutes of the State of South Carolina, and in conformity with the provisions thereof, the County, pursuant to the favorable results of a referendum heretofore duly held on November 7, 1978, hereby creates the Hopkins Waterworks System to service the residents of the of the Hopkins area and other communities in lower Richland County. The Franklin Park Water System and the Albene Water System will become part of the Hopkins System.

b. The Hopkins System will be administered as a component of the Combined System which is administered as a department of the County.

### ARTICLE IV

#### AUTHORIZATION AND ISSUANCE OF BONDS

Section 3.1. Authorization of Bonds. There is hereby authorized to be issued Bonds of the County to be known as "Hopkins Waterworks System Improvement Revenue Bonds of Richland County, South Carolina," or such other designations as may be provided in the Supplemental Ordinance authorizing such Bonds, which Bonds may be issued pursuant to this Ordinance and in accordance with the terms, conditions and limitations set forth herein, in Series, in such amounts and from time to time as the County may deem to be necessary or advisable for any corporate purpose of the County for which Bonds may be issued under this Ordinance and the Act.

Section 3.2. General Provisions For Issuance of Bonds. (a) The Bonds shall be issued in Series by means of Supplemental Ordinances enacted by the Council in accordance with the provisions of this Article and Article IX hereof. Each Supplemental Ordinance shall designate the Bonds provided for thereby by an appropriate Series designation and by such further particular designations, if any, as the County deems appropriate, and shall, unless or except as is otherwise set forth herein, also specify: (i) the authorized principal amount of such Series of Bonds; (ii) the purpose or purposes for which the Bonds of such Series are being issued, which shall be one or more of the purposes set forth in Sections 3.3 or 3.4 hereof; (iii) if the Bonds of the Series are being issued for a purpose specified in Section 3.3 hereof, the Project for which such Bonds are being issued; (iv) an estimate of the Costs of Acquisition and Construction for any Project to be financed by such Series of Bonds, and, in the event of the acquisition by purchase or condemnation of any facilities already constructed, a determination of what repairs, replacements, additions and betterments will be necessary in order that such facilities may be effective for their purpose and an estimate of the cost required therefor; (v) the date or dates of the Bonds of the Series; (vi) the maturity date or dates of the Bonds of the Series and the sinking fund installment amounts; (vii) the interest rate or rates of the Bonds of such Series, or the manner of determining such rate or rates, the initial Interest Payment Date therefor, and the subsequent Interest Payment Dates; (viii) the denominations of, and manner of numbering and lettering, the Bonds of such Series; (ix) the redemption premium or premiums, if any, or the redemption price or prices to be paid upon the redemption of the Bonds of such Series, the period or periods, if any, during which such premiums

or prices shall be payable, and the terms and conditions, if any, of such redemption; (x) the place or places of payment of the Bonds of the Series and interest thereon, and the Paying Agent therefor; (xi) the provisions for the sale or other disposition of the Bonds of the Series and the use, application and investment, if any, of the proceeds of such sale or other disposition, which use, application and investment shall not be inconsistent or in conflict with the provisions hereof; (xii) whether such Series of Bonds will be subject to a Reserve Fund Requirement and the manner of satisfaction of Reserve Fund Requirement; (xiii) any other provisions which may be required to be inserted therein by other provisions of this Ordinance; and (xiv) any other necessary or desirable provisions not inconsistent or in conflict with the provisions of this Ordinance.

(b) Bonds of a Series may be executed and delivered to the Registrar by the County and authenticated and delivered by the Registrar to the County or, upon its order, upon compliance with Section 3.3 or 3.4 hereof.

Bonds issued upon compliance with this Section and Section 3.3 or Section 3.4 hereof shall be on a parity with respect to the pledge and lien of the Net Revenues of the Hopkins System inter sese, but not with respect to the particular Bond and Interest Redemption Fund or Debt Service Reserve Fund created for the benefit of the Holders of the Bonds of a Series, notwithstanding, that they may be in different form, and bear different dates, interest rates, number, date of issuance or date of execution. In all such instances, the pledge of Net Revenues made hereunder, and the covenants and remedies hereby granted, shall be applicable and available to the Holders of such Bonds.

(c) The County may, from time to time, issue Bond Anticipation Notes upon compliance with the terms, limitations and conditions herein pertaining to the issuance of Bonds.

Section 3.3. Conditions for the Issuance of Bonds under this Ordinance Other than Refunding Bonds. Anytime and from time to time, one or more Series of Bonds (exclusive of refunding Bonds) may be issued for such purposes as may be permitted by the Act upon compliance with the provisions of Section 3.2 hereof and this Section in such principal amounts as may be determined by the Council for the purpose of paying all or part of the Costs of Acquisition and Construction of one or more Projects authorized to be financed under the Act with Bonds upon the written request of the County and upon compliance with the following conditions:

A. There shall be executed a certificate of the Chairman of County Council or the County Administrator stating (i) either (a) that no Default exists in the payment of the principal of, premium, if any, or interest on any Bonds or Junior Bonds and all mandatory sinking fund redemptions, if any, required to have been made shall have been made, or (b) that the application of the proceeds of sale of the Series of Bonds to be issued as required by the Supplemental Ordinance authorizing their issuance will cure any such Default or permit such redemptions; and (ii) either (a) that to the best of his or her knowledge, the County is not in Default in the performance of any other of its covenants and agreements contained in this Ordinance, or (b) setting forth the circumstances of each such Default known to him or her.

B. If a certificate filed pursuant to part (A) of this Section should disclose a Default or Defaults hereunder, there shall be filed with the County an opinion of Bond Counsel that, in the case of any Default disclosed in a certificate filed pursuant to part (A) of this Section, each such Default does not deprive the Bondholders of the security afforded by this Ordinance in any material aspect.

C. For the issuance of Bonds (other than the Initial Bond anticipated to be issued hereunder) to finance the Cost of Acquisition and Construction, or a portion thereof, of any Project, there shall be delivered a report from an accountant stating that the amount of the Net Revenues of the Hopkins System for any consecutive twelve (12) month period out of the last twenty-four (24) month period (the "Test

Period”) is not less than 120% of the Maximum Debt Service for any succeeding Fiscal Year of Bonds then Outstanding and the Bonds then proposed to be issued, provided the amount of Net Revenues for such Test Period may be adjusted by adding the following:

- (i) in case the rates and charges for the services furnished by the Combined System, including the Hopkins System, shall have been revised and such revised rates and charges shall have gone into effect prior to the delivery of the Bonds proposed to be issued, the additional amount of Net Revenues which would have been realized during the Test Period if such rates and charges had been in effect during such Test Period as determined by an Accountant or a Consulting Engineer; and
- (ii) in case an existing waterworks system, existing electric distribution system, or any other public utility system is to be acquired and combined or made a part of the Hopkins System from the proceeds of the Bonds proposed to be issued, the additional amount of Net Revenues which would have been realized during the Test Period if such existing system or systems to be acquired had been a part of the Hopkins System during such Test Period (which computation of the additional amount of Net Revenues shall be based upon the method of computing Net Revenues under this Ordinance and approved by an Accountant or a Consulting Engineer).

D. Such Bonds shall be issued to secure funds to defray the Cost of Acquisition and Construction of a Project, including any acquisition or construction of any system which shall be combined with or consolidated into the Hopkins System pursuant to law; or to refund Junior Bonds, or any notes, bonds, or other obligations but not Bonds issued to finance or to aid in financing the acquisition, construction, improvement, enlargement or repair of the Hopkins System or another enterprise combined with the System.

E. The Supplemental Ordinance shall provide for a deposit into any Debt Service Reserve Fund established for the Series of Bonds authorized by such Supplemental Ordinance of cash or securities or an insurance policy, surety bond or letter of credit, as provided in Section 6.8 hereof (inclusive of any proceeds of such Series of Bonds to be deposited in the applicable Debt Service Reserve Fund) having an aggregate value not less than the Reserve Fund Requirement, if any, with respect to the applicable Series of Bonds then proposed to be issued.

F. So long as the County is indebted to the United States of America, Rural Development, the County shall not borrow money from any source, enter into any contract or agreement, or incur any other liabilities in connection with making enlargements, improvements, or extensions to, or for any other purpose in connection with, the Hopkins System (exclusive of normal maintenance) without the prior written consent of Rural Development. This would include the issuance of any Series of Bonds issued on a parity with the Initial Bond, any Junior Bonds and any Special Facilities Bonds.

Section 3.4. Refunding Bonds. Without complying with the provisions of Section 3.3 hereof except as otherwise provided herein, the County by means of a Supplemental Ordinance enacted in compliance with the provisions of the Act and any other statutory provisions authorizing the issuance of revenue refunding bonds, including advance refunding bonds, may issue hereunder refunding Bonds as follows:

A. Bonds may be issued for the purpose of refunding (including by purchase) at any time within one year prior to maturity or prior to any sinking fund installment due date, the Bonds maturing

on such date (or an amount of Bonds subject to redemption from such sinking fund installments not in excess of the amount of Bonds required to be redeemed on such due date) for the payment of which sufficient Revenues are not available. Any Bonds issued for such purpose shall mature (or sinking fund installments therefor shall commence) not earlier than the latest stated maturity of any Bond not then refunded to be Outstanding after such refunding; or

B. Bonds may be issued at any time for the purpose of refunding (including by purchase) Bonds, including amounts to pay principal, redemption premium and interest to the date of redemption (or purchase) of the refunded Bonds and the Costs of Issuance; provided that (i) the aggregate Debt Service on all Bonds to be Outstanding after the issuance of the proposed Series of refunding Bonds shall not be greater than would have been the aggregate Debt Service of all Bonds not then refunded and the Bonds to be refunded; or (ii) the requirements of parts (A), (B), (C) and (E) of Section 3.3 hereof are met with respect to the refunding Series.

Section 3.5. Junior Bonds. The County may at any time issue Junior Bonds in such amount as it may from time to time determine, payable from Net Revenues, provided that such Junior Bonds are issued to secure funds to defray the cost of improving, extending, enlarging, or repairing the Hopkins System, some part thereof, including the acquisition of any system which may be combined with or consolidated into the Hopkins System pursuant to law, or to refund Bonds, Junior Bonds, or any notes, bonds, or other obligations issued to finance or to aid in financing the acquisition, construction, or improvement of the Hopkins System, and provided further that the pledge of Net Revenues securing Junior Bonds shall at all times be subordinate and inferior to the pledge securing the Bonds.

Section 3.6. Special Facilities Bonds. The County shall also have the right to issue, from time to time, Special Facilities Bonds to defray the costs of acquiring or constructing Special Facilities subject to the following conditions:

A. The County shall determine that the receipts, income, revenues and other charges to be levied and collected in connection with the Special Facilities shall be at least equal to: (1) the estimated costs of operating and maintaining such Special Facilities; (2) the principal and interest requirements of the Special Facilities Bonds; (3) the amounts to be deposited in any reserve funds with respect thereto; and (4) any other costs and expenses relating to such Special Facilities.

B. The receipts, income, revenues, fees and other charges derived from the operation of the Special Facilities shall be segregated from the Revenues of the Hopkins System.

C. The debt service payments and other costs and expenses and reserves related to such Special Facilities shall not be paid from Revenues of the Hopkins System.

#### ARTICLE IV

#### THE BONDS

Section 4.1. Execution. Unless or except as is otherwise set forth in the Supplemental Ordinance providing for the issuance of a Series of Bonds, the Bonds shall be executed on behalf of the County by the Chairman of County Council by his or her manual or facsimile signature and the corporate seal of the County or a facsimile thereof shall be impressed or reproduced thereon and attested by the Clerk to County Council by his or her manual or facsimile signature.

In case any officer whose signature or facsimile signature shall appear on the Bonds shall cease to be such officer before the delivery of such Bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, as if he had remained in office until delivery.

Section 4.2. Authentication. Upon compliance with the provisions of Section 3.3, 3.4, or 3.5 hereof, as the case may be, and upon the order of the County, the Registrar shall authenticate Bonds authorized to be issued hereunder. Only such Bonds as shall have endorsed thereon a certificate of authentication duly executed manually by the Registrar shall be entitled to any right or benefit under this Ordinance. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Registrar, and such executed certificate of the Registrar upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered. The Registrar's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer of the Registrar, but it shall not be necessary that the same person sign the certificate of authentication on all of the Bonds issued hereunder or on all of the Bonds of a particular Series.

Section 4.3. Registration and Transfer of Bonds; Persons Treated as Holders. Unless and except as is otherwise set forth in the Supplemental Ordinance providing for the issuance of a Series of Bonds, each Bond shall be fully registered and transferable only upon the Books of Registry of the County, which shall be kept for that purpose at the office of the Registrar by the registered owner thereof or by his attorney, duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or his duly authorized attorney with such signature guaranteed by a participant in the Securities Transfer Agents in Medallion Program ("STAMP") or similar program. Upon the transfer of any Bond, the County shall issue, subject to the provisions of Section 4.6 hereof, in the name of the transferee, a new Bond or Bonds of the same series and of the same aggregate principal amount, interest rate and maturity as the unpaid principal amount of the surrendered Bond.

