

**AN ORDINANCE**

**TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING \$150,000,000 GENERAL OBLIGATION TRANSPORTATION SALES TAX BONDS OF CHARLESTON COUNTY, SOUTH CAROLINA; TO PRESCRIBE THE PURPOSES FOR WHICH THE PROCEEDS SHALL BE EXPENDED; TO PROVIDE FOR THE PAYMENT THEREOF; AND OTHER MATTERS RELATING THERETO.**

**BE IT ENACTED BY THE COUNTY COUNCIL OF CHARLESTON COUNTY, SOUTH CAROLINA, IN MEETING DULY ASSEMBLED:**

As an incident to the enactment of this Ordinance and the issuance of the bonds provided for herein, the County Council of Charleston County, South Carolina (the "County Council"), the governing body of Charleston County, South Carolina (the "County"), find that the facts set forth herein exist and the statements made with respect thereto are true and correct.

**WHEREAS**, Title 4, Chapter 37 of the Code of Laws of South Carolina 1976, as amended (the "Transportation Facilities Financing Act"), authorises counties to impose a sales and use tax for the purposes of funding the costs of highways, roads, streets, bridges, mass transit systems, greenbelts, and other transportation-related projects and facilities, subject to the results of a referendum, by the enactment of an ordinance pursuant to the Transportation Facilities Financing Act; and

**WHEREAS**, the Transportation Facilities Financing Act permits the revenues derived from the imposition of the sales and use tax to be pledged to the repayment of bonds issued by the county, the proceeds of which are to be used to fund the project or projects approved in the referendum; and

**WHEREAS**, pursuant to the provisions of the Transportation Facilities Financing Act, the County Council enacted Ordinance No. 1324 ("Ordinance No. 1324") to provide for the imposition of a one-half of one percent sales and use tax (the "Transportation Sales Tax") in Charleston County for a period not to exceed 25 years from the date of imposition of the Transportation Sales Tax, to fund, at a maximum cost not to exceed \$1,303,360,000, the costs of highways, roads, streets, bridges, and other transportation-related projects facilities, and drainage facilities related thereto, and mass transit systems operated by the County or jointly operated by the County and other governmental entities, and the costs of greenbelts (collectively, the "Original Referendum Projects"); and

**WHEREAS**, pursuant to the requirements of the Transportation Facilities Financing Act, a referendum was conducted on November 2, 2004 in Charleston County (the "Referendum") for the purpose of approving the Transportation Sales Tax to pay

costs of the Original Referendum Projects; and

**WHEREAS**, the Referendum was approved by a majority vote of voters in the Referendum; and

**WHEREAS**, there was also submitted to and approved by the voters at the referendum conducted on November 2, 2004 (the "2004 Bond Referendum") the question of the issuance of not exceeding \$113,000,000 of general obligation bonds of the County, payable from the Transportation Sales Tax and maturing over a period not to exceed 25 years, to finance the costs of the Original Referendum Projects; and

**WHEREAS**, the County issued \$65,000,000 General Obligation Transportation Sales Tax Bonds of 2006 in May 2006 (the "Series 2006 Bonds") pursuant to the authorisation of the 2004 Bond Referendum, of which \$29,000,000 was applied to road projects prescribed in Ordinance No. 1324 (the "2004 Road Projects") and \$36,000,000 was applied to greenbelt projects prescribed in Ordinance No. 1324; and

**WHEREAS**, there was submitted to and approved by the voters at the referendum conducted on November 7, 2006 (the "2006 Bond Referendum") the questions of (i) the issuance of not exceeding \$205,000,000 of general obligation bonds of the County, payable from the Transportation Sales Tax and maturing over a period ending not later than 2030, to fund the costs of highways, roads, streets, bridges, and other transportation-related projects facilities, and drainage related thereto, including but not limited to certain specific projects named therein (collectively, the "2006 Road Projects") and (ii) the issuance of not exceeding \$95,000,000 of general obligation bonds of the County, payable from the Transportation Sales Tax and maturing over a period ending no later than 2030, to fund the costs of greenbelt projects; and

**WHEREAS**, County Council have determined to fund costs of greenbelt projects (the "Greenbelt Projects") by the issuance of general obligation bonds in the amount of \$60,000,000, pursuant to the authorisation of the 2006 Referendum; and

**WHEREAS**, County Council have determined to fund costs of the design, acquisition, administrative, construction, and ancillary costs for road projects set forth on the attached Schedule 1 (the "Road Projects") (the Greenbelt Projects and the Road Projects are collectively referred to herein as the "Series 2007 Projects") by the issuance of general obligation bonds in the amount of \$90,000,000, pursuant to the authorisation of the 2004 Bond Referendum, the 2006 Bond Referendum, and Ordinance No. 1324; and

**WHEREAS**, County Council have determined that the estimated total costs of the Series 2007 Projects, including the costs of issuance of the bonds authorised hereby, exceeds \$150,000,000; and

**WHEREAS**, the County Council have now determined that it is in the best interest of the County, and necessary and proper for the general welfare of the County

and its citizens that the County proceed with the Series 2007 Projects at this time by raising a portion of the necessary funds for the Series 2007 Projects by the issuance of general obligation bonds payable from the proceeds of the Transportation Sales Tax; and

**WHEREAS**, by virtue of the County Bond Act (Title 4, Chapter 15 of the Code of Laws of South Carolina 1976, as amended) as amended and continued by Section 11-27-40 of the Code of Laws of South Carolina 1976, as amended (collectively, the “Bond Act”), County Council are authorised to issue general obligation bonds of the County in such amounts as permitted under Article X, Section 14 of the South Carolina Constitution; and

**WHEREAS**, Article X, Section 14, paragraph 6 of the South Carolina Constitution authorises the County to incur general obligation indebtedness approved by a majority vote of the qualified electors of Charleston County voting in a referendum, subject to the restrictions and limitations set forth in the referendum; and

**WHEREAS**, there is currently (i) \$48,000,000 of authorisation remaining under the 2004 Bond Referendum for the issuance by the County of general obligation bonds to finance the costs of the 2004 Road Projects, (ii) \$205,000,000 of authorisation remaining under the 2006 Referendum for the issuance by the County of general obligation bonds to fund the costs of the 2006 Road Projects, and (iii) \$95,000,000 of authorisation remaining under the 2006 Bond Referendum for the issuance by the County of general obligation bonds to fund the costs of greenbelt projects; and

**WHEREAS**, the County Council have determined that (i) the Road Projects are Original Referendum Projects, 2004 Road Projects, and 2006 Road Projects and (ii) the Greenbelt Projects are Original Referendum Projects.

**NOW, THEREFORE**, on the basis of the foregoing authorisations and for the purpose of raising the sum of not exceeding \$150,000,000 to be expended for the Series 2007 Projects, the County Council enact this Ordinance to effect the issuance and sale of general obligation transportation sales tax bonds of the County authorised by the Bond Act.

## **ARTICLE I**

### **DEFINITIONS AND INTERPRETATIONS**

#### **Section 1**    **Defined Terms.**

The terms defined in this Article (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of this Ordinance shall have the respective meanings specified in this Article.

“Authenticating Agent” shall mean the authenticating agent for the Bonds designated pursuant to Section 1 of Article II hereof.

“Beneficial Owner” shall mean the person in whose name a Bond is recorded as the beneficial owner of the Bond by a Participant on the records of the Participant or such person’s subrogee.

