



Town of Summerville Council Meeting

Thursday, June 11, 2020 - 6:00 p.m.

Council Chambers – Third Floor of Annex Building
200 South Main Street, Summerville, SC 29483

The meeting will be livestreamed on the Town's website: www.summervillesc.gov

AGENDA

1. Call to Order

2. Invocation and Pledge of Allegiance - *Councilmember Kima Garten-Schmidt*

3. Special Presentation

4. Approval of Minutes of Previous Meetings

- a. Town Council Meeting – May 14, 2020
- b. Special Called Council Meeting (Workshop) – May 27, 2020
- c. Special Called Emergency Council Meeting – May 31, 2020
- d. Standing Committee Meetings – May 14, 2020

5. Public Hearing

Proposed development agreement between the Town of Summerville and HIC LAND, LLC. regarding Town of Summerville (Berkeley County) parcel TMS#208-00-02-013, approximately 973 acres, located along Interstate 26, Drop Off Drive, and Linda Way, Summerville, SC.

6. Public Comment – *For items on the June 11, 2020 Town Council meeting agenda only*

7. Petitions:

- a. Request to rezone TMS#s 154-00-00-073, Miles-Jamison Road; and 154-06-15-006, 310 Beverly Drive (approximately 306.809 acres), and owned by Dorchester County from PUD, Planned Development District, to PL, Public Lands (Council District 6). *Planning Commission held a public hearing and made a recommendation for approval at their meeting on May 18, 2020.*
- b. Petition by Knightsville, LLC to annex Dorchester County TMS# 144-01-00-005 (approximately 1.00 acre) located at 795 Orangeburg Road, currently zoned R-4 Multi-Family Residential in Dorchester County and will be zoned PUD Planned Development District upon annexation into the Town of Summerville's municipal limits and the existing PUD for the Knightsville Tract shall be amended to include this parcel for open space and commercial uses. (Council District 4) *Planning Commission held a public hearing and made a recommendation for approval at their meeting on May 18, 2020.*

8. Pending Bills and Resolutions:

- a. Second and final reading of an ordinance to annex Charleston County TMS# 379-00-00-028 (approximately 0.21 acres), located at 516 E. Richardson Avenue, currently zoned R-4 Single-Family Residential in Charleston County and will be zoned GR-5 General Residential upon annexation into the Town of Summerville’s municipal limits. (Proposed Council District 1)
- b. Second and final reading of an ordinance to annex Dorchester County TMS# 136-12-01-019 (approximately 0.39 acres), Lot 3, Block D, located at 1116 Central Avenue, currently zoned R-2 Single-Family Residential in Dorchester County and will be zoned GR-5 General Residential upon annexation into the Town of Summerville’s municipal limits. (Proposed Council District 4)
- c. Second and final reading of an ordinance to amend Ordinance 2-291(a) by changing the fiscal year to begin on July 1, and end on June 30 of each year.
- d. Second and final reading of an ordinance to annex Berkeley County TMS# 208-00-02-013 (approximately 973 acres) located off of the Nexton Parkway Interchange and Linda Way, currently zoned HI, Heavy Industrial, and Flex1, Agricultural, in Berkeley County and will be zoned PUD, Planned Development District, upon annexation into the Town of Summerville’s municipal limits. (Council District 2)
- e. Second and final reading of an ordinance approving a Proposed Development Agreement for HIC LAND, LLC (Whitfield Tract) or its successor in title and authorizing the execution and delivery of a Development Agreement and other instruments including the implementation of a Planned Unit Development document relating thereto by and between the Town of Summerville and HIC LAND, LLC– Berkeley County TMS# 208-00-02-013 for a total of 973 acres.

9. Introduction of Bills and Resolutions

- a. First reading of General Bond Ordinance to allow the Summerville Commissioners of Public Works to issue Water and Sewer Bonds to fund various projects.

10. Miscellaneous

- a. Consideration of the Saul Alexander Inclusive Playground Project by the Summerville Miracle League
- b. Consideration of Conservation Easement Along BMP3

11. Public Comment (*open*)

12. Executive Session: *Legal matter*

- a. To receive legal advice regarding a proposed tax increment financing district
- b. To receive legal advice concerning the condemnation of a portion and/or all of the following tracts for the Maple Street Extension Project:

Tract#	TMS#	Tract#	TMS#
7	137-01-00-006	44	130-10-00-066
10	137-13-00-014	53	130-10-00-068
13	130-13-00-019	54	130-10-00-092
14	130-13-00-020	64	130-10-00-051
17	130-13-00-047	77	130-10-00-089
28	130-13-00-050	79	130-10-00-076
		80	130-10-00-088
		96	130-10-00-017

13. Other Business

- a. Action to be taken by Council related to Executive Session

14. Adjourn

TOWN OF SUMMERVILLE COVID-19 GUIDELINES:

- While Town Hall is open, the public is encouraged to view the live stream of this meeting on the Town’s website: www.summerville.sc.gov.
- Anyone attending the meeting (including staff and Councilmembers) can only enter the Annex Building through the main entrance near W. Richardson Ave.
- Anyone who attempts to enter the facilities will be required to have their temperature taken (contactless) by a first responder from Summerville Fire & Rescue. Entrance will not be granted to anyone with a temperature of 100.4 degrees Fahrenheit or over.
- Masks are encouraged.
- Staff will sanitize commonly touched surfaces in common areas throughout the day.
- Hand sanitizer dispensers have been installed throughout the facilities.

Mayor
Ricky Waring

Council Members:
Bob Jackson
Walter Bailey
Aaron Brown
Christine Czarnik
Kima Garten-Schmidt
William McIntosh



Town Administrator
Rebecca Vance

Town Clerk
Beth Messervy

Town Attorney
G.W. Parker

Town of Summerville

COUNCIL MEETING MINUTES May 14, 2020

ATTENDANCE

Present: Mayor Ricky Waring, Councilmembers Kima Garten-Schmidt, Terry Jenkins, Walter Bailey, Aaron Brown, Bob Jackson and Bill McIntosh. A quorum was present. Staff was also present. Public and press were duly notified. The meeting was held virtually via Zoom meetings and livestreamed on YouTube.

CALL TO ORDER

The regular monthly meeting of Summerville Town Council was called to order at 6:15pm on Thursday, May 14, 2020 by Mayor Waring. The meeting was opened with prayer led by Councilmember Terry Jenkins, followed by the Pledge of Allegiance.

APPROVAL OF MINUTES

Mr. Jenkins made a motion, seconded by Mr. Jackson, to accept the combined minutes from the Town Council meeting and Standing Committee meetings on April 9, 2020. The motion carried unanimously.

PUBLIC COMMENT

Due to the meeting being held virtually, public comments were accepted via email before 5pm on Thursday, May 14, 2020. The Town Clerk read the public comments out loud. They have been included with these minutes for permanent record.

PUBLIC HEARING

Mayor Waring opened the public hearing regarding the proposed Development Agreement between the Town of Summerville and HIC LAND, LLC regarding Town of Summerville (Berkeley County) TMS #208-00-02-013, approximately 973 acres, located along Interstate 26, Drop Off Drive, and Linda Way.

Due to the meeting being held virtually, comments from the public were accepted via email before 5pm on Thursday, May 14, 2020. The Town Clerk read the public comments regarding the public hearing out loud. They have been included with these minutes for permanent record.

Robbie Robbins and Stefan Hoyer attended the meeting via Zoom and spoke on behalf of HIC LAND, LLC to report the changes since the last Development Agreement was submitted in 2019, as well as to report that HIC LAND (Hoyer) has been working with the residents of Del Webb Nexton to alleviate their concerns with the development.

There being no further comments, Mayor Waring closed the public hearing.

PETITIONS:

Mr. Jenkins made a motion, seconded by Ms. Garten-Schmidt, to approve first reading of an ordinance of a petition by Lina and Francisco Elizondo to annex Charleston County TMS# 379-00-00-028 (approximately 0.21 acres), located at 516 E. Richardson Avenue, currently zoned R-4 Single-Family Residential in Charleston County and will be zoned GR-5 General Residential upon annexation into the Town of Summerville's municipal limits. (Proposed Council District 1). The motion carried unanimously.

Mr. McIntosh made a motion, seconded by Ms. Garten-Schmidt, to approve first reading of an ordinance of a petition by James P. Doherty and Andrea Doherty to annex Dorchester County TMS# 136-12-01-019 (approximately 0.39 acres), Lot 3, Block D, located at 1116 Central Avenue, currently zoned R-2 Single-Family Residential in Dorchester County and will be zoned GR-5 General Residential upon annexation into the Town of Summerville's municipal limits. (Proposed Council District 4). The motion carried unanimously.

PENDING BILLS AND RESOLUTIONS

Mr. Jenkins made a motion, seconded by Mr. Bailey, to approve second and final reading of an ordinance to annex Dorchester County TMS#'s 130-00-00-020, 716 N. Maple Street; 130-00-00-004, 156 Labyrinth Lane; 130-00-00-005, 708 N. Maple Street; 130-00-00-006, 712 N. Maple Street; 130-00-00-036, N. Maple Street; 130-00-00-033, Old Dairy Road; 130-00-00-019, 81 E. Turner Street; and 130-00-00-034, N. Maple Street; and Berkeley County TMS# 730-00-00-036, Old Dairy Road (approximately 250.046 acres total), currently zoned R-4 Multifamily Residential in Dorchester County and Flex-1 in Berkeley County and will be zoned PUD, Planned Development District upon annexation into the Town of Summerville's municipal limits. (Proposed Council District 1). The motion carried 6-0, with Mr. McIntosh formally recusing himself of the vote.

Mr. Bailey made a motion, seconded by Mr. Jenkins, to approve second and final reading of an ordinance to annex Dorchester County TMS# 145-07-03-029, Lot 40, located at 109 Dove Lane, currently zoned R2 Single Family Residential in Dorchester County and will be zoned GR5 General Residential upon annexation into the Town of Summerville's municipal limits. The motion carried unanimously.

Mr. Jenkins made a motion, seconded by Mr. Bailey, to approve second and final reading of an ordinance to temporarily suspend portions of the provision of Town Ordinances Sections 8-122. – Payment (Accommodation Taxes) and 8-124. – Violation and Penalties (for non-payment of

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www.SummervilleSC.gov

Accommodation Tax) and to correct the mailing address for payment. Mr. McIntosh made a motion, seconded by Mr. Jenkins, to amend the ordinance to change “June 1, 2020” to “July 1, 2020”. The motion to amend carried unanimously. The original motion as amended carried unanimously.

Mr. Jenkins made a motion, seconded by Mr. McIntosh, to approve second and final reading of an ordinance to temporarily suspend the provision of Town Ordinance Section 8-142 – Payment of Local Hospitality Tax and Sections 8-145 – Violations. The motion carried unanimously.

Mr. Brown made a motion, seconded by Mr. Jenkins, to approve second and final reading of an ordinance to temporarily suspend the provision of Town Ordinance Section 8-42. – Delinquent License Taxes; Partial Payment. Subsection (a). The motion carried unanimously.

INTRODUCTION OF BILLS AND RESOLUTIONS

Mr. Jenkins made a motion, seconded by Ms. Garten-Schmidt, to give first reading to an ordinance to amend Ordinance 2-291(a) by changing the fiscal year to begin on July 1 and end on June 30 of the following year. The motion carried unanimously.

Mr. Jackson made a motion, seconded by Mr. Jenkins, to give first reading to an ordinance to amend the Summerville Unified Development Ordinance Title 8 Tree Protection, Landscaping & Screening, Chapter 3 Tree Protection, Subsection 3B3, Preservation During Construction. Some discussion followed. Council requested that the Town Attorney research whether or not the item had to go to the Planning Commission before second reading. The motion carried unanimously.

Mr. Jenkins made a motion, seconded by Mr. Bailey, to give first reading to an ordinance approving a Proposed Development Agreement for HIC LAND, LLC (Whitfield Tract) or its successor in title and authorizing the execution and delivery of a Development Agreement and other instruments including the implementation of a Planned United Development document related thereto by and between the Town of Summerville and HIC LAND, LLC for Berkeley County TMS# 208-00-02-013 for a total of 973 acres. The motion carried unanimously.

Mr. McIntosh made a motion, seconded by Mr. Jenkins, to give first reading to an ordinance to amend the Summerville Comprehensive Plan Section I and Town of Summerville Future Land Use Map #2, currently designated as Employed Growth District to Neighborhood Mixed Use with a commercial activity center focal point at the area closest to Interstate 26. The motion carried unanimously.

MISCELLANEOUS

Town Attorney GW Parker reported that the Dorchester County Attorney (John Frampton) said that if there are any minor changes that will not change the substance to the agreement between the Town of Summerville and Dorchester County for the provision of fire service in the Miles Road area, that the agreement would not have to go back to Council again for approval. Mr. Parker agreed with Mr. Frampton’s request.

Mr. Jackson made a motion, seconded by Mr. Jenkins, to approve the agreement between the Town of Summerville and Dorchester County for the provision of fire service in the Miles Road area with Mr. Parker’s recommendation. The motion carried unanimously.

ADJOURN

There being no further business, the meeting adjourned at 6:54pm on motion of Mr. Jenkins, seconded by Mr. Bailey.

Respectfully Submitted,

APPROVED:

Beth Messervy, Town Clerk

Ricky Waring, Mayor

Ricky Waring, Mayor

Council Members:

Bob Jackson

Walter Bailey

Aaron Brown

Terry Jenkins

Kima Garten-Schmidt

William McIntosh



Town Administrator

Rebecca Vance

Town Clerk

Beth Messervy

Town Attorney

G.W. Parker

Town of Summerville
SPECIAL CALLED COUNCIL MEETING MINUTES
May 27, 2020

ATTENDANCE

Present: Mayor Waring, Councilmembers Terry Jenkins, Walter Bailey, Aaron Brown, Bob Jackson, Kima Garten-Schmidt, and Bill McIntosh. A quorum was present. Staff was also present. Public and press were duly notified. The meeting was held in Council Chambers at 200 South Main Street, Summerville, SC and live streamed on the Town's website.

CALL TO ORDER

Mayor Ricky Waring called the Special Called Council meeting to order at 2:00pm on Wednesday, May 27, 2020.

PRESENTATION:

Keene McLaughlin with ESP Associates presented results from a survey answered by the public regarding uses for the Oakbrook Ashley River Preserve (formerly Bend on the Ashley). He then reviewed the site conditions of the property, showing total acreage and developable acreage. Mr. McLaughlin answered questions from Council regarding the site map. Mr. McLaughlin presented Council with a preliminary program for the facilities, circulation, and recreation of the land. Council gave their suggestions and feedback to Mr. McLaughlin. Mr. McLaughlin stated that the next step in the design process is for the consultant to develop 2 concepts based on the survey results and Council's feedback.

ADJOURN:

There being no further business, Mayor Waring adjourned the meeting at 3:00pm.

Respectfully submitted:

APPROVED:

Beth Messervy, Town Clerk

Ricky Waring, Mayor



Town of Summerville

****EMERGENCY MEETING****

Special Called Council Meeting

Summerville Municipal Complex

200 South Main Street - Council Chambers, Third Floor

Sunday, May 31, 2020 – 5:00pm

MINUTES

Mayor Ricky Waring called the Special Called Emergency Council Meeting to order at 5:00pm on Sunday, May 31, 2020. Present: Mayor Waring; Councilmembers Walter Bailey, Kima Garten-Schmidt, Bill McIntosh, Bob Jackson, and Terry Jenkins. Councilmember Aaron Brown was absent. Town Administrator Rebecca Vance, Town Attorney GW Parker, Town Clerk Beth Messervy, and several members of staff were also in attendance. The press and public were duly notified.

Mr. Jenkins made a motion, seconded by Mr. Bailey to impose a curfew from 6:00pm on Sunday, May 31, 2020 to 6:00am on Monday, June 1, 2020 and to give the Mayor authority to expand or contract this curfew as needed, with that authority to expire in 60 days.

Mr. McIntosh made a motion, seconded by Mr. Bailey, to amend the original motion to have the authority of the Mayor to expand or contract the curfew expire by the time of the regular Council meeting on June 11, 2020. The amendment to the motion carried unanimously.

The original motion as amended carried unanimously.

Mr. Jenkins made a motion, seconded by Mr. Jackson, to adjourn. The motion carried unanimously, and the meeting adjourned at 5:01pm.

Beth Messervy, Town Clerk

Ricky Waring, Mayor



TOWN OF SUMMERVILLE PARKS & RECREATION DEPARTMENT

"Creating Sense of Place Through Parks & Play"

TO: Beth Messervy, Town Clerk
CC: Rebecca Vance, Town Administrator
FROM: Amy Evans, Parks & Recreation Director
DATE: May 15, 2020
RE: May 2020 Parks & Recreation Committee Meeting Minutes

The Parks & Recreation Committee met virtually on Thursday May 14th, 2020 using Zoom. The meeting was streamed live on YouTube. Committee members Kima Garten-Schmidt, Aaron Brown, and Chairman Bob Jackson participated in the meeting. Chairman Bob Jackson called the meeting to order at 5:30PM.

- 1) Update on Saul Alexander Inclusive Playground Project
 - a. Ms. Evans shared that in April, Dorchester County Council approved a contribution of \$100,000 for this playground project. The project was also awarded \$100,000 under the Park and Recreation Development Fund (PARF) in April.
 - b. The Miracle League will be making a presentation to council at the next available opportunity.
- 2) Remodeling of the Rollins Edwards Community Center's Kitchen
 - a. Ms. Evans shared that the project consists of installation of a grease trap, hood system, and purchase of a 6-burner range, countertop griddle, and convection oven. Total Project costs are estimated at \$36,948.97. Hospitality funds can be used for this project.
 - b. After a short discussion, Ms. Garten-Schmidt made a motion (seconded by Mr. Brown) to approve money from hospitality funds for the remodeling of the Rollins Edwards Community Center Kitchen. The motion passed unanimously.
 - c. Mr. Brown inquired to the length of time to complete this project. Ms. Evans stated that after receiving back the appropriate requisitions, installation should take approximately one month.
- 3) Sparkling Ice Sponsorship Opportunity

- a. Ms. Evans shared that Sparkling Ice would like to sponsor the building of two pickleball courts at Doty Park in the location where the horseshoe pits are currently. She provided a synopsis of the proposal.
- b. Mr. Jackson stated that he would like to see versatility in courts as new ones are installed when possible.
- b. Mr. Brown voiced concerns about it being a for-profit company.
- c. Ms. Garten-Schmidt made a motion to recommend the project to the finance committee for approval (seconded by Mr. Brown). The motion passed unanimously, however Ms. Vance clarified that this sponsorship opportunity would not need to go to the finance committee because there was no cost to the town.
- d. Mr. Parker stated that he had received the proposal but needed to research a couple items before the Town moved forward with the project.

With no other business to discuss, Mr. Brown made a motion (seconded by Ms. Garten-Schmidt) to adjourn. Motion passed unanimously and the meeting adjourned at 5:40 PM.

Sincerely,

Amy Evans
Parks & Recreation Director
Town of Summerville

PLANNING AND DEVELOPMENT COMMITTEE

REPORT for

May 14, 2020

5:30 PM

Virtual Meeting

The Planning and Development Committee of Town Council met on May 14, 2020 immediately following the Parks and Recreation Committee. The meeting was held virtually through Zoom Cloud Meetings. Committee members present included Bill McIntosh, Council District 4, Bob Jackson, Council District 6, and Terry Jenkins, Council District 2. Staff members present included Jessi Shuler, AICP, Director of Planning; and other Town staff.

The meeting was called to order at 5:41 PM by Mr. McIntosh.

Annexations:

Ms. Shuler introduced the petition by Lina and Francisco Elizondo to annex Charleston County TMS# 379-00-00-028 (approximately 0.21 acres), located at 516 E. Richardson Avenue, currently zoned R-4 Single-Family Residential in Charleston County and will be zoned GR-5 General Residential upon annexation into the Town of Summerville's municipal limits. She stated that this annexation would be in Council District 1, and the Planning Commission held a public hearing and recommended approval at their meeting on April 20, 2020. Councilman Brown asked if this property was just a single-family residence, and Ms. Shuler confirmed that it was a single-family home under construction. Mr. Jackson made a motion to send the annexation to full Council for first reading with a recommendation for approval, and Mr. Jenkins made the second. Mr. McIntosh called for the vote, and the motion passed unanimously.

Ms. Shuler introduced the next petition by James P. Doherty and Andrea Doherty to annex Dorchester County TMS# 136-12-01-019 (approximately 0.39 acres), Lot 3, Block D, located at 1116 Central Avenue, currently zoned R-2 Single-Family Residential in Dorchester County and will be zoned GR-5 General Residential upon annexation into the Town of Summerville's municipal limits. She stated that this annexation would be in Council District 4, and the Planning Commission held a public hearing and recommended approval at their meeting on April 20, 2020. Mr. McIntosh asked if this property was vacant or an existing dwelling, and Ms. Shuler confirmed that it already had a single-family home. Following the discussion, Mr. Jackson made a motion to send the annexation to full Council for first reading with a recommendation for approval, and Mr. Jenkins made the second. The motion passed unanimously.

Following no additional business or discussion, the meeting was adjourned at 5:43 PM on a motion by Mr. Jenkins, and a second by Mr. Jackson.