Any Bondholder requesting any transfer shall pay any tax or other governmental charge required to be paid with respect thereto. As to any Bond, the person in whose name the same shall be registered shall be deemed and regarded as the Holder and absolute owner thereof for all purposes and payment of or on account of the principal, redemption premium, if any, and interest on any Bond shall be made only to or upon the order of the Bondholder thereof, or his duly authorized attorney, and neither the County nor the Registrar, shall be affected by any notice to the contrary, but such registration may be changed as herein provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Section 4.4. Form of Bonds; Denominations; Medium of Payment. Unless or except as is otherwise provided in the Supplemental Ordinance authorizing their issuance, the Bonds: (a) shall be in fully registered form without coupons, provided, such Bonds may be issued in book-entry form; (b) shall be issued in denominations of \$5,000, or any integral multiple thereof, provided that, upon partial redemption of a Bond requiring surrender thereof and the issuance of a new Bond, such new Bond may be in the denomination of the unredeemed balance; and (c) shall be payable with respect to principal, interest, and premium, if any, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

Section 4.5. Numbers, Date, and Payment Provisions. The Bonds shall be numbered and designated in such manner as the County, with the concurrence of the Registrar, shall determine. Each Bond of a Series shall bear interest from the Interest Payment Date immediately preceding the date of its authentication, unless authentication shall be upon an Interest Payment Date, in which case it shall bear interest from its authentication, or unless authentication shall precede the first Interest Payment Date for such Bond, in which case it shall bear interest as otherwise provided in the Supplemental Ordinance authorizing its

issuance, provided, however, that if the date of authentication of any Bond of any Series is after a Record Date and before the corresponding Interest Payment Date therefor, such Bond shall bear interest from such succeeding Interest Payment Date; notwithstanding the foregoing, if at the time of authentication of any Bond any interest on such Bond is in default, such Bond shall bear interest from the date to which interest on such Bond has been paid or if no interest has been paid, such Bond shall bear interest from the date of delivery thereof or from its dated date, or as otherwise provided in the Supplemental Ordinance authorizing the issuance of such Bonds.

Section 4.6. Exchange of Bonds. Bonds, upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the Bondholder or his duly authorized attorney, may, at the option of the Bondholder thereof, and upon payment by such Bondholder of any charges which the Registrar may make as provided in Section 4.7, be exchanged for a principal amount of Bonds of the same Series and maturity of any other authorized denomination equal to the unpaid principal amount of surrendered Bonds.

Section 4.7. Regulations with Respect to Exchanges and Transfer. In all cases in which the privilege of exchanging or transferring Bonds is exercised, the County shall execute and the Registrar shall authenticate and deliver Bonds in accordance with the provisions of this Ordinance. All Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Registrar. There shall be no charge to the Bondholder for such exchange or transfer of Bonds except that the Registrar may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or transfer. Neither the County nor the Registrar shall be required (a) to exchange or transfer Bonds (i) from the Record Date to the succeeding Interest Payment Date or (ii) for a period of fifteen (15) days following any selection of Bonds to be redeemed or thereafter until after the first publication or mailing of any notice of redemption, or (b) to transfer any Bonds called for redemption.

Section 4.8. Mutilated, Lost, Stolen or Destroyed Bonds. In case any Bond shall at any time become mutilated in whole or in part, or be lost, stolen or destroyed, or be so defaced as to impair the value thereof to the Holder, the County shall execute and the Registrar shall authenticate and deliver at the principal office of the Registrar, or send by registered mail to the Holder thereof at his request, risk and expense a new Bond of the same series, interest rate and maturity and of like tenor and effect in exchange or substitution for and upon the surrender for cancellation of such defaced, mutilated or partly destroyed Bond, or in lieu of or in substitution for such lost, stolen or destroyed Bond. In any such event the applicant for the issuance of a substitute Bond shall furnish the County and the Registrar evidence or proof satisfactory to the County and the Registrar of the loss, destruction, mutilation, defacement or theft of the original Bond, and of the ownership thereof, and also such security and indemnity as may be required by the laws of the State of South Carolina or such greater amount as may be required by the County and the Registrar. Any duplicate Bond issued under the provisions of this Section in exchange and substitution for any defaced, mutilated or partly destroyed Bond or in substitution for any allegedly lost, stolen or wholly destroyed Bond shall be entitled to the identical benefits under this Ordinance or any Supplemental Ordinance as was the original Bond in lieu of which such duplicate Bond is issued, and shall be entitled to equal and proportionate benefits with all the other Bonds of the same series issued hereunder. Neither the County nor the Registrar nor any Paying Agent shall be required to treat both the original Bond and any duplicate Bond as being Outstanding for the purpose of determining the principal amount of Bonds which may be issued hereunder or for the purpose of determining any percentage of Bonds Outstanding hereunder, but both the original and duplicate Bond shall be treated as one and the same.

All expenses necessary for the providing of any duplicate Bond shall be borne by the applicant therefor.

## ARTICLE V

### REDEMPTION OF BONDS

Section 5.1. Redemption of Bonds. The Bonds of a Series may be subject to redemption prior to their stated maturities upon such terms and conditions and at such dates and redemption price or prices or premium or premiums as shall be set forth in the Supplemental Ordinance providing for the issuance of such Bonds, and upon the further terms and conditions as are hereinafter set forth.

Section 5.2. Selection of Bonds for Redemption. In the event of the redemption at any time of only part of the Bonds of a Series, the Bonds to be redeemed shall be redeemed in such order as is set forth in the Supplemental Ordinance providing for the issuance of such Bonds. Unless otherwise provided by Supplemental Ordinance, if less than all of the Bonds of like maturity of any Series shall be called for prior redemption, the particular Bonds or portions of Bonds to be redeemed shall be selected at random by the Registrar in such manner as the Registrar in its discretion may deem fair and appropriate; provided, however, that the portion of any Bond of a denomination of more than \$5,000 to be redeemed shall be in the principal amount of \$5,000 or an integral multiple thereof, and that, in selecting portions of such Bonds for redemption, the Registrar shall treat each such Bond as representing that number of Bonds of \$5,000 denomination which is obtained by dividing the principal amount of such Bond by \$5,000.

Section 5.3. Notice of Redemption. Unless or except as otherwise provided in the Supplemental Ordinance authorizing their issuance, the provisions of this Section 5.3 apply to each Series of Bonds.

In the event any of the Bonds or portions thereof are called for redemption, the Registrar shall give notice, in the name of the County, of redemption of Bonds by first-class mail, postage prepaid, to the registered owner thereof as shown on the Books of Registry of the County and to such securities depositories as the County may designate not less than thirty (30) days and not more than sixty (60) days prior to the date fixed for the redemption thereof. Such notice of redemption shall state: (a) the title of such Bonds to be redeemed, CUSIP numbers, date of issue, the series designation (if any) thereof, the redemption date, the place or places of redemption and the redemption price or redemption premium, if any, payable upon such redemption; (b) if less than all such Bonds of a particular Series are to be redeemed, the distinctive number of such Bonds to be redeemed; (c) that the interest on such Bonds designated for redemption in such notice shall cease to accrue from and after such redemption date; and (d) that on such date there will become due and payable on each such Bond the principal amount thereof to be redeemed at the then applicable redemption price or redemption premium, if any, and the interest accrued on such principal amount to the redemption date. Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, when mailed, whether or not the registered owner thereof receives the notice.

Section 5.4. Partial Redemption of Bond. In the event that only part of the principal sum of a Bond shall be called for redemption or prepaid, payment of the amount to be redeemed or prepaid shall be made only upon surrender of such Bond to the Registrar. Upon surrender of such Bond, the County shall execute and the Registrar shall authenticate and deliver to the Holder thereof, at the principal office of the Registrar, or send to such Holder by registered mail at his request, risk and expense, a new fully executed Bond or Bonds, of authorized principal sums equal in aggregate principal amount to, and of the same Series, maturity and interest rate as, the unredeemed portion of the Bond surrendered.

Section 5.5. Effect of Redemption. If a Bond is subject by its terms to redemption prior to its stated maturity and has been duly called for redemption and notice of the redemption thereof has been duly given as hereinbefore provided and if moneys for the payment of such Bond at the then applicable

redemption price or together with the then applicable redemption premium, if any, and the interest to accrue to the redemption date on such Bond are held for the purpose of such payment by the Custodian/Trustee for the series of Bonds of which such Bond is one, then such Bond so called for redemption shall, on the redemption date designated in such notice, become due and payable, and interest on the Bond so called for redemption shall cease to accrue.

Section 5.6. Cancellation. All Bonds which have been redeemed shall be canceled and either maintained or destroyed by the Registrar and shall not be reissued. A counterpart of the certificate of destruction evidencing such destruction shall be furnished by the Registrar to the County upon the request of the County.

Section 5.7. Defeasance. So long as the Federal Government or any agency thereof is the registered owner of Initial Bond, the County shall not issue any Bonds or other obligations for the purpose of defeasing or otherwise terminating the lien on the Bonds without immediately repaying all of the Initial Bond held by the Federal Government then outstanding.

## ARTICLE VI

### ESTABLISHMENT OF FUNDS; SECURITY FOR AND PAYMENT OF THE BONDS; INVESTMENT OF MONEYS

Section 6.1. Listing of Funds and Accounts. The following are the funds created and established by this Ordinance:

- (i) Revenue Fund to be held by a bank or other financial institution designated from time to time by the County.
- (ii) Operation and Maintenance Fund to be held by a bank or other financial institution designated from time to time by the County.
- (iii) Bond and Interest Redemption Fund for each Series of Bonds to be held by the Custodian/Trustee, including an Interest Account and Principal Account.
- (iv) Debt Service Reserve Fund, if any, for each Series of Bonds to be held by the Custodian/Trustee.
- (v) Depreciation Fund and Contingent Fund to be held by a bank or other financial institution designated from time to time by the County.
- (vi) Construction Fund, if applicable, for each Series of Bonds to be held by a Custodian designated by the County.

One or more accounts may, by direction of the County or by the terms of a Supplemental Ordinance, be established within any of the above funds. It is intended by this Ordinance that the funds referred to in this Article (other than a Construction Fund) shall remain in existence for so long a time as any sum remains due and payable by way of principal of and interest on the Bonds, and that deposits and withdrawals therefrom be made in the manner herein prescribed and in the order of priority hereinafter set forth in Section 6.2 hereof.



Section 6.2. Disposition of Revenues. So long as any Bonds are Outstanding, the Revenues of the Combined System including the Hopkins System shall be applied at the times, in the amounts and for the purposes as provided or permitted by this Ordinance, and in the following order of priority.

First, provision shall be made for the payment of Expenses of Operating and Maintaining the Hopkins System;

Second, there shall be transferred into the respective Bond and Interest Redemption Funds, the amounts required by this Ordinance or any Supplemental Ordinance;

Third, there shall be transferred into the respective Debt Service Reserve Funds, the amounts (including any payments required under the terms of any surety bond, insurance policy or letter of credit applicable thereto) required by this Ordinance or any Supplemental Ordinance;

Fourth, provisions shall be made for the payment of any Junior Bonds;

Fifth, there shall be deposited into the Depreciation Fund the amount determined by the provisions of this Ordinance; and

Sixth, there shall be deposited into the Contingent Fund the amount determined by the provisions of this Ordinance.

Any surplus Revenues thereafter remaining after the foregoing deposits have been made shall be disposed of as the County shall determine from time to time to be for the best interest of the Combined System including the Hopkins System.

Section 6.3. Security for and Payment of the Bonds. The Bonds, together with the interest thereon, shall be payable solely from and secured equally and ratably by a lien upon the Net Revenues of the Hopkins System; provided, however, that all funds and accounts held by the Custodian/Trustee in the respective Bond and Interest Redemption Funds and Debt Service Reserve Funds established to secure a particular Series of Bonds are hereby pledged for the benefit only of the respective Bondholders as security for the Bonds of the Series to which such Funds relate. The Revenues shall be and hereby are irrevocably pledged to the payment of the principal of and interest on the Bonds. This provision of this Section 6.3 shall not preclude the issuance of Junior Bonds, if such Junior Bonds be issued in conformity with the provisions of Article 3.5 hereof, but the pledge herein made shall preclude the issuance of bonds payable from or secured by a pledge or lien on Net Revenues superior to that herein made to secure the Bonds.

The Bonds do not constitute an indebtedness of the County within any State Constitutional provisions (other than Article X, Section 14, Paragraph 10 of the South Carolina Constitution authorizing obligations payable solely from special sources not involving revenues from any tax or license) or statutory limitation and shall never constitute or give rise to a pecuniary liability of the County or a charge against its general credit or taxing power. The full faith, credit and taxing powers of the County are not pledged to the payment of the principal of and interest on the Bonds.

The covenants and agreements herein set forth to be performed by the County shall be for the equal and proportionate benefit, security and protection of all Holders of the Bonds without preference, priority or distinction as to payment or security or otherwise (except as to maturity) of any of the Bonds for any reason or cause whatsoever, except as expressly provided herein or in the Bonds, and, except as

aforesaid, all Bonds shall rank pari passu and shall be secured equally and ratably hereunder without discrimination or preference whatsoever.

