

**ORDINANCE NO.: 2015-055**

AN ORDINANCE TO AUTHORIZE THE REPLACEMENT OF AND SUBSTITUTION FOR THE LETTER OF CREDIT SECURING THE \$81,860,000 ORIGINAL PRINCIPAL AMOUNT CITY OF COLUMBIA, SOUTH CAROLINA, WATERWORKS AND SEWER SYSTEM REVENUE BONDS, SERIES 2009, AND TO APPROVE THE FORM AND TERMS OF, AND AUTHORIZE THE EXECUTION OF, A LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT, A REMARKETING AGREEMENT AND A TENDER AGENT AGREEMENT, AND OTHER AGREEMENTS AS NECESSARY OR DESIRABLE; AND TO AUTHORIZE THE REMOVAL AND APPOINTMENT OF PAYING AGENTS, REGISTRARS, CUSTODIANS, TENDER AGENTS AND REMARKETING AGENTS FOR THE BONDS, INCLUDING THE 2009 BONDS; AND OTHER MATTERS RELATED THERETO

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLUMBIA, SOUTH CAROLINA, IN COUNCIL ASSEMBLED:

Section 1. Findings and Determinations. The Council hereby finds and determines:

A. The City is an incorporated municipality located in Richland County and Lexington County and as such possesses all powers granted to municipalities by the Constitution and laws of this State.

B. Pursuant to Section 5-5-10, Code of Laws of South Carolina 1976, as amended (the "South Carolina Code"), the City has selected the Council-Manager form of government and is governed by a Council composed of a Mayor and six council members which constitute the governing body of the City.

C. Pursuant to the General Bond Ordinance No. 93-43 enacted by the City Council of the City (the "Council") on May 21, 1993, as amended (as so amended, the "General Bond Ordinance"), including as amended and supplemented particularly by the Fifth Supplemental Ordinance No. 2007-072 enacted by the Council on September 19, 2007 and Seventh Supplemental Ordinance No. 2009-83 enacted by the Council on August 19, 2009 (collectively, the "Supplemental Ordinances" and, together with the General Bond Ordinance, the "Bond Ordinance"), the City has heretofore issued its \$81,860,000 original principal amount City of Columbia, South Carolina, Waterworks and Sewer System Revenue Bonds, Series 2009, all of which are presently outstanding (the "2009 Bonds").

D. Payment of the principal and interest on the 2009 Bonds is presently secured by a letter of credit, as previously renewed and extended (as so renewed and extended, the "Original Letter of Credit") issued simultaneous with the issuance of the 2009 Bonds; however, the Original Letter of Credit is scheduled to expire by its terms on August 31, 2015.

E. The City has heretofore prepared and distributed a Request for Offers dated May 20, 2015 (the "RFO"), inviting financial institutions to submit proposals to provide a replacement credit facility for the Original Letter of Credit upon the expiration thereof. The City received several proposals responsive to the RFO, including a proposal from Sumitomo Mitsui Banking Corporation, acting through its New York Branch (the "Bank"), to issue its letter of credit in replacement of and substitution for the Original Letter of Credit (the "Replacement Letter of Credit"). The administrative staff of the City has evaluated such proposals and determined that the Bank's proposal (the "Proposal") is the most beneficial

in terms of several factors, including pricing, cost and term. Upon advice of its financial advisor and bond counsel, the City believes it is now in the best interest of the City for the Council to approve the issuance of the Replacement Letter of Credit in replacement of and substitution for the Original Letter of Credit, as described in the Proposal.

Section 2. Approval of Proposal. The Proposal to issue the Replacement Letter of Credit in replacement of and substitution for the Original Letter of Credit is hereby accepted. In the event of a conflict in the terms and provisions of the Proposal and this Ordinance, the Reimbursement Agreement, the Remarketing Agreement, the Tender Agreement, the Continuing Disclosure Agreement (as such terms are hereinafter defined) and any other documents authorized hereunder (collectively, the "Other Documents"), the terms and provisions of this Ordinance, the Reimbursement Agreement, the Remarketing Agreement, the Tender Agreement, the Continuing Disclosure Agreement and the Other Documents shall prevail.

Section 3. Approval of Reimbursement Agreement. The form, terms and provisions of the Letter of Credit and Reimbursement Agreement, between the City and the Bank, a copy of which is attached as Exhibit A (the "Reimbursement Agreement"), be and is hereby approved. The Mayor or the City Manager, or either one of them acting alone, be and is hereby authorized, empowered and directed to execute, acknowledge and deliver the Reimbursement Agreement in the name and on behalf of the City, and thereupon to cause the Reimbursement Agreement to be delivered to the Bank. The Mayor or the City Manager, or either one of them acting alone, with advice from the City Attorney and the City's bond counsel, be and is hereby delegated the authority to approve such changes in the form, terms and provisions of the Reimbursement Agreement as may be appropriate. The execution of the Reimbursement Agreement shall constitute conclusive evidence of approval of any and all changes or revisions therein from the form of Reimbursement Agreement attached as Exhibit A. Any amendment to the Reimbursement Agreement shall be executed in the same manner.

Section 4. Appointment of Remarketing Agents, Tender Agents, Paying Agents, Registrars and Custodians; Approval of Agreements and Remarketing Supplement. The Mayor or the City Manager, or either one of them acting alone, is hereby authorized and directed for and on behalf of the City to remove one or more of the existing Remarketing Agents and Tender Agents for the 2009 Bonds, and Paying Agents, Registrars and Custodians (as such terms are defined in the Bond Ordinance) with respect to any Bonds issued under the Bond Ordinance (including the 2009 Bonds), and to appoint one or more eligible investment banks or financial institutions to serve as successors thereto, all upon satisfaction of the conditions set forth in the Bond Ordinance.

The forms, terms and provisions of the Remarketing Agreement, between the City and the Remarketing Agent to be selected as described above, a copy of which is attached as Exhibit B (the "Remarketing Agreement"), the Tender Agent Agreement, among the City, the Tender Agent and the Remarketing Agent (each to be selected as described above), a copy of which is attached as Exhibit C (the "Tender Agreement") and the Disclosure Dissemination Agent Agreement, between the City and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent, a copy of which is attached as Exhibit D (the "Continuing Disclosure Agreement" and, together with the Remarketing Agreement and the Tender Agreement, the "Agreements"), be and are hereby approved. The Mayor or the City Manager, or either one of them acting alone, be and is hereby authorized, empowered and directed to execute, acknowledge and deliver the respective Agreements in the name and on behalf of the City, and thereupon to cause the respective Agreements to be delivered to the other parties thereto. The Mayor or the City Manager, or either one of them acting alone, with advice from the City Attorney and the City's bond counsel, be and is hereby delegated the authority to approve such changes in the form, terms and provisions of the respective Agreements as may be appropriate. The execution of the respective Agreements shall constitute conclusive evidence of approval of any and all changes or revisions therein

from the forms of Agreements attached as Exhibits B, C and D, respectively. Any amendment to the Agreements shall be executed in the same manner.

The forms, terms and provisions of the Remarketing Supplement, relating to the remarketing and sale of the 2009 Bonds, in substantially the form attached hereto as Exhibit E, with such modifications as the Mayor, the City Manager, the Assistant City Manager for Finance and Economic Services and the Finance Director, or any two of them acting together, are hereby approved (the "Remarketing Supplement"); and the Mayor, the City Manager, the Assistant City Manager for Finance and Economic Services and the Finance Director, or any two of them acting together, are hereby authorized and directed to execute (as applicable) copies of the Remarketing Supplement and deliver the same to the Remarketing Agent, which execution and delivery shall be conclusive evidence of the approval of any such modifications; and the Council hereby authorizes the use of the Remarketing Supplement and the information contained or incorporated by reference therein in connection with the remarketing and sale of the 2009 Bonds by the Remarketing Agent.

Section 5. Authorization. The Mayor, the City Manager, the Assistant City Manager for Finance and Economic Services and the Finance Director, or any two of them acting together, and the City Clerk (as applicable) are fully empowered and authorized to take such further action and to execute and deliver or consent to such additional documents as may be reasonably requested by the Bank or by one or more Paying Agents, Registrars, Custodians, Remarketing Agents and Tender Agents to effect the delivery of the Reimbursement Agreement and the respective Agreements in accordance with the terms and conditions therein set forth, and the transactions contemplated hereby and thereby, and the action of such officers in executing and delivering any of such documents, in such form as the Mayor or the City Manager, or either one of them acting alone, shall approve, is hereby fully authorized. The authorization conferred herein shall extend to and include, but not be limited to, the documents and certificates reasonably expected to be necessary for the closing thereof, including, but not limited to, fee letters, federal tax certificates, a general certificate of the City, any designation of City representatives, continuing disclosure undertakings or disclosure dissemination agent agreements and such other documents required to be executed in connection therewith. The Council hereby ratifies, confirms and approves the actions of the Mayor, the City Manager, the Assistant City Manager for Finance and Economic Services and the Finance Director heretofore undertaken with regard to the matters authorized herein.

Section 6. Severability. If any section, phrase, sentence, or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

Section 7. Repeal of Inconsistent Ordinances and Resolutions. All ordinances and resolutions of the City, and any part of any ordinance or resolution, inconsistent with this Ordinance are hereby repealed to the extent of such inconsistency.

All rules, regulations, resolutions and parts thereof, procedural or otherwise, in conflict herewith or the proceedings, to the extent of such conflict, are hereby repealed and this Ordinance shall take effect and be in full force from and after its enactment.

Section 8. Effective Date. This Ordinance shall be effective upon its enactment by the City Council for the City of Columbia, South Carolina.



**EXHIBIT A**  
**REIMBURSEMENT AGREEMENT**

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LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT

by and between

CITY OF COLUMBIA, SOUTH CAROLINA

and

SUMITOMO MITSUI BANKING CORPORATION, acting through its  
New York Branch

Relating to

CITY OF COLUMBIA, SOUTH CAROLINA

Waterworks and Sewer System Revenue Bonds, Series 2009

Dated August [26], 2015

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LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT, dated August [26], 2015 (as the same may be amended and supplemented from time to time, the "Agreement"), by and between the CITY OF COLUMBIA, SOUTH CAROLINA, an incorporated municipality located in Richland County, South Carolina (including its successors and assigns, the "Issuer"), and SUMITOMO MITSUI BANKING CORPORATION, acting through its New York Branch (together with its successors and assigns, the "Bank").

### PRELIMINARY STATEMENT

By General Bond Ordinance No. 93-43, enacted by the City Council of the Issuer (the "Council") on May 21, 1993 (as amended to the date hereof and, in particular, as amended by the Third Supplemental Ordinance No. 2001-090, enacted by the Council on October 24, 2001, the Sixth Supplemental Ordinance No. 2009-87, enacted by the Council on August 19, 2009, the Seventh Supplemental Ordinance No. 2009-83, enacted by the Council on August 19, 2009 (as amended to the date hereof, the "Seventh Supplemental Ordinance") and the Ninth Supplemental Ordinance No. 2012-014, enacted by the Council on February 21, 2012, said General Bond Ordinance, as amended by the foregoing supplemental ordinances, being referred to herein collectively as the "Original Bond Ordinance"), by the Fifth Supplemental Ordinance No. 2007-072, enacted by the Council on September 19, 2007 (as amended to the date hereof, the "Fifth Supplemental Ordinance"), and by the Seventh Supplemental Ordinance (the Fifth Supplemental Ordinance and the Seventh Supplemental Ordinance are collectively referred to herein as the "Seventh Supplement" and, together with the Original Bond Ordinance, are referred to herein as the "Ordinance"), the Issuer has authorized the issuance, execution and delivery of its Waterworks and Sewer System Revenue Bonds, Series 2009 (the "Bonds"). Under the Original Bond Ordinance, the Issuer has previously executed, issued and delivered other series of bonds secured by, and payable from, a pledge of and lien on the Net Revenues (as defined in the Original Bond Ordinance) on a parity with the Bonds.

In order to further secure the Bonds at the time of their initial issuance and delivery, the Issuer had entered into that certain letter of credit and reimbursement agreement, dated September 2, 2009 (as amended and supplemented to the date hereof, the "Prior Reimbursement Agreement"), with U.S. Bank National Association (the "Prior Bank") pursuant to which the Prior Bank had issued an irrevocable, direct pay letter of credit (as extended to the date hereof, the "Prior Letter of Credit") in support of the Bonds.

In replacement of the Prior Letter of Credit, the Issuer has requested, and the Bank is prepared to issue, its irrevocable, direct pay letter of credit in support of the Bonds pursuant to and upon the terms and conditions stated in this Agreement.

#### Section 1. **DEFINITIONS.**

1.1. ***Defined Terms.*** Except as set forth in this Section 1, terms defined in the Ordinance are used herein as therein defined on the date of this Agreement. In addition to terms defined elsewhere in this Agreement, as used herein the following terms shall have the following meanings unless the context otherwise requires and such meanings shall be equally applicable to both singular and plural forms of the terms herein defined:

“A Drawing” means a drawing under the Letter of Credit made pursuant to Section 15(b) of the Seventh Supplement for the payment of the principal of the Bonds payable from the Letter of Credit at maturity or prior redemption upon acceleration pursuant to a certificate in the form of Annex A to the Letter of Credit.

“Agreement” means this Letter of Credit and Reimbursement Agreement, as the same may from time to time be amended, supplemented or otherwise modified in accordance with its terms.

“Alternate Credit Facility” has the meaning set forth in the Seventh Supplement.

“Annual Budget” has the meaning set forth in the Original Bond Ordinance.

“Authorized Representative” has the meaning set forth in the Seventh Supplement.

“Authorizing Ordinance” means Ordinance No. 2015-55, enacted by the Council on August [ ], 2015, authorizing, among other things, the replacement of the Prior Letter of Credit with the Letter of Credit.

“B Drawing” means a drawing under the Letter of Credit made pursuant to Section 15(a) of the Seventh Supplement for the payment of the interest of the Bonds payable from the Letter of Credit pursuant to a certificate in the form of Annex B to the Letter of Credit.

“Bank” has the meaning set forth in the introductory paragraph.

“Bank Bonds” means Bonds purchased by the Bank with the proceeds of a C Drawing and the related D Drawing.

“Bank Counsel” means, collectively, Nixon Peabody LLP, special domestic counsel to the Bank, Yumoto, Ota & Miyazaki, Japanese counsel to the Bank, or any other firm of attorneys selected by the Bank.

“Bank Rate” means, for each day of determination with respect to any Bank Bond, (a) for the period from and including the day of the C Drawing and/or D Drawing to, but not including, the 91<sup>st</sup> day immediately succeeding such day, the Base Rate from time to time in effect, (b) for the period from and including the 91<sup>st</sup> day immediately following the related C Drawing and/or the related D Drawing to, but not including, the 181<sup>st</sup> day immediately succeeding such day, the Base Rate from time to time in effect plus 1.00% per annum and (c) for the period from and including the first to occur of (i) the 181<sup>st</sup> day immediately following the related C Drawing and/or D Drawing and (ii) the Letter of Credit Termination Date, and thereafter, the rate per annum equal to the Base Rate from time to time in effect plus 2.00% per annum (the “Term Loan Rate”); *provided, however*, that (x) the conditions for creation of a Term Loan have been satisfied pursuant to Section 2.2(c); (y) upon and following the occurrence of an Event of Default hereunder, each draw on a Letter of Credit shall bear interest in an amount equal to the Default Rate; and (z) at no time shall the Bank Rate exceed the Maximum Bank Bond Interest Rate.

“Base Rate” means, for any day, the highest of (a) the Prime Rate plus 2.00% per annum, (b) the Federal Funds Rate plus 3.00% per annum and (c) 6.50% per annum.

“Bonds” has the meaning set forth in the recitals to this Agreement.

“Bond Counsel” means McNair Law Firm, P.A. and any other nationally recognized bond counsel selected by the Issuer (and approved in writing by the Bank).

“Bondholders” has the meaning set forth in the Original Bond Ordinance.

“Business Day” means a day other than (a) a Saturday or Sunday, (b) a day on which banks located in New York, New York or in any of the cities in which the principal office of the Issuer, the Bank, the Remarketing Agent, the Paying Agent or the Tender Agent are required or authorized by law to remain closed or (c) a day on which the New York Stock Exchange is closed.

“C Drawing” means any drawing under the Letter of Credit made pursuant to Section 31 of the Seventh Supplement for the payment of the portion of the Purchase Price equal to the principal amount of Bonds (other than any Bank Bonds and Bonds owned by or on behalf of the Issuer) tendered pursuant to Section 6 of the Seventh Supplement upon presentation of a certificate in the form of Annex C to the Letter of Credit.

“Capital Lease” means any lease of Property which in accordance with GAAP would be required to be capitalized on the balance sheet of the lessee.

“Capitalized Lease Obligation” means the amount of the liability shown on the balance sheet of any Person in respect of a Capital Lease as determined in accordance with GAAP.

“Clawback Amount” has the meaning assigned that term in Section 2.2(f)(iii) hereof.

“Closing Transcript” has the meaning assigned to that term in Section 3.1(m) hereof.

“Code” means the Internal Revenue Code of 1986, as amended, the regulations (whether proposed, temporary or final) that are effective under that Code or the statutory predecessor of that Code, and any amendments of, or successor provisions to, the foregoing and any official rulings, announcements, notices, procedures and judicial determinations regarding any of the foregoing.

