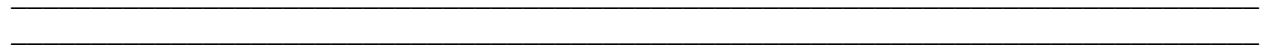


AN ORDINANCE

TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING \$95,700,000 GENERAL OBLIGATION TRANSPORTATION SALES TAX REFUNDING 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.



**TABLE OF CONTENTS**

(This Table of Contents for the Ordinance is for convenience of reference only and is not intended to define, limit, or describe the scope or intent of any provision of the Ordinance)

Page

**ARTICLE I  
DEFINITIONS AND INTERPRETATIONS**

Section 1 Defined Terms..... 3  
Section 2 General Rules of Interpretation..... 6

**ARTICLE II  
ISSUANCE OF BONDS**

Section 1 Authorisation of Bonds; Approval of Maturity Dates, Principal Amounts,  
and Interest Rates ..... 6  
Section 2 Redemption of Bonds ..... 7  
Section 3 Cancellation of Bonds ..... 9  
Section 4 Purchase of Bonds..... 9  
Section 5 Medium of Payment..... 9  
Section 6 Place of Payments; Selection of Paying Agent ..... 9  
Section 7 Execution of Bonds; Designation of Authenticating Agent ..... 10  
Section 8 Form of Bonds; Designation of Bond Registrar ..... 10  
Section 9 Registration and Transfers of Bonds; Persons Treated as Owners ..... 10  
Section 10 Mutilated, Lost, or Stolen Bonds ..... 11  
Section 11 Exchange of Bonds ..... 11  
Section 12 Regulations with Respect to Exchanges and Transfers..... 12  
Section 13 Temporary Bonds..... 12  
Section 14 Book-Entry Only System for the Bonds ..... 12

**ARTICLE III  
SECURITY FOR BONDS**

Section 1 Pledge of Full Faith, Credit, and Taxing Power..... 14  
Section 2 Levy and Collection of Property Taxes..... 14  
Section 3. Pledge of Transportation Sales Tax Revenues ..... 14

**ARTICLE IV  
SALE OF BONDS; DISPOSITION OF PROCEEDS OF SALE**

Section 1 Sale of Bonds ..... 15  
Section 2 Disposition of Proceeds of Sale of Bonds..... 16  
Section 3 Designation of and Redemption of Refunded Bonds ..... 16

**ARTICLE V**

TAX EXEMPTION OF BONDS

Section 1 Exemption from State Taxes ..... 17  
Section 2 Federal Tax Provisions..... 17

ARTICLE VI  
DEFEASANCE

Section 1 Release of Ordinance ..... 17  
Section 2 Deposit of Moneys..... 18  
Section 3 Notice of Release of Ordinance ..... 18

ARTICLE VII  
AMENDING AND SUPPLEMENTING OF ORDINANCE

Section 1 Amending and Supplementing of Ordinance Without Consent of  
Register Owners of Bonds ..... 19  
Section 2 Amending and Supplementing of Ordinance With Consent of  
Registered Owners of Bonds ..... 20  
Section 3 Notation Upon Bonds; New Bonds Issued Upon Amendments ..... 20  
Section 4 Effectiveness of Supplemental Ordinance ..... 21  
Section 5 Supplemental Ordinance Affecting Fiscal Agents ..... 21

ARTICLE VIII  
CONCERNING THE FISCAL AGENTS

Section 1 Fiscal Agents; Appointment and Acceptance of Duties ..... 21  
Section 2 Responsibilities of Fiscal Agents ..... 22  
Section 3 Evidence on Which Fiscal Agents May Act ..... 22  
Section 4 Compensation ..... 22  
Section 5 Certain Permitted Acts ..... 23  
Section 6 Resignation of Any Fiscal Agent ..... 23  
Section 7 Removal of Fiscal Agent..... 23  
Section 8 Appointment of Successor Fiscal Agents ..... 23  
Section 9 Transfer of Rights and Property to Successor..... 24  
Section 10 Merger or Consolidation ..... 24  
Section 11 Adoption of Authentication..... 24

ARTICLE IX  
MISCELLANEOUS

Section 1 Execution of Closing Documents and Certificates ..... 26  
Section 2 Vice Chairman May Act in Chairman's Absence; Acting Clerk May Act in  
Clerk's Absence..... 26  
Section 3 Official Statement ..... 26  
Section 4 Benefits of Ordinance Limited to the County and Register Owners of  
the Bonds ..... 27

Section 5	Ordinance Binding Upon Successors or Assigns of the County.....	27
Section 6	No Personal Liability .....	27
Section 7	Effect of Saturdays, Sundays and Legal Holidays.....	27
Section 8	Partial Invalidity.....	28
Section 9	Continuing Disclosure Undertaking .....	28
Section 10	Law and Place of Enforcement of the Ordinance .....	29
Section 11	Repeal of Inconsistent Ordinances and Resolutions.....	29
Section 13	Notice of Issuance of Advance Refunding Bonds .....	29
Section 12	Effective Date of this Ordinance.....	29

- Exhibit A - Form of Bond.
- Exhibit B - Form of Official Notice of Sale.
- Exhibit C - Form of Continuing Disclosure Undertaking.
- Exhibit D - Form of Escrow Deposit Agreement.
- Exhibit E - Form of Notice of Issuance of Refunding Bonds.

**AN ORDINANCE**

**TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING \$95,700,000 GENERAL OBLIGATION TRANSPORTATION SALES TAX REFUNDING 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 and approved by the voters at the Referendum (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 fund completion of the Original Referendum Projects; and

**WHEREAS**, there was submitted to and approved by the voters at a 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**, the County issued \$65,000,000 General Obligation Transportation Sales Tax Bonds of 2006 on May 2, 2006 (the “Series 2006 Bonds”) pursuant to the authorisation of the 2004 Bond Referendum; and

**WHEREAS**, the County issued \$150,000,000 General Obligation Transportation Sales Tax Bonds of 2007 in December 2007 (the “Series 2007 Bonds”) pursuant to the authorisation of the 2006 Bond Referendum, of which \$90,000,000 was applied to road projects prescribed in Ordinance No. 1324 and \$60,000,000 was applied to greenbelt projects prescribed in Ordinance No. 1324; and

**WHEREAS**, by virtue of the Refunding Act (Title 11, Chapter 15, Article 5 of the Code of Laws of South Carolina 1976, as amended), as amplified by Title 11, Chapter 21 of the Code of Laws of South Carolina 1976, as amended, and as amended and continued by Section 11-27-40 of the Code of Laws of South Carolina 1976, as amended (the Refunding Act, as so amended and continued, being hereinafter called the “Refunding Act”), the County is authorised to issue general obligation refunding bonds of the County for the purpose of paying, in whole or in part, sums due on general obligation bonds previously issued by the County; and

**WHEREAS**, the County Council have determined, upon the advice of Davenport & Company, LLC, the County’s Financial Advisor, that a savings in the debt service payments of the Series 2006 Bonds and the Series 2007 Bonds can be achieved by issuing refunding bonds at this time and using the proceeds thereof (i) to advance refund all or a portion of the outstanding the Series 2006 Bonds that mature in the years 2025-2027, inclusive, and the Series 2007 Bonds that mature in the years 2020-2024, inclusive (all or any part of the Series 2006 Bonds or the Series 2007 Bonds that are refunded by the bonds issued hereunder being collectively referred to herein as the “Refunded Bonds”), by calling them for redemption; and (ii) to pay costs of issuance of the refunding bonds;

**NOW, THEREFORE**, on the basis of the foregoing authorisations and for the purposes of defraying the costs of refunding the Refunded Bonds, the County Council enact this Ordinance to effect the issuance and sale of not exceeding \$95,700,000 general obligation transportation sales tax refunding bonds of the County authorised by the Refunding 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 Refunding Bonds of 2013 of the County authorised to be issued hereunder in the aggregate principal amount of not exceeding \$95,700,000.

“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.

“Escrow Agent” shall mean the escrow agent appointed pursuant to Section 1 of Article IX hereof to serve as escrow agent under the Escrow Deposit Agreement, and its successors and assigns thereunder.

“Escrow Deposit Agreement” shall mean the Escrow Deposit Agreement, between the County and Escrow Agent, established with respect to the Refunded Bonds, as amended from time to time.

“Financial Advisor” shall mean Davenport & Co., LLC, 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.

“Interest Payment Date” shall mean any May 1 or November 1, commencing November 1, 2013.

“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.

“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.

“Refunded Bonds” shall mean all or any part of the Series 2006 Bonds or the Series 2007 Bonds that are refunded by the Bonds issued hereunder.

“Refunding Act” shall mean the Refunding Act (Title 11, Chapter 15, Article 5 of the Code of Laws of South Carolina 1976, as amended), as amplified by Title 11, Chapter 21 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.

“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 2006 Bonds” shall mean the General Obligation Transportation Sales Tax Bonds of 2006 of the County.

“Series 2007 Bonds” shall mean the General Obligation Transportation Sales Tax Bonds of 2007 of the County.