Section 6.4. Accounting Methods. The designation of the Revenue Fund, the Operation and Maintenance Fund, the Depreciation Fund and the Contingent Fund in and by this Ordinance shall not be construed to require the establishment of any completely independent, self-balancing funds as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of the Revenues and assets of the Hopkins System for certain purposes and to establish certain priorities for application of such Revenues and assets as herein provided.

The cash required to be accounted for in each of the foregoing funds established herein may be deposited in a single bank account, into which only Revenues shall be deposited, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the cash in and deposit therein for the various purposes of such funds as provided herein.

Section 6.5. Revenue Fund. There is hereby established a Revenue Fund to be maintained by the County and into which shall be deposited all Revenues. Moneys in the Revenue Fund shall be made use of only in the manner specified in this Article VI and in the order of priority according to Section 6.2 hereof. So long as the County maintains proper accounting records for receipts and disbursements for the Revenue Fund, the Operation and Maintenance Fund may be maintained as part of the Revenue Fund.

Section 6.6. Operation and Maintenance Fund. There is hereby established an Operation and Maintenance Fund to be maintained by the County in order to provide for the payment of all Expenses of Operating and Maintaining the Hopkins System. So long as any of the Bonds remain Outstanding and unpaid, adequate provision shall be made by the County for the Expenses of Operating and Maintaining the Hopkins System by depositing on or before the 15<sup>th</sup> day of the month following the month in which Bonds are delivered to the initial purchasers thereof, and not later than the 15<sup>th</sup> day of each month thereafter, in the Operation and Maintenance Fund from the Revenues of the Hopkins System, an amount equal to the estimated Expenses of Operating and Maintaining the Hopkins System for the next ensuing month in accordance with the Annual Budget.

Section 6.7. Bond and Interest Redemption Fund. There shall be established and maintained special funds of the County to be designated the Bond and Interest Redemption Fund for each Series of Bonds then Outstanding which shall be kept on deposit with the Custodian/Trustee, and withdrawals therefrom shall be made for the purposes provided in this Ordinance. Each Bond and Interest Redemption Fund shall bear a separate series designation as may be necessary to distinguish such Bond and Interest Redemption Fund.

The respective Bond and Interest Redemption Funds are intended to provide for the payment of the principal of, redemption premium, if any, and interest on each Series of Bonds as the same respectively fall due. Payments into such Funds shall be made in the manner prescribed by this Ordinance and all moneys in the respective Bond and Interest Redemption Funds shall be used solely to pay the principal of, redemption premium, if any, and interest on the respective Series of Bonds, and for no other purpose, and withdrawals therefrom shall be made only to effect payment of the principal of, redemption premium, if any, and interest on the respective Series of Bonds. Earnings on investments in the Bond and Interest Redemption Fund, including the accounts therein, shall be added to and become a part of such respective Funds and the accounts therein.

There may be established in the respective Bond and Interest Redemption Funds from time to time a capitalized interest account to provide for the payment of interest on the Bonds of a particular Series

as may be permitted hereunder. Any such account shall be created by a Supplemental Ordinance relating to the issuance of the Bonds of such Series. Any earnings from the investment of funds in the capitalized interest account not required to pay interest on the Bonds of any Series during the period for which interest on the Bonds of such Series is capitalized shall be paid over to the County for deposit in the Construction Fund created by the Supplemental Ordinance relating to such Bonds or, if such Construction Fund has been terminated or no such fund was created, such earnings shall be retained in the appropriate Bond and Interest Redemption Fund.

Unless and except as is otherwise set forth in the Supplemental Ordinance, not later than the 15th day of the month following the month in which each Series of Bonds are delivered to the initial purchasers thereof, and not later than the 15th day of each month thereafter, the County shall transfer or cause to be transferred to the Custodian/Trustee for deposit into the respective Bond and Interest Redemption Funds from the moneys in the Revenue Fund, the amounts hereinafter set forth.

(a) There shall be established and maintained, for the purpose of paying the interest on the respective Series of Bonds as the same becomes due and payable, an Interest Account in the respective Bond and Interest Redemption Funds. Unless and except as is otherwise set forth in the Supplemental Ordinance, not later than the 15th day of the month following the month in which each respective Series of Bonds is delivered to the initial purchasers thereof, and not later than the 15th day of each month thereafter, the County shall transfer or cause to be transferred to the Custodian/Trustee for deposit into the respective Bond and Interest Redemption Funds for credit to the Interest Account an amount (until the moneys on deposit therein equal the amount needed) such that, if the same amount is credited to the Interest Account not later than the 15th day of each calendar month preceding the next date upon which an installment of interest falls due on the respective Series of Bonds, the aggregate of the amounts so paid and credited to the Interest Account would on such date be equal to the installment of interest then falling due on the respective Series of Bonds then Outstanding. In making any of the deposits to the Interest Account required by this paragraph (a), consideration shall be given to and allowance made for accrued interest received upon delivery of each Series of Bonds to the initial purchasers and for any other credits (including any interest earnings therein) otherwise made to such Account.

(b) There shall be established and maintained, for the purpose of paying the principal of the Bonds as they mature, whether at maturity or by mandatory sinking fund redemption, a Principal Account in the respective Bond and Interest Redemption Funds. Unless and except as is otherwise set forth in the Supplemental Ordinance, not later than the 15th day of the twelfth month prior to each date upon which an installment of principal of a respective Series of Bonds falls due or mandatory sinking fund redemption date, and on or before the 15th day of each calendar month thereafter, the County shall transfer or cause to be transferred to the Custodian/Trustee for deposit into the respective Bond and Interest Redemption Funds to the credit of the Principal Account an amount (until the moneys on deposit therein equal the amount needed) such that, if the same amount were credited to the Principal Account on or before the 15th day of each succeeding month thereafter and prior to the next date upon which an installment of principal falls due on the respective Series of Bonds or mandatory sinking fund redemption date, the aggregate of the amounts so paid and credited to the Principal Account would on such date be equal to the installment of principal or mandatory sinking fund redemption payment on the respective Series of Bonds then falling due. In making any of the deposits to the Principal Account required by this paragraph (b), consideration shall be given to and allowance made for any other credits (including any interest earnings therein) otherwise made to such Account.

(c) If, on the dates when the payments required by paragraphs (a) and (b) of this Section are to be made, the aggregate of (i) the payments required by said paragraphs (a) and (b); (ii) previous monthly payments made by the County; and (iii) the remaining payments to be made prior to the succeeding

date on which principal or interest, or both, as the case may be, will be due and payable, will be less than the sum required to effect the payment of the succeeding installment of principal or interest, or both, as the case may be, moneys in the applicable Debt Service Reserve Fund shall be added to the payment to be made pursuant to said paragraphs (a) and (b).

Moneys in the respective Bond and Interest Redemption Funds shall be used and applied solely to the payment of the interest on and the retirement of the principal of and redemption premium, if any, on the respective Series of Bonds and shall be used and applied in accordance with the provisions of this Section and this Ordinance. The moneys paid into the respective Bond and Interest Redemption Fund shall be held by the Custodian/Trustee in trust solely for the purpose of paying the interest on and the retirement of the principal of and redemption premium, if any, on the respective Series of Bonds and withdrawals from such Funds shall be made by the Custodian/Trustee in order to transfer such moneys to the Paying Agent for the respective Series of Bonds. Such withdrawals shall be made so that the necessary moneys shall be available to the Paying Agent not later than one (1) Business Day prior to the day on which principal or interest or both, and redemption premium, if any, as the case may be, are payable on the Bonds.

Section 6.8. Debt Service Reserve Fund. A Supplemental Ordinance may provide for the establishment of a Debt Service Reserve Fund for any Series of Bonds. Each Debt Service Reserve Fund shall bear a separate Series designation as may be necessary to distinguish such Debt Service Reserve Fund and shall, subject to certain provisions of this Ordinance, be maintained in an amount equal to the applicable Reserve Fund Requirement, as determined pursuant to a Supplemental Ordinance so long as the applicable Series of Bonds shall be Outstanding. Each such Fund is intended to insure the timely payment of the principal of and interest on the applicable Series of Bonds and to provide for the redemption of such Series of Bonds prior to their stated maturities. The respective Debt Service Reserve Funds shall be kept on deposit with the Custodian/Trustee, and withdrawals therefrom shall be made for the purposes provided in this Ordinance.

Moneys in each Debt Service Reserve Fund shall be used for the following purposes, and for no other:

- (a) To prevent a Default in the payment of the principal of or interest on the applicable Series of Bonds, by reason of the fact that moneys in the applicable Bond and Interest Redemption Fund are insufficient for such purposes;
- (b) To pay the principal of, interest on, and redemption premium, if any, of the applicable Series of Bonds in the event that all Outstanding Bonds of such Series be redeemed as a whole;
- (c) To effect partial redemption of the applicable Series of Bonds, provided that such redemption be undertaken in accordance with the provisions of this Ordinance permitting a partial redemption of the applicable Series of Bonds and the balance remaining in the applicable Debt Service Reserve Fund following such partial redemption shall not be less than the Reserve Fund Requirement;
- (d) To effect the retirement of a Series of Bonds through purchase under the conditions herein prescribed.

Whenever the market value (determined as of the valuation date specified in Section 6.13 hereof) of the cash and securities in the applicable Debt Service Reserve Fund shall exceed the Reserve Fund Requirement, such excess may be used at the direction of the County either (i) to repurchase and retire the

applicable Series of Bonds at prices not exceeding the call price first to become available or then prevailing or (ii) to transfer to the Revenue Fund or, at the option of the County, to the Construction Fund during the period of construction or acquisition of a Project. Purchases of Bonds shall be effected by the County through the Registrar, and whenever Bonds shall have been purchased pursuant to this authorization, it shall be the duty of the Registrar to cancel and destroy such Bonds and to deliver certificates evidencing such act to the County.

Whenever the aggregate value of cash and securities in any Debt Service Reserve Fund shall be less than the applicable Reserve Fund Requirement as a result of a withdrawal of funds therefrom, there shall be deposited in the applicable Debt Service Reserve Fund over the next succeeding twelve (12) months, successive equal monthly installments of the amount necessary to reestablish in the applicable Debt Service Reserve Fund its respective Reserve Fund Requirement.

In lieu of the deposit of moneys into the Debt Service Reserve Fund established with respect to any Series of Bonds to meet the Reserve Fund Requirement with respect to that Series, the County may cause to be credited a surety bond or an insurance policy payable to, or a letter of credit in favor of, the Custodian/Trustee for the benefit of the Holders of the Bonds meeting the standard set forth in the Supplemental Ordinance authorizing that Series of Bonds. The amount of moneys required to be deposited to the Debt Service Reserve Fund shall be reduced by the amount of the surety bond, insurance policy, or letter of credit. The surety bond, insurance policy, or letter of credit shall be payable (upon the giving of notice as required thereunder) on any Interest Payment Date on which moneys will be required to be withdrawn from the Debt Service Reserve Fund and applied to the payment of the principal of or interest on any Bonds of that Series but only to the extent that withdrawals cannot be made by amounts then credited to the Debt Service Reserve Fund.

If the County obtains a surety bond, insurance policy or letter of credit in substitution for moneys deposited to the applicable Debt Service Reserve Fund as may be permitted under the applicable Supplemental Ordinance, excess moneys in the respective Debt Service Reserve Funds shall be transferred to the applicable Construction Fund, or if one does not exist, be deposited as the County deems advisable.

Section 6.9. Depreciation Fund. There is hereby established a Depreciation Fund.

On or before the 15<sup>th</sup> day of the month following the month in which Bonds are delivered to the initial purchasers thereof, and on or before the 15<sup>th</sup> day of each and every month thereafter, the County shall deposit into the Depreciation Fund 1/12<sup>th</sup> of the amount determined in the Annual Budget prepared for the Combined System including the Hopkins System. Moneys in the Depreciation Fund shall be used to build up a reserve for the depreciation of the Hopkins System and used for the purpose of restoring depreciated or obsolete items of the Hopkins System. Moneys in these funds shall be used solely for such purposes, but shall be transferred to the applicable Bond and Interest Redemption Fund whenever necessary in order to prevent a default in the payment of principal or interest when due on any Bonds.

Moneys in the Depreciation Fund shall be held by a bank or other financial institution designated by the County or its designee, and withdrawals from the Depreciation Fund shall be made by or on order of the County.

Section 6.10. Contingent Fund. There is hereby established a Contingent Fund.

On or before the 15<sup>th</sup> day of the month following the month in which Bonds are delivered to the initial purchasers thereof, and on or before the 15<sup>th</sup> day of each and every month thereafter, the County shall deposit into the Contingent Fund 1/12<sup>th</sup> of the amount determined in the Annual Budget prepared for the

Combined System including the Hopkins System. Moneys in the Contingent Fund shall be used to build up a reasonable reserve for improvements, betterments, and extensions to the Hopkins System, other than those necessary to maintain the Hopkins System in good repair and working order. Moneys in these funds shall be used solely for such purposes, but shall be transferred to the applicable Bond and Interest Redemption Fund whenever necessary in order to prevent a default in the payment of principal or interest when due on any Bonds.

Moneys in the Contingent Fund shall be held by a bank or other financial institution designated by the County or its designee, and withdrawals from the Contingent Fund shall be made by or on order of the County.