“Commitment Fee” has the meaning set forth therefor in the Fee Letter.

“Conversion Date” means the first day on which none of the Bonds bear interest at the Weekly Interest Rate.

“Council” has the meaning set forth in the recitals to this Agreement.

“D Drawing” means any drawing under the Letter of Credit made pursuant to Section 31 of the Seventh Supplement for the payment of the portion of the Purchase Price equal to the amount of accrued and unpaid interest to the date of purchase of Bonds (other than any Bank Bonds and Bonds owned by or on behalf of the Issuer) tendered pursuant to Section 6 of the Seventh Supplement upon presentation of a certificate in the form of Annex D to the Letter of Credit.

“Date of Issuance” means September 2, 2009, the date on which the Bonds were originally issued and delivered pursuant to the Seventh Supplement and Original Bond Ordinance.

“Debt” means, with respect to the following that is payable in whole or in part from Revenues, for any Person (without duplication) (a) all indebtedness created, assumed or incurred in any manner by such Person representing money borrowed (including by the issuance of debt securities), (b) all obligations for the deferred purchase price of property or services (other than trade accounts payable arising in the ordinary course of business), (c) all obligations secured by any Lien upon Property of such Person, whether or not such Person has assumed or become liable for the payment of such indebtedness, (d) all Capitalized Lease Obligations of such Person, (e) all obligations of such Person on or with respect to letters of credit, banker’s acceptances and other evidences of indebtedness representing extensions of credit whether or not representing obligations for borrowed money, (f) certificates of participation evidencing an undivided ownership interest in payments made by such Person as lessee under Capital Leases, as purchaser under an installment sale agreement or otherwise as an obligor in connection therewith, and (g) all Guaranteed Debt.

“Debt Service” has the meaning set forth in the Original Bond Ordinance.

“Default” means any occurrence, circumstance or event, or any combination thereof, which, with the lapse of time and/or giving of notice, would constitute an Event of Default.

“Default Rate” means the Bank Rate plus 3.00% per annum.

“Dodd-Frank Act” means the Dodd-Frank Wall Street Reform and Consumer Protection Act and all regulations, guidelines and directions in connection therewith, as the same may be amended from time to time.

“Downgrade” means each decrease of a rating assigned by a Rating Agency to the Bonds or any Parity Bonds of the Issuer (exclusive of any decrease thereto associated with third party credit enhancement).

“Drawing” or “drawing” means any request for payment under the Letter of Credit evidenced by an A Drawing, a B Drawing, a C Drawing or a D Drawing.

“Effective Date” means August [ ], 2015, which, subject to the satisfaction of the conditions precedent set forth in Section 3.1 hereof, is the date on which the Letter of Credit is to be issued initially.

“Embargoed Person” has the meaning assigned to that term in Section 7.12(a) hereof.

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended, or any successor statute.

“Event of Default” means any event specified in Section 6.1 of this Agreement; *provided* that any requirement for notice or the lapse of time or both has been satisfied.

“Federal Funds Rate” means, for any day, a fluctuating interest rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not published for any day which is a Business Day, the average of the quotations

for such day on such transactions received by the Bank from three Federal funds brokers of recognized standing selected by it. Each determination of the Federal Funds Rate by the Bank shall be deemed conclusive and binding on the Issuer absent manifest error.

“Fee Letter” means that certain letter from the Bank to the Issuer, dated the Effective Date, setting forth certain fees, including the Commitment Fee and the Letter of Credit Fees, and other compensation to which the Bank shall be entitled pursuant to the terms thereof and the terms of this Agreement.

“Fee Payment Date” has the meaning set forth in the Fee Letter.

“Fifth Supplemental Ordinance” has the meaning set forth in the recitals to this Agreement.

“Financing Documents” means, collectively, the Original Bond Ordinance, and each amendment or modification thereto, the Authorizing Ordinance and the Seventh Supplement, and each amendment, supplement or modification thereto.

“Fiscal Year” has the meaning set forth in the Original Bond Ordinance.

“GAAP” means generally accepted accounting principles as applied in the United States.

“Governmental Authority” means any nation or government, any state, department, agency or other political subdivision thereof, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government, and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing.

“Guaranteed Debt” means, without duplication, all Debt of any Person of the kind referred to in the definition of “Debt” which is guaranteed directly or indirectly in any manner by the Issuer.

“Issuer” has the meaning set forth in the introductory paragraph hereto.

“Letter of Credit” means the irrevocable direct pay letter of credit with respect to the Bonds to be issued by the Bank pursuant hereto for the account of the Issuer in favor of the Paying Agent, as beneficiary, which shall be in substantially the form of Exhibit A to this Agreement.

“Letter of Credit Fees” has the meaning set forth therefor in the Fee Letter.

“Letter of Credit Termination Date” means the earlier of (a) the Stated Expiration Date, or (b) the date on which the Letter of Credit otherwise terminates in accordance with its terms or is terminated by the Issuer.

“Lien” means any mortgage, lien, security interest, pledge, charge or encumbrance of any kind in respect of any Property, including the interests of a vendor or lessor under any conditional sale, Capital Lease or other title retention arrangement.

“Material Adverse Effect” means (a) (i) with respect to any Person, a material adverse effect upon such Person’s business, assets, liabilities, financial condition, results of operations, Properties

or business prospects, and (ii) with respect to a group of Persons as a whole, a material adverse effect upon such Persons' business, assets, liabilities, financial conditions, results of operations, Properties or business prospects taken as a whole, and (b) with respect to any agreement or obligation, a material adverse effect upon the binding nature, validity or enforceability of such agreement or obligation.

“Maximum Bank Bond Interest Rate” means the lesser of (a) the per annum rate of 25% per annum and (b) the Maximum Lawful Rate.

“Maximum Lawful Rate” means the maximum rate of interest on the relevant obligation permitted by applicable law.

“Moody's” means Moody's Investors Service, Inc., a Delaware corporation, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody's” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer with the approval of the Bank.

“Net Revenues” has the meaning set forth in the Original Bond Ordinance.

“Non-Excluded Taxes” has the meaning set forth in Section 2.8 hereof.

“OFAC” has the meaning assigned to that term in Section 7.12(b) hereof.

“Ordinance” has the meaning set forth in the recitals hereto.

“Original Bond Ordinance” has the meaning set forth in the recitals hereto.

“Other Taxes” has the meaning set forth in Section 2.8 hereof.

“Outstanding” has the meaning set forth in the Original Bond Ordinance.

“Parity Bonds” has the meaning set forth in the Seventh Supplement and includes any bonds, notes or other obligations of the Issuer that are (a) authorized, executed and delivered pursuant to the Original Bond Ordinance and a supplement thereto, (b) secured by, and payable from, a pledge of and Lien on the Net Revenues on a parity with the Bonds (for purposes of this definition only, as the term “Bonds” is defined in the Original Bond Ordinance) and (c) deemed Outstanding under the Ordinance.

“Participant” means any institution participating in the Bank's interest in the Letter of Credit, the Fee Letter, the Bank Bonds, this Agreement or any combination of the foregoing.

“Paying Agent” has the meaning set forth in the Seventh Supplement.

“Payment Office” means the office of the Bank located at the address set forth in Section 7.2 hereof or such other office as the Bank may from time to time designate.

“Person” means an individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a government or political subdivision or any agency or instrumentality thereof.

“Prime Rate” means the rate of interest announced by the Bank from time to time as its prime commercial rate, or equivalent, as in effect on such day for United States dollar loans, with any change in the Prime Rate resulting from a change in said prime commercial rate to be effective as of the date of the relevant change in said prime commercial rate, it being understood that such rate may not be the Bank’s best or lowest rate. Each determination of the Prime Rate by the Bank shall be deemed conclusive and binding on the Issuer absent manifest error.

“Prior Bank” has the meaning set forth in the recitals to this Agreement.

“Prior Letter of Credit” has the meaning set forth in the recitals to this Agreement.

“Prior Reimbursement Agreement” has the meaning set forth in the recitals to this Agreement.

“Property” means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, whether now owned or hereafter acquired, that is a part of the System.

“Purchase Price” has the meaning set forth in the Seventh Supplement.

“Rating Agency” means any one of Moody’s or S&P.

“Rating Agencies” means Moody’s and S&P.

“Raymond James” means Raymond James & Associates, Inc., its successors and assigns, as Remarketing Agent.

“Remarketing Agent” has the meaning set forth in the Remarketing Agreement.

“Remarketing Agreement” means that certain remarketing agreement, by and between the Issuer and the Remarketing Agent, dated August [ ], 2015, as the same may be amended, supplemented or modified from time to time.

“Remarketing Statement” means the disclosure document, dated August [ ], 2015, prepared and distributed by the City in connection with delivery of the Letter of Credit and the remarketing of the Bonds, as the same may be amended and supplemented from time to time, which Remarketing Statement includes the official statement prepared and distributed by the City at the time of the initial issuance, sale and delivery of the Bonds (as said official statement is amended by the Remarketing Statement).

“Revenues” has the meaning set forth in the Original Bond Ordinance

“S&P” means Standard & Poor’s Ratings Group, a Standard & Poor’s Financial Services business LLC, a New York corporation, its successors and assigns, and, if such corporation shall be

dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer with the approval of the Bank.

“Section 6 Occurrence” means the occurrence of a Default or an Event of Default.

“Seventh Supplement” has the meaning set forth in the recitals hereto.

“Stated Amount” has the meaning set forth therefor in Section 1 of the Letter of Credit.

“Stated Expiration Date” means August [31], 2020, or any extension of such date, as agreed to by the Bank and the Issuer in accordance with the terms of Section 2.1 hereof.

“System” has the meaning set forth in the Original Bond Ordinance.

“Tax” or “Taxes” has the meaning set forth in Section 2.8 hereof.

“Tender Agent” has the meaning set forth in the Seventh Supplement.

“Tender Agent Agreement” means the tender agent agreement among the Paying Agent and Tender Agent, the Issuer and the Remarketing Agent, dated August [ ], 2015, as the same may be amended, supplemented or modified from time to time.

“Tender Drawing” means any C Drawing and the related D Drawing under the Letter of Credit.

“Term Loan” means the loan made by the Bank to the Paying Agent on behalf of the Issuer with the proceeds of a Tender Drawing resulting in the purchase of Bank Bonds pursuant to the Letter of Credit, which loan shall not have been fully reimbursed by the Issuer on or prior to the Term Loan Amortization Start Date (and assuming the conditions for the creation of a Term Loan have been satisfied pursuant to Section 2.2(c)).

“Term Loan Amortization End Date” means, with respect to any Term Loan, the first to occur of (a) the third (3rd) anniversary of the Term Loan Amortization Start Date, (b) the third (3<sup>rd</sup>) anniversary of the Letter of Credit Termination Date, (c) the date an Alternate Credit Facility first becomes effective, (d) the date that the related Bank Bonds mature or are redeemed, defeased, or remarketed, (e) the Conversion Date, (f) the date that the Stated Amount is permanently reduced to zero or the Issuer terminates the Letter of Credit without delivery of an Alternate Credit Facility or (g) the date that an Event of Default hereunder first occurs.

“Term Loan Amortization Payment Date” means, with respect to any Term Loan, (a) the first Business Day of each month commencing with the first Business Day of the month immediately following the Term Loan Amortization Start Date and (b) the Term Loan Amortization End Date with respect to such Term Loan.

“Term Loan Amortization Start Date” means the day immediately following the first to occur of (a) the 180<sup>th</sup> day immediately following the date of the related Tender Drawing and (b) the Letter of Credit Termination Date (assuming such Tender Drawing has not been fully reimbursed to

the Bank and that the conditions for the creation of a Term Loan have been satisfied pursuant to Section 2.2(c)).

“Term Loan Period” means, with respect to any Term Loan, the period commencing on the Term Loan Amortization Start Date and ending on the Term Loan Amortization End Date.

“Upgrade” means each increase of a rating assigned by a Rating Agency to the Bonds or any Parity Bonds of the Issuer (exclusive of any increase thereto associated with third party credit enhancement).

“Weekly Interest Rate” has the meaning set forth in the Seventh Supplement.

1.2. *Use of Defined Terms.* Terms defined in this Agreement or in the Ordinance on the date of execution and delivery of this Agreement shall have their defined meanings when used in any document, certificate, report or agreement furnished from time to time in connection with this Agreement unless the context otherwise requires; *provided, however*, that in the event terms are defined in this Agreement and the Ordinance, the definitions expressed in this Agreement shall control. To the extent that any incorporated definition from the Ordinance is modified after the Effective Date, such modified definition shall not be incorporated into this Agreement unless such modified definition shall be acceptable and satisfactory to the Bank, as evidenced by the Bank’s written consent thereto.

## Section 2. **TERMS OF THE LETTER OF CREDIT.**

### 2.1. *Issuance of Letter of Credit: Substitution or Termination of the Letter of Credit.*

(a) The Bank hereby agrees, on the terms and subject to the conditions hereinafter set forth, to issue to the Paying Agent the Letter of Credit (substantially in the form of Exhibit A hereto) with respect to the Bonds, dated the Effective Date and completed in accordance with such form and the terms of this Section 2.1(a). The Stated Amount of the Letter of Credit on the Effective Date shall be \$83,178,731, which amount is equal to the aggregate principal amount of the Bonds Outstanding on the Effective Date plus 49 days of accrued interest thereon (calculated at the rate of 12.00% per annum on the basis of 365 or 366-day year, as appropriate, for the actual number of days elapsed). Amounts may be drawn under the Letter of Credit commencing as of the opening of business in New York City on the Effective Date; *provided, however*, that, as and to the extent that the Purchase Price required to be paid on the Effective Date in connection with the mandatory tender of the Bonds due to the substitution of the Prior Letter of Credit with the Letter of Credit will be funded in the following order of priority pursuant to Sections 16 and 32 of the Seventh Supplement: first, from the remarketing proceeds of the Bonds furnished to the Tender Agent by the Remarketing Agent and deposited in the Remarketing Account of the Purchase Fund, and second, if the funds derived from the remarketing proceeds are inadequate, from the funds drawn under the Prior Letter of Credit furnished by the Paying Agent to the Tender Agent and deposited in the Credit Provider Account of the Purchase Fund.

(b) Not earlier than one hundred twenty (120) days prior to, and not later than the sixty (60) days preceding, the Stated Expiration Date, the Issuer may request in writing, delivered to the Bank, that the Bank renew the Letter of Credit for an additional term of up to

five (5) years. If the Issuer makes such a written request, not later than thirty (30) days after receipt of such request, the Bank will give written notice to the Issuer and the Paying Agent as to whether the Bank will renew the Letter of Credit and, if the Bank indicates that it will renew the Letter of Credit, which shall be in the Bank's sole and absolute discretion, the proposed renewal terms thereof. Any failure by the Bank to respond to a request for an extension or renewal of the Letter of Credit shall be deemed to be a denial of such request. In the event that the Letter of Credit is not renewed, the Issuer will use reasonable efforts to (i) obtain an Alternate Credit Facility or (ii) cause the Bonds to be remarketed in an Interest Rate Period (as defined in the Seventh Supplement) not requiring the Letter of Credit.

(c) Promptly following the appointment and qualification of any successor Paying Agent, the Bank shall cause to be delivered to such successor Paying Agent, against receipt by the Bank of the Letter of Credit held by the predecessor Paying Agent, a substitute Letter of Credit substantially in the form of Exhibit A hereto, dated the date of issuance thereof and in favor of such successor Paying Agent, but otherwise having terms substantially identical to the Letter of Credit theretofore outstanding.

(d) The Letter of Credit shall not be replaced with an Alternate Credit Facility pursuant to Section 16 of the Seventh Supplement or otherwise terminated or reduced, in whole or in part, by any action of the Issuer unless: (i) the Issuer shall have provided the Bank with thirty (30) days prior written notice thereof; (ii) the Issuer shall have paid all obligations specified in the Fee Letter in connection with said termination or reduction or provided, to the satisfaction of the Bank, for an alternative payment of said obligations; and (iii) such Letter of Credit shall have been, in the case of termination, returned to the Bank for cancellation or, in the case of a reduction, returned to the Bank in order to allow the Bank to re-issue a substitute Letter of Credit, if applicable. The Stated Amount of the Letter of Credit may be reduced following the payment, redemption or purchase and cancellation of the Bonds. Each such reduction shall be effective upon the receipt by the Bank of a certificate in the form attached as Annex G to the Letter of Credit signed by the Paying Agent.

(e) The Bank will use only its own funds in honoring Drawings on the Letter of Credit.

**2.2. *Repayment of Drawings: Bank Bonds: Conditions Precedent to Term Loans; Payment Thereof; Fees; and Other Payments.*** Subject to the terms and provisions of this Agreement and the Fee Letter, the Issuer agrees to reimburse the Bank, at the times, in the manner and otherwise in accordance with the terms of this Agreement, for each payment made under the Letter of Credit honoring any demand for payment made by the Paying Agent thereunder and to pay all other amounts specified herein, together with interest thereon, pursuant to the terms hereof.