“Bond Act” shall mean Title 4, Chapter 15 of the Code of Laws of South Carolina 1976, as amended, as further amended and continued by Section 11-27-40 of the Code of Laws of South Carolina 1976, as amended.

“Bonds” shall mean the General Obligation Transportation Sales Tax Bonds of 2007 of the County authorized to be issued hereunder in the aggregate principal amount of not exceeding \$150,000,000.

“Bond Registrar” shall mean the bond registrar designated pursuant to the provisions of Section 1 of Article II hereof.

“Book-Entry Only System” shall have the meaning attributed to that term in Article II, Section 14 hereof.

“Books of Registry” shall mean the registration books maintained by the Bond Registrar in accordance with Section 8 of Article II hereof.

“Chairman” shall mean the chairman of the County Council or, in his absence, the vice chairman of the County Council.

“Chief Financial Officer” shall mean the Chief Financial Officer of the County or, in his absence, any other officer or employee of the County designated in writing by the County Administrator to perform the duties of the Chief Financial Officer under this Ordinance.

“Clerk” shall mean the clerk of the County Council or, in her absence, the acting clerk.

“Closing Date” shall mean the date upon which there is an exchange of the Bonds for the proceeds representing the purchase price of the Bonds by the Original Purchaser.

“Continuing Disclosure Undertaking” shall mean the Disclosure Dissemination Agent Agreement hereby authorized to be executed by the Chairman on behalf of the County Council, as it may be amended from time to time in accordance with the terms thereof.

“County” shall mean Charleston County, South Carolina.

“County Administrator” shall mean the County Administrator of the County.

“County Council” shall mean the County Council of Charleston County, South Carolina, the governing body of the County or any successor governing body of the County.

“Dated Date” shall mean the date of delivery of the Bonds.

“Debt Service” shall mean the scheduled amount of interest and amortisation of principal payable on the Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

“DTC” shall mean The Depository Trust Company, a limited purpose trust company organised under the laws of the State of New York, and its successors pursuant to Article II, Section 14 hereof.

“Financial Advisor” shall mean First Southwest Company, the financial advisor to the County.

“Fiscal Agents” shall mean the Paying Agent, the Bond Registrar, the Authenticating Agent, and any escrow agent under Article VI hereof with respect to the Bonds.

“Greenbelt Projects” shall mean those Original Referendum Projects consisting of greenbelts.

“Interest Payment Date” shall mean any May 1 or November 1, commencing May 1, 2008.

“Letter of Representations” shall mean the Blanket Letter of Representation of the County to DTC dated December 15, 1995.

“Net Proceeds,” when used with reference to the Bonds, shall mean the face amount of the Bonds, plus accrued interest and premium, if any.

“Ordinance” shall mean this Ordinance as from time to time amended and supplemented by one or more supplemental ordinances enacted in accordance with the provisions of Article VII hereof.

“Ordinance No. 1324” shall mean Ordinance No. 1324 enacted by the County Council on August 10, 2004, as amended from time to time.

“Original Purchaser” shall mean the first purchaser of the Bonds from the County.

“Original Referendum Projects” shall mean the costs of highways, roads, streets, bridges, and other transportation-related projects facilities, and drainage facilities related thereto, and mass transit systems operated by the County or jointly operated by the County and other governmental entities, and the costs of greenbelts.

“Participants” shall mean those broker-dealers, banks, and other financial institutions for which the Securities Depository holds Bonds as securities depository.

“Paying Agent” shall mean the paying agent for the Bonds designated pursuant to Section 1 of Article II hereof.

“Referendum” shall mean the referendum conducted in Charleston County on November 2, 2004, pursuant to the provisions of the Transportation Facilities Financing Act.

“Road Projects” shall mean the Original Referendum Projects consisting of the design, acquisition, administrative, construction, and ancillary costs for road projects set forth on Schedule 1 to this Ordinance.

“Securities Depository” means the administrator of the book-entry only system for the Bonds, as further described in Article II, Section 14 hereof and any successor appointed as provided in Article II, Section 14 hereof. The initial Securities Depository shall be DTC.

“Series 2007 Projects” shall mean, collectively, the Greenbelt Projects and the Road Projects.

“Sinking Fund Account” shall mean the sinking fund account established and held by the Treasurer of Charleston County designed to provide for the payment of the principal of, premium, if any, and interest on the Bonds, as the same respectively fall due.

“Transportation Facilities Financing Act” shall mean Title 4, Chapter 37 of the Code of Laws of South Carolina 1976, as amended.

“Transportation Sales Tax” shall mean the one-half of one percent sales and use tax in Charleston County authorised to be imposed pursuant to Ordinance No. 1324 and the Referendum.

## Section 2    General Rules of Interpretation.

For purposes of this Ordinance, except as otherwise expressly provided or the context otherwise requires:

(a) Articles, Sections, and Paragraphs, mentioned by number are the respective Articles, Sections, and Paragraphs, of this Ordinance so numbered.

(b) Except as otherwise expressly provided or unless the context otherwise requires, words importing persons include firms, associations, and corporations, and the masculine includes the feminine and the neuter.

(c) Words importing the redemption or redeeming or calling for redemption of a Bond do not include or connote the payment of such Bond at its stated maturity or the purchase of such Bond.

(d) Words importing the singular number include the plural number and *vice versa*.

(e) The heading 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.

## **ARTICLE II**

### **ISSUANCE OF BONDS**

#### **Section 1** Authorisation of Bonds; Approval of Maturity Dates, Principal Amounts, and Interest Rates.

(a) Pursuant to the provisions of the Bond Act and for the purposes of funding the costs of the Series 2007 Projects and paying costs of issuance of the Bonds, there shall be issued not exceeding One Hundred Fifty Million and no/100 Dollars (\$150,000,000.00) of general obligation bonds of the County. The Bonds shall be designated "General Obligation Transportation Sales Tax Bonds of 2007". The Bonds shall be originally dated the Dated Date, shall be in fully-registered form, shall be in denominations of Five Thousand and no/100 Dollars (\$5,000.00) each or any integral multiple thereof, and may be numbered from R-1 upward.

(b) The Bonds will bear interest at such rates, payable on each Interest Payment Date, and will mature on the dates and in the amounts as are approved by the Chairman provided that:

(i) the Bonds shall not bear interest at a true interest cost (TIC) greater than 5.0% per annum.

(ii) The Bonds shall mature not later than November 1, 2027.

(c) The Chairman is hereby expressly delegated the authority to approve the sale and issuance of the Bonds so long as they conform to all of the parameters set forth in this Ordinance, including, but not limited to, this Section 1 of Article II.

(d) The Paying Agent, Authenticating Agent, and Bond Registrar shall be designated by the Chairman as in the best interest of the County based upon the solicitation of competitive proposals.

Section 2    Redemption of Bonds.

(a) General. The Bonds may not be called for redemption by the County except as provided in this Section 2.

(b) Redemption. The Bonds may be subject to redemption prior to their maturity, in whole or in part, and by lot as to Bonds or portions of Bonds within a maturity (but only in integral multiples of \$5,000), upon the terms and on the dates and at the redemption prices as approved by the Chairman prior to the issuance of the Bonds.