Section 6.11. Application of Remaining Revenues. After making payment for the Expenses of Operating and Maintaining the Hopkins System; and after making payments on the Bonds; and after making the required deposits and payments, if any, to the applicable Debt Service Reserve Fund; and after providing for the payment of Junior Bonds; and after making the deposits to the Depreciation Fund and the Contingent Fund, the Revenues of the Hopkins System shall then be used to meet any other obligations of the County, which are or which shall become charges, liens or encumbrances upon the Revenues of the Hopkins System; and then disposed of by the County as it may determine from time to time to be for the best interest of the Hopkins System.

Section 6.12. Establishment of Construction Fund. There shall be established with the Custodian a Construction Fund with respect to each Series of Bonds (other than for Bonds issued pursuant to Section 3.4 hereof, if applicable) in the Supplemental Ordinance providing for their issuance, the moneys in which shall be used to defray the cost of the Project and to pay any Costs of Acquisition and Construction with respect to the facilities so financed. On the occasion of the delivery of any Series of Bonds, the proceeds therefrom shall be paid into the Construction Fund established for such Series as set forth in a Supplemental Ordinance authorizing their issue. Withdrawals from the Construction Fund shall not be made except as provided in the Supplemental Ordinance establishing such Construction Fund.

Section 6.13. Investment of Funds. Moneys held for the credit of the respective Bond and Interest Redemption Funds shall be invested, to the fullest extent practicable and reasonable, in Permitted Investments which shall mature prior to the respective dates when the moneys held for the credit of such Fund will be required for the purpose intended. Moneys in any other funds established by this Ordinance shall be invested, to the fullest extent practicable, in Permitted Investments, maturing at such times and in such amounts as shall be required to provide moneys to make the payments required to be made from such funds. Investment instructions shall be given from time to time in writing by an authorized officer of the County to the Custodian/Trustee.

The Custodian/Trustee and the Custodian or other depository shall value on an annual basis Permitted Investments in the various funds established by this Ordinance and forward such valuation to the County. Until changed pursuant to written instructions from the County, such evaluation shall be made on June 30 of each year. If as a result of such evaluation, there is a shortage in the amount or amounts to be deposited in such fund or funds, the County shall replenish such funds to the required levels within 120 days of such shortage.

The value of Permitted Investments (except investment agreements) shall be determined by the Custodian/Trustee or the Custodian or other depository at the market value thereof, exclusive of accrued interest, provided, however, Permitted Investments in any Debt Service Reserve Fund shall be valued at cost if the maturity thereof is one year or less and shall be valued at market value and marked to market annually if the maturity thereof is longer than one (1) year.

Except as otherwise provided herein, all interest earnings when realized shall be deposited or transferred to the Revenue Fund. Expenses of purchase, safekeeping, sale and redemption and all other expenses attributable to such investments shall be operating expenses of the System.

## ARTICLE VII

### COVENANTS

Section 7.1. Rates and Charges. The County covenants and agrees to operate the Combined System in an efficient and economical manner and establish, levy, maintain, revise and collect such fees, rates and other charges for the use of the services and facilities furnished by the Combined System as may be necessary or proper. The County covenants and agrees to operate the Hopkins System in an efficient and economical manner and establish, levy, maintain, revise and collect such fees, rates and other charges for the use of the services and facilities furnished by the Hopkins System as may be necessary or proper, which fees, rates, and other charges, together with other available moneys, shall at all times be at least sufficient after making due and reasonable allowances for contingencies and for a margin of error in estimates to provide an amount equal to (a) one hundred percent (100%) of the amounts required to be deposited into the Operation and Maintenance Fund for the then current Fiscal Year; (b) one hundred twenty percent (120%) of the amounts required to be deposited into each Bond and Interest Redemption Fund for the then current Fiscal Year; (c) one hundred percent (100%) of the amounts required to be deposited into each Debt Service Reserve Fund for the then current Fiscal Year; (d) one hundred percent (100%) of the amounts required to be deposited into the Depreciation Fund for the then current Fiscal Year; (e) one hundred percent (100%) of the amounts required to be deposited into the Contingent Fund for the then current Fiscal Year; and (f) one hundred percent (100%) of the amounts required to provide for payment of any Junior Bonds for the then current Fiscal Year; and (g) the amounts necessary to comply in all respects with the terms of this Ordinance or any other contract or agreement with the Holder of a Bond (such obligation hereafter referred to as the "Rate Covenant").

Section 7.2. Statutory Lien. There is hereby created and established in accordance with Section 6-21-330 of the South Carolina Code of Laws 1976, as amended, a statutory lien upon the System in favor of the Holders from time to time of the Bonds. The Hopkins System shall remain subject to such statutory lien until payment in full of the principal of and interest on the Bonds.

Section 7.3. To Pay Principal, Premium, and Interest on the Bonds. The County covenants and agrees to punctually pay, or cause to be paid, out of the Net Revenues pledged to such payment in Article VI hereof, the principal of, redemption premium, if any, and the interest on each and every Bond issued under the provisions of this Ordinance, at the place, on the dates and in the manner provided herein.

Section 7.4. Operation of Combined System including the Hopkins System. The County covenants and agrees it shall at all times operate the System properly and in an efficient and economical manner and will maintain, preserve and keep the same with the appurtenances and every part and parcel thereof in good repair, working order and condition, and shall from time to time make all necessary and proper repairs and replacements so that at all times the operation of the System may be properly and advantageously conducted.

Section 7.5. Records, Accounts and Audits. The County covenants and agrees to keep proper books of records and accounts, in which complete and correct entries shall be made of all transactions relating to the Combined System including the Hopkins System. A complete financial statement of the Combined System, including the Hopkins System, shall be prepared in accordance with generally accepted accounting principles by an Accountant within such time limit as may established in a Supplemental Ordinance authorizing a Series of Bonds. As long as the County is indebted to the United States of America, acting through Rural Development, the County covenants to comply with reporting requirements of Rural Development, as set forth in a Supplemental Ordinance authorizing the issuance of a Series of Bonds. The County will cause to be furnished to the Custodian/Trustee and any Holder of any of the Bonds who makes written request therefor a copy of such statement. Such records shall be kept in accordance with the standards from time to time prescribed by the Governmental Accounting Standards Association or its successor. The County will cause to be furnished to any Holder of any of the Bonds, who make written request therefor, copies of financial statements certified by an Accountant. The County shall deliver to the Custodian/Trustee, annually, within sixty (60) days after the close of each Fiscal Year, a certificate demonstrating compliance with the Rate Covenant.

Section 7.6. Sale, Lease or Other Encumbrances. Other than the Bonds, Junior Bonds, Special Facilities Bonds, or obligations authorized or permitted hereby, the County covenants and agrees not to issue any bonds, notes, certificates or other obligations or evidences of indebtedness secured by a pledge of the Net Revenues. The County further covenants and agrees that it will not create or cause to be created any lien or charge on the Revenues other than the liens and charges created or permitted to be created hereby, and no part of the Hopkins System will be sold, mortgaged, leased or otherwise disposed of or encumbered; provided, however, the County may from time to time permanently abandon the use of, sell, trade or lease any property forming a part of the System, which the County determines is no longer necessary or useful or profitable in the operation of the System, or necessary to produce or maintain the Revenues thereof, or which is to be or has been replaced by other property so as not to impair the operation of the System. Any moneys received upon a sale hereunder shall be considered Revenues.

Section 7.7. Insurance. The County covenants and agrees to make provision to maintain adequate insurance on the works, plants, facilities and properties comprising the Combined System, including the Hopkins System, against the risks, accidents or casualties, of the kinds and in at least the amounts which are usually and customarily carried on similar plants, properties and systems which are owned and operated by a public or municipal corporation, including without limiting the generality of the foregoing, fire, extended coverage, general liability and workmen's compensation, and also all additional insurance covering such risks as may be deemed necessary or desirable by the County or recommended by a competent independent engineer or other advisor employed for the purpose of making such recommendations. The Custodian/Trustee shall not be responsible for maintaining such insurance policies or copies thereof.

Section 7.8. No Free Service. The County covenants and agrees that no free service will be furnished by the Hopkins System to the County or to any agency, instrumentality or person. The reasonable costs and value of any services of the System rendered to the County through the operation of the System shall be charged against the County and shall be paid as the service accrues from the current funds and such funds, when so paid, shall be accounted for in the same manner as other Revenues of the System.

Section 7.9. Annual Budget. Prior to the beginning of each Fiscal Year, the County covenants and agrees to prepare an annual budget for the ensuing Fiscal Year which shall set forth in reasonable detail the estimated Revenues and Operation and Maintenance Expenses, debt service requirements, payments to the Depreciation Fund and Contingent Fund and other expenditures of the Combined System including the Hopkins System for such Fiscal Year. Following the end of each fiscal quarter and at such other times as the County shall determine, the County shall review its estimates set forth



in the annual budget for such Fiscal Year, and in the event such estimates do not substantially correspond with actual Revenues, operation and maintenance expenses or other requirements, or if there are at any time during any such Fiscal Year extraordinary receipts or payments of unusual costs, the County may prepare an amended annual budget for the remainder of such Fiscal Year. The County also may at any time adopt an amended annual budget for the remainder of the then current Fiscal Year.

## ARTICLE VIII

### CUSTODIAN/TRUSTEE; CUSTODIANS

Section 8.1. Custodian/Trustee. Prior to the delivery of the initial Series of Bonds, the County shall designate a Custodian/Trustee in the Supplemental Ordinance and the Custodian/Trustee shall signify its acceptance of the powers, duties and obligations conferred and imposed upon it by this Ordinance by executing and delivering to the County a written instrument of acceptance.

The Custodian/Trustee shall (a) prior to the occurrence of an Event of Default as set forth in Article X hereof which the Custodian/Trustee has or is deemed to have notice hereunder and after the curing of all Events of Default which may have occurred, perform such duties and obligations, and only such duties and obligations, as are specifically set forth in this Ordinance, and no implied covenants or obligations shall be read into this Ordinance against the Custodian/Trustee, and (b) during the existence of any Event of Default which the Custodian/Trustee has or is deemed to have notice hereunder (which has not been cured or waived) exercise the rights and powers vested in it by this Ordinance and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

No provisions of this Ordinance shall be construed to relieve the Custodian/Trustee from liability for its own negligence, intentionally wrongful action or failure to act.

At all times, (1) the Custodian/Trustee shall not be liable for any error of judgment made in good faith by an officer or employee of the Custodian/Trustee unless it shall be provided that the Custodian/Trustee was negligent in ascertaining the pertinent facts; (2) the Custodian/Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than a majority (or such lesser percentage as is specifically required or permitted by this Ordinance) in the aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting a proceeding for any remedy available to the Custodian/Trustee, or exercising any trust or power conferred upon the Custodian/Trustee under this Ordinance; (3) in the administration of the trusts of this Ordinance, the Custodian/Trustee may execute any of the trusts or powers hereof directly or through its agents or attorneys. The Custodian/Trustee may consult with counsel and the opinion or advice of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel.

The Custodian/Trustee may conclusively rely upon the authenticity of, and the truth of the statements and the correctness of the opinions expressed in, and shall be protected in acting upon any note, resolution, request, consent order, certificate, report, opinion, note, or other paper or document furnished to it pursuant to any provision of this Ordinance, believed by it to be genuine and to have been signed and presented by the proper party. The Custodian/Trustee is not required to make any inquiry or investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, approval, bond, debenture or other paper or document but the Custodian/Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters

as it may see fit and, if the Custodian/Trustee determines to make such further inquiry or investigation, it is entitled to examine the books, records and premises of the County, in person or by agent or attorney.

The Custodian/Trustee shall not be required to take notice or be deemed to have notice or actual knowledge of any event of default specified in Article X hereof other than a payment default described in subparagraphs A or B of Section 10.1 unless the Custodian/Trustee shall receive from the County or the Holder of any Bond written notice stating that an Event of Default hereunder has occurred and specifying the same, and, in the absence of such notice, the Custodian/Trustee may conclusively assume that there is no such Event of Default.

The Custodian/Trustee shall be entitled to payment of and reimbursement by the County for reasonable fees and expenses for its services rendered hereunder and all advances and counsel fees and expenses reasonably and necessarily made or incurred by the Custodian/Trustee in connection with such services.

The Custodian/Trustee shall not, in any event, be required to take, defend, or appear in any legal action or proceeding hereunder or to exercise any of the trusts or powers hereof unless it shall first be adequately indemnified to its satisfaction as to terms, coverage, duration, amount and otherwise against the costs, expenses, and liabilities which may be incurred thereby. Every provision of this Ordinance relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions hereof.

The Custodian/Trustee may execute any of its trusts or powers or perform any duties under this Ordinance either directly or by or through agents or attorneys, and may in all cases pay, subject to reimbursement from the County, such reasonable compensation as it deems proper to all such agents and attorneys reasonably employed or retained by it, and the Custodian/Trustee shall not be responsible for any misconduct or negligence of any agent or attorney appointed with due care by it.

The Custodian/Trustee is not required to give any bond or surety with respect to the performance of its duties or the Custodian/Trustee shall not be responsible for any misconduct or negligence of any agent or attorney appointed with due care by it.

