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**SUMTER COUNTY, SOUTH CAROLINA**

**AN ORDINANCE**

**TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING SIX MILLION DOLLARS (\$6,000,000) GENERAL OBLIGATION BONDS OF SUMTER 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.**

\_\_\_\_\_, 2004

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- EXHIBIT “A”** Form of Notice of Public Hearing
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**BE IT ORDAINED BY THE SUMTER COUNTY COUNCIL, IN SUMTER COUNTY,  
SOUTH CAROLINA, AS FOLLOWS:**

**ARTICLE I**

**FINDINGS OF FACT**

As an incident to the adoption of this Ordinance, and the issuance of the bonds provided for herein, Sumter County Council (the "Council"), the governing body of Sumter County, South Carolina (the "County"), finds that the facts set forth in this Article exist and the statements made with respect thereto are true and correct:

**Section 1.01. Recital of Statutory Authorization.** By virtue of Title 4, Chapter 15, Code of Laws of South Carolina, 1976, as amended, and supplemented by Title 11, Chapter 27, Code of Laws of South Carolina, 1976, as amended (collectively, the "Enabling Act"), the County is empowered to issue general obligation bonds for any "authorized purpose" as therein defined.

**Section 1.02. Recital of Applicable Constitution Provisions.** Article X, Section 14 of the Constitution of the State of South Carolina, 1895, as amended, provides that after November 30, 1977, the governing body of any county may incur general obligation debt in an amount not exceeding eight percent of the assessed value of all taxable property of such county (the "Bonded Debt Limit") and upon such terms and conditions as the General Assembly of South Carolina may prescribe.

Sections 4-15-10, et seq., of the Code of Laws of South Carolina, 1976, as amended, as further amended and supplemented by Act No. 113 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, 1999, as amended (collectively, the "County Bond Act"), provides that the governing bodies of the several counties of the State are vested with the authority to issue general obligation bonds of the respective for any corporate purpose.

A referendum was held in the County on August 24, 2004 (the "Referendum"), for the purpose of submitting to the qualified voters of the County the proposed issuance of general obligation bonds in the amount of not exceeding \$6,000,000 in order to defray the costs of constructing and equipping new library facilities in the County, along with architectural, engineering, legal and related fees (collectively, the "Project").

The Referendum was duly and properly held in accordance with the laws of the State of South Carolina, including specifically Title 7 of the Code of Laws of South Carolina, 1976, as amended (the "S.C. Code") and the County Bond Act. A majority of the qualified electors voting in the Referendum voted in favor of the aforesaid question, there being 3,109 votes cast in favor of the question and 1,986 votes being cast opposed to the question. The Council, by resolution adopted September 14, 2004, has declared the results of the Referendum, and has directed a certified copy of such resolution to be filed with the Clerk of Court of Sumter County.

The Council now desires to issue \$6,000,000 of general obligation bonds authorized by the Referendum to defray the cost of the Project, and has determined to adopt this ordinance to provide therefor.

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## ARTICLE II

### DEFINITIONS AND CONSTRUCTION

**Section 2.01. Definitions.** As used in this Ordinance unless the context otherwise requires, the following terms shall have the following respective meanings:

**“Authorized Investments”** mean and include any securities in which counties may invest funds pursuant to the Code of Laws of South Carolina.

**“Authorized Officer”** means the Chairman, or the Vice Chairman of the Council 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.

**“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 Date”** means each June 1 and December 1 on which interest on any of the Bonds shall be payable or on which both the Principal Installment and interest shall be payable on any of the Bonds.

**“Corporate Trust Office”**, when used with respect to any Paying Agent or Registrar, means the office at which its principal corporate trust business shall be administered.

**“Council”** means the Sumter County Council, South Carolina, the governing body of Sumter County or any successor governing body of said County.

**“County”** means Sumter County, South Carolina.

**“County Request”** means a written request of the County signed by an Authorized Officer.

**“Enabling Act”** means Chapter 15, Title 4, Code of Laws of South Carolina, 1976, as amended and supplemented by Title 11, Chapter 27, Code of Laws of South Carolina, 1976, as amended.

**“Fiduciary”** means any financial institution appointed to serve as the Paying Agent, the Registrar and their successors and assigns.

**“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.

**“Ordinance”** means this Ordinance as the same may be amended or supplemented from time to time in accordance with the terms hereof.

**“Outstanding”**, when used in this Ordinance with respect to Bonds, means as of any date, all Bonds theretofore authenticated and delivered pursuant to this Ordinance except:

- (i) any Bond canceled or delivered to the Registrar for cancellation on or before such date;
- (ii) any Bond (or any portion thereof) deemed to have been paid in accordance with the provisions of Section 7.01 hereof; and
- (iii) any Bond in lieu of or in exchange for which another Bond shall have been authenticated and delivered pursuant to Section 3.11 of this Ordinance.

**“Paying Agent”** means any bank, trust company or national banking association which is authorized to pay the principal or interest on any Bonds and having the duties, responsibilities and rights provided for in this Ordinance, and its successor or successors and any other corporation or association which at any time may be substituted in its place pursuant to this Ordinance. The institution named as Paying Agent may also act as Registrar.

**“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.

**“Principal Installment”** means, as of any date of calculation, the principal amount of all Bonds due on a specified date.

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

**“Registrar”** means any bank, trust company, or national banking association which is authorized to maintain an accurate list of those who from time to time shall be the Holders of the Bonds and shall effect the exchange and transfer of Bonds in accordance with the provisions of this Ordinance and having the duties, responsibilities, and rights provided for in this Ordinance and its successor or successors and any other corporation or association which at any time may be substituted in its place pursuant to this Ordinance. The institution named as Registrar may also act as Paying Agent.

**“Securities Depository”** shall mean The Depository Trust Company, New York, New York, or other recognized securities depository selected by the County, which securities depository maintains a book-entry system in respect of the Bonds, 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 the 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.

**Section 2.02. Construction.** In this Ordinance, unless the context otherwise requires:

(a) Articles and Sections referred to by number shall mean the corresponding Articles and Sections of this Ordinance.

(b) 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.

(c) 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.

(d) 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.

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**ARTICLE III**

**ISSUANCE OF BONDS**

**Section 3.01. Ordering the Issuance of Bonds.** Pursuant to the provisions of the Enabling Act, and for the purpose of obtaining funds to defray the costs of the projects described in Section 1.03 hereof, there shall be issued not exceeding Six Million Dollars (\$6,000,000) of general obligation bonds of the County, the final amount to be determined by the Chairman of the Council with the advice of bond counsel. The Bonds may be sold and issued as a single issue or from time to time as separate issues or series. The Bonds shall be given such series designation as shall be determined by the Chairman of Council in connection with the publication of the notice of sale of any Bonds as herein provided.

**Section 3.02. Date; Maturity of Bonds.** The Bonds shall be dated as of the first day of the month in which such Bonds are delivered or such other date as shall be determined by the Chairman of Council with the advice of bond counsel. The Bonds shall mature on the dates and in the principal amounts hereafter set forth in this Section 3.02, with such changes as shall be determined by the Chairman as shall be necessary to meet the final amount of the Bonds determined to be sold pursuant to Section 3.01. The Chairman is further authorized to modify the schedule below for any other purpose not inconsistent with this Ordinance, provided, however, that the final maturity of the Bonds shall not occur more than 15 years from the dated date thereof. Interest on the Bonds shall be payable on June 1, 2005 or December 1, 2005, as determined by the County Administrator, and semiannually thereafter on June 1 and December 1 of each year until payment of the principal thereof.

The Bonds shall mature, subject to the preceding paragraph, in annual series on June 1 in the years and in the principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2005	\$250,000	2010	\$400,000
2006	250,000	2011	850,000
2007	350,000	2012	850,000
2008	375,000	2013	1,150,000
2009	375,000	2014	1,150,000

**Section 3.03. Interest Rates; Payment of Interest.** The Bonds shall bear such rate or rates of interest as shall at the sale of such Bonds reflect the lowest net interest cost to the County calculated in the manner, and subject to the conditions, prescribed in the Notice of Sale attached hereto as Exhibit "C". The Bonds shall be authenticated on such dates as they shall, in each case, be delivered. The Bonds shall bear interest from the June 1 or the December 1 to which interest has been paid next preceding the authentication date thereof, unless the authentication date thereof is a June 1 or a December 1, in which case, from such authentication date, or from the June 1 or the December 1 to which interest has last been paid, or if dated prior to the first Bond Payment Date, as selected by the County Administrator, then from the original issue date of such Bonds. The interest to be paid on any June 1 or December 1 shall be paid to the Person in whose name such Bond is registered at the close of business on the Record Date next preceding such June 1 or December 1. The original issue date of the Bonds shall be the first or 15<sup>th</sup> day of the month in which the Bonds are delivered, as determined by the County Administrator.

