

CLARENDON COUNTY, SOUTH CAROLINA

ORDINANCE NUMBER 2010-02

AN ORDINANCE

TO PROVIDE FOR THE ISSUANCE AND SALE OF A NOT EXCEEDING TWO MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS (\$2,350,000) GENERAL OBLIGATION REFUNDING BOND, SERIES 2010 OF CLARENDON COUNTY, SOUTH CAROLINA, TO PRESCRIBE THE PURPOSES FOR WHICH THE PROCEEDS SHALL BE EXPENDED, TO PROVIDE FOR THE PAYMENT THEREOF, AND OTHER MATTERS RELATING THERETO.

MARCH 29, 2010

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EXHIBIT A – FORM OF BOND

BE IT ORDAINED BY THE CLARENDON COUNTY COUNCIL, IN CLARENDON COUNTY, SOUTH CAROLINA, AS FOLLOWS:

ARTICLE I - FINDINGS OF FACT

Section 1.01. Findings.

Incident to the adoption of this ordinance (this "**Ordinance**") and the issuance of the bond authorized hereby, the County Council of Clarendon County, South Carolina (the "**Council**"), the governing body of Clarendon County, South Carolina (the "**County**"), finds that the facts set forth in this Article exist and the statements made with respect thereto are in all respects true and correct.

1. The County is a body politic and corporate of the State of South Carolina (the "**State**") and as such possesses all general powers granted to counties of the State.

2. Article X, Section 14 of the Constitution of the State of South Carolina, 1895, as amended (the "**Constitution**"), provides that counties may incur general obligation bonded indebtedness upon such terms and conditions as the General Assembly may prescribe by general law subject to the following limitations: (i) such debt must be incurred only for a purpose which is a public purpose and a corporate purpose for a county; and (ii) unless excepted therefrom, such debt may be issued in an amount not exceeding eight percent of the assessed value of all taxable property of such county (the "**Bonded Debt Limit**").

3. Title 11, Chapter 15, Article 5 of the Code of Laws of South Carolina, 1976, as amended (the "**Refunding Act**") provides that the governing body of any issuer, which includes counties, may issue refunding bonds to such extent as such issuer shall be indebted by way of principal, interest and redemption premium upon any outstanding general obligation bonds, maturing or called for redemption, less all sinking funds and other moneys on hand applicable thereto at any time, but not sooner than one year from the date the outstanding bonds fall due or have been called for redemption.

4. Under present market conditions, the County has determined that it will achieve interest cost savings by the issuance of a refunding bond and using the proceeds therefrom to redeem the outstanding principal amounts due on its originally issued \$4,500,000 General Obligation Bonds, Series 2001 dated June 1, 2001 (the "**Refunded Bonds**").

5. By effecting the redemption of the Refunded Bonds through the issuance of the bond authorized hereunder and by the Refunding Act, the South Carolina Supreme Court has recognized that "the exchange of new obligations for the old does not add to the existing debt." See Williams v. Rock Hill, 177 S.C. 82, 180 S.E. 799 (1935), rev'd on other grounds by Babb v. Green, 222 S.C. 534, 73 S.E.2d 699 (1952). Therefore, under the rule set out in Williams, debt issued by the County for the purpose of refunding the Refunded Bonds, and thus reducing the annual debt service payable by the County, does not create additional debt of the County subject to the Bonded Debt Limit.

6. It is in the best interest of the County for the Council to authorize and provide for the issuance and sale of refunding general obligation bonds of the County pursuant to the aforesaid provisions of the Constitution and laws of the State for the purposes of refunding the Refunded Bonds and paying costs of issuance associated therewith.

Section 1.02. Holding of Public Hearing and Notice Thereof.

Pursuant to 4-9-130 of the Code of Laws of South Carolina, 1976, as amended, a public hearing, after giving reasonable notice thereof, is required prior to the third and final reading of this Ordinance by the Council. In accordance with this provision, a public hearing shall be conducted and due notice shall be provided, all as required by said Section 4-9-130.

* * *

ARTICLE II - DEFINITIONS AND AUTHORITY

Section 2.01. Definitions.

(1) As used in this Ordinance, unless the context shall otherwise require, the following terms shall have the following respective meanings:

“Authorized Investments” mean and include any securities which at the time of determination are legal investments for political subdivisions in the State as provided by the Code of Laws of South Carolina, 1976, as amended.