The Custodian/Trustee is not required to give any bond or surety with respect to the performance of its duties or the exercise of its powers under this Ordinance.

The Custodian/Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Ordinance shall extend to the Custodian/Trustee's officers, directors, agents, attorneys, and employees. Such immunities and protections and right to indemnification, together with the Custodian/Trustee's right to compensation, shall survive the Custodian/Trustee's resignation or removal, the discharge of this Ordinance, and the final payment of all Bonds issued hereunder.

The permissive right of the Custodian/Trustee to take the actions permitted by this Ordinance shall not be construed as an obligation or duty to do so.

Whether or not expressly so provided, every provision of this Ordinance relating to the conduct or affecting the liability of or affording protection to the Custodian/Trustee is subject to the provisions of this Section.

Section 8.2. Resignation of Custodian/Trustee. The Custodian/Trustee may resign at any time and be discharged of its duties and obligations hereunder by giving 30 days' written notice to the County and to the Holders of the Bonds by first class mail, postage prepaid, of such resignation. No resignation will become effective until a successor Custodian/Trustee has been appointed and accepts such appointment as provided below. Upon receiving notice of resignation, the County shall promptly appoint such successor Custodian/Trustee by an instrument in writing executed by order of its Council. In the event a successor Custodian/Trustee has not been appointed within 60 days of the date notice of resignation is given, the Custodian/Trustee at the County's expense, may apply to any court of competent jurisdiction for the appointment of a successor Custodian/Trustee to act until such time as a successor is appointed as provided in this Section.

Unless otherwise ordered by a court or regulatory body having competent jurisdiction, or unless required by law, any successor Custodian/Trustee shall, if there is such an institution willing, qualified and able to accept the trust upon reasonable or customary terms, be a bank, bank holding company or trust company or wholly-owned subsidiary of a bank holding company or trust company in good standing, qualified to act hereunder, and having a capital and earned surplus of not less than \$25,000,000.

Any successor Custodian/Trustee appointed as provided in this section, shall execute, acknowledge and deliver to the County and its predecessor Custodian/Trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor Custodian/Trustee shall become effective, the predecessor Custodian/Trustee shall immediately be discharged and released from all duties and obligations hereunder and such successor Custodian/Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts, duties and obligations of its predecessor of the trust hereunder. Upon the request of any such successor Custodian/Trustee, the County shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor Custodian/Trustee all such rights, powers and duties. Upon acceptance of appointment by a successor Custodian/Trustee, the County shall notify the registered owner of each Bond then Outstanding by first-class mail, postage prepaid.

The predecessor Custodian/Trustee shall execute any and all documents necessary or appropriate to convey all interest it may have to the successor Custodian/Trustee. The predecessor Custodian/Trustee shall promptly transfer all funds to the successor Custodian/Trustee and deliver all records relating to the trust or copies thereof and communicate all material information it may have obtained concerning the trust to the successor Custodian/Trustee.

Any corporation or association into which the Custodian/Trustee may be merged or with which it may be consolidated, or any corporation or association resulting from any merger, or any corporation or association succeeding to the business of the Custodian/Trustee, shall be the successor of the Custodian/Trustee hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto.

Each, every and all funds and accounts held by the Trustee shall be impressed with a trust for the benefit of the Holders of the Bonds, under the provisions of this Ordinance and of the Act.

Section 8.3. Removal of Custodian/Trustee. Upon 30 days' written notice, the County, with the consent and approval of the Holders of not less than 50% of the Bonds then Outstanding, provided that an Event of Default shall not have occurred and be continuing, may remove the Custodian/Trustee. The removal of the Custodian/Trustee under this Section 8.3 shall not be effective until a successor Custodian/Trustee has been appointed and has accepted the duties of Custodian/Trustee.

The Holders of a majority in aggregate principal amount of the Bonds at the time outstanding may, upon 30 days' written notice to the Custodian/Trustee and the County, remove the Custodian/Trustee and appoint a successor Custodian/Trustee by instrument or instruments in writing signed by such Holders of the Bonds.

Section 8.4. Custodians. The Construction Fund shall be held by a bank, a trust company, a national banking association or a national association as Custodian under this Ordinance or a Supplemental Ordinance.

Section 8.5. Duties and Obligations of Custodian/Trustee and Custodians. The recitals of fact made in this Ordinance and in the Bonds shall be taken as statements of the County, and neither the Custodian/Trustee nor Custodian shall be deemed to have made any representations whatsoever as to the correctness of the same or as to the validity or sufficiency of this Ordinance or of the Bonds issued hereunder. Nor shall the Custodian/Trustee or any Custodian be under any responsibility or duty with respect to the issuance of the Bonds or the application of the proceeds thereof, except to the extent provided for herein, or in a Supplemental Ordinance. Nor shall the Custodian/Trustee or any Custodian be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in response to this Ordinance, or to the Bonds issued hereunder, or to advance any of its own moneys, unless properly indemnified to its satisfaction. Nor shall the Custodian/Trustee or any Custodian be liable in connection with the performance of its duties hereunder, except for its own negligence or misconduct.

Section 8.6. Custodian/Trustee and Custodians Protected in Relying upon Resolutions, etc. The Custodian/Trustee and all Custodians shall at all times be protected in acting upon any notice, resolution, request, consent, order, certificate, statement, opinion, bond, or other paper or document believed to be genuine and to have been signed by the proper party or parties.

## ARTICLE IX

### AMENDMENTS OR SUPPLEMENTS TO ORDINANCE

Section 9.1. Amendments or Supplements to Ordinance. The County shall not amend this Ordinance except in accordance with the provisions of this Article.

A. The County may, from time to time and without the consent of any Holder of the Bonds enact an ordinance amendatory hereof or supplemental thereto (a) for the purpose of providing for the issuance of Bonds pursuant to the provisions of Article III hereof, or (b) (i) making any amendments or modifications hereto which may be required to permit this Ordinance to be qualified under the Trust Indenture Act of 1939, as amended; (ii) making any modification or amendment to this Ordinance not inconsistent herewith required for the correction of language or to cure any ambiguity or defective provisions, omission, mistake or manifest error herein contained; (iii) making any amendments or supplements hereto to grant to or confer upon the Holders additional rights, remedies, power and authority, or to grant to or confer upon any Holders, committee or trustee for the Holders any additional rights, power or authority; or (iv) to add to the security of the Holders of the Bonds.

B. From time to time the Holders of 66-2/3% in principal amount of the Bonds then Outstanding, by an instrument or instruments in writing signed by such Holders and filed with the County and the Custodian/Trustee, shall have power to assent to and authorize any modification or amendment to the provisions of this Ordinance that may be proposed by the County or of the rights and obligations of the County and of the Holders of Bonds issued hereunder; and any action herein authorized to be taken with the assent and authority given as aforesaid of the Holders of 66-2/3% in principal amount of the Bonds at the

time Outstanding shall be effective and binding upon all of the Holders of Bonds issued hereunder; and any action herein authorized to be taken with the assent and authority given as aforesaid of the Holders of 66-2/3% in principal amount of the Bonds at the time Outstanding shall be effective and binding upon all of the Holders of Bonds Outstanding and upon the County as fully as though such action were specifically and expressly authorized by the terms of this Ordinance; provided always, that without the consent of the Holder of each Bond affected thereby, no such modification shall be made which will (a) extend the time of payment of principal of or the interest on any Bond, or reduce the principal amount thereof or the rate of interest thereon or the premium payable upon the redemption thereof, or (b) give to any Bond or Bonds any preference over any other Bond or Bonds, or (c) authorize the creation of any pledge prior to or, except as provided herein for the issuance of Series of Bonds, on a parity with the pledge afforded by this Ordinance, or (d) reduce the percentage in principal amount of the Bonds required to assent to or authorize any such modification to this Ordinance. For the purpose of computations required by this paragraph, Bonds directly or indirectly owned or controlled by the County shall be disregarded.

Any modification or amendment or supplement to the provisions of this Ordinance or of any Supplemental Ordinance supplemental hereto shall be set forth in an ordinance to be enacted by the County.

## ARTICLE X

### EVENTS OF DEFAULT

Section 10.1. Events of Default. With respect to the Bonds, the following shall constitute “Events of Default”:

A. If payment of the principal of any Bond, whether at maturity or by proceedings for redemption, by declaration as provided in Article XI hereof, or otherwise, is not made by the County after the same has become due and payable; or

B. If payment of any installment of interest on any Bond is not made by the County as the same becomes due and payable; or

C. If the County shall fail in the due and punctual performance of any of the covenants, conditions, agreements and provisions contained in the Bonds or in this Ordinance or in any Supplemental Ordinance on the part of the County to be performed, and such failure continues for 30 days after written notice specifying such failure and requiring the same to be remedied has been given to the County by the Custodian/Trustee, or the Holders of not less than 20% in principal amount of the Bonds then Outstanding or any trustee or committee therefor; or

D. If any proceedings are instituted, with the consent or acquiescence of the County, for the purpose of effecting a composition between the County and its creditors and if the claim of such creditors is in any circumstance payable from any of the Revenues or any other moneys pledged and charged in this Ordinance or any Supplemental Ordinance for the payment of the Bonds, or any such proceedings are instituted for the purpose of adjusting the claims of such creditors, pursuant to any Federal or State statute now or hereafter enacted; or

E. If an order or decree is entered (a) with the consent or acquiescence of the County, appointing a receiver or receivers of the Hopkins System or any of the facilities thereof; or (b) without the consent or acquiescence of the County, appointing a receiver or receivers of the Hopkins System or any of the

facilities thereof and if, in either case, such order or decree having been entered is not vacated or discharged or stayed on appeal within 60 days after the entry thereof; or

F. If, under the provisions of any law for the relief or aid of debtors, any court of competent jurisdiction assumes custody or control of the Hopkins System or any of the facilities thereof, and such custody or control is not terminated within 90 days from the date of assumption of such custody or control; or

G. If the County is for any reason rendered incapable of fulfilling its obligations hereunder in any material respect.

Subject to the provisions, limitations and conditions of Sections 11.1 and 11.2 of Article XI hereof, insofar as the remedies provided in said provisions are concerned, nothing in Section 11.3 of Article XI hereof or in this Article, and particularly nothing in paragraph C of this Section 10.1, shall prohibit or limit, or be construed as prohibiting or limiting any Holder of a Bond from enforcing the duties of the County, or any of the officers thereof, under any provisions of this Ordinance (including, without limiting the generality of the foregoing, the duties imposed by or referred to in Section 11.3 hereof) by mandamus or other appropriate suit, action or proceeding in any court of competent jurisdiction, even though the failure of the County or any of the officers thereof to perform any such duty may not then constitute an “Event of Default” as defined in this Article.

## ARTICLE XI

### REMEDIES UPON EVENT OF DEFAULT

Section 11.1 Declaration of Principal and Interest as Due. Upon the occurrence of an Event of Default, and at any time thereafter while such Event of Default continues, then and in each and every case the Custodian/Trustee in its own name and as trustee of an express trust, on behalf and for the benefit and protection of the Holders of all Outstanding Bonds, may proceed, and upon the written request of the Holders of not less than 25% in principal amount of the Bonds then Outstanding, shall proceed to declare the principal of all Bonds then Outstanding, together with all accrued and unpaid interest thereon, if not already due, to be due and payable immediately, and upon any such declaration the same shall become and be due and payable immediately, anything contained in this Ordinance or any Supplemental Ordinance hereto or in any of the Bonds to the contrary notwithstanding. This provision is also subject, however, to the condition that, if at any time after the principal of the Bonds, together with the accrued and unpaid interest thereon and other moneys secured hereby, have been so declared due and payable and before any further action has been taken (other than the making of the above declaration), the principal amount of all Bonds which have matured either according to the maturity date or dates otherwise specified therein (except as a result of such declaration) and all arrears of interest upon all Bonds, except interest accrued but not yet due on said Bonds, have been paid or caused to be paid, and all other Events of Default, if any, which have occurred have been remedied, cured or secured, then and in each and every such case the Holders of 25% in principal amount of the Bonds then Outstanding, by notice in writing delivered to the Custodian/Trustee and the County, may waive such Default and its consequences and rescind and annul such declaration. No such waiver or rescission or annulment shall extend to or affect any subsequent default or impair or exhaust any right or power related to such subsequent Default.

Section 11.2. Appointment of a Receiver. Upon the occurrence of an Event of Default described in paragraphs A and B of Section 10.1 hereof, and at any time thereafter while such default continues, the Custodian/Trustee or the Holders of not less than 25% in principal amount of the Bonds then Outstanding or any custodian/trustee therefor, may apply to a court of competent jurisdiction for the

appointment of a receiver. Any receiver so appointed shall (a) enter into and upon and take possession of the Hopkins System, to the exclusion of the County if such court so directs; (b) have, hold, use, operate, manage and control the Hopkins System as such receiver may deem best; and (c) exercise all rights and powers of the County with respect to the Hopkins System as the County itself may do. In addition, the receiver shall (a) maintain, restore and insure the Hopkins System and from time to time make all necessary and proper repairs to the Hopkins System as such receiver may deem expedient; (b) establish, levy, maintain and collect such fees, rentals and other charges in connection with the Hopkins System as such receiver may deem necessary or proper and reasonable; and (c) collect and receive all revenues, deposit such revenues in a separate account and apply such revenues so collected and received in such manner as the court shall direct.