(c) Partial Redemption of Bonds. In the event that only part of the principal amount 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 that Bond to the Paying Agent. Upon surrender of such Bond, the County shall execute and the Authenticating Agent shall authenticate and deliver to the holder thereof, at the office of the Authenticating Agent, or send to such holder by registered mail at his request, risk, and expense, a new fully-executed Bond or Bonds, of authorized denominations equal in aggregate principal amount to, and of the same maturity and interest rate as, the unredeemed portion of the Bond surrendered.

(d) Official Notice of Redemption. (i) Unless waived by any registered owner of Bonds to be redeemed, official notice of any such redemption shall be given by the County by mailing a copy of an official redemption notice by first class mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the registered owners of the Bond or Bonds to be redeemed at the address shown on the Books of Registry. Failure to give notice by mail or any defect in any notice so mailed with respect to any Bond shall not affect the validity of the proceedings for such redemption for Bonds for which notice was properly given.

(ii) All official notices of redemption shall be dated and shall state:

- (A) the redemption date,
- (B) the redemption price,
- (C) if less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,
- (D) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after such date, and

(E) the place where such Bonds are to be surrendered for payment of the redemption price.

(e) Deposit of Funds. Prior to any redemption date, the County shall deposit with the Paying Agent an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

(f) Effect of Deposit of Funds. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the County shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. If said money shall not be available on the redemption date, such bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption. Upon surrender of such Bonds for redemption in accordance with such notice, such Bonds shall be paid by the Paying Agent at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal. All Bonds which have been redeemed shall be cancelled by the Paying Agent and shall not be reissued.

(g) Further Notice. In addition to the foregoing notice, further notice shall be given by the County as set out below, but no defect in such further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

(i) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption and (A) the CUSIP numbers of all Bonds being redeemed; (B) the date of issue of the Bond as originally issued; (C) the rate of interest borne by each Bond being redeemed; (D) the maturity date of each Bond being redeemed; and (E) any other descriptive information needed to identify accurately the Bonds being redeemed.

(ii) Each further notice of redemption shall be sent at least thirty-five (35) days before the redemption date by registered or certified mail or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds and to one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

(iii) Upon the payment of the redemption price of Bonds being redeemed, each cheque or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

### Section 3    Cancellation of Bonds.

All Bonds which have been redeemed shall be cancelled and either maintained

or destroyed by the Paying Agent and shall not be reissued. A counterpart of the certificate of destruction evidencing such destruction shall be furnished by the Paying Agent to the County upon the request of the County Administrator.

#### Section 4     Purchase of Bonds.

The Paying Agent shall, if and to the extent practicable, endeavor to purchase Bonds or portions of Bonds at the written direction of the County at the time, in the manner, and at the price as may be specified by the County. The Paying Agent may so purchase the Bonds; provided, that any limitations or restrictions on such redemption or purchases contained in this Ordinance shall be complied with. The expenses of such purchase shall be deemed an expense of the Paying Agent to be paid by the County. The Paying Agent shall incur no liability for any purchase made in accordance with this Section or for its inability to effect such purchase in excess of the redemption price thereof.

#### Section 5     Medium of Payment.

Both the principal of and interest on the Bonds shall be payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for the payment of public and private debts.

#### Section 6     Place of Payments; Selection of Paying Agent.

Principal and premium, if any, of the Bonds, when due, shall be payable at the corporate trust office of the Paying Agent. Interest on any Bond shall be payable on each Interest Payment Date by cheque or draught mailed to the person in whose name such Bond is registered at the close of business on the fifteenth (15<sup>th</sup>) day (whether or not a business day) of the calendar month next preceding such Interest Payment Date (the Regular Record Date) by the Paying Agent. Principal of, redemption premium, if any, and interest payable to any person holding Bonds in aggregate principal amount of \$1,000,000 or more will be paid, upon the written request of any such registered owner in form and substance satisfactory to the Paying Agent, by wire transfer of immediately available funds to an account within the United States of America designated by such registered owner on or before the Record Date.

#### Section 7     Execution of Bonds; Designation of Authenticating Agent.

(a) The Bonds shall be executed in the name of the County by the manual or facsimile signature of the Chairman, and attested by the manual or facsimile signature of the Clerk, and the seal of the County shall be impressed or reproduced on each Bond. Any facsimile signatures appearing on the Bonds may be those of the officers who are in the office on the date of the enactment of this Ordinance. The Bonds shall be executed in respect of any manual signature by the person or persons holding office when such Bonds are ready for delivery. The execution of the Bonds in this fashion shall be valid and effective notwithstanding changes in the personnel of any of the

above offices subsequent to their execution.

(b) The Bonds shall bear a certificate of authentication, substantially in the form set forth in Exhibit A, duly executed by the Authenticating Agent. The Authenticating Agent shall authenticate each Bond with the manual signature of an authorised officer of the Authenticating Agent, but it shall not be necessary for the same authorised officer to authenticate all of the Bonds. Only such authenticated Bonds shall be entitled to any right or benefit under this Ordinance. Such certificate on any Bond issued hereunder shall be conclusive evidence that the Bond has been duly issued and is secured by the provisions hereof.

Section 8 Form of Bonds; Designation of Bond Registrar.

(a) The Bonds shall be issued in fully-registered form, and all principal, interest, or other amounts due thereunder shall be payable only to the registered owner thereof. The County Council hereby direct the Bond Registrar to maintain, at the County's expense, the Books of Registry for the registration or transfer of the Bonds.

(b) The form of the Bonds and assignment provisions to be endorsed thereon shall be substantially as set forth in Exhibit A attached hereto and made a part of this Ordinance with any appropriate variations, legends, omissions, and insertions as permitted or required by this Ordinance.

Section 9 Registration and Transfers of Bonds; Persons Treated as Owners.

(a) Each Bond shall be fully-registered and no Bond may be transferred except by the registered owner thereof in person or by his attorney duly authorised in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorised attorney. Upon the transfer of any such registered Bond or Bonds, the County shall execute and the Authenticating Agent shall authenticate and deliver, subject to the provisions of Section 12 of this Article, in the name of the transferee, a new registered Bond or Bonds of the same aggregate principal amount as the unpaid principal amount of the surrendered Bond or Bonds.

(b) Any registered owner requesting any transfer shall pay all taxes or other governmental charges required to be paid with respect thereto. Any purported assignment in contravention of the foregoing requirements shall be, as to the County, absolutely null and void. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of and interest on such Bonds shall be made only to or upon the order of the registered owner or his legal representative. All such payments shall be valid and effective to satisfy and discharge the liability of the County upon such Bond to the extent of the sum or sums so paid. No person other than the registered owner shall have any right to receive payments, pursue remedies, enforce obligations, or exercise or enjoy any other rights under any Bond against the County. Notwithstanding the foregoing, nothing herein shall limit the rights of a person having a beneficial interest in any Bond

as against a person (including the registered owner) other than the County, as in the case where the registered owner is a trustee or nominee for two or more beneficial owners of an interest in any Bond.

(c) The Bond Registrar shall not be required to exchange or transfer any Bond or portion thereof (i) for which notice of redemption has been mailed to the registered owner thereof or (ii) for the period beginning on the Regular Record Date and ending on the next succeeding Interest Payment Date.