Respectfully submitted,



Jessi Shuler, AICP
Director of Planning

May 19, 2020

Mayor
Ricky Waring

Council Members:
Bob Jackson, Mayor Pro-Tem
Walter Bailey
Aaron Brown
Terry Jenkins
Kima Garten-Schmidt
William McIntosh



Town Administrator
Colin L. Martin

Town Clerk
Beth Messervy

Town Attorney
G.W. Parker

Town of Summerville

MINUTES -- PUBLIC WORKS COMMITTEE MEETING May 14, 2020

The meeting was called to order at 5:44pm by Chair Kima Garten-Schmidt. Committee members Terry Jenkins and Walter Bailey were also present. Also in attendance was Director of Public Works Russ Cornette, Press and public were duly notified of the meeting. The meeting was held via Zoom Meetings and broadcast live on YouTube.

Mr. Cornette presented updates on the following projects:

a. Road Resurfacing.

In March, the finance committee approved a purchase order for Banks Construction Company for \$1,632,706.18. \$522,000 has been allocated from the Dorchester County Transportation Committee to cover the costs of the state roads. The balance of the contract cost will come from budgeted capital projects. The list of roads is below. The contractor is approximately 50% complete.

Town Roads	Subdivision	State Roads	Subdivision
Aulds Lane	Brownsville	Garbon Road	Gahagan to Boundary
Reneau Blvd	PFCC	Palmetto Street	Summerville
Ford Court	Brownsville	Shepard Lane East	Tea Farm
Burton Avenue	Corey Woods	Shepard Lane West	Tea Farm
Bambert Street	South Pointe	Elizabeth Street	Tea Farm
Palmetto Street	Summerville	Walker Drive East	Tea Farm
Simmons Avenue	Summerville	Sebring Court	Tea Farm
Shepard Lane East	Tea Farm	Blocker Lane	Summerville
Nottingham Court	Crichton Parish		
Rushton Place	Crichton Parish		
Hasting Way	Crichton Parish		
Brighton Lane	Crichton Parish		
Plantation Circle	Newington		
Olympic Club	PFCC		

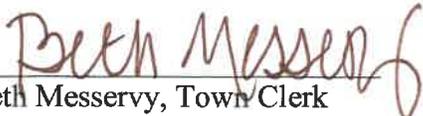
Luke Avenue West	Summerville
Elizabeth Street	Tea Farm
Pekoe Court	Tea Farm
Lipton Drive	Tea Farm
Egret Lane	Oak Knoll
Duck Blind Court	Boykin Creek

- b. Bear Island Road.** All permits for the project have been acquired. The Finance Committee approved a requisition for \$6,395,786.33 for Banks Construction in June 2019. Banks Construction mobilized and began clearing operations on July 8. Progress on the project Construction is expected to be completed in September 2020. The project is approximately 69% completed.
- c. Maple Street.** Michael Baker, Inc is currently conducting right-of-way acquisition for Maple Street. Right-of-way acquisition is expected to be completed in May 2020. Final construction documents are being prepared and was submitted to SCDOT for review by early April. Project is expected to be ready to bid in late summer or early fall of 2020.
- d. Shepard Park Drainage.** Final design work is completed and the pond portion of the project is nearly fully permitted. The Peters Street diversion portion of the project is still in permitting with SCDOT. Staff intends to apply for a State Rural Infrastructure Grant in September 2020 to fund the construction of the project.
- e. Parkwood Drive Sidewalk.** All design and permitting work are completed and permits are in hand. The purchase order was approved in October and the contractor is waiting on utilities to relocate a couple boxes. The contractor has mobilized and construction is well underway. Utility relocations have slightly delayed the project. Construction completion is expected in May 2020.
- f. Central Avenue Sidewalk Project.** J. Bragg Consulting, Inc was selected to design and permit the sidewalk project. Surveying work and preliminary design work are completed. A conceptual plan was submitted and staff is reviewing the plan. Final plans are expected to be completed summer 2020.
- g. Carolina Avenue Traffic Calming.** Staff has met with the surveyor and discussed the scope of work. The surveyor has completed the surveying the five intersections and the two median locations. Staff has begun design of the intersections and medians. will design each realigned intersection and median location internally. Once design is completed, materials will be ordered and hope to have everything installed by the end of June.

Mr. Brown reported that there has been increased illegal dumping throughout Brownsville. He stated that small contractors have been dumping trash and worksite materials on the side of the road. Town Administrator Rebecca Vance reported that Code Enforcement is looking into surveillance of some sort. Mr. Brown asked staff to put up more “No Dumping” signs.

Mr. Bailey inquired about the final drawings for the redesign of Five Points. Mr. Cornette reported that he will have that information at the June Council meeting. The meeting was adjourned at 5:54pm upon motion of Mr. Bailey, seconded by Mr. McIntosh.

Respectfully submitted,


Beth Messervy, Town Clerk

**TOWN OF SUMMERVILLE
FINANCE COMMITTEE REPORT
May 14, 2020**

The Finance Committee met on Thursday, May 14, 2020 virtually via Zoom meetings and broadcast on YouTube. Present were Mayor Waring and Committee members Bob Jackson, Aaron Brown, Walter Bailey, Kima Garten-Schmidt, Terry Jenkins and Bill McIntosh. Also present were Town Clerk Beth Messervy and Town Attorney G.W. Parker. Other staff members, members of the press and members of the public were duly notified.

Welcome	Mayor Waring welcomed everyone and called the meeting to order at 5:55pm.
Presentation of Financial Report	Andrew Shelton presented the April 2020 financial report. The report was accepted as information.
SHS Memorial Stadium Monetary Request	<p>Mr. Jenkins made a motion, seconded by Mr. Bailey, to approve the Town to give Summerville High School football team \$200,000 towards renovations of the Memorial Stadium. Some discussion followed.</p> <p>Mr. McIntosh made a motion, seconded by Mr. Bailey to amend the original motion to include a contingency upon Dorchester District 2 and Dorchester County's participation in the renovation project and that Hospitality and Accommodations Tax general fund be used for the \$200,000 contribution. The motion carried unanimously.</p>
Trident Technical College Dorchester County Campus Monetary Request	Mr. Jackson made a motion, seconded by Ms. Garten-Schmidt, to give Dorchester County \$200,000 to start a Dorchester County campus of Trident Technical College in the Town limits. Some discussion followed. The motion carried unanimously.
Vehicle Surplus	<p>Mr. McIntosh made a motion, seconded by Mr. Jenkins, to surplus and sell the following vehicles for the Fire Department, with funds going to the General Fund Balance:</p> <p>Car 8 – 2005 Ford Crown Victoria 1997 E-One fire engine to Pine Ridge Fire Department 1997 E-One fire engine to Lincolnville Fire Department</p> <p>The motion carried unanimously.</p>
Financial Requisitions	Mr. Brown made a motion, seconded by Mr. Jackson, to enter into a cleaning contract in the amount of \$1995 per month from Jan-Pro. The agreement will be signed once funds are received from the Corona Virus Emergency Supplement Funding grant. Funds are a direct allocation from the federal government in the amount of \$36,766.00. The motion carried unanimously.

Mr. Jenkins made a motion, seconded by Ms. Garten-Schmidt, to issue a purchase order to Yellowstone Landscape in the amount of \$67,000 for the annual maintenance of the 199 Interchange. This was completed by bid process. Funds to come from 2020 budgeted Hospitality Funds. Request from the Parks and Recreation Department. The motion carried unanimously.

Mr. Jenkins made a motion, seconded by Mr. Jackson, to issue purchase orders to the following companies for renovations to the Rollins Edwards Community Center's kitchen. Funds to come from 2020 Hospitality Funds. Request from Parks and Recreation Department:

Coastal Sprinkler Co	\$ 1,200.00
Melfi Plumbing	\$ 5,750.00
Ferguson	\$ 1,957.03
FRS	\$ 28,041.94
Total spent:	\$36,948.97.

Some discussion followed. The motion carried unanimously.

Adjourn

Mr. McIntosh made a motion, seconded by Mr. Jackson, to adjourn the meeting. The motion carried unanimously, and the meeting adjourned at 6:14pm.

Respectfully submitted,


Beth Messervy
Town Clerk

June 11, 2020

Dear Mayor Waring and Council Members,

We are neighbors in the Del Webb Nexton community. Some of us have had the opportunity over the past year to offer comments at Town Council meetings about the proposed Sheep Island Development, which will adjoin our property line.

As second readings of the proposal advance for your consideration, we wanted to offer appreciation for the Town's willingness to weigh the concerns of our already established senior community, especially our property values and our security, in being right next door to a new development.

Special thanks to Mayor Waring, Assistant Jill Weatherford, and Councilman Jenkins for coming out to visit Del Webb. And sincere appreciation to Director of Planning Jessi Shuler, who has been helpful in making time to meet with some of us neighbors, to answer questions, and to provide updates since June of last year. She is a professional and personable representative for the Town.

Our growing community will soon be made up of 1000 homes, all with a Summerville address. Our residents are pleased to contribute in many ways to the life of the town.

Appreciation also goes out to developer Stefan Hoyer and to his team for considering the well-being of our residents as we registered early concerns that might impact our community.

Foremost, Mr. Hoyer has agreed to maintain an undisturbed 50-foot treeline buffer between the proposed development and our community. This has been of major importance to our residents, who value this added security and privacy for our gated community.

An early access road which at first was drawn into the conceptual plan to run along our property line has been removed. That is a welcome change as well.

Finally, we have asked the Hoyer team over these months to insure that homes in the parcels which abut our community of single-family detached homes will also be single-family and detached. The PUD confirms single-family status, and Mr. Hoyer indicated to us last summer that the adjoining homes would likewise be detached.

Mr. Hoyer's going on record at the May Town Council meeting in offering to forever be a good neighbor to the residents of Del Webb is a pledge that we will hold in trust.

Thank you again for the opportunity to offer our comments to the Council.

Sincerely,

Del Webb residents Joel Arenson, Steve Bleecker, Tom Conry, Donna Dunevant, Earl Evertz, Pat Heckert, Frank Swigut, Suzie Turner

ORDINANCE

To Amend the Zoning Map of the Town of Summerville

BE IT ORDAINED, by the Mayor and Town Council of the Town of Summerville in Council assembled that the approximately 306.809 acres owned by Dorchester County located on Miles-Jamison Road and at 310 Beverly Drive and known as Dorchester TMS# 154-00-00-073 and TMS# 154-06-15-006 be rezoned to the classification of PL, "Public Lands" from the classification of PUD "Planned Development District."

The Zoning Map of the Town of Summerville is hereby amended so as to incorporate this change.

Ratified this _____ day of _____, 2020.

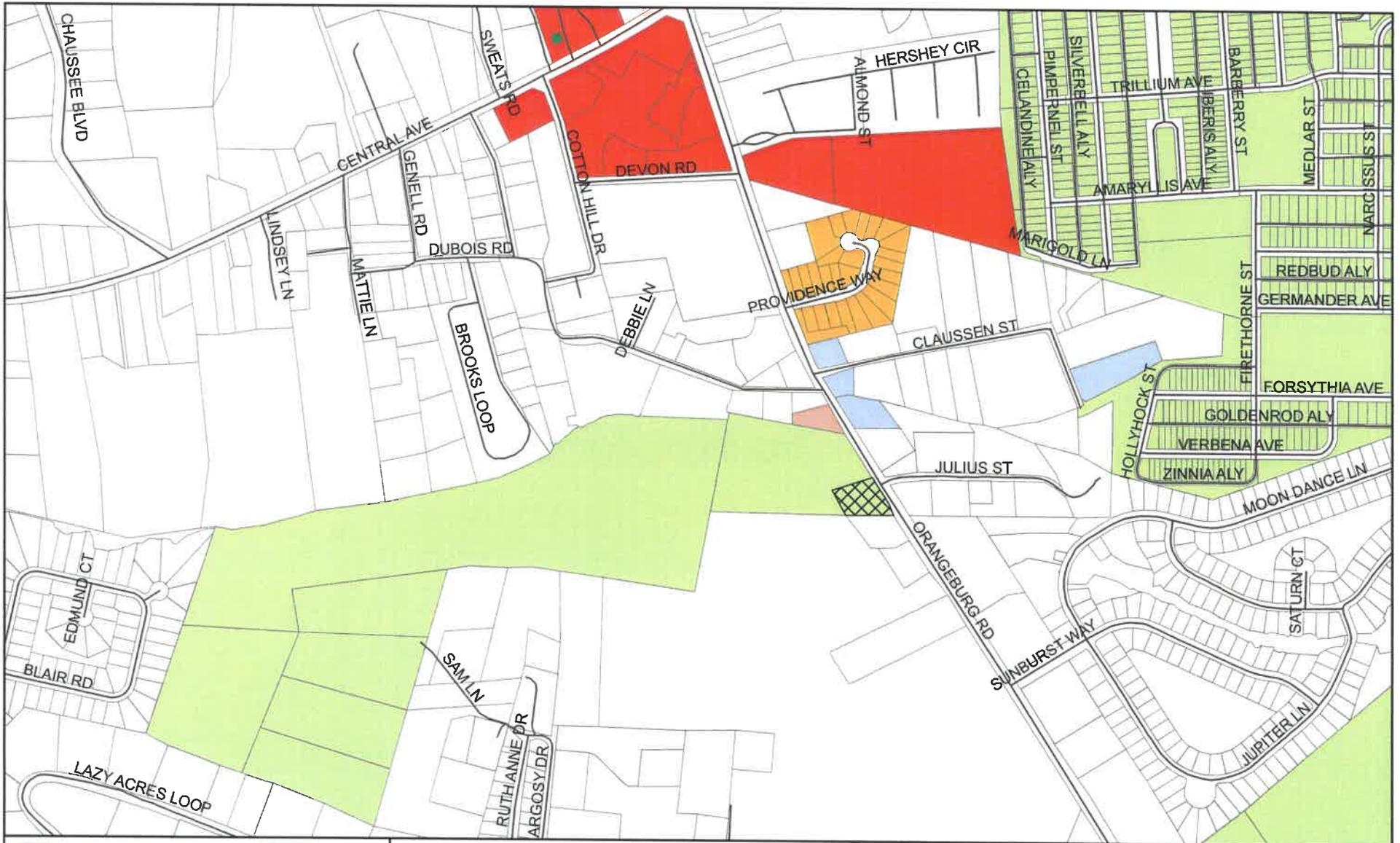
Ricky Waring, Mayor

Beth Messervy, Town Clerk

PUBLIC HEARING: May 18, 2020

FIRST READING: _____

SECOND READING: _____



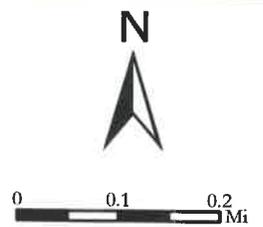
- | | |
|--|---|
|  Annexation Request |  N-B |
| Zoning |  N-R |
|  G-B |  PL |
|  GR-5 |  PUD |

Annexation & PUD Amendment Exhibit

Knightsville Tract

Disclaimer: This map is a graphic representation of data obtained from various sources. All efforts have been made to warrant the accuracy of this map; however, the Town of Summerville disclaims all representation and liability for the use of this map.

2020



Coordinate System: WGS 1984 Web Mercator Auxiliary Sphere

ORDINANCE

TO ANNEX TO, AND INCORPORATE WITHIN THE CORPORATE LIMITS OF THE TOWN OF SUMMERVILLE, THE PARCEL OWNED BY KNIGHTSVILLE, LLC, ADJACENT TO THE BOUNDARY LINE OF THE TOWN, AS DESCRIBED ON THE DEED AND PREPARED PLAT ATTACHED HERETO AND INCORPORATED BY REFERENCE AND TO AMEND THE EXISTING PLANNED UNIT DEVELOPMENT FOR THE KNIGHTSVILLE TRACT TO INCLUDE THIS PARCEL FOR PURPOSES BELOW:

WHEREAS, the owner of the real estate designated as Dorchester County TMS# 144-01-00-005, located at 795 Orangeburg Road, described as approximately 1.00 acre, has petitioned the Town Council of the Town of Summerville to annex into the Town of Summerville and to amend the existing Planned Unit Development for the Knightsville Tract to include this parcel.

NOW, THEREFORE BE IT ORDAINED by the Mayor and Members of Town Council duly assembled;

SECTION I. That the described land on the attached deed and prepared plat, contiguous to the boundary of the Town of Summerville is hereby annexed to, taken into and made a part of the Town of Summerville and including the public roadway (s) immediately adjacent to the property lines of the parcel for the purposes of providing public service to the parcel.

SECTION II. That the existing Planned Unit Development for the Knightsville Tract be amended to include the described lands on the attached deed and prepared plat to be used for the purposes of open space, including the entry road, and commercial property.

SECTION III. That the property above described and hereby annexed shall be Zoned PUD "Planned Development" and be classified as PUD "Planned Development" under the Zoning Ordinance of the Town of Summerville; and, that the existing PUD for the Knightsville Tract be amended to include this parcel to be used as described herein.

Ratified this _____ day of _____, 2020 A.D.

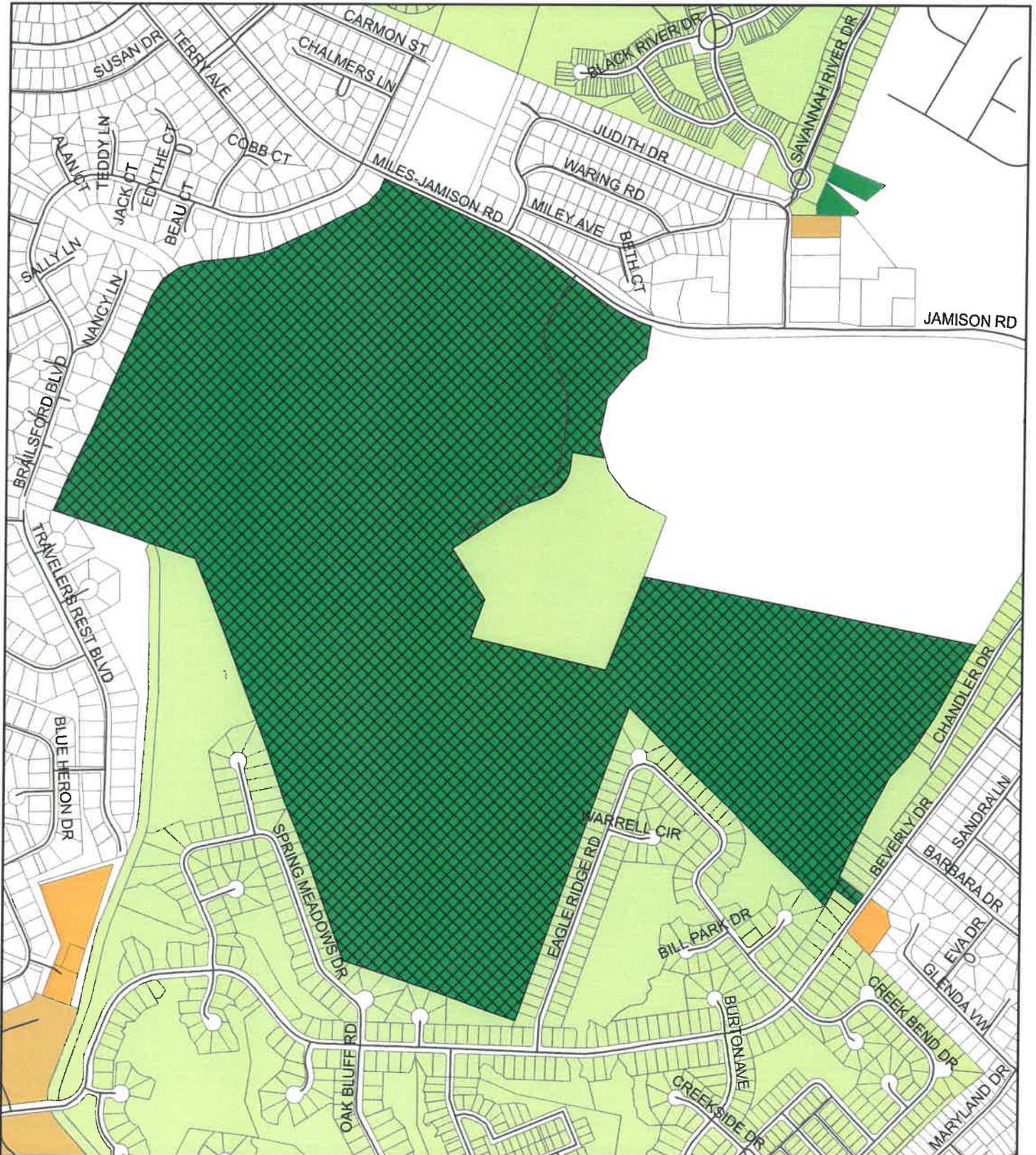
Ricky Waring, Mayor

Beth Messervy, Town Clerk

PUBLIC HEARING: May 18, 2020

FIRST READING: _____

SECOND READING: _____



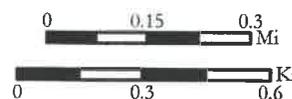
- Rezoning Request
- Zoning**
- GR-5
- MF-R
- MH-R
- N-B
- PL
- PUD

Rezoning Exhibit

PUD to PL

Disclaimer: This map is a graphic representation of data obtained from various sources. All efforts have been made to warrant the accuracy of this map; however, the Town of Summerville disclaims all representation and liability for the use of this map.

2020



Coordinate System: WGS 1984 Web Mercator Auxiliary Sphere

ORDINANCE

TO ANNEX TO, AND INCORPORATE WITHIN THE CORPORATE LIMITS OF THE TOWN OF SUMMERVILLE, THE PARCEL OWNED BY LINA AND FRANCISCO ELIZONDO, ADJACENT TO THE BOUNDARY LINE OF THE TOWN, AS DESCRIBED ON THE DEEDS AND PREPARED PLATS ATTACHED HERETO AND INCORPORATED BY REFERENCE:

WHEREAS, the owner of the real estate designated as Charleston County TMS# 379-00-00-028, 516 East Richardson Avenue, described as approximately .21 acres, has petitioned the Town Council of the Town of Summerville to annex into the Town of Summerville.