Notwithstanding anything contained in this Ordinance or the Act, such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of whatever kind or character of the County and useful to the Hopkins System, other than in the ordinary course of Hopkins System business.

Section 11.3. Suits at Law or in Equity and Mandamus. In case any one or more of the Events of Default shall happen and be continuing, then and in every such case, but subject to the provisions, limitations and conditions of Sections 11.1 and 11.2 of this Article so far as the remedies provided in said provisions are concerned, the Holder of any Bond at the time Outstanding, or Custodian/Trustee therefor, may, for the equal benefit and protection of all Holders of the Bonds similarly situated,

- (a) by mandamus or other suit, action or proceedings at law or in the equity, enforce such Bondholder's right against the County and require and compel the County to perform and carry out its duties and obligations under the Act and this Ordinance, and to perform and carry out its covenants and agreements with the Bondholders;
- (b) by action or suit in equity require the County to account as if such County were the trustee of an express trust;
- (c) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders; or
- (d) bring suit upon the Bonds.

Section 11.4. Remedies Not Exclusive; Effect of Waiver of Default; Effect of Abandonment of Proceedings or Adverse Determination. The Holders from time to time of the Bonds shall be entitled to all the remedies and benefits of this Ordinance as are and as shall be provided by law, and, subject to the provisions of Sections 11.1 and 11.2 of this Article, nothing herein shall be construed to limit the rights or remedies of any such Holders under any applicable statute that may now exist or be enacted thereafter. No remedy conferred by the Act and this Article upon any Holder of any Bond is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred by the Act and this Article or by any other law now or hereafter existing. Every substantive right and remedy conferred upon the Holders of the Bonds may be enforced and exercised from time to time and as often as may be deemed expedient.

No waiver of any default or breach of duty or contract by any Holder of any Bond shall extend to or affect any subsequent default or breach of duty or contract, or shall impair any rights or remedies thereon. No delay or omission of any Holder of a Bond to exercise any right or power accruing upon any

default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein.

In case any suit, action or proceeding to enforce any right or exercise any remedy shall be brought or taken and then discontinued or abandoned, or shall be determined adversely to Holders of the Bonds then and in every such case, the County and such Holders shall be restored to their former positions and rights and remedies as if no suit, action or proceeding had been brought or taken.

Section 11.5. Restrictions on Bondholder's Action.

A. No Holder of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provision of this Ordinance or the execution of any trust under this Ordinance or for any remedy under this Ordinance unless such Holder shall have previously given to the Custodian/Trustee written notice of the happening of an Event of Default and the Holders of at least twenty-five percent (25%) in principal amount of the Bonds then Outstanding shall have filed a written request with the Custodian/Trustee and shall have offered the Custodian/Trustee reasonable opportunity, either to exercise the powers granted in this Ordinance or by the laws of the State or to institute such action, suit or proceeding in its own name, and unless such Holders shall have offered to the Custodian/Trustee adequate security and indemnity against the costs, fees (including reasonable attorneys' fees), expenses and liabilities to be incurred therein or thereby, and the Custodian/Trustee shall have refused to comply with such request for a period of 60 days after receipt by it of such notice, request an offer of indemnity, it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the pledge created by this Ordinance, or to enforce any right under this Ordinance, except in the manner therein provided; and that all proceedings at law or in equity to enforce any provision of this Ordinance shall be instituted, had and maintained in the manner provided in this Ordinance and for the equal benefit of all Holders of the Outstanding Bonds.

B. Nothing in this Ordinance or in the Bonds contained shall affect or impair the obligation of the County, which is absolute and unconditional, to pay at the respective dates of maturity and places therein expressed the principal of (and redemption premium, if any) and interest on the Bonds to the respective Holders thereof, or affect or impair the right of action, which is also absolute and unconditional, of any Holder to enforce such payment of his Bond.

Section 11.6. Application of Revenues and Other Moneys After Default. During the continuance of an Event of Default, all moneys received by the Custodian/Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the costs and expenses of the proceedings taken in efforts to collect such moneys and of the fees, expenses and advances incurred or made by the Custodian/Trustee with respect thereto, including reasonable attorneys fees, be deposited in the respective Bond and Interest Redemption Funds, and all amounts held by the Custodian/Trustee hereunder shall be applied as follows (provided if more than one Bond and Interest Redemption Fund has been established, such amounts shall be paid ratably):

A. Unless the principal of all Outstanding Bonds shall have become or have been declared due and payable:

First: To the payment to the persons entitled thereto of all installments of interest then due on the Bonds in the order of maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon to the person entitled thereto, without any discrimination or preference; and



Second: To the payment to the persons entitled thereto of the unpaid principal amounts or redemption premium, if any, of any Bonds which shall have become due (other than Bonds previously called for redemption in accordance with the provisions hereof), whether at maturity or by call for redemption, in the order of their due dates, and if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the principal amounts or redemption premium, if any, due on such date, to the persons entitled thereto, without any discrimination or preference.

B. If the principal amounts of all Outstanding Bonds shall have become or have been declared due and payable, to the payment of the principal amounts and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal amounts and interest, to the persons entitled thereto without any discrimination or preference.

C. If the principal amounts of all Outstanding Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article, then, subject to the provisions of paragraph (b) of this Section in the event that the principal amounts of all Outstanding Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of paragraph (A) of this Section.

Whenever moneys are to be applied by the Custodian/Trustee pursuant to the provisions of this Section, such moneys shall be applied by it at such times, and from time to time, as the Custodian/Trustee shall determine, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Custodian/Trustee shall apply such moneys, it shall fix the date (which shall be a Bond payment date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the principal amounts to be paid on such dates shall cease to accrue. The Custodian/Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Holder of any Bond until such Bond shall be presented to the Custodian for appropriate endorsement of any partial payment or for cancellation if fully paid.

Whenever all Bonds and interest thereon have been paid under the provisions of this Section and all expenses and charges of the Custodian/Trustee have been paid, any balance remaining shall be paid to the person entitled to receive the same; if no other person shall be entitled thereto, then the balance shall be paid to the County or as a court of competent jurisdiction may direct.

## ARTICLE XII

### MISCELLANEOUS

Section 12.1. Benefits of Ordinance Limited to the County, the Custodian/Trustee and Holders of the Bonds. With the exception of rights or benefits herein expressly conferred, nothing expressed or mentioned in or to be implied from this Ordinance or the Bonds is intended or should be construed to confer upon or give to any person other than the County, the Custodian/Trustee and the Holders of the Bonds, any legal or equitable right, remedy or claim under or by reason of or in respect to this Ordinance or any covenant, condition, stipulation, promise, agreement or provision herein contained. This Ordinance and all of the covenants, conditions, stipulations, promises, agreements and provisions hereof are intended to be and

shall be for and inure to the sole and exclusive benefit of the County, the Custodian/Trustee and the Holders from time to time of the Bonds as herein and therein provided.

Section 12.2. Ordinance Binding Upon Successors or Assigns of the County. All the terms, provisions, conditions, covenants, warranties and agreements contained in this Ordinance shall be binding upon the successors and assigns of the County and shall inure to the benefit of the Custodian/Trustee, its successors or substitutes in trust and assigns, and the Holders of the Bonds.

Section 12.3. No Personal Liability. No recourse shall be had for the enforcement of any obligation, covenant, promise or agreement of the County contained in this Ordinance or the Bonds, against any member of the County, any officer or employee, as such, in his or her individual capacity, past, present or future, of the County, either directly or through the County, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, it being expressly agreed and understood that this Ordinance and the Bonds are solely corporate obligations, and that no personal liability whatsoever shall attach to, or be incurred by, any member, officer or employee as such past, present or future, of the County, either directly or by reason of any of the obligations, covenants, promises, or agreements entered into between the County and the Custodian/Trustee or the Bondholder or to be implied therefrom as being supplemental hereto or thereto, and that all personal liability of that character against every such member, officer and employee is, by the adoption of this Ordinance and the execution of the Bonds, and as a condition of, and as a part of the consideration for, the adoption of this Ordinance and the execution of the Bonds, expressly waived and released. The immunity of members, officers and employees of the County under the provisions contained in this Section 12.4 shall survive the termination of this Ordinance.

Section 12.4. Effect of Saturdays, Sundays and Legal Holidays. Whenever this Ordinance requires any action to be taken on a Saturday, Sunday, legal holiday or bank holiday in the State of South Carolina, such action shall be taken on the first Business Day occurring thereafter. Whenever in this Ordinance the time within which any action is required to be taken or within which any right will lapse or expire shall terminate on a Saturday, Sunday, legal holiday or bank holiday, in the State of South Carolina, such time shall continue to run until midnight on the succeeding Business Day.

Section 12.5. Partial Invalidity. If any one or more of the covenants or agreements or portions thereof provided in this Ordinance on the part of the County or the Custodian or any Paying Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, then such covenant or covenants, or such agreement or agreements, or such portions thereof, shall be deemed severable from the remaining covenants and agreements and portions thereof provided in this Ordinance and the invalidity thereof shall in no way affect the validity of the other provisions of this Ordinance or of the Bonds, but the Holders of the Bonds shall retain all the rights and benefits accorded to them hereunder and under any applicable provisions of law.

If any provisions of this Ordinance shall be held or deemed to be or shall, in fact, be inoperative or unenforceable or invalid as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because of conflicts with any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable or invalid in any other case or circumstance, or of rendering any other provision or provisions herein contained inoperative or unenforceable or invalid to any extent whatever.

Section 12.6. Law and Place of Enforcement of Ordinance. This Ordinance shall be construed and interpreted in accordance with the laws of the State of South Carolina and all suits and actions arising out of this Ordinance shall be instituted in a court of competent jurisdiction in said State.

Section 12.7. Effect of Article and Section Headings and Table of Contents. The headings or titles of the several Articles and Sections hereof, and any table of contents appended hereto or to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of this Ordinance.

Section 12.8. Repeal of Inconsistent Ordinances and Resolutions. All ordinances and resolutions of the County, and any part of any ordinance or resolution, inconsistent with this Ordinance are hereby repealed to the extent of such inconsistency.

Section 12.9. Effectiveness of Ordinance. This Ordinance shall become effective upon its enactment; provided, however, that it shall not be necessary for the County to establish the funds and accounts created in Article VI hereof prior to the issuance of any Bonds.

Section 12.10. Notices. All notices, certificates, or other communications hereunder or under this Ordinance shall be sufficiently given and shall be deemed given when mailed by registered mail, postage prepaid, or given when dispatched by telegram addressed as follows:

If to the County:

Richland County  
Post Office Box 192  
Columbia, South Carolina 29202-0192  
Attn: County Administrator

The County and the Custodian/Trustee, may, by notice given to the other parties, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 12.11. Codification. This Ordinance shall be forthwith codified in the Code of County Ordinances in the manner required by law and the name shall be indexed under the general heading "Ordinance Hopkins Waterworks System Revenue Bonds."

Enacted this \_\_\_\_ day of \_\_\_\_\_, 2010.

RICHLAND COUNTY, SOUTH CAROLINA

By: \_\_\_\_\_  
Paul Livingston, Chairman  
Richland County Council

(SEAL)

ATTEST THIS \_\_\_\_ DAY OF

\_\_\_\_\_, 2010:

\_\_\_\_\_  
Michielle R. Cannon-Finch  
Clerk of County Council

RICHLAND COUNTY ATTORNEY'S OFFICE

\_\_\_\_\_  
Approved As To LEGAL Form Only  
No Opinion Rendered As To Content

Date of First Reading:  
Date of Second Reading:  
Date of Third Reading:

STATE OF SOUTH CAROLINA  
COUNTY COUNCIL FOR RICHLAND COUNTY  
FIRST SUPPLEMENTAL ORDINANCE NO. \_\_\_\_\_

AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF A HOPKINS WATERWORKS SYSTEM IMPROVEMENT REVENUE BOND ANTICIPATION NOTE, SERIES 2010, OR SUCH OTHER APPROPRIATE SERIES DESIGNATION OF RICHLAND COUNTY, SOUTH CAROLINA, IN AN AMOUNT NOT TO EXCEED \$2,033,000; AUTHORIZING THE COUNTY ADMINISTRATOR TO DETERMINE CERTAIN MATTERS RELATING TO THE NOTE; PROVIDING FOR FORM AND DETAILS OF THE NOTE; PROVIDING FOR THE PAYMENT OF THE NOTE; PROVIDING FOR THE DISPOSITION OF THE PROCEEDS THEREOF; AND OTHER MATTERS RELATING THERETO.

Pursuant to the authority by the Constitution of the State of South Carolina and the General Assembly of the State of South Carolina, BE IT ENACTED BY RICHLAND COUNTY COUNCIL:

Section 1. Findings and Determinations. The County Council (the “Council”) of Richland County, South Carolina (the “County “), hereby finds and determines:

(a) Pursuant to Section 4-9-10, Code of Laws of South Carolina, 1976, as amended (the “Code”), the Council/Administrator form of government was selected and the Council constitutes the governing body of the County.