#### Section 10 Mutilated, Lost, or Stolen Bonds.

In the event any Bond is mutilated, lost, stolen, or destroyed, the County may execute and the Authenticating Agent may authenticate a new Bond of like date, maturity, interest rate, and denomination, as that mutilated, lost, stolen, or destroyed; provided that, in the case of any mutilated Bonds, they shall first be surrendered to the Paying Agent, and in the case of any lost, stolen, or destroyed Bonds, there shall be first furnished to the County and the Paying Agent evidence of their loss, theft, or destruction satisfactory to the County and the Paying Agent, together with indemnity satisfactory to them; provided that in the case of a registered owner which is a bank or insurance company, the agreement of such bank or insurance company to indemnify the County and the Paying Agent shall be sufficient. In the event any such Bonds shall have matured, instead of issuing a duplicate Bond, the County may pay the same without surrender thereof. The County, the Paying Agent, and the Authenticating Agent, may charge the registered owner of such Bond with their reasonable fees and expenses in this connexion.

#### Section 11 Exchange of Bonds.

Subject to the provisions of Section 9 of this Article, the Bonds, upon surrender thereof to the Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or his duly authorised attorney, may, at the option of the registered owner thereof, and upon payment by such registered owner of any charges which the Paying Agent, the Authenticating Agent, or the Bond Registrar may make as provided in Section 12 of this Article, be exchanged for a principal amount of Bonds of any other authorised denominations equal to the unpaid principal amount of surrendered Bonds.

#### Section 12 Regulations with Respect to Exchanges and Transfers.

In all cases in which the privilege of exchanging or transferring the Bonds is exercised, the County shall execute and the Authenticating Agent shall authenticate and deliver the Bonds in accordance with the provisions of this Ordinance. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Paying Agent. There shall be no charge for such exchange or transfer of the Bonds except that the Paying Agent, the Bond Registrar, and the Authenticating Agent, may make a charge sufficient to reimburse them, or any of them, for any tax or other

governmental charge required to be paid with respect to such exchange or transfer.

### Section 13 Temporary Bonds.

The Bonds may be initially issued in temporary form, exchangeable for definitive Bonds to be delivered as soon as practicable. The temporary Bonds may be printed, lithographed, or typewritten, shall be of such denominations as may be determined by the County Council, shall be without coupons, and may contain such reference to any of the provisions of this Ordinance as may be appropriate. Every temporary Bond shall be executed by the County upon the same conditions and in substantially the same manner as the definitive Bonds. If the County issues temporary Bonds, it will execute and furnish definitive Bonds without delay, and thereupon the temporary Bonds shall be surrendered for cancellation at the office of the Paying Agent and the Paying Agent shall deliver and exchange for such temporary Bonds an equal, aggregate principal amount of definitive Bonds of like aggregate principal amount and in authorized denominations of the same maturity or maturities and interest rate or rates. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Ordinance as definitive Bonds under this Ordinance.

### Section 14 Book-Entry Only System for the Bonds.

(a) The provisions of this section shall apply with respect to any Bond registered to Cede & Co. or any other nominee of DTC while the book-entry only system (the "Book-Entry Only System") provided for herein is in effect and shall, during the period of their application, supersede any contrary provisions of this Ordinance.

(b) The Bonds shall be issued as a single Bond for each maturity. On the date of the initial authentication and delivery of all of the Bonds, the Bonds shall be registered in the name of Cede & Co., as nominee of DTC as the registered owner of the Bonds. With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the County shall have no responsibility or obligation to any Participant (which means securities brokers and dealers, banks, trust companies, clearing corporations, and various other entities, some of whom, or their representatives, own DTC) or to any Beneficial Owner (which means, when used with reference to the Book-Entry Only System, the person who is considered the beneficial owner thereof pursuant to the arrangements for book entry determination of ownership applicable to DTC) with respect to the following: (i) the accuracy of the records of DTC, Cede & Co., or any Participant with respect to any ownership interests in the Bonds, (ii) the delivery to any Participant, any Beneficial Owner, or any other person, other than DTC, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any Participant, or any Beneficial Owner, or any other person, other than DTC, of any amount with respect to the principal of or premium, if any, or interest on the Bonds. The Paying Agent shall pay all principal of and premium, if any, and interest on the Bonds only to or upon the order of DTC, and all such payments shall be valid and effective fully to satisfy and discharge the County's obligations with respect to the principal of and premium, if any, and interest on such Bonds to the extent of the sum so paid. No

person other than DTC shall receive a Bond. Upon delivery by DTC to the County of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the words "Cede & Co." in this section shall refer to such new nominee of DTC.

(c) Upon receipt by the County of written notice from DTC to the effect that DTC is unable or unwilling to discharge its responsibilities hereunder, the County shall issue, transfer, and exchange Bonds as requested by DTC in authorized denominations, and whenever DTC requests the County to do so, the County will cooperate with DTC in taking appropriate action after reasonable notice to arrange for a substitute Securities Depository willing and able upon reasonable and customary terms to maintain custody of the Bonds registered in whatever name or names the registered owners transferring or exchanging such Bonds shall designate in accordance with this section.

(d) In the event the County determines that it is in the best interests of the Beneficial Owners that they be able to obtain Bonds registered in the name of a registered owner other than DTC, the County may so notify DTC, whereupon DTC will notify the Participants of the availability through DTC of such Bonds. In such event, upon the return by DTC of Bonds held by DTC in the name of Cede & Co., the County shall issue, transfer, and exchange Bonds in authorized denominations as requested by DTC, and whenever DTC requests the County to do so, the County will cooperate with DTC in taking appropriate action after reasonable notice to make available Bonds registered in whatever name or names the Beneficial Owners transferring or exchanging Bonds shall designate, in accordance with this section.

(e) Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal of and premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, to DTC as provided in the Letter of Representations delivered by the County to DTC.

(f) In the event that the Book-Entry Only System pursuant to this section is discontinued, the Bonds shall be issued, transferred, and exchanged through DTC and its Participants to the Beneficial Owners.

### **ARTICLE III**

#### **SECURITY FOR BONDS**

##### **Section 1 Pledge of Full Faith, Credit, and Taxing Power.**

For the payment of the principal of and interest on the Bonds as the same respectively mature, and for the creation of such Sinking Fund Account as may be

necessary therefor, the full faith, credit, and taxing power, of the County are irrevocably pledged, and, subject to the provisions of Section 3 of this Article III, there shall be levied annually by the Auditor of Charleston County, and collected by the Treasurer of Charleston County, in the same manner as other County taxes are levied and collected, a tax, without limit, on all taxable property in the County, sufficient to pay the principal and interest of the Bonds as they respectively mature, and to create such Sinking Fund Account as may be necessary therefor.

## Section 2 Levy and Collection of Property Taxes.

The Auditor and Treasurer of Charleston County, South Carolina, shall be notified of this issue of Bonds and directed, subject to the provisions of Section 3 of this Article III, to levy and collect, respectively, upon all taxable property in the County, an annual tax, without limit, sufficient to meet the payment of the principal of and interest on the Bonds, as the same respectively mature, and to create such Sinking Fund Account as may be necessary therefor.