NOW, THEREFORE BE IT ORDAINED by the Mayor and Members of Town Council duly assembled;

SECTION I. That the described land on the attached deed and prepared plat, contiguous to the boundary of the Town of Summerville is hereby annexed to, taken into and made a part of the Town of Summerville and including the public roadway (s) immediately adjacent to the property lines of the parcel for the purposes of providing public service to the parcel.

SECTION II. That the property above described and hereby annexed shall be Zoned GR-5 "General Residential" and be classified as GR-5 "General Residential" under the Zoning Ordinance of the Town of Summerville.

Ratified this _____ day of _____, 2020 A.D.

Ricky Waring, Mayor

Beth Messervy, Town Clerk

PUBLIC HEARING: April 20, 2020

FIRST READING: May 14, 2020

SECOND READING: , 2020



- Streets
 - Parcels
 - ▣ Annexation Request
- Zoning**
- AC
 - GR-5

Annexation Exhibit - 516 E. Richardson Ave.

Disclaimer: This map is a graphic representation of data obtained from various sources. All efforts have been made to warrant the accuracy of this map; however, the Town of Summerville disclaims all representation and liability for the use of this map.

2020

Coordinate System: WGS 1984 Web Mercator Auxiliary Sphere



ORDINANCE

TO ANNEX TO, AND INCORPORATE WITHIN THE CORPORATE LIMITS OF THE TOWN OF SUMMERVILLE, THE PARCEL OWNED BY JAMES P. AND ANDREA DOHERTY, ADJACENT TO THE BOUNDARY LINE OF THE TOWN, AS DESCRIBED ON THE DEED AND RECORDED PLAT ATTACHED HERETO AND INCORPORATED BY REFERENCE:

WHEREAS, the owner of the real estate designated as Dorchester County TMS# 136-12-01-019, 1116 Central Avenue, described as approximately 0.39 acres, has petitioned the Town Council of the Town of Summerville to annex into the Town of Summerville.

NOW, THEREFORE BE IT ORDAINED by the Mayor and Members of Town Council duly assembled;

SECTION I. That the described land on the attached deed and recorded plat, contiguous to the boundary of the Town of Summerville is hereby annexed to, taken into and made a part of the Town of Summerville and including the public roadway (s) immediately adjacent to the property lines of the parcel for the purposes of providing public service to the parcel.

SECTION II. That the property above described and hereby annexed shall be Zoned GR-5 "General Residential" and be classified as GR-5 "General Residential" under the Zoning Ordinance of the Town of Summerville.

Ratified this _____ day of _____, 2020 A.D.

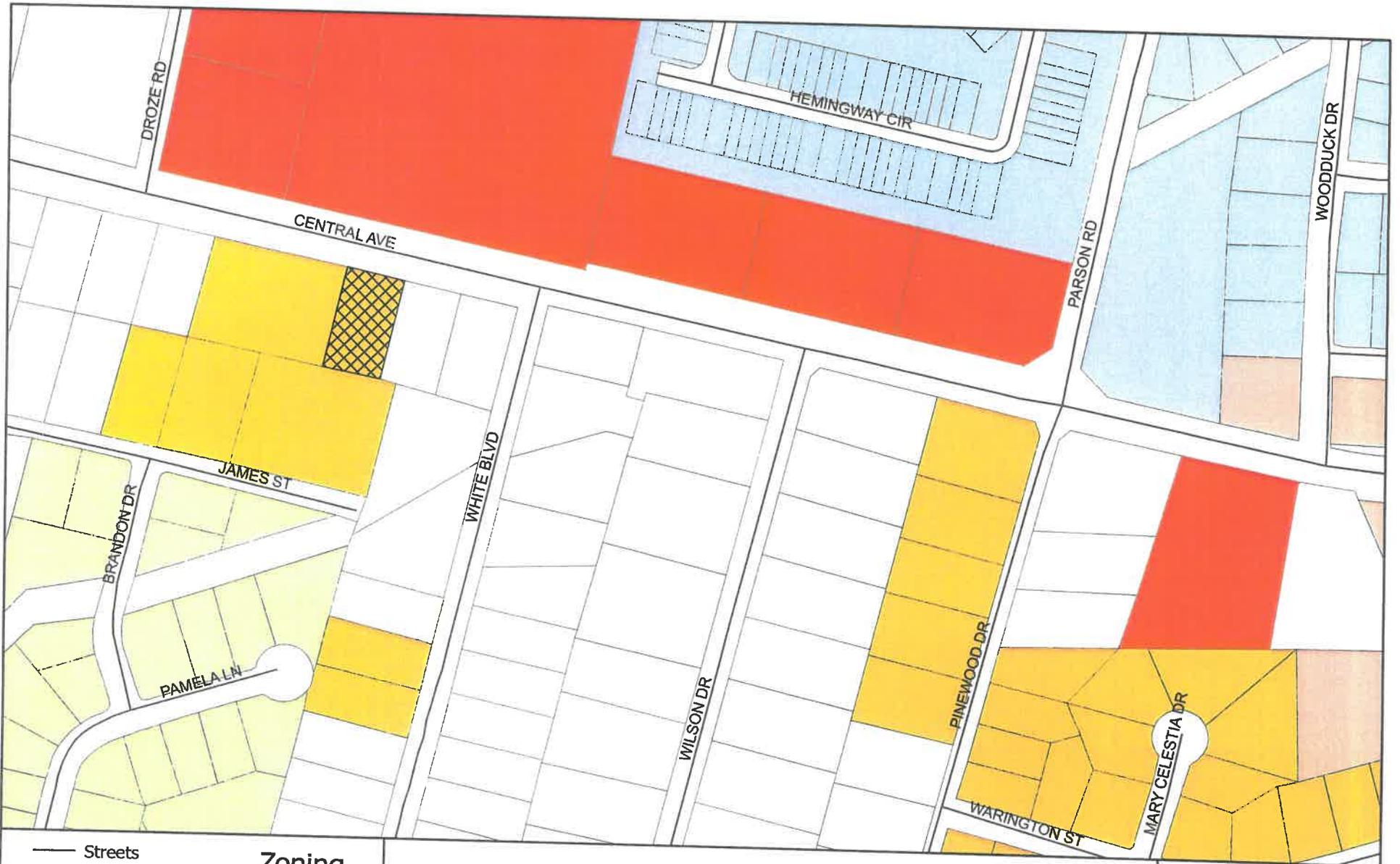
Ricky Waring, Mayor

Beth Messervy, Town Clerk

PUBLIC HEARING: April 20, 2020

FIRST READING: May 19, 2020

SECOND READING: , 2020



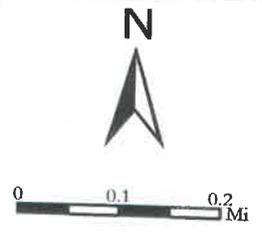
- | | |
|----------------------|---------------|
| — Streets | Zoning |
| □ Parcels | ■ G-B |
| ▨ Annexation Request | ■ GR-5 |
| | ■ N-B |
| | ■ N-R |
| | ■ PUD |

Annexation Exhibit - 1116 Central Ave.

Disclaimer: This map is a graphic representation of data obtained from various sources. All efforts have been made to warrant the accuracy of this map; however, the Town of Summerville disclaims all representation and liability for the use of this map.

2020

Coordinate System: WGS 1984 Web Mercator Auxiliary Sphere



AN ORDINANCE

To Amend Ordinance 2-291(a) by changing the fiscal year to begin on July 1, and end on June 30 of each year.

WHEREAS, the current fiscal year begins on January 1 of each year and ends on December 31 of each year; and,

WHEREAS, South Carolina Code Ann. § 5-11-40(c) requires the Town to adopt a budget prior to the beginning of each fiscal year; and,

WHEREAS, The Town's current fiscal year end has made it difficult to set the Town's millage rate and provide this rate to the corresponding Counties in a timely and efficient manner

WHEREAS, it is the desire of Town Council that the change of the fiscal year to July 1 - June 30 be effective as of July 1, 2021 and an abbreviated fiscal year will commence on January 1, 2021 and terminate on June 30, 2021, and the budget for that period will be reflective of the abridged year.

NOW THEREFORE:

BE IT ORDAINED, by the Mayor and Council Members of the Town of Summerville, in Council assembled that:

1. Town Ordinance 2-291(a) is hereby amended so that it will read: (a) The fiscal year for the municipality shall commence on July 1 in each year and shall terminate on June 30 in each year.
2. The above recitals are hereby incorporated herein to these Ordainments.
3. Town Ordinance 2-291 shall remain in full force and effect except to the extent amended in this ordinance.

It is so Ordained this ____ day of _____ 2020.

Ricky Waring, Mayor

ATTEST:

Beth Messervy, Town Clerk

First Reading: May 14, 2020 Second Reading _____

ORDINANCE

TO ANNEX TO, AND INCORPORATE WITHIN THE CORPORATE LIMITS OF THE TOWN OF SUMMERVILLE, THE PARCEL OWNED BY THE WHITFIELD COMPANY, ADJACENT TO THE BOUNDARY LINE OF THE TOWN, AS DESCRIBED ON THE DEEDS AND PREPARED PLATS ATTACHED HERETO AND INCORPORATED BY REFERENCE:

WHEREAS, the owner of the real estate designated as Berkeley County TMS# 208-00-02-013, Nexton Parkway Interchange, Linda Way, and Drop Off Drive, described as approximately 973 acres, has petitioned the Town Council of the Town of Summerville to annex into the Town of Summerville.

NOW, THEREFORE BE IT ORDAINED by the Mayor and Members of Town Council duly assembled;

SECTION I. That the described land on the attached deed and prepared plat, contiguous to the boundary of the Town of Summerville is hereby annexed to, taken into and made a part of the Town of Summerville and including the public roadway (s) immediately adjacent to the property lines of the parcel for the purposes of providing public service to the parcel.

SECTION II. That the property above described and hereby annexed shall be Zoned PUD Planned Development District" and be classified as PUD "Planned Development District" under the Zoning Ordinance of the Town of Summerville.

Ratified this _____ day of _____, 2019 A.D.

William W. Johnson, Mayor

Beth Messervy, Clerk to Council

PUBLIC HEARING: May 20, 2019

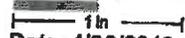
FIRST READING: , 2019

SECOND READING: , 2019

Berkeley County GIS Online Mapping



1 inch = 2,000 feet



Date: 4/30/2019

Berkeley County GIS



The county of Berkeley and its GIS Department disclaims accountability for this product and makes no warranty express or implied concerning the accuracy thereof. Responsibility for interpretation and application of this product lies with the user.

ORDINANCE

AN ORDINANCE APPROVING A PROPOSED DEVELOPMENT AGREEMENT FOR HIC LAND, LLC (WHITFIELD TRACT) OR ITS SUCCESSOR IN TITLE AND AUTHORIZING THE EXECUTION AND DELIVERY OF A DEVELOPMENT AGREEMENT AND OTHER INSTRUMENTS INCLUDING THE IMPLEMENTATION OF A PLANNED UNIT DEVELOPMENT DOCUMENT RELATING THERETO BY AND BETWEEN THE TOWN OF SUMMERVILLE AND HIC LAND, LLC – BERKELEY COUNTY TMS# 208-00-02-013 for a total of 973 acres.

WHEREAS, the South Carolina Local Government Development Agreement Act, South Carolina Code of Laws, Title 6, Chapter 31 (1976, as amended) (the “Act”), authorizes local governments to enter into development agreements with a developer as therein defined; and

WHEREAS, Summerville Town Council, the governing body of the Town of Summerville, South Carolina had adopted Ordinance No. 06-1002 (a amended) establishing the provisions for Development Agreements; and

WHEREAS, HIC LAND, LLC (the “Developer”) has applied for and prepared a Development Agreement and PUD document on behalf of the seller, The Whitfield Company, who owns certain land suitable for residential, commercial, light industrial, civic, recreational and open space, and;

WHEREAS, pursuant to the Act, the Town of Summerville is authorized to enter into binding development agreements with certain persons having legal or equitable interests in real property, and;

WHEREAS, the Town of Summerville and the Developer have not concluded their negotiations with respect to the terms of the development agreement for the property owned by the Developer or its successor in title.

NOW THEREFORE, BE IT ORDAINED by the Summerville Town Council, in a meeting duly assembled, that the development agreement, in substantially the form attached hereto as Exhibit A, with such changes as Summerville Town Council shall approve, the execution of a definitive development agreement to be conclusive evidence of such approval, is hereby approved.

ADOPTED this _____ day of _____ 2020.

Ricky Waring
Mayor
Town of Summerville, SC

ATTEST:

Beth Messervy, Town Clerk
Town of Summerville, SC

Public Hearing: May 14, 2020
First Reading: May 14., 2020 Second Reading _____, 2020

TOWN OF SUMMERVILLE, SOUTH CAROLINA

GENERAL BOND ORDINANCE

AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF TOWN OF SUMMERVILLE, SOUTH CAROLINA, WATERWORKS AND SEWER SYSTEM REVENUE BONDS TO FINANCE THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS TO THE WATERWORKS AND SEWER SYSTEM AND THE REFUNDING OF OUTSTANDING BONDS, AND OTHER MATTERS PERTAINING THERETO; PRESCRIBING THE FORM OF REVENUE BONDS ISSUED HEREUNDER; COVENANTING AS TO THE REVENUES AND THE FIXING, ESTABLISHMENT AND COLLECTION OF RATES AND CHARGES FOR THE USE OF THE WATERWORKS AND SEWER SYSTEM; PLEDGING SUCH REVENUES AND OTHER FUNDS TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON SUCH BONDS; AND MAKING OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE FOREGOING.

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GENERAL BOND ORDINANCE

AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF TOWN OF SUMMERVILLE, SOUTH CAROLINA, WATERWORKS AND SEWER SYSTEM REVENUE BONDS TO FINANCE THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS TO THE WATERWORKS AND SEWER SYSTEM AND THE REFUNDING OF OUTSTANDING BONDS AND OTHER MATTERS PERTAINING THERETO; PRESCRIBING THE FORM OF REVENUE BONDS ISSUED HEREUNDER; COVENANTING AS TO THE REVENUES AND THE FIXING, ESTABLISHMENT AND COLLECTION OF RATES AND CHARGES FOR THE USE OF THE WATERWORKS AND SEWER SYSTEM; PLEDGING SUCH REVENUES AND OTHER FUNDS TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON SUCH BONDS; AND MAKING OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE FOREGOING.

WHEREAS, the Town of Summerville, South Carolina (the Town) is a municipal corporation organized and existing under the laws of the State of South Carolina, located in Dorchester County, South Carolina; and

WHEREAS, exercising the powers vested in it by the Constitution and statutes of South Carolina and proceeding in conformity with the provisions thereof, the Town did heretofore acquire a waterworks system and sewer system known as "the Waterworks and Sewer System of the Town of Summerville" (the System);

WHEREAS, the System is operated under the control of the Commissioners of Public Works of The Town of Summerville and serves persons residing in the Town and in certain territory adjacent thereto; and

WHEREAS, as a means of raising the funds needed from time to time in the acquisition, construction and equipping of the System, the Town is empowered by Chapter 21 and Chapter 17, Title 6 of the Code of Laws of South Carolina 1976, as amended, as amended and continued by Act No. 125 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1977, and in compliance with Article X, Section 14, Paragraph 10 of the South Carolina Constitution, to issue revenue improvement and refunding bonds payable both as to principal and interest from the revenues to be derived from the operation of the System; and

WHEREAS, the Town, by the enactment of this General Bond Ordinance, intends to provide for the issuance of the revenue bonds hereinafter defined at the time and on the terms and conditions set forth in this Ordinance and Supplemental Ordinances hereto;

NOW, THEREFORE, be it ordained by the Town Council of the Town of Summerville, South Carolina, the governing body of the Town of Summerville, South Carolina, as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATIONS

Section 1.01 Defined Terms.

The terms defined in this Section 1.01 (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 Section 1.01.

"Accreted Value" shall mean with respect to any Capital Appreciation Bond, except as otherwise provided by Supplemental Ordinance, an amount equal to the principal amount of such Capital Appreciation Bond (determined on the basis of the principal amount per \$5,000 at maturity thereof) plus the amount, assuming semiannual compounding of earnings, which would be produced on the investment of such principal amount, beginning on the dated date of such Capital Appreciation Bond and ending at the maturity date thereof, at a yield which, if produced until maturity, will produce \$5,000 at maturity. The accreted value of any Capital Appreciation Bonds shall mean, as of any Valuation Date, the amount set forth for such date in the Supplemental Ordinance authorizing such Capital Appreciation Bonds, and as of any date other than a Valuation Date, the sum of (a) the Accreted Value on the preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date, and (2) the difference between the Accreted Values for such Valuation Dates.

"Act" shall mean collectively Chapter 21 and Chapter 17, Title 6 of the Code of Laws of South Carolina 1976, as amended, and all other statutory authorizations, now or hereinafter enacted, authorizing and enabling the Town to provide for the issuance of the Bonds.

"Annual Budget" shall mean the annual budget required by Section 7.10 hereof and adopted in conformance therewith.

"Bond Holders", "Bondholders", or the term "Holders" or any similar term shall mean the registered owner of any Outstanding Bond or Bonds.

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

"Bond Payment Date" shall mean any date on which interest on any of the Bonds shall be payable or on which both principal interest shall be payable as maturity or upon mandatory redemption on any of the Bonds, all as set forth in the Supplemental Ordinance authorizing the issuance of the respective Series of Bonds.

"Bonds" shall mean all revenue bonds and other obligations, of the Town issued pursuant to and under the authority of Article II hereof, and Outstanding from time to time.

"Books of Registry" shall mean the registration books maintained by the Trustee as bond registrar in accordance with Section 3.04 hereof.

"Business Day" shall mean, except as set forth in a Supplemental Ordinance with respect to the Series of Bonds issued thereunder, any date other than a Saturday, a Sunday or a day on which banking institutions in the State of South Carolina or in the State of North Carolina or in the State of New York are required by law (including in executive orders) to close.

"Capital Appreciation Bonds" shall mean any Bonds as to which interest is payable only at the maturity, prior redemption or acceleration of such Bonds. For the purposes of (1) receiving payment of the redemption price of a Capital Appreciation Bond that is redeemed prior to maturity, (2) receiving payment of a Capital Appreciation Bond if the principal of all Bonds of a Series is declared immediately due and payable following an Event of Default as provided in Section 9.02 of this Ordinance, or (3) computing the principal amount of Bonds held by the holder of a Capital Appreciation Bond in giving any notice, consent, request, or demand pursuant to this Ordinance, or for any purpose whatsoever including, without limitation, for transfer and exchange, the principal amount of a Capital Appreciation Bond shall be deemed to be its Accreted Value on the date set for redemption, or the date of declaration, or the date of computation of the principal amount or on the date of transfer or exchange, as the case may be, or in any other case, on the analogous date as of which the principal amount is intended to be calculated.

"Capital Lease" shall mean any lease of property which, in accordance with generally accepted accounting principles, has been or should be capitalized on the lessee's balance sheet or for which the amount of the asset and liability thereunder as if so capitalized should be disclosed in a note to such balance sheet.

"Clerk" shall mean the Clerk of the Council or, in her absence, any assistant or acting clerk of the Council.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder.

"Commissioners" shall mean the Commissioners of Public Works of the Town of Summerville.

"Completion Date" shall mean the date of completion of construction of any Project as that date shall be certified to the Trustee.

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

"Consulting Engineer" shall mean an engineer or engineering firm registered and qualified to practice the profession of engineering under the laws of the State of South Carolina, satisfactory to the Trustee, and who or which is not a full-time employee of the Town.

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

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

"Council" shall mean the Town Council of the Town of Summerville, South Carolina and any successor governing body of the Town of Summerville.

"Custodian" shall mean any bank or trust company or national banking association or national association selected by the Commissioners as a depository of moneys or securities held in the Construction Fund, the Gross Revenue Fund, the Operation and Maintenance Fund, or the **Utility General Fund**.

"Debt Guarantee" shall mean any guarantee or other liability (other than any endorsement for collection or deposit in the ordinary course of business and other than performance bonds but only to the extent that such bonds do not also constitute guarantees of payment), direct or indirect, with respect to any obligation of another Person, through an agreement or otherwise, including without limitation:

- A. any other endorsement or discount with recourse or undertaking substantially equivalent to or having economic effects similar to a guarantee in respect to any such obligation; and
- B. any agreement (1) to purchase, or to advance or supply funds for the payment or purchase of any such obligation, (2) to purchase, sell or lease property, products, materials or supplies, or transportation or services in respect of enabling such other Person to pay any such obligation or to assure the holder thereof against loss regardless of the delivery or nondelivery of the property, products, materials or supplies or transportation services, or (3) to make any loan, advance or capital contribution to or other investment in, or to otherwise provide funds to or for, such other Person in respect of enabling such Person to satisfy any obligation (including any liability for a dividend, stock liquidation payment or expense) or to enable such person to assure a minimum equity, working capital or other balance sheet condition in respect of any such obligation.

The amount of any Debt Guarantee shall be equal to the outstanding amount of the obligation directly or indirectly guaranteed.

"Debt Service Fund" shall mean any fund herein designated to provide for the payment of the principal of, premium, if any, and interest on the respective Series of Bonds issued hereunder, as the same respectively fall due, as established by the provisions of Section 5.04 hereof.