“Authorized Officer” means the Chairman of the Council, the County Administrator, and any other officer or employee of the Council designated from time to time as an Authorized Officer by resolution of the Council, and when used with reference to any act or document also means any other person authorized by resolution of the Council to perform such act or sign such document.

“Bond” or **“Bonds”** means any of the Bonds of the County authorized by this Ordinance, and, where appropriate, Bonds of a Series issued hereunder.

“Bondholder” or **“Holder”** or **“Holders of Bonds”** or **“Owner”** or similar term means, when used with respect to a Bond or Bonds, any person who shall be registered as the owner of any Bond Outstanding.

“Bond Payment” means the periodic payments of principal of and interest on the Bond.

“Bond Payment Date” means each March 1 and September 1 for the period that the Bond is Outstanding.

“County Administrator” means the County Administrator of the County.

“Code” means the Internal Revenue Code of 1986, as amended.

“Government Obligations” means and includes direct general obligations of the United States of America or agencies thereof or obligations, the payment of principal or interest on which is fully and unconditionally guaranteed by the United States of America.

“Outstanding”, when used in this Ordinance with respect to the Bond, means as of any date the Bond theretofore delivered pursuant to this Ordinance except:

(a) any Bond cancelled or delivered to the Registrar/Paying Agent for cancellation on or before such date;

(b) any Bond deemed to have been paid in accordance with the provisions of Section 7.01 hereof and;

(c) any Bond in lieu of or in exchange for which another Bond shall have been authenticated and delivered pursuant to Section 3.07 of this Ordinance.

“**Person**” means an individual, a partnership, a corporation, a trust, a trustee, an unincorporated organization, or a government or an agency or political subdivision thereof.

“**Record Date**” means the 15th day immediately preceding each Bond Payment Date.

“**Registrar/Paying Agent**” means the Treasurer.

“**Treasurer**” means the Treasurer of Clarendon County, South Carolina.

Section 2.02. Construction.

In this Ordinance, unless the context otherwise requires:

1. Articles and Sections referred to by number shall mean the corresponding Articles and Sections of this Ordinance.

2. The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms refer to this Ordinance, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before, the date of adoption of this Ordinance.

3. Words of the masculine gender shall mean and include correlative words of the female and neuter genders, and words importing the singular number shall mean and include the plural number and vice versa.

4. Any fiduciary shall be deemed to hold an Authorized Investment in which money is invested pursuant to the provisions of this Ordinance, even though such Authorized Investment is evidenced only by a book entry or similar record of investment.

* * *

ARTICLE III - ISSUANCE OF BOND

Section 3.01. Ordering the Issuance of the Bond.

Pursuant to the provisions of the Refunding Act, and for the purpose of obtaining funds to defray the costs of effecting a current refunding of the Refunded Bonds, there shall be issued a not exceeding Two Million Three Hundred Fifty Thousand Dollar (\$2,350,000) general obligation refunding bond of the County. Such bond (hereafter referred to as the “**Bond**”) shall bear a series designation as determined by the County Administrator, but in all cases shall include the calendar year of the issuance thereof. Bids for the sale of the Bond were solicited by the Council in accordance with the provisions of Section 11-27-40 of the Code of Laws of South Carolina, 1976, as amended. On the basis of the bids received, the County Administrator did award the sale of the Bond to Branch Banking and Trust Company (“**BB&T**”), the lending institution which provided the terms most favorable to the County.

Section 3.02. Maturity Schedule of Bond.

The Bond shall be dated as of the date of its delivery and shall bear interest from its dated date. The principal amount of the Bond shall be determined by the County Administrator with advice from bond counsel. Interest on the Bond shall be payable at a rate of two and eighty-two hundredths percentum (2.82%) per annum (calculated on the basis of a 360-day year consisting of twelve (12) thirty (30) day months). Interest on the Bond shall be payable on each Bond Payment Date, beginning March 1, 2011 and principal on the Bond shall be payable in accordance with the following table:

<u>Date</u>	<u>Principal Installments¹</u>
March 1, 2011	\$351,650
March 1, 2012	\$367,000
March 1, 2013	\$380,000
March 1, 2014	\$390,000
March 1, 2015	\$404,000
March 1, 2016	\$420,000

Section 3.03. Medium of Payment; Form and Denomination of Bond; Place of Payment of Principal.