“Series 2011 Bonds” shall mean the General Obligation Transportation Sales Tax Bonds of 2011 of the County.

“Series 2012 Bonds” shall mean the General Obligation Transportation Sales Tax Bonds of 2012 of the County.

“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 Refunding Act and for the purposes of refunding all or a portion of the Series 2006 Bonds and the Series 2007 Bonds and paying the costs of issuance of the Bonds, there shall be issued not exceeding \$95,700,000 of general obligation transportation sales tax refunding bonds of the County. The Bonds shall be designated “General Obligation Transportation Sales Tax Refunding Bonds of 2013”; and may be issued in one or more series as designated by the Chairman. 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 bear interest at rates such that they result in a net present value savings for each series of Refunded Bonds of not less than 2.5%.

(ii) The Bonds shall mature not later than November 1, 2028.

(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 Wells Fargo Bank N.A. (or an affiliate thereof) or such other institution as designated by the Chairman as in the best interest of the County.

## 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) Conditional Notice of Redemption of Bonds Permitted. In the case of an optional redemption, the notice may state (i) that it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption, with the Trustee no later than the redemption date or (ii) that the Issuer retains the right to rescind such notice on or prior to the scheduled redemption date (in either case, a “Conditional Redemption”), and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded.

(f) Deposit of Funds. At least one day 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.

(g) 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 (i) the County shall have revoked the redemption in accordance with the terms set forth in the official notice of redemption or (ii) 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. Instalments 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.

(h) 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 official notice thereof is given as above prescribed. Such further notice of redemption may be combined with official notice as above prescribed in a single notice.

(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 that purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed and paid with such funds.

### 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 Chief Financial Officer.

### 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 any of the continental United States of America designated by such registered owner on or before the Regular 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 signature appearing on the Bonds may be that of the officer who is in 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 or law.

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 to replace mutilated, lost, stolen, or destroyed Bonds.

#### 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 authorized 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 authorized 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 Bonds 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, Series 2007 Bonds, Series 2011 Bonds, and Series 2012 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 the Series 2006 Bonds and the Series 2007 Bonds (to the extent that they are not refunded by the Bonds but remain outstanding after issuance of the Bonds) and the Series 2011 Bonds and the Series 2012 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 Refunding 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 Chief Financial Officer 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 instalment of interest to become due on the Bonds.

(ii) Any premium shall be deposited with the Escrow Agent and applied to the payment of principal, interest, and redemption price of the Refunded Bonds in accordance with the Escrow Deposit Agreement.

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

(A) Sufficient proceeds shall be applied to defray the costs of issuing the Bonds.

(B) The proceeds necessary to refund all the Refunded Bonds as designated for refunding pursuant to Section 3 of this Article shall be deposited with the Escrow Agent and applied to the payment of principal, interest, and redemption price of the Refunded Bonds in accordance with the Escrow Deposit Agreement.

(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.

Section 3      Designation of and Redemption of Refunded Bonds.

(a) Based upon the advice of the Financial Advisor, the Chairman shall designate those maturities and the principal amounts, if any, of the Series 2006 Bonds and the Series 2007 Bonds which have been determined to be in the best interest of the County to refund from the proceeds of the Bonds.

(b) The Chairman, upon the advice of the Financial Advisor, shall take all necessary action to call the Refunded Bonds so selected for prior redemption on the dates that are most advantageous to the County.

## 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;

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

the (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 authorized 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 authorised 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 authorised 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 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.

(a) 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 authorized 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 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 authorized.

(b) There is hereby authorized an Escrow Deposit Agreement, in substantially the form attached hereto as Exhibit E, for use with the refunding of the Refunded Bonds designated pursuant to Section 3 of Article IV hereof. The Chief Financial Officer of the County is hereby authorized and directed to execute and deliver the Escrow Deposit Agreement on behalf of the County, with any changes as he shall approve, upon the advice of the Financial Advisor or counsel, his execution being conclusive evidence of his approval. The Chairman is hereby authorized and directed to designate a bank or trust company to serve as Escrow Agent.

#### 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 authorized 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 authorized 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 authorize 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 authorized 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 authorize the use of the Official Statement and the information contained therein in 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 secular or 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 secular or 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:

(i) An annual independent audit, within thirty days of the County Council’s receipt of the audit; and

(ii) Event specific information within 30 days of an event adversely affecting 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 authorize 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 Notice of Issuance of Advance Refunding Bonds.

Notice of the issuance of the Bonds to refund the Refunded Bonds shall be published once in a financial paper published in the City of New York, in form substantially as set forth in Exhibit E hereto after the issuance of the Bonds.

Section 13 Effective Date of this Ordinance.

This Ordinance shall become effective upon approval following third reading.

(SEAL)

\_\_\_\_\_  
Chairman,  
County Council of Charleston County,  
South Carolina

ATTEST:

\_\_\_\_\_  
Clerk,  
County Council of  
Charleston County, South Carolina

First Reading: March 12, 2013

Second Reading: March 26, 2013  
Public Hearing: March 26, 2013  
Third Reading: April 9, 2013

**STATE OF SOUTH CAROLINA  
COUNTY OF CHARLESTON  
GENERAL OBLIGATION TRANSPORTATION  
SALES TAX REFUNDING BOND OF 2013**

NO. R-\_\_

CUSIP NO. \_\_\_\_\_

Interest Rate: \_\_\_\_\_ and 00/100 percentum ( \_\_\_\_ %)

Maturity Date: November 1, \_\_\_\_\_

Original Date of Issue: \_\_\_\_\_, 2013

Registered Owner: \_\_\_\_\_

Principal Amount: \_\_\_\_\_ and \_\_/100 (\$ \_\_\_\_\_) Dollars

**KNOW ALL MEN BY THESE PRESENTS**, that **CHARLESTON COUNTY, SOUTH CAROLINA** (hereinafter called the County), a body politic and corporate and a political subdivision of the State of South Carolina, is justly indebted and, for value received, hereby promises to pay the Registered Owner, or registered assigns, hereof on the Maturity Date set forth above (unless this bond be subject to redemption and shall have been duly called for previous redemption and payment of the redemption price made or provided for), the Principal Sum set forth above, and to pay interest (computed on the basis of a 360-day year consisting of twelve 30-day months) on the Principal Amount from the most recent May 1 or November 1 to which interest shall have been paid, or if no interest shall have been paid, from the Original Date of Issue, interest being payable to the Maturity Date hereof on the first days of May and November of each year (such dates being hereinafter referred to as the Interest Payment Dates), commencing November 1, 2013, at the Interest Rate per annum specified above, until payment of the Principal Amount. The interest so payable and to be punctually paid or duly provided for on any Interest Payment Date will be paid to the person in whose name this bond is registered at the close of business on the fifteenth day (whether or not a business day) of the calendar month immediately preceding such Interest Payment Date (the Regular Record Date), by cheque or draught mailed to the registered owner by Wells Fargo Bank, N.A. (the Paying Agent) at his address as it appears on the registration books (the Books of Registry) of the County as maintained by the Paying Agent as bond registrar (the Bond Registrar). The principal and premium, if any, of this bond, when due, shall be payable upon presentation and surrender of this bond at the corporate trust office of the Paying Agent in the City of Atlanta, State of Georgia. Both the principal of and interest on this bond are payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for payment of public and private debts. For the prompt payment hereof, both principal and interest, as the same shall become due, the full faith, credit, and taxing power, of the County are irrevocably pledged. This bond is payable from and additionally secured by a pledge of the net revenues collected from the Transportation Sales Tax imposed in Charleston County, South Carolina, pursuant to Title 4, Chapter 37 of the Code of Laws of South Carolina 1976, as amended.

**THIS BOND** is one of an issue of bonds (the “Bonds”) of like original date of issue, tenor, and effect except as to number, denomination, date of maturity, date of authentication, rate of interest, redemption provisions, and registered owner, aggregating \_\_\_\_\_ Million \_\_\_\_\_ Thousand Dollars (\$\_\_\_\_\_), issued pursuant to and for purposes authorized by the County Bond Act (Title 11, Chapter 15, Article 5 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, as amplified by Title 11, Chapter 21 of the Code of Laws of South Carolina 1976, as amended (collectively, the “Bond Act”); the favourable results of referenda conducted in Charleston County, South Carolina; and an ordinance (the “Ordinance”) duly enacted by the County Council of Charleston County, South Carolina, in order to fund the costs of refunding certain outstanding bonds of the County and paying costs of issuance of the Bonds.

**THE ORDINANCE** contains provisions defining terms; sets forth the terms and conditions upon which the covenants, agreements, and other obligations of the County made therein may be discharged at or prior to the maturity of this bond with provisions for the payment thereof in the manner set forth in the Ordinance; and sets forth the terms and conditions under which the Ordinance may be amended or modified with or without the consent of the registered owner of this bond. Reference is hereby made to the Ordinance, to all provisions of which any registered owner of this bond by the acceptance hereof thereby assents.