"Debt Service Reserve Fund" shall mean any fund established by the provisions of Section 5.05 hereof to produce and provide funds to meet any possible deficiencies in any Debt Service Fund and to be maintained in such amounts, if any, established with respect to each Series of Bonds as set forth in the Supplemental Ordinance providing for the issuance of such Series of Bonds.

"Debt Service Reserve Fund Requirement" shall mean that amount, if any, with respect to each Series of Bonds as set forth in the Supplemental Ordinance providing for the issuance of such Series of Bonds.

"Default" or "Event of Default" shall mean any of those defaults specified in and defined by Article IX hereof.

"Expenses of Operating and Maintaining the System" shall mean the current expenses, paid or accrued, of operation, maintenance and current repair of the System, including without limitation such expenses as may reasonably be necessary to preserve the System in good repair and working order, the fees and charges of the Trustee and the custodian or trustee of any fund, the cost of audits required hereunder, and the premiums for all insurance and fidelity bonds required hereunder, but excluding (i) any depreciation and amortization expenses; (ii) unfunded pension or other post-employment benefit liabilities that do not result in any actual disposition of cash; and (iii) other non-cash expenses resulting from adoption of any new accounting pronouncement or as required by any accounting standards body.

"Fiscal Year" shall mean the period of twelve (12) calendar months, beginning on the first day of July of each year and ending with the thirtieth day of June of the succeeding year, until changed to a different twelve month period by resolution of the Council.

"Gross Revenue Fund" shall mean the fund comprised of all the Revenues derived from the operation of the System together with any other funds of the System deposited into the Gross Revenue Fund, except for grant moneys, as established by the provisions of Section 5.02 hereof.

"Indebtedness" shall mean any obligation for borrowed money, but in any event shall include:

(A) any obligation used for all or any part of the purchase price of property or other assets or for the cost of property or other assets constructed or of improvements thereto, other than accounts payable included in current liabilities and incurred in respect of property purchased in the ordinary course of business;

(B) any obligation secured by any encumbrance in respect of property even though the person owning the property has not assumed or become liable for the payment of such obligation;

(C) any Capital Lease; and

(D) any Debt Guarantee or any payment with respect thereto with respect to Indebtedness (of the kind otherwise described in this definition) of another Person.

"Interest Payment Subsidies" shall mean the refundable tax credit subsidies to the Town from the federal government under any section of the Code that authorizes such tax credits on sums borrowed in a Series of Bonds for the purpose of paying all or a portion of the interest due on a Series of Bonds on specific Bond Payment Dates, as applicable.

"Investment Obligations" shall mean (i) obligations issued or guaranteed by the United States of America or its agencies, or to the payment of which the full faith and credit of the United States of America is pledged; (ii) general obligations of the State of South Carolina or its political units; (iii) interest bearing deposits in savings and loan associations to the extent that the same are insured by an agency of the federal government; (iv) certificates of deposit issued by a bank or trust company (including the Trustee), where such certificates of deposit are collaterally secured by securities of the type described in (i) and (ii) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest; provided, however, that such collateral shall not be required to the extent such certificates of deposit are insured by an agency of the federal government; (v) repurchase agreements when collateralized by securities of the type described in (i), (ii), (iii) or (iv) above; (vi) no load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit, political subdivision, or county treasurer if the particular portfolio of the investment company or investment trust in which the investment is made (a) is limited to obligations described in items (i), (ii) or (v) above, and (b) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, values its assets by the amortized cost method; (vii) the South Carolina Pooled Investment Fund established pursuant to the provisions of Chapter 6, Title 6 of the Code of Laws of South Carolina 1976, as amended: or (viii) any other investments now or hereafter permitted under Section 6-5-10 of the Code of Laws of South Carolina 1976, as amended.

"Junior Bonds" shall mean either (i) bonds secured by a pledge of Revenues junior and subordinate in all respects to the pledge securing the Bonds or (ii) any other form of Indebtedness, including lease purchase obligations secured by sums available in the **Utility General Fund** after provision has been made for all payments required to be made with respect to the Bonds.

"Mayor" shall mean the mayor of the Town or, in his or her absence, the mayor pro-tempore or acting mayor of the Town.

"Manager" shall mean the person appointed by the Commissioners to serve as general manager of the System or, in his or her absence, the acting manager of the System.

"Net Revenues" shall mean the Revenues of the System after deducting the Expenses of Operating and Maintaining the System.

"Operation and Maintenance Fund" shall mean the fund established by the provisions of Section 5.03 hereof designed to provide for the payment of all Expenses of Operating and Maintaining the System.

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

"Outstanding Bonds" or "Outstanding" shall mean all Bonds which have been duly authenticated and delivered by the Trustee hereunder except:

(a) Bonds theretofore cancelled by the Trustee or theretofore delivered by the Trustee for cancellation;

(b) Bonds (or portions thereof) for the payment or redemption of which cash funds shall have been theretofore deposited with the Trustee (whether upon or prior to the maturity or redemption date of any such Bonds); provided that, if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to the Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Trustee shall have been filed with the Trustee;

(c) Bonds in lieu of which others have been authenticated, unless proof satisfactory to the Trustee is presented to the Trustee that all such Bonds are held by bona fide purchasers as that term is defined in Article 8 of the South Carolina Uniform Commercial Code, as amended, in which case the Bond or Bonds so replaced and the Bond or Bonds authenticated and delivered therefor shall both be deemed outstanding; and

(d) Bonds (or portions thereof) deemed to have been paid within the meaning of Article VIII hereof.

"Person" shall mean natural persons, firms, associations, corporations and public bodies.

"Principal and Interest Requirements" with respect to any Bonds shall mean the amount required to pay principal of (whether at maturity or pursuant to mandatory redemption requirements applicable thereto), redemption premium, if any, and interest (exclusive of funded interest) on such Bonds during the period of time for which Principal and Interest Requirements are being calculated less any Interest Payment Subsidies received by or on deposit with the Town during such period and used to pay debt service on such Bonds during such period; provided (1) the interest on Variable Rate Indebtedness shall be calculated at an assumed interest rate equal to the greater of (A) one hundred ten percent (110%) of the average rate borne by such Variable Rate Indebtedness during the preceding twelve (12) months, or if such Variable Rate Indebtedness is yet to be incurred, at one hundred ten percent (110%) of the average rate such Variable Rate Indebtedness would have borne during the preceding twelve (12) months based on the applicable index or other method of determining the interest rate under the terms of the Supplemental Ordinance providing for the incurrence of such Variable Rate Indebtedness or (B) the 30-year Revenue Bond Index rate (published by The Bond Buyer no more than two weeks prior to the date of such calculation); and (2) interest as used in this definition shall include interest on Capital Appreciation Bonds accruing, but not payable, during the period of time for which Principal and Interest Requirements are being calculated.

"Project" shall mean any work, undertaking or project which the Town is or may hereafter be authorized to construct and for the financing or the refinancing and improving of which Bonds are issued hereunder, and such Project shall constitute a part of the System.

"Purchaser" shall mean, with respect to any Series of Bonds, the initial purchaser of such Series of Bonds.

"Record Date" shall mean with respect to any Series of Bonds (i) the fifteenth (15th) day (whether or not a business day) of the calendar month immediately preceding an interest payment date in the event that the interest payment date is the first day of a month, or (ii) the last day (whether or not a business day) of the calendar month immediately preceding each interest payment date in the event that the interest payment date is the fifteenth (15th) day of a month or (iii) such other day as may be provided in the Supplemental Ordinance authorizing the issuance of such Series; provided, however, that in the case of a Default in the payment of interest due on a Series of Bonds, the Trustee shall establish a special record date for payment of such defaulted interest, notice whereof to be mailed by first-class mail, postage prepaid, by the Trustee to the Holders of such Series of Bonds not less than ten (10) days prior to such special record date.

"Revenues" shall mean all fees, tolls, rates, rentals and charges to be levied in connection with, and all other income and receipts of whatever kind or character derived from the operation of the System, except the proceeds of grants, customer deposits and special assessments for water or sewer improvements, or any amounts collected by the Town representing sales taxes or user fees which are required by law or agreement to be paid to the State of South Carolina. Revenues shall include any water or sewer tap-in fees, connection fees and impact fees, less any adjustment for refunded impact fees.

"Securities Depository" shall mean The Depository Trust Company, New York, New York, or any other recognized securities depository selected by the Town, which securities depository maintains a book-entry system in respect of the Bonds of any Series, and shall include any substitute for or successor to the securities depository initially acting as Securities Depository.

"Securities Depository Nominee" shall mean, as to any Securities Depository, such Securities Depository or the nominee of such Securities Depository in whose name there shall be registered on the registration books maintained by any Registrar the Bond certificates to be delivered to and immobilized at such Securities Depository during the continuation with such Securities Depository of participation in its book-entry system.

"Serial Bonds" shall mean Bonds which are not Term Bonds.

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

"Special Facilities" shall mean any future extensions or additions to the System, the revenues and expenses resulting from the operation of which can be segregated from the Revenues and expenses of the System, and which the Town shall designate as such by ordinance.

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

"System" shall mean the waterworks and sewer system of the Town, as the same is now constituted, all matters and things incident thereto, all apparatus and equipment used in connection therewith, and all replacements, enlargements, improvements, extensions, additions and betterments that may be made thereto at any time hereafter, excluding Special Facilities but including any other system which may be combined with or consolidated into the System according to law.

"Term Bond" shall mean any Bond designated by the Supplemental Ordinance providing for its issuance as being subject to mandatory retirement or redemption from moneys credited to the Debt Service Fund as mandatory redemption requirements.

"Town" shall mean the Town of Summerville, South Carolina, a municipal corporation organized and existing under the laws of the State of South Carolina.

"Trustee" shall mean any bank or trust company appointed Trustee hereunder by resolution of the Commissioners. Pending adoption of any such resolution, "Trustee" shall mean the Clerk. The provisions of Article VI hereunder shall not apply during any period in which the Clerk acts as Trustee.

"Utility General Fund" shall mean the fund established by the provisions of Section 5.07 hereof, to enable the Commissioners to provide further capital improvements for the System and for any corporate and public purpose of the Commissioners.

"Valuation Date", with respect to any Capital Appreciation Bonds, shall have the meaning ascribed to such term in the Supplemental Ordinance authorizing the issuance of such Capital Appreciation Bonds.

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

Section 1.02 General Rules of Interpretation.

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

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.

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.

Words importing the singular number include the plural number and vice versa.

ARTICLE II

AUTHORIZATION AND ISSUANCE OF BONDS

Section 2.01 Authorization of Bonds.

There is hereby authorized to be issued Bonds of the Town to be known as "Town of Summerville, South Carolina, Waterworks and Sewer System Revenue Bonds", or as otherwise set forth in the Supplemental Ordinance authorizing any Series of Bonds, which Bonds may be issued pursuant to the Ordinance and in accordance with the terms, conditions and limitations set forth herein, in such Series, in such amounts and from time to time as the Town may from time to time deem to be necessary or advisable for any corporate purpose of the Town for which Bonds may be issued under the Ordinance and the Act.

Section 2.02 General Provisions For Issuance of Bonds.

(a) The Bonds shall be issued in Series by means of Supplemental Ordinances enacted by the Council in accordance with the provisions of this Article and Article X hereof. Each Supplemental Ordinance shall designate the Bonds provided for thereby by an appropriate Series designation and by such further particular designations, if any, as the Town deems appropriate, and shall, unless or except as is otherwise set forth herein, also specify: (i) the authorized principal amount of such Series of Bonds; (ii) the purpose or purposes for which the Bonds of such Series are being issued, which shall be one or more of the purposes set forth in Sections 2.03 and 2.04 hereof; (iii) if the Bonds of the Series are being issued for a purpose specified in Section 2.03 hereof, the Project for which such Bonds are being issued; (iv) an estimate of the Costs of Acquisition and Construction for any Project to be financed by such Series of Bonds, and, in the event of the acquisition by purchase or condemnation of any facilities already constructed, a determination of what repairs, replacements, additions and betterments will be necessary in order that such facilities may be effective for their purpose and an estimate of the cost required therefor; (v) the date or dates of the Bonds of the Series; (vi) the maturity date or dates of the Bonds of the Series and the mandatory redemption requirements and due dates, if any, for the Term Bonds of the Series; (vii) the interest rate or rates of the Bonds of such Series, or the manner of determining such rate or rates, the initial interest payment date therefor, and the subsequent interest payment dates; (viii) the denominations of, and manner of numbering and lettering, the Bonds of such Series; (ix) the redemption premium or premiums, if any, or the redemption price or prices to be paid upon the redemption of the Bonds of such Series, the period or periods, if any, during which such premiums or prices shall be payable, and the terms and conditions, if any, of such redemption; (x) the place or places of payment of the Bonds of the Series and interest thereon, and the paying agents therefor; (xi) the provisions for the sale or other disposition of the Bonds of the Series and the use, application and investment, if any, of the proceeds of such sale or other disposition, which use, application and investment shall not be inconsistent or in conflict with the provisions hereof; (xii) any other provisions which may be required to be inserted therein by other provisions of the Ordinance; and (xiii) any other necessary or desirable provisions not inconsistent or in conflict with the provisions of the Ordinance.

(b) Bonds of a Series may be executed and delivered by the Town or upon its order upon compliance with Section 2.03 or Section 2.04 hereof.

Section 2.03 Conditions for the Issuance of Bonds under the Ordinance.

(a) At any time and from time to time, one or more Series of Bonds (exclusive of Bonds issued pursuant to the provisions of Section 2.04 hereof) may be issued in such principal amounts as may be determined by the Council for such purposes as may be permitted by the Act upon compliance with the provisions of Section 2.02 hereof and this Section (except where specifically provided otherwise in this Section):

i. If a Trustee other than the Clerk has been appointed hereunder, there shall be filed with the Town a certificate of the Trustee stating (A) either (1) that no Default exists in the payment of the principal of, premium, if any, or interest on any Bonds or Junior Bonds, or any other bonds payable from the Revenues of the System, and all mandatory redemption requirements, if any, required to have been made or satisfied shall have been made or satisfied or (2) that the application of the proceeds of the sale of the Series of Bonds to be issued as required by the Supplemental Ordinance authorizing their issuance will cure any such Default or permit the making or satisfaction of such redemption requirements, and (B) either (1) that to the knowledge of the Trustee, the Town is not in Default under the terms and provisions of the Ordinance in any manner properly within the purview of the Trustee or (2) setting forth the circumstances of each such Default known to the Trustee.

ii. There shall be filed with the Trustee a certificate of the Manager stating (A) either (1) that no Default exists in the payment of the principal of, premium, if any, or interest on any Bonds or Junior Bonds, or any other bonds payable from the Revenues of the System, and all mandatory redemption requirements, if any, required to have been made or satisfied shall have been made or satisfied or (2) that the application of the proceeds of the sale of the Series of Bonds to be issued as required by the Supplemental Ordinance authorizing their issuance will cure any such Default or permit the making or satisfaction of such redemption requirements, and (B) either (1) that to the best of his knowledge, the Town is not in Default in the performance of any other of its covenants and agreements contained in the Ordinance or (2) setting forth the circumstances of each such Default known to him.

(b) If a certificate filed pursuant to part (i) or (ii) of Section 2.03(a) should disclose a Default or Defaults hereunder, there shall be filed with the Trustee an opinion of Bond Counsel satisfactory to the Trustee that, in the case of any Default disclosed in a certificate filed pursuant to part (i) or (ii) of Section 2.03(a), each such Default does not deprive the Bondholders of the security afforded by the Ordinance in any material respect.

(c) (i) For the issuance of Bonds (other than the initial Series of Bonds issued hereunder) to finance the Costs of Acquisition and Construction, or a portion thereof, of any Projects, there shall be filed with the Trustee:

(A) a report from the Manager stating that Net Revenues of the System for the Fiscal Year immediately preceding the Fiscal Year in which the Bonds are to be issued or for any twelve (12) consecutive month period ending not more than 180 days prior to the enactment of the Supplemental Ordinance authorizing such Bonds (the Test Period), shall be not less than one hundred twenty percent (120%) of the maximum Principal and Interest Requirements on all Bonds, including the proposed Series of Bonds, for any subsequent Fiscal Year (and for purposes of this subparagraph

(c)(i)(A), Net Revenues shall be adjusted to reflect any rate increases currently adopted and to be in effect prior to or coincident with the issuance of such Series of Bonds, and shall include annualized Net Revenues from existing customers connected to the System for less than the entire Test Period and Net Revenues to be received from any new or existing water or sewer system to be constructed or acquired, or identified potential customers added or to be added pursuant to any Project funded with such Series of Bonds, and determined pro forma by the Manager as though such rate increases had been in continuous effect, or such customers had been continuously connected to the System, during such Test Period); or

(B) a report of the Consulting Engineer stating that Net Revenues for each of the three (3) Fiscal Years (the Forecast Period) following the later of the date of delivery of such Series of Bonds or the period (if any) for which interest is funded from the proceeds of such Series of Bonds, are forecasted by such Consulting Engineer to be not less than one hundred twenty percent (120%) of the maximum Principal and Interest Requirements on all Bonds, including the proposed Series of Bonds, for any Fiscal Year.

(ii) The Town, the Commissioners and any purchaser of any Bonds shall be entitled to rely upon any forecasts of the Consulting Engineer made in good faith as to the Net Revenues of the System.

(iii) In the event that the Town determines to issue a note or other obligation in anticipation of the issuance of a Series of Bonds, for the purposes of complying with the additional bonds test established in subparagraph 2.03(c)(i)(A) above, the Manager shall project the maturity schedule (including rate, term and principal maturities) of the future Series of Bonds that will be used to pay the note or other obligation at maturity, and such future Series of Bonds and the accompanying projections shall qualify as a proposed Series of Bonds for purposes of the additional bonds test in subparagraph 2.03(c)(i)(A) above. In making the calculations described in this subparagraph 2.03(c)(iii), the Manager may, but is not required to, rely on a report or calculation of the Consulting Engineer.

(d) Such Bonds shall be issued to secure funds to defray the cost of improving, extending, enlarging, or repairing the System, some part thereof, including any acquisition of any system which shall be combined with or consolidated into the System pursuant to law; or to refund the Bonds, Junior Bonds, or any notes, bonds, or other obligations issued to finance or to aid in financing the acquisition, construction, or improvement of the System or another enterprise combined with the System.

(e) There shall be on deposit in each Debt Service Reserve Fund cash and securities or the equivalent thereof, as provided in Section 5.05 hereof (inclusive of any proceeds of such Bonds to be deposited in the applicable Debt Service Reserve Fund) having an aggregate value not less than the Debt Service Reserve Fund Requirement, if any, with respect to each Series of Bonds to be then Outstanding and the Bonds then proposed to be issued.

Section 2.04 Refunding Bonds.

Without complying with the provisions of Section 2.03 hereof, the Town by means of a Supplemental Ordinance enacted in compliance with the Act and any other statutory provisions

authorizing the issuance of revenue refunding bonds, including advance refunding bonds, may issue hereunder refunding Bonds for the purpose of refunding (including by purchase) Bonds, including amounts to pay principal, redemption premium and interest to the date of redemption (or purchase) of the refunded Bonds and the Costs of Issuance of the refunding Bonds; provided that the debt service on all Bonds to be Outstanding after the issuance of the refunding Bonds shall not be greater than would have been the debt service were such refunding not to occur. The Trustee and the Town may rely on a certificate of an independent certified public accountant in making the determination in the immediately preceding sentence.

Section 2.05 Junior Bonds.

The Town may at any time issue Junior Bonds in such amount as it may from time to time determine, payable from the Revenues, provided that such Junior Bonds are issued to secure funds to defray the cost of improving, extending, enlarging, or repairing the System, some part thereof, including the acquisition of any system which may be combined with or consolidated into the System pursuant to law, or to refund Bonds, Junior Bonds, or any notes, bonds, or other obligations issued to finance or to aid in financing the acquisition, construction, or improvement of the System, and provided further that the pledge of Revenues securing such Junior Bonds shall at all times be subordinate and inferior to the pledge of Revenues securing the Bonds. Such Junior Bonds shall be payable from Revenues held in the **Utility General Fund** after provision has been made for all payments required to be made hereunder with respect to the Bonds.

Section 2.06 Special Facilities Bonds.

The Town shall have at all times the right to enter into contracts, leases or other agreements pursuant to which it will agree to construct, operate and pay the costs of Special Facilities to be financed by its issuance of Special Facilities bonds (which may also be Junior Lien Bonds), subject to the following conditions:

- (a) The Town shall determine that the rents, revenues or receipts to be derived from the Special Facilities shall be at least equal to the principal, interest and any reserve requirements contained in the ordinance authorizing such Special Facilities bonds and to pay all operation, maintenance and other costs and expenses applicable to such Special Facilities; and
- (b) The revenues derived from such Special Facilities need not be deposited in the Gross Revenue Fund, and may be pledged to secure Special Facilities bonds, but no debt service or other costs or expenses related to any Special Facilities may be paid from Revenues deposited in the Gross Revenue Fund except as provided in Section 2.05 hereof.

Section 2.07 Lease Financing Agreements.

The Town shall have at all times the right to enter into capital leases or other lease financing agreements secured by a lien on the property, plant and equipment comprising a part of the System; provided, however, that: (1) the aggregate principal amount of such lease or other financing obligations outstanding at any time shall not exceed ten percent (10%) of the value of the property, plant and equipment of the System, less accumulated depreciation, as shown in the audited balance sheet of the Town for the most recent Fiscal Year for which audited financial statements are available;

and (2) the loss of the property secured by the lien will not materially adversely affect the ability of the Town to meet its financial obligations under this Ordinance.

ARTICLE III

THE BONDS

Section 3.01 Execution.