(a) Reimbursement of Drawings. In order to induce the Bank to issue the Letter of Credit, the Issuer agrees, subject to the provisions of Section 2.5 hereof, to pay, or cause to be paid, to the Bank:

(i) (A) on the date each A Drawing is honored, an amount equal to the amount disbursed by the Bank pursuant to such A Drawing and (B) on the date each B Drawing is honored, an amount equal to the amount disbursed by the Bank pursuant to such B Drawing;

(ii) with respect to each C Drawing, on any date which is the first to occur of (A) the date of the remarketing of the related Bank Bonds, the Purchase Price or portion of the Purchase Price of which was paid with the proceeds of such C Drawing, (B) the date on which the principal of any such Bank Bonds, together with accrued interest thereon, shall become due and payable, whether at maturity or prior redemption pursuant to the Seventh Supplement, (C) the date on which the amount disbursed by the Bank pursuant to such C Drawing is declared to become due and payable under the Seventh Supplement as a result of an occurrence of a mandatory tender or (D) the Letter of Credit Termination Date, an amount equal to the amount disbursed by the Bank pursuant to such C Drawing (but, in the case of clause (A) only, an amount equal to the portion of such amount which was disbursed to fund the Purchase Price of such remarketed Bank Bonds); and

(iii) with respect to each D Drawing, on any date which is the first to occur of (A) the immediately succeeding Interest Payment Date in respect of any Bank Bonds the interest portion of the Purchase Price of which was paid with the proceeds of such D Drawing, (B) the date of the remarketing of any such Bank Bonds, (C) the date on which the principal of any such Bank Bonds, together with accrued interest thereon, shall become due and payable, whether at maturity or prior redemption pursuant to the Seventh Supplement, (D) the date on which the amount disbursed by the Bank pursuant to such D Drawing is declared to become due and payable pursuant to the Seventh Supplement as a result of an occurrence of mandatory tender or (E) the Letter of Credit Termination Date, an amount equal to the portion of such amount which was disbursed to fund the interest portion of the Purchase Price of such remarketed Bank Bonds;

with interest on the amount so disbursed by the Bank for each day from and including the date of such disbursement to but not including the date the Bank is reimbursed therefor (except as provided in the second succeeding sentence) at a rate per annum equal to (1) in the case of amounts referred to in clause (i) above, the Default Rate, and (2) in the case of amounts referred to in clauses (ii) and (iii) above, from the date of any such C Drawing or D Drawing, at the Bank Rate, to the earliest of (x) the date such payment is due, (y) the date on which an Event of Default occurs, and (z) the Letter of Credit Termination Date, and, thereafter, at the Default Rate. In the case of amounts referred to in clause (i) above, interest shall be payable on demand, and, in the case of amounts referred to in clauses (ii) and (iii) above (except as provided in the next succeeding sentence), interest shall be payable on the date such amounts are reimbursed to the Bank and, pending such reimbursement, monthly in arrears, commencing on the first Business Day of the month next succeeding the month in which such amount is disbursed by the Bank under the Letter of Credit and continuing on the first Business Day of each month thereafter and on the date payment of such amount is due and, thereafter, on demand. In the case of amounts due as described in sub-clauses (ii)(A) and (iii)(B) above, interest on such amounts equal to the difference between the interest received upon such remarketing as accrued interest on such remarketed Bank Bonds and the interest which would have been payable on such Bonds at the

Bank Rate, shall be due and payable by the Issuer on the Interest Payment Date next succeeding such date of remarketing, together with interest on such difference until paid, at the Bank Rate. Any amounts owing to the Bank under this Agreement in respect of a C Drawing or D Drawing may be prepaid at any time upon written notice to the Bank not later than 3:00 p.m. (New York City time) on the Business Day immediately preceding the date designated for such prepayment.

(b) Bank Bonds. Upon any C Drawing and the accompanying D Drawing, if any, the Bank Bonds with respect to which such C Drawing and D Drawing were made shall be sold to the Bank for an amount equal to the amount of such C Drawing and D Drawing and the certificates representing such Bank Bonds shall be authenticated and registered in the name of the Bank as provided in Section 6(i)(3) of the Seventh Supplement prior to or simultaneously with the application of the proceeds of such C Drawing, and the accompanying D Drawing, if any, and, in the case of Bank Bonds, shall be held by the Tender Agent on behalf of the Bank as provided in Section 6(i)(3) of the Seventh Supplement. Upon reimbursement to the Bank, in full or in part for any C Drawing, and the accompanying D Drawing, if any, and interest due and payable thereon pursuant to Section 2.2(a) hereof to the date of such reimbursement at the applicable rate of interest set forth in Section 2.2(a) hereof, the Bank shall cause to be released and delivered to or upon the order of the Issuer, a principal amount of Bank Bonds corresponding to the amount of the C Drawing being reimbursed. Anything in this paragraph to the contrary notwithstanding, in the event Bonds are in book-entry form, beneficial ownership of Bank Bonds by the Bank may be reflected in accordance with such book-entry system in accordance with Section 7 of the Seventh Supplement. The Bank shall promptly notify the Paying Agent of the amount of the reinstatement; *provided* that the failure to provide such notice shall have no effect on the reinstatement of the amount thereof.

(c) Conditions Precedent to Term Loans; Payment Thereof.

(i) Notwithstanding the foregoing, each unreimbursed Tender Drawing will automatically convert into a Term Loan beginning on the Term Loan Amortization Start Date; *provided* that on the Term Loan Amortization Start Date, (A) no Default or Event of Default hereunder shall have occurred and be continuing and (B) the representations and warranties made by the Issuer hereunder (or incorporated by reference into this Agreement) shall be true and correct in all material respects, in each case, as of such Term Loan Amortization Start Date. On the Term Loan Amortization Start Date, the Issuer shall be deemed to have represented and warranted to the Bank that the conditions set forth in the immediately preceding sentence have been satisfied. Each Term Loan shall be repaid by or on behalf of the Issuer, such that the unpaid principal balance of each outstanding Term Loan shall amortize in thirty-six (36) approximately equal monthly installments of principal, commencing on the first Term Loan Amortization Payment Date immediately succeeding the Term Loan Amortization Start Date and on each subsequent Term Loan Amortization Payment Date thereafter, with the last such payment occurring on the Term Loan Amortization End Date. The monthly amount to be paid, determined as of the Term Loan Amortization Start Date, shall be rounded upward or downward, as appropriate, if necessary, to the nearest \$100,000.

(ii) Interest on Term Loans shall accrue at the Bank Rate and shall be payable, in arrears, on the first Business Day of each month and on each date that principal shall be paid thereon, with all amounts representing interest becoming due and payable on the final day of the Term Loan Period. Any Term Loan may be prepaid by the Issuer, without premium or penalty, upon one (1) Business Day's prior written, electronic or telephonic notice to the Bank (which notice, if electronic or telephonic, shall be promptly confirmed in writing), in whole or in part but, if in part, in a minimum aggregate principal amount of \$100,000 and integral multiples of \$5,000 in excess thereof.

(iii) If any of the conditions for a Term Loan Amortization Start Date set forth in subsection (i) above are not satisfied on the date immediately following the related Tender Drawing, then no Term Loan will be extended with respect to such unreimbursed Tender Drawing and the Issuer will, within ninety (90) days of such date, repay in full the principal amount of said Tender Drawing and all principal due with respect to any Bank Bonds then Outstanding, together with interest accruing thereon at the Default Rate until all amounts represented by such Tender Drawing and Outstanding Bank Bonds have been repaid in full.

(d) Credit for Bond Payments. There shall be credited against the amount payable to the Bank pursuant to Section 2.2(a)(i), 2.2(a)(ii) or 2.2(a)(iii) any amount paid to the Bank in payment of principal of and interest on the Bank Bonds.

(e) Fees. The Issuer agrees to pay to the Bank the Commitment Fee, the Letter of Credit Fees and other amounts on the dates and in the amounts set forth in the Fee Letter. The Fee Letter and this Agreement shall be construed as one agreement between the Issuer and the Bank, and all obligations of the Issuer set forth under the Fee Letter shall be construed as Bank obligations payable under this Agreement.

(f) Manner and Place of Payments; Interest Calculation.

(i) All payments to be made to the Bank hereunder or in connection herewith, whether by the Issuer, or by the Paying Agent on behalf of the Issuer, shall be made to the Bank at its Payment Office in U.S. Dollars in immediately available funds. All such payments shall be made to the Bank as aforesaid not later than 3:00 P.M., New York City time, on the date due at its account specified in Section 7.2 below; and funds received after that time shall be deemed to have been received on the next succeeding Business Day. Interest payable by the Issuer hereunder and under the Fee Letter shall be calculated in accordance with the provisions of the Fee Letter. All payments not received on the date due shall bear interest until payment in full thereof at a variable rate per annum equal to the Default Rate.

(ii) Whenever a payment is due to the Bank under this Agreement or the Fee Letter, the Issuer shall be deemed to have made such payment at the time such payment is received by the Bank.

(iii) Notwithstanding anything herein or in the Fee Letter, the Bonds or the Financing Documents to the contrary, to the extent permitted by applicable law, if at any time the rate per annum payable hereunder or in connection with any Bank Bonds exceeds the Maximum Bank Bond Interest Rate and the Bank shall not receive payment at such rate by virtue of the limitations imposed by the Maximum Lawful Rate (such amount of interest not received by the Bank on the date due being herein referred to as the "Clawback Amount"), such Clawback Amount shall not be payable on the Interest Payment Date for such interest period as interest on such Bank Bonds but shall be deferred. The Clawback Amount shall be allocated among the affected Bank Bonds Outstanding on such Interest Payment Date based upon the principal amount of the Bank Bonds and the length of time the Bank Bonds were Outstanding during the interest period related to such Interest Payment Date. Any Clawback Amount arising on any Interest Payment Date, to the extent permitted by law, (i) shall bear interest (compounded on each succeeding Interest Payment Date) at a rate per annum equal to the Bank Rate (computed on the basis of a year of 365 days and actual days elapsed) until paid in full and (ii) shall become payable on the next succeeding Interest Payment Date or Dates to the extent the interest, including such Clawback Amount, payable on the Bank Bonds, if any, for the interest period ending on such Interest Payment Date does not exceed the Maximum Bank Bond Interest Rate for such interest period; *provided, however*, that if any Clawback Amount due to the Bank has not been paid to the Bank on or prior to the Letter of Credit Termination Date, such amounts due shall convert to a termination fee due and payable on the Letter of Credit Termination Date.

**2.3. *Obligation of Bank.*** The obligation of the Bank to make payments pursuant to the Letter of Credit and to purchase Bank Bonds shall be discharged in accordance with the terms set forth herein and in the Letter of Credit. The Stated Amount of the Letter of Credit may be reduced from time to time as provided therein.

**2.4. *Liability of Bank.*** To the extent permitted by applicable law, neither the Bank nor any of its officers or directors shall be liable or responsible for (a) the use which may be made of a Letter of Credit or for any acts, omissions, errors, interruptions, delays in transmission, dispatch or delivery of any message or advice, however transmitted, of the Paying Agent in connection with the Letter of Credit; (b) any action, inaction or omission which may be taken by the Bank in good faith without negligence or willful misconduct in connection with the Letter of Credit; (c) the validity, sufficiency or genuineness of documents, or of any endorsements thereon, even if such documents should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged; (d) payment by the Bank against presentation of documents which do not comply with the terms of the Letter of Credit, including failure of any documents to bear any reference or adequate reference to such Letter of Credit; or (e) any other circumstances whatsoever in making or failing to make payment under the Letter of Credit, except only that the Issuer shall have a claim against the Bank for acts or events described in the immediately preceding clauses (a) through (e), and the Bank shall be liable to the Issuer, to the extent, but only to the extent, of any direct, as opposed to consequential, damages suffered by the Issuer that were caused by such entity's willful misconduct or negligence. The Issuer further agrees that, to the extent permitted by applicable law, any action taken or omitted by the Bank under or in connection with the Letter of Credit or the related draft or documents, if done in good faith without negligence, shall be effective against the Issuer as to the rights, duties and obligations of the Bank. The Bank may accept documents that appear on their face

to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary.

**2.5. *Nature of Obligations of the Issuer.*** Notwithstanding anything in this Agreement to the contrary, any and all obligations of the Issuer under this Agreement and under the Fee Letter and any Bonds (a) are limited obligations payable solely and exclusively from the Net Revenues as further described herein, (b) shall not constitute a general obligation or pecuniary liability of the Issuer under applicable law, and (c) shall not constitute a pledge of the full faith and credit or the taxing power of the Issuer. For all purposes of the Ordinance, in the event a Tender Drawing is made under the Letter of Credit that results in the creation of a Bank Bond, in addition to its rights hereunder, the Bank shall be entitled to exercise all of the rights of (except the right to tender Bonds for purchase under the Seventh Supplement), and shall be secured to the same extent as, any other holder of Bonds under the Seventh Supplement and any other holder of Parity Bonds under the Ordinance including, without limitation, the right to receive payments of principal and interest thereon, the right to have such Bank Bonds remarketed pursuant to the Seventh Supplement and the Remarketing Agreement and all rights under the Ordinance upon the occurrence and continuation beyond any applicable grace period of any “event of default” under the Ordinance. Except as provided in the foregoing sentence, all other amounts payable by the Issuer to the Bank hereunder (including specifically termination and other fees) shall be payable from and secured by a pledge of and lien upon the Net Revenues of the System which are available to meet any obligations of the Issuer which are or shall become charges, liens or encumbrances upon such Revenues (all as more fully provided in the clause designated “First” under Section 6.7 of the Ordinance), which pledge and lien is subordinate and inferior to the pledge and lien thereof securing the payment of the Outstanding Parity Bonds and any other Bonds issued pursuant to the Ordinance on a parity with the Outstanding Parity Bonds. The Issuer agrees that, for purposes of calculating “Debt Service” under the Ordinance, it shall include amounts then owed to the Bank for payment of principal and interest on outstanding Bonds (or reimbursement of previous Drawings on the Letter of Credit for payment thereof).

**2.6. *Increased Costs.*** (a) If, after the Effective Date, any change in applicable law, treaty, regulation, guideline or directive or any new law, treaty, regulation, guideline or directive, or any change in interpretation of any of the foregoing by any authority charged with the administration or interpretation thereof or any central bank or other fiscal, monetary or other authority having jurisdiction over the Bank or any Participant or the transactions contemplated by this Agreement (whether or not having the force of law) shall:

(i) subject the Bank or any Participant to any tax, charge, fee, deduction or withholding of any kind with respect to this Agreement, the Fee Letter or the Letter of Credit, or any amount paid or to be paid by the Bank as the issuer of such Letter of Credit or any Participant (other than any tax measured by or based upon the overall net income of the Bank or a Participant);

(ii) impose, modify or deem applicable any reserve, premium, special deposit or similar requirements against any assets held by, deposits with or for the account of, or loans, letters of credit, lines of credit (such as the Letter of Credit) or commitments by, an office of the Bank or any Participant;

(iii) change the basis of taxation of payments due the Bank or any Participant under this Agreement and the Fee Letter (other than a change in taxation of the overall net income of the Bank or a Participant); or

(iv) impose upon the Bank or any Participant any other condition with respect to such amount paid or payable to or by the Bank or any Participant or with respect to this Agreement, the Fee Letter or the Letter of Credit, and the result of any of the foregoing is to increase the cost to the Bank or any Participant of agreeing to issue, issuing, making any payment under or maintaining such Letter of Credit, or to reduce the amount of any payment (whether of principal, interest or otherwise) receivable by the Bank or any Participant or to require the Bank or any Participant to make any payment on or calculated by reference to the gross amount of any sum received by it, in each case, by an amount which the Bank or such Participant in its reasonable judgment deems material, then:

(A) the Bank shall, upon making a determination to impose increased costs as a result of the occurrence of any of the foregoing, notify the Issuer of such determination in writing and a due date on which such amounts will be owed, which due date shall be no earlier than thirty (30) days following the date the Issuer is first given such notification by the Bank;

(B) after giving notice of such determination, the Bank shall also as promptly as practicable deliver to the Issuer a certificate stating the change which has occurred or the reserve requirements or other costs or conditions which have been imposed on the Bank or a Participant or the request, direction or requirement with which it has complied together with the date thereof, the amount of such increased cost, reduction or payment and the way in which such amount has been calculated, including a reasonably detailed calculation and the Bank's determination of such amounts, absent fraud or manifest error, shall be conclusive; and

(C) to the extent permitted by law, the Issuer shall pay to the Bank on the due date, from time to time as specified by the Bank, such an amount or amounts as will compensate the Bank or such Participant for such additional cost, reduction or payment, together with interest on such amount from, and including, the due date specified by the Bank for payment at the Default Rate;

*provided, however*, the provisions of this Section 2.6 shall apply fully to a Participant of the Bank, but only to the extent that they apply to the Bank, such that any Participant shall be entitled to payment under this Section 2.6 only to the extent and in the amount that the Bank would be entitled to payment had such participation not been granted.