**THE BONDS** maturing on or prior to November 1, \_\_\_\_\_ are not subject to redemption prior to their maturity. The Bonds maturing after November 1, \_\_\_\_\_, are subject to redemption on and after November 1, \_\_\_\_\_, at the option of the County, in whole or in part at any time, and by lot as to Bonds or portions of Bonds within a maturity (but only in integral multiples of \$5,000), at the redemption price of par plus accrued interest to the date fixed for redemption.

**IF BONDS** are called for redemption prior to their maturity, notice of redemption, describing the bonds or portions of bonds to be redeemed and specifying the redemption date and place or places where amounts due upon redemption will be payable, must be given by the County by sending a notice, by first class mail, not less than thirty (30) days and not more than sixty (60) days prior to the redemption date, to the registered owner of each bond to be redeemed in whole or in part at the address shown on the Books of Registry. Failure to give notice by mail or any defect in any notice mailed with respect to any bond shall not affect the validity of the proceedings for redemption as to bonds for which notice was properly given. Interest on the bonds or portions thereof to be redeemed shall cease to accrue from and after the redemption date specified in the notice, unless the County defaults in making due provision for the payment of the redemption price thereof.

**ALL PRINCIPAL**, interest, or other amounts due hereunder, shall be payable only to the Registered Owner hereof. This bond may not be transferred except by the Registered Owner hereof in person or by his attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Registered Owner of this bond. Any purported assignment in contravention of the foregoing requirements shall be, as to the County, absolutely null and void. The person in whose name this

bond shall be registered shall be deemed and regarded as the absolute power hereof for all purposes, and payment of the principal of, premium, if any, and interest on, this bond shall be made only to or upon the order of the Registered Owner or his legal representative. All payments made in this manner shall be valid and effective to satisfy and discharge the liability of the County upon this bond to the extent of the sum or sums 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 this bond, against the County. Notwithstanding the foregoing, nothing herein shall limit the rights of a person having a beneficial interest in this 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 this bond.

**THE BOND REGISTRAR** shall not be required to exchange or transfer any bond (i) for which notice of redemption has been mailed to the registered owner or (ii) for the period beginning on the Regular Record Date and ending on the next succeeding Interest Payment Date.

**THIS BOND** and the interest hereon are 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.

**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 bond exist, have happened, and have been done and performed in regular and due time, form, and manner; that the total indebtedness of the County, including this bond and the issue of which this bond is one, does not exceed any constitutional or statutory limitation thereon; and that provision has been made for the levy and collection of sufficient annual taxes, without limit, for the payment of the principal and interest hereof, as they should fall due.

**THIS BOND** shall not be entitled to any benefit under the Ordinance or become valid or obligatory for any purpose until it shall have been authenticated by the execution of the Certificate of Authentication which appears hereon by the manual signature of an authorised officer of the authenticating agent.

**IN WITNESS WHEREOF, CHARLESTON COUNTY, SOUTH CAROLINA**, has caused this bond to be signed in its name by the Chairman of the County Council of Charleston County, by his manual signature, attested by the Clerk of the County Council of Charleston County, by her manual signature, under the Seal of Charleston County impressed or reproduced hereon, and this bond to be originally dated the Original Date of Issue.

**CHARLESTON COUNTY, SOUTH CAROLINA**

(SEAL)

By: \_\_\_\_\_  
Chairman  
County Council of Charleston County,  
South Carolina

ATTEST:

\_\_\_\_\_  
Clerk  
County Council of Charleston County,  
South Carolina

**CERTIFICATE OF AUTHENTICATION**

This bond is one of the bonds of the issue designated herein and issued under the provisions of the within-mentioned Ordinance.

\_\_\_\_\_ as Authenticating Agent

By: \_\_\_\_\_  
Authorized Officer

Date of Authentication: \_\_\_\_\_

The following abbreviations, when used in the inscription on the face of this bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT - \_\_\_\_\_

(Cust)

Custodian \_\_\_\_\_

(Minor)

under Uniform Gifts to Minors Act \_\_\_\_\_

(State)

Additional abbreviations may also be used, though not in the above list.

### ASSIGNMENT

**FOR VALUE RECEIVED** the undersigned hereby sells, assigns, and transfers unto \_\_\_\_\_ (Social Security No. or Other Identifying Number of Assignee \_\_\_\_\_) the within bond, and does hereby irrevocably constitute and appoint \_\_\_\_\_ to transfer the said bond on the books kept for registration thereof with full power of substitution in the premises.

DATED: \_\_\_\_\_

Signature of Owner: \_\_\_\_\_

Signature Guaranteed: \_\_\_\_\_

NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program ("STAMP") or similar programme.

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.



OFFICIAL NOTICE OF SALE

CHARLESTON COUNTY, SOUTH CAROLINA

§ \_\_\_\_\_ \*

General Obligation Transportation  
Sales Tax Refunding Bonds of 2013

\*Preliminary, Subject to Change

NOTICE IS HEREBY GIVEN that Charleston County, South Carolina (the "County") will receive electronic bids for all, but not less than all, of the principal amount of Charleston County, South Carolina, General Obligation Transportation Sales Tax Refunding Bonds of 2013 (collectively referred to as the "Series 2013 Bonds") until \_\_\_\_\_ A.M. Eastern Time on

\_\_\_\_\_, \_\_\_\_\_, 2013

The sale date of all or any portion of the Series 2013 Bonds may be modified by notice disseminated via TM3 ([www.tm3.com](http://www.tm3.com)) or another electronic information service at least forty-eight (48) hours prior to the time set for the receipt of bids on the modified date of sale. If a new date is selected for the receipt of bids for any or all of the Series 2013 Bonds, it will be disseminated via TM3 ([www.tm3.com](http://www.tm3.com)) or another electronic information service at least forty-eight (48) hours prior to the time set for the receipt of bids.

Electronic bids must be submitted to the Bidcomp/*PARITY* Competitive Bidding System ("*PARITY*"). No other form of bid or provider of electronic bidding services will be accepted. For the purposes of establishing the time all bids are received, the time as maintained by *PARITY* shall constitute the official time. **NOTICE OF A CHANGE OR CANCELLATION WILL BE GIVEN BY NOTIFICATION PUBLISHED ON TM3 ([www.tm3.com](http://www.tm3.com)) NOT LATER THAN 4:00 P.M., EASTERN TIME ON THE DAY PRECEDING THE RECEIPT OF BIDS.** Such notice will specify the revised principal amounts and the change to the call provisions, if any, and any later date or time selected for the sale, which may be postponed or cancelled in the same manner. Consideration of the bids and the award of the Series 2013 Bonds will occur by \_\_\_\_\_ P.M. Eastern Time on the same day of the sale. Further information regarding the electronic bidding site may be obtained by contacting *PARITY* at (212) 806-8102.

**DESCRIPTION:** The Series 2013 Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made available to the public. The Series 2013 Bonds will be dated as of the date of delivery, which is expected to occur on May 14, 2013. Interest will be payable semiannually on May 1 and November 1 of each year beginning November 1, 2013. Principal of the Series 2013 Bonds will mature (subject to the right of redemption as hereinafter set forth) on November 1 in the years and amounts, as follows (subject to adjustment as provided herein):

**Year**                      **Principal**  
**Due November 1**      **Series 2013 Bonds\***

\*Preliminary, Subject to Change

**REVISED MATURITY SCHEDULE AND/OR CALL PROVISIONS:** The preliminary annual principal amounts (the “Preliminary Annual Principal Amounts”) of the Series 2013 Bonds as set forth above in this Notice of Sale may be revised before the viewing of electronic bids for the purchase of the Series 2013 Bonds. Any such revisions (the “Revised Annual Principal Amounts”) **WILL BE GIVEN BY NOTIFICATION PUBLISHED ON TM3 ([www.tm3.com](http://www.tm3.com)) NOT LATER THAN 4:00 P.M., EASTERN TIME ON THE DAY PRECEDING THE RECEIPT OF BIDS.** In the event that no such revisions are made, the Preliminary Annual Principal Amounts will constitute the Revised Annual Principal Amounts. **BIDDERS SHALL SUBMIT BIDS BASED ON THE REVISED ANNUAL PRINCIPAL AMOUNTS, IF ANY.** Prospective bidders may request notification by facsimile transmission of any revisions to the Preliminary Annual Principal Amounts by so advising and faxing their telecopier number(s) ) to Davenport & Company, LLC, Financial Advisor, at (866) 932-6880 by 2:00 P.M., EASTERN TIME, at least one day prior to the date for receipt of bids.