(b) In the exercise of the powers vested in the County by the Constitution and statutes of the State of South Carolina, and in conformity with the provisions thereof, the County, pursuant to the favorable results of a referendum heretofore duly held on November 7, 1978, is authorized and empowered to acquire, construct and operate a waterworks system or systems in any of the unincorporated areas of the County.

(c) The Hopkins System was created pursuant to General Bond Ordinance No. \_\_\_\_\_ enacted by the County Council on \_\_\_\_\_ and is administered as a division of the Combined Waterworks System (as defined in the General Bond Ordinance).

(d) Article X, Section 14 of the Constitution of the State of South Carolina, 1895, as amended, provides that a county may incur indebtedness payable solely from a revenue-producing project which source does not involve revenues from any tax or license.

(e) Title 11, Chapter 17, Code of Laws of South Carolina 1976, as amended (“Title 11”), provides that any borrower (the definition of which includes the County) whenever authorized by general or special law to issue bonds, may, pending the sale and issuance thereof, borrow in anticipation of the receipt of the proceeds of such bonds.

(f) The County has made general provision for the issuance from time to time of waterworks system revenue bonds (the “Bonds”) of the County through the enactment of Ordinance No. \_\_\_\_\_ entitled “An Ordinance Providing For The Issuance Of Hopkins Waterworks System Revenue Bonds Of Richland County, South Carolina” (the “General Bond Ordinance”).

(g) The County propose to install approximately 11,000 linear fee of 12” water lines, 50,000 linear feet of 10” water lines, 35,500 linear fee of 8” water lines, construct a 300,000 gallon elevated water storage tank and rehabilitate existing wells to service the project area (hereinafter referred to as the “Project”).

(j) The total cost of the Project is estimated to be \$4,814,000 to be financed with a loan from the Federal Government in the amount of \$2,033,000, grants from the Federal Government in the amount of \$1,793,000, a grant from the South Carolina Department of Health and Environmental Control administrated Environmental Protection Agency grant and contributions from the County of \$488,000.

(k) The Government will, upon compliance by the County with the terms and conditions set forth in a letter dated March 26, 2007, to the Chairman of the County Council of the County, purchase a waterworks system improvement revenue bond of the County in the maximum amount of \$2,033,000.

(l) It is in the best interest of the County to authorize the issuance and sale of a revenue bond pursuant to the Revenue Bond Act for Utilities, the General Bond Ordinance and a Supplemental Ordinance in the principal amount of not exceeding \$2,033,000 for the purpose of defraying a portion of the costs and expenses of the Project.

(m) Pending the issuance and sale of such revenue bond, it is in the best interest of the County to provide for the issuance of a waterworks system improvement revenue bond anticipation note in a principal amount not exceeding \$2,033,000 (the "BAN") in anticipation of the issuance of the aforesaid revenue bond and the receipt of the proceeds thereof.

Section 2. Delegation of Authority. The Council hereby delegates to the County Administrator the authority to offer the BAN by private sale at such time as deemed to be in the best interest of the County and to cause to be prepared and distributed an appropriate Notice of Sale. The County Administrator is hereby authorized and empowered to determine the principal amount of the BAN and to award the sale of the BAN to the bidder whose bid is in the best interest of the County in accordance with the terms of the Notice of Sale for the BAN, provided the net interest cost of the BAN does not exceed 6% per annum.

Section 3. Authorization of Bonds. Pursuant to the provisions of the Revenue Bond Act, there is hereby authorized to be issued, and the Council irrevocably obligates and binds itself to effect the issuance of, a waterworks system improvement revenue bond (the "Bond") of the County in the principal amount of not exceeding \$2,033,000, the proceeds of which will be used to pay the principal of the BAN. Prior to the issuance and sale of the Bond, the Council shall enact an ordinance setting forth the form and details of the Bond, provided such details shall be within the limitations contained in the Revenue Bond Act.

Section 4. Authorization of Bond Anticipation Note. Pending the issuance and delivery of the Bond authorized by Section 3 hereof, and pursuant to the provisions of Title 11, Chapter 17 of the Code, and for the purpose of paying a portion of the cost of the improvements described in Section 1(g) and other costs incidental to the Project including, but without limiting the generality of such costs, engineering, financial and legal fees, there is hereby authorized to be issued the BAN in a principal amount of not exceeding \$2,033,000 in anticipation of the receipt of the proceeds of the Bond.

The BAN shall be in fully-registered form, registered as to principal and interest in the name of the Bank; shall be dated as of the date of its issuance; shall mature not later than twelve (12) months from the date of its issuance; shall be of the denomination of not exceeding \$2,033,000, or such lesser amount as may be paid from time to time for the BAN; and shall bear interest on the respective principal amounts of the BAN advanced to the County from time to time at the rate reflected thereon.

The County shall have the right to prepay the principal of or interest on the BAN, or both, in whole without penalty.

Both the principal of and interest on the BAN shall be payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for public and private debts at such place as may be agreed upon with the Bank. The County shall serve as the Registrar/Paying Agent for the BAN.

If payment for the BAN is made in installments, the amount and date of each payment shall be endorsed on the BAN in the space provided therefor by the County Administrator of the County. Interest shall accrue on the amount paid for the BAN from the date of payment thereof.

The BAN shall be executed on behalf of the County by the manual or facsimile signature of the County Administrator and the corporate seal of the County or a facsimile thereof shall be impressed or reproduced thereon and attested by the Clerk to County Council by his or her manual or facsimile signature.

Section 5. Registration of BAN. The BAN shall be registered as to principal and interest in the name of the registered owner thereof at the office of the Clerk to Council on registry books to be kept for that purpose, after which no transfer of such BAN shall be effectual unless made on said books by the registered holder in person, or by his duly authorized legal attorney.

Section 6. Form of Note. The BAN shall be issued in substantially the form attached hereto as Exhibit A and incorporated herein by reference.

Section 7. Covenants of the County. The County hereby covenants with the Bank as follows:

(a) The County covenants that as long as the BAN shall be outstanding under the provisions of this Ordinance and except as is otherwise permitted in this Ordinance, it will not sell, trade or lease or otherwise dispose of or encumber the Hopkins System or any part thereof. The County may, however, from time to time, sell or dispose of any property, real or personal, which in the judgment of the Council of the County is no longer necessary or useful or profitable in the operation of the Hopkins System or necessary to produce and maintain the revenues thereof, or which is to be or has been replaced by other property so as not to impair the operations of the Hopkins System. Amounts received from such sale or disposition shall be deposited to the credit of the Revenue Fund established in the General Bond Ordinance.

(b) The County covenants that it has not issued, nor will it cause to be issued, any notes or certificates of indebtedness of any type in anticipation of the issuance of the Bond, except the BAN.

(c) The County hereby covenants and agrees with the Bank that it will not take any action which will, or fail to take any action which failure will, cause interest on the BAN to become includable in the gross income of the Bank for federal income tax purposes pursuant to the provisions of the Code and regulations promulgated thereunder in effect on the date of original issuance of the BAN. The County further covenants and agrees with the Bank that no use of the proceeds of the BAN shall be made which, if such use had been reasonably expected on the date of issue of the BAN, would have caused the BAN to be an "arbitrage bond," as defined in Section 148 of the Code, and to that end the County hereby shall:

(i) comply with the applicable provisions of Sections 103 and 141 through 150 of the Code and any regulations promulgated thereunder so long as the BAN is outstanding;

(ii) establish such funds, make such calculations and pay such amounts, in the manner and at the times required in order to comply with the requirements of the Code relating to required rebates of certain amounts to the United States; and

(iii) make such reports of such information at the time and places required by the Code.

Section 8. Payment of BAN. For the payment of the principal of and interest on the BAN as the same respectively mature, there are hereby pledged the proceeds of the Bond authorized in Section 3 hereof. Title 11 provides that the County may also, at its option, utilize any other funds available therefor for the payment of the principal of and interest on the BAN, and in accordance therewith, the County also hereby pledges the Revenues of the Hopkins System for the payment of such principal and interest on the BAN.

The proceeds of the BAN shall be applied for the purpose for which the Bond is to be issued. Upon the delivery of the Bond in anticipation of which the BAN is authorized to be issued, a sufficient amount of the proceeds of the Bond shall be applied by the County to meet the payment of the principal of and, to the extent available, interest on the BAN.

Section 9. Tax Exemption. Both the principal of and interest on the BAN shall be exempt, in accordance with the provisions of Section 12-2-50 of the Code of Laws of South Carolina, 1976, from all State, County, municipal, school district, and all other taxes or assessments, except estate or other transfer taxes, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise. It should be noted, however, that Section 12-11-20, Code of Laws of South Carolina, 1976, as amended, imposes upon every bank engaged in business in the State of South Carolina a fee or franchise tax computed on the entire net income of such bank which would include interest paid on the BAN to any such bank.

Section 10. Events of Default. The following shall constitute "Events of Default":

(a) If payment of the principal of the BAN is not made after the same has become due and payable; or

(b) If payment of interest on the BAN is not made after the same has become due and payable; or

(c) If the County fails or refuses to comply in any material respect in the due and punctual performance of the covenants, conditions, agreements and provisions contained in the BAN or in this Ordinance, and such failure continues for thirty days (30) after written notice specifying such failure and requiring the same to be remedied has been given to the County by the registered owner of the Note; or

(d) If any order or decree is entered (i) with the consent or acquiescence of the County, appointing a receiver of the Hopkins System or of any of the revenues of the Hopkins System (the "Revenues") or other moneys pledged and charged in the Ordinance for the payment of the BAN, or (ii) without the consent or acquiescence of the County, appointing a receiver of the Hopkins System or any of the Revenues or other moneys pledged and charged in the Ordinance for the payment of the BAN and, in either case, such order or decree having been entered is not vacated or discharged or stayed on appeal within sixty days (60) after the entry thereof; or

(e) If any proceedings are instituted, with the consent or acquiescence of the County, for the purpose of effecting a composition between the County and its creditors and if the claim of such creditors is in any circumstance payable from the Revenues or other monies pledged and charged in the Ordinance for the payment of the BAN, or any such proceedings are instituted for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statute now or hereafter enacted; or



(f) If the County is for any reason rendered incapable of fulfilling its obligations hereunder in any material respect.

Nothing in this section shall prohibit the registered owner of the BAN from enforcing the duties of the County by mandamus or other appropriate suit, action or proceeding in any court of competent jurisdiction, even though the failure of the County to perform any such duty may not then constitute an Event of Default.

Section 11. Remedies Upon Event of Default. Upon the occurrence of an Event of Default and at any time thereafter while such Event of Default continues, the registered owner of the BAN may, upon notice in writing delivered to the County, declare the entire unpaid principal and interest on the BAN, as the case may be, then outstanding due and payable, and thereupon the entire unpaid principal of and interest on such BAN shall immediately be and become immediately due and payable.

The provisions of this Section are subject to the condition that if at any time after the entire principal of the BAN shall have been so declared due and payable and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the County shall pay to, or shall deposit with a trustee for payment to, the registered owner of the BAN a sum sufficient to pay principal on the BAN and interest upon the BAN, then the registered owner of the BAN may, by written notice to the County, rescind and annul such declaration and its consequences. No such rescission and annulment shall, however, extend to or affect any subsequent Event of Default.

Upon the occurrence of an Event of Default, the Bank (in addition to the power granted to it above) may proceed to protect and enforce its rights with respect to the BAN by any suit, action or special proceeding in equity or at law, either for the specific performance of any covenant or agreement contained herein or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable remedy, as the trustee may deem most effective to protect and enforce any of its rights or interests under the BAN.

No waiver of any Event of Default, by the registered owners of the BAN shall extend to or shall affect any subsequent Event of Default or other default or shall impair any rights or remedies consequent thereto.

No delay or omission to exercise any right or power occurring upon any Event of Default or other default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or other default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No remedy conferred upon or reserved to the registered owner of the BAN is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and shall be in addition to any other remedy given to the registered owner of the BAN.

In case the registered owner of the BAN shall have proceeded to enforce any right or exercise any power under this Ordinance and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the registered owner of the BAN, then and in every case the County and the registered owner of the BAN shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the registered owner of the BAN shall continue as if no such proceedings had been taken.

Section 12. Construction Fund. All payments for the Note shall be deposited in a separate special fund of the County to be designated “Richland County Construction Fund (Waterworks System Improvements – Hopkins System), Interim Financing, 2010” (the “Construction Fund”), which fund shall be held by the bank designated by the County. The moneys deposited in the Construction Fund shall be disbursed for and applied to the payment of the costs and expenses of the Project and shall be made in the manner withdrawals from other funds of the County are made and in accordance with applicable rules and regulations of the Government.

The County Administrator is authorized to make disbursements from the Construction Fund to pay the costs and expenses of the Project. As each such payment is made, the County shall furnish the registered owner of the Note with a certificate duly executed by an authorized representative of the engineers for the Project and the County Administrator of the County, certifying that the sums to be paid are to pay costs and expenses incident to the construction of those aspects of the Project which will be reimbursed with the proceeds of the Bond, that such costs and expenses have been duly incurred by reason of work performed or materials furnished, and that no part of the items to be paid have been previously paid. Each certificate shall be approved in writing by an authorized representative of the Government and shall state that the disbursement is to pay costs and expenses of the Project that will be reimbursed with proceeds of the Bond. Copies of such certificates shall be made available, upon request, to the registered owner of the BAN.