**Section 3.04. Book-Entry System** (a) The Bonds will initially be issued under the DTC Book-Entry-Only System in fully registered form, registered in the name of Cede & Co. as the

registered owner and securities depository nominee of The Depository Trust Company, New York, New York (“DTC”), which will act as initial securities depository for the Bonds. Notwithstanding anything to the contrary herein, so long as the Bonds are being held under a book-entry system of a securities depository, transfers of beneficial ownership of the Bonds will be effected pursuant to rules and procedures established by such securities depository. DTC and any successor securities depositories are hereinafter referred to as the “Securities Depository.” Cede & Co. and successor securities depository nominees are hereinafter referred to as the “Securities Depository Nominee.”

(b) Notwithstanding any other provision of this Ordinance, as long as a book-entry system is in effect for the Bonds, the Securities Depository Nominee will be recognized as the holder of the Bonds for the purposes of (i) paying the principal and interest on such Bonds, (ii) giving any notice permitted or required to be given to Bondholders under this ordinance, (iii) registering the transfer of Bonds, and (iv) requesting any consent or other action to be taken by the holders of such Bonds, and for all other purposes whatsoever, and the County shall not be affected by any notice to the contrary.

(c) The County shall not have any responsibility or obligation to any participant, any beneficial owner or any other person claiming a beneficial ownership in any Bonds which are registered to a Securities Depository Nominee under or through the Securities Depository with respect to any action taken by the Securities Depository as holder of such Bonds.

(d) The County shall pay all principal and interest on Bonds issued under a book-entry system only to the Securities Depository or the Securities Depository Nominee, as the case may be, for such Bonds, and all such payments shall be valid and effectual to fully satisfy and discharge the obligations with respect to the principal and interest and interest on such Bonds.

(e) In the event that the County determines that it is in the best interest of the County to discontinue the book-entry system of transfer for the Bonds, or that the interests of the beneficial owners of the Bonds may be adversely affected if the book-entry system is continued, then the County shall notify the Securities Depository of such determination. In such event, the Registrar and Paying Agent shall authenticate, register and deliver physical certificates for the Bonds in exchange for the Bonds registered in the name of the Securities Depository Nominee.

(f) In the event that the Securities Depository for the Bonds discontinues providing its services, the County shall either engage the services of another Securities Depository or arrange with a Registrar and Paying Agent for the delivery of physical certificates in the manner described in (e) above.

(g) In connection with any notice or other communication to be provided to the holders of Bonds by the County or by the Registrar and Paying Agent with respect to any consent or other action to be taken by the holders of Bonds, the County or the Registrar and Paying Agent, as the case may be, shall establish a record date for such consent or other action and give the Securities Depository Nominee notice of such record date not less than 15 days in advance of such record date to the extent possible.

(h) At the closing of the Bonds and the delivery of the same to the purchaser thereof through the facilities of DTC, the Paying Agent and Registrar may maintain custody of Bond certificates on behalf of DTC in accordance with DTC’s “FAST Closing” procedures.

(i) For as long as the Bonds are being held under a book-entry system of a securities depository, the County shall remit to the Paying Agent and Registrar by 1:00 p.m. New York time on each Bond Payment Date funds for all principal and interest payments due thereupon, or at such earlier time as required by the Paying Agent and Registrar to guarantee that DTC or successor Securities Depository will receive payment in same-day funds by 2:30 p.m. New York time on such Bond Payment

Date. In addition, automated payment details receipt shall be provided by the Paying Agent by 12:00 noon New York time of each Bond Payment Date for interest payments and by 2:30 p.m. New York time for redemption and corporate action payments.

**Section 3.05. Medium of Payment; Form and Denomination of Bonds ; Place of Payment of Principal.** (a) The Bonds shall be payable as to Principal Installment and interest at the rates per annum determined in the manner prescribed by Section 3.15 hereof (on the basis of a 360-day year of twelve 30-day months) 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 Bonds shall be issued in the form of fully registered Bonds. The Bonds shall be issued in the denomination of \$5,000 or any whole multiple thereof, not exceeding the principal amount of the Bonds maturing in such year. The Bonds shall be numbered from 1 upwards in such fashion as to maintain a proper record thereof.

(c) The Principal Installment of all Bonds shall be payable at the Corporate Trust Office of the Paying Agent and payment of the interest on each Bond shall be made by the Paying Agent to the Person appearing on each Record Date on the registration books of the County, which books shall be held by the Registrar as provided in Section 3.08 hereof, as the registered owner thereof, by check or draft mailed 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 Date. Payment of the Principal Installment of all Bonds shall be made upon the presentation and surrender for cancellation of such Bonds as the same shall become due and payable.

**Section 3.06. Agreement to Maintain Registrar and Paying Agent.** As long as any of the Bonds remain Outstanding there shall be a Registrar and a Paying Agent each of which maintain Corporate Trust Offices where (i) the Bonds may be presented for registration of transfers and exchanges, (ii) notices and demands to or upon the County in respect of the Bonds may be served, and (iii) the Bonds may be presented for payment, exchange and transfer. The institution so chosen shall exercise both the functions of the Paying Agent and the Registrar for the Bonds.

**Section 3.07. Execution and Authentication.** (a) The Bonds shall be executed in the name and on behalf of the County by the signature of an Authorized Officer, with its corporate seal impressed, imprinted or otherwise reproduced thereon, and attested by the signature of the Clerk of the Council or other Authorized Officer (other than the officer executing such Bonds). The signatures of the Authorized Officers and/or the Clerk of Council may be manual or facsimile signatures. Bonds bearing the signature of any Person who shall have been such an Authorized Officer at the time such Bonds were so executed shall bind the County notwithstanding the fact that he or she may have ceased to be such Authorized Officer prior to the authentication and delivery of such Bonds or was not such Authorized Officer at the date of the authentication and delivery of the Bonds.

(b) No Bond shall be valid or obligatory for any purpose or shall be entitled to any right or benefit hereunder unless there shall be endorsed on such Bond a certificate of authentication in the form set forth in this Ordinance, duly executed by the manual signature of the Registrar 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 3.08. Exchange of Bonds.** Bonds, upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered Holder or his duly authorized attorney, may, at the option of the registered Holder thereof, be exchanged for an equal

aggregate principal amount of Bonds in authorized denominations of the same series, interest rate and maturity. So long as any of the Bonds remain Outstanding, the County shall make all necessary provisions to permit the exchange of Bonds at the Corporate Trust Office of the Registrar.

**Section 3.09. Transferability and Registry.** All Bonds shall at all times, when the same are Outstanding, be payable, both as to Principal Installment and interest to a Person, and shall be transferable, only in accordance with the provisions for registration and transfer contained in the Ordinance and in the Bonds. So long as any of the Bonds remain Outstanding, the County shall maintain and keep, at the office of the Registrar, books for the registration and transfer of Bonds, and, upon presentation thereof for such purpose at the Corporate Trust Office of the Registrar, the County shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it or the Registrar may prescribe, any Bond, except that under no circumstances shall any Bond be registered or transferred to bearer. So long as any of the Bonds remain Outstanding, the County shall make all necessary provisions to permit the transfer of Bonds at the Corporate Trust Office of the Registrar.

**Section 3.10. Transfer of Bonds.** Each Bond shall be transferable only upon the books of the County, which shall be kept for such purpose at the Corporate Trust Office of the Registrar which shall be maintained for such purpose by the Registrar, upon presentation and surrender thereof by the Holder of such Bond in person or by his attorney duly authorized in writing, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered Holder or his duly authorized attorney. Upon surrender for transfer of any such Bond, the County shall execute and the Registrar shall authenticate and deliver, in the name of the Person who is the transferee, one or more new Bonds of the same series, aggregate principal amount and maturity and rate of interest as the surrendered Bond. All action taken by the Registrar pursuant to this Section shall be deemed to be the action of the County.