**CHANGES TO REVISED MATURITY SCHEDULE:** The County further reserves the right to change the Revised Annual Principal Amounts of the Series 2013 Bonds after determination of the successful bidder, by increasing or decreasing the principal amount of each maturity greater than \$1,500,000 by not more than ten percent (10%) and each maturity less than \$1,500,000 by no more than twenty percent (20%) of each Revised Annual Principal Amount. Such changes, if any, will determine the final annual principal amounts (the “Final Annual Principal Amounts”). The dollar amount bid by the successful bidder will be adjusted to reflect any adjustments in the Final Annual Principal Amounts of the Series 2013 Bonds. The interest rates specified by the successful bidder for the various maturities at the initial reoffering prices shall not change. **THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING PRICES AS A RESULT OF ANY CHANGES MADE TO THE PRINCIPAL AMOUNTS WITHIN THESE LIMITS.** The County anticipates that the Final Annual Principal Amounts of the Series 2013 Bonds will be communicated to the successful bidder subsequent to the award of the Series

2013 Bonds as soon as possible. **AS A RESULT OF ANY SUCH CHANGES IN THE FINAL ANNUAL PRINCIPAL AMOUNTS, THE SUCCESSFUL BIDDER'S UNDERWRITER'S DISCOUNT WILL BE ADJUSTED SO THAT THE ORIGINAL PURCHASE PRICE BID AS A PERCENTAGE OF PAR REMAINS THE SAME.** Notwithstanding the foregoing, the County may decrease the principal amount of each maturity by more than the percentages stipulated above of each Revised Principal Amount if permitted by the successful bidder.

**TERM BOND OPTION:** Bidders may designate two (2) or more of the consecutive serial maturities for the Series 2013 Bonds as one (1) or more term bond maturities equal in aggregate principal amount to, and with mandatory sinking fund redemption requirements corresponding to, such designated serial maturities.

**OPTIONAL REDEMPTION:** The Series 2013 Bonds maturing on or prior to November 1, \_\_\_\_\_ are not subject to optional redemption prior to their maturity. The Series 2013 Bonds maturing after November 1, \_\_\_\_\_, are subject to redemption on and after November 1, \_\_\_\_\_, at the option of the County, in whole or in part at any time, and by lot as to Series 2013 Bonds or portions of Series 2013 Bonds within a maturity (but only in integral multiples of \$5,000), at the redemption price of par plus accrued interest to the date fixed for redemption.

**PURPOSE AND SECURITY:** The proceeds of the Series 2013 Bonds will be used to provide funds to (i) advance refund certain outstanding general obligation bonds of the County, and (ii) pay costs of issuance of the Bonds. See "THE BONDS – Plan of Refunding" in the Preliminary Official Statement.

The Series 2013 Bonds are general obligations of the County and the full faith, credit and taxing power of the County are irrevocably pledged to the payment of the principal and interest thereof. The Series 2013 Bonds are payable from and additionally secured by an irrevocable pledge of the net revenues from the transportation sales tax imposed in Charleston County. For more complete and detailed information, please see "THE BONDS – Security for Bonds" in the Preliminary Official Statement.

**BOOK-ENTRY REGISTRATION:** The Series 2013 Bonds will be dated the date of delivery, which is scheduled to occur on May 14, 2013. The Series 2013 Bonds will be issued as fully registered bonds without coupons in the denomination of \$5,000 or any integral multiple thereof, only in book-entry form payable to a nominee of The Depository Trust Company, New York, New York ("DTC"), as securities depository for the Series 2013 Bonds. Reference is made to the Preliminary Official Statement relating to the Series 2013 Bonds for the applicable provisions relating to the transfer of beneficial ownership, manner of redemption, the responsibilities of DTC participants and the right of the County to discontinue use of the book-entry only system.

**SUBMISSION OF BID:** Electronic bids must be submitted to **PARITY**. All prospective bidders must be contracted customers of i-Deal's Bidcomp Competitive Bidding System. If you do not have a contract with Bidcomp, call (212) 404-8102 to become a customer. By submitting a bid, a prospective bidder represents and warrants to the County that such a bidder's bid for the

Series 2013 Bonds (if a bid is submitted in connection with the sale) is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder to a legal, valid, and enforceable contract for the purchase of the Series 2013 Bonds. By contracting with **PARITY** a prospective bidder is not obligated to submit a bid in connection with the sale. If any provisions of this Notice of Sale shall conflict with information provided by **PARITY** as the selected provider of electronic bidding services, this Notice of Sale shall control.

**INTEREST RATE AND BIDDING DETAILS:** The rate of interest specified for any maturity may not exceed 5.00% per annum. Bidders may specify the rate or rates of interest the Series 2013 Bonds are to bear in multiples of 1/8<sup>th</sup> or 1/20<sup>th</sup> of 1%, but no maturity may bear interest at more than one rate, and no interest rate may be more than 3.00% higher than the lowest interest rate.

A bid for less than all of the Series 2013 Bonds, or a bid for less than 100 percent (100.00%) of the par value of the Series 2013 Bonds, or a bid for greater than 120.00% of the par value of the Series 2013 Bonds will not be considered.

**BASIS OF AWARD:** Unless all bids are rejected, the Series 2013 Bonds will be awarded to the responsible bidder whose bid complies with this Notice of Sale and results in the lowest true interest cost to the County. The lowest true interest cost will be determined in accordance with the True Interest Cost (“TIC”) method by doubling the semi-annual interest rate, compounded semi-annually, necessary to discount the debt service payments from the debt service payment dates to the dated date of the Series 2013 Bonds and to the aggregate purchase price. If two (2) or more responsible bidders offer to purchase the Series 2013 Bonds at the same lowest TIC, the Series 2013 Bonds may be apportioned between such bidders if it is agreeable to each of the bidders who have offered the price producing the same lowest TIC; provided, that if apportionment is not acceptable to such bidders, the County will have the right to award the Series 2013 Bonds to one of such bidders. There will be no auction. The County reserves the right to waive irregularities in any bid and to reject any or all bids.

**NO GOOD FAITH DEPOSIT:** A good faith deposit is not required for a bid to be considered for the Series 2013 Bonds.

**DELIVERY AND PAYMENT:** Delivery of the Series 2013 Bonds will be made through the facilities of DTC within 45 days from the date of award, accompanied by a certified transcript of the record of proceedings, a Signature and No-Litigation Certificate, a Non-Arbitrage and Tax Certificate, and the approving opinion of Howell Linkous & Nettles, LLC. In addition, the approving opinion of Bond Counsel, substantially in the form included as an Appendix to the Preliminary Official Statement, will be delivered to the Purchaser. Certain legal matters are to be passed upon for the County by Joseph Dawson, III, Esq., County Attorney. Payment for the Series 2013 Bonds shall be made by wire transfer in immediately available Federal funds. Delivery is expected on or about May 14, 2013.

Concurrently with the delivery of the Series 2013 Bonds, the County will furnish a certificate, signed by the appropriate officials, stating in effect that, as of its date and at all times subsequent

thereto and up to the time of delivery of the Series 2013 Bonds, the information contained in the Preliminary Official Statement was, and such information contained in the Official Statement is, true and correct in all material respects and does not contain any untrue statement of a material fact and does not omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

**CUSIP NUMBERS:** The County shall assume no obligation for the assignment of CUSIP numbers for the Series 2013 Bonds or for the correctness of any such numbers printed thereon, but the County will permit such printing to be done at the expense of the successful bidder, provided that such printing does not result in any delay of the date of delivery of the Series 2013 Bonds. Neither the failure to print such numbers on any Series 2013 Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Series 2013 Bonds.

**OFFICIAL STATEMENT:** A Preliminary Official Statement has been prepared by the County, and such Preliminary Official Statement is deemed final by the County for purposes of compliance with Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the “Rule”). Any omission of information from the Preliminary Official Statement is allowable under the Rule. The County will prepare and provide to the Purchaser, within seven (7) business days after the award, up to \_\_\_ copies of the final Official Statement (the “Final Official Statement”) without cost to the Purchaser. The Final Official Statement shall be in substantially the same form as the Preliminary Official Statement, subject to any additions, deletions, or revisions that the County believes are necessary.

After the award of the Series 2013 Bonds, the County will prepare copies of the Final Official Statement and will include therein such additional information concerning the reoffering of the Series 2013 Bonds as the successful bidder may reasonably request. The successful bidder shall be responsible to the County in all respects for the accuracy and completeness of information provided by such successful bidder with respect to such reoffering. Additional copies of the Final Official Statement may be printed at the successful bidder’s expense, if such bidder agrees to pay the County in advance for the cost of any additional copies.

**INFORMATION FROM THE PURCHASER:** The Purchaser shall, within two (2) hours after being notified of the verbal award of the Bonds, advise the Financial Advisor, Davenport & Company, LLC (the “Financial Advisor”), of the initial public offering prices of the Series 2013 Bonds by facsimile to (866) 932-6880. The Purchaser shall also be obligated to furnish, prior to the delivery of the Series 2013 Bonds, such certifications and other information as may be requested by the Financial Advisor or Bond Counsel as shall be necessary to enable the County to determine the “issue price” of the Bonds as defined in Section 1273 of the Internal Revenue Code of 1986, as amended. Questions regarding the required certificate should be directed to Samuel W. Howell, Howell Linkous & Nettles, LLC, Bond Counsel, telephone (843) 266-3800.

**CONTINUING DISCLOSURE:** In order to assist the successful bidder in complying with the Rule the County will undertake to provide annual reports and notices of certain material events.

A summary of the County's undertakings to comply with the Rule are contained in the Preliminary Official Statement. The County is current with the requirements of all undertakings of the County entered into in compliance with the Rule. See the Preliminary Official Statement for information regarding a past failure of the County to comply with its prior undertakings under the Rule.