## Section 3. Pledge of Transportation Sales Tax Revenues

(a) The Bond shall be payable from, and additionally secured by a pledge of, the net revenues raised by the Transportation Sales Tax. Upon receipt of the net revenues of the Transportation Sales Tax from the State Treasurer, the Treasurer of Charleston County shall deposit that portion of the net revenues as directed by annual budget of the County Council into the Sinking Fund Account established for the Bonds and shall maintain proper books and records for an accounting thereof. To the extent the net revenues derived from the Transportation Sales Tax are or will be available and on deposit with the Treasurer of Charleston County prior to the due dates of Debt Service for any fiscal year, the County Council shall reduce the amount of taxes required to be levied and collected pursuant to Section 2 of this Article. Such net revenues received by the Treasurer of Charleston County from the State Treasurer from the Transportation Sales Tax shall be deposited in the Sinking Fund Account and on each payment date of the Bonds shall be applied to pay current Debt Service due on the Bonds. Pending such application, moneys held in such Account shall be invested by the Treasurer of Charleston County in accordance with law. All investment earnings shall be applied as directed by the County Council for the costs of Original Referendum Projects.

(b) 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 registered owners of the Bonds without preference, priority, or distinction as to payment or security or otherwise (except as to maturity) of any of the Bonds or any of the others 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.

(c) The County has previously issued its Series 2006 Bonds which are payable from and additionally secured by a pledge of the net revenues raised by the

Transportation Sales Tax which ranks *pari passu* with the pledge securing the Bonds, and such Series 2006 Bonds are secured equally and ratably by such pledge, without preference, priority, or distinction as to payment or security or otherwise (except as to maturity) of any of the Bonds authorised hereunder. The County Council expressly reserves the right to pledge net revenues derived from the Transportation Sales Tax to secure the payment of other obligations of the County, including other general obligation bonds, revenue bonds, notes, leases, or contract obligations, or similar contracts or evidences of indebtedness, and to apply such net revenues that are not required to pay current Debt Service on the Bonds to the costs of other Original Referendum Projects.

(d) Upon payment in full of all principal and interest due on the Bonds, whether at maturity or pursuant to defeasance in accordance with Article VI hereof, all funds derived from the Transportation Sales Tax held by the Charleston County Treasurer in the Sinking Fund Account shall be released from the lien and pledge in favour of the Bonds created hereby and shall be disbursed at the direction of the County Council to pay costs of the Original Referendum Facilities.

#### **ARTICLE IV**

#### **SALE OF BONDS; DISPOSITION OF PROCEEDS OF SALE**

##### **Section 1**     **Sale of Bonds.**

The Bonds shall be sold at public sale, at the price of not less than 100% of par and accrued interest to the date of delivery, in accordance with Section 11-27-40(9)(b) of the Code of Laws of South Carolina 1976, as amended, on the terms and conditions as are approved by the Chairman. The Chairman is hereby expressly delegated the authority to approve the sale of the Bonds so long as they conform to all of the parameters set forth in Section 1 of Article II hereof. The sale of the Bonds shall be advertised as directed by the Chief Financial Officer in accordance with the Bond Act. The form of said Notice, and the conditions of sale, are substantially those set forth in Exhibit B attached hereto and made a part and parcel hereof. Bids for the purchase of the Bonds may be received in such form as determined by the County Council to be in the best interest of the County.

##### **Section 2**     **Disposition of Proceeds of Sale of Bonds.**

(A) The proceeds derived from the sale of the Bonds issued pursuant to this Ordinance shall be made use of by the County Council as follows:

(i) Any accrued interest shall be deposited in the Sinking Fund Account and applied to the payment of the first installment of interest to become due on the Bonds.

(ii) Any premium shall be applied as directed by the Chairman upon

the advice of the Financial Advisor.

(iii) The remaining proceeds derived from the sale of the Bonds shall be applied as follows:

(a) Sufficient proceeds shall be used to defray the costs of issuing the Bonds.

(b) Proceeds in the amount of not exceeding \$60,000,000 shall be applied by the County to fund costs of the Greenbelt Projects and proceeds in the amount of not exceeding \$90,000,000 shall be applied by the County to fund costs of the Road Projects; provided, however, that if it becomes necessary in the judgment of County Council to expend such proceeds in different amounts or on other authorized Original Referendum Projects, County Council, by resolution, may authorize and approve such use of the proceeds of the Bonds.

(c) Any remaining proceeds of the Bonds, after their application to the purposes set forth in subparagraphs (a) and (b) above, together with investment earnings on the proceeds of the Bonds, shall be applied as directed by the County Council to defray costs of the other Original Referendum Projects.

(B) No purchaser or registered owner of the Bonds shall be liable for the proper application of the proceeds thereof.

## **ARTICLE V**

### **TAX EXEMPTION OF BONDS**

#### **Section 1**    **Exemption from State Taxes.**

Both the principal of and interest on the Bonds shall be exempt from all state, county, municipal, school district, and all other taxes or assessments of the State of South Carolina, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate, or transfer taxes.

#### **Section 2**    **Federal Tax Provisions.**

The County Council hereby authorizes the Chief Financial Officer to execute and deliver a tax regulatory agreement or certificate for the purpose of establishing and maintaining the excludability of interest on the Bonds from the gross income of the recipients thereof for federal income tax purposes.

## **ARTICLE VI**

### **DEFEASANCE**

#### **Section 1**    **Release of Ordinance.**

(a) If all of the Bonds issued pursuant to this Ordinance shall have been paid and discharged, then the obligations of the County under this Ordinance, and all other rights granted thereby shall cease and determine. Bonds shall be deemed to have been paid and discharged within the meaning of this Article in each of the following circumstances:

(i) If the Paying Agent shall hold, at the stated maturities of such Bonds, in trust and irrevocably appropriated thereto, moneys for the full payment thereof; or

(ii) If default in the payment of the principal of such Bonds or the interest thereon shall have occurred, and thereafter tender of such payment shall have been made, and the Paying Agent shall hold, in trust and irrevocably appropriated thereto, sufficient moneys for the payment thereof to the date of the tender of such payment; or

(iii) If the County shall have deposited with the Paying Agent or other escrow agent meeting the requirements of a Fiscal Agent hereunder, in an irrevocable trust, either moneys in an amount which shall be sufficient, or direct general obligations of the United States of America, which are not subject to redemption by the issuer prior to the date of maturity of the Bonds to be defeased, the principal of and interest on which, when due, and without reinvestment thereof, will provide moneys, which, together with the moneys, if any, so deposited at the same time, shall be sufficient to pay, when due, the principal, interest, and redemption premium or premiums, if any, due or to become due on and prior to the maturity date or dates; or

(iv) If there shall have been so deposited either moneys in an amount which shall be sufficient, or direct general obligations of the United States of America the principal of and interest on which, when due, will provide moneys which, together with the moneys, if any, so deposited at the same time, shall be sufficient to pay, when due, the principal and interest due or to become due on the Bonds on the maturity thereof.

(b) In addition to the above requirements of paragraphs (i), (ii), (iii), or (iv), in order for this Ordinance to be discharged, all other fees, expenses, and charges of the Fiscal Agents, shall have been paid in full at such time.

(c) Notwithstanding the satisfaction and discharge of this Ordinance, the Fiscal Agents shall continue to be obligated to hold in trust any moneys or investments

then held by the Paying Agent for the payment of the principal of, premium, if any, and interest on, the Bonds, to pay to the registered owners of Bonds the funds so held by the Fiscal Agents as and when such payment becomes due.

(d) Any release under this Section shall be without prejudice to the rights of the Fiscal Agents to be paid reasonable compensation for all services rendered under this Ordinance and all reasonable expenses, charges, and other disbursements and those of their respective attorneys, agents, and employees, incurred on and about the administration of trusts by this Ordinance created and the performance of the powers and duties under this Ordinance of the Fiscal Agents.