(b) In addition to the foregoing if, after the Effective Date, the Bank or any Participant shall have determined that the adoption of any applicable law, rule or regulation regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Bank or any

Participant with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on the capital of the Bank or any Participant to a level below that which the Bank or such Participant could have achieved but for such adoption, change or compliance (taking into consideration the policies of the Bank or such Participant with respect to capital adequacy as a result of any such adoption, change or compliance) by an amount deemed by the Bank or such Participant to be material, or affects or would affect the amount of capital required or expected to be maintained by the Bank or any Participant or any Issuer controlling the Bank or any Participant by an amount deemed by the Bank or such Participant to be material, as a consequence of its obligations under the Letter of Credit, then from time to time, and to the extent permitted by law, the Issuer shall be obligated to pay or cause to be paid to the Bank such additional amount or amounts as will compensate the Bank or such Participant for such reduction or capital increase with respect to any period for which such reduction or capital increase was incurred upon written demand by the Bank, together with interest on such amount from the due date of such demand until payment in full at the Default Rate, which due date shall be no earlier than thirty (30) days following the date the Issuer is first given such notification by the Bank. A certificate setting forth such additional amount or amounts as a result of any event mentioned in this paragraph shall be submitted by the Bank to the Issuer and such certificate shall, in the absence of manifest error, be conclusive as to the amount or amounts thereof. To the extent practicable and available to the Bank, the Bank shall also provide the Issuer with a copy of such adoption or change which would cause such reduction in the rate of return on capital or such capital increase, as appropriate, and the provision of such materials shall not be a condition precedent to payment by the Issuer of the amount or amounts referenced in this paragraph.

Notwithstanding the foregoing provisions of this Section 2.6, (i) all laws, treaties, rules, regulations, guidelines or directives in connection with the Dodd Frank Act, regardless of the date enacted, adopted or issued, and (ii) all laws, treaties, rules, regulations, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Regulations and Supervisory Practices (or any successor or similar authority), regardless of the date enacted, adopted or issued, that, in either case, results in an increase of costs, reduces the rate of return or causes other decreased benefits to the Bank or any Participant will, if certified by the Bank in a written notice to the Issuer, become an obligation of the Issuer to the Bank and each Participant for which compensation may be sought pursuant to this Section 2.6 that is payable no earlier than thirty (30) days following the date the Issuer is first given such notification by the Bank thereof.

Notwithstanding anything in this Section to the contrary, and to the extent permitted by law, if such costs are to be incurred on a continuing basis and the Bank shall so notify the Issuer in writing as to the amount thereof, such costs shall be paid by the Issuer to the Bank monthly in arrears on the last Business Day of each month and on the Letter of Credit Termination Date.

The provisions of this Section 2.6 shall survive the termination of this Agreement.

**2.7. CUSIP Numbers and Ratings.** On or prior to the Effective Date, the Issuer will, at its expense, (a) cause the Remarketing Agent to obtain and assign for the Bank Bonds a CUSIP number different from any CUSIP number assigned to the Bonds that are not Bank Bonds and (b) obtain from Moody's or S&P, as applicable, a long-term rating specifically assigned to such Bank Bonds and, furthermore, the Issuer will ensure that, for so long as there remain any Bank Bonds

outstanding, the CUSIP number and the long-term rating assigned to such Bank Bonds are available electronically to the Bank pursuant to a third-party provider of such information. Notwithstanding the foregoing, as and to the extent that the Issuer had obtained the CUSIP number described in clause (a) above and the long-term rating described in clause (b) above in connection with the delivery of the Prior Letter of Credit, the Issuer need only provide evidence to the Bank that said CUSIP number and said long-term rating remain in effect with respect to any Bank Bonds that may be owned by the Bank subsequent to the Effective Date.

## 2.8. *Taxes.*

(a) Any and all payments by the Issuer hereunder shall be made free and clear of, and without deduction or withholding for or on account of, any present or future tax, levy, impost, duty or other charge or withholding of a similar nature (including a related penalty or interest) imposed or levied by or on behalf of any Governmental Authority (any such present or future tax, levy, impost, duty or other charge or withholding of a similar nature (including a related penalty or interest) being referred to herein as a “Tax” or “Taxes”), now or hereafter imposed, levied, collected, withheld or assessed, excluding any Taxes imposed on the Bank as a result of a present or former connection between the Bank and the jurisdiction of the Governmental Authority imposing such tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from the Bank having executed, delivered or performed its obligations or received a payment under, or enforced, this Agreement). If any such non-excluded taxes, levies, imposts, duties, charges, fees, deductions or withholdings (“Non-Excluded Taxes”) or Other Taxes (as defined below) are required to be withheld from any amounts payable to the Bank hereunder or under the Fee Letter or the Bank Bonds, the amounts so payable to the Bank shall be increased to the extent necessary to yield to the Bank (after payment of all Non-Excluded Taxes and Other Taxes, but excluding Taxes on the Bank’s net income) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement; *provided, however*, that the Issuer shall not be required to increase any such amounts payable to the Bank with respect to any Non-Excluded Taxes that are attributable to the Bank’s failure to comply with the requirements of paragraph (a)(iii) of this section.

(i) In addition, the Issuer agrees to pay any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement (“Other Taxes”).

(ii) Whenever any Non-Excluded Taxes or Other Taxes are payable by the Issuer, as promptly as possible thereafter the Issuer shall send to the Bank a certified copy of an original official receipt received by the Issuer showing payment thereof. If the Issuer fails to pay any Non-Excluded Taxes or Other Taxes when due to the appropriate taxing authority or fails to remit to the Bank the required receipts or other required documentary evidence and, to the extent permitted by applicable law, the Issuer shall indemnify the Bank for any incremental taxes, interest or penalties that may become payable by the Bank as a result of any such failure; *provided* the Issuer shall not be liable hereunder for any incremental taxes, interest or penalties resulting from the failure to pay when due any Non-Excluded Taxes or Other Taxes imposed directly on the Bank if the

Issuer shall not have received written notice at least three (3) Business Days prior to the due date thereof.

(iii) If the Bank is entitled to an exemption from or reduction of non-U.S. withholding tax under the law of the jurisdiction in which the Issuer is located, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement, it shall deliver to the Issuer, at the time or times prescribed by applicable law or reasonably requested by the Issuer, such properly completed and executed documentation prescribed by applicable law as will permit such payments to be made without withholding or at a reduced rate; *provided* that the Bank is legally entitled to complete, execute and deliver such documentation if, in the Bank's judgment, such completion, execution or submission would not materially prejudice the legal position of the Bank.

(b) If the Bank is entitled to an exemption from or reduction of non-U.S. withholding tax under the law of the jurisdiction in which the Issuer is located, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement, it shall deliver to the Issuer, at the time or times prescribed by applicable law or reasonably requested by the Issuer, such properly completed and executed documentation prescribed by applicable law as will permit such payments to be made without withholding or at a reduced rate; *provided* that the Bank is legally entitled to complete, execute and deliver such documentation if, in the Bank's judgment, such completion, execution or submission would not materially prejudice the legal position of the Bank.

(c) The provisions of this Section 2.8 will survive termination of this Agreement.

### Section 3. **CONDITIONS.**

3.1. *Conditions Precedent to Issuance of the Letter of Credit.* The obligation of the Bank to issue the Letter of Credit shall be subject to the fulfillment of the following conditions precedent on or before the Effective Date, in a manner satisfactory to the Bank and its counsel:

(a) The Bank shall have received (i) a reliance letter, dated the Effective Date, permitting the Bank to rely on the opinion(s), if any, of Bond Counsel that may be required by the Ordinance, the Remarketing Agreement, the Tender Agent Agreement or otherwise in connection with the mandatory tender and remarketing of the Bonds and delivery of the Letter of Credit in substitution for the Prior Letter of Credit (excluding any opinion dealing with the Remarketing Statement) and (ii) a reliance letter, dated the Effective Date, permitting the Bank to rely on the approving opinion and other opinions of Bond Counsel delivered on the Date of Issuance (excluding any opinion dealing with the Remarketing Statement), in each case, in form and substance satisfactory to the Bank and Bank Counsel.

(b) The Bank shall have received an opinion of Bank Counsel (including an opinion complying with the requirements of Section 16(a)(iv) of the Seventh Supplement regarding no registration of the Bonds or the Letter of Credit under the Securities Act of 1933, as

amended, from the Bank's domestic counsel) in form and substance reasonably satisfactory to the Bank, the Issuer, the Paying Agent and the Remarketing Agent, dated the Effective Date.

(c) The Bank shall have received (i) a reliance letter, dated the Effective Date, permitting the Bank to rely on the opinion, if any, of counsel to the Issuer that may be required by the Ordinance, the Remarketing Agreement, the Tender Agent Agreement or otherwise in connection with the mandatory tender and remarketing of the Bonds and delivery of the Letter of Credit in substitution for the Prior Letter of Credit (excluding any opinion dealing with the Remarketing Statement) and (ii) a reliance letter, dated the Effective Date, permitting the Bank to rely on the opinion of counsel to the Issuer delivered on the Date of Issuance (excluding any opinion dealing with the Remarketing Statement), in each case, in form and substance satisfactory to the Bank and Bank Counsel.

(d) The Bank shall have received evidence that (i) Moody's has assigned long-term and short-term ratings to the Bonds of at least "[\_/\_]" (or the then comparable Moody's ratings) and S&P has assigned long-term and short-term ratings to the Bonds of at least "[\_/\_]" (or the then comparable S&P ratings), (ii) the long-term ratings assigned by Moody's and S&P to unenhanced Parity Bonds of the Issuer are "Aa1" and "AA", respectively, and (iii) the Bank shall have received copies of the rating letters or other documents evidencing the ratings described in sub-clause (i) hereof. [TBD – APPROACHING THE ANALYSTS AT MOODY'S AND S&P REGARDING THE APPLICATION OF THEIR JOINT CRITERIA TO DETERMINE A FINAL RATING APPLICABLE TO THE BONDS.]

(e) The Bank shall have received, on the Effective Date, (i) counterparts of this Agreement and the Fee Letter signed by each party thereto, (ii) a specimen of the Bonds and a copy of the Remarketing Statement and (iii) certified copies or executed originals, as the Bank may request, of the Financing Documents, the Remarketing Agreement, the Tender Agent Agreement and any other documents which the Bank may reasonably request evidencing that all necessary action required to be taken in connection with the enactment of the Financing Documents, the authorization, execution, issuance, delivery and performance of this Agreement, the Fee Letter, the Bonds, the Remarketing Agreement, the Tender Agent Agreement and any other document required to be delivered pursuant to or in connection with the foregoing documents and the transactions contemplated hereby or thereby has been taken including, without limitation, ordinances of the Council authorizing delivery and, where applicable, execution and performance by the Issuer of this Agreement, the Fee Letter, the Bonds, the Remarketing Agreement and the Tender Agent Agreement, certified by an Authorized Representative (which certificate shall state that the ordinances are in full force and effect on the Effective Date and that said ordinances have not been amended, supplemented or otherwise modified since the respective date of adoption of each such ordinance).

(f) The Bank shall have received (i) the three most recent audited financial statements of the Issuer which shall include financial information regarding the System, (ii) the Annual Budget for the current Fiscal Year including all amendments thereto since its initial adoption and (iii) projected operating and financial information for the Issuer and the System for the Fiscal Years ending June 30, 2016, June 30, 2017, June 30, 2018 and June 30, 2019, which information shall include, without limitation, (A) the Issuer's projections regarding the rates and charges to be established, levied, maintained and collected during each of those Fiscal Years

pursuant to Section 7.1 of the Original Bond Ordinance and (B) the Issuer's projections during each of those Fiscal Years regarding Debt Service on the Bonds and all other Parity Bonds; provided, however, the Issuer makes no representation as to the accuracy of such projected rates and charges or that such rates and charges will be adequate at such levels (if at all).

(g) The Bank shall have received such certifications as to matters of fact, evidence of corporate authority, copies of governmental consents, permits, licenses and approvals, and other documents as shall be reasonably requested by the Bank, and the form and substance of any order or other official action granting any consent, permit, license or approval shall be satisfactory to the Bank.

(h) (i) The representations and warranties set forth in Section 4 of this Agreement shall be true and correct in all material respects as of the Effective Date; and (ii) on the Effective Date, no Section 6 Occurrence or no event, act or omission which with notice, lapse of time or both, would constitute such a Section 6 Occurrence, shall have occurred and be continuing, and the Issuer shall have delivered to the Bank a certificate to the effect of sub-clauses (i) and (ii) immediately above dated the Effective Date.

(i) The Bank shall have determined (in its sole and absolute discretion) that (i) neither the issuance of the Letter of Credit, nor the consummation of any of the transactions contemplated by this Agreement, the Fee Letter, the Remarketing Statement, the Bonds, the Remarketing Agreement and the Tender Agent Agreement or any of the Financing Documents, will violate any law, rule, guideline or regulation (or interpretation or administration thereof) applicable to the Issuer, the Bank, the Letter of Credit, the Fee Letter or this Agreement and (ii) no material adverse change in the financial condition, business, assets or liabilities of the Issuer or the System shall have occurred since June 30, 2014.

(j) A certificate of an Authorized Representative certifying as to the names and true signatures of the officers of the Issuer authorized to execute this Agreement, the Fee Letter, the Bonds, the Remarketing Statement, the Remarketing Agreement and the Tender Agent Agreement.

(k) A certificate of an authorized representative of the Paying Agent, dated the Effective Date, certifying, among other things, the titles of the officers authorized to deliver, on behalf of the Paying Agent, Drawings to the Bank under the Letter of Credit.

(l) Payment of all fees and expenses payable to the Bank and Bank Counsel (subject to an alternative arrangement satisfactory to the Bank and Bank Counsel being achieved on or prior to the Effective Date) on the Effective Date as specified in the Fee Letter.

(m) The Bank shall have received a copy of the Financing Documents, Remarketing Agreement, Tender Agent Agreement and other documents, consents, notices, certificates and opinions that were delivered on the Date of Issuance in connection with the issuance and delivery of the Bonds on such date (the "Closing Transcript"), together with all amendments, supplements and modifications made to the foregoing since the Date of Issuance, certified by an Authorized Representative as of the Effective Date as being (i) a true and

complete copy of the Closing Transcript and (ii) to the extent that there have been amendments, supplements or other modifications to the Financing Documents, Remarketing Agreement, Tender Agent Agreement and other documents, consents, notices, certificates and opinions contained in said Closing Transcript since the Date of Issuance, said amendments, supplements and modifications constitute true and complete copies thereof, in each case, in form and substance satisfactory to the Bank.

(n) Evidence that, on and as of the Effective Date, (i) Regions Bank is serving as Paying Agent, (ii) Raymond James is serving as the Remarketing Agent and (iii) Regions Bank is serving as Tender Agent.

(o) Evidence that, on and as of the Effective Date, a CUSIP number and a long-term rating applicable to Bank Bonds as required in Section 2.7 have been obtained.

(p) Evidence that, on the Effective Date, (i) the Bonds have been remarketed in whole and (ii) the Prior Letter of Credit has been terminated and surrendered to the Prior Bank and that all obligations of the Issuer under and pursuant to the Prior Reimbursement Agreement have been satisfied (subject to an alternative arrangement satisfactory to the Bank, the Prior Bank and the Issuer having been achieved on or prior to the Effective Date).

(q) All other legal matters pertaining to the execution and delivery of this Agreement, the Fee Letter, the Remarketing Agreement and the Tender Agent Agreement, enactment of the Financing Documents, the issuance of the Bonds and the Letter of Credit and delivery of the Remarketing Statement shall be reasonably satisfactory to the Bank and Bank Counsel.

In addition to the foregoing, the Bank shall have determined, as of the Effective Date, that (A) no law, regulation, ruling or other action of the United States or any state or any political subdivision or authority therein or thereof shall be in effect or shall have occurred, the effect of which would be to prevent the Bank from fulfilling its obligations under the Letter of Credit, and (B) no change in (i) the financial condition of the Issuer or the System, or (ii) the capital or financial markets of the United States has occurred and is continuing that, pursuant to the terms of the Remarketing Agreement between the Issuer and the Remarketing Agent(s), would permit the Remarketing Agent(s) to terminate their obligations thereunder.

3.2. ***Conditions Precedent to Drawings.*** The Paying Agent shall have prepared and delivered a request for a Drawing in the form required by, and by the time, in the manner and delivered to the office of the Bank specified in, the Letter of Credit, which request shall be duly completed and executed by an officer of the Paying Agent designated in Section 3.1(k) hereof.

#### Section 4. **REPRESENTATIONS AND WARRANTIES**

In order to induce the Bank to enter into this Agreement and to issue the Letter of Credit, the Issuer represents and warrants, as of the date hereof as follows:

(a) Corporate Existence and Power. The Issuer is an incorporated municipality located in Richland County and Lexington County, South Carolina and had, at all

relevant times, and has the requisite power to carry on its present and proposed activities, and has and at all relevant times had full power, right and authority to enter into and deliver this Agreement, the Fee Letter, the Remarketing Agreement and the Tender Agent Agreement, to enact the Original Bond Ordinance, the Seventh Supplement and the Authorizing Ordinance, to authorize, issue, execute and deliver the Bonds and any and all instruments and documents required to be executed, enacted or delivered pursuant to or in connection herewith or therewith and to perform each and all of the matters and things herein and therein provided for.