**BLUE SKY LAWS:** The County has not undertaken to register the Series 2013 Bonds under the securities law of any jurisdiction, nor has the County investigated the eligibility of any institution or person to purchase or participate in the underwriting of the Series 2013 Bonds under any applicable legal investment, insurance, banking, or other laws. By submitting a bid for the Series 2013 Bonds, the Purchaser represents that the sale of the Series 2013 Bonds in jurisdictions other than South Carolina will be made only under exemptions from registration or, wherever necessary, the Purchaser will register the Series 2013 Bonds in accordance with the securities laws of the jurisdiction in which the Series 2013 Bonds are offered or sold. The County agrees to cooperate with the Purchaser in any such registration at the Purchaser's written request and expense, but the County shall not be required to consent to service of process in any such jurisdiction.

**ADDITIONAL INFORMATION:** A Preliminary Official Statement in a form deemed final by the County has been posted electronically at [www.i-dealprospectus.com](http://www.i-dealprospectus.com). Additional copies of such information are available upon request to Davenport & Company, LLC, 401 North Tryon Street, Floor 10, Charlotte, North Carolina 28202-2101; phone (704) 375.0550, the Financial Advisor.

County Council of Charleston County, South Carolina

## DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the “Disclosure Agreement”), dated as of \_\_\_\_\_, 2013, is executed and delivered by Charleston County, South Carolina (the “Issuer”) and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the “Disclosure Dissemination Agent” or “DAC”) for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) and in order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “Rule”).

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Issuer through use of the DAC system and do not constitute “advice” within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”). DAC will not provide any advice or recommendation to the Issuer or anyone on the Issuer’s behalf regarding the “issuance of municipal securities” or any “municipal financial product” as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary.

**SECTION 1. Definitions.** Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

“Annual Report” means an Annual Report described in and consistent with Section 3 of this Disclosure Agreement.

“Annual Filing Date” means the date, set in Sections 2(a) and 2(f), by which the Annual Report is to be filed with the MSRB.

“Annual Financial Information” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

“Audited Financial Statements” means the financial statements (if any) of the Issuer for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

“Bonds” means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

“Certification” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary

Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Issuer and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

“Disclosure Representative” means the Chief Financial Officer of the Issuer or his or her designee, or such other person as the Issuer shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

“Disclosure Dissemination Agent” means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Issuer pursuant to Section 9 hereof.

“Failure to File Event” means the Issuer’s failure to file an Annual Report on or before the Annual Filing Date.

“Force Majeure Event” means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent’s reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

“Holder” means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

“Information” means, collectively, the Annual Reports, the Audited Financial Statements (if any), the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Notice Event” means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

“Obligated Person” means any person, including the Issuer, who is either generally or



through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on Exhibit A.

“Official Statement” means that Official Statement prepared by the Issuer in connection with the Bonds, as listed on Appendix A.

“Paying Agent” means the institution, if any, identified as such in the document under which the Bonds were issued.

“Voluntary Event Disclosure” means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

“Voluntary Financial Disclosure” means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

## SECTION 2. Provision of Annual Reports.

(a) The Issuer shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy for the Paying Agent, not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than nine months after the end of each fiscal year of the Issuer, commencing with the fiscal year ending June 30, 2013. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent that a Failure to File Event has occurred and to immediately send a notice to the MSRB in substantially the form attached as Exhibit B, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 6:00 p.m. Eastern time on Annual Filing Date (or, if such Annual Filing Date

falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the Issuer are prepared but not available prior to the Annual Filing Date, the Issuer shall, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy for the Paying Agent, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

- (i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;
- (ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) with the MSRB;
- (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB;
- (iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) with the MSRB, identifying the Notice Event as instructed by the Issuer pursuant to Section 4(a) or 4(b)(ii) (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:
  1. “Principal and interest payment delinquencies;”
  2. “Non-Payment related defaults, if material;”
  3. “Unscheduled draws on debt service reserves reflecting financial difficulties;”
  4. “Unscheduled draws on credit enhancements reflecting financial difficulties;”
  5. “Substitution of credit or liquidity providers, or their failure to perform;”
  6. “Adverse tax opinions, IRS notices or events affecting the tax status of the security;”
  7. “Modifications to rights of securities holders, if material;”
  8. “Bond calls, if material;”
  9. “Defeasances;”

10. “Release, substitution, or sale of property securing repayment of the securities, if material;”
  11. “Rating changes;”
  12. “Tender offers;”
  13. “Bankruptcy, insolvency, receivership or similar event of the obligated person;”
  14. “Merger, consolidation, or acquisition of the obligated person, if material;” and
  15. “Appointment of a successor or additional trustee, or the change of name of a trustee, if material;”
- (v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as “Failure to provide annual financial information as required” when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;
- (vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Issuer pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:
1. “amendment to continuing disclosure undertaking;”
  2. “change in obligated person;”
  3. “notice to investors pursuant to bond documents;”
  4. “certain communications from the Internal Revenue Service;”
  5. “secondary market purchases;”
  6. “bid for auction rate or other securities;”
  7. “capital or other financing plan;”
  8. “litigation/enforcement action;”
  9. “change of tender agent, remarketing agent, or other on-going party;”
  10. “derivative or other similar transaction;” and
  11. “other event-based disclosures;”

- (vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Issuer pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:
  - 1. “quarterly/monthly financial information;”
  - 2. “change in fiscal year/timing of annual disclosure;”
  - 3. “change in accounting standard;”
  - 4. “interim/additional financial information/operating data;”
  - 5. “budget;”
  - 6. “investment/debt/financial policy;”
  - 7. “information provided to rating agency, credit/liquidity provider or other third party;”
  - 8. “consultant reports;” and
  - 9. “other financial/operating data.”
- (viii) provide the Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Issuer may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, Paying Agent (if any) and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Any Information received by the Disclosure Dissemination Agent before 6:00 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

### SECTION 3. Content of Annual Reports.

(a) Each Annual Report shall contain Annual Financial Information with respect to the Issuer, including the information provided in the Official Statement under the headings:

- (i) Market Value/Assessment Summary of taxable property in the County.

- (ii) Tax levy for the County for current fiscal year.
- (iii) Tax collections for the County for preceding fiscal year.
- (iv) Ten largest taxpayers for the County for preceding fiscal year.
- (v) Debt service requirements for the next succeeding five years.

(b) Audited Financial Statements prepared in accordance with generally accepted accounting principles (“GAAP”) as described in the Official Statement will be included in the Annual Report. If audited financial statements are not available, then, unaudited financial statements, prepared in accordance with GAAP as described in the Official Statement will be included in the Annual Report. Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Issuer is an “obligated person” (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the MSRB Internet Website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer will clearly identify each such document so incorporated by reference.

Any Annual Financial Information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

#### SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of Bond holders, if material;

8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note to subsection (a)(12) of this Section 4: For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The Issuer shall, in a timely manner not in excess of ten business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Notice Event. In the event the

Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the Issuer determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB in accordance with Section 2 (e)(iv) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

**SECTION 5. CUSIP Numbers.** Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements, Notice Event notices, Failure to File Event notices, Voluntary Event Disclosures and Voluntary Financial Disclosures, the Issuer shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

**SECTION 6. Additional Disclosure Obligations.** The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The Issuer acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

**SECTION 7. Voluntary Filing.**

(a) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof.

This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(b) to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(c) The parties hereto acknowledge that the Issuer is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

**SECTION 8. Termination of Reporting Obligation.** The obligations of the Issuer and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of counsel expert in federal securities laws to the effect that continuing disclosure is no longer required.

**SECTION 9. Disclosure Dissemination Agent.** The Issuer has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Issuer may, upon thirty days written notice to the Disclosure Dissemination Agent and the Paying Agent, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the



Bonds. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Issuer.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Issuer or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon Certifications of the Issuer at all times.

The obligations of the Issuer under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Issuer.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such

amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Issuer and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Issuer or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the Issuer. No such amendment shall become effective if the Issuer shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Paying Agent of the Bonds, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of South Carolina (other than with respect to conflicts of laws).

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Remainder of page intentionally left blank.]

The Disclosure Dissemination Agent and the Issuer have caused this Continuing Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C.,  
as Disclosure Dissemination Agent

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

CHARLESTON COUNTY, SOUTH CAROLINA,  
as Issuer

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT A**  
**NAME AND CUSIP NUMBERS OF BONDS**

Name of Issuer	Charleston County, South Carolina
Obligated Person(s)	Charleston County, South Carolina
Name of Bond Issue:	Charleston County, South Carolina General Obligation Transportation Sales Tax Refunding Bonds of 2013
Date of Issuance:	May __, 2013
Date of Official Statement	May __, 2013

CUSIP Number  
CUSIP Number  
CUSIP Number  
CUSIP Number  
CUSIP Number  
CUSIP Number  
CUSIP Number  
CUSIP Number  
CUSIP Number  
CUSIP Number

**EXHIBIT B**  
**NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT**

Issuer: Charleston County, South Carolina

Obligated Person: Charleston County, South Carolina

Name(s) of Bond Issue(s): Charleston County, South Carolina General Obligation  
Transportation Sales Tax Refunding Bonds of 2013

Date(s) of Issuance: May \_\_, 2013

Date(s) of Disclosure Agreement: May \_\_, 2013

CUSIP Number:

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Disclosure Agreement between the Issuer and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. [The Issuer has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by \_\_\_\_\_].