**Section 3.11. Regulations with Respect to Exchanges and Transfers.** All Bonds surrendered in any exchanges or transfers shall forthwith be cancelled by the Registrar. For each such exchange or transfer of Bonds, the County or the Registrar may make a charge sufficient to reimburse it or them 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 any Bond during the 15 days next preceding any Bond Payment Date.

**Section 3.12. Mutilated, Destroyed, Lost and Stolen Bonds.** (a) If any mutilated Bond is surrendered to the Registrar and the Registrar or the County receive evidence to their satisfaction of the destruction, loss or theft of any Bond, and there is delivered to the Registrar, or the County such security or indemnity as may be required by them to save each of them harmless, then, in the absence of notice that such Bond has been acquired by a *bona fide* purchaser, the County shall execute, and upon County request, the Registrar shall authenticate and deliver, in exchange for any such mutilated Bond or in lieu of any such destroyed, lost or stolen Bond, a new Bond of like tenor and principal amount, bearing a number unlike that of a Bond contemporaneously Outstanding. The Registrar shall thereupon cancel any such mutilated Bond so surrendered. In case any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the County in its discretion may, instead of issuing a new Bond, pay such Bond.

(b) Upon the issuance of any new Bond under this Section 3.12, the County 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 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 any and all other Bonds duly issued pursuant to this Ordinance. All Bonds shall be held and owed upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds and shall preclude (to the extent lawful) all other rights or remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds or securities.

**Section 3.13. Holder As Owner of Bond.** The County, the Registrar and any Paying Agent may treat the Holder of any Bond as the absolute owner thereof, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the Principal Installment of and interest on such Bond and for all other purposes, and payment of the Principal Installment and interest 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 such Bond to the extent of the sum or sums so paid, and neither the County nor any Paying Agent shall be affected by any notice to the contrary.

**Section 3.14. Cancellation of Bonds.** The Registrar shall destroy all Bonds surrendered to it for cancellation and shall deliver a certificate to that effect to the County. No such Bonds shall be deemed Outstanding under this Ordinance and no Bonds shall be issued in lieu thereof.

**Section 3.15. Payments Due on 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 interest on or Principal Installment of the Bonds 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 3.16. Tax Exemption in South Carolina.** Both the Principal Installment and interest on said Bonds shall be exempt from all State, County, Municipal, School, County, and all other taxes or assessments of the State of South Carolina, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate and transfer taxes, but the interest on the Bonds may be includable for certain franchise fees or taxes.

**Section 3.17. Bank Interest Deduction Eligible.** The County does not presently anticipate issuing tax-exempt obligations in calendar year 2004 which, when added to the Bonds, will aggregate more than \$10,000,000. In accordance with the provisions of Section 256(b)(3) of the United States Internal Revenue Code of 1986, as amended (the "Code"), the Chairman of the Council is hereby authorized to designate the Bonds as "qualified tax exempt obligations." If, prior to the sale of the Bonds, the Chairman of the Council, upon advice of bond counsel, determines that the County will or expects that it will issue more than \$10,000,000 of tax-exempt bonds in calendar year 2004, then the Chairman shall not make such designation.

**Section 3.18. Order of Tax Levy to Pay Principal and Interest of Bonds.** For the payment of the Principal Installment and interest on the Bonds as the same respectively mature 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 annually by the Auditor of Sumter County, and collected by the Treasurer of Sumter County, in the same manner as county taxes are levied and collected, a tax on all taxable property in said County, sufficient to pay the Principal Installment and interest on such Bonds as they respectively mature, and to create such sinking fund as may be necessary therefor.

**Section 3.19. Notice to Auditor and Treasurer to Levy Tax.** The Auditor and Treasurer of Sumter County, South Carolina, shall be notified of the issuance of any Bonds pursuant to this Ordinance and directed to levy and collect, respectively, upon all taxable property in said County an annual tax sufficient to meet the payment of the Principal Installments and interest on said Bonds, as the same respectively mature, and to create such sinking fund as may be necessary therefor.

**Section 3.20. Form of Bonds.** The form of the Bonds, and registration provisions to be endorsed thereon shall be substantially as set forth in Exhibit "C" attached hereto and made a part of this Ordinance.

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**ARTICLE IV**

**PURCHASE OF BONDS**

**Section 4.01. Purchases of Bonds Outstanding.** Purchases of Bonds Outstanding may be made by the County at any time with money available to it from any source. Upon any such purchase the County shall deliver such Bonds to the Registrar for cancellation.

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**ARTICLE V**

**SALE OF BONDS; APPROVAL  
OF OFFICIAL STATEMENT**

**Section 5.01. Determination of Time to Receive Bids -- Form of Notice of Sale.** The Bonds shall be sold at public sale at a price of not less than par and accrued interest to the date of delivery. Bids for the Bonds shall be received until 12:00 Noon (local time) on a date or dates to be selected by the Chairman of the Council. The Bonds shall be advertised for sale in *The Bond Buyer*, a financial journal published in the City of New York and which shall appear at least once, not less than seven (7) days before the date set for said sale. The form of the Official Notice of Sale shall be substantially as set forth in Exhibit "C" attached hereto and the conditions of sale of the Bonds shall be as set forth in the Official Notice of Sale; provided, however, that a summary notice of sale may be published in *The Bond Buyer*.

**Section 5.02. Award of Bonds.** Unless all bids are rejected, the award of the Bonds shall be made by the Chairman of the Council following the receipt of bids as provided in this Ordinance. The Chairman of the Council is further authorized to name the Registrar and Paying Agent of the Bonds. The Chairman may determine to allow the successful bidder for the Bonds to name the Registrar and Paying Agent, subject to his approval of the institution so nominated.

**Section 5.03. Approval of Official Statement.** The County Administrator is hereby authorized to deem a preliminary Official Statement to be "final" within the meaning of Rule 15(c)(2)-(12) of the United States Securities and Exchange Commission as of its date, and hereby authorizes the distribution of such preliminary Official Statement, when so deemed final, to prospective bidders; such distribution may be made via electronic information dissemination service. Council further authorizes and approves the distribution and delivery of a final Official Statement by the successful bidder in connection with the reoffering and sale of the Bonds by the successful bidder.

\* \* \* \*

**ARTICLE VI**

**DISPOSITION OF PROCEEDS OF SALE OF BONDS**

**Section 6.01. Disposition of Bond Proceeds Including Temporary Investments.** The proceeds derived from the sale of the Bonds issued pursuant to this Ordinance shall be paid to the Treasurer of Sumter County, to be deposited in a special fund to the credit of the County, and shall be expended and made use of by the Council as follows:

(a) any accrued interest shall be applied to the payment of the first installment of interest to become due on such Bonds;

(b) any premium shall be applied to the payment of the first installment of principal of such Bonds;

(c) the remaining proceeds shall be expended and made use of by the Council to defray the cost of issuing the Bonds and to defray the costs of accomplishing the governmental purposes described in Section 1.03 hereof. Pending the use of Bond proceeds, the same shall be invested and reinvested by the Treasurer of Sumter County in Authorized Investments. All earnings from such investments shall be applied, at the direction of the Council, either (1) to defray the cost of the undertakings for which the Bonds are issued and if not required for this purpose, then (2) to pay the first maturing installments of interest on the Bonds; and

(d) if any balance remains, it shall be expended on capital projects of the County as shall be authorized by ordinance supplemental hereto or held by the Treasurer of Sumter County in a special fund and used to effect the retirement of the Bonds authorized by this Ordinance.

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

\* \* \* \*

## ARTICLE VII

### DEFEASANCE OF BONDS

**Section 7.01. Discharge of Ordinance -- Where and How Bonds Are Deemed to Have Been Paid and Defeased.**

(a) If all of the Bonds issued pursuant to this Ordinance and all 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 Bonds shall be deemed to have been paid and discharged within the meaning of this Article under any of the following circumstances, viz:

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

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

(iii) If the County shall have deposited with the Paying Agent, in an irrevocable trust, either moneys in an amount which shall be sufficient, or direct general obligations of the United States of America, which are not subject to redemption by the issuer prior to the date of maturity thereof, as the case may be, the principal of and interest on which, when due, and without reinvestment thereof, will provide moneys, which, together with the moneys, if any, deposited with the Paying Agent at the same time, shall be sufficient to pay, when due, the Principal Installments and interest due and to become due on the Bonds and prior to the maturity date or dates of the Bonds; or

(iv) If there shall have been deposited with the Paying Agent either moneys in an amount which shall be sufficient, or Government Obligations, the principal of and interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same time, shall be sufficient to pay, when due, the principal and interest due and to become due on the Bonds on the maturity thereof.