(b) Approvals. The Issuer has and had, at all relevant times, taken all requisite action to authorize or enact, as appropriate, (i) the execution and delivery of, and, as applicable, the performance of its obligations under, this Agreement, the Fee Letter, the Remarketing Agreement and the Tender Agent Agreement, (ii) the execution, issuance and delivery of the Bonds, (iii) the Original Bond Ordinance, the Seventh Supplement and the Authorizing Ordinance, (iv) the preparation and delivery of the Remarketing Statement and (v) any and all instruments and documents required to be executed, adopted or delivered pursuant to or in connection herewith or therewith. Notwithstanding the foregoing, the Issuer makes no representation with respect to compliance with state securities laws or “blue sky” laws of any jurisdiction.

(c) Binding Effect. (i) Each of this Agreement, the Fee Letter, the Remarketing Agreement and the Tender Agent Agreement has been duly executed and delivered by the Issuer, (ii) the Bonds have been duly executed and delivered by the Issuer and (iii) each of the Original Bond Ordinance, the Seventh Supplement and the Authorizing Ordinance have been duly enacted by the Issuer, and all of the foregoing constitute valid and legally binding limited obligations of the Issuer which obligations are enforceable against the Issuer in accordance with their respective terms.

(d) Contravention. The execution, delivery and performance by the Issuer of its obligations under this Agreement, the Fee Letter, the Bonds, the Remarketing Agreement and the Tender Agent Agreement, the enactment by the Council of the Original Bond Ordinance, the Seventh Supplement and the Authorizing Ordinance when the same were enacted, and the preparation and delivery of the Remarketing Statement and any and all instruments or documents required to be executed in connection herewith or therewith, were and are within the powers of the Issuer and will not violate any material provision of any applicable law (including the Constitution of the State of South Carolina), regulation, decree or governmental authorization, and will not violate or cause a default under any provision of any contract, agreement, indenture or other undertaking to which it is a party or which is binding upon it or any of its property or assets, and will not result in the imposition or creation of any lien, charge or encumbrance upon any of its properties or assets, excluding the pledge of and lien upon the Net Revenues of the System, pursuant to the provisions of any such contract, agreement, mortgage, indenture or undertaking. The Issuer does not maintain any employee benefit plan that is subject to Title I or Title IV of ERISA.

(e) Default, Etc. The Issuer is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in this Agreement, the Fee Letter, the Remarketing Agreement, the Tender Agent Agreement, the Original Bond Ordinance, the Seventh Supplement, the Authorizing Ordinance or other ordinance, agreement or instrument to which it is a party which could reasonably be expected to result in a Material Adverse Effect on the ability of the Issuer to perform its obligations hereunder, under the Fee Letter, the Bonds or in connection with this Agreement, the Fee Letter, the Remarketing Agreement, the Tender Agent Agreement, the Original Bond Ordinance, the Seventh Supplement or the Authorizing Ordinance or which could affect the enforceability hereof or thereof. No Section 6 Occurrence has occurred and is continuing, and no event, act or omission has occurred and is continuing which, with the lapse of time, the giving of notice, or both, would constitute a Section 6 Occurrence.

(f) Financial and Other Information. The financial statements of the Issuer (which includes financial information regarding the System), as of and for the period ending June 30, 2014, present fairly the financial position of the Issuer and the System as of such date and the revenues, expenses and changes in fund balances and financial position for the period then ended, all of which has been prepared in accordance with GAAP. Since June 30, 2014, there has been no material adverse change in the business, properties, condition (financial or otherwise) or operations, present or prospective, of the Issuer or the System, nor any increase in the long-term debt of the System which has not been disclosed to the Bank in writing. The Remarketing Statement as of its date and, as supplemented or amended, as of the Effective Date, does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements and information therein contained, in light of the circumstances under which they are made, not misleading; *provided, however*, that the Issuer makes no representation concerning the information contained in the Remarketing Statement (i) in Appendix B thereto (entitled "CERTAIN INFORMATION CONCERNING SUMITOMO MITSUI BANKING CORPORATION") or (ii) in Appendix C thereto (entitled "SUMMARY OF SUMITOMO LETTER OF CREDIT AND SUMITOMO REIMBURSEMENT AGREEMENT")

(g) Litigation. No litigation is pending (or, to the knowledge of the Issuer, threatened in writing) against the Issuer or the System in any court or agency or other administrative body (either State of South Carolina or federal) (i) to restrain or enjoin the remarketing of the Bonds, or (ii) in any manner questioning the validity or payment of principal of or interest on bonds or other obligations of the Issuer similar to the Bonds including, without limitation, any Parity Bonds, or (iii) questioning the constitutionality of any statute, or the validity of any proceedings including, without limitation, the Original Bond Ordinance, the Seventh Supplement or the Authorizing Ordinance authorizing the Bonds and the execution, delivery and performance of the Issuer's obligations under the Agreement and the Fee Letter, as applicable, or (iv) materially questioning or affecting the legality or constitutionality of the collection by the Issuer of the Revenues securing the Bonds and the application thereof in accordance with the Ordinance, or (v) contesting in any way the completeness, accuracy or fairness of the Remarketing Statement, or (vi) questioning or affecting the validity of the pledge by the Issuer of the Net Revenues as described in Section 2.5 hereof, or the validity or the enforceability of any provisions of this Agreement, the Fee Letter, the Original Bond Ordinance, the Seventh Supplement, the Authorizing Ordinance, the Bonds or the Remarketing Agreement,

or the obligations of the Issuer arising under or pursuant to this Agreement, or (vii) questioning or affecting the legal existence of the Issuer, or (viii) which might in any material respect adversely affect the transactions contemplated herein or by the Ordinance or the Remarketing Statement, or (ix) contesting the titles of any officials of the Issuer to their respective offices.

(h) Tax-Exempt Status of Certain Revenue Bonds. The Issuer has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the Issuer is an issuer of obligations whose arbitrage certifications may not be relied upon.

(i) Immunity. With respect to any *ex contractu* actions arising from its contractual obligations under this Agreement and the Fee Letter, the Issuer is not entitled to claim immunity on the grounds of sovereignty or other similar grounds with respect to itself or its revenues or assets (irrespective of their use or intended use) from (i) suit, (ii) jurisdiction of any court, (iii) relief by way of injunction, order for specific performance or for recovery of property, (iv) attachment of its assets (whether before or after judgment) or (v) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be made subject to in any suit, action or proceedings relating to this Agreement or the Fee Letter in the courts of any jurisdiction and no such immunity (whether or not claimed) may be attributed to the Issuer or its revenues or assets

(j) Environmental Law. Except as disclosed in writing to the Bank, the Issuer has not received notice to the effect that the operations of the System are not in compliance with any of the requirements of applicable federal, state or local environmental, health and safety statutes and regulations or are the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, which non-compliance or remedial action could reasonably be expected to result in a Material Adverse Effect on the security for the Bonds or the Issuer's ability to pay its obligations under this Agreement, the Fee Letter or the Bank Bonds.

(k) Security for the Bonds. The Ordinance creates, for the benefit and security of the Bonds (including Bank Bonds), a legally valid and binding pledge of and lien upon the Net Revenues. The lien and pledge granted under the Ordinance on the Net Revenues is a valid and enforceable lien securing the payment of the Bonds (including the Bank Bonds). The payment of principal and interest on the Bonds (including Bank Bonds) will rank at least equally in right of payment by the Issuer with all other Parity Bonds of the Issuer with respect to Net Revenues as provided in the Ordinance.

(l) Incorporation of Representations and Warranties by Reference. Subject to the final sentence of this subsection (l), the Issuer hereby makes to the Bank the same representations and warranties as are set forth by it in the Remarketing Agreement, the Tender Agent Agreement and, to the extent applicable, each of the Financing Documents, which representations and warranties, as well as the related defined terms contained therein, are hereby incorporated herein by reference for the benefit of the Bank with the same effect as if each and every such representation and warranty and defined term were set forth herein in its entirety. No amendment to such representations and warranties or defined terms made pursuant to the Remarketing Agreement, the Tender Agent Agreement and, to the extent applicable, the Financing Documents shall be effective to amend such representations and warranties and

defined terms as incorporated by reference herein without the prior written consent of the Bank. The parties hereto agree that, except for any representation, warranty or defined term that becomes effective subsequent to the Effective Date as contemplated in the immediately preceding sentence, the representations and warranties incorporated by reference herein are those contained in the Remarketing Agreement and the Tender Agent Agreement as in effect on the Effective Date and, to the extent applicable, the representations and warranties incorporated by reference from each of the Financing Documents are those in effect as of the date of enactment thereof.

(m) Financing Documents. Each representation and warranty of the Issuer contained in the Remarketing Agreement, the Tender Agent Agreement and, to the extent applicable, each of the Financing Documents is true and correct in all material respects as of the Effective Date except that, in the case of the Financing Documents, said representations and warranties shall be deemed true and correct as of the respective date of enactment.

(n) Regulation U. The Issuer is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System); and no proceeds derived from the remarketing of the Bonds on and after the Effective Date will be used to extend credit to others for the purpose of purchasing or carrying any margin stock.

(o) No Amendment. To the best knowledge of the Issuer, there is no amendment, or proposed amendment certified for placement on a statewide ballot, to the Constitution of the State of South Carolina or any published administrative interpretation of the Constitution of the State of South Carolina or any State of South Carolina law, or any legislation which has passed either house of the State legislature or is under consideration by any conference or similar committee, or any published judicial decision interpreting any of the foregoing, the effect of which could reasonably be expected to result in a Material Adverse Effect with respect to the assets, financial condition, properties, business or operations of the System, the Revenues or the performance of the obligations of the Issuer under this Agreement, the Remarketing Agreement, the Tender Agent Agreement, the Financing Documents and the Bonds.

(p) No Limitation on Interest Rate. Neither the laws nor the Constitution of the State of South Carolina impose any limitation on the rate of interest payable by the Issuer hereunder or in connection with any Bank Bond.

(q) Not an Investment Company. The Issuer is not an “investment company” within the meaning of the Investment Company Act of 1940, as amended.

#### Section 5. **COVENANTS OF THE ISSUER.**

So long as a Letter of Credit is outstanding and until all obligations of the Issuer arising under or pursuant to this Agreement, the Bank Bonds and the Fee Letter shall have been paid in full, the Issuer shall do the following:

5.1. *Affirmative Covenants.*

(a) Reports, Certificates and Other Information. The Issuer will maintain a standard system of accounting in accordance with GAAP and will furnish to the Bank and its duly authorized representatives such information respecting the financial condition of the Issuer and the financial condition of the System as the Bank may reasonably request including, without limitation, the following:

(i) The Issuer will furnish or cause to be furnished to the Bank as soon as available and, in any event, within two hundred ten (210) days after the end of each Fiscal Year, (A) a copy of the audited annual financial statements of the Issuer, which shall include a summary of the operating revenues, operating expenses, non-operating revenues and expenses and change in net assets of the System for such Fiscal Year, (B) the balance sheet as of the end of such Fiscal Year, and (C) the report of independent auditors with respect to said financial statements certifying that said financial statements fairly present the financial position of the Issuer and that their audit has been conducted in accordance with GAAP;

(ii) The Issuer will use its best efforts to furnish or cause to be furnished to the Bank, if and as soon as the same are prepared and available for public distribution, a copy of the Annual Budget for each Fiscal Year during the term of this Agreement, and each amendment and supplement thereof adopted during the course of said Fiscal Year;

(iii) The Issuer will furnish or cause to be furnished to the Bank promptly upon obtaining knowledge of any condition or event which constitutes a Section 6 Occurrence (excluding any payment obligation of the Issuer to the Bank described in Section 6.1(b) or (c) hereof), notice of such condition or event and, within ten (10) Business Days thereafter, a certificate signed by an Authorized Representative specifying in reasonable detail the nature and period of existence thereof and what action the Issuer has taken or proposes to take with respect thereto;

(iv) The Issuer will furnish or cause to be furnished to the Bank, as promptly as practicable, written notice to the Bank of any action, suit or proceeding at law or in equity or by or before any governmental instrumentality or other agency that, if adversely determined, could reasonably be expected to result in a Material Adverse Effect with respect to the Issuer's ability to perform its obligations under this Agreement, the Fee Letter, the Original Bond Ordinance, the Seventh Supplement, the Authorizing Ordinance, the Bonds or the Remarketing Agreement or could reasonably be expected to result in a Material Adverse Effect with respect to the financial condition of the System;

(v) The Issuer will furnish or cause to be furnished to the Bank, at such times as the Issuer delivers its annual financial statements pursuant to clause (i) of this Section 5.1(a), a certificate of an Authorized Representative to the effect that such officer has taken such action as he has considered reasonable under the circumstances to make such certification and (A) nothing has come to such Representative's attention to lead such Representative to believe that any Section 6 Occurrence exists or, if such is not

the case, specifying such Section 6 Occurrence and the nature thereof, and (B) setting forth evidence of compliance with the covenants set forth in this Agreement and the Ordinance including, without limitation, compliance with the covenants set forth in Article VII of the Original Bond Ordinance;

(vi) The Issuer will furnish or cause to be furnished to the Bank, as soon as practicable, final copies of any official statement, offering circular, placement memorandum or similar or corresponding document, and any supplements thereto and updates and amendments thereof, that the Issuer makes available in connection with the offering for sale of any securities relating to the System of which it is the issuer or secured in whole or in part by the Net Revenues;

(vii) The Issuer will furnish or cause to be furnished to the Bank notice of any change, suspension or termination in the ratings assigned to the Issuer's unenhanced Parity Bonds by any of Moody's or S&P forthwith upon the occurrence thereof;

(viii) The Issuer will furnish, or cause to be furnished to the Bank, with respect to all or a portion of the Bonds, notice of any optional redemption, defeasance or refunding of the Bonds, or notice of any Conversion Date, at the time such notice is given to Bondholders;

(ix) The Issuer will furnish or cause to be furnished to the Bank ten (10) Business Days prior to the effectiveness thereof, notice of any proposed amendment to a Financing Document, the Remarketing Agreement, the Tender Agent Agreement or the Remarketing Statement with respect to which the Bank's consent is not required pursuant to Section 5.2(b) hereof and copies of all such amendments promptly following the execution thereof;

(x) At any time other than as described in clause (xi) below, the Issuer will furnish or cause to be furnished to the Bank within thirty (30) days after receipt of written notice, such other material information regarding the business, affairs and condition of the System or the Revenues as the Bank may from time to time request, to the extent such information is reasonably available; and

(xi) Except as otherwise provided in Section 5.1(a) above, during the occurrence and continuance of a Section 6 Occurrence, the Issuer will furnish or cause to be furnished to the Bank within thirty (30) days after receipt of written notice or such later time as practically possible, such other information regarding the business, affairs and condition of the Issuer, the System or the Revenues as the Bank may from time to time request to be furnished or caused to be furnished.

(b) Maintenance of Books and Records. The Issuer will maintain complete and accurate books and records pertaining to the System and the Revenues and all receipts and disbursements with respect thereto in accordance with GAAP applicable to municipalities consistently applied and any applicable regulations.

(c) Access to Books and Records. The Issuer will permit any Person designated by the Bank, at the expense of the Bank, to visit any of the offices of the Issuer and, to the extent permitted by applicable law, examine the books and financial records of the System, including minutes of meetings of the Council with respect thereto, or any relevant committees thereof, and make copies thereof or extracts therefrom, and to discuss the affairs, finances and accounts of the System with principal officials of the Issuer and the System, all at such reasonable times and as often as the Bank may reasonably request. The Bank agrees to maintain the confidentiality of all such books, records and information regarding the System; *provided, however,* that the Bank shall not be precluded from disclosing such information or the contents of such books and records to the Participants or, to the extent required by statute, rule, regulation or judicial process or upon the lawful demand of any court or agency having jurisdiction over the Bank, to any Governmental Authority with proper jurisdiction over the Bank.

(d) Compliance with Documents. The Issuer will observe and perform fully and faithfully all of its obligations under this Agreement, the Bonds, the Remarketing Agreement, the Tender Agent Agreement and the Financing Documents and will use reasonable efforts to cause the Paying Agent, the Tender Agent and the Remarketing Agent at all times to comply with the terms of the foregoing to which each is a party.

(e) Further Assurances. The Issuer will at any and all times, insofar as it may be authorized so to do by law, pass, make, do, execute, acknowledge and deliver every and all such further resolutions, acts, deeds, conveyances, assignment, recordings, filings, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, revenues and other funds including those funds pledged or assigned to the payment of the Bonds (including the interest thereon) or payment of the obligations of the Issuer arising under or pursuant to this Agreement, or intended so to be, or which the Issuer may hereafter become bound to pledge or assign thereto.

(f) Compliance with Laws. The Issuer shall comply with all laws, rules and regulations (including all federal, state and local environmental and health and safety laws, rules and regulations), and with all final orders, writs, judgments, injunctions, decrees or awards to which it may be subject the noncompliance of which could reasonably be expected to result in a Material Adverse Effect with respect to repayment of, or the security for, the Bonds or the fulfillment of the Issuer's other obligations under, or as described in, this Agreement, the Fee Letter, the Remarketing Agreement, the Tender Agent Agreement or any Financing Document; *provided, however,* that the Issuer may contest the validity or application thereof and appeal or otherwise seek relief therefrom, and exercise any and all of the rights and remedies which it may have with regard thereto, so long as such acts do not affect the Issuer's power and authority to perform its obligations under the Financing Documents, to execute this Agreement, to perform its obligations and pay all amounts payable by it hereunder or under the Remarketing Agreement or the Tender Agent Agreement, or to execute and deliver the Bonds and to perform its obligations thereunder.