Dated: \_\_\_\_\_

Digital Assurance Certification, L.L.C., as  
Disclosure Dissemination Agent, on behalf of the  
Issuer

---

cc: \_\_\_\_\_  
\_\_\_\_\_

**EXHIBIT C-1**  
**EVENT NOTICE COVER SHEET**

This cover sheet and accompanying "event notice" will be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name:  
Charleston County, South Carolina

Issuer's Six-Digit CUSIP Number:

\_\_\_\_\_

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:

Number of pages attached: \_\_\_\_\_

\_\_\_\_\_ Description of Notice Events (Check One):

1. \_\_\_\_\_ "Principal and interest payment delinquencies;"
2. \_\_\_\_\_ "Non-Payment related defaults, if material;"
3. \_\_\_\_\_ "Unscheduled draws on debt service reserves reflecting financial difficulties;"
4. \_\_\_\_\_ "Unscheduled draws on credit enhancements reflecting financial difficulties;"
5. \_\_\_\_\_ "Substitution of credit or liquidity providers, or their failure to perform;"
6. \_\_\_\_\_ "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
7. \_\_\_\_\_ "Modifications to rights of securities holders, if material;"
8. \_\_\_\_\_ "Bond calls, if material;"
9. \_\_\_\_\_ "Defeasances;"
10. \_\_\_\_\_ "Release, substitution, or sale of property securing repayment of the securities, if material;"
11. \_\_\_\_\_ "Rating changes;"
12. \_\_\_\_\_ "Tender offers;"
13. \_\_\_\_\_ "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
14. \_\_\_\_\_ "Merger, consolidation, or acquisition of the obligated person, if material;" and
15. \_\_\_\_\_ "Appointment of a successor or additional trustee, or the change of name of a trustee, if material."

\_\_\_\_\_ Failure to provide annual financial information as required.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

\_\_\_\_\_  
Name: \_\_\_\_\_ Title: \_\_\_\_\_

Digital Assurance Certification, L.L.C.  
390 N. Orange Avenue  
Suite 1750  
Orlando, FL 32801  
407-515-1100

Date: \_\_\_\_\_

**EXHIBIT C-2**  
**VOLUNTARY EVENT DISCLOSURE COVER SHEET**

This cover sheet and accompanying "voluntary event disclosure" will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of \_\_\_\_\_, 2013 between the Issuer and DAC.

Issuer's and/or Other Obligated Person's Name:

Charleston County, South Carolina

Issuer's Six-Digit CUSIP Number:

\_\_\_\_\_  
\_\_\_\_\_

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

\_\_\_\_\_

Number of pages attached: \_\_\_\_\_

\_\_\_\_\_ Description of Voluntary Event Disclosure (Check One):

1. \_\_\_\_\_ "amendment to continuing disclosure undertaking;"
2. \_\_\_\_\_ "change in obligated person;"
3. \_\_\_\_\_ "notice to investors pursuant to bond documents;"
4. \_\_\_\_\_ "certain communications from the Internal Revenue Service;"
5. \_\_\_\_\_ "secondary market purchases;"
6. \_\_\_\_\_ "bid for auction rate or other securities;"
7. \_\_\_\_\_ "capital or other financing plan;"
8. \_\_\_\_\_ "litigation/enforcement action;"
9. \_\_\_\_\_ "change of tender agent, remarketing agent, or other on-going party;"
10. \_\_\_\_\_ "derivative or other similar transaction;" and
11. \_\_\_\_\_ "other event-based disclosures."

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

\_\_\_\_\_  
Name: \_\_\_\_\_ Title: \_\_\_\_\_

Digital Assurance Certification, L.L.C.  
390 N. Orange Avenue  
Suite 1750  
Orlando, FL 32801  
407-515-1100

Date: \_\_\_\_\_

**EXHIBIT C-3  
VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET**

This cover sheet and accompanying "voluntary financial disclosure" will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of \_\_\_\_\_, 2013 between the Issuer and DAC.

Issuer's and/or Other Obligated Person's Name:

Charleston County, South Carolina

Issuer's Six-Digit CUSIP Number:

\_\_\_\_\_

\_\_\_\_\_

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

\_\_\_\_\_

Number of pages attached: \_\_\_\_\_

\_\_\_\_ Description of Voluntary Financial Disclosure (Check One):

1. \_\_\_\_\_ "quarterly/monthly financial information;"
2. \_\_\_\_\_ "change in fiscal year/timing of annual disclosure;"
3. \_\_\_\_\_ "change in accounting standard;"
4. \_\_\_\_\_ "interim/additional financial information/operating data;"
5. \_\_\_\_\_ "budget;"
6. \_\_\_\_\_ "investment/debt/financial policy;"
7. \_\_\_\_\_ "information provided to rating agency, credit/liquidity provider or other third party;"
8. \_\_\_\_\_ "consultant reports;" and
9. \_\_\_\_\_ "other financial/operating data."

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

\_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Digital Assurance Certification, L.L.C.  
390 N. Orange Avenue  
Suite 1750  
Orlando, FL 32801  
407-515-1100

Date: \_\_\_\_\_



**ESCROW DEPOSIT AGREEMENT**

THIS ESCROW DEPOSIT AGREEMENT (the "Escrow Agreement"), made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2013, by and between CHARLESTON COUNTY, SOUTH CAROLINA, a body corporate and politic and a political subdivision of the State of South Carolina (herein called the "County"), and WELLS FARGO BANK N.A., a banking corporation duly organized, existing, and authorised to accept and execute trusts of the character herein set out, under and by virtue of the laws of the United States of America (herein called the "Escrow Agent").

**WITNESSETH:**

WHEREAS, the County has heretofore issued its outstanding principal amount of \$\_\_\_\_\_ of an original issue of \$65,000,000 General Obligation Transportation Sales Tax Bonds of 2006 (the "Series 2006 Bonds"); and the outstanding principal amount of \$\_\_\_\_\_ of an original issue of \$150,000,000 General Obligation Transportation Sales Tax Bonds of 2007 (the "Series 2007 Bonds"); and

WHEREAS, the County will advance refund the Series 2006 Bonds that mature in the years 2025-2027 inclusive (the "2006 Refunded Bonds") and the Series 2007 Bonds that mature in the years 2020-2023 inclusive (the "2007 Refunded Bonds"; and together with the 2006 Refunded Bonds, the "Refunded Bonds"); and

WHEREAS, the County will refund the 2006 Refunded Bonds by calling them for redemption on November 1, 2015 (the "Series 2006 Redemption Date"); the County will refund the 2007 Refund Bonds by calling them for redemption on November 1, 2017 (the "Series 2007 Redemption Date"); and

WHEREAS, the County now desires to deposit funds with the Escrow Agent to provide for the defeasance of the outstanding principal amount of the Refunded Bonds, pursuant to the provisions of the ordinances authorizing the issuance of the Refunded Bonds; and

WHEREAS, the County intends to issue \$\_\_\_\_\_ Charleston County, South Carolina, General Obligation Transportation Sales Tax Refunding Bonds of 2013 (the "Series 2013 Bonds"), a portion of the proceeds of which are to be deposited with the Escrow Agent to provide for the defeasance of the Refunded Bonds;

NOW, THEREFORE, in consideration of the premises, and for other good and valuable consideration, the parties do hereby agree as follows:

Section 1      Creation and Funding of Escrow Account. The County hereby deposits with the Escrow Agent, in an irrevocable trust known as the Escrow Account (the "Escrow Account"), for the payment of the principal and interest due and to become due on the Refunded Bonds, and the Escrow Agent acknowledges receipt of immediately available funds in the amount of \$\_\_\_\_\_, representing a portion of the proceeds of the Series 2013 Bonds, \$\_\_\_\_\_ of which amount will be held in cash and \$\_\_\_\_\_ of which will be used solely to purchase the subscribed direct noncallable obligations of the United States of America described in Exhibit A hereto (the obligations described in Exhibit A are collectively referred to as the "Defeasance Obligations"), which available funds and Defeasance Obligations are moneys or

direct obligations of the United States of America, none of which is subject to redemption prior to maturity, which are pledged solely to, and the principal of and interest on which, when due, will provide moneys sufficient for: (a) the payment when due of the interest on the Refunded Bonds through the Redemption Date, and (b) payment of principal plus accrued interest on the Redemption Date.

The County instructs the Escrow Agent, as paying agent for the Refunded Bonds, to pay from the Escrow Account the interest on the Refunded Bonds when due and the principal plus accrued interest on the Redemption Date.