(a) The Bond shall be payable 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.

(b) The Bond Payments shall be payable to the Person appearing on each Record Date on the registration books of the County, which books shall be held by the Registrar/Paying Agent as provided in Section 3.06 hereof, as the registered owner thereof, by check or draft

¹ The principal installments listed herein are subject to change; such numbers will be finalized by the County Administrator at such time as he determines the principal amount of the Bond as authorized in Section 3.02 herein.

mailed from the Registrar/Paying Agent to such registered owner at his address as it appears on such registration books in sufficient time to reach such registered owner on the Bond Payment Dates. Payment of the final Bond Payment shall be made when the same is due and payable upon the presentation and surrender for cancellation of the Bond at the office of the Registrar/Paying Agent.

Section 3.04. Execution and Authentication.

(a) The Bond shall be executed in the name and on behalf of the County by the manual signature of an Authorized Officer or Officers, with its corporate seal impressed, imprinted or otherwise reproduced thereon, and attested by the manual signature of the Clerk to Council or another Authorized Officer (other than the officer or officers executing the Bond). The Bond may bear the manual signature of any person who shall have been such an Authorized Officer authorized to sign the Bond at the time such Bond was so executed, and shall bind the County notwithstanding the fact that his or her authorization may have ceased prior to the authentication and delivery of the Bond.

(b) The Bond shall not be valid or obligatory for any purpose nor shall it be entitled to any right or benefit hereunder unless there shall be endorsed on the Bond a certificate of authentication in the form set forth in this Ordinance, duly executed by the manual signature of the Registrar/Paying Agent, and such certificate of authentication upon any Bond executed on behalf of the County shall be conclusive evidence that the Bond so authenticated has been duly issued hereunder and that the Holder thereof is entitled to the benefit of the terms and provisions of this Ordinance.

Section 3.05. Exchange of the Bond.

The Bond, upon surrender thereof at the office of the Registrar/Paying Agent along with a written instrument of transfer satisfactory to the Registrar/Paying Agent duly executed by the registered Holder or his duly authorized attorney, may, at the option of the registered Holder thereof, be exchanged for a new Bond of the same interest rate and maturity. So long as the Bond remains Outstanding, the County shall make all necessary provisions to permit the exchange of the Bond. Such new Bond shall reflect the principal amount thereof as then yet unpaid.

Section 3.06. Transferability and Registry.

The Bond shall at all times, when the same is Outstanding, be payable to a Person, and shall be transferable only in accordance with the provisions for registration and transfer contained in this Ordinance and in the Bond. So long as the Bond remains Outstanding, the Registrar/Paying Agent shall maintain and keep, at its offices, books for the registration and transfer of the Bond, and, upon presentation thereof for such purpose at such office, the County shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it may prescribe, such Bond. So long as the Bond remains Outstanding, the County shall make all necessary provisions to permit the transfer of such Bond at its administrative office.

Section 3.07. Transfer of the Bond.

The Bond shall be transferable only upon the books of the Registrar/Paying Agent, upon presentation and surrender thereof by the Holder of the Bond in person or by his attorney duly authorized in writing, together with a written instrument of transfer satisfactory to the Registrar/Paying Agent duly executed by the registered Holder or his duly authorized attorney. Upon surrender for transfer of the Bond, the County shall execute, authenticate and deliver, in the name of the Person who is the transferee, a new Bond of the same principal amount and maturity and rate of interest as the surrendered Bond. Such new Bond shall reflect the principal amount thereof as then yet unpaid.

Section 3.08. Regulations with Respect to Exchanges and Transfers.

The Bond surrendered in any exchange or transfer shall forthwith be cancelled by the Registrar/Paying Agent. For each such exchange or transfer of the Bond, the Registrar/Paying Agent may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the Holder requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The County shall not be obligated to issue, exchange or transfer the Bond during the 15 days next preceding any (a) Bond Payment Date, or (b) date upon which the Bond will be redeemed.

Section 3.09. Mutilated, Destroyed, Lost and Stolen Bond.