(g) Substitute Facility. The Issuer agrees that it will not terminate the Letter of Credit prior to the Stated Expiration Date or cause a Conversion Date to occur without providing an Alternate Credit Facility or otherwise providing funds, whether derived from the Issuer or from the provider of said Alternate Credit Facility, on the date of such termination or Conversion

Date in an amount sufficient to insure the payment of all amounts due to the Bank in connection with the Letter of Credit including, without limitation, the repurchase of any Bank Bonds then Outstanding, the repayment of all unreimbursed Drawings under the Letter of Credit and the repayment of all other amounts due and payable hereunder and under the Fee Letter including, without limitation, accrued but unpaid interest due hereunder and in connection with said Bank Bonds and unreimbursed Drawings.

(h) Optional Redemption; Selection of Bonds for Redemption. Without the prior written consent of the Bank, the Issuer shall not optionally redeem any Bonds (other than Bank Bonds) issued under the Seventh Supplement prior to redeeming Bank Bonds in full or if, after giving effect to such redemption in full, there would be any unpaid Clawback Amount. In addition, in connection with any optional or mandatory redemption of less than all of the Bonds then Outstanding, the Issuer will select for redemption, or cause to be selected for redemption, Bank Bonds that are Outstanding prior to selecting other Bonds that are then Outstanding for redemption.

(i) Use of Proceeds. The Issuer shall use, or cause to be used, (i) the proceeds of the Bonds for the purposes set forth in the Seventh Supplement and as described in the Remarketing Statement and (ii) the proceeds of any Drawing under the Letter of Credit for the purposes described herein and in the Letter of Credit.

(j) Compliance with Documents; Incorporation of Covenants.

(i) The Issuer will perform and comply with each and every obligation, covenant and agreement required to be performed or observed by it in or pursuant to this Agreement, the Bonds, the Remarketing Agreement, the Tender Agent Agreement and the Financing Documents, which provisions, as well as related defined terms contained therein, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety and all of which shall be deemed to be made for the benefit of the Bank and shall be enforceable by the Bank against the Issuer. No termination of or amendment to such covenants and agreements or defined terms or release of the Issuer with respect thereto made pursuant to the Remarketing Agreement, the Tender Agent Agreement and the Financing Documents shall be effective to terminate or amend such covenants and agreements and defined terms or release of the Issuer with respect thereto as incorporated by reference herein without the prior written consent of the Bank, which consent shall not be unreasonably withheld. Notwithstanding any termination or expiration of the Remarketing Agreement, the Tender Agent Agreement and any Financing Document, the Issuer shall continue to observe the covenants therein contained for the benefit of the Bank until the termination of this Agreement. All such incorporated covenants shall be in addition to the express covenants contained herein and shall not limit or be limited by the express covenants contained herein.

(ii) To the extent that the consent, approval or permission of the holders of Bonds (as defined in the Original Bond Ordinance) is required in order for any covenant(s) or the related definitions incorporated by reference herein pursuant to clause (j)(i) above be amended, supplemented, waived or otherwise modified, said covenants or

related definitions, or both, may be so amended, supplemented, waived or modified without the consent of the Bank; *provided, however*, that the provisions of the Ordinance and the Seventh Supplement (and the related definitions) relating to the security and the rights, duties and obligations of the Bank thereunder, whether as provider of the Letter of Credit or as an owner from time to time of Bank Bonds, may not, notwithstanding the foregoing provisions of this clause (j)(ii), be amended, supplemented, waived or otherwise modified without the prior written consent of the Bank.

(k) Remarketing Agent. The Issuer shall at all times maintain a Remarketing Agent with respect to the Bonds performing the duties thereof contemplated by the Seventh Supplement and the Remarketing Agreement acceptable to the Bank. For the avoidance of doubt, the Bank hereby confirms that the Remarketing Agent serving as such and the form of Remarketing Agreement in effect, in each case, as of the Effective Date are acceptable to the Bank. The Issuer agrees to cause the Remarketing Agent to use its best efforts to sell Bank Bonds up to the maximum rate applicable to the Bonds (other than Bank Bonds) in order to sell such Bank Bonds. If the Remarketing Agent fails to sell Bank Bonds up to the maximum rate or to perform any other of its other duties under the Remarketing Agreement for a period of thirty (30) consecutive days, at the written direction of the Bank, the Issuer shall cause the Remarketing Agent to be replaced with a Remarketing Agent reasonably satisfactory to the Bank within thirty (30) calendar days of the receipt of such written direction. Any Remarketing Agreement with a successor remarketing agent shall provide that such successor remarketing agent may resign upon at least thirty (30) days' prior written notice to the Issuer, the Tender Agent and the Bank; *provided, however*, that said successor remarketing agent may not be released of its responsibilities under the Remarketing Agreement until a successor thereto has been appointed and accepted its appointment as such.

5.2. *Negative Covenants*. So long as the Letter of Credit is outstanding and until all of the obligations of the Issuer arising under or pursuant to this Agreement, the Bank Bonds and the Fee Letter shall have been paid in full, the Issuer shall not do any of the following, without the prior written consent of the Bank, which consent shall not be unreasonably withheld:

(a) Successor Remarketing Agent, Paying Agent and Tender Agent. (i) Cause or permit the appointment of a successor Remarketing Agent, Paying Agent or Tender Agent; or (ii) remove the Remarketing Agent, Paying Agent or Tender Agent and, in no event and notwithstanding any provision to the contrary in the Ordinance, shall the Issuer permit the position of Remarketing Agent be vacant without the prior written consent of the Bank; or

(b) Amendment, Supplement, Modification, Termination or Waiver of Financing Documents, Etc. Except as otherwise provided in Section 5.1(j), enter into or consent to any amendment, supplement or modification to, or termination or waiver of, nor will it accept the benefit of any waiver of, any provision of the Remarketing Agreement, the Tender Agent Agreement or any of the Financing Documents; *provided, however*, that the Issuer need not obtain the prior written consent of the Bank in connection with any amendment, supplement or modification of the Financing Documents described in clause (A) of Article IX of the Original Bond Ordinance. In addition to the foregoing, the Issuer further agrees that it shall not amend, supplement or modify any Financing Document if the effect of such amendment, supplement or modification affords any holder of Parity Bonds, or any provider of credit and/or liquidity

support in connection with Parity Bonds, rights or remedies under said Financing Document that are senior to, or superior to, the rights and remedies afforded the Bank thereunder on and as of the Effective Date, unless the Issuer provides such rights or remedies to the Bank.

(c) Interest on Bonds. Take any action or allow any action to be taken that is within its respective power and control, after the Effective Date, which would cause interest on the Bonds to be included in gross income of the recipient thereof for federal income tax purposes.

(d) Accounting Methods and Fiscal Year. Adopt, permit or consent to any material change in accounting practices other than as required or permitted by GAAP.

(e) Use of the Bank's Name. Permit the use of the Bank's name or description in any official statement or other offering document unless the Bank shall have approved of the description of the Bank contained in such document.

(f) Investments. Use the proceeds of any Drawing under the Letter of Credit in violation of Regulation U promulgated by the Board of Governors of the Federal Reserve System.

(g) Conversion. Cause a Conversion Date to occur with respect to the Bonds; *provided, however*, that if the Issuer makes payment (or provides satisfactorily assurance to the Bank for payment) of all amounts due and owing under this Agreement and the Fee Letter, including all amounts due in connection with all Bank Bonds, on or prior to said Conversion Date, the Bank's consent to said conversion will not be required.

(h) Consolidation, Merger, etc. The Issuer will not consolidate the System into, or merge the System with or into, the operations of any Person, or sell, lease or otherwise transfer all or substantially all of the assets of the System to any other Person except as permitted by the Ordinance and the laws and Constitution of the State of South Carolina.

## Section 6. **EVENTS OF DEFAULT AND REMEDIES.**

6.1. ***Events of Default***. If any of the following (each an "Event of Default") shall occur and be continuing:

(a) any representation or warranty made by the Issuer under or in connection with (or incorporated by reference in) this Agreement, the Remarketing Agreement, the Tender Agent Agreement and, as and to the extent applicable, the Financing Documents or in any certificate or statement required to be delivered by the Issuer hereunder or thereunder shall prove to be untrue in any material respect on the date on which it was made and, in the case of the Financing Documents, on the date of enactment thereof; or

(b) nonpayment by the Issuer of (i) any amounts payable under Section 2.2(a), 2.2(b) or 2.2(c) of this Agreement, or the Commitment Fee specified in the Fee Letter, in each case, when due, (ii) any amounts payable under Section 7.6 of this Agreement, or any Letter of Credit Fee specified in the Fee Letter, in each case, when due and such default in payment shall continue for five (5) Business Days after written demand therefor by the Bank and (iii) any

amounts payable under Section 2.6, 2.8 or 7.4 of this Agreement, or any other amount described in the Fee Letter and not specified in sub-clauses (i) and (ii) above, when due and such default in payment shall continue for the greater of (A) the grace period provided in said Section or Fee Letter or (B) thirty (30) calendar days, in each case, after written demand therefor by the Bank; or

(c) the breach by the Issuer of any of the other terms or provisions of (or incorporated by reference in) this Agreement (other than as set forth in (a) or (b) above) which are not remedied within thirty (30) calendar days after written notice thereof shall have been received by the Issuer from the Bank; *provided, however*, that if the breach is other than non-payment of monies and cannot be corrected within such 30-day cure period, the Bank shall not unreasonably withhold its consent to a one-time extension of such cure period for an additional thirty (30) day period (commencing as of the last day of the initial 30-day cure period) so long as the Issuer shall have instituted corrective action and such corrective action is being diligently pursued; *provided, further, however*, that there shall be no cure period for a failure to observe or perform any covenant or agreement set forth in or contemplated by Section 5.1(g), 5.1(h), 5.1(i), 5.2(b), 5.2(c), 5.2(g) or 5.2(h); or

(d) any material provision of this Agreement, the Fee Letter, the Bonds, the Remarketing Agreement, the Tender Agent Agreement or any Financing Document shall at any time for any reason cease to be valid and binding on the Issuer or any other Person party thereto or shall be declared to be null and void, or the validity or enforceability thereof shall be contested by the Issuer or by any Governmental Authority having jurisdiction, or any Governmental Authority having jurisdiction shall find or rule that any material provision of this Agreement, the Fee Letter, the Bonds, the Remarketing Agreement, the Tender Agent Agreement or any Financing Document is not valid or binding on the Issuer, or the Issuer shall deny that it has any or further liability or obligation under any such document; or

(e) (i) the Issuer shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it the bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its assets, or the Issuer shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against the Issuer any case, proceeding or other action of a nature referred to in clause (i) above which (x) results in an order for such relief or in the appointment of a receiver or similar official or (y) remains undismissed, undischarged or unbonded for a period of sixty (60) days; or (iii) there shall be commenced against the Issuer, any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets, which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within sixty (60) days from the entry thereof; or (iv) the Issuer shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) above; or (v) the Issuer shall generally not, or shall be unable to, or so admit in writing its inability to, pay its Debts or becomes insolvent within the meaning of Section 101(32) of the

United States Bankruptcy Code of 1978, as it may be amended from time to time (Title 11 of the United State Code), and any successor statute thereto or (vi) a debt moratorium or comparable extraordinary restriction on repayment of Debt shall have been declared or announced (whether or not in writing) by the Issuer or imposed by a Governmental Authority with jurisdiction over the Issuer with respect to the Bonds, any Bank Bonds, any Parity Bonds or any other Debt issued pursuant to the Ordinance; or

(f) (i) the Issuer shall default in any payment of principal of or interest or any premium on any Parity Bonds and such default shall continue beyond the expiration of the applicable grace period, if any, or (ii) the Issuer shall fail to perform any other agreement, term or condition contained in the Ordinance which results in the Bonds or any Parity Bonds becoming due and payable prior to the scheduled date therefor or which enables (or, with the giving of notice or lapse of time, or both would enable) the holders of such Bonds or Parity Bonds, or any Person acting on behalf of such holders, to accelerate the maturity thereof; *provided* that none of the foregoing shall constitute an Event of Default under this Agreement so long as the Issuer is diligently contesting in good faith by appropriate legal proceedings its obligation to make such payment or the amount of the payment required or to perform or observe such agreement, term or condition; or

(g) a final judgment or order for the payment of money payable from Net Revenues in an amount in excess of \$1,000,000 shall have been rendered against the Issuer and such judgment or order shall not have been satisfied, stayed or bonded pending appeal within a period of sixty (60) days from the date on which it was first so rendered; *provided however*, that no judgment or order shall be deemed to have not been satisfied, stayed or bonded pending appeal if the Issuer has entered into an agreement to pay such judgment or order over a period of time and the Issuer is not in default under such agreement; or

(h) there shall have been rendered a determination that interest on any of the Bonds is includable in the gross income of the owners thereof for federal income tax purposes, as a result of the entry of any decree or judgment by a court of competent jurisdiction, or the taking of any official action by the Internal Revenue Service, whether or not such decree, judgment or action is appealable or deemed to be final under applicable procedural law, or delivery to the Bank, the Issuer, the Paying Agent and the Tender Agent of an opinion of nationally recognized bond counsel selected by the Bank and reasonably acceptable to the Issuer, to the effect that the interest borne by the Bonds is includable in the gross income of the recipients thereof generally for federal income tax purposes; or

(i) a Rating Agency shall have (i) withdrawn the long-term rating assigned to the Issuer's Parity Bonds, (ii) suspended the long-term rating assigned to the Issuer's Parity Bonds, or (iii) lowered its long-term rating assigned to the Issuer's Parity Bonds to "Baa2" or below, in the case of Moody's, or "BBB" or below, in the case of S&P (or to the equivalent rating then in effect with respect to Moody's or S&P), respectively; *provided, however*, that any withdrawal, suspension or downgrade described in the foregoing provisions of this Section 6.1(i) shall not be deemed an Event of Default hereunder if said withdrawal, suspension or downgrade, as the case may be, shall be attributable to the withdrawal, suspension or downgrade of the long-term ratings assigned to any third party credit enhancement provider; or

(j) any pledge or security interest created by the Ordinance or this Agreement to secure any amount due under the Bonds, any Bank Bonds or any Parity Bonds shall fail to be fully enforceable with the priority required under the Ordinance by reason of a final, non-appealable judgment of a court of competent jurisdiction.

6.2. **Remedies.** If any Event of Default occurs and is continuing, then, and in any such event, the Bank may, at the same or different times, so long as such Event of Default shall not have been remedied, proceed to enforce all remedies available to it hereunder and under the Bonds and the Financing Documents and applicable law and in equity, including, without limitation:

(a) **Notice and Termination.** The Bank may notify the Paying Agent of such occurrence, direct the Paying Agent to cause a mandatory tender of the Bonds as provided in Section 6(d) of the Seventh Supplement, and state that the Letter of Credit will terminate on the fifth (5th) Business Day following the date the Paying Agent receives such written notice from the Bank.

(b) **Acceleration.** Subject to the limitations contained in Section 11.1 of the Original Bond Ordinance, the Bank may declare all amounts payable hereunder and under the Fee Letter (other than Bank Bonds) to be, whereupon the same shall become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Issuer; *provided* that in the case of any Event of Default specified in Section 6.1(e) above, all amounts payable hereunder shall be immediately due and payable without the giving of any notice to the Issuer or the taking of any other action by any Person.

(c) **Right of Setoff.** Upon the occurrence of an Event of Default, the Bank is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to setoff, to exercise any banker's lien or any right of attachment and apply any and all balances, credits, deposits (general or special, time or demand, provisional or final), accounts or monies at any time held and other indebtedness at any time owing by the Bank to or for the account of the Issuer or the System against any and all of the obligations of the Issuer hereunder or in connection with any Bank Bonds, whether or not the Bank shall have made any demand for any amount owing to the Bank by the Issuer and although such obligations may be unmatured; *provided, however*, that moneys that have been advanced by the Bank pursuant to a Drawing made pursuant to the Letter of Credit may not be subject to the right of setoff described in this Section 6.2(c).

(d) **Other.** In addition to the rights and remedies set forth in Section 6.2(a), (b) and (c) above, in the case of any Event of Default specified in Section 6.1 hereof, the Bank may (i) assess interest on all amounts due and payable hereunder at the Default Rate and (ii) exercise all of its rights and remedies under or in respect of the Bonds and the Financing Documents or all other rights and remedies available at law or in equity.

All the foregoing remedies shall be cumulative. Promptly following the delivery of notice of termination of the Letter of Credit, the Bank shall give notice thereof to the Issuer, the Remarketing Agent, the Paying Agent and the Tender Agent, but failure to give such notice to the Issuer, the Remarketing Agent, the Paying Agent or the Tender Agent shall not impair the effect of such notice.

Section 7. MISCELLANEOUS.