### Section 2     Deposit of Moneys.

Any moneys which at any time shall be deposited with a Fiscal Agent by or on behalf of the County for the purpose of paying and discharging any Bonds shall be and are hereby assigned, transferred, and set over to the Fiscal Agent in trust for the respective registered owners of such Bonds, and such moneys shall be and are hereby irrevocably appropriated to the payment and discharge thereof. If, through lapse of time or otherwise, the registered owners of such Bonds shall no longer be entitled to enforce payment of their obligations, then, in such event, it shall be the duty of the Fiscal Agent to transfer such funds to the County.

### Section 3     Notice of Release of Ordinance.

(a) In the event any of said Bonds are not to be redeemed within the sixty (60) days next succeeding the date the deposit required by Section 1(a)(iii) or (iv) of this Article is made, the County shall give the Fiscal Agent irrevocable instructions to mail, as soon as practicable by first class mail, a notice to the registered owners of such Bonds at the addresses shown on the Books of Registry that (i) the deposit required by subparagraph (a)(iii) or (a)(iv) of Section 1 of this Article has been made with the Fiscal Agent, and (ii) said Bonds are deemed to have been paid in accordance with this Article and stating such maturity or redemption dates upon which moneys are to be available for the payment of the principal of, and premium, if any, and interest on, said Bonds.

(b) The County covenants and agrees that any moneys which it shall deposit with the Fiscal Agent shall be deemed to be deposited in accordance with, and subject to, the applicable provisions of this Article.

## **ARTICLE VII**

### **AMENDING AND SUPPLEMENTING OF ORDINANCE**

#### Section 1     Amending and Supplementing of Ordinance Without Consent of Registered Owners of Bonds.

(a) The County Council, from time to time and at any time and without the consent or concurrence of any registered owner of any Bond, may enact an ordinance amendatory hereof or supplemental thereto, if the provisions of such supplemental ordinance shall not materially adversely affect the rights of the registered owners of the Bonds then outstanding, for any one or more of the following purposes:

(i) To make any changes or corrections in this Ordinance as to which the County Council shall have been advised by counsel that the same are verbal corrections or changes or are required for the purpose of curing and correcting any ambiguity or defective or inconsistent provision or omission or mistake or manifest error contained in this Ordinance, or to insert in this Ordinance such provisions clarifying matters or questions arising under this Ordinance as are necessary or desirable;

(ii) To add additional covenants and agreements of the County for the purpose of further securing the payment of the Bonds;

(iii) To surrender any right, power, or privilege reserved to or conferred upon the County by the terms of this Ordinance;

(iv) To grant or confer upon the registered owners of the Bonds any additional rights, remedies, powers, authority, or security that lawfully may be granted to or conferred upon them; or

(v) To make such additions, deletions, or modifications as may be necessary to assure compliance with section 148(f) of the Code relating to required rebate to the United States of America or otherwise as may be necessary to assure the exclusion from gross income of interest on the Bonds for purposes of federal income taxation.

(b) The County Council shall not enact any supplemental ordinance authorised by the foregoing provisions of this Section unless in the opinion of counsel (which opinion may be combined with the opinion required by Section 4 hereof) the enactment of such supplemental ordinance is permitted by the foregoing provisions of this Section and the provisions of such supplemental ordinance do not adversely affect the rights of the registered owners of the Bonds then outstanding.

Section 2     Amending and Supplementing of Ordinance With Consent of Registered Owners of Bonds.

(a) With the consent of the registered owners of not less than a majority in principal amount of the Bonds then outstanding the County Council from time to time and at any time may enact an ordinance amendatory hereof or supplemental hereto for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, this Ordinance, or modifying or amending the rights or obligations of the County under this Ordinance, or modifying or amending in any manner the rights of

the registered owners of the Bonds then outstanding; provided, however, that without the specific consent of the registered owner of each such Bond which would be affected thereby, no supplemental ordinance amending or supplementing the provisions hereof shall: (i) change the fixed maturity date of any Bond or the dates for the payment of interest thereon or the terms of the redemption thereof, or reduce the principal amount of any Bond or the rate of interest thereon or the redemption price (or the redemption premium) payable upon the redemption or prepayment thereof; (ii) reduce the aforesaid percentage of Bonds, the registered owners of which are required to consent to any supplemental ordinance amending or supplementing the provisions of this Ordinance; or (iii) give to any Bond or Bonds any preference over any other Bond or Bonds secured hereby. Nothing in this paragraph contained, however, shall be construed as making necessary the approval of the registered owners of the Bonds of the enactment of any supplemental ordinance authorized by the provisions of Section 1 of this Article.

(b) It shall not be necessary that the consents of the registered owners of the Bonds approve the particular form of the wording of the proposed amendment or supplement or of the supplemental ordinance effecting such amending or supplementing hereof pursuant to this Section. The County shall mail a notice at least once, not more than thirty (30) days after the effective date of such amendment or supplement, of such amendment or supplement postage prepaid, to each registered owner of Bonds then outstanding at his address appearing upon the Books of Registry and to the Paying Agent, but failure to mail copies of such notice to any of the registered owners shall not affect the validity of the supplemental ordinance effecting such amendments or supplements or the consents thereto. Nothing in this paragraph contained, however, shall be construed as requiring the giving of notice of any amendment or supplement of this Ordinance authorized by Section 1 of this Article. No action or proceeding to set aside or invalidate such supplemental ordinance or any of the proceedings for its enactment shall be instituted or maintained unless such action or proceeding is commenced within sixty (60) days after the mailing of the notice required by this paragraph.

### Section 3      Notation Upon Bonds; New Bonds Issued Upon Amendments.

Bonds delivered after the effective date of any action taken as provided in this Article may bear a notation as to such action, by endorsement or otherwise and in form approved by the County. In that case, upon demand of the registered owner of any Bond outstanding after such effective date and upon the presentation of the Bond for such purpose at the office of the Paying Agent, and at such additional offices, if any, as the County may select and designate for that purpose, a suitable notation shall be made on such Bond. If the County shall so determine, new Bonds, so modified as in the opinion of the County upon the advice of counsel to conform to the amendments or supplements made pursuant to this Article, shall be prepared, executed, and delivered, and upon demand of the registered owner of any Bond then outstanding shall be exchanged without cost to such registered owner for Bonds then outstanding, upon surrender of such outstanding Bonds.

Section 4     Effectiveness of Supplemental Ordinance.

Upon the enactment (pursuant to this Article and applicable law) by the County Council of any supplemental ordinance amending or supplementing the provisions of this Ordinance and the delivery to the Paying Agent and the County Council of an opinion of bond counsel that such supplemental ordinance is in due form and has been duly enacted in accordance with the provisions hereof and applicable law and that the provisions thereof are valid and binding upon the County, or upon such later date as may be specified in such supplemental ordinance, (a) this Ordinance and the Bonds shall be modified and amended in accordance with such supplemental ordinance, (b) the respective rights, limitations of rights, obligations, duties, and immunities, under this Ordinance of the County, the Fiscal Agents, and the registered owners of the Bonds, shall thereafter be determined, exercised, and enforced under this Ordinance subject in all respects to such modifications and amendments, and (c) all of the terms and conditions of any such supplemental ordinance shall be a part of the terms and conditions of the Bonds and of this Ordinance for any and all purposes.