(a) Unless or except as is otherwise set forth in the Supplemental Ordinance providing for the issuance of a Series of Bonds, the Bonds shall be executed on behalf of the Town by the Mayor by his manual or facsimile signature and the corporate seal of the Town or a facsimile thereof shall be impressed or reproduced thereon and attested by the Clerk by her manual or facsimile signature.

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

Section 3.02 Authentication.

Upon compliance with the provisions of Section 2.03 or 2.04 hereof, and upon the order of the Town, the Trustee shall authenticate Bonds authorized to be issued hereunder. Only such Bonds as shall have endorsed thereon a certificate of authentication duly executed manually by the Trustee shall be entitled to any right or benefit under this Ordinance. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Trustee, and such executed certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer of the Trustee, but it shall not be necessary that the same person sign the certificate of authentication on all of the Bonds issued hereunder or on all of the Bonds of a particular Series.

Section 3.03 Mutilated, Lost, Stolen, or Destroyed Bonds.

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

Section 3.04 Registration and Transfer of Bonds; Persons Treated as Owners.

(a) Each Bond shall be fully registered and transferable only upon the Books of Registry of the Town, which shall be kept for that purpose at the office of the Trustee, by the registered owner thereof or by his attorney, duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or his duly authorized attorney. Upon the transfer of any Bond, the Town shall issue, subject to the provisions of Section 3.07 hereof, in the name of the transferee, a new Bond or Bonds of the same Series, of the same aggregate principal amount as the unpaid principal amount of the surrendered Bond, and of like maturity, redemption provisions and rate of interest.

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

Section 3.05 Form of Bonds; Denominations; Medium of Payment.

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

Section 3.06 Numbers, Date, and Payment Provisions.

(a) The Bonds shall be numbered and designated in such manner as the Town shall determine. Each Bond of a Series shall bear interest from the interest payment date immediately preceding the date of its authentication, unless authentication shall be upon an interest payment date, in which case, it shall bear interest from its authentication, or unless authentication shall precede the first interest payment date for such Bond, in which case it shall bear interest from the date of its delivery, or as otherwise provided in the Supplemental Ordinance authorizing their issuance, provided, however, that if the date of authentication of any Bond of any Series is after a Record Date and before the corresponding interest payment date therefor, such Bond shall bear interest from such next succeeding interest payment date; notwithstanding the foregoing, if at the time of authentication of any Bond any interest on such Bond is in default, such Bond shall bear interest from the date to which interest on such Bond has been paid or if no interest has been paid, such Bond shall bear interest from the date of delivery thereof or as otherwise provided in the Supplemental Ordinance authorizing the issuance of such Bond.

(b) The principal of and redemption premium, if any, on the Bonds and interest on any Capital Appreciation Bonds shall be payable when due in lawful money of the United States of America upon presentation and surrender of such Bonds at the office of the Trustee described in the Supplemental Ordinance authorizing the issuance of such Bonds. Payment of interest on Bonds other than Capital Appreciation Bonds shall be made by check or draft drawn upon the Trustee and mailed to the registered Holder at his address as it appears upon the Books of Registry. The Trustee shall maintain a record of the amount and date of any payment of principal and/or interest on the Bonds (whether at the maturity date or the redemption date prior to the maturity or upon the maturity thereof by declaration or otherwise).

Section 3.07 Exchange of Bonds.

Bonds, upon surrender thereof at the office of the Trustee described in the Supplemental Ordinance authorizing the issuance of such Series of Bonds, with a written instrument of transfer satisfactory to the Trustee, duly executed by the Bondholder or his duly authorized attorney, may, at the option of the Bondholder thereof, and upon payment by such Bondholder of any charges which the Trustee may make as provided in Section 3.08, be exchanged for a principal amount of Bonds of any other authorized denomination equal to the unpaid principal amount of surrendered Bonds, and of like series, maturity, redemption provisions and rate of interest.

Section 3.08 Regulations with Respect to Exchanges and Transfer.

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

Section 3.09 Temporary Bonds.

Any Series of Bonds may be initially issued in temporary form, exchangeable for definitive Bonds to be delivered as soon as practicable and subject to the agreement of the Town and the Purchaser. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Town, shall be without coupons, and may contain such reference to any of the provisions of the Ordinance as may be appropriate. Every temporary Bond shall be executed by the Town upon the same conditions and in substantially the same manner as the definitive Bonds. If the Town issues temporary Bonds, it will execute and furnish definitive Bonds without delay, and thereupon the temporary Bonds shall be surrendered for cancellation at the corporate trust office of the Trustee and the Trustee 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 Series, maturity or maturities and interest rate or rates. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under the Ordinance as definitive Bonds under the Ordinance.

Section 3.10 Co-Registrars.

In the Supplemental Ordinance authorizing the issuance of any Series of Bonds, the Town may appoint a co-registrar in addition to the Trustee. Such co-registrar shall be authorized to perform the duties and responsibilities of the Trustee set forth in Sections 3.02, 3.03, 3.04, and 3.07 hereof with respect to the registration and exchange of Bonds of such Series, the same as is the Trustee pursuant to such Sections. Any such co-registrar shall be required to furnish to the Trustee the names and addresses of the transferors and transferees of any Bonds registered, transferred or exchanged by it and the numbers and other identifying symbols of any Bonds cancelled or exchanged by it, and shall comply with all reasonable instructions with respect to the performance of its duties and responsibilities that the Trustee shall give to it.

Section 3.11. Bonds Issued as Taxable Obligations

Notwithstanding anything in this Ordinance to the contrary, the Town may from time to time, pursuant to one or more Supplemental Ordinances, provide for the issuance of Bonds the interest on which may be includable in gross income of the Holders of such Bonds for federal income taxation purposes. Such Supplemental Ordinance shall provide such rules and regulations with respect to the ownership, transfer and substitution of such Bonds as are not inconsistent with the other provisions of this Ordinance.

Section 3.12. Security for Payment of the Bonds; Priority of Lien

The Bonds shall be payable solely from and shall be equally and ratably secured, without priority by reason of Series or date of issuance, by a pledge of the Net Revenues of the System. Such pledge securing the Bonds shall at all times and in all respects be and remain superior to pledges made and given to secure any other bonds or other obligations payable from the Revenues of the System and which are issued hereafter. In order to further secure the payment of the principal and interest due on the Bonds, a statutory lien upon the System, as authorized by the Enabling Act, is hereby provided. The Bonds shall not constitute an indebtedness of the Town within the meaning of any provision, limitation or restriction of the Constitution or the laws of the State, other than those provisions authorizing indebtedness payable solely from a revenue-producing project not involving revenues from any tax or license; and the faith, credit and taxing power of the Town are expressly not pledged therefor. The Town is not obligated to pay any of the Bonds or the interest thereon except from the Revenues of the System.

The pledge securing the Bonds shall constitute a prior and paramount lien and charge on the Net Revenues and other moneys from time to time held hereunder, subject only to the provisions of the Ordinance restricting or permitting the application thereof for the purposes and on the terms and conditions set forth in the Ordinance. The Net Revenues and the other moneys and securities hereby pledged shall immediately be subject to the lien and the pledge without any physical delivery thereafter or further act, and the lien and the pledge shall be valid and binding against all parties having claims of any kind, in tort, contract, or otherwise, against the Town, whether or not the parties have notice thereof.

Section 3.13. Bonds in Book-Entry Form

Notwithstanding any other provision of this Ordinance with respect to the form of Bonds to the contrary, a Supplemental Ordinance may provide for the issuance of one or more Series of Bonds solely in fully registered form registrable to a Securities Depository, a Securities Depository Nominee or the beneficial owner of the Bonds. The Series Ordinance may further provide that such Series of Bonds shall be evidenced by one or more certificates or by a system of book entries in form satisfactory to the Administrator and to provide for payment, redemption, notices and like provisions in a manner consistent with such system of registration.

Section 3.14. Waiver of Certain Provisions

Notwithstanding anything in this Ordinance to the contrary, whenever all of the debt issued or all of the obligations incurred by the Town under a Supplemental Ordinance are acquired by and are held by a single entity, that single entity, at its sole option, may waive any provision or requirement of this Ordinance that relates separately to the governance of such Series and is for the protection and benefit of such single entity only and not for the protection or benefit of any other Holder or Holders of Bonds.

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section 4.01 Redemption of Bonds.

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

Section 4.02 Selection of Bonds for Redemption.

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

Section 4.03 Notice of Redemption.

Unless or except as is otherwise provided in the Supplemental Ordinance authorizing the issuance of the Bonds, the provisions of this Section 4.03 apply to each Series of Bonds. In the event any of the Bonds or portions thereof are called for redemption, the Trustee shall give notice, in the name of the Town, of the redemption of such Bonds to be redeemed, the redemption date, and the place or places where amounts due upon such redemption will be payable and the numbers of such Bonds so to be redeemed. Such notice shall be given by mailing a copy of the redemption notice by first class mail, postage prepaid, at least thirty (30) days, but not more than sixty (60) days, prior to the date fixed for redemption to the Holder of each such Bond or portion thereof to be redeemed at the address shown on the Books of Registry. Failure duly to give such notice by mailing, or any defect in the notice, to the Holder of any such Bond designated for redemption shall not affect the validity of any proceedings for the redemption of any other Bonds. All Bonds or portions thereof so called for redemption will cease to bear interest on the specified redemption date, provided funds for their redemption are on deposit with the Trustee, and such Bonds shall not be deemed to be Outstanding under the provisions of the Ordinance.

Section 4.04 Partial Redemption of Bond.

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

Section 4.05 Effect of Redemption.

If a Bond is subject by its terms to prior redemption and has been duly called for redemption and notice of the redemption thereof has been duly given as hereinbefore provided and if moneys for the payment of such Bond (or of the principal amount thereof to be redeemed) at the then applicable redemption price or together with the then applicable premium, if any, and the interest to accrue to the redemption date on such Bond (or the principal amount thereof to be redeemed) are held for the purpose of such payment by the Trustee or other paying agent for the Series of Bonds of which such Bond is one, then on the redemption date designated in such notice, such Bond (or the principal amount thereof to be redeemed) so called for redemption shall become due and payable and interest on such Bond (or the principal amount thereof to be redeemed) so called for redemption shall cease to accrue.

Section 4.06 Cancellation.

All Bonds which have been redeemed shall be cancelled and either maintained or destroyed by the Trustee and shall not be reissued. A counterpart of the certificate of destruction evidencing such destruction shall be furnished by the Trustee to the Town upon the request of the Town.

Section 4.07 Purchase of Bonds.

The Trustee shall, if and to the extent practicable, endeavor to purchase Bonds or portions of Bonds at the written direction of the Town at such time, in such manner, and at such price as may be specified by the Town but in no event greater than the price equal to (i) the redemption price of such Bonds on the next redemption date thereof, or (ii) if such Bonds are not subject to redemption, the face amount thereof plus accrued interest. The Trustee may so purchase Bonds with any moneys then held by the Trustee and available for the redemption or purchase of Bonds; provided, that any limitations or restrictions on such redemption or purchases contained in the Ordinance shall be complied with. The expenses of such purchase shall be deemed an expense of the Trustee under Section 6.03 hereof. The Trustee 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.

ARTICLE V

ESTABLISHMENT OF FUNDS; PAYMENTS THEREFROM;
INVESTMENT OF MONEYS

Section 5.01 Listing of Funds and Accounts.

The following are the funds and accounts created and established by the Ordinance:

- (i) Gross Revenue Fund to be held by the Commissioners.
- (ii) Operation and Maintenance Fund to be held by the Commissioners.
- (iii) Debt Service Fund for each Series of Bonds to be held by the Trustee.
- (iv) Debt Service Reserve Fund, if any, for each Series of Bonds to be held by the Trustee.
- (v) **Utility General Fund** to be held by the Commissioners.
- (vi) Construction Fund to be held by a Custodian designated by resolution of the Commissioners.

One or more accounts, may, by direction of the Commissioners or by the terms of a Supplemental Ordinance, be established with any of the above funds. It is intended by the Ordinance that the funds referred to in this Article (other than the Construction Fund) shall remain in existence for so long a time as any sum remains due and payable by way of principal of and interest on the Bonds, and that deposits and withdrawals therefrom be made in the manner herein prescribed and in the order of priority hereinafter set forth in this Article V. The implementation of this Article V may, at the option of the Commissioners, be postponed until the occasion of initial issuance of Bonds pursuant to the Ordinance.

Section 5.02 Gross Revenue Fund.

There is hereby created and established a Gross Revenue Fund to be maintained by the Commissioners and into which shall be deposited all Revenues (including impact fees, which shall be deposited into a separate account in the Gross Revenue Fund to be called the Impact Fee Account). Moneys in the Gross Revenue Fund shall be withdrawn, and allocation therefrom shall be made as provided herein, but shall be made use of only in the manner hereof. The Commissioners may invest moneys held in the Gross Revenue Fund, from time to time, in Investment Obligations, provided, however, that the Commissioners shall make available to the Trustee funds in the Gross Revenue Fund sufficient to make all transfers required to be made from the Gross Revenue Fund by this Article V.

Section 5.03 Operation and Maintenance Fund.

(a) Thereby created and established an Operation and Maintenance Fund to be maintained by the Commissioners in order to provide for the payment of all Expenses of Operating and Maintaining the System.

(b) Provision shall be made first for the transfers required to be made into the Operation Maintenance Fund. There shall be transferred from the Gross Revenue Fund in to the Operation and Maintenance Fund on or before the 15th day of each month a sum sufficient to provide for the Expenses of Operating and maintaining the System for the ensuing month in accordance with the Annual Budget. Withdrawals from the Operation and Maintenance Fund shall be made as required by the Commissioners from time to time in accordance, as nearly as may be practicable, with the Annual Budget.

Section 5.04 Debt Service Fund.

(a) There is hereby created and established for each Series of the Bonds issued hereunder a Debt Service Fund to be maintained in trust by the Trustee. Each Debt Service Fund is intended to provide for the payment of the principal of, premium, if any, and interest on the applicable Series of Bonds as the same respectively fall due. Payments shall be made in the manner prescribed in subparagraph (b) below, and all moneys in such Debt Service Fund shall be used solely to pay the principal of, redemption premium, if any, and interest on the applicable Series of Bonds, and for no other purpose, and withdrawals there from shall be made only to effect payment of the principal of, redemption premium, if any, and interest on such Series of Bonds. Earnings on moneys in any Debt Service Fund shall become a part of such Debt Service Fund; provided, however, that by Supplemental Ordinance the Town may provide that earnings on moneys in any Debt Service Fund representing capitalized interest on any Series of Bonds may, during the construction period of any Project financed by such Series of Bonds, be transferred to the Construction Fund established for such Series of Bonds.

(b) After the transfers required to be made into the Operation and Maintenance Fund have been made, there shall be transferred from the Gross Revenue Fund, not later than the Business Day immediately preceding a Bond Payment Date, into the respective Debt Service Fund the aggregate amount of principal and interest to become due on such respective Series of Bonds on such next ensuing Bond Payment Date.

Section 5.05 Debt Service Reserve Fund.

(a) There may be created and established for any Series of Bonds a Debt Service Reserve Fund to be maintained in trust by the Trustee in such amounts, if any, as set forth in the Supplemental Ordinance providing for the issuance of such Series of Bonds. The Debt Service Reserve Fund established with respect to any Series of Bonds is intended to ensure the timely payment of the principal of and interest on the Bonds of such Series and to provide for the redemption of Bonds of such Series prior to their stated maturities. Moneys in the Debt Service Reserve Fund established with respect to any Series of Bonds shall be used for the following purposes, and for no other:

(i) To prevent a Default in the payment of the principal of or interest on the Bonds of such Series, by reason of the fact that moneys in the applicable Debt Service Fund are insufficient for such purposes.

(ii) To pay the principal of, interest on, and redemption premium, if any, of the Bonds of such Series in the event that all Outstanding Bonds be redeemed as a whole.

(iii) To effect partial redemption of the Bonds of such Series, provided that such redemption be undertaken in accordance with the provisions of the Ordinance permitting a partial redemption of Bonds and the balance remaining in such Debt Service Reserve Fund account following such partial redemption shall not be less than the Debt Service Reserve Fund Requirement, if any, with respect to the Bonds of such Series Outstanding following such partial redemption.

(iv) To effect the retirement of Bonds of such Series through purchase under the conditions herein prescribed.

(b) Whenever the market value of the cash and securities in the Debt Service Reserve Fund account established with respect to any Series of Bonds shall exceed the Debt Service Reserve Fund Requirement, if any, with respect to such Series of Bonds pursuant to the terms of the Supplemental Ordinance providing for the issuance of such Series, such excess may be used at the written direction of the Town either (i) to repurchase and retire Bonds of such Series at prices not exceeding the call price first to become available or then prevailing or (ii) subject to the provisions of paragraph (h) of this Section 5.05, transferred to the Debt Service Fund to be applied to the payment of debt service for such Series of Bonds. Purchases of Bonds shall be effected by the Town through the Trustee, and whenever Bonds shall have been purchased pursuant to this authorization, it shall be the duty of the Trustee to cancel and destroy such Bonds and to deliver certificates evidencing such act to the Town.

(c) Other than as provided in paragraphs (b), (e) and (g) of this Section 5.05, withdrawals from any Debt Service Reserve Fund shall be made only to make available to the Trustee the moneys which it requires to effect payment of principal and interest and premium, if any, on the applicable Series of Bonds in accordance with this Section 5.05. Such withdrawals shall be made not less than one day nor more than five days prior to the occasion when installments of principal and interest and premium, if any, become due on the applicable redemption or Bond Payment Date, as applicable.

(d) Whenever the value of cash and securities (or the equivalent security permitted under paragraph (e) of this Section 5.05) in the Debt Service Reserve Fund established with respect to any

Series of Bonds shall be determined to be less than the Debt Service Reserve Fund Requirement, if any, with respect to such Series, there shall be deposited from the Gross Revenue Fund, after the payments required under Section 5.04 have been made into the Debt Service Fund, on or before the fifteenth day of each month into such Debt Service Reserve Fund an amount which, together with equal, successive, monthly deposits in the same amount, will provide cash and securities in such Debt Service Reserve Fund of a value not less than the Debt Service Reserve Fund Requirement with respect to such Series of Bonds within the twelve (12) months next succeeding such determination.

(e) In lieu of the deposit of moneys into the Debt Service Reserve Fund established with respect to any Series of Bonds to meet the Debt Service Reserve Fund Requirement with respect to such Series of Bonds, the Town may cause to be so credited a surety bond or an insurance policy payable to, or a letter of credit in favor of, the Trustee for the benefit of the Holders of such Series of Bonds. The amount of moneys required to be deposited into such Debt Service Reserve Fund shall be reduced by the amount of such surety bond, insurance policy or letter of credit. The surety bond, insurance policy or letter of credit shall be payable (upon the giving of notice as required thereunder) on any interest payment date on which moneys will be required to be withdrawn from such Debt Service Reserve Fund and applied to the payment of the principal of or interest on the Bonds of such Series, but only to the extent that such withdrawals cannot be made by amounts then credited to such Debt Service Reserve Fund. If a disbursement is made pursuant to a surety bond, an insurance policy or a letter of credit provided pursuant to this paragraph (e) the Town shall be obligated either (i) to reinstate the maximum limits of such surety bond, insurance policy or letter of credit or (ii) to deposit into the applicable Debt Service Reserve Fund funds in the amount of the disbursements made under such surety bond, insurance policy or letter of credit, or a combination of such alternatives, as shall provide that the amount credited equals the applicable Debt Service Reserve Fund Requirement within a time period not longer than one year.

(f) If the Town obtains a surety bond, insurance policy or letter of credit after the deposit of moneys to the Debt Service Reserve Fund established with respect to any Series of Bonds, excess moneys shall be transferred to the Construction Fund established for such Series of Bonds, or, if one does not exist, to the applicable Debt Service Fund and applied to pay debt service on such Series of Bonds; provided that if, in an opinion of bond counsel addressed to the Trustee, such excess moneys do not constitute "proceeds" within the meaning of Section 148(d) of the Code, such excess moneys shall be transferred to the **Utility General Fund**.

(g) Earnings on investment of moneys held in the Debt Service Reserve Fund established with respect to any Series of Bonds shall be credited to and become a part of such Debt Service Reserve Fund, but whenever the value of the cash and securities in such Debt Service Reserve Fund exceeds the Debt Service Reserve Fund Requirement, if any, with respect to such Series of Bonds, such excess shall be transferred to the applicable Debt Service Fund and applied to pay debt service on such Series of Bonds; provided, however, that by Supplemental Ordinance authorizing the issuance of any Series of Bonds the Town may provide that any such excess may, during the construction period of any Project financed by such Series of Bonds, be transferred to the Construction Fund established for such Series of Bonds.

Section 5.06 [Reserved]

Section 5.07 Utility General Fund.

(a) There is hereby established a Utility General Fund to be maintained by the Commissioners to provide a source of funds to enable the Commissioners to provide further capital improvements for the System and for any corporate and public purpose of the Commissioners. The Utility General Fund shall constitute the "depreciation fund" and "contingent fund," as such terms are used in Section 6-21-440, Code of Laws of South Carolina 1976, as amended

(b) In each month, after required transfers, if any, have been made into the Operation and Maintenance Fund, Debt Service Fund, Debt Service Reserve Fund and Growth Cost Recovery Fund, there shall be transferred from the Gross Revenue Fund to the Utility General Fund all remaining Revenues in the Gross Revenue Fund.

(c) Withdrawals from the Utility General Fund shall be made as required by the Commissioners to be applied or set aside by the Commissioners for one or more of the following purposes: (i) to pay the Expenses of Operating and Maintaining the System, (ii) to build up a reserve for depreciation of the System, (iii) to pay costs of making repairs, renewals and replacements, capital additions, betterments, improvements and extensions of the System, or (iv) subject to the covenants set forth herein, for any other lawful purpose.