(a) If the Holder surrenders a mutilated Bond to the Registrar/Paying Agent or the Registrar/Paying Agent receives evidence to its satisfaction of the destruction, loss, or theft of the Bond, and there is delivered to the Registrar/Paying Agent such security or indemnity as may be required by it to save it harmless, then, in the absence of notice that the Bond has been acquired by a bona fide purchaser, the County shall execute and deliver, in exchange for the mutilated Bond or in lieu of any such destroyed, lost, or stolen Bond, a new Bond of like tenor, maturity, and interest rate bearing a number unlike that of such mutilated, destroyed, lost, or stolen Bond, and shall thereupon cancel any such mutilated Bond so surrendered. In case any such mutilated, destroyed, lost, or stolen Bond has become or is to become due for final payment within one month, the County in its discretion may, instead of issuing a new Bond, pay the Bond.

(b) Upon the issuance of any new Bond under this Section 3.09, the Registrar/Paying Agent may require the payment of a sum sufficient to cover any tax, fee, or other governmental charge that may be imposed in relation thereto and any other expenses, including counsel fees or other fees, of the County or the Registrar/Paying Agent connected therewith.

(c) Each new Bond issued pursuant to this Section in lieu of any destroyed, lost, or stolen Bond, shall constitute an additional contractual obligation of the County, whether or not the destroyed, lost, or stolen Bond shall at any time be enforceable by anyone, and shall be entitled to all the benefits hereof equally and proportionately with the Bond duly issued pursuant to the Ordinance.

(d) The Bond shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of the mutilated, destroyed, lost, or stolen Bond and shall preclude (to the extent lawful) all other rights or remedies with respect to the replacement or payment of the mutilated, destroyed, lost, or stolen Bond or securities.

Section 3.10. Holder As Owner of Bond.

The County may treat the Holder of the Bond as the absolute owner thereof, whether the Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the Bond Payment on the Bond and for all other purposes, and payment of the Bond Payment shall be made only to, or upon the order of, such Holder. All payments to such Holder shall be valid and effectual to satisfy and discharge the liability upon the Bond to the extent of the sum or sums so paid, and the County shall not be affected by any notice to the contrary.

Section 3.11. Cancellation of the Bond.

The Registrar/Paying Agent shall destroy the Bond when the same shall be surrendered to it for cancellation. In such event, the Bond shall no longer be deemed Outstanding under this Ordinance and no Bond shall be issued in lieu thereof.

Section 3.12. Payments Due Saturdays, Sundays and Holidays.

In any case where the Bond Payment Date shall be a Saturday or Sunday or shall be, at the place designated for payment, a legal holiday or a day on which banking institutions are authorized by law to close, then payment of the Bond Payment need not be made on such date but may be made on the next succeeding business day not a Saturday, Sunday or a legal holiday or a day upon which banking institutions are authorized by law to close, with the same force and effect as if made on the Bond Payment Date and no interest shall accrue for the period after such date.

Section 3.13. Tax Exemption in South Carolina.

The Bond Payments shall be exempt from all State, county, municipal, school district, and all other taxes or assessments of the State, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate, transfer or certain franchise taxes.

Section 3.14. Order to Levy Ad Valorem Taxes to Pay Principal and Interest of Bond.

For the payment of principal of and interest on the Bond as the same become due and for the creation of such sinking fund as may be necessary therefor, the full faith, credit, and taxing power of the County are hereby irrevocably pledged, and there shall be levied an ad valorem tax upon all taxable property located within the County sufficient to pay the principal of and interest on the Bond as the same become due and to create such sinking fund as may be necessary therefor. There shall be levied annually by the Clarendon County Auditor (the

“*Auditor*”) and collected by the Treasurer in the same manner as other county taxes are levied and collected, a tax, without limit, on all taxable property in the County sufficient to pay the principal and interest of the Bond as it matures and to create such sinking fund as may be necessary therefor.

The Auditor and the Treasurer shall be notified as to the delivery of and payment for the Bond and are hereby directed to levy and collect, respectively, a tax, without limit, on all taxable property in the County sufficient to pay the principal and interest of the Bond as it matures and to create such sinking fund as may be necessary therefor.

Section 3.15. Form of Bond.

The form of the Bond, and registration provisions to be endorsed thereon, shall be substantially as set forth in Exhibit A attached hereto and made a part of this Ordinance.