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

(c) Notwithstanding the satisfaction and discharge of this Ordinance, the Paying Agent shall continue to be obligated to hold in trust any moneys or investments then held by the Paying Agent for the payment of the principal of, premium, if any, and interest on, the Bonds, to pay to the owners of Bonds the funds so held by the Paying Agent as and when payment becomes due.

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

(e) Any moneys which at any time shall be deposited with the Paying Agent by or on behalf of the County for the purpose of paying and discharging any Bonds shall be and are hereby assigned, transferred, and set over to the Paying Agent in trust for the respective holders of the Bonds, and the 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 that event, it shall be the duty of the Paying Agent to transfer the funds to the County.

(f) Upon the making of a deposit described by this Section 7.01(a)(iii) or (iv), the County shall give the Registrar irrevocable instructions to mail, as soon as practicable by registered or certified mail, a notice to the owners of the Bonds at the addresses shown on the registry books that (i) the deposit described by subparagraph (a)(iii) or (a)(iv) of this Section 7.01 has been made with the Paying Agent, and (ii) the Bonds are deemed to have been paid in accordance with this Section and stating the maturity dates upon which moneys are to be available for the payment of the principal of and interest on, the Bonds.

\* \* \* \*

## ARTICLE VIII

### CONCERNING THE FIDUCIARIES

**Section 8.01. Fiduciary; Appointment and Acceptance of Duties.** A financial institution chosen pursuant to Section 5.02 hereof to act as Paying Agent and Registrar hereunder shall accept the duties and trusts imposed upon it by this Ordinance and shall agree in writing to perform such trusts but only upon the terms and conditions set forth in this Article VIII. Similarly, each financial institution appointed as a successor Registrar or as a successor Paying Agent shall signify its acceptance of the duties and trusts imposed by this Ordinance by a written acceptance.

**Section 8.02. Responsibilities of Fiduciaries.** The recitals of fact herein and in the Bonds contained shall be taken as the statements of the County and no Fiduciary assumes any responsibility for the correctness of the same except in respect of the authentication certificate of the Registrar endorsed on the Bonds. No Fiduciary makes any representations as to the validity or sufficiency of this Ordinance or of any Bonds or as to the security afforded by this Ordinance, and no Fiduciary shall incur any liability in respect thereof. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect hereof or to advance any of its own moneys, unless indemnified to its reasonable satisfaction. No Fiduciary shall be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct.

**Section 8.03. Evidence on Which Fiduciaries May Act.** (a) Each Fiduciary, upon receipt of any notice, resolution, request, consent order, certificate, report, opinion, bond, or other paper or document furnished to it pursuant to any provision of this Ordinance, shall examine such instrument to determine whether it conforms to the requirements of this Ordinance and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with counsel, who may or may not be of counsel to the County, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Ordinance in good faith and in accordance therewith.

(b) Whenever any Fiduciary shall deem it necessary or desirable that a matter to be proved or established prior to taking or suffering any action under this Ordinance, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an Authorized Officer, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Ordinance upon the faith thereof; but in its discretion the Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to it may deem reasonable.

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

**Section 8.04. Compensation.** The County shall pay to each Fiduciary from time to time reasonable compensation based on the then standard fee schedule of the Fiduciary for all services rendered under this Ordinance, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents, and employees, incurred in and about the performance of their powers and duties under this Ordinance; provided, however, that any specific agreement between the County and a Fiduciary with respect to the compensation of such Fiduciary shall control the compensation to be paid to such Fiduciary. Subject to the provisions of Section 8.02 hereof, the County further agrees to indemnify and save each Fiduciary harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder and which are not due to its negligence or willful misconduct.

**Section 8.05. Certain Permitted Acts.** Any Fiduciary may become the owner or underwriter of any Bonds, notes or other obligations of the County or conduct any banking activities with respect to the County, with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as depository for, and permit any of its officers or directors to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Ordinance.

**Section 8.06. Resignation of Any Fiduciary.** Any Fiduciary may at any time resign and be discharged of the duties and obligations created by this Ordinance by giving not less than sixty (60) days' written notice to the County and not less than thirty (30) days' written notice to the Holders of the Bonds as established by the books of registration prior to the next succeeding Bond Payment Date and such resignation shall take effect upon the date specified in such notice unless previously a successor shall have been appointed by the County pursuant to Section 8.08 hereof in which event such resignation shall take effect immediately on the appointment of such successor. In no event, however, shall such a resignation take effect until a successor has been appointed.

**Section 8.07. Removal of Fiduciary.** Any Fiduciary may be removed at any time by an instrument or concurrent instruments in writing, filed with the County and such Fiduciary, and signed by the Bondholders representing a majority in principal amount of the Bonds then Outstanding or their attorneys in fact duly authorized, excluding any Bonds held by or for the account of the County.

**Section 8.08. Appointment of Successor Fiduciaries.** In case any Fiduciary hereunder shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable or acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor shall be appointed by the County. Every such Fiduciary appointed pursuant to the provisions of this Section shall be a trust company or bank organized under the laws of the United States of America or any state thereof and which is in good standing, within or outside the State of South Carolina, having a stockholders' equity of not less than \$50,000,000 if there be such an institution willing, qualified and able to accept the trusts upon reasonable and customary terms.

If in a proper case no appointment of a successor Fiduciary shall be made by the County pursuant to the foregoing provisions of this Section within forty-five (45) days after any Fiduciary shall have given to the County written notice as provided in Section 8.06 hereof or after a vacancy in the office of such Fiduciary shall have occurred by reason of its removal or inability to act, the former Fiduciary or any Bondholder may apply to any court of competent jurisdiction to appoint a successor. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor.

**Section 8.09. Transfer of Rights and Property to Successor.** Any successor Fiduciary appointed under this Ordinance shall execute, acknowledge and deliver to its predecessor, and also to the County, an instrument accepting 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 such predecessor Fiduciary, with like effect as if originally named in such capacity; but the Fiduciary ceasing to act shall nevertheless, on the written request of the County, or of the successor, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the right, title and interest of the predecessor Fiduciary in and to any property held by it under this Ordinance, and shall pay over, assign and deliver to the successor Fiduciary any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the County be required by such successor Fiduciary for more fully and certainly vesting in and confirming to such successor any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the County. Any such successor Fiduciary shall promptly notify the Paying Agent and depositaries, if any, of its appointment as Fiduciary.

**Section 8.10. Merger or Consolidation.** Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it may be party or any company to which any Fiduciary may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, and shall be authorized by law to perform all the duties imposed upon it by this Ordinance, shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act.

**Section 8.11. Adoption of Authentication.** In case any of the Bonds contemplated to be issued under this Ordinance shall have been authenticated but not delivered, any successor Registrar may adopt the certificate of authentication of any predecessor Registrar so authenticating such Bonds and deliver such Bonds so authenticated. In case any such Bonds shall not have been authenticated, any successor Registrar may authenticate such Bonds in the name of the predecessor Registrar or in the name of the successor Registrar, and in all such cases such certificate shall be of full force and effect.

\* \* \* \*

## ARTICLE IX

### MISCELLANEOUS

**Section 9.01. Failure to Present Bonds.** Anything in this Ordinance to the contrary notwithstanding, any money held by the Paying Agent in trust for the payment and discharge of any of the Bonds, or the interest thereon, which remains unclaimed for such period of time, after the date when such Bonds have become due and payable, that the Holder thereof shall no longer be able to enforce the payment thereof, the Paying Agent shall at the written request of the County pay such money to the County as its absolute property and free from trust, and the Paying Agent shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the County for the payment of such Bonds; provided, however, the Paying Agent shall forward to the County all moneys which remain unclaimed during a period five (5) years from a Bond Payment Date, provided, however, that before being required to make any such payment to the County, the Paying Agent, at the expense of the County, may conduct such investigations as may in the opinion of the Paying Agent be necessary to locate the Holders of those who would take if the Holder shall have died.