Section 5.08 Establishment of Construction Fund.

There shall be created and established a Construction Fund with respect to each Series of Bonds (other than refunding Bonds) in the Supplemental Ordinance providing for their issuance, the moneys in which shall be used to defray the cost of the Project and to pay any Costs of Acquisition and Construction with respect to the facilities so financed.

Section 5.09 Deposits Into Construction Fund.

On the occasion of the delivery of any Series of Bonds (other than refunding Bonds), the proceeds therefrom shall be paid into the Construction Fund established for such Series as set forth in the Supplemental Ordinance authorizing their issuance.

Section 5.10 Withdrawals from Construction Fund.

Withdrawals from the Construction Fund shall not be made except as provided in the Supplemental Ordinance establishing such Construction Fund.

Section 5.11 Investment of Funds.

(a) Any moneys held as part of any fund or account created under this Bond Ordinance shall, at the written direction of and as specified by the Commissioners or their authorized representative as specified in a certificate delivered to the Trustee (the "Authorized Representative"), be invested and reinvested by the Trustee or the Custodian of such fund, as the case may be, in Investment Obligations to the extent practicable. Any such investments shall be held by or under the control of the Trustee or the Custodian of such fund, as the case may be, and shall be deemed at all times a part of such Funds and the interest accruing thereon and any profit realized from such investments shall be credited to such fund, and any loss resulting from such investments shall be

charged to such fund. The Trustee or the Custodian of such fund, as the case may be, is directed to sell and reduce to cash funds a sufficient amount of such investments whenever the cash balance in such fund is insufficient to make any necessary transfers or withdrawals from such fund.

(b) No Investment Obligations in any fund or account may mature beyond the latest maturity date of any Bonds Outstanding at the time such Investment Obligations are deposited.

(c) The Commissioners or their Authorized Representative may at any time give to the Trustee or the Custodian of such fund, as the case may be, written directions respecting the investment of any moneys required to be invested hereunder subject however to the provisions of this Section 5.11 and the Trustee or the Custodian of such fund, as the case may be, shall then invest such money under this Section as so directed by the Commissioners or their Authorized Representative. The Trustee or the Custodian of such fund, as the case may be, may request in writing direction or authorization of the Commissioners or their Authorized Representative with respect to the proposed investment of money under the provisions of the Ordinance. Upon receipt of such request accompanied by a memorandum setting forth details of any proposed investment, the Commissioners or their Authorized Representative will either approve such proposed investment or will give written directions to the Trustee or the Custodian of such fund, as the case may be, respecting the investment of such money and in the case of such directions, the Trustee or the Custodian of such fund, as the case may be, shall then, subject to the provisions of this Section 5.11, invest such money in accordance with such directions.

Section 5.12 Transfer of Surplus Construction Fund Moneys.

All funds remaining in any Construction Fund established under a Supplemental Ordinance upon completion of the facilities intended to be financed thereby shall be paid into such account in the Debt Service Fund as directed by the Commissioners or their Authorized Representative and shall be used only to pay the principal of, premium, if any, and interest on the Bonds of such Series issued under the terms of such Supplemental Ordinance or to acquire Outstanding Bonds of such Series at a price (exclusive of accrued interest) not exceeding the face amount thereof.

Section 5.13 Trustee's and Custodian's Own Bond Department.

The Trustee or any Custodian may make any and all investments permitted under Section 5.11 through its own bond department.

Section 5.14 Trustee's and Custodian's Right to Rely.

The Trustee and any Custodian may conclusively rely upon any investment directions given by the Commissioners or their Authorized Representative within the limitations set forth hereinabove received pursuant to this Article V and shall not be liable or responsible for (a) any diminution in the value of any investments made pursuant to this Article V or for any loss arising from any sale or other disposition thereof or (b) for any violation of any statute or of any policy or rules or regulations of the Internal Revenue Service with respect to "arbitrage bonds".

Section 5.15 Tax Covenant.

No investment shall be made of any of the funds set forth above which would cause any Bond other than a Bond issued pursuant to Section 3.11 hereunder to be an "arbitrage bond" within the meaning of Section 148 of the Code. The Town and the Commissioners further covenant and agree that they will not perform any act or enter into any agreement that shall prejudice the exclusion from gross income of the interest on any Bonds under Section 103 of the Code, or omit to perform any act required to maintain such exclusion.

Section 5.16 Pooled Investment of Moneys Held in Funds.

The moneys in the funds established under the Ordinance (other than the Debt Service Fund and the Debt Service Reserve Fund) may be pooled with each other for investment purposes.

Section 5.17 Valuation.

(a) For the purpose of determining the amount on deposit in any fund or account, Investment Obligations in which money in such fund or account is invested shall be valued at the market value of such obligations.

(b) The Trustee shall value the Investment Obligations in the funds and accounts held by the Trustee established under the Ordinance as of each June 30 within forty-five (45) days of such date. The Commissioners shall value the Investment Securities in all other funds and accounts established under the Ordinance as of each June 30 within forty-five (45) days of such date. In addition, the Investment Obligations held by the Trustee shall be valued by the Trustee at any time requested by the Commissioners on reasonable notice to the Trustee (which period of notice may be waived or reduced by the Trustee); provided, however, that the Trustee shall not be required to value the Investment Obligations more than once in any calendar quarter.

(c) For purposes of any valuation hereunder, the value of any surety bond, insurance policy or letter of credit credited to the Debt Service Reserve Fund shall be the amount available to the Trustee under such instrument as of the time of such calculation.

ARTICLE VI

TRUSTEE AND CUSTODIANS

Section 6.01 Appointment of Trustee.

Trustee including any successor Trustee, shall, at the time of appointment, be a bank or trust company duly organized and existing under the laws of the United States of America or of any state with a capital stock, surplus and undivided profits aggregating in excess of Twenty-Five Million Dollars (\$25,000,000). The Trustee may be removed by resolution of the Town or the Commissioners and shall be removed at the request of and upon the affirmative vote of the Holders of more than fifty percent (50%) of the aggregate principal amount of Bonds then Outstanding. In the event of the removal, resignation, disability or refusal to act of the Trustee, the Town will thereupon appoint a successor Trustee and such successor shall have all the powers and obligations under the Ordinance of the Trustee theretofore vested in its predecessor. Upon acceptance of appointment by the successor

Trustee as provided in this Section, the Town shall mail notice of the succession of such Trustee to the trusts hereunder by first class mail to the Holders at the addresses shown on the Books of Registry. Each Trustee appointed hereunder shall signify its acceptance of the duties and obligations imposed upon it by the Ordinance as such Trustee by executing and delivering to the Town a written acceptance of such duties and obligations.

Section 6.02 Duties and Obligations of the Trustee.

The Trustee shall perform the trusts imposed upon it by the Ordinance as a corporate trustee ordinarily would perform such trusts under a corporate indenture, but only upon and subject to the following terms and conditions:

(a) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers, or employees, and shall be entitled to advice of counsel concerning all matters of trusts hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers, and employees as may be reasonably employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorney (who may be the attorney or attorneys for the Town) except that with respect to matters involving the exemption from federal income taxes of the interest on the Bonds, such attorneys shall be Bond Counsel. The Trustee shall not be responsible for any loss or damage resulting from any action or non-action in good faith in reliance upon such opinion or advice.

(b) The Trustee shall not be responsible for any recital herein or in the Bonds (except in respect to the authentication certificate of the Trustee endorsed on the Bonds), or for the validity of the enactment by the Town of the Ordinance or of any supplements thereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby; and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions, or agreements on the part of the Town, except as herein expressly set forth; but the Trustee may require of the Town full information and advice as to the performance of the covenants, conditions, and agreements aforesaid and as to the condition of the property conveyed hereby.

(c) The Trustee shall not be accountable for the use of the proceeds from the sale of the Bonds disbursed in accordance with the provisions of Section 5.10 hereof. The Trustee may become the owner of Bonds, secured hereby with the same rights which it would have if not Trustee. The Trustee may also engage in or be interested in any financial or other transaction with the Town; provided, that if the Trustee determines that any such relationship is in conflict with its duties herein, it shall eliminate the conflict or resign as Trustee.

(d) The Trustee shall be protected in acting under the Ordinance upon any notice, request, consent, certificate, order, affidavit, letter, telegram, or other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant to the Ordinance upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Holder of any Bond, shall be conclusive and binding upon all future Holders of the same Bond and of Bonds issued in exchange therefor or in place thereof, regardless of whether or not any notation of making such request or giving such authority or consent is made on any such Bond.

(e) As to the existence or non-existence of any act or as to the sufficiency or validity of any instrument, paper, or proceeding, the Trustee shall be entitled to rely upon a certificate signed on behalf of the Town by its Mayor or on behalf of the Commissioners by the Manager as sufficient evidence of the facts therein contained and prior to the occurrence of a Default of which the Trustee has been notified as provided in subsection (g) of this Section, or of which by such subsection it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction, or action is necessary or expedient, but may, at its discretion, secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same.

(f) The permissive right of the Trustee to do things enumerated in the Ordinance shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful default.

(g) The Trustee shall not be required to take notice or be deemed to have notice of any Default hereunder except failure by the Town to cause to be made any of the payments to the Trustee required to be made by Article V hereof, unless the Trustee shall be specifically notified in writing of such Default by the Town, or by the Holders of at least twenty-five per centum (25%) in aggregate principal amount of all Bonds then Outstanding and all notices or other instruments required by the Ordinance to be delivered to the Trustee, must, in order to be effective, be delivered at the principal corporate trust office of the Trustee, and in the absence of such notice so delivered the Trustee may conclusively assume there is no Default except as aforesaid.

(h) At any and all reasonable times, the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants, and representatives, shall have the right fully to inspect any and all of the System, including all books, papers and records of the Town or the Commissioners pertaining to the System and the Bonds, and to make copies and take such memoranda from and in regard thereto as may be desired.

(i) The Trustee shall not be required to give any bond or surety in respect to the execution of the said trusts and powers or otherwise in respect of the premises.

(j) Notwithstanding anything elsewhere in the Ordinance contained, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash, or any action whatsoever within the purview of the Ordinance, to be furnished with any showings, certificates, opinions, appraisals, or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action by the Trustee, as the Trustee may deem desirable.

(k) Before taking any action hereunder, the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful default by reason of any action so taken.

(1) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law or by the Ordinance. The Trustee shall be under no liability for interest on any moneys received hereunder except such as may be agreed upon.

Section 6.03 Fees, Charges, and Expenses of Trustee.

The Trustee shall be entitled to payment and/or reimbursement for reasonable fees for its services rendered hereunder, and all advances, counsel fees, and other expenses reasonably and necessarily made or incurred by the Trustee in connection with such services and, in the event that it should become necessary that the Trustee perform extraordinary services, it shall be entitled to reasonable extra compensation therefor, and to reimbursement for reasonable and necessary extraordinary expenses in connection therewith; provided, that if such extraordinary services or extraordinary expenses are occasioned by the willful neglect or default of the Trustee, it shall not be entitled to compensation or reimbursement therefor. The Trustee shall be entitled to payment and reimbursement for the Bonds as hereinabove provided. The Trustee shall have a lien with right of payment prior to payment on account of interest, premium, if any, or principal of any Bond for the foregoing advances, fees, costs and expenses incurred.

Section 6.04 Notice to Bondholders if Default Occurs.

If a Default occurs of which the Trustee is by subsection (g) of Section 6.02 hereof required to take notice or if notice of Default be given as in such subsection (g) provided, then the Trustee shall give such notice to the Town and the Commissioners and the Trustee shall give written notice thereof by first-class mail to the last known Holders of all Bonds then Outstanding shown by the Books of Registry.

Section 6.05 Intervention by Trustee.

In any judicial proceeding to which the Town is a party and which, in the opinion of the Trustee and its counsel, has a substantial bearing on the interests of the Bondholders, the Trustee may intervene on behalf of the Bondholders and shall do so if requested in writing by the Holders of at least twenty-five per centum (25%) in aggregate principal amount of all Bonds then Outstanding. The rights and obligations of the Trustee under this Section are subject to the approval of a court of competent jurisdiction.

Section 6.06 Successor Trustee.

Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its 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 Trustee 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 6.07 Resignation by the Trustee.

The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving thirty (30) days written notice to the Town, and by first-class mail to each Holder of Bonds then Outstanding shown by the Books of Registry, and such resignation shall take effect upon the

appointment of a successor Trustee or successor temporary Trustee by the Bondholders or by the Town. Such notice to the Town may be served personally or sent by registered or certified mail.

Section 6.08 Removal of the Trustee.

The Trustee may be removed at any time after thirty (30) days notice, by resolution of the Town or the Commissioners or by an instrument or concurrent instruments in writing delivered to the Trustee and to the Town and signed by the Holders of a majority in aggregate principal amount of all Bonds then Outstanding.

Section 6.09 Appointment of Successor Trustee by the Bondholders; Temporary Trustee.

In case the Trustee 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 Holders of a majority in aggregate principal amount of Bonds then Outstanding, by an instrument or concurrent instruments in writing signed by such Holders, or by their attorneys in fact, duly authorized; provided, nevertheless, that in case of vacancy the Town, by an instrument executed and signed by the Mayor or Town Manager and attested by the Clerk under its seal, may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by such Bondholders in the manner above provided; and any such temporary Trustee so appointed by the Town shall immediately and without further act be superseded by the Trustee so appointed by such Bondholders. Every such Trustee appointed pursuant to the provisions of this Section shall meet all the requirements of Section 6.01 hereof.

Section 6.10 Concerning Any Successor Trustee.

Every successor Trustee appointed hereunder shall execute, acknowledge, and deliver to its predecessor and also to the Town an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed, or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties, and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of the Town, or of its successor, and upon payment of all amounts due such predecessor pursuant to Section 6.03 hereof, execute and deliver an instrument transferring to such successor Trustee all the estates, properties, rights, powers, and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as Trustee hereunder to its successor. Should any instrument in writing from the Town be required by any successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers, and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing, shall, on request, be executed, acknowledged, and delivered by the Town. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article, shall be filed and/or recorded by the successor Trustee in each recording office where the Ordinance shall have been filed and/or recorded.

Section 6.11 Trustee Protected in Relying upon Resolutions, Etc.

The resolutions, opinions, certificates, and other instruments provided for in the Ordinance may be accepted by the Trustee as conclusive evidence of the acts and conclusions stated therein and

shall be full warrant, protection, and authority to the Trustee for the release of property, the withdrawal of cash, and the taking or refusing to take any other action hereunder.

Section 6.12 Successor Trustee as Trustee of Funds, Paying Agent, and Bond Registrar.

In the event of a change in the office of Trustee, the predecessor Trustee which has resigned or has been removed shall cease to be trustee of the fund of which it is custodian, and paying agent for principal of and interest and premium, if any, on the Bonds and bond registrar and the successor Trustee shall become such custodian, paying agent, and registrar, as the case may be.

Section 6.13 Trust Estate May Be Vested in Separate or Co-Trustee.

(a) It is the purpose of the Ordinance that there shall be no violation of any law of any jurisdiction (including particularly the law of South Carolina) denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in case of litigation under the Ordinance, and, in particular, in case of the enforcement of either on Default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights, or remedies herein granted to the Trustee, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional institution which warrants all of the requirements of Section 6.01 hereof as a co-trustee. The following provisions of this Section 6.13 are adopted to these ends.

(b) In the event that the Trustee appoints an additional institution as a co-trustee (and the Trustee is hereby expressly granted such power), each and every remedy, power, right, claim, demand, cause of action, immunity, and estate expressed or intended by the Ordinance to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such co-trustee but only to the extent necessary to enable such co-trustee to exercise such powers, rights, and remedies, and every covenant and obligation necessary to the exercise thereof by such co-trustee shall run to and be enforceable by either of them.

(c) Should any instrument in writing from the Town be required by the co-trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to him or it such properties, rights, powers, trusts, duties, and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged, and delivered by the Town. In case any co-trustee, or a successor to either, shall dissolve, become incapable of acting, resign, or be removed, all the estates, properties, rights, powers, trusts, duties, and obligations of such co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment as herein set forth of a new trustee or successor to such co-trustee.

Section 6.14 Appointment of Custodians.

The Commissioners shall appoint a bank, a trust company, a national banking association or a national association having a combined capital and surplus of not less than \$10,000,000 as Custodian of the Gross Revenue Fund, the Operation and Maintenance Fund, the Utility General Fund and of each Construction Fund or of any one or more of such funds, and such Custodian shall signify its acceptance of the powers, duties, and obligations conferred and imposed upon it by the Ordinance by executing and delivering to the Commissioners a written acceptance thereof.

Section 6.15 Duties and Obligations of Custodians.

The recitals of fact made in the Ordinance and in the Bonds shall be taken as statements of the Town, and no Custodian shall be deemed to have made any representation as to the correctness of the same. Nor shall any Custodian be deemed to have made any representation whatsoever as to the validity or sufficiency of the Ordinance or of the Bonds issued hereunder. Nor shall any Custodian be under any responsibility or duty with respect to the issuance of the Bonds or the application of the proceeds thereof, except to the extent provided for herein. Nor shall any Custodian be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in response to the Ordinance, or to the Bonds issued hereunder, or to advance any of its own moneys, unless properly indemnified to its satisfaction. Nor shall any Custodian be liable in connection with the performance of its duties hereunder, except for its own negligence or default.

Section 6.16 Custodians Protected in Relying upon Resolutions, Etc.

All Custodians shall at all times be protected in acting upon any notice, resolution, request, consent, order, certificate, statement, opinion, bond, or other paper or document believed to be genuine and to have been signed by the proper party or parties.

Section 6.17 Resignation of Custodians.

Any Custodian may at any time resign and be discharged of its duties and obligations hereunder by giving to the Commissioners written notice of such resignation, specifying a date (not later than sixty [60] days after such notice) when such resignation shall take effect, and by written notice thereof to the Trustee. Such resignation shall take effect upon the date specified in such notice unless previously a successor shall have been appointed, as hereinafter provided, in which event, such resignation shall take effect immediately upon the appointment and qualification of such successor.

Section 6.18 Removal of Custodians.

Any Custodian may be removed at any time by resolution of the Commissioners or by any court of competent jurisdiction upon application therefor made on behalf of the Holders of not less than fifty per centum (50%) of the principal amount of the Bonds at such time Outstanding. In the event any Custodian is removed pursuant to the provisions of this Section 6.18, notice thereof shall be given by the Town to the Trustee.

Section 6.19 Appointment of Successor Custodians.

(a) In case any Custodian shall resign or be removed or become incapable of acting, or be adjudged a bankrupt or insolvent, or a receiver of its property shall be appointed, or any public officer shall take charge or control of its property or affairs, a successor thereto shall be promptly appointed by resolution or ordinance of the Commissioners. Such successor shall, in all instances, be a bank, trust company, national banking association or a national association, and shall have a combined capital and surplus of not less than \$10,000,000.

(b) Immediately following such appointment, the Commissioners shall give written notice of such appointment to the Trustee.

(c) If, in a proper case, no appointment of a successor Custodian shall be promptly made pursuant to paragraph (a) above, any Bondholder may make application to any court of competent jurisdiction for the appointment of a successor and such court may thereupon, after such notice, if any, as such court may prescribe, appoint a successor.

Section 6.20 Concerning Any Successor Custodians.

Any successor Custodian appointed as provided hereunder shall execute and deliver to its predecessor, the Trustee and the Commissioners a written acceptance of such appointment and, thereupon, such successor, without any further act, deed, or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties, and obligations of its predecessor hereunder, with like effect as if originally named as such Custodian, and its predecessor shall be obligated to pay over, transfer, assign, and deliver all moneys, securities, or other property held by it to its successor, and, on the written request of the Commissioners, the Trustee or the successor, shall execute, acknowledge, and deliver such instruments of conveyance and further assurance and do such other things as may be reasonably required for the vesting and confirming in such successor all the right, title, and interest of the predecessor in and to any property held by it.

Section 6.21 Merger of Custodians.

Any bank or trust company into which any Custodian may be merged or with which it may be consolidated, or any bank or trust company resulting from any merger or consolidation to which it shall be a party, or any bank or trust company to which any Custodian may sell or transfer all or substantially all of its business, if the Commissioners so approve, shall become the successor without the execution or filing of any paper or the performance of any other act.

ARTICLE VII

COVENANTS

Section 7.01 Rates and Charges.

The Commissioners and the Town covenant and agree to operate the System in an efficient and economical manner and establish, levy, maintain, revise and collect such fees, rentals, rates, and other charges in connection therewith as may be necessary or proper, which fees, rates, rentals, and other charges, together with other Revenues, shall at all times be sufficient after making due and reasonable allowances for contingencies (i) to pay all current Expenses of Operating and Maintaining the System, (ii) to produce Net Revenues in an amount not less than one hundred twenty percent (120%) of the annual Principal and Interest Requirements on the Outstanding Bonds (less payments made from the proceeds of Bonds), to be funded from Revenues during the Fiscal Year with respect to which such rates are being established, (iii) to maintain the Debt Service Reserve Fund Requirement, if any, with respect to any Series of Bonds in the applicable Debt Service Reserve Fund, (iv) to build up any reserve for depreciation and to build up any reserve for improvements, betterments and extensions to the System, to comply in all respects with the terms of the Act and the Ordinance or any other contract or agreement with the Holders of the Bonds, and (vi) to meet any

other obligations of the Commissioners which are charges, liens, or encumbrances upon the Revenues.