* * *

ARTICLE IV - REDEMPTION OF BOND

Section 4.01. Redemption of Bond.

The Bond is not subject to redemption prior to maturity.

* * *

ARTICLE V - SALE OF BOND

Section 5.01. Sale of Bond.

The Bond was sold at public sale to BB&T on February 17, 2010 (the “*Date of Sale*”). A summary of the notice of sale was published on January 28, 2010 in The State, a newspaper having general circulation in the State; due to its publication on January 28, 2010, such notice, in accordance with the laws of the State, was published not less than 7 days prior to the Date of Sale.

* * *

ARTICLE VI - DISPOSITION OF PROCEEDS OF SALE OF BOND

Section 6.01. Disposition of Bond Proceeds Including Temporary Investments.

The proceeds derived from the sale of the Bond shall be paid to the County, to be applied as follows:

- (a) to payment of costs of issuance of the Bond; and
- (b) all remaining amounts shall be expended and made use of by the Council to defray the costs of effecting a current refunding of the Refunded Bonds and paying the one-percent (1%) redemption premium due thereon.

Pending the use of the Bond proceeds, the same shall be invested and reinvested by the County in Authorized Investments. All earnings from such investments shall be applied, at the direction of the County Administrator, either (1) to defray the cost of the undertakings for which the Bond is issued and if not required for this purpose, then (2) to pay the first maturing installments of interest on the Bond; if any balance remains, it shall be held by County in a special fund, invested in Government Obligations with a yield not in excess of the yield on such Bond and used to effect the retirement thereof.

Neither the purchaser nor Holder of the Bond shall be liable for the proper application of the proceeds thereof.

* * *

ARTICLE VII - DEFEASANCE OF BOND

Section 7.01. Discharge of Ordinance - Where and How the Bond is Deemed to Have Been Paid and Defeased.

If the Bond and the interest thereon shall have been paid and discharged, then the obligations of the County under this Ordinance and all other rights granted hereby shall cease and determine. The Bond shall be deemed to have been paid and discharged within the meaning of this Article under each of the following circumstances, viz.:

(1) A third party fiduciary, which shall be any bank, trust company, or national banking association which is authorized to provide corporate trust services (the "*Fiduciary*"), shall hold, in trust and irrevocably appropriated thereto, sufficient moneys for the payment of all Bond Payments due thereunder; or

(2) If default in the payment of the Bond Payment due shall have occurred on any Bond Payment Date, and thereafter tender of such payment shall have been made, and at such time the Fiduciary shall hold in trust and irrevocably appropriated thereto, sufficient moneys for the payment thereof to the date of the tender of such payment; or

(3) If the County shall elect to provide for the payment of the Bond prior to its stated maturity and shall have deposited with the Fiduciary, in an irrevocable trust, moneys which shall be sufficient, or Government Obligations, the principal of and interest on which when due will provide moneys, which together with moneys, if any, deposited with the Fiduciary at the same time, shall be sufficient to pay when due the Bond Payment due and to become due, together with any redemption premium applicable thereto.

Neither the Government Obligations nor moneys deposited with the Fiduciary pursuant to this Section nor the Bond Payments thereon shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the Bond Payments and redemption premium, if any, on the Bond; provided that any cash received from such principal or interest payments on Government Obligations deposited with the Fiduciary, if not then needed for such purpose, shall to the extent practicable be invested and reinvested in Government Obligations maturing at times and in amounts sufficient to pay when due the Bond Payments and redemption premium, if any, to become due on the Bond on and prior to the Bond Payment Dates thereof, and interest earned from such reinvestments not required for the payment of the Bond Payments and redemption premium, if any, may be paid over to the County, free and clear of any trust, lien or pledge.

* * *

ARTICLE VIII - CERTAIN TAX AND DISCLOSURE CONSIDERATIONS

Section 8.01. Covenants to Comply with Requirements of the Code.

The County hereby represents and covenants that it will comply with all requirements of the Code, and that it will not take any action which will, or fail to take any action (including, without limitation, filing the required information report with the Internal Revenue Service) which failure will, cause interest on the Bond to become includable in the gross income of the Holders thereof for federal income tax purposes. Without limiting the generality of the foregoing, the County represents and covenants that:

(a) All property refinanced with the net proceeds of the Bond will be owned by the County for federal income tax purposes.