**Section 9.02. Holding of Public Hearing and Notice Thereof.** Pursuant to the provisions of Section 4-9-130 of the Code of Laws of South Carolina, 1976, as amended, a public hearing, after giving reasonable notice, shall be conducted prior to the third and final reading of this Ordinance by 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. The form of the notice to be published, with such changes as may be approved by the Chairman of the Council, is attached hereto as Exhibit "A".

**Section 9.03 Tax and Securities Laws Covenants.** Council hereby covenants and agrees that it will comply with the requirements of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder, compliance with which is required in order that interest on the Bonds be and remain excludable from the gross income of the Holders for Federal income tax purposes. Council further covenants to file Internal Revenue Service form 8038-G at the time and in the place required therefor under the Code.

**Section 9.04. Ability to Meet Arbitrage Requirement; Private Activity Limitations.** Careful consideration has been given to the time in which the expenditure of the proceeds of the bonds will be made, and it has been ascertained that all of the money received from the proceeds of the bonds will be expended within the limitations imposed by the Internal Revenue Code of 1986 as amended (the "Code"); accordingly the Council will be able to certify upon reasonable grounds that the bonds herein provided for are not "arbitrage bonds" within the meaning of Section 148 of the Code.

The Council hereby covenants to comply with all of the restrictions and requirements of the Code as its provisions are applicable to the bonds authorized herein in order that such bonds shall be and remain exempt from federal income taxation. Without limiting the generality of the foregoing, the Council specifically covenants that

(a) All property provided by the net proceeds of the Bonds will be owned by the County in accordance with the rules governing the ownership of property for federal income tax purposes.

(b) The County shall not permit the proceeds of the Bonds or any facility financed with the proceeds of the Bonds to be used in any manner that would result in (a) ten percent (10%) or more of such proceeds being considered as having been used directly or indirectly in any trade or business carried on by any natural person or in any activity carried on by a person other than a natural person other than a governmental unit as provided in Section 141(b) of the Code, or (b) five percent (5%) or

more of such proceeds being considered as having been used directly or indirectly to make or finance loans to any person other than a governmental unit as provided in Section 141(c) of the Code.

(c) The County is not a party to nor will it enter into any contracts with any person for the use or management of any facility provided with the proceeds of the Bonds that do not conform to the guidelines set forth in Revenue Procedure 97-13, as modified by the Code or subsequent pronouncements by the Internal Revenue Service, or the County obtains the opinion of nationally recognized bond counsel that such arrangement will not adversely affect the tax exemption of the Bonds.

(d) The County will not sell or lease the Improvements or any property provided by the Bonds to any person unless it obtains the opinion of nationally recognized bond counsel that such lease or sale will not affect the tax exemption of the Bonds.

(e) The Bonds will not be federally guaranteed within the meaning of Section 149(b) of the Code. The County is not a party to any leases or sales or service contracts with any federal government agency with respect to the Improvements and will not enter into any such leases or contracts unless it obtains the opinion of nationally recognized bond counsel that such action will not affect the tax exemption of the Bonds.

**Section 9.05. Continuing Disclosure.** (a) In accordance with Act No. 442 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, 1994, the County represents and covenants that it will file with a nationally recognized municipal securities information repository, a copy of its annual independent audit within thirty (30) days of its receipt and acceptance and event-specific information, within thirty (30) days of an event adversely affecting more than five percent (5%) of its revenues or five percent (5%) of its tax base.

(b) Council hereby covenants and agrees that it will comply with the requirements of (i) Rule 15c-12 promulgated by the Securities and Exchange Commission and (ii) Section 11-1-85, Code of Laws of South Carolina, 1976, as such may be amended. In this regard, the Chairman of Council is hereby authorized to execute and deliver on behalf of the County a Continuing Disclosure Certificate in substantially the form of Exhibit "D" hereto, with such changes as may be approved by the Chairman of Council, his approval to be evidenced by his execution thereof.

**Section 9.06. Severability of Invalid Provisions.** 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 9.07. 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 9.08. Ordinance to Constitute Contract.** In consideration of the purchase and acceptance of the Bonds 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 Bonds, 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 equal benefit, protection, and security of the Holders of any and all of the

Bonds, all of which shall be of equal rank without preference, priority or distinction of any Bonds over any other Bonds.

**Section 9.09. Filing of Copies of Ordinance.** Copies of this Ordinance shall be filed in the offices of the Council, the office of the Clerk of Court for Sumter County (as a part of the Transcript of Proceedings) and at the offices of each of the Paying Agent and Registrar.

**Section 9.10. Further Action by Offices of County.** The proper 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, which includes but is not limited to providing the notice and conducting the public hearing described in Section 9.02 hereof.

**Section 9.11. Effective Date of Ordinance.** This Bond Ordinance shall take effect upon its third reading and shall be forthwith codified in the Code of County Ordinances and indexed under the general heading "Bond Issue -- Not Exceeding \$6,000,000 General Obligation Bonds, Series 2004, of Sumter County, South Carolina".

**DONE IN MEETING DULY ASSEMBLED,** this \_\_\_\_ day of \_\_\_\_\_, 2004.

(SEAL)

\_\_\_\_\_  
Chairman, Sumter County Council

Attest:

\_\_\_\_\_  
Clerk, Sumter County Council

**NOTICE OF PUBLIC HEARING**

**NOTICE IS HEREBY GIVEN** that the Sumter County Council, State of South Carolina, at its meeting on the \_\_\_\_ day of \_\_\_\_\_, 2004, to be held in the Sumter County Courthouse, Camden, South Carolina, at \_\_\_\_\_, will conduct a public hearing on the proposed adoption of an Ordinance entitled "AN ORDINANCE TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING SIX MILLION DOLLARS (\$6,000,000) GENERAL OBLIGATION BONDS OF SUMTER 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."

For the payment of the principal of and interest on the bonds authorized by said Ordinance, there shall be pledged the full faith, credit and taxing power of Sumter County and there shall be levied *ad valorem* taxes sufficient in amount to pay said principal and interest on the bonds.

At the time and place fixed for said public hearing all taxpayers, residents or other interested persons who appear will be given an opportunity to express their views for or against the adoption of the Ordinance. Assistance is available for those who are visually or hearing-impaired. For assistance, call Mary W. Blanding, Clerk to Council, (803) 436-2102.

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Chairman, Sumter County Council

**(FORM OF BOND)**

**UNITED STATES OF AMERICA  
STATE OF SOUTH CAROLINA  
COUNTY OF SUMTER  
GENERAL OBLIGATION BOND, SERIES 2004**

No. \_\_\_\_\_

<b>INTEREST RATE</b>	<b>MATURITY DATE</b>	<b>ISSUE DATE</b>	<b>CUSIP</b>
		_____ 1, 2004	

Registered Holder:

Principal Amount: **DOLLARS**

**SUMTER COUNTY, SOUTH CAROLINA** (the "County"), 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 set forth above on the Maturity Date stated above upon presentation and surrender of this Bond at the Corporate Trust Office of \_\_\_\_\_ in the City of \_\_\_\_\_, State of \_\_\_\_\_ (the "Registrar/Paying Agent"), and to pay interest on such Principal Amount as hereinafter provided at the annual Interest Rate stated above (calculated on the basis of a three hundred and sixty-day year of twelve (12) thirty-day months), until the obligation of the County with respect to the payment of such Principal Amount shall be discharged.

This Bonds shall bear interest from the June 1 or the December 1 to which interest has been paid next preceding the authentication date thereof, unless the authentication date thereof is a June 1 or a December 1, in which case, from such authentication date, or from the June 1 or the December 1 to which interest has last been paid, or if dated prior to (the first Bond Payment Date), then from the original issue date of such Bonds. The interest to be paid on any June 1 or December 1 shall be paid to the Person in whose name such Bond is registered at the close of business on the Record Date next preceding such June 1 or December 1. Interest on this Bond is payable on June 1 and December 1 of each year beginning (June 1, 2005/December 1, 2005), at which time interest for \_\_\_\_\_ ( ) months will be due. The interest so payable on any June 1 or December 1 shall be payable to the person in whose name this Bond is registered at the close of business on the fifteenth day of the May or on the fifteenth day of the November next preceding such June 1 or December 1.