7.1. *Amendments, Etc.* No amendment, modification or waiver of any provision of this Agreement nor consent to any departure by the parties hereto shall in any event be effective unless the same shall be in writing and signed by the Issuer and the Bank and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

7.2. *Addresses for Notices: Payments to the Bank.* All notices and other communications provided for hereunder shall be in writing and,

(a) **if to the Issuer, mailed or delivered to:**

City of Columbia  
[REDACTED]  
[REDACTED]  
Attention: [REDACTED]  
Telephone: [REDACTED]  
Facsimile: [REDACTED]

(b) **if to the Bank, mailed or delivered to:**

Sumitomo Mitsui Banking Corporation, acting through its New York Branch  
[REDACTED]  
[REDACTED]  
Attention: [REDACTED]  
Telephone: [REDACTED]  
Facsimile: [REDACTED]

With a copy of all notices to:

[REDACTED]  
[REDACTED]  
Attention: [REDACTED]  
Telephone: [REDACTED]  
Facsimile: [REDACTED]

(c) **if to the Paying Agent/Tender Agent, mailed or delivered to:**

Regions Bank  
[REDACTED]  
[REDACTED]  
Attention: [REDACTED]  
Telephone: [REDACTED]  
Facsimile: [REDACTED]

(d) **if to the Remarketing Agent, mailed or delivered to:**

Raymond James & Associates, Inc.  
[REDACTED]  
[REDACTED]

Attention: [REDACTED]  
Telephone: [REDACTED]  
Facsimile: [REDACTED]

or as to each party at such other address as shall be designated by such party in a written notice to the other party. All such notices and other communications shall, when mailed certified or registered mail, be effective three (3) days after the date of deposit in the mail, addressed as aforesaid.

(e) Notices and other communications to the Bank hereunder may be delivered or furnished by electronic communication (including e-mail and internet or intranet websites) pursuant to procedures approved by the Bank; *provided* that the foregoing shall not apply to (i) notices to the Bank pursuant to Article II if the Bank has notified the Issuer that it is incapable of receiving, or unwilling to receive, notices under such Article by electronic communication or (ii) any Drawing made pursuant to the Letter of Credit, which Drawings shall be delivered to the Bank in strict conformance with the terms of said Letter of Credit. The Bank or the Issuer may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; *provided* that approval of such procedures may be limited to particular notices or communications.

(f) Unless the Bank otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement); *provided* that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient, and (ii) notices or communications posted to an internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(g) Any of the entities whose information is listed in this Section 7.2 may change its address, e-mail address, facsimile number or telephone number for notices and other communications hereunder by notice to the other entities whose information is listed in Section 7.2.

(h) All telephonic notices to and other telephonic communications with the Bank may be recorded by the Bank, and the Issuer hereby consents to such recording.

7.3. **No Waiver: Remedies.** No failure on the part of the Bank to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

#### 7.4. *Indemnification.*

(a) To the extent permitted by applicable law and solely from available Net Revenues of the System, the Issuer hereby indemnifies and holds harmless the Bank from and against any and all claims, damages, losses, liabilities, costs or expenses whatsoever which the Bank may incur (or which may be claimed against the Bank by any person or entity whatsoever) by reason of or in connection with the sale or remarketing of the Bonds (including, without limitation, by reason of any inaccuracy in any material respect, or any untrue statement or alleged untrue statement of any material fact, contained in the Remarketing Statement or any other disclosure material prepared by or on behalf of the Issuer for dissemination to holders or potential holders of Bonds with respect to the Bonds, or by reason of the omission or alleged omission to state therein a material fact necessary to make such statements, in light of the circumstances under which they were made, not misleading), the execution and delivery of this Agreement or the Remarketing Agreement by the Issuer or the enactment of the Ordinance, including the Seventh Supplement, by the Issuer or the issuance of the Letter of Credit or the transfer of the Letter of Credit, or payment or failure to pay under the Letter of Credit; *provided, however*, that the Issuer shall not be required to indemnify the Bank for any claims, damages, losses, liabilities, costs or expenses (i) to the extent, but only to the extent, caused by the willful misconduct or negligence of the Bank, as the case may be, (ii) relating to the information included in the Remarketing Statement regarding DTC or its affiliates, the information describing registration and transfer of Bonds while said Bonds are registered with DTC and the information set forth in the section entitled “BOOK-ENTRY-ONLY SYSTEM”, and (iii) relating to the information set forth in the section entitled “THE CREDIT FACILITY AND THE CREDIT FACILITY AGREEMENT” or in Appendix E – “THE CREDIT PROVIDER” in the Official Statement. [TBD – THE TITLES OF SECTIONS IN THE OFFERING DOCUMENT THAT CORRESPOND TO THE TITLES OF THE SECTIONS IN THE 2009 OFFICIAL STATEMENT.]

(b) The Bank agrees that it shall, promptly after the receipt of notice of the commencement of any action against the Bank in respect of which indemnification may be sought against the Issuer, notify the Issuer in writing of the commencement thereof. The Issuer shall not be liable for any settlement of any action effected without the consent of the Issuer (which shall not be unreasonably withheld) but if settled with the consent of the Issuer or if there is a final judgment for the plaintiff in any such action, the Issuer, to the extent permitted by applicable law, will reimburse and hold harmless the Bank from and against any loss or liability by reason of such settlement or judgment insofar as such settlement or judgment shall relate to any liability with respect of which indemnification may be sought hereunder.

(c) Nothing in this Section 7.4 is intended to limit any other obligations of the Issuer contained in Section 2 hereof. The provisions of this Section 7.4 shall survive the termination of this Agreement.

#### 7.5. *Successors and Assigns; Third Party Beneficiaries.*

(a) This Agreement and the Fee Letter shall (i) be binding upon the Issuer, its successors and assigns, and (ii) inure to the benefit of and be enforceable by the Bank and its successors, transferees and assigns; *provided*, that the Issuer may not assign all or any part of this

Agreement or the Fee Letter without the prior written consent of the Bank and the Bank may not assign all or any part of this Agreement or the Fee Letter without the prior written consent of the Issuer. No such assignment shall release the Bank from its obligations under the Letter of Credit. The Bondholders are not third party beneficiaries of the provisions hereof and the Bank shall not have any obligations or duties under this Agreement with respect to the Bondholders.

(b) The Bank may at any time grant to one or more Participants participating interests in the Letter of Credit, this Agreement, the Fee Letter, the Financing Documents or any or all the Bank Bonds. In the event of any such grant by the Bank of a participating interest to a Participant, the Bank shall remain responsible for the performance of its obligations under the Letter of Credit and hereunder, and the Issuer shall continue to deal solely and directly with the Bank in connection with the Bank's rights and obligations under such Letter of Credit and under this Agreement and the Fee Letter. Any agreement pursuant to which the Bank may grant such a participating interest shall provide that the Bank shall retain the sole right and responsibility to enforce the obligations of the Issuer hereunder and thereunder including, without limitation, the right to approve any amendment, modification or waiver of any provision of this Agreement or the Fee Letter; *provided*, that such participation agreement may provide that the Bank will not agree to any modification, amendment or waiver of this Agreement or the Fee Letter that would (i) increase or decrease the Stated Amount of the Letter of Credit or subject the Bank to any additional obligation, (ii) reduce the principal of or rate of interest on any Bank Bond or any amount payable under Section 2.2(a), 2.2(b) or 2.2(c) or (iii) postpone the date fixed for any payment of principal of, or interest on, any Bank Bond or any amount payable under Section 2.2(a), 2.2(b) or 2.2(c) or for any reduction or termination of the Stated Amount of the Letter of Credit, in each case, without the consent of the Participant. The Issuer agrees that each Participant shall, to the extent provided in its participation agreement, be entitled to the benefits of Sections 2.6, 2.8 and 7.4 with respect to its participating interest to the extent the Bank would have received payments under Sections 2.6, 2.8 and 7.4.

(c) Notwithstanding the foregoing, the Bank may assign and pledge all or any portion of the amounts owing to it with respect to Bank Bonds and hereunder to any Federal Reserve Bank or the United States Treasury as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any Operating Circular issued by such Federal Reserve Bank. No such assignment shall release the Bank from its obligations under the Letter of Credit.

7.6. *Fees and Expenses.* To the extent permitted by law and solely from available Net Revenues of the System, the Issuer shall pay any and all fees and expenses, including taxes (other than any taxes measured by or based upon the income of the Bank), fees, charges and recording costs, if any, payable or incurred by the Bank as an out-of-pocket expense incurred other than in the ordinary course of business in connection with any payment made by the Bank under or with respect to the Letter of Credit or in connection with the execution, delivery, performance, administration and enforcement of the Bonds and the Financing Documents, and any amendments, modifications, supplements, consents and waivers with respect thereto including, without limitation, the reasonable fees and expenses of Bank Counsel, and agrees to save the Bank harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such fees, expenses, taxes, costs and charges, if any; *provided* that the Bank agrees promptly to notify the Issuer of any such fees, expenses and taxes, if any.

7.7. **Severability.** Any provision of this Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

7.8. **Governing Law, Waiver of Jury Trial; Submission to Jurisdiction..**

(a) THIS AGREEMENT SHALL BE DEEMED TO BE A CONTRACT UNDER, AND FOR ALL PURPOSES SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK; PROVIDED THAT THE DUTIES AND OBLIGATIONS OF THE ISSUER UNDER THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF SOUTH CAROLINA, WITHOUT GIVING EFFECT TO CONFLICT OF LAW PRINCIPLES. EACH OF THE PARTIES HERETO AGREE THAT THE LETTER OF CREDIT WILL BE GOVERNED BY THE LAW SET FORTH THEREIN.

(b) TO THE EXTENT PERMITTED BY LAW, THE ISSUER AND THE BANK WAIVE THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY OR ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT, ANY OTHER DOCUMENT DELIVERED IN CONNECTION HEREWITH, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY OR ANY BANK-RELATED PERSON, PARTICIPANT OR ASSIGNEE, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. THE ISSUER AND THE BANK AGREE THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT JURY.

(c) TO THE EXTENT PERMITTED BY APPLICABLE LAW, IN CONNECTION WITH ANY CIVIL ACTION OR PROCEEDING ARISING OUT OF, BASED UPON OR IN ANY WAY CONNECTED TO THIS AGREEMENT, EACH OF THE BANK AND THE ISSUER SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURTS SITTING IN THE STATE OF NEW YORK OR THE UNITED STATES DISTRICT COURTS SITTING IN THE STATE OF SOUTH CAROLINA, AND EACH OF THE ISSUER AND THE BANK AGREES THAT SUCH COURTS ARE CONVENIENT FORUMS.

7.9. **Counterparts.** This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument.

7.10. **Headings.** Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

7.11. **Obligations Absolute.** The obligations of the Issuer under this Agreement and the Fee Letter shall be absolute, unconditional and irrevocable, and shall be paid and performed strictly in accordance with the terms of this Agreement, under all circumstances whatsoever, including, without limitation, the following circumstances:

(a) any lack of validity or enforceability of this Agreement, the Fee Letter, the Bonds, the Remarketing Agreement, the Tender Agent Agreement or any of the Financing Documents or any other agreement or instrument delivered in connection herewith and therewith;

(b) any amendment or waiver of, or any consent to, or departure from, all or any terms of the Bonds, the Remarketing Agreement, the Tender Agent Agreement or any of the Financing Documents;

(c) the existence of any claim, set-off, defense, or other right which the Issuer may have at any time against the Paying Agent, the Tender Agent, the Remarketing Agent, the Bank (other than the defense of the payment to the Bank in accordance with the terms of this Agreement) or any other person or entity, whether in connection with this Agreement, the Fee Letter, the Bonds, the Remarketing Agreement, the Tender Agent Agreement, any of the Financing Documents or any unrelated transactions;

(d) any certificate, notice or any other document presented other than by the Bank under this Agreement, the Fee Letter, the Letter of Credit or any of the Financing Documents proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever;

(e) any dispute or claims between or among the Issuer, the Paying Agent, the Tender Agent, the Remarketing Agent or any Bondholder or any transferee or any other entity; or

(f) any other circumstances or happening whatsoever, whether or not similar to any of the foregoing.

7.12. **Anti-Money Laundering; OFAC; Patriot Act.**

(a) (i) As of the Effective Date, none of the funds or other assets of the Issuer constitute property of any Person subject to trade restrictions under United States Law, including those who are covered by the International Emergency Economic Powers Act, 50 U.S.C. §§1701 et seq., The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., and any Executive Orders or regulations promulgated thereunder (an "Embargoed Person") with the result that the payment of any Drawing would be in violation of such law; (ii) no Embargoed Person has any direct or, to the knowledge of the Issuer, indirect interest of any nature whatsoever in the Issuer with the result that the payment of any Drawing would be in violation of such law; and (iii) none of the funds of the Issuer have been derived, to the knowledge of the Issuer, from any unlawful activity with the result that the payment of any Drawing would be in violation of such law.

(b) The Issuer is not in violation of any order issued with respect to anti-money laundering by the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"), or any other anti-money laundering law.

(c) The Issuer is not a Person with whom United States Persons are restricted from doing business under (i) regulations issued by OFAC (including those Persons and entities named on OFAC's Specially Designated Nationals and Blocked Persons list) or under any United States law (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism) or (ii) any other law. Without limiting the foregoing, the Issuer is not, to the knowledge of Issuer, currently funding its obligations hereunder or under the Fee Letter with funds from any of the Persons referred to in this paragraph (c).

(d) Amounts required to be delivered to or paid by the Issuer under this Agreement, the Fee Letter, the Bank Bonds or any of the Financing Documents are not derived from illegal proceeds and/or from an illegal source.

7.13. ***Arm's-Length Transaction.*** The Issuer acknowledges and agrees that (a) the transactions contemplated by this Agreement, the Letter of Credit and the Fee Letter are an arm's-length commercial transaction between the Issuer and the Bank, (b) in connection with such transactions, the Bank is acting solely as a principal and not as an agent or a fiduciary of the Issuer, (c) with respect to making Drawings under the Letter of Credit or the process leading thereto (whether or not the Bank, or any affiliate of the Bank, has advised or is currently advising the Issuer on other matters), the Bank has not assumed (individually or collectively) a fiduciary responsibility in favor of the Issuer or any other obligation of the Issuer except the obligations expressly set forth in this Agreement, the Letter of Credit and the Fee Letter and (d) the Issuer has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the transactions contemplated by this Agreement, the Letter of Credit and the Fee Letter.

*[Remainder of page intentionally left blank; signature page follows.]*

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

CITY OF COLUMBIA, SOUTH CAROLINA

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

SUMITOMO MITSUI BANKING  
CORPORATION, acting through its New York  
Branch

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

**IRREVOCABLE TRANSFERABLE DIRECT-PAY LETTER OF CREDIT**

August [26], 2015

U.S. \$ [83,178,731]

No. [REDACTED]

Regions Bank,  
as Paying Agent

[REDACTED]

[REDACTED]

Attention: [REDACTED]

Re: City of Columbia, South Carolina  
Waterworks and Sewer System Revenue Bonds, Series 2009

Ladies and Gentlemen:

1. At the request of the City of Columbia, South Carolina (together with its successors and assigns, the “Issuer”), we, Sumitomo Mitsui Banking Corporation, acting through our New York Branch (the “Bank”), hereby establish in favor of Regions Bank, as Paying Agent (the “Paying Agent”) for the holders of the above-referenced bonds (the “Bonds”) issued by the Issuer pursuant to the General Bond Ordinance No. 93-43, enacted by the City Council of the Issuer (the “Council”) on May 21, 1993 (as amended to the date hereof and, in particular, as amended by the Third Supplemental Ordinance No. 2001-090, enacted by the Council on October 24, 2001, the Sixth Supplemental Ordinance No. 2009-87, enacted by the Council on August 19, 2009, the Seventh Supplemental Ordinance No. 2009-83, enacted by the Council on August 19, 2009 (as amended to the date hereof, the “Seventh Supplemental Ordinance”), and the Ninth Supplemental Ordinance No. 2012-014, enacted by the Council on February 21, 2012, said General Bond Ordinance, as amended by the foregoing supplemental ordinances, being referred to herein collectively as the “Original Bond Ordinance”), by the Fifth Supplemental Ordinance No. 2007-072, enacted by the Council on September 19, 2007 (as amended to the date hereof, the “Fifth Supplemental Ordinance”), and by the Seventh Supplemental Ordinance (the Fifth Supplemental Ordinance and the Seventh Supplemental Ordinance are collectively referred to herein as the “Seventh Supplement”) and, together with the Original Bond Ordinance, are referred to herein as the “Ordinance”), this Irrevocable Direct Pay Letter of Credit No. [REDACTED] (as amended, extended or otherwise modified from time to time, the “Letter of Credit”). This Letter of Credit is issued pursuant to that certain Letter of Credit and Reimbursement Agreement, dated August [26], 2015 (as the same may be amended and supplemented, the “Reimbursement Agreement”), by and between the Issuer and the Bank. This Letter of Credit is issued in the aggregate amount not exceeding \$[83,178,731] (as such amount is reduced or reinstated from time to time, the “Stated Amount”), of which (a) an amount not exceeding \$[81,860,000] may be drawn upon by the Paying Agent, with respect to unpaid principal amount of the Bonds, or the principal portion of the purchase price of the Bonds tendered to you, as Paying Agent, or any successor paying agent under the Ordinance, and (b) an amount not exceeding \$[1,318,731] may be drawn upon by the Paying Agent with respect to the payment of interest on the Bonds or the interest portion of the purchase price of Bonds so tendered for purchase representing 49 days’ interest (calculated on the basis of a

rate of 12% per annum based upon a year of 365 or 366 days and the actual number of days elapsed). This Letter of Credit is effective commencing on August [26], 2015 and expires on August [30], 2020 (the "Stated Expiration Date"), unless terminated earlier in accordance with the provisions hereof.