Section 13. Designation of BAN. The County covenants that, in accordance with the provisions of the IRC, the BAN is designated as a “qualified tax-exempt obligation” as defined in the IRC. The County does not anticipate that it will issue more than \$30,000,000 in tax-exempt bonds or other tax-exempt obligations in 2010 except private activity bonds other than qualified 501(c)(3) bonds. The County represents that the sum of all tax-exempt obligations (other than such private activity bonds) issued by the County during calendar year 2010 is not reasonably expected to exceed \$30,000,000.

Section 14. General Authorization. The County Administrator of the County and the County Attorney are hereby authorized and directed to take any and all such further actions as shall be deemed necessary or desirable in order to effectuate issuance of the BAN and to carry out the intentions of this Ordinance. Council hereby retains McNair Law Firm, P.A., as bond counsel, in connection with the issuance of the BAN.

Section 15. Invalidity of Sections, Paragraphs, Clauses or Provisions. If any section, paragraph, clause or provision of this Ordinance is held invalid or unenforceable under any circumstances, such holding shall not affect the validity or enforceability thereof under other circumstances or the validity or enforceability of this Ordinance as a whole or of any other section, paragraph, clause or provisions of this Ordinance.

Section 16. Repeal of Conflicting Ordinances. All orders, ordinances and parts thereof, procedural or otherwise, in conflict herewith or the proceedings authorizing the issuance of the BAN are, to the extent of such conflict, hereby repealed from and after its passage and approval.

Section 17. Effective Date. This Ordinance shall be in full force and effect from and after its enactment as provided by law.

Enacted this \_\_\_\_ day of \_\_\_\_\_, 2010.

RICHLAND COUNTY, SOUTH CAROLINA

By: \_\_\_\_\_  
Paul Livingston, Chairman  
Richland County Council

(SEAL)

ATTEST THIS \_\_\_\_ DAY OF

\_\_\_\_\_, 2010:

\_\_\_\_\_  
Michielle R. Cannon-Finch  
Clerk of County Council

RICHLAND COUNTY ATTORNEY'S OFFICE

\_\_\_\_\_  
Approved As To LEGAL Form Only  
No Opinion Rendered As To Content

Date of First Reading:  
Date of Second Reading:  
Date of Third Reading:

(FORM OF NOTE)

UNITED STATES OF AMERICA  
STATE OF SOUTH CAROLINA  
RICHLAND COUNTY  
HOPKINS WATERWORKS SYSTEM IMPROVEMENT REVENUE  
BOND ANTICIPATION NOTE, SERIES 2010

\_\_\_\_\_, 2010

\$ \_\_\_\_\_

KNOW ALL MEN BY THESE PRESENTS that Richland County, South Carolina (the "County"), is justly indebted and, for value received, hereby promises to pay to the order of \_\_\_\_\_ in \_\_\_\_\_, South Carolina (the "Bank"), or its registered assigns, the principal sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), or such lesser amount as has been advanced hereunder as shown on the Certificate of Advances attached hereto, on the Note (unless this Note shall be prepaid at an earlier date). This Note shall bear interest on the principal amounts advanced hereunder as shown on the Certificate of Advances from the date or dates of such advances at the rate of \_\_\_\_% per annum.

Both the principal of and interest on this Note are payable upon presentation and surrender of this Note at the principal office of the Bank, in \_\_\_\_\_, South Carolina, in any coin or currency of the United States of America which is, at the time of payment, legal tender for public and private debts.

The County shall have the right to prepay this Note in whole without penalty.

This Note is issued pursuant to and in accordance with the Constitution and laws of the State of South Carolina, including Title 11, Chapter 17, Code of Laws of South Carolina, 1976, as amended (the "Act"), General Bond Ordinance No. \_\_\_\_\_ duly enacted on \_\_\_\_\_; and Ordinance No. \_\_\_\_\_ duly enacted on \_\_\_\_\_ (the "Ordinances"), by the Council of the County, in anticipation of the issuance of a waterworks system improvement bond (the "Bond") to be issued by the County pursuant to Title 6, Chapter 21, Code of Laws of South Carolina, 1976, as amended. The proceeds of this Note shall be used, pending issuance of the Bond, to provide funds to defray a portion of the costs of the Project (as defined in the Ordinances).

This Note is payable, both as to principal and interest, from the proceeds of the Bond. This Note is a special obligation of the County, and there is hereby pledged to the payment of the principal hereof and interest hereon the proceeds of the Bond. The Act provides that the County may also, at its option, utilize any other funds available therefor for the payment of the principal of and interest on this Note, and in accordance therewith the County also hereby pledges the revenues of the Hopkins System for the payment of such principal and interest.

This Note has been initially registered in the name of the Bank as to principal and interest at the office of the County on registry books to be kept for such purpose, such registration to be noted hereon. After such registration, the principal of and interest on this Note shall be payable only to the registered owner hereof. No transfer shall be valid unless made on such books by the registered owner, or by its legal representative, and similarly noted on this Note.

This Note and the interest hereon are exempt from all State, County , municipal, school district, and all other taxes or assessments, except estate or other transfer taxes, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise. It should be noted, however, that Section 12-11-20, Code of Laws of South Carolina, 1976, as amended, imposes upon every bank engaged in business in the State of South Carolina a fee or franchise tax computed on the entire net income of such bank which would include any interest paid on this Note to any such bank.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of the State of South Carolina to exist, to happen, and to be performed precedent to or in the issuance of this Note exist, have happened and have been done and performed in regular and due time, form and manner as required by law, and that the County has irrevocably obligated itself to issue and sell, prior to the stated maturity hereof, the Bond in anticipation of which this Note is issued.

In witness whereof, Richland County, South Carolina, has caused this Note to be executed in its name by the manual or facsimile signature of the County Supervisor and Chairman of County Council and attested by the manual or facsimile signature of the Clerk to County Council under the seal of the County.

RICHLAND COUNTY, SOUTH CAROLINA

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Chairman, County Council

(SEAL)

ATTEST:

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Clerk to County Council

CERTIFICATE OF ADVANCES

Richland County, has received the following amounts of moneys in payment for this Note:

<u>Date of Advance</u>	<u>Principal Amount Advanced</u>	<u>Total Principal Amount Advanced</u>	<u>Signature of Authorized Officer of Richland County, South Carolina</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

REGISTRATION

This Note has been registered in the name of \_\_\_\_\_ in \_\_\_\_\_, South Carolina, on registry books kept by Richland County, South Carolina.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2010.

\_\_\_\_\_  
Clerk to County Council, Richland County,  
South Carolina

# Richland County Council Request of Action

**Subject**

Ensure that any negotiations with the Fire Departments, City and County, make it a priority to keep ISO ratings and is in the best interest of the citizens and Firefighter Safety

# Richland County Council Request of Action

**Subject**

Paving Overlook Drive



# Richland County Council Request of Action

**Subject**

Construction Services for Lake Cary Water Quality Capital Improvement Project

# Richland County Council Request of Action

**Subject**

Construction Services for Lake Elizabeth Phase III Cumbess Creek Water Quality Capital Improvements

# Richland County Council Request of Action

**Subject**

Through Trucks prohibited on N. Donar Drive and Prima Drive

# Richland County Council Request of Action

**Subject**

Arcadia Lakes Floodplain Management Services Agreement

# Richland County Council Request of Action

**Subject**

Direct Staff to Review the Floodplain Ordinance to ensure that there are appropriate enforcement mechanisms to ensure compliance

# Richland County Council Request of Action

**Subject**

Sease Road

# Richland County Council Request of Action

**Subject**

Farmers' Market

# Richland County Council Request of Action

**Subject**

Caughman Creek Appraisal



# Richland County Council Request of Action

**Subject**

Hospitality Tax Ordinance Amendments: Oversight and Accountability

# Richland County Council Request of Action

**Subject**

Property Insurance and Fire Operations Liability and Property Insurance-Risk Management

# Richland County Council Request of Action

**Subject**

Improve Accountability for Richland County Grantees

# Richland County Council Request of Action

**Subject**

Coroner: Request for approval to renew contract with Professional Pathology Services

# Richland County Council Request of Action

**Subject**

Tourism Development Fee Ordinance Amendments

# Richland County Council Request of Action

**Subject**

Establish an Ad-Hoc Committee to work with the City of Columbia to make a recommendation on an ordinance to restrict operating hours of establishments that serve alcohol

# Richland County Council Request of Action

**Subject**

A Resolution to appoint and commission Leroy Cain as a Code Enforcement Officer for the proper security, general welfare, and convenience of Richland County **[PAGE 80]**

STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF RICHLAND )

**A RESOLUTION OF THE  
RICHLAND COUNTY COUNCIL**

**A RESOLUTION TO APPOINT AND COMMISSION LEROY CAIN AS A CODE ENFORCEMENT OFFICER FOR THE PROPER SECURITY, GENERAL WELFARE, AND CONVENIENCE OF RICHLAND COUNTY.**

**WHEREAS**, the Richland County Council, in the exercise of its general police power, is empowered to protect the health and safety of the residents of Richland County; and

**WHEREAS**, the Richland County Council is further authorized by Section 4-9-145 of the Code of Laws of South Carolina 1976, as amended, to appoint and commission as many code enforcement officers as may be necessary for the proper security, general welfare, and convenience of the County;

**NOW, THEREFORE, BE IT RESOLVED THAT** Leroy Cain is hereby appointed and commissioned a Code Enforcement Officer of Richland County for the purpose of providing for the proper security, general welfare, and convenience of the County, replete with all the powers and duties conferred by law upon constables, in addition to such duties as may be imposed upon her by the governing body of this County, including the enforcement of the County's animal care regulations, and the use of an ordinance summons, and with all the powers and duties conferred pursuant to the provisions of Section 4-9-145 of the Code of Laws of South Carolina 1976, as amended. Provided, however, Duste Beckroge Johnston shall not perform any custodial arrests in the exercise of her duties as a code enforcement officer. This appointment shall remain in effect only until such time as Duste Beckroge Johnston is no longer employed by Richland County to enforce the County's animal care regulations.

**ADOPTED THIS THE      DAY OF      , 2010.**

\_\_\_\_\_  
Paul Livingston, Chair  
Richland County Council

Attest: \_\_\_\_\_  
Michielle R. Cannon-Finch  
Clerk of Council



# Richland County Council Request of Action

**Subject**

Community Development Annual Action Plan [PAGES ]

# Richland County Council Request of Action

**Subject**

Report of the Transportation Ad Hoc Committee

- a. Intergovernmental Agreement with SCDOT **[ACTION]**
- b. Transportation Sales Tax: Consultant and Educational Campaign Budget Amendment **[ACTION] [PAGES 83-84]**

STATE OF SOUTH CAROLINA  
COUNTY COUNCIL FOR RICHLAND COUNTY  
ORDINANCE NO. \_\_-11HR

AN ORDINANCE AMENDING THE FISCAL YEAR 2010-2011 ROAD MAINTENANCE FUND ANNUAL BUDGET TO APPROPRIATE \$100,000 OF UNDESIGNATED FUND BALANCE FOR THE TRANSPORTATION SALES TAX EDUCATIONAL CAMPAIGN.

Pursuant to the authority granted by the Constitution and the General Assembly of the State of South Carolina, BE IT ENACTED BY THE COUNTY COUNCIL FOR RICHLAND COUNTY:

SECTION I. That the amount of one hundred thousand (\$100,000) be appropriated to the Fiscal Year 2010-2011 Road Maintenance Fund for the transportation sales tax educational study. Therefore, the Fiscal Year 2010-2011 Road Maintenance Budget is hereby amended as follows:

REVENUE

Revenue appropriated July 1, 2010 as amended:	\$ 9,148,562
Appropriation of Road Maintenance undesignated fund balance:	<u>100,000</u>
Total Road Maintenance Fund Revenue as Amended:	\$ 9,248,562

EXPENDITURES

Expenditures appropriated July 1, 2010 as amended:	\$ 9,148,562
Increase to Road Maintenance Fund budget:	<u>100,000</u>
Total Road Maintenance Fund Expenditures as Amended:	\$ 9,248,562

SECTION II. Severability. If any section, subsection, or clause of this ordinance shall be deemed to be unconstitutional or otherwise invalid, the validity of the remaining sections, subsections, and clauses shall not be affected thereby.

SECTION III. Conflicting Ordinances Repealed. All ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

SECTION IV. Effective Date. This ordinance shall be enforced from and after \_\_\_\_\_, 2009.

RICHLAND COUNTY COUNCIL

BY: \_\_\_\_\_  
Paul Livingston, Chair

ATTEST THIS THE \_\_\_\_ DAY

OF \_\_\_\_\_, 2010

---

Michielle R. Cannon-Finch  
Clerk of Council

RICHLAND COUNTY ATTORNEY'S OFFICE

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Approved As To LEGAL Form Only.  
No Opinion Rendered As To Content.

First Reading:  
Second Reading:  
Public Hearing:  
Third Reading:

# Richland County Council Request of Action

**Subject**

Must Pertain to Items Not on the Agenda