Interest hereon shall be payable by check or draft mailed at the times provided herein from the office of the Paying Agent to the person in whose name this Bond is registered at the address shown on the registration books. The principal of and interest on this Bond 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; provided, however, that payment of the interest on this Bond shall be effected by check or draft as set forth above.

This Bond is one of an issue of Bonds in the aggregate principal amount of Six Million Dollars (\$6,000,000) of like tenor, except as to number, rate of interest and date of maturity, issued pursuant to and in accordance with the Constitution and Statutes of the State of South Carolina, including particularly the provisions of Title 4, Chapter 15, Code of Laws of South Carolina, 1976, as amended, as amended and supplemented by Title 11, Chapter 27, Code of Laws of South Carolina, 1976, as amended (the "Enabling Act"), and an Ordinance duly adopted by the County Council of the County (the "Ordinance").

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 Registrar, in the office of the Paying Agent and in the office of the Clerk of Court of Sumter County, South Carolina.

For the prompt payment hereof, both principal and interest, as the same shall become due, the full faith, credit and taxing power of the County are irrevocably pledged.

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

The Bonds are issuable only as fully registered Bonds without coupons in the denomination of \$5,000 or any multiple thereof not exceeding the principal amount of the Bonds maturing in such year.

The Bonds are being issued by means of a book-entry system with no physical distribution of Bond certificates to be made except as provided in the Ordinance. One Bond certificate with respect to each date on which the Bonds are stated to mature, registered in the name of the Securities Depository Nominee (as defined in the Ordinance), is being issued and required to be deposited with the Securities Depository and immobilized in its custody. The book-entry system will evidence positions held in the Bonds by the Securities Depository's Participants, beneficial ownership of the Bonds in the principal amount of \$5,000 or any multiple thereof being evidenced in the records of such Participants. Transfers of ownership shall be effected on the records of the Securities Depository and its Participants pursuant to rules and procedures established by the Securities Depository and its Participants. The County, the Registrar and the Paying Agent will recognize the Securities Depository Nominee, while the registered owner of this Bond, as the owner of this Bond for all purposes, including payments of principal of and interest on, this Bond, notices and voting. Transfer of principal and interest to Participants of the Securities Depository will be the responsibility of the Securities Depository, and transfer of principal and interest to beneficial owners of the Bonds by Participants of the Securities Depository will be the responsibility of such Participants and other nominees of such beneficial owners. The County will not be responsible or liable for such transfers of payments or for maintaining, supervision or reviewing the records maintained by the Securities Depository, the Securities Depository Nominee, its Participants or persons acting through such Participants. While the Securities Depository Nominee is the owner of this Bond, notwithstanding the provision hereinabove contained, payments of principal of and interest on, this Bond shall be made in accordance with existing arrangements between the Paying Agent or its successors under the Ordinance and the Securities Depository.

This Bond is transferable, as provided in the Ordinance, only upon the registration books kept for that purpose at the (Corporate Trust Office) of the Registrar 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 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 or Bonds of like maturity and interest rate and in a like aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Ordinance. The County, the Paying Agent and the Registrar 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 or on account of the principal and interest due hereon and for all other purposes.

For every exchange or transfer of the Bonds, the County, the Paying Agent, or the Registrar 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 conditions, acts and things required by the Constitution and Statutes of the State of South Carolina to exist, be performed or happen precedent to or in the issuance of this Bond, exist, have been performed and have happened, that the amount of this Bond, together with all other indebtedness of the County, does not exceed any limit prescribed by such Constitution or Statutes, and that provision has been made for the allocation, on an annual basis, of sufficient tax revenues to provide for the punctual payment of the principal of and interest on this Bond and the issue of Bonds of which this Bond is one.

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.

**IN WITNESS WHEREOF**, Sumter County, South Carolina, has caused this Bond to be signed in its name by the manual signature of the Chairman of the Sumter County Council and its corporate seal to be hereon reproduced and attested to by the manual signature of the Clerk of the Sumter County Council.

**SUMTER COUNTY, SOUTH CAROLINA**

*(SEAL)*

By \_\_\_\_\_  
Chairman, Sumter County Council

Attest:

\_\_\_\_\_  
Clerk, Sumter County Council

**CERTIFICATE OF AUTHENTICATION**

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

**REGISTRAR**

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

Authentication Date: \_\_\_\_\_, 2004

**(FORM OF ASSIGNMENT)**

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

\_\_\_\_\_  
(please print or type name and address of Transferee and Social Security or other identifying number of Transferee)

the within Bond and all rights and title thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_, attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

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

**OFFICIAL NOTICE OF SALE**

**\$6,000,000  
GENERAL OBLIGATION BONDS, SERIES 2004  
SUMTER COUNTY, SOUTH CAROLINA**

SEALED PROPOSALS, addressed to the undersigned, will be received by the County Council, the governing body of Sumter County, South Carolina (the "County"), until 12:00 Noon (local time) on \_\_\_\_\_, 2004 at which time said proposals will be publicly opened in **the office of the County Administrator, 13 East Canal Street, Sumter County Administration Building, 3<sup>d</sup> Floor, Sumter, South Carolina** for the purchase of **\$6,000,000 GENERAL OBLIGATION BONDS, SERIES 2004, OF SUMTER COUNTY, SOUTH CAROLINA** (the "Bonds").

The Bonds will be issued initially under the DTC book-entry-only system in the form of fully registered bonds in the aggregate principal amount maturing in each year, registered in the name of Cede & Co., as the registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. The Bonds will be dated as of October 1, 2004; will be numbered from R-1 upward; and will mature serially in successive annual installments, on June 1 in each of the years and in the principal amounts as follows:

<u>June 1</u> <u>Year</u>	<u>Principal</u> <u>Amount</u>	<u>June 1</u> <u>Year</u>	<u>Principal</u> <u>Amount</u>
2005	\$250,000	2010	\$400,000
2006	250,000	2011	850,000
2007	350,000	2012	850,000
2008	375,000	2013	1,150,000
2009	375,000	2014	1,150,000

**SAID BONDS** will bear interest from \_\_\_\_\_, 2004, at a rate or rates to be named by the bidder, payable on June 1 and December 1 of each year (the "Bond Payment Dates") commencing June 1, 2005, at which time interest for \_\_\_\_ (\_\_) months will be due.

*Registrar and Paying Agent:* A financial institution maintaining corporate trust offices and mutually acceptable to the County and the purchaser of the Bonds will serve as Registrar and Paying Agent; in the event of a failure to agree, the County shall name the Registrar and Paying Agent. So long as the Bonds remain outstanding in book-entry form with DTC, all payments of principal and interest with respect to the Bonds shall be through the facilities of DTC.

*Bid Requirements:* Bidders shall specify the rate or rates of interest per annum which the Bonds are to bear, to be expressed in multiples of 1/20th or 1/8th of 1% with no greater difference than 2% between the highest and lowest rates of interest named by a bidder. Bidders are not limited as to the number of rates of interest named, but the rate of interest on each separate maturity must be the same single rate for the Bonds of that maturity from their date to such maturity date. A bid for less than all the Bonds or a bid at a price less than par will not be considered. In addition to the bid price, the successful bidder must pay accrued interest from the date of the Bonds to the date of full payment of the purchase price. Any premium offered must be paid as part of the purchase price of the Bonds at the delivery thereof.

*Award of Bonds:* The Bonds will be awarded to the bidder or bidders offering to purchase the Bonds at the lowest net interest cost (NIC) to the County from the date of delivery of the bonds without regard to accrued interest. The County reserves the right to reject any and all bids or to waive irregularities in any bid. Bids will be accepted or rejected no later than 4:00 p.m., South Carolina time, on the date of the sale.