(b) The County shall not permit the proceeds of the Bond, any property refinanced with the proceeds of the Bond, or the capacity provided by such property to be used in any manner that would cause the Bond to be a “private activity bond,” within the meaning of Section 141 of the Code. To this end, the County will monitor and control the use of the property refinanced with the proceeds of the Bond to ensure that not more than ten percent thereof will be used (within the meaning of Section 141(b) of the Code), during the “measurement period” for the Bond, in a trade or business carried on by persons other than governmental units (as such terms are defined in the Regulations) unless it obtains the opinion of nationally recognized bond counsel that such action will not adversely affect the tax exemption of the Bond.

(c) The County is not a party to nor will it enter into any contracts with any entity for the use or management of any property provided with the proceeds of the Bond that do not conform to the guidelines set forth in Revenue Procedure 97-13, 1997-1 C.B. 680, or any successor regulations or pronouncements of the United States Treasury Department.

(d) The County will not sell, lease or otherwise dispose of any property refinanced with the proceeds of the Bond to any person unless it obtains the opinion of nationally recognized bond counsel that such lease, sale or other disposition will not adversely affect the tax exemption of the Bond.

Section 8.02. Ability to Meet Arbitrage Requirements.

Careful consideration has been given to the time in which the expenditures of the proceeds of the Bond authorized hereby will be made, and it has been ascertained that all of the money received from the proceeds of the Bond will be expended within the limitations imposed by Section 148(c) of the Code, so that the Council will be able to certify upon reasonable grounds that the Bond is not an “arbitrage bond” within the meaning of Section 148(c) of the Code.

Section 8.03. Qualified Tax-Exempt.

It is expected that no tax-exempt borrowings in addition to the one authorized hereby will be made by the County in calendar year 2010 which will aggregate more than \$30,000,000. The Bond authorized hereunder is hereby accordingly designated as a “qualified tax-exempt obligation” in accordance with Section 265(b)(3)(B) of the Code.

Section 8.04. Continuing Disclosure.

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

(a) an annual independent audit, within thirty days of the County’s receipt of the audit; and

(b) event specific information within thirty days of an event adversely affecting more than five percent of revenue or the County’s tax base.

The only remedy for failure by the County to comply with the covenant in this Section 8.04 shall be an action for specific performance of this covenant. The County specifically reserves the right to amend this covenant to reflect any change in Section 11-1-85, without the consent of any Bondholder.

* * *

ARTICLE IX - MISCELLANEOUS

Section 9.01. Savings Clause.

If any one or more of the covenants or agreements provided in this Ordinance should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this Ordinance.

Section 9.02. Successors.

Whenever in this Ordinance the County is named or referred to, it shall be deemed to include any entity, which may succeed to the principal functions and powers of the County, and all the covenants and agreements contained in this Ordinance or by or on behalf of the County shall bind and inure to the benefit of said successor whether so expressed or not.

Section 9.03. Ordinance to Constitute Contract.

In consideration of the purchase and acceptance of the Bond by those who shall purchase and hold the same from time to time, the provisions of this Ordinance shall be deemed to be and shall constitute a contract between the County and the Holders from time to time of the Bond, and such provisions are covenants and agreements with such Holders which the County hereby determined to be necessary and desirable for the security and payment thereof. The pledge hereof and the provisions, covenants, and agreements herein set forth to be performed on behalf of the County shall be for the benefit, protection, and security of the Holders of the Bond.

Section 9.04. Filing of Copies of Ordinance.

Copies of this Ordinance shall be filed in the offices of the Council and in the office of the Clerk of Court of Common Pleas and General Sessions for Clarendon County, South Carolina (as a part of the Transcript of Proceedings for the Bond).

Section 9.05. Further Action by Officers of County.

The Authorized Officers of the County are fully authorized and empowered to take the actions required to implement the provisions of this Ordinance and to furnish such certificates and other proofs as may be required of them. In the absence of any officer of the Council herein authorized to take any act or make any decision, the County Administrator is hereby authorized to take any such act or make any such decision. Additionally, all actions of the County Administrator in respect of the issuance of the Bond made prior to the enactment of this Ordinance are hereby authorized and approved by the Council.