Grant Thornton LLP, Minneapolis, Minnesota has certified that the moneys and the subscribed SLGS set forth on Exhibit A and deposited in the Escrow Account are sufficient to pay interest on the Refunded Bonds when due and the principal on the Refunded Bonds plus accrued interest on the respective Redemption Dates.

Except as provided in Sections 2 and 3 hereof, neither the securities nor moneys held by the Escrow Agent in the Escrow Account nor principal or interest payments on any securities therein shall be withdrawn or used for any purpose, and shall be held in trust for the payment of the principal of and interest on the Refunded Bonds. The Escrow Agent shall have no obligation to invest or reinvest any moneys in the Escrow Account after the applicable Series 2006 Redemption Date and the Series 2007 Redemption Date. The Escrow Agent, when acting at the direction of the County, (i) shall not be liable or responsible for any diminution in the value of any securities deposited with it pursuant to this Section 1, or for any loss arising from any sale or other disposition thereof, or (ii) for any violation of any statute or of any policies or rules or regulations of the Internal Revenue Service with respect to an “arbitrage bond.”

Notwithstanding any other provision of this Section 1, in the event any of the Defeasance Obligations cannot be delivered to the Escrow Agent on the date hereof, if there is in place a binding contract requiring the delivery of any of the Defeasance Obligations, the Escrow Agent may accept as security for the performance of that contract substitute Defeasance Obligations which would, in the event of a failure of delivery of the Defeasance Obligations, provide for the payment of not less than the amount that would be due on any of the Defeasance Obligations as to which there is a failure on a date not later than the date such amounts would be available from such Defeasance Obligations and, upon receipt of the Defeasance Obligations, the Escrow Agent shall release such substitute Defeasance Obligations. Until released, such substitute Defeasance Obligations shall be held as part of the Escrow Account. No substitution shall be allowed under this paragraph unless there shall have first been delivered to the Escrow Agent (i) a verification by an independent certified public accountant that the substitute Defeasance Obligations are sufficient, excluding reinvestment earnings, to pay debt service, as it becomes due, on the Refunded Bonds, and (ii) an opinion of nationally recognized bond counsel to the effect that the substitution is permitted under the applicable documents and such substitution has no adverse effect on the tax-exempt nature of the Refunded Bonds or the Series 2013 Bonds.

The Escrow Agent agrees to cause notice, in substantially the form attached hereto as Exhibit B-1, of such redemption of the 2006 Refunded Bonds to be given in accordance with the ordinance enacted by the County Council of the County on March 21, 2006 (the “Series 2006 Ordinance”) authorizing the Series 2006 Bonds. Such notice of redemption of the 2006 Refunded Bonds shall be given in accordance with Article II, Section 2 of the Series 2006 Ordinance.

The Escrow Agent agrees to cause notice, in substantially the form attached hereto as Exhibit B-2, of such redemption of the 2007 Refunded Bonds to be given in accordance with the ordinance enacted by the County Council of the County on October 16, 2007 (the "Series 2007 Ordinance") authorizing the Series 2007 Bonds. Such notice of redemption of the 2007 Refunded Bonds shall be given in accordance with Article II, Section 2 of the Series 2007 Ordinance.

Section 2      Reinvestment of Escrow Funds. Upon the written direction of the County, subject to the conditions and limitations herein set forth, the Escrow Agent shall sell, transfer, and request the redemption of or otherwise dispose of any of the Defeasance Obligations purchased hereunder or reinvest the maturing principal of and interest on Defeasance Obligations, provided that there are substituted therefor, or the reinvestment is made in, other Defeasance Obligations as hereinafter provided. The County hereby covenants and agrees that it will not request the Escrow Agent to exercise any of the powers described in the preceding sentence in any manner which would cause any of the Refunded Bonds or the Series 2013 Bonds to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations thereunder. The Escrow Agent shall purchase substituted Defeasance Obligations with the proceeds derived from the sale, transfer, redemption, or other disposition of Defeasance Obligations held hereunder or with the maturing principal and interest of Defeasance Obligations held hereunder. A sale, transfer, redemption, or other disposition of Defeasance Obligations or a purchase of Defeasance Obligations with maturing principal or interest, and substitution under the provisions of this Section may be effected only by a simultaneous transaction and only if

(i)      an independent certified public accountant shall certify that the Defeasance Obligations to be substituted, together with the Defeasance Obligations which will continue to be held in the Escrow Account, will earn interest and mature in amounts and at times together with any other funds held therein to provide sufficient moneys from the interest and maturing principal and funds held therein to pay when due all principal of and interest on the Refunded Bonds which have not previously been paid, and

(ii)     the Escrow Agent shall receive an unqualified opinion of nationally recognized bond counsel to the effect that the sale, transfer, redemption, or other disposition or purchase, and substitution of, Defeasance Obligations will not cause the Refunded Bonds or the Series 2013 Bonds to be arbitrage bonds within the meaning of Section 148 of the Code and the regulations thereunder or otherwise cause the interest on the Refunded Bonds or the Series 2013 Bonds to be included in gross income under Section 103 of the Code.

In the event that as a result of any substitution, amounts available from the maturing principal of and interest on the Defeasance Obligations together with other funds on deposit in the Escrow Account exceed the amount required to pay the principal of and interest on the Refunded Bonds, there shall be paid over to the County the excess amount shown by the certificate delivered pursuant to subparagraph (i) of the immediately preceding paragraph of this Section or the excess amount as shown in a certificate from an independent certified public accountant which shall set forth:

- (a)      the amounts of any excess;
- (b)      the date on which the amounts become excess; and

(c) that if the excess amounts are withdrawn from the Escrow Account, the Defeasance Obligations, income therefrom, and other funds held in the Escrow Account shall be sufficient to pay the principal of and interest on the Refunded Bonds, as and when the same become due and payable.

Upon direction of the County to pay over to it the amount shown as excess in the certificate required by subparagraph (i) or on receipt of the certificate described in subparagraphs (a), (b), and (c) of the immediately preceding paragraph of this Section, the Escrow Agent shall pay to the County at the time and from time to time the amounts certified to be excess on the dates the amounts become excess in accordance with the certificate.

Section 3      Payments by Escrow Agent. The Escrow Agent shall collect on the due dates thereof the principal and interest on the Defeasance Obligations on deposit with it and shall apply sufficient moneys from the principal and interest on the Defeasance Obligations so received to the payment of interest on the Refunded Bonds when due and to principal of the Refunded Bonds on the Redemption Date plus accrued interest on the Refunded Bonds.

Section 4      Creation of Lien. The Defeasance Obligations, moneys representing principal of and interest earned on Defeasance Obligations, and funds on deposit in the Escrow Account shall be subject to an express lien and trust for the benefit of the holders of the Refunded Bonds.

Section 5      Escrow Agent's Fee. The Escrow Agent shall be entitled to an annual fee of \$\_\_\_\_ for services rendered hereunder. The Escrow Agent shall have no right to claim or set off against the funds and Defeasance Obligations or the proceeds thereof held pursuant to this Agreement.

Section 6      Remaining Funds. Any funds remaining in the Escrow Account after sufficient moneys have been transferred from the Escrow Account for the retirement of the Refunded Bonds shall be paid to the County, and thereafter all liability of the Escrow Agent for such funds shall cease.

Section 7      Acceptance of the Trusts. The Escrow Agent hereby accepts the trusts imposed upon it by this Escrow Agreement and agrees to perform those trusts.

Section 8      Representatives and Responsibilities of Escrow Agent. The Escrow Agent represents that it has reviewed the schedules of Defeasance Obligations attached hereto as Exhibit A and the Defeasance Obligations delivered to the Escrow Agent pursuant to this Escrow Agreement match the list of securities set forth in the attached Exhibit A. The Escrow Agent shall not be held to any personal liability whatsoever in tort, contract, or otherwise in connection with the execution and delivery of this Escrow Agreement, the establishment of the Escrow Account, the acceptance of the moneys and securities deposited in the Escrow Account, the purchase of the Defeasance Obligations, the retention of the securities or the proceeds thereof, or any payment, transfer, or other application of money or securities by the Escrow Agent, or any act, omission, or error of the Escrow Agent made in good faith in the conduct of its duties and not involving negligence or wilful misconduct.

Section 9      Resignation of Escrow Agent. The Escrow Agent may resign and thereby become discharged from the duties and obligations hereby created, by notice in writing given to the County not less than sixty (60) days before the date the resignation shall take effect. The resignation shall take effect upon the appointment of a successor Escrow Agent by the County and acceptance of such position by the successor Escrow Agent that shall accept the duties and obligations hereof. Upon the resignation of the Escrow Agent, all moneys, securities, or other obligations shall be transferred immediately to the successor Escrow Agent without the execution or filing of any instruments or any further act, deed, or conveyance on the part of the parties hereto, anything herein to the contrary notwithstanding.