*Good Faith Deposit:* Each proposal for purchase of the Bonds shall be accompanied by a certified check or cashier's check drawn upon an incorporated bank or trust company in the amount of \$60,000 payable unconditionally to the Treasurer of Sumter County, South Carolina. The check of the successful bidder shall be applied as payment for the Bonds or to secure the County for any loss due to the failure of such bidder to comply with the terms of its bid. Checks of unsuccessful bidders will be returned promptly. In lieu of a good faith check, bidders may submit a Financial Surety Bond from an insurance company licensed to issue such a bond in the State of South Carolina, and such bond must be submitted to Bond Counsel prior to the opening of bids. The Financial Surety Bond must identify each bidder whose good faith deposit is guaranteed by such Financial Surety Bond. If the Bonds are awarded to a bidder utilizing a Financial Surety Bond, then that purchaser is required to submit its deposit to the Treasurer of Sumter County, South Carolina in the form of a cashier's check or wire transfer such amount as instructed by bond counsel not later than 3:30 pm. EDT on the next business day following the award of the Bonds. If such deposit is not received by that time, the Financial Surety Bond may be drawn by the County Treasurer to satisfy the good faith check requirement. The check or other deposit of the successful bidder will be applied in part payment for the Bonds or to secure the County from any loss resulting from the failure of such bidder to comply with the terms of his bid. The good faith deposit will be returned to the successful bidder if the County fails to deliver the Bonds. No interest will be allowed on the good faith deposit.

*Bid Form:* Proposals for the Bonds should be marked "Proposal for \$6,000,000 General Obligation Bonds of Sumter County, South Carolina, Series 2004" and should be directed to the Chair of the County Council at the address in the first paragraph hereof.

It is requested but not required that bids be submitted on the Proposals for Purchase of Bonds supplied with the Preliminary Official Statement. If a bidder for the Bonds desires to have the Bonds insured, the bidder shall specify in its bid whether bond insurance will be purchased and the premium of such bond insurance must be paid at or prior to closing by the successful bidder. Proposals may be delivered by hand, by mail, by facsimile transmission or by electronic bidding system, but no proposal shall be considered which is not actually received by the County at the place, date and time appointed and the County shall not be responsible for any delay, failure, misdirection or error in the means of transmission selected by any bidder. No agent or employee of the County will undertake to receive proposals by means of oral communication.

Electronic bids must be submitted to the Parity Electronic Bid Submission System ("*PARITY*"). No other form of bid or provider of electronic bidding services will be accepted. Such bids are to be publicly opened and read at such time and place on said day. For the purposes of both the written sealed bid process and the electronic bidding process, the time as maintained by *PARITY* shall constitute the official time with respect to all bids submitted.

If any provisions of this Official Notice of Sale conflict with information provided by *PARITY* as the approved provider of electronic bidding services, this Official Notice of Sale shall control. Further information about *PARITY* may be obtained from *PARITY*, 1359 Broadway, 2nd Floor, New York, NY 10018, telephone (212) 849-5025.

Written bids must be submitted on the Official Bid Form included with the Preliminary Official Statement or on a reasonable facsimile thereof. Electronic bids must be submitted to *PARITY*. Both written bids and electronic bids must be unconditional and received by the County and/or *PARITY*, respectively, before the time stated above. Each bid must be accompanied by a Good Faith Deposit or Financial Surety Bond (see above). The County is not liable for any costs incurred in the preparation, delivery, acceptance or rejection of any bid, including, without limitation, the providing of a bid security deposit.

*Purpose:* The Bonds are issued for the purposes of defraying the costs to facilities of the County.

*Security:* The Bonds shall constitute binding general obligations of the County and the full faith, credit, resources and taxing power of the County are irrevocably pledged for the payment of the Bonds. There shall be levied and collected annually in the same manner as county taxes are levied and collected, a tax, without limit, on all taxable property in the County sufficient to pay the principal of and interest on the Bonds as they respectively mature and to create such sinking fund as may be necessary therefor.

*Official Statement:* The Preliminary Official Statement dated \_\_\_\_\_, 2004 has been deemed final by the County for purposes of paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") but is subject to revision, amendment and completion in a final Official Statement as provided in the Rule. The Preliminary Official Statement may be accessed via the Internet at [www.i-dealprospectus.com](http://www.i-dealprospectus.com). The County will furnish the successful bidder with a sufficient number of copies of the final Official Statement in order to allow the bidder to comply with the Rule, without charge, within seven working days of the acceptance of a bid for the Bonds.

*Continuing Disclosure:* In order to assist bidders in complying with SEC Rule 15c2-12, the County will undertake, pursuant to the bond resolution authorizing the issuance of the Bonds and a Continuing Disclosure Certificate, to file an annual report containing certain financial information and operating data, and, in addition, to provide notice of certain material events. A description of this undertaking is set forth in the preliminary Official Statement and will also be set forth in the final Official Statement.

*Legal Opinion:* The Board shall furnish upon delivery of the Bonds the final approving opinion of Haynsworth Sinkler Boyd, P.A., Bond Counsel, Columbia, South Carolina, which opinion shall be attached to each Bond, together with the usual closing documents, including a certificate that no litigation is pending affecting the Bonds.

*Certificates as to Issue Price and Yield:* The successful bidder for the Bonds must provide a certificate to the County not later than two business days following the sale date, and confirmed by a certificate delivered at closing, stating the initial reoffering price of the Bonds to the public (excluding bond houses and brokers) and the price at which a substantial amount of the Bonds were sold to the public, in form satisfactory to Bond Counsel. As a condition precedent to the delivery of the Bonds and in order to assist the County in compliance with applicable federal tax law, bidders must certify to the County the "yield" on the Bonds, calculated in accordance with Section 1.148-4 of the United States Treasury Regulations.

*Delivery:* The Bonds will be delivered within 30 days of the date of sale, through the facilities of DTC at the expense of the County, or at such other place as may be agreed upon with the purchasers at the expense of the purchaser. The balance of the purchase price then due (including the amount of accrued interest) must be paid in Federal funds or other immediately available funds. The cost of preparing the Bonds will be borne by the County.

*CUSIP Numbers:* It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with the terms of its proposal. All expenses in relation to the printing of CUSIP identification numbers on the Bonds shall be paid for by the County; provided, however, that the CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the successful bidder.

*Additional Information:* Persons seeking information should communicate with Mr. William T. Noonan, County Administrator, Sumter County, 13 East Canal Street, Sumter, South Carolina 29150, telephone (803) 436-2102 or Theodore B. DuBose, Esquire, Haynsworth Sinkler Boyd, P.A., 1201 Main Street, Suite 2200, Columbia, South Carolina 29201, telephone (803) 779-3080.

*This Notice is given to evidence the County's intent to receive bids for and award the Bonds on the date stated above. Such sale may be postponed prior to the time bids are to be received and as published on Thomson Municipal Market Monitor, Bloomberg, or other electronic information service. If canceled, the sale may be thereafter rescheduled within 60 days of the date of the publication of this Official Notice of Sale, and notice of such rescheduled date of sale will be posted at least 48 hours prior to the time for receipt of bids on Thomson Municipal Market Monitor, Bloomberg, [i-dealprospectus.com](http://i-dealprospectus.com) or other electronic information service.*

William T. Noonan, County Administrator  
Sumter County, South Carolina

**FORM OF CONTINUING DISCLOSURE CERTIFICATE**

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by Sumter County, South Carolina (the "County" or the "Issuer") in connection with the issuance of \$6,000,000 General Obligation Bonds, Series 2004, of Sumter County, South Carolina (the "Bonds"). The Bonds are being issued pursuant to an Ordinance (the "Ordinance") adopted \_\_\_\_\_, 2004 (the "Ordinance"), by the County Council of the County (the "Council"). The County covenants and agrees as follows:

**Section 1. Purpose of the Disclosure Certificate.** This Disclosure Certificate is being executed and delivered by the County for the benefit of the holders and Beneficial Owners and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

**Section 2. Definitions.** In addition to the definitions set forth in the Ordinance, which apply to any capitalized terms used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

**"Annual Report"** shall mean any Annual Report provided by the County pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

**"Beneficial Owner"** shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

**"Dissemination Agent"** shall mean the County or any successor Dissemination Agent designated in writing by the County and which has filed with the County a written acceptance of such designation.

**"Holder" or "Holders of the Bonds"** shall mean the registered owners of the Bonds.

**"Listed Events"** shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

**"National Repository"** shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. The National Repositories currently approved by the Securities and Exchange Commission are set forth in Schedule II and are subject to change. In lieu of the transmission of Annual Reports to National Repositories, the Issuer may elect from time to time to file its Annual Report through [www.DisclosureUSA.com](http://www.DisclosureUSA.com) or any other electronic filing and dissemination service approved by the United States Securities and Exchange Commission.