Section 5     Supplemental Ordinance Affecting Fiscal Agents.

No supplemental ordinance changing, amending, or modifying any of the rights, duties, and obligations of any Fiscal Agent appointed by or pursuant to the provisions of this Ordinance may be enacted by the County Council or be consented to by the registered owners of the Bonds without written consent of such Fiscal Agent affected thereby.

## ARTICLE VIII

### CONCERNING THE FISCAL AGENTS

#### Section 1     Fiscal Agents; Appointment and Acceptance of Duties.

The Paying Agent, the Bond Registrar, the Authenticating Agent, and any escrow agent with respect to the Bonds shall accept the duties and trusts imposed upon it by this Ordinance and shall agree in writing to perform such trusts but only upon the terms and conditions set forth in this Article VIII. Similarly, each financial institution appointed as a successor Paying Agent, Bond Registrar, Authenticating Agent, or escrow agent shall signify its acceptance of the duties and trusts imposed by this Ordinance by a written acceptance.

#### Section 2     Responsibilities of Fiscal Agents.

The recitals of fact contained herein and in the Bonds shall be taken as the statements of the County and no Fiscal Agent shall be deemed to assume any responsibility for the correctness of the same except in respect of the authentication certificate of the Authenticating Agent endorsed on the Bonds. No Fiscal Agent shall be deemed to make any representations as to the validity or sufficiency of this Ordinance or of any Bonds or as to the security afforded by this Ordinance, and no Fiscal Agent shall incur any liability in respect thereof. No Fiscal Agent shall be under any responsibility or duty with respect to the application of any moneys paid to any other Fiscal Agent. No Fiscal Agent shall 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 respect hereof or to advance any of its own moneys, unless indemnified to its reasonable satisfaction. No Fiscal Agent shall be liable in connexion with the performance of its duties hereunder except for its own negligence or wilful misconduct.

#### Section 3     Evidence on Which Fiscal Agents May Act.

(a) Each Fiscal Agent, upon receipt of any notice, ordinance, request, consent, order, certificate, report, opinion, bond, or other paper or document furnished to it pursuant to any provision of this Ordinance, shall examine such instrument to determine whether it conforms to the requirements of this Ordinance and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. Each Fiscal Agent may consult with counsel, who may or may not be of counsel to the County, and the opinion of such counsel shall be full and complete authorisation and protection in respect of any action taken or suffered by it under this Ordinance in good faith and in accordance therewith.

(b) Whenever any Fiscal Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Ordinance, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a certificate

of the Chairman, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Ordinance; but in its discretion the Fiscal Agent may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable.

(c) Except as otherwise expressly provided in this Ordinance, any request, order, notice, or other direction required or permitted to be furnished pursuant to any provision hereof by the County to any Fiscal Agent shall be sufficiently executed if executed in the name of the County by the Chairman.

#### Section 4 Compensation.

The County shall pay to each Fiscal Agent from time to time reasonable compensation based on the then standard fee schedule of the Fiscal Agent for all services rendered under this Ordinance, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents, and employees, incurred in and about the performance of their powers and duties under this Ordinance; provided, however, that any specific agreement between the County and a Fiscal Agent with respect to the compensation of that Fiscal Agent shall control the compensation to be paid to it.

#### Section 5 Certain Permitted Acts.

Any Fiscal Agent may become the owner or underwriter of any bonds, notes, or other obligations of the County, or conduct any banking activities with respect to the County, with the same rights it would have if it were not a Fiscal Agent. To the extent permitted by law, any Fiscal Agent may act as a depository for and permit any of its officers or directors to effect or aid in any reorganisation growing out of the enforcement of the Bonds or this Ordinance.

#### Section 6 Resignation of Any Fiscal Agent.

Any Fiscal Agent may at any time resign and be discharged of the duties and obligations created by this Ordinance by giving not less than sixty (60) days' written notice to the County and not less than thirty (30) days' written notice to the registered owners of the Bonds (as established by the Books of Registry) prior to the next succeeding Interest Payment Date, and such resignation shall take effect upon the date specified in such notice unless a successor shall have been appointed previously by the County pursuant to Section 8 of this Article VIII, in which event such resignation shall take effect immediately upon the appointment of such successor. In no event, however, shall such a resignation take effect until a successor has been appointed.

#### Section 7 Removal of Fiscal Agent.

Any Fiscal Agent may be removed at any time by an instrument or concurrent

instruments in writing, filed with the County and such Fiscal Agent, and signed by either the Chairman or the registered owners representing a majority in principal amount of the Bonds then outstanding or their attorneys in fact duly authorised.

#### Section 8 Appointment of Successor Fiscal Agents.

(a) In case any Fiscal Agent hereunder shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor shall be appointed by the County. Every such Fiscal Agent appointed pursuant to the provisions of this Section 8 shall be a trust company or bank organised under state or federal laws and which is in good standing, within or outside the State of South Carolina, having a stockholders' equity of not less than \$25,000,000 if there be such institution willing, qualified, and able to accept the trust upon reasonable and customary terms.

(b) If in a proper case no appointment of a successor Fiscal Agent shall be made by the County pursuant to the foregoing provisions of this Section 8 within forty-five (45) days after any Fiscal Agent shall have given to the County written notice as provided in Section 6 of this Article VIII or after a vacancy in the office of such Fiscal Agent shall have occurred by reason of its removal or inability to act, the former Fiscal Agent or any registered owner may apply to any court of competent jurisdiction to appoint a successor. Said court may thereupon, after notice, if any, as the court may deem proper, appoint a successor.

#### Section 9 Transfer of Rights and Property to Successor.

Any successor Fiscal Agent appointed under this Ordinance shall execute, acknowledge, and deliver to its predecessor, and also to the County, an instrument accepting such appointment, and thereupon the successor, without any further act, deed, or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties, and obligations of the predecessor Fiscal Agent, with like effect as if originally named in that capacity; but the Fiscal Agent ceasing to act shall nevertheless, at the request of the County or at the written request of the successor Fiscal Agent, execute, acknowledge, and deliver, all instruments of conveyance and further assurance and do all things as may reasonably be required for more fully and certainly vesting and confirming in the successor Fiscal Agent all the right, title, and interest, of the predecessor Fiscal Agent in and to any property held by it under this Ordinance, and shall pay over, assign, and deliver, to the successor Fiscal Agent any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance, or instrument in writing, from the County be required by such successor Fiscal Agent for more fully and certainly vesting in and confirming to such successor any such estates, rights, powers, and duties, any and all such deeds, conveyances, and instruments in writing, shall, on request, and so far as may be authorised by law, be executed, acknowledged, and delivered, by the County. Each successor Fiscal Agent shall promptly notify the other Fiscal Agents, if any, of its

appointment as Fiscal Agent.

Section 10 Merger or Consolidation.

Any corporation or other organisation into which any Fiscal Agent may be merged or converted or with which it may be consolidated or any corporation or other organisation resulting from any merger, conversion, or consolidation or other organisation to which it may be party or any corporation or other organisation to which any Fiscal Agent may sell or transfer all or substantially all of its corporate trust business, provided such corporation or other organisation shall be a bank or trust company organised under state or federal laws, and shall be authorised by law to perform all the duties imposed upon it by this Ordinance, shall be the successor to such Fiscal Agent without the execution or filing of any paper or the performance of any further act.