Section 9.06. Effective Date of Ordinance.

This Ordinance shall take effect upon its third reading and shall be forthwith codified in the Code of County Ordinances.

Done, Ratified And Adopted This 29th day of March, 2010.

CLARENDON COUNTY, SOUTH CAROLINA

(SEAL)

Dwight L. Stewart, Jr., Chairman
Clarendon County Council

Attest:

Mia R. Jackson
Clerk to Clarendon County Council

First Reading: February 22, 2010
Second Reading: March 8, 2010
Public Hearing: March 22, 2010
Third Reading: March 29, 2010

(FORM OF BOND)

UNITED STATES OF AMERICA
 STATE OF SOUTH CAROLINA
 CLARENDON COUNTY
 GENERAL OBLIGATION REFUNDING BOND, SERIES 2010

No. 1

Registered Holder: Branch Banking and Trust Company

Principal Amount: _____ DOLLARS (\$ _____)

CLARENDON COUNTY, SOUTH CAROLINA (the “**County**”), a public body corporate and politic and a political subdivision of the State of South Carolina (the “**State**”), created and existing by virtue of the laws of the State, acknowledges itself indebted and for value received hereby promises to pay, solely as hereinafter provided, to the Registered Holder named above or registered assigns, the Principal Amount stated above.

This Series 2010 Bond (this “**Bond**”) is issued in the principal amount of _____ Dollars (\$ _____) for purposes authorized by and pursuant to and in accordance with the Constitution and Statutes of the State, including particularly the provisions of Title 11, Chapter 15, Article 5 of the Code of Laws of South Carolina, 1976, as amended, and an ordinance duly enacted by the County Council of the County (the “**County Council**”) on March 29, 2010 (the “**Ordinance**”).

This Bond is not subject to redemption prior to maturity.

This Bond shall bear interest at the rate of two and eighty-two hundredths percentum (2.82%) per annum (calculated on the basis of a 360-day year consisting of twelve 30-day months). Interest on this Bond shall be payable each March 1 and September 1, during the period that this Bond is Outstanding (the “**Bond Payment Dates**”). Principal on this Bond shall be payable in accordance with the following table:

<u>Date</u>	<u>Principal Installments</u>
March 1, 2011	\$351,650
March 1, 2012	\$367,000
March 1, 2013	\$380,000
March 1, 2014	\$390,000
March 1, 2015	\$404,000
March 1, 2016	\$420,000

Bond Payments shall be payable to the person in whose name this Bond is registered at the close of business on the fifteenth day of the month next preceding each Bond Payment Date.

The Bond Payments shall be payable by check or draft mailed at the times provided herein from the Treasurer of Clarendon County, South Carolina, as registrar and paying agent (the “**Registrar/Paying Agent**”) to the person in whose name this Bond is registered at the address shown on the registration books. The Bond Payments are payable 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.

Certain capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Ordinance. Certified copies of the Ordinance are on file in the office of the Clerk of Court of Common Pleas and General Sessions of Clarendon County, South Carolina and in the offices of the County Council.

This Bond shall not be valid or obligatory for any purpose, until the Certificate of Authentication hereon shall have been duly executed by the Registrar/Paying Agent.

For the payment of the principal and interest on this Bond and for the creation of such sinking fund as may be necessary therefor, the full faith, credit, resources and taxing power of the County are hereby irrevocably pledged, and there shall be levied annually by the Auditor of Clarendon County, South Carolina and collected by the Treasurer of Clarendon County, South Carolina in the same manner as other county taxes are levied and collected, a tax, without limit, on all taxable property in the County sufficient to pay the principal and interest of this Bond and to create such sinking fund as may be necessary therefor.

This Bond and the interest hereon are exempt from all State, county, municipal, school district, and all other taxes or assessments of the State, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate, transfer, or certain franchise taxes.

This Bond is issued in the form of one (1) fully registered Bond and is transferable, as provided in the Ordinance, only upon the registration books of the Registrar/Paying Agent kept for that purpose at the offices of the Registrar/Paying Agent by the registered Holder in person or by his duly authorized attorney upon, (i) surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar/Paying Agent duly executed by the registered holder or his duly authorized attorney, and (ii) payment of the charges, if any, prescribed in the Ordinance. Thereupon a new fully registered Bond of interest rate and like principal amount shall be issued to the transferee in exchange therefor as provided in the Ordinance. The Registrar/Paying Agent may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of the Bond Payment due hereon and for all other purposes.