Section 7.02 Condition of Town's Obligation: Payment of Principal and Interest.

(a) Every covenant herein made, including all covenants made in the various sections of this Article VII, is predicated upon the condition that any obligation for the payment of money incurred by the Town shall not create a pecuniary liability of the Town or a charge upon its general credit, but shall be payable solely from the Revenues which are required to be set apart and transferred to the Debt Service Fund and the Debt Service Reserve Fund, which Revenues, except for amounts necessary for Expenses of Operating and Maintaining the System, are hereby specifically pledged to the payment thereof in the manner and to the extent in the Ordinance specified and nothing in the Bonds or in the Ordinance shall be considered as pledging any other funds or assets of the Town.

(b) The Bonds, together with interest thereon, shall be limited obligations of the Town payable from the Debt Service Fund and the Debt Service Reserve Fund and shall be a valid claim of the respective Holders thereof only against such funds and the Revenues, which Revenues to the extent provided in paragraph (a) of this Section 7.02 are hereby pledged and assigned for the equal and ratable payment of the Bonds and shall be used for no other purposes than to pay the principal of, premium, if any, and interest on the Bonds, except as may be otherwise expressly authorized in the Ordinance. The Bonds do not now and shall never constitute an indebtedness of the Town within the meaning of any state constitutional provision or statutory limitation (other than Article X, Section 14, Paragraph 10 of the South Carolina Constitution authorizing obligations of political subdivisions payable solely from special sources not involving revenue from any tax or license), and shall never constitute nor give rise to a pecuniary liability of the Town or a charge against the general credit or taxing powers of the Town, the State of South Carolina, or any of its agencies or political subdivisions. No recourse shall be had for the payment of the Bonds, or interest thereon, or any part thereof, against the several funds of the Town, except in the manner and to the extent provided in the Ordinance. The Bonds, and interest thereon, shall not be a charge, lien, or encumbrance, legal or equitable, upon any property of the Town or upon any income, receipts, or revenues of the Town other than such of the Revenues as shall have been pledged to the payment thereof.

Section 7.03 Performance of Covenants; Authority of the Town.

The Town covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in the Act, in the Ordinance, in the Bonds executed, authenticated, and delivered hereunder and in all proceedings pertaining thereto. The Town covenants that it is duly authorized under the Constitution and laws of the State of South Carolina to issue the Bonds authorized hereby, to enact the Ordinance, and to pledge the Revenues hereby pledged in the manner and to the extent herein set forth; that all action on its part for the issuance of the Bonds and the enactment of the Ordinance has been duly and effectively taken, and that the Bonds in the hands of the Holders thereof are and will be valid and enforceable obligations of the Town according to the import thereof.

Section 7.04 Instruments of Further Assurance.

The Town covenants that it will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, such ordinances supplemental hereto and such further acts,

instruments, and transfers as the Trustee may reasonably require for the better assuring, transferring, conveying, pledging, assigning, and confirming unto the Trustee all and singular the Revenues pledged hereby to the payment of the principal of and interest and premium, if any, on the Bonds.

Section 7.05 Inspection of System and System Books.

The Town covenants and agrees that all books and documents in its possession relating to the System and the Revenues and any Project shall at all times be open to inspection by such accountants or other agents as the Trustee may from time to time designate.

Section 7.06 No Hypothecation of System.

The Town represents and covenants that neither the System, nor any part thereof, nor any of the Revenues derived from the System, have been hypothecated, mortgaged, or otherwise pledged or encumbered, save and except as herein enumerated and provided for. The Town agrees that it will not permit the System or any part thereof or any of the Revenues derived from the System to be hypothecated, mortgaged, pledged, encumbered, conveyed or granted except as herein enumerated and provided for.

Section 7.07 Operation of System.

(a) The Commissioners represent and agree that they will:

(i) keep, or cause to be kept, the System insured against physical loss or damage to the extent and in a manner similar to the practice maintained by, private companies operating similar Systems;

(ii) secure, or cause to be secured, fidelity bonds indemnifying the Commissioners against defalcation of all persons handling moneys of the Commissioners, or signing checks of any bank accounts of the Commissioners, other than any paying agent or the Trustee. The Commissioners further agree that all moneys received as a consequence of any defalcation, covered by any fidelity bond, shall be used to restore the fund depleted by the defalcation; and

(iii) carry, or cause to be carried, workmen's compensation and public liability insurance in such amounts and to such extent as is customarily carried by like organizations engaged in like businesses of comparable size. All sums received from insurance policies, except public liability policies, may, to the extent necessary, be applied to the repair and replacement of the damaged or destroyed property, or, in the event that such moneys are not used for such purposes, then the same shall be deposited in and become a part of the Gross Revenue Fund.

(b) In addition, the Town and the Commissioners further agree that so long as any Bonds shall be Outstanding and unpaid, it and they will perform all duties with reference to the System required by the Constitution and statutes of South Carolina, including the Act, and the Town hereby irrevocably covenants, binds and obligates itself not to pledge, mortgage or otherwise encumber the System, or any part thereof, or any Revenues therefrom, except in the manner provided herein, and it will not sell, lease or dispose of any substantial portion of the System until all the Bonds shall be paid in full, including principal, premium, if any, and interest, or unless and until provision shall have been

made for the payment of all principal of, premium, if any, and interest on the Bonds, and all fees and expenses of the Trustee shall have been paid in full, and the Commissioners further obligate themselves and agree with the Holders of the Bonds to maintain in good condition and to operate or cause to be operated the System, in a reasonable and prudent manner, and to collect and charge, or cause to be collected and charged, such rates for the services and facilities of the System, so that the Revenues will be sufficient at all times to meet the requirements of the Ordinance, including but not limited to Section 7.01 hereof.

Section 7.08 Not to Furnish Service of the System Free of Charge; Enforcement of Accounts Owning.

So long as any Bonds are Outstanding, the Commissioners will not furnish or supply any service furnished by or in connection with the System free of charge, to any firm or corporation, public or private, and the Commissioners will enforce the payment of any and all amounts owed the Commissioners by reason of the System.

Section 7.09 Annual Budget.

(a) The Commissioners in each Fiscal Year shall adopt a budget for the System which shall fully reflect all sums to be expended or disposed of for the System during the next ensuing Fiscal Year. Such expenditures shall be detailed in a manner substantially in accordance with the practice followed by private business companies, and, in any event, shall be itemized to the extent necessary to show:

- (i) All payments to be made to any Debt Service Fund;
- (ii) All payments to be made to any Debt Service Reserve Fund; and
- (iii) All other payments to be made for Expenses of Operating and Maintaining the System.

(b) Upon the adoption of each Annual Budget, copies thereof shall be forwarded to the Trustee and to any Bondholder who shall have requested in writing that he receive a copy thereof. The Annual Budget may be amended by the Commissioners at any time during a Fiscal Year.

(c) In the event an Annual Budget is not adopted with respect to any Fiscal Year, then the Annual Budget of the immediately preceding Fiscal Year shall be deemed the Annual Budget for such Fiscal Year until an Annual Budget is adopted for such Fiscal Year in accordance with the provisions hereof.

(d) If the Town, in adopting the Annual Budget, determines that Revenues may not be sufficient to meet the rate covenant established hereinabove or if the audited financial statements of the Town indicate that the Town did not satisfy the rate covenant for the prior Fiscal Year, the Town shall, within forty-five (45) days, engage a Consulting Engineer to prepare a report recommending such actions which will provide sufficient revenues in the following Fiscal Year to permit the Town to meet the rate covenant. Copies of such report shall be made available to the Town and the Trustee no later than sixty (60) days after the engagement of the Consulting Engineer.

The Town agrees that it shall use its best efforts to effect such changes recommended by the Consulting Engineer in its report. So long as the Town uses its best efforts to comply with such recommendations, failure to comply with the rate covenant shall not constitute an Event of Default under Article IX hereof; provided, however, a failure to comply with the rate covenant for a period of two consecutive Fiscal Years shall constitute an Event of Default.

Section 7.10 Fiscal Year.

Until changed to a different twelve months' period by resolution of the Commissioners, the System shall be operated on the basis of a Fiscal Year, which commences on the first day of July of each year and ends on the 30th day of June of the succeeding year.

Section 7.11 Annual Audit.

The Commissioners shall provide the Trustee within two hundred ten (210) days after the close of the Fiscal Year a copy of an audited financial report as to the obligations and activities of the Commissioners during such Fiscal Year. The financial report will set forth in reasonable detail a balance sheet and statements of income, retained earnings and changes in financial position showing the financial condition of the Commissioners at the close of such Fiscal Year and the results of operations of the Commissioners for such fiscal year, and accompanied by a report thereon, containing an opinion of a firm of independent certified public accountants selected by the Commissioners.

ARTICLE VIII

DEFEASANCE OF BONDS

Section 8.01 Release of Ordinance.

If all of the Bonds issued pursuant to the Ordinance shall have been paid and discharged, then the obligations of the Town under the Ordinance, the pledge of Revenues made hereby, and all other rights granted hereby shall cease and determine. Bonds shall be deemed to have been paid and discharged within the meaning of this Article under each of the following circumstances:

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

(b) If Default in the payment of the principal of such Bonds or the interest thereon shall have occurred, and payment thereof shall have been accelerated by the Trustee pursuant to the provisions of Section 9.02 hereof, and thereafter tender of such payment shall have been made, and the Trustee shall hold, in trust and irrevocably appropriated thereto, sufficient moneys for the payment thereof on the due date resulting from such acceleration; or

(c) If the Town shall elect to redeem such Bonds prior to their stated maturities, and shall have irrevocably bound and obligated itself to give notice of redemption thereof in the manner provided by Section 4.03 hereof, and shall have deposited with the Trustee, in an irrevocable trust, either moneys in an amount which shall be sufficient, or (i) direct obligations

of, or obligations unconditionally guaranteed by, the United States of America (collectively, "Government Obligations"), or (ii) obligations of state or local government municipal bond issuers, provision for the payment of the principal of and interest on which shall have been made by deposit with a trustee or escrow agent of non-callable Government Obligations, the maturing principal of and interest on which, when due and payable, shall provide sufficient funds to pay the principal of, premium, if any, and interest on such obligations of state or local government municipal bond issuers (collectively, "Prerefunded Obligations"), the principal of and interest on which Government Obligations or Prerefunded Obligations, when due, will provide moneys, which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay, when due, the principal, interest, and redemption premium or premiums, if any, due and to become due on such Bonds on and prior to the redemption date or dates, as the case may be; or

(d) If there shall have been deposited with the Trustee 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, deposited with the Trustee at the same time, shall be sufficient to pay, when due, the principal and interest due and to become due on such Bonds on the maturity thereof.

Section 8.02 Deposit of Moneys.

Any moneys which at any time shall be deposited with the Trustee by or on behalf of the Town for the purpose of paying and discharging any Bonds shall be and are hereby assigned, transferred, and set over to the Trustee in trust for the respective Holders 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 Holders 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 Trustee to deposit such funds in the Gross Revenue Fund.

Section 8.03 Election to Redeem Bonds.

The Town covenants and agrees that any moneys which it shall deposit with the Trustee shall be deemed to be deposited in accordance with, and subject to, the applicable provisions of this Article, and whenever it shall have elected to redeem Bonds, it will irrevocably bind and obligate itself to give notice of redemption thereof, and will further authorize and empower the Trustee to cause such notice of redemption to be given in its name and on its behalf.

ARTICLE IX

DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BONDHOLDERS

Section 9.01 Events of Default.

If any of the following events occurs, it is hereby defined as and declared to be and _to constitute an "Event of Default" or "Default":

- (a) Default in the due and punctual payment of any interest on any Bond; or
- (b) Default in the due and punctual payment of the principal of any Bond (or premium, if any), whether at the stated maturity thereof, or upon proceedings for redemption thereof, or upon any mandatory redemption date; or
- (c) Subject to the provisions of Section 9.10 hereof, Default in the performance or observance of any other of the covenants, agreements, or conditions on the part of the Town contained in this Ordinance or in the Bonds; or
- (d) If a court having jurisdiction over the premises shall enter a decree or order for relief in respect of the Town in an involuntary case under any applicable bankruptcy, insolvency, reorganization or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Town or for any substantial part of its property, or ordering the winding up or liquidation of its affairs and such decree or order shall remain unstayed and in effect for a period of ninety (90) consecutive days; or
- (e) If the Town shall commence a voluntary case under any applicable bankruptcy, insolvency, reorganization or other similar law now or hereafter in effect, shall consent to the entry of an order for relief in an involuntary case under any such law, or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Town or for any substantial part of its property, or shall make any general assignment for the benefit of creditors, shall admit in writing its inability to pay its debts that become due or shall take any action in furtherance of any of the foregoing.

Section 9.02 Acceleration.

Upon the occurrence of an Event of Default, the Trustee may, and upon the written request of the Holders of not less than twenty-five per centum (25%) in aggregate principal amount of Bonds then Outstanding shall, by notice in writing delivered to the Town, declare the principal of all Bonds then Outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable.

Section 9.03 Remedies of Trustee.

(a) Upon the occurrence of an Event of Default, the Trustee may apply in appropriate judicial proceedings to a state court exercising equitable jurisdiction or any court of competent jurisdiction for the appointment of a receiver of the System whether or not the Trustee is seeking or has sought to enforce any other right or exercise any remedy in connection with such Bonds. Upon such application, if it deems such action necessary for the protection of the Bondholders, such a state court exercising equitable jurisdiction may, and if the application is made by the Bondholders of twenty-five per centum (25%) in aggregate principal amount of such Bonds as then Outstanding, shall appoint a receiver of the System. The receiver so appointed shall forthwith proceed in the manner prescribed by law to administer and operate the System so encumbered on behalf of the Town with power to fix and charge rates and collect revenues sufficient to provide for the payment of principal, premium, if any, and interest on any Bonds Outstanding and for the payment of the Expenses of

Operating and Maintaining the System and to apply the income and revenues of the System in conformity with the Ordinance.

(b) Upon the happening and continuance of any Event of Default, the Trustee may and, upon the written request of the Holders of not less than twenty-five per centum (25%) in aggregate principal amount of Bonds then Outstanding shall take one or more of the following actions as it may deem advisable:

- (i) By mandamus or other suit, action or proceedings at law or in equity, enforce the rights of the Bondholders against the Town, and any of their officers, agents and employees and require and compel the Town, or such officer, agent or employee to perform and carry out its or his duties and obligations under the Act and the Ordinance and its or his covenants or agreements with the Bondholders;
- (ii) By action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders; and
- (iii) Bring suit upon the Bonds.

(c) Notwithstanding anything in the Ordinance to the contrary, the receiver shall be limited to the operation and maintenance of the System for the benefit of the Bondholders.

(d) Upon the occurrence of an Event of Default, the Trustee shall have the power to proceed with any right or remedy granted by the Constitution and laws of the State of South Carolina, as it may deem best, including any suit, action, or special proceeding in equity or at law for the specific performance of any covenant or agreement contained herein or for the enforcement of any proper legal or equitable remedy as the Trustee shall deem most effectual to protect the rights aforesaid, insofar as such may be authorized by law. The rights herein specified are to be cumulative to all other available rights, remedies, or powers and shall not exclude any such rights, remedies, or powers.

Section 9.04 Rights of Bondholders.

(a) If an Event of Default shall have occurred, and if requested so to do by the Holders of not less than twenty-five per centum (25%) in aggregate principal amount of Bonds then Outstanding, and if indemnified as provided in Section 6.02(k) hereof, the Trustee shall be obliged to exercise such one or more of the rights and powers conferred by this Article IX as the Trustee, being advised by counsel, shall deem most expedient in the interest of the Bondholders.

(b) No remedy by the terms of the Ordinance conferred upon or reserved to the Trustee (or to the Bondholders) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Bondholders hereunder or now or hereafter existing at law or in equity or by statute.

(c) No delay or omission in exercising any right or power accruing upon any Default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Default or Event of Default or acquiescence therein and every such right and power may be exercised from time to time and as often as may be deemed expedient.

(d) No waiver of any Default or Event of Default hereunder, whether by the Trustee or by the Bondholders, shall extend to or shall affect any subsequent Default or Event of Default or shall impair any rights or remedies consequent thereon.

Section 9.05 Application of Moneys.

(a) All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities, and advances incurred or made by the Trustee, be deposited in the Debt Service Fund and all moneys in the Debt Service Fund shall be applied as follows:

First--To the payment of the persons entitled thereto of all installments of interest then due on the Bonds, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege; and

Second--To the payment of the persons entitled thereto of the unpaid principal of and premium, if any, on any of the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of the Ordinance), in the order of their due dates, and, if the amount available shall not be sufficient to pay in full principal of and premium, if any, on the Bonds due on any particular date, then to the payment ratably, according to the amount of the principal and premium, if any, due on such date, to the persons entitled thereto without any discrimination or privilege; and

Third--To the payment to the persons entitled thereto of interest at the penalty rate on all past due installments of principal and interest from their respective due dates and, if the amount available shall not be sufficient to pay in full the whole amount of interest so due, then to the payment ratably, according to the amount of interest then due, to the persons entitled thereto without any discrimination or privilege and without any distinction between interest on past due interest and interest on past due principal.

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

(c) Whenever all principal of, premium, if any, and interest on all Bonds have been paid under the provisions of this Section 9.05 and all expenses and charges of the Trustee shall have been paid, any balance remaining in the Debt Service Fund shall be paid to the Gross Revenue Fund.

Section 9.06 Remedies Vested in Trustee.

All rights of action (including the right to file proof of claims) under the Ordinance or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee, without the necessity of joining as plaintiffs or defendants any Holders of the Bonds, and any recovery of judgment shall be for the equal benefit of the Holders of the Bonds then Outstanding.

Section 9.07 Rights and Remedies of Bondholders.

No Bondholder shall have the right to institute any suit, action, or proceeding in equity or at law for the enforcement of this Ordinance or for the execution of any trust hereof or for the appointment of a receiver or for any other remedy hereunder, unless all of the following conditions have first been satisfied: (i) a Default has occurred of which the Trustee has been notified as provided in subsection (g) of Section 6.02 hereof, or of which by such subsection it is deemed to have notice, (ii) such Default or Event of Default shall occur and the Holders of at least twenty-five per centum (25%) in aggregate principal amount of Bonds then Outstanding shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit, or proceeding in its own name, (iii) the Trustee has been offered indemnity as provided in Section 6.02(k) hereof, and (iv) the Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its, his, or their own names or names; and such notification, request, and offer of indemnity are hereby declared in every case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of the Ordinance, and to any action or cause of action for the enforcement of this Ordinance, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more Holders of the Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice the lien of the Ordinance by its, his, or their action or to enforce any right hereunder, except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had, and maintained in the manner herein provided and for the equal benefit of the Holders of all Bonds then Outstanding. Nothing in the Ordinance contained shall, however, affect or impair the right of the Holder of any Bond to enforce the payment of the principal of, premium, if any, and interest on such Bond at and after the maturity thereof, or the obligation of the Town to pay, but only from the sources herein described, the principal of, premium, if any; and interest on each of the Bonds issued hereunder to the respective Holders thereof at the time, place, from the source, and in the manner provided in the Bonds.

Section 9.08 Termination of Proceedings.

In case the Trustee shall have proceeded to enforce any right under the Ordinance by the appointment of a receiver, by entry, or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Town and the Trustee shall be restored to their former positions and rights hereunder, and all

rights and remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 9.09 Waivers of Events of Default.

The Trustee shall waive any Event of Default hereunder and its consequences upon the written request of the Holders of a majority in aggregate principal amount of all Bonds then Outstanding; provided, however, that there shall not be waived any Default in the payment of (i) the principal of or premium, if any, on any Bond, whether at the stated maturity thereof, or upon proceedings for redemption thereof, or (ii) any interest when due on any Bond, unless prior to such waiver, all arrearages of interest, with interest at the penalty rate on overdue installments of interest, and all arrearages of payments of principal then due (whether at the stated maturity thereof or upon proceedings for redemption) with interest as aforesaid on such arrearages, and all expenses of the Trustee in connection with such Default shall have been paid or provided for, and in case of any such waiver, or in case any proceeding taken by the Trustee on account of any such Default shall have been discontinued or abandoned or determined adversely, then and in every such case the Town, Trustee, and Bondholders shall be restored to their former positions and rights hereunder respectively, but no such waiver shall extend to any subsequent or other Default, or impair any right consequent thereon.

Section 9.10 Notice of Defaults; Opportunity of the Town to Cure Defaults.

No event under Section 9.01(c) hereof shall constitute an Event of Default until actual notice of such Default by registered or certified mail shall be given by the Trustee or by the Holders of not less than twenty-five per centum (25%) of the aggregate principal amount of Bonds then Outstanding to the Town, and the Town shall have had thirty (30) days after receipt of such notice to correct such Default or cause such Default to be corrected, and shall not have corrected such Default or caused such Default to be corrected within the applicable period; provided, however, if such Default be such that it cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective pursued, and the Default is corrected within ninety (90) days after the notice hereinabove specified has been received.

ARTICLE X

AMENDING AND SUPPLEMENTING OF ORDINANCE

Section 10.01 Amending and Supplementing of Ordinance Without Consent of Holders of Bonds.