**"Official Statement"** shall mean the Official Statement dated \_\_\_\_\_, 2004, prepared in connection with the Bonds.

**"Participating Underwriter"** shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

**"Repository"** shall mean each National Repository and each State Depository.

“**Rule**” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“**State**” shall mean the State of South Carolina.

“**State Depository**” shall mean any public or private repository or entity designated by the State as a state information depository for purposes of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of this Disclosure Certificate, there is no State Depository.

**Section 3. Provision of Annual Reports.** (a) The Issuer shall, or shall cause the Dissemination Agent to, not later than seven (7) months after the end of the Issuer’s fiscal year (currently, June 30) commencing with the report for the 2004 fiscal year, provide to each National Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than fifteen (15) business days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer’s fiscal year changes, the Issuer shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) If the Issuer is unable to provide to the Repositories an Annual Report by the date required in subsection (a), the Issuer shall send a notice to the Municipal Securities Rulemaking Board and the State Depository, if any, in substantially the form attached as Schedule I.

(c) The Dissemination Agent shall:

- (i) determine each year prior to the date for providing the Annual Report the name and address of each National Repository and the State Depository, if any; and
- (ii) (if the Dissemination Agent is other than the Issuer) file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the Depositories to which it was provided.

**Section 4. Content of Annual Reports.** The County’s Annual Report shall contain or incorporate by reference the following the most recent audited financial statements, which shall be prepared in conformity with generally accepted accounting principles (or, if not in such conformity, to be accompanied by a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information) applicable to government entities such as the County, and shall, in addition, contain or incorporate by reference the following:

- (a) County population for the current fiscal year;
- (b) Total anticipated state appropriations subject to withholding under Article X, Sec. 14, South Carolina Constitution for current fiscal year;
- (c) Outstanding indebtedness of the County;
- (d) Market value/assessment summary of taxable property in County;
- (e) Tax levy for County for current fiscal year;
- (f) Tax collections for County for preceding fiscal year; and
- (g) Five largest taxpayers (including fee-in-lieu-of-tax) for County for preceding fiscal year.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the County is an “obligated person” (as defined by the Rule), which have been filed with each of the Repositories or Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The County shall clearly identify each such other document so incorporated by reference.

**Section 5. Reporting of Significant Events.** (a) Pursuant to the provisions of this Section 5, the County shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. principal and interest payment delinquencies.
2. non-payment related defaults.
3. modifications to rights of Bondholders.
4. optional, contingent or unscheduled bond calls.
5. defeasances.
6. rating changes.
7. adverse tax opinions or events affecting the tax-exempt status of the Bonds.
8. unscheduled draws on the debt service reserves reflecting financial difficulties.
9. unscheduled draws on the credit enhancements reflecting financial difficulties.
10. substitution of the credit or liquidity providers or their failure to perform.
11. release, substitution or sale of property securing repayment of the Bonds.

(b) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If the Issuer determines that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the Issuer shall promptly file a notice of such occurrence with the Municipal Securities Rulemaking Board and the State Depository. Notwithstanding the foregoing, notice of Listed Events described in subsections (a) (4) and (5) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Ordinance..

**Section 6. Termination of Reporting Obligation.** The County's obligations under this Disclosure Certificate shall terminate upon the legal defeasance or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the County shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

**Section 7. Dissemination Agent.** The County may, from time to time, appoint or engage a Dissemination Agent to assist in its carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the County pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the County.

**Section 8. Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Certificate, the County may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Ordinance for amendments to the Ordinance with the consent of Holders, or (ii) does not, in the opinion of said nationally-recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Undertaking, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

**Section 9. Additional Information.** Nothing in this Disclosure Certificate shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the County chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the County shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

**Section 10. Default.** In the event of a failure of the County to comply with any provision of this Disclosure Certificate, any holder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Ordinance, and the sole remedy under this Disclosure Certificate in the event of any failure of the County to comply with this Disclosure Certificate shall be an action to compel performance.

**Section 11. Duties, Immunities and Liabilities of the Dissemination Agent.** The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the County agrees, to the extent permitted by law, to indemnify and save that Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities

due to the Dissemination Agent's negligence or willful misconduct. The obligations of the County under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

**Section 12. Beneficiaries.** This Disclosure Certificate shall inure solely to the benefit of the County, the Dissemination Agent, the Participating Underwriters, Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

**Section 13. State-Mandated Continuing Disclosure.** In addition to the requirements set forth in Section 3 of this Disclosure Certificate (with respect to the filing of the Annual Report) and in Section 5 of this Disclosure Certificate (with respect to the reporting of Listed Events), the County further agrees, pursuant to the requirements of S.C. Code Section 1-11-85, to file with a central information repository (a) its annual independent audit within thirty (30) days of its receipt, and (b) event-specific information within thirty (30) days of an event adversely affecting more than five percent (5%) of its revenue or tax base. The County expects that, in meeting the requirements of Sections 3 and 5 of this Disclosure Certificate, it also will meet the requirements of this Section 13; however, to the extent that certain information is required to be filed pursuant to State law which is not required to be filed under the Rule or the other provisions of this Disclosure Certificate, the County will provide notice of such information to each Repository.

**SUMTER COUNTY, SOUTH CAROLINA**

/s/William T. Noonan  
**County Administrator, Sumter County,  
South Carolina**

Dated: \_\_\_\_\_, 2004

**SCHEDULE I**

**NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: Sumter County, South Carolina

Name of Bond Issue: \$6,000,000 General Obligation Bonds, Series 2004

Date of Issuance: \_\_\_\_\_ 1, 2004

**NOTICE IS HEREBY GIVEN** that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 9.05 of an Ordinance dated \_\_\_\_\_, 2004. The Issuer anticipates that the Annual Report will be filed by \_\_\_\_\_.

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

**SUMTER COUNTY, SOUTH CAROLINA**

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

## SCHEDULE II

The following are the current National Recognized Municipal Securities Repositories approved by the Securities and Exchange Commission:

### **Bloomberg Financial Markets**

Municipal Repository  
100 Business Park Drive  
Skillman, NJ 08558-3629  
(609) 279-3225  
Fax: (609) 279-5962  
Email: munis@bloomberg.com

### **FT Interactive Data**

Attn: NRMSIR  
100 William Street  
New York, NY 10038  
Phone: (212) 771-6999  
Fax: (212) 771-7390 (Secondary Market Information)  
Fax: (212) 771-7391 (Primary Market Information)  
E-mail: NRMSIR@FTID.com

### **Standard & Poor's Security Evaluations**

55 Water Street, 45<sup>th</sup> Floor  
New York, NY 10041  
(212) 438-4595  
Fax: (212) 438-3975  
Email: nrmsir\_repository@sandp.com

### **DPC DATA, INC.**

One Executive Drive  
Fort Lee, NJ 07024  
(201) 346-0701  
Fax: (201) 947-0107  
Email: nrmsir@dpcdata.com

**STATE OF SOUTH CAROLINA**

**COUNTY OF SUMTER**

I, the undersigned, Clerk of the County Council of Sumter County, South Carolina ("County Council"), **DO HEREBY CERTIFY:**

That the foregoing constitutes a true, correct and verbatim copy of an Ordinance which was given three (3) readings on three (3) separate days, with an interval of not less than seven (7) days between the second and third readings. That each of said meetings was duly called, and all members of the County Council were notified of the same; that all/a majority of the membership were notified of each meeting and remained throughout the proceedings incident to the adoption of this Ordinance.

Each of said meetings were regular meetings of the County Council for which notice had been previously given pursuant to and in conformity with Chapter 4, Title 30 of the Code of Laws of South Carolina 1976, as amended (the "Freedom of Information Act").

Such Ordinance has not been amended, modified or rescinded as of the date hereof.

The original of this Ordinance is duly entered in the permanent records of minutes of meetings of the County Council, in my custody as such Clerk..

**IN WITNESS WHEREOF**, I have hereunto set my Hand and the Seal of the County, this \_\_\_\_ day of \_\_\_\_\_, 2004.

**(SEAL)**

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

First reading: October \_\_\_\_\_, 2004

Second reading: November \_\_\_\_\_, 2004

Third reading: November \_\_\_\_\_, 2004