For every exchange or transfer of the Bond, the Registrar/Paying Agent may make a charge sufficient to reimburse it for any tax, fee, or other governmental charge required to be paid with respect to such exchange or transfer.

It is hereby certified and recited that all acts, conditions, and things required to exist, happen, and to be performed precedent to and in the adoption of the Ordinance and in the issuance of the Bond in order to make the legal, valid, and binding general obligation of the

County in accordance with its terms, do exist, have been done, have happened and have been performed in regular and due form as required by law; and that the issuance of the Bond does not exceed or violate any constitutional, statutory, or other limitation upon the amount of indebtedness prescribed by law.

IN WITNESS WHEREOF, CLARENDON COUNTY, SOUTH CAROLINA, has caused this Bond to be signed by the manual signature of the Chairman of the County Council, attested by the manual signature of the Clerk to Council of the County Council, and the seal of the County impressed hereon.

CLARENDON COUNTY, SOUTH CAROLINA

(SEAL)



Dwight L. Stewart, Jr.

Dwight L. Stewart, Jr., Chairman
Clarendon County Council

Attest:

Betty S. Pritchard

Betty S. Pritchard
Clerk to Clarendon County Council

CERTIFICATE OF AUTHENTICATION

This Bond is the Bond of the issue described in the within mentioned Ordinance.

OFFICE OF THE CLARENDON COUNTY
TREASURER, as Registrar/Paying Agent

By: _____

Date of Authentication: _____, 2010.

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

TEN COM - as tenants in common

UNIF GIFT MIN ACT -

TEN ENT - as tenants by the entireties

_____ Custodian _____
(Cust) (Minor)

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

under Uniform Gifts to Minors Act _____
(state)

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

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

the within bond and does hereby irrevocably constitute and appoint

attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed

(Authorized Officer)

(Signature must be guaranteed by a participant in the Securities Transfer Agent Medallion Program (STAMP))

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

STATE OF SOUTH CAROLINA)
)
COUNTY OF CLARENDON)

I, the undersigned, Clerk to Council of Clarendon County, South Carolina (the “County”), DO HEREBY CERTIFY:

That the foregoing constitutes a true, correct and verbatim copy of an ordinance (the “Ordinance”) which was given three readings on three separate days, with an interval of not less than seven days between the second and third readings. The original of the Ordinance is duly entered in the permanent records of minutes of meetings of the County Council of Clarendon County, South Carolina, the governing body of the County (the “County Council”), in my custody as such Clerk to County Council.

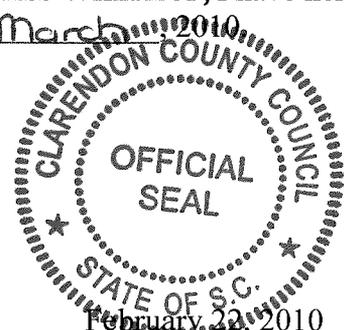
That each of said meetings was duly called, and all members of the County Council were notified of the same; that all a quorum of the membership attended and remained throughout the proceedings incident to the adoption of the Ordinance.

As required by Chapter 4, Title 30 of the Code of Laws of South Carolina 1976, as amended, a notice of each meeting (including the date, time, and place thereof, as well as an agenda) was posted prominently in the offices of the County at least twenty-four hours prior to said meetings. In addition, the local news media and all persons requesting notification of meetings of the County Council were notified of the time, date, and place of such meetings, and were provided with a copy of the agendas therefor at least twenty-four hours in advance of such meetings.

The original of the Ordinance is duly entered in the permanent records of the County, in my custody as Clerk to County Council. The Ordinance is now of full force and effect, and has not been modified, amended or repealed.

IN WITNESS WHEREOF, I have hereunto set my hand and the official seal of the County, this 29 day of March, 2010.

(SEAL)



Betty S. Pritchard
Betty S. Pritchard
Clerk to Clarendon County Council

First Reading: February 22, 2010
Second Reading: March 8, 2010
Public Hearing: March 22, 2010
Third Reading: March 29, 2010