(a) The Town, from time to time and at any time and without the consent or concurrence of any Holder of any Bond, may enact an ordinance amendatory hereof or supplemental hereto, (i) for the purpose of providing for the issuance of Bonds pursuant to the provisions of Article II hereof or (ii) if the provisions of such Supplemental Ordinance shall not materially adversely affect the rights of the Holders of the Bonds then Outstanding, for any one or more of the following purposes:

A. To make any changes or corrections in the Ordinance as to which the Town shall have been advised by counsel that the same are verbal corrections or changes or are required for the purpose of curing or correcting any ambiguity or defective or inconsistent provision or omission or mistake or manifest error contained in the Ordinance, or to insert in

the Ordinance such provisions clarifying matters or questions arising under the Ordinance as are necessary or desirable;

B. To add additional covenants and agreements of the Town for the purpose of further securing the payment of the Bonds;

C. To surrender any right, power or privilege reserved to or conferred upon the Town by the terms of the Ordinance;

D. To confirm as further assurance any lien, pledge or charge or the subjection to any lien, pledge or charge, created or to be created by the provisions of the Ordinance;

E. To grant or confer upon the Bondholders any additional right, remedies, powers, authority or security that lawfully may be granted to or conferred upon them, or to grant to or to confer upon the Trustee for the benefit of the Holders of the Bonds any additional rights, duties, remedies, powers, authority or security; and

F. To modify any of the provisions of the Ordinance in any other respects provided that such modification shall not be effective until after the Bonds Outstanding at the time such Supplemental Ordinance is enacted shall cease to be Outstanding, or until the Holders thereof consent thereto pursuant to Section 10.02 hereof, and any Bonds issued subsequent to any such modification shall contain a specific reference to the modifications contained in such Supplemental Ordinance.

(b) Except for Supplemental Ordinances providing for the issuance of Bonds pursuant hereto, the Town 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 10.04 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 Holders of the Bonds then Outstanding.

Section 10.02 Amending and Supplementing of Ordinance With Consent of Holders of Bonds.

(a) With the consent of the Holders of not less than a majority in principal amount of the Bonds then Outstanding, the Town 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, the Ordinance, or modifying or amending the rights and obligations of the Town under the Ordinance, or modifying or amending in and manner the rights of the Holders of the Bonds then Outstanding; provided, however, that, without the specific consent of the Holder of each such Bond which would be affected thereby, no Supplemental Ordinance amending or supplementing the provisions hereof or thereof 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 Holders of which are required to consent to any Supplemental Ordinance amending or supplementing the provisions of the Ordinance; (iii) give to any Bond or Bonds any preference over any other Bond or Bonds secured hereby; (iv) authorize the creation of any pledge of the Revenues and other moneys

pledged hereunder, prior, superior or equal to the pledge of and lien and charge thereon created herein for the payment of the Bonds; or (v) deprive any Holder of the Bonds of the lien on the Revenues afforded by the Ordinance. Nothing in this paragraph contained, however, shall be construed as making necessary the approval of the Holders of the Bonds of the enactment of any Supplemental Ordinance authorized by the provisions of Section 10.01 hereof.

(b) The proof of the giving of any consent by Bondholders required by this Section and of the holding of Bonds for the purpose of giving consents shall be made in accordance with the provisions of Article XI hereof. It shall not be necessary that the consents of the Holders of the Bonds approve the particular form of wording of the proposed amendment or supplement or of the Supplemental Ordinance affecting such amending or supplementing hereof pursuant to this Section. The Town 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 Holder of Bonds then Outstanding at his address, if any, appearing upon the Books of Registry and to the Trustee, but failure to mail copies of such notice to any of the Holders 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 the Ordinance authorized by Section 10.01 hereof. 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 10.03 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 Town. In that case, upon demand of the Holder of any Bond Outstanding after such effective date and upon the presentation of the Bond for such purpose at the corporate trust office of the Trustee, and at such additional offices, if any, as the Town may select and designate for that purpose, a suitable notation shall be made on such Bond. If the Town shall so determine, new Bonds, so modified as in the opinion of the Town 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 Holder of any Bond then Outstanding shall be exchanged without cost to such Holder for Bonds then Outstanding, upon surrender of such Outstanding Bonds.

Section 10.04 Effectiveness of Supplemental Ordinance.

Upon the enactment (pursuant to this Article and applicable law) by the Town of any Supplemental Ordinance amending or supplementing the provisions of the Ordinance and the delivery to the Trustee 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 Town, or upon such later date as may be specified in such Supplemental Ordinance, (a) the 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 the Ordinance of the Town, the Trustee, and

the Holders of the Bonds shall thereafter be determined, exercised and enforced under the 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 the Ordinance for any and all purposes.

Section 10.05 Supplemental Ordinance Affecting Trustees and Custodians.

No Supplemental Ordinance changing, amending or modifying any of the rights, duties and obligations of any Trustee or Custodian appointed by or pursuant to the provisions of the Ordinance or any Supplemental Ordinance, as the case may be, may be enacted by the Town or be consented to by the Holders of the Bonds without written consent of such Trustee or Custodian affected thereby.

ARTICLE XI

EXECUTION OF INSTRUMENTS BY HOLDERS OF BONDS;
OWNERSHIP OF BONDS; MEETINGS OF HOLDERS OF BONDS;
EXCLUSION OF BONDS OWNED BY THE TOWN

Section 11.01 Execution of Requests, Directions and Consents and Other Instruments and Proof of Same; Ownership of Bonds and Proof of Same.

(a) Any request, direction, consent or other instrument required by the Ordinance to be signed or executed by Holders of Bonds may be signed or executed by such Holders in person or by an agent or agents duly appointed in writing, and may be in any number of concurrent writings of substantially similar tenor. Proof of the execution of any such request, direction, consent or other instrument or of a writing appointing any such agent, and of the holding or ownership of Bonds, shall be sufficient for any purpose of the Ordinance and shall be conclusive in favor of the Town and the Trustee and any paying agent hereunder with regard to any action taken by them under such request, direction, consent or other instrument or of a writing appointing any such agent, if made in the following manner:

(i) The fact and date of the execution by any person of any such request, direction, consent or other instrument in writing may be proved by the certificate of any notary public or other officer in any jurisdiction who, by the laws thereof, has power to take acknowledgement of deeds to be recorded within such jurisdiction, to the effect that the person signing such request, direction, consent or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness to such execution.

(ii) The Ownership of Bonds shall be proved by the Books of Registry.

(b) Nothing contained in this Section shall be construed as limiting the Town or the Trustee, in their separate discretion, to the proof above specified, it being intended that the Town and the Trustee in their separate discretion may accept any other evidence of the matters herein

stated which to them may seem sufficient. Any request, direction, consent or vote of the Holder of any Bond shall bind and be conclusive upon the Holder of such Bond giving such request, direction or consent or casting such vote and upon every future Holder of the same Bond in respect of anything done or suffered to be done by the Town or the Trustee or otherwise, or by the Holder of other Bonds, in pursuance of such request, direction, consent or vote, and whether such future Holder has knowledge of or information as to such request, direction, consent or vote; provided that any request, direction, consent or vote of the Holder of a Bond required by any of the provisions hereof may be revoked by the Holder giving such request, direction, consent or vote or by a subsequent Holder if such revocation in writing is filed with the Town and the Trustee prior to the time when the request, direction, consent to vote of the percentage of the Holders of the Bonds required by such provision shall have been given and action taken by the Town or the Trustee, or by the Holders of other Bonds, under authority of such request, direction, consent or vote.

(c) Anything in the Ordinance to the contrary notwithstanding, the Town and Trustee and any paying agent hereunder may deem and treat the Person in whose name any Bond shall at the time be registered on the Books of Registry, as the absolute owner of such Bond for all purposes whatsoever, including payment thereof, and neither the Town nor the Trustee or any other paying agent hereunder shall be affected by any notice to the contrary. The payment of or on account of principal to or upon the order of the Person in whose name a Bond shall at the time be registered on the Books of Registry and the payment of interest to or upon the order of any Person in whose name any Bond shall at the time be registered on the Books of Registry, shall be valid and effectual fully to satisfy and discharge all liability hereunder, upon such Bond to the extent of the sum or sums so paid.

Section 11.02 Meetings of Holders of Bonds.

(a) The Town, the Trustee or the Holders of not less than twenty per centum (20%) in aggregate principal amount of the Bonds then Outstanding may at any time call a meeting of the Holders of the Bonds for the purpose of consenting to, approving, requesting or directing, by the Holders of the Bonds, any action required to be consented to or approved by them under the Ordinance or which they may request or direct under the Ordinance to be taken, or for the making by the Holders of the Bonds of any appointments they may make under the Ordinance, or for the purpose of taking any other action which the Holders of the Bonds may take under the Ordinance, or for any other purpose concerning the payment, security and enforcement of the Bonds. Every such meeting shall be held at such place as may be specified in the notice calling such meeting. Written notice of such meeting, stating the place and time of the meeting and in general terms the business to be submitted, shall be mailed by first-class mail to the Holders of Bonds whose names and addresses then appear upon the Books of Registry, by the Town, the Trustee or the Holders of the Bonds calling such meeting, not less than thirty (30) days nor more than sixty (60) days before the meeting, provided, however, that the mailing of such notice shall in no case be a condition precedent to the validity of any action taken at any such meeting. Any meeting of Holders of the Bonds shall, however, be valid without notice if the Holders of all Bonds then Outstanding are present in person or by proxy or if notice is waived before or within thirty (30) days after the meeting by those not so present.

(b) Attendance and voting by Holders of Bonds at meetings thereof may be in person or by proxy. Bondholders may, by an instrument in writing acceptable to the Trustee under their hands, appoint any person or persons with full power of substitution, as their proxy to attend and vote at any meeting for them.

(c) Persons named by the Trustee, or elected by the Holders of a majority in aggregate principal amount of the Bonds represented at the meeting in person or by proxy in the event the Trustee is not represented at such meeting, shall act as temporary chairman and temporary secretary of any meeting of Holders of Bonds. A permanent chairman and a permanent secretary of such meeting shall be elected by the Holders of a majority in aggregate principal amount of the Bonds represented at such meeting in person or by proxy. The permanent chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at such meeting, except votes on the election of chairman and secretary as aforesaid, and who shall make and file with the secretary of the meeting, the Town and the Trustee their verified report of all such votes cast at the meeting.

(d) The Holders of the same principal amount of the Bonds required by other provisions hereof to consent to, approve, request, or direct any action proposed to be taken at a meeting of Holders of the Bonds, or required by other provisions of the Ordinance to make appointments proposed to be made at such meeting, or required by other provisions of the Ordinance to take any other action proposed to be taken at such meeting, must be present at such meeting in person or by proxy in order to constitute a quorum for the transaction of such business, less than a quorum, however, having power to adjourn the meeting from time to time without other notice of such adjournment than the announcement thereof at the meeting; provided, however, that, if such meeting is adjourned by less than a quorum for more than ten (10) days, notice of such adjournment shall be mailed by the Town or the Trustee at least five (5) days prior to the adjournment date of the meeting to all Bondholders by first-class mail at the addresses shown on the Books of Registry.

(e) Any Holder of a Bond shall be entitled in person or by proxy to attend and vote at such meeting as Holder of the Bond or Bonds registered in his name without producing such Bond or Bonds (unless the Bond or Bonds described in any such certificate shall be registered in the name of some other person at such meeting). Such persons and their proxies shall, if required, produce such proof of personal identity as shall be satisfactory to the secretary of the meeting. All other persons seeking to attend or vote in such meeting must produce the Bond or Bonds claimed to be owned or represented at such meeting.

(f) All proxies presented at such meeting shall be delivered to the inspectors of votes and filed with the secretary of the meeting. The right of a proxy for a Holder of a Bond to attend the meeting and act and vote thereat may be proved (subject to the Trustee's right to require additional proof) by a written proxy executed by such aforesaid.

(g) Officers or nominees of the Town and officers or nominees of the Trustee may be present or represented at any meeting of the Holders of the Bonds and take part therein, but shall not be entitled to vote thereat, except for such officers or nominees who are Holders of Bonds or proxies for Holders of Bonds (including the Trustee).

(h) The vote at any such meeting of the Holder of any Bond, or his proxy, entitled to vote thereat shall be binding upon such Holder and upon every subsequent Holder of such Bond (whether subsequent Holder has notice thereof).

Section 11.03 Exclusion of Bonds Held by or for the Town and of Bonds No Longer Deemed Outstanding Hereunder.

In determining whether the Holders of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent, vote or waiver under the Ordinance, any Bonds which are owned by or on behalf of or for the account of the Town and, except for the purpose specified in Section 8.01 hereof, any Bonds which are deemed no longer Outstanding hereunder as provided in said Section 8.01, shall be disregarded and not included for the purpose of any such determination, and such Bonds shall not be entitled to vote upon, consent to or concur in any action provided in the Ordinance, except that for the purpose of determining whether the Trustee shall be protected in relying on such demand, request, direction, consent, vote or waiver, only Bonds which the Trustee knows are owned as aforesaid shall be disregarded by reason of such ownership. The Town or the Trustee may require each Holder of a Bond or Bonds before his demand, request, direction, consent, vote or waiver shall be deemed effective, to reveal if the Bonds as to which such demand, request, direction, consent, vote or waiver is made, granted, cast or given are disqualified as provided in this Section.

ARTICLE XII

MISCELLANEOUS

Section 12.01 Benefits of Ordinance Limited to the Town, the Trustee and Holders of the Bonds.

With the exception of rights or benefits herein expressly conferred, nothing expressed or mentioned in or to be implied from the Ordinance or the Bonds is intended or should be construed to confer upon or give to any person other than the Town, the Trustee and the Holders of the Bonds, any legal or equitable right, remedy or claim under or by reason of or in respect to the Ordinance or any covenant, condition, stipulation, promise, agreement or provision herein contained. The 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 Town, the Trustee and the Holders from time to time of the Bonds as herein and therein provided.

Section 12.02 Ordinance Binding Upon Successors or Assigns of the Town.

All the terms, provisions, conditions, covenants, warranties and agreements contained in the Ordinance shall be binding upon the successors and assigns of the Town and shall inure to the benefit of the Trustee, its successors or substitutes in trust and assigns, and the Holders of the Bonds.

Section 12.03 No Personal Liability.

No recourse shall be had for the enforcement of any obligation, covenant, promise or agreement of the Town contained in this Ordinance or the Bonds, against any member of the Council, or any officer or employee, as such, in his or her individual capacity, past, present or future, of the Town or the Commissioners, either directly or through the Town or the Commissioners, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, it being expressly agreed and understood that this Ordinance and the Bonds are solely corporate obligations, and that no personal liability whatsoever shall attach to, or be incurred by, any member, officer or employee as such, past, present or future, of the Town or the Commissioners, either directly or be reason of any of the obligations, covenants, promises, or agreements entered into between the Town and the Trustee or the Bondholder or to be implied therefrom as being supplemental hereto or thereto, and that all personal liability of that character against every such member, officer and employee is, by the 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 members, officers and employees of the Town or the Commissioners under the provisions contained in this Section 12.03 shall survive the completion of any Project and the termination of the Ordinance.

Section 12.04 Effect of Saturdays, Sundays and Legal Holidays.

Whenever the Ordinance requires any action to be taken on a Saturday, Sunday, legal holiday or bank holiday in the State of South Carolina, such action shall be taken on the first business day occurring thereafter. Whenever in the Ordinance the time within which any action is required to be taken or within which any right will lapse or expire shall terminate on a Saturday, Sunday, legal holiday or bank holiday in the State of South Carolina, such time shall continue to run until midnight on the next succeeding business day.

Section 12.05 Partial Invalidity.

(a) If any one or more of the covenants or agreements or portions thereof provided in the Ordinance on the part of the Town or the Trustee or any paying agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, then such covenant or covenants, or such agreement or agreements, or such portions thereof, shall be deemed severable from the remaining covenants and agreements or portions thereof provided in the Ordinance and the invalidity thereof shall in no way affect the validity of the other provisions of the Ordinance or of the Bonds, but the Holders of the Bonds shall retain all the rights and benefits accorded to them hereunder and under any applicable provisions of law.

(b) If any provisions of the 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 12.06 Law and Place of Enforcement of the Ordinance.

The 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 the Ordinance shall be instituted in a court of competent jurisdiction in said State. 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 the Ordinance.

Section 12.08 Repeal of Inconsistent Ordinances and Resolutions.

Except as may be necessary to preserve the efficacy of the proceedings pursuant to which the 1991 Bond was authorized and issued, all ordinances and resolutions of the Town, and any part of any ordinance or resolution, inconsistent with the Ordinance are hereby repealed to the extent of such inconsistency.

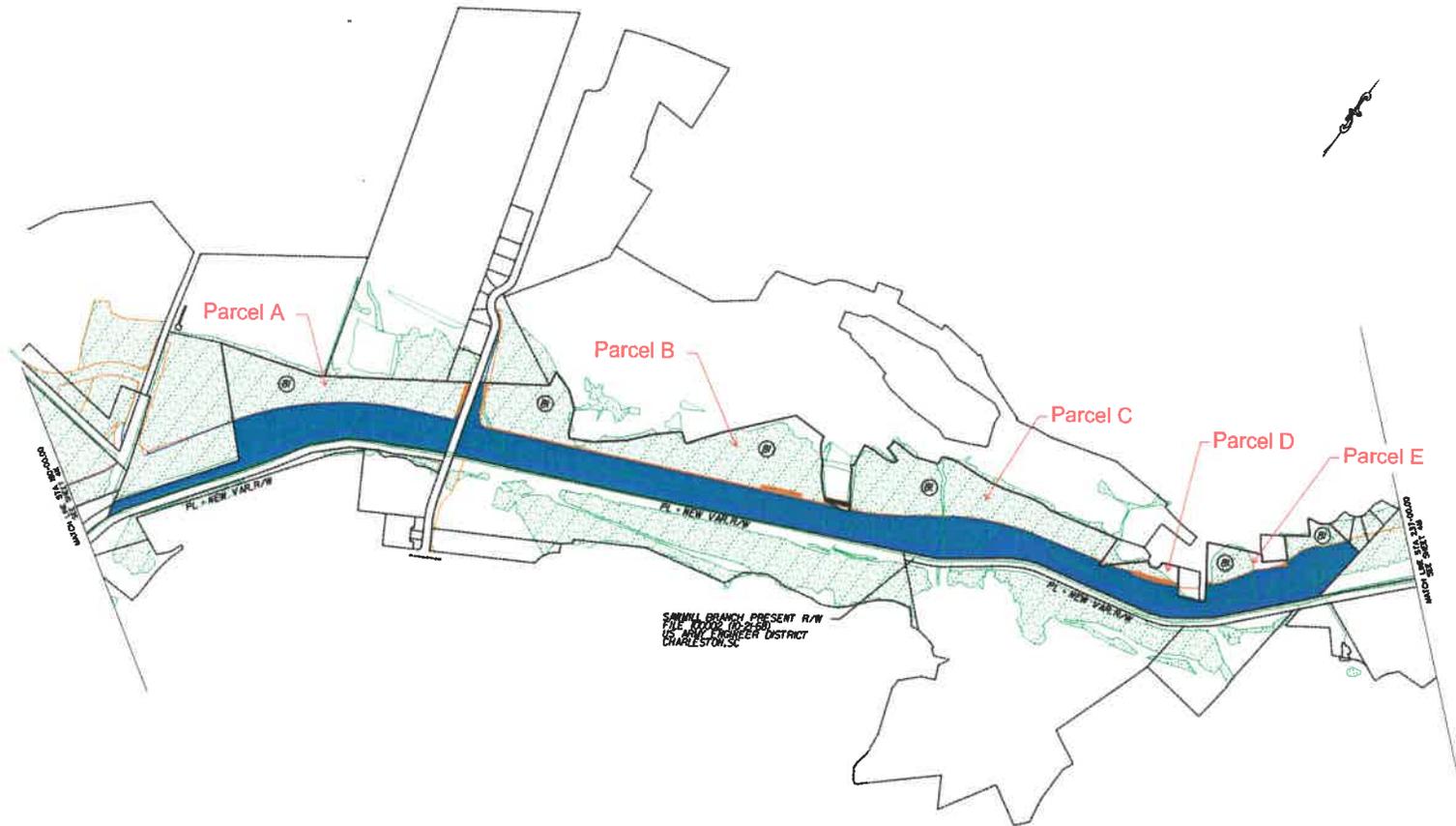
Section 12.09 Effectiveness of this Ordinance.

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

ADDITIONAL PROPOSED RIGHT-OF-WAY IDENTIFIED IN REVISED PLANS AS (2018) HAS BEEN ESTABLISHED BY ICA ENGINEERING, INC. ALL OTHER PROPOSED RIGHT-OF-WAY WAS PREVIOUSLY ESTABLISHED BY DAVIS & FLOYD, INC. AND OBTAINED BY THE DORCHESTER COUNTY TRANSPORTATION AUTHORITY.

FED. PROJ. NO.	STATE	COUNTY	PROJECT #	DATE	SCALE
	3	S.C.	DORCHESTER	PO23249	SC 81

SOUTH CAROLINA
 DEPARTMENT OF TRANSPORTATION
 ROAD DESIGN COLUMBIA, S.C.
 DORCHESTER COUNTY
 BERLIN MYERS PKWY PHASE 3
 TRACT 81 / B1A
 SCALE T1-400'



- Additional Right-of-Way
- 2010 Condemnation
- Wetlands

- Parcel A Remaining = 10.637 Acres (10.620 Acres Wetlands)
- Parcel B Remaining = 18.317 Acres (16.848 Acres Wetlands)
- Parcel C Remaining = 14.237 Acres (13.770 Acres Wetlands)
- Parcel D Remaining = 0.829 Acres (0.520 Acres Wetlands)
- Parcel E Remaining = 3.408 Acres (2.181 Acres Wetlands)



ICA
 ICA Engineering, Inc.
 1122 Ledy Street, Suite 1100, Columbia, SC 29201

REV. NO.	BY	DATE	DESCRIPTION OF THE WORK	SQ. YD.