Section 10      Successor Escrow Agent. Any corporation or association into which the Escrow Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation, or transfer to which it is a party, *ipso facto*, shall be and become successor Escrow Agent hereunder and vested with all of the title to the whole property or trust estate and all the trusts, powers, discretions, immunities, privileges, and all other matters as was its predecessor, without the execution or filing of any instruments or any further act, deed, or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 11      Appointment of Successor Escrow Agent. In case the Escrow 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 may be appointed by the County by an instrument executed and signed by the Chief Financial Officer of the County. If no appointment of a successor Escrow Agent shall have been made by the County pursuant to the foregoing provisions of this Section 11 within sixty (60) days after written notice of resignation of the Escrow Agent has been given to the County, any retiring Escrow Agent may apply to any court of competent jurisdiction for the appointment of a successor Escrow Agent, and such court may thereupon, after such notice, if any, as it shall deem proper, appoint a successor Escrow Agent. No successor Escrow Agent shall be appointed unless such successor Escrow Agent shall be a corporation with trust powers authorized to do business in any state in the United States and organized under federal or state banking laws. Every successor Escrow Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor and to the County an instrument in writing accepting such appointment hereunder, and thereupon such successor Escrow Agent without any further act, deed or conveyance shall become fully vested with all the rights, immunities, powers, trust, duties and obligations of its predecessor, but such predecessor shall, nevertheless, on the written request of such successor Escrow Agent or the County execute and deliver an instrument transferring to such successor Escrow Agent all the estates, properties, rights, powers and trusts of such predecessor hereunder, and every predecessor Escrow Agent shall deliver all securities and money held by it to its successor. Should any transfer, assignment or instrument in writing from the County be required by any successor Escrow Agent for more fully and certainly vesting in such successor Escrow Agent the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor Escrow Agent, any such transfer, assignment and instruments in writing shall, on request, be executed, acknowledged and delivered by the County.

Section 12      Severability. If any provision of this Escrow Agreement shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in

any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any Constitution or statute or rule of law or public policy, or for any other reason, those circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses, or sections in this Escrow Agreement shall not affect the remaining portions of this Escrow Agreement, or any part thereof.

Section 13 Notices. All notices, certificates, or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by registered or certified mail, postage prepaid, or given when dispatched by courier service, delivery charges prepaid, addressed as follows:

- (a) the County: Charleston County  
4045 Bridge View Road  
North Charleston, South Carolina 29419  
Attention: Chief Financial Officer
  
- (b) the Escrow Agent: Wells Fargo Bank N.A.  
7000 Central NE Parkway, Suite 550  
Atlanta, Georgia 30328  
Attention: Corporate Trust Department

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

Section 14 Counterparts. This Escrow Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 15 Laws Governing Escrow Agreement and Situs and the Administration of Trust. The effect and meaning of this Escrow Agreement and the rights of all parties hereunder shall be governed by, and construed according to, the laws of the State of South Carolina, but it is the intention of the County that the situs of the trust created by this Escrow Agreement is to be in the state in which is located the principal corporate trust office of the Escrow Agent from time to time acting under this Escrow Agreement. It is the further intention of the County that the Escrow Agent administer the trust and funds in the state in which is located, from time to time, the situs of the trust and funds.

IN WITNESS WHEREOF, the County and the Escrow Agent have caused this Agreement to be executed and attested by their authorised officers or officials, as of the day and year first above written.

**CHARLESTON COUNTY, SOUTH CAROLINA**

\_\_\_\_\_  
Chief Financial Officer

**WELLS FARGO BANK N.A., as Escrow Agent**

By: \_\_\_\_\_

Its: \_\_\_\_\_

EXHIBIT A

Defeasance Obligations

(See attached)



EXHIBIT B-1

**CONDITIONAL NOTICE OF REDEMPTION TO THE HOLDERS OF**  
**Charleston County, South Carolina**  
**General Obligation Transportation Sales Tax Bonds of 2006**

**Dated May 2, 2006**

NOTICE IS HEREBY GIVEN by Charleston County, South Carolina (the "County") that there have been called for redemption on November 1, 20\_\_ (the "Redemption Date"), the outstanding Charleston County, South Carolina, General Obligation Transportation Sales Tax Bonds of 2006, originally dated May 2, 2006, described below (the "Called Bonds") totaling \$\_\_\_\_\_:

<b><u>CUSIP*</u></b>	<b><u>BOND NUMBER</u></b>	<b><u>MATURITY DATE NOVEMBER 1</u></b>	<b><u>PRINCIPAL AMOUNT</u></b>
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The Called Bonds are called pursuant to the optional redemption provisions of the governing documents at the redemption price of par plus accrued interest to the Redemption Date (the "Redemption Price"). On the Redemption Date, there shall become due and payable upon each Called Bond the Redemption Price thereof, and that, from and after the Redemption Date, interest thereon shall cease to accrue.

Holders of the Called Bonds are requested to present their Called Bonds at the following addresses:

**By Mail:**

Wells Fargo Bank N.A.  
7000 Central NE Parkway, Suite 550  
Atlanta, Georgia 30328

**By Hand Delivery/Overnight Mail:**

Wells Fargo Bank N.A.  
7000 Central NE Parkway, Suite 550  
Atlanta, Georgia 30328

Registered or certified insured mail is suggested when submitting Called Bonds for payment.

When inquiring about this redemption, please have the bond number available. Please inform the customer service representative of the CUSIP number(s) of the affected bonds.

Dated \_\_\_\_\_, \_\_\_\_\_

**NOTICE**

*Withholding of 30% of gross redemption proceeds of any payment made within the United States may be required by the Economic Growth and Tax Relief Reconciliation Act of 2001 (the "Act") unless the Paying Agent has the correct taxpayer identification number (social security or employer identification number) or exemption certificate of the payee. Please furnish a properly completed Form W-9 or exemption certificate or equivalent when presenting your securities.*

*\*The County and the Paying Agent shall not be responsible for the use of the CUSIP number(s) selected, nor is any representation made as to their correctness indicated in the notice or as printed on any Called Bonds. They are included solely for the convenience of the holders.*

EXHIBIT B-2

**CONDITIONAL NOTICE OF REDEMPTION TO THE HOLDERS OF**

**Charleston County, South Carolina  
General Obligation Transportation Sales Tax Bonds of 2007**

**Dated December 13, 2007**

NOTICE IS HEREBY GIVEN by Charleston County, South Carolina (the "County") that there have been called for redemption on November 1, 20\_\_ (the "Redemption Date"), the outstanding Charleston County, South Carolina, General Obligation Transportation Sales Tax Bonds of 2007, originally dated December 13, 2007, described below (the "Called Bonds") totaling \$ \_\_\_\_\_:

<u>CUSIP*</u>	<u>BOND NUMBER</u>	<u>MATURITY DATE NOVEMBER 1</u>	<u>PRINCIPAL AMOUNT</u>
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The Called Bonds are called pursuant to the optional redemption provisions of the governing documents at the redemption price of par plus accrued interest to the Redemption Date (the "Redemption Price"). On the Redemption Date, there shall become due and payable upon Called Bond the Redemption Price thereof, and that, from and after the Redemption Date, interest thereon shall cease to accrue.

Holders of the Called Bonds are requested to present their Called Bonds at the following addresses:

**By Mail:**

Wells Fargo Bank N.A.  
7000 Central NE Parkway, Suite 550  
Atlanta, Georgia 30328

**By Hand Delivery/Overnight Mail:**

Wells Fargo Bank N.A.  
7000 Central NE Parkway, Suite 550  
Atlanta, Georgia 30328

Registered or certified insured mail is suggested when submitting Called Bonds for payment.

When inquiring about this redemption, please have the bond number available. Please inform the customer service representative of the CUSIP number(s) of the affected bonds.

Dated \_\_\_\_\_, \_\_\_\_\_

**NOTICE OF REFUNDING**

**CHARLESTON COUNTY, SOUTH CAROLINA**

**General Obligation Transportation Sales Tax Bonds of 2006  
and General Obligation Transportation Sales Tax Bonds of 2007**

Notice is hereby given to the holders of the Charleston County, South Carolina, General Obligation Transportation Sales Tax Bonds of 2006 maturing in the years \_\_\_\_\_ through \_\_\_\_\_, inclusive (the "Series 2006 Bonds"), and the Charleston County, South Carolina, General Obligation Transportation Sales Tax Bonds of 2007 maturing in the years \_\_\_\_ through \_\_\_\_\_, inclusive (the "Series 2007 Bonds")(collectively the "Outstanding Bonds") that Charleston County, South Carolina (the "County") intends to issue its General Obligation Transportation Sales Tax Refunding Bonds of 2013 (the "Refunding Bonds") and to deposit a portion of the proceeds derived from the sale of the Refunding Bonds with Wells Fargo Bank N.A. (the "Escrow Agent"), to be held by the Escrow Agent pursuant to the provisions of an Escrow Deposit Agreement. It is anticipated by the County that the proceeds of the Refunding Bonds deposited with the Escrow Agent will equal the sum sufficient to provide for the payment of the principal of, premium, if any, and interest on, the Outstanding Bonds. The Escrow Agent, pursuant to the Escrow Deposit Agreement, is expected to apply moneys deposited with it to the purchase of obligations of the United States, in order to provide for the payment of principal of, premium, if any, and interest on, the Outstanding Bonds.