Section 11 Adoption of Authentication.

In case any of the Bonds contemplated to be issued under this Ordinance shall have been authenticated but not delivered, any successor Authenticating Agent may adopt the certificate of authentication of any predecessor Authenticating Agent so authenticating such Bonds and deliver such Bonds so authenticated. In case any such Bonds shall not have been authenticated, any successor Authenticating Agent may authenticate such Bonds in the name of the predecessor Authenticating Agent or in the name of the successor Authenticating Agent, and in all such cases such certificate shall be of full force and effect.

**ARTICLE IX**

**MISCELLANEOUS**

Section 1 Execution of Closing Documents and Certificates.

The Chairman, the Clerk, the County Administrator, the Chief Financial Officer of the County, and all other officers and employees of the County, are fully authorised and empowered to take all further action and to execute and deliver all closing documents and certificates as may be necessary and proper in order to complete the issuance of the Bonds herein authorised and the action of such officers or any one or more of them in executing and delivering any documents, in the form as he or they shall approve, is hereby fully authorised.

Section 2 Vice Chairman May Act in Chairman's Absence; Acting Clerk May Act in Clerk's Absence.

In the absence of the Chairman, the vice chairman of the County Council is fully authorised to exercise all powers vested in the Chairman under this Ordinance. In the absence of the Clerk, the acting clerk of the County Council is fully authorised to exercise all powers and take all actions vested in the Clerk under this Ordinance.

Section 3     Official Statement.

(a)     The County Council hereby approve the form of the Preliminary Official Statement relating to the Bonds in substantially the form presented at third reading hereof and hereby direct the distribution thereof in connexion with the sale of the Bonds.

(b)     The County Council hereby authorise the Official Statement of the County relating to the Bonds substantially in the form of the Preliminary Official Statement presented at this meeting, with any modifications as the Chief Financial Officer of the County, upon the advice of the Financial Advisor and bond counsel, approves; the Chief Financial Officer of the County is hereby authorised and directed to execute copies of the Official Statement and deliver them to the Original Purchaser of the Bonds, which execution and delivery shall be conclusive evidence of the approval of any such modifications; and the County hereby authorise the use of the Official Statement and the information contained therein in connexion with the public offering and sale of the Bonds.

Section 4     Benefits of Ordinance Limited to the County and Registered Owners 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 and the registered owners 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 and the registered owners from time to time of the Bonds as herein and therein provided.

Section 5     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 registered owners of the Bonds.

Section 6     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 Council, or any officer or employee of the County, as such, in his or her individual capacity, past, present, or future, 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, either directly or by reason of any of the obligations, covenants, promises, or agreements, entered into between the County and the registered owners of the Bonds 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 enactment of this Ordinance and the execution of the Bonds, and as a condition of, and as a part of the consideration for, the enactment of this Ordinance and the execution of the Bonds, expressly waived and released. The immunity of the members, officers, and employees, of the County under the provisions contained in this Section shall survive the termination of this Ordinance.

#### Section 7     Effect of Saturdays, Sundays and Legal Holidays.

Whenever this Ordinance requires any action to be taken on a Saturday, Sunday, or legal holiday or bank holiday in the State of South Carolina or in a state where the office of any Fiscal Agent is located, the 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, or legal holiday or bank holiday in the State of South Carolina or in a state where the office of any Fiscal Agent is located, the time shall continue to run until midnight on the next succeeding business day.

#### Section 8     Partial Invalidity.

(a) If any one or more of the covenants or agreements or portions thereof provided in this Ordinance on the part of the County or any Fiscal 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 or 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 registered owners of the Bonds shall retain all the rights and benefits accorded to them hereunder and under any applicable provisions of law.

(b) 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 it 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 9 Continuing Disclosure Undertaking.

(a) Pursuant to Section 11-1-85 of the Code of Laws of South Carolina 1976, as amended ("Section 11-1-85"), the County Council covenant to file with a central repository for availability in the secondary bond market when requested:

- Council's (i) An annual independent audit, within thirty days of the County receipt of the audit; and
- affecting (ii) Event specific information within 30 days of an event adversely more than five percent of the aggregate of revenues of the County.

The only remedy for failure by the County Council to comply with the covenant in this Section 9 shall be an action for specific performance of this covenant. The County Council specifically reserves the right to amend this covenant to reflect any change in Section 11-1-85, without the consent of any registered owner of any Bonds.

(b) In addition, the County Council hereby authorise the Chief Financial Officer of the County to execute the Continuing Disclosure Undertaking, in substantially the form attached hereto as Exhibit C, with any changes therein as may be approved by the Chief Financial Officer of the County, upon the advice of the Financial Advisor or counsel. The County Council further hereby covenant and agree that they will comply with and carry out all of the provisions of the Continuing Disclosure Undertaking. Notwithstanding any other provision of this Ordinance, failure of the County Council to comply with the Continuing Disclosure Undertaking shall not be considered an event of default with respect to the Bonds; however, any registered owner may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the County Council to comply with their obligations under this paragraph.

Section 10 Law and Place of Enforcement of the 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 11   Repeal of Inconsistent Ordinances and Resolutions.

All ordinances and resolutions of the County Council, and any part of any resolution or ordinance, inconsistent with this Ordinance are hereby repealed to the extent of the inconsistency.

Section 12   Effective Date of this Ordinance.

This Ordinance shall become effective upon approval following third reading.

First Reading:	September 18, 2007
Second Reading:	October 2, 2007
Public Hearing:	October 2, 2007
Third Reading:	October 16, 2007

**SCHEDULE 1**

Road Project	2004 Referendum	2006 Referendum
Widening and improvements to US Route 17/Johnnie Dodds Boulevard from the Arthur Ravenel, Jr. Bridge to the Interstate I-526 Overpass	\$25,000,000	-
James Island road improvements:	\$10,000,000	\$4,550,000
Folly Road (SC 171)/Maybank Highway (SC 700) intersection improvements		
James Island Connector (SC 30) Interchange Loop to Folly Road (SC 171)		
Harbor View Road (S-1029) improvements		
Interstate I-526 Loop Ramp to Glenn McConnell Parkway (C61 spur)	-	\$1,450,000
Ferry Road (S-57) widening from US Route 17 to Ashley River Road (SC 61)	-	\$7,000,000
Folly Road (SC 171)/Camp Road (SC-28) Intersection improvements	-	\$3,000,000
Future Drive extension to Ladson Road and the extension of Northside Drive	-	\$15,000,000
Maybank Highway (SC 700) widening from proposed I-526/Mark Clark interchange to Bohicket Road/Main Road (S-20)	-	\$7,700,000
Roadway improvements at the Medical University including Lockwood Drive (s-404), Courtenay Drive (S-550), and Bee Street (S-551) with additional improvements at the Courtney Drive intersections with Calhoun Street (S-404) and Spring Street	-	\$3,300,000
Glenn McConnell Parkway/Bees Ferry Road intersection improvements	\$7,000,000	-
US Highway 17 access ramp onto the US Highway 61 Connector near Wesley Drive	\$6,000,000	-
Construction of a roadway connecting Ashley Phosphate Road and the Palmetto Parkway through Spartan Boulevard	-	-
<b>Total</b>	<b>\$48,000,000</b>	<b>\$42,000,000</b>