2. Funds under this Letter of Credit are available to you against your presentation of a sight draft in the form of Annex 1 hereto, accompanied by one of the following certificates, which shall be made by facsimile (facsimile number [REDACTED], Attention: [REDACTED], Re: Letter of Credit No. [REDACTED]), or at such other facsimile number as we may specify to you in writing, without further need of documentation, including the original of this Letter of Credit, it being understood that each sight draft and certificate so submitted is to be the sole operative instrument of a Drawing. You shall use your best efforts to give telephonic notice of a Drawing to the Bank at [REDACTED], on the Business Day (as defined below) of such Drawing (but such notice shall not be a condition to a Drawing hereunder and you shall have no liability for not doing so). Each demand for payment under this Letter of Credit shall be made under a drawing certificate:

(a) in the form of Annex A attached hereto (an "A Drawing") if the drawing is made pursuant to Section 15(b) of the Seventh Supplement for the payment of principal of the Bonds at maturity, upon prior redemption, defeasance or acceleration;

(b) in the form of Annex B attached hereto (a "B Drawing") if the drawing is made pursuant to Section 15(a) of the Seventh Supplement for the payment of interest on the Bonds on each regularly scheduled interest payment date, and at maturity or upon prior redemption, defeasance or acceleration;

(c) in the form of Annex C attached hereto (a "C Drawing") if the drawing is made pursuant to Section 31 of the Seventh Supplement for the payment of the portion of the purchase price equal to the principal amount of Bonds (other than Bank Bonds (as defined in the Seventh Supplement) and Bonds owned by or on behalf of the Issuer) tendered pursuant to Section 6 of the Seventh Supplement; and

(d) in the form of Annex D attached hereto (a "D Drawing") if the drawing is made pursuant to Section 31 of the Seventh Supplement for the payment of the portion of the purchase price equal to the amount of accrued and unpaid interest to the date of purchase of Bonds (other than any Bank Bonds and Bonds owned by or on behalf of the Issuer) tendered pursuant to Section 6 of the Seventh Supplement.

The aforesaid certificates shall have all blanks appropriately filled in and shall be signed by a purported officer of the Paying Agent and the aforesaid certificates shall be either in the form of a letter on the letterhead of the Paying Agent or a communication by facsimile on the letterhead of the Paying Agent delivered or transmitted to us.

3. We hereby agree with you that all demands for payment made under and in compliance with the terms of this Letter of Credit will be duly honored upon delivery or transmission of the certificate(s) as specified in paragraph 2 hereof and if presented at the aforesaid office on or before the expiration or termination date hereof. If a Drawing is made hereunder at or prior to 11:30 a.m., New York City time, on a Business Day, and provided that such Drawing and the documents presented in connection therewith conform to the terms and conditions hereof, payment shall be made of the amount specified in immediately available funds, no later than 2:00 p.m., New York City time, on the same Business Day. If such Drawing is made hereunder after 11:30 a.m., New York City time, on a Business Day and provided that such Drawing and the documents presented in connection therewith conform to the terms and conditions hereof, payment shall be made of the amount specified in immediately available funds, no later than 1:00 p.m., New York City time, on the next succeeding Business Day. The Bank shall pay all Drawings under this Letter of Credit with its own funds. Payment under this Letter of Credit shall be made by the Bank by wire transfer to the Paying Agent, Regions Bank, ABA No. [REDACTED], Account No. [REDACTED], For Final Credit To: [REDACTED], Reference: Columbia Waterworks (Series 2009). **[REGIONS BANK TO PROVIDE WIRING INSTRUCTIONS IN THE FOREGOING SENTENCE]** Such account may be changed only by presentation to the Bank of a letter in form satisfactory to the Bank specifying a different account with the Paying Agent and executed by the Paying Agent. If a Drawing for payment is not effected in conformity with this Letter of Credit, the Bank shall notify you to that effect by facsimile, with telephone confirmation to such telephone numbers designated by you to us, and, provided this Letter of Credit shall not have expired, you may attempt to correct any such nonconforming Drawing for payment to the extent that you are entitled by law to do so. As used in this Letter of Credit, "Business Day" means a day other than (a) a Saturday or Sunday, (b) a day on which banks located in New York, New York or in any of the cities in which the principal office of the Issuer, the Bank, the Remarketing Agent, the Paying Agent or the Tender Agent are required or authorized by law to remain closed or (c) a day on which the New York Stock Exchange is closed.

4. Multiple drawings may be made hereunder; provided, that each A Drawing and C Drawing honored by the Bank hereunder shall pro tanto reduce the amount available under this Letter of Credit for such Drawings; and provided, further, that, subject to paragraph 5 hereof, each B Drawing and D Drawing honored by the Bank hereunder shall pro tanto reduce the amount available under this Letter of Credit for such Drawings. Payments made in respect of any Drawing (whether or not complying with the terms of this Letter of Credit) shall so reduce by the amount of such payments the amounts which the Paying Agent may draw hereunder notwithstanding any acts or omissions, whether authorized or unauthorized, of the Paying Agent or any officer, director, employee or agent of the Paying Agent in connection with any drawing hereunder or the proceeds thereof or otherwise in connection with this Letter of Credit.

5. Upon receipt by the Bank of reimbursement of all or any portion of the amounts of any C Drawing and of the corresponding portion of the accompanying D Drawing, if any, pursuant to the terms of the Reimbursement Agreement, the Stated Amount of this Letter of Credit (and the portion thereof available to pay A Drawings and C Drawings) shall be automatically reinstated by the Bank by an amount equal to the principal amount of Bank Bonds released pursuant to the terms of the Reimbursement Agreement in respect of the reimbursement of such C Drawing, and such Stated Amount shall be additionally automatically reinstated by the Bank, if not previously reinstated, by an amount equal to such corresponding portion of such D Drawing. The Bank shall

promptly notify the Paying Agent of the amount of the reinstatement; provided that the failure to provide such notice shall have no effect on the reinstatement of the amount thereof.

6. Five (5) calendar days after your presentation to us of a B Drawing in compliance with the terms hereof resulting in a payment to you in respect of interest on Bonds, an amount equal to such payment shall be automatically reinstated at the close of business on such fifth (5<sup>th</sup>) calendar day to the Stated Amount of this Letter of Credit (and to the portion thereof available to pay B Drawings and D Drawings), subject to any further subsequent reductions in the Stated Amount of this Letter of Credit pursuant to the terms hereof, unless (a) you shall have received notice from the Bank on our behalf by hand delivery, facsimile or registered mail prior to the close of business on such fifth (5<sup>th</sup>) calendar day stating that we have not been reimbursed for such payment in accordance with the terms of the Reimbursement Agreement, and as a consequence there shall be no such reinstatement, or (b) the Stated Expiration Date occurs prior to the fifth (5<sup>th</sup>) calendar day after such presentation.

7. The Stated Amount of this Letter of Credit may also be permanently reduced by the amount indicated in any request received from you (and acknowledged by the Issuer) in the form of Annex G hereto, such reduction to become effective on the third (3<sup>rd</sup>) Business Day following our receipt of such request.

8. Only the Paying Agent may make drawings under this Letter of Credit. Upon payment in full of principal and interest as provided in paragraph 3 of the amount specified in a drawing certificate drawn hereunder, we shall be fully discharged of our obligation under this Letter of Credit with respect to such drawing certificate.

9. This Letter of Credit is intended to apply only to (a) the principal amount of Bonds and (b) 49 days of interest on Bonds (calculated on the basis of a rate of up to 12% per annum based upon a year of 365 or 366 days and the actual number of days elapsed) accruing on or prior to the maturity thereof (whether at the stated maturity date or upon redemption, acceleration or otherwise), subject to reinstatement as provided in paragraphs 4 and 6 hereof, and is not intended to apply to any interest that may accrue thereon after such maturity.

10. Upon the earliest of (a) the fifth (5<sup>th</sup>) Business Day next following delivery by the Bank to the Paying Agent of the written notice set forth in Section 6.2(a) of the Reimbursement Agreement, (b) the payment by us of the final drawing available to be made hereunder which is not subject to reinstatement, (c) the Stated Expiration Date hereof and (d) our receipt of your certificate in the form of Annex F hereto, this Letter of Credit shall automatically terminate.

11. Communications with respect to this Letter of Credit shall be addressed to the Bank at Sumitomo Mitsui Banking Corporation, [REDACTED], by facsimile: [REDACTED], Attention: [REDACTED] (or such other address(es) as we may specify in writing), specifically referring to the number of this Letter of Credit.

12. You may transfer your rights under this Letter of Credit in their entirety (but not in part) to any transferee who has succeeded to you as Paying Agent under the Ordinance and such transferred rights may be successively transferred. Transfer of your rights under this Letter of Credit to any such transferee shall be effected upon the presentation to the Bank of this Letter of Credit accompanied by a transfer letter in the form attached hereto as Annex E.

13. This Letter of Credit sets forth in full our undertaking, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein (including, without limitation, the Bonds), except only the certificates and letters referred to herein; and no such reference shall be deemed to incorporate herein by reference any document, instrument or agreement.

14. To the extent not inconsistent with the express terms hereof, this Letter of Credit is subject to the terms of the International Standby Practices 1998, International Chamber of Commerce Publication No. 590 ("ISP98"). As to matters not governed by the ISP98, this Letter of Credit shall be governed by and construed in accordance with the law of the State of New York including, without limitation, Article 5 of the Uniform Commercial Code.

Very truly yours,

SUMITOMO MITSUI BANKING  
CORPORATION, acting through its New York  
Branch

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

**ANNEX 1**

**SIGHT DRAFT**

Sumitomo Mitsui Banking Corporation

[REDACTED]

[REDACTED]

Attention: [REDACTED]

Re: Irrevocable Direct Pay Letter of Credit No. [REDACTED]

Sight Draft Amount: \$ \_\_\_\_\_

Sight Draft Date: \_\_\_\_\_, 20\_\_

At sight of this draft, pay to the order of Regions Bank, as Paying Agent, acting for the benefit of the bondholders (the "Paying Agent") authorized and issued under the Ordinance, and as beneficiary under the above-referenced Letter of Credit, the sight draft amount referenced above. Terms not otherwise defined herein will have the meaning set forth in the Letter of Credit.

**REGIONS BANK**, as Paying Agent

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

Name:

Title:

ANNEX A

TO

IRREVOCABLE DIRECT PAY LETTER OF CREDIT NO. [REDACTED]

[Letterhead of Paying Agent]

[Date]

Sumitomo Mitsui Banking Corporation (the "Bank")

[REDACTED]

[REDACTED]

Attention: [REDACTED]

Re: A Drawing Certificate – Principal Drawing

Ladies and Gentlemen:

Regions Bank, as Paying Agent (the "Paying Agent"), hereby certifies to Sumitomo Mitsui Banking Corporation, acting through its New York Branch, with reference to the Bank's Irrevocable Direct Pay Letter of Credit No. [REDACTED] (the "Letter of Credit"; any other defined terms used herein having their respective meanings set forth in the Letter of Credit) that:

1. The Paying Agent is the Paying Agent under the Ordinance.
2. The Paying Agent hereby makes a demand for payment under the Letter of Credit in the amount of \$\_\_\_\_\_ to be used for the payment of principal of the Bonds at maturity or upon prior redemption or defeasance pursuant to the Seventh Supplement or upon an acceleration thereof pursuant to Section 11.1 of the Ordinance.
3. The amount of this demand for payment was computed in accordance with the terms and conditions of the Bonds and the Ordinance and is made in accordance with Section 15(b) of the Seventh Supplement.
4. The amount hereby demanded does not exceed the amount available to be drawn under the Letter of Credit for this drawing.
5. The amount hereby demanded will not be applied to any payment in respect of Bank Bonds or Bonds registered in the name of the Issuer or, to the best knowledge of the Paying Agent, any nominee for (or any person who owns such Bonds for the sole benefit of) the Issuer.
6. Upon receipt by the Paying Agent of the amount demanded hereby, (a) the Paying Agent will apply the same directly to the payment when due of the appropriate amount owing on account of principal of the Bonds pursuant to the Ordinance, (b) no portion of said amount shall be applied by the Paying Agent for any other purpose, and (c) no portion of said amount shall be

commingled with other funds held by the Paying Agent, except amounts received pursuant to any contemporaneous B Drawing.

7. Upon payment by the Bank of the amount specified herein, the Stated Amount shall be reduced by the amount of such payment plus the amount of interest coverage of the Letter of Credit on the amount of such payment calculated in accordance with paragraph 1 of the Letter of Credit, thereby leaving a Stated Amount of \$\_\_\_\_\_.

IN WITNESS WHEREOF, the Paying Agent has executed and delivered this Certificate as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**REGIONS BANK**, as Paying Agent

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

**ANNEX B**

TO

IRREVOCABLE DIRECT PAY LETTER OF CREDIT NO. [REDACTED]

[Letterhead of Paying Agent]

[Date]

Sumitomo Mitsui Banking Corporation (the "Bank")  
[REDACTED]  
[REDACTED]  
Attention: [REDACTED]

Re: B Drawing Certificate – Interest Drawing

Ladies and Gentlemen:

Regions Bank, as Paying Agent (the "Paying Agent"), hereby certifies to Sumitomo Mitsui Banking Corporation, acting through its New York Branch, with reference to the Bank's Irrevocable Direct Pay Letter of Credit No. [REDACTED] (the "Letter of Credit"; any other defined terms used herein having their respective meanings set forth in the Letter of Credit) that:

1. The Paying Agent is the Paying Agent under the Ordinance.
2. The Paying Agent hereby makes a demand for payment under the Letter of Credit in the amount of \$\_\_\_\_\_ to be used for the payment of interest on the Bonds due on or prior to their stated maturity date including payment of principal of the Bonds upon prior redemption or defeasance of the Bonds pursuant to the Seventh Supplement or upon an acceleration thereof pursuant to Section 11.1 of the Ordinance.
3. The amount of this demand for payment was computed in accordance with the terms and conditions of the Bonds and the Ordinance and is demanded in accordance with Section 15 (a) of the Seventh Supplement.
4. The amount hereby demanded does not exceed the amount available to be drawn under the Letter of Credit for this drawing.
5. The amount hereby demanded will not be applied to any payment in respect of Bank Bonds or Bonds registered in the name of the Issuer or, to the best knowledge of the Paying Agent, any nominee for (or any person who owns such Bonds for the sole benefit of) the Issuer.

6. Upon receipt by the Paying Agent of the amount demanded hereby, (a) the Paying Agent will apply the same directly to the payment when due of the appropriate amount owing on account of interest on the Bonds pursuant to the Ordinance, (b) no portion of said amount shall be applied by the Paying Agent for any other purpose, and (c) no portion of said amount shall be commingled with other funds held by the Paying Agent, except amounts received pursuant to any contemporaneous A Drawing.

IN WITNESS WHEREOF, the Paying Agent has executed and delivered this Certificate as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**REGIONS BANK**, as Paying Agent

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

ANNEX C

TO

IRREVOCABLE DIRECT PAY LETTER OF CREDIT NO. [REDACTED]

[Letterhead of Paying Agent]

[Date]

Sumitomo Mitsui Banking Corporation (the "Bank")  
[REDACTED]  
[REDACTED]  
Attention: [REDACTED]

Re: C Drawing Certificate – Principal Portion of Purchase Price

Ladies and Gentlemen:

Regions Bank, as Paying Agent (the "Paying Agent"), hereby certifies to Sumitomo Mitsui Banking Corporation, acting through its New York Branch, with reference to the Bank's Irrevocable Direct Pay Letter of Credit No. [REDACTED] (the "Letter of Credit"; any other defined terms used herein having their respective meanings set forth in the Letter of Credit) that:

1. The Paying Agent is the Paying Agent under the Ordinance.
2. The Paying Agent hereby makes a demand for payment under the Letter of Credit in the amount of \$\_\_\_\_\_ to enable the payment of the portion of the Purchase Price of Bonds tendered for purchase pursuant to Section 6 of the Seventh Supplement equal to the principal amount thereof.
3. The amount of this demand for payment was computed in accordance with the terms and conditions of the Bonds and the Ordinance and is demanded in accordance with Section 31 of the Seventh Supplement.
4. The amount hereby demanded does not exceed the amount available to be drawn under the Letter of Credit for this drawing.
5. The amount hereby demanded will not be applied to any payment in respect of Bank Bonds or Bonds registered in the name of the Issuer or, to the best knowledge of the Paying Agent, any nominee for (or any person who owns such Bonds for the sole benefit of) the Issuer.

6. Upon receipt by the Paying Agent of the amount demanded hereby, (a) the Paying Agent shall apply the same directly to the payment when due of the appropriate amount owing on account of the principal portion of the Purchase Price of Bonds pursuant to the Ordinance, (b) no portion of said amount shall be applied by the Paying Agent for any other purpose, and (c) no portion of said amount shall be commingled with other funds held by the Paying Agent, except amounts received pursuant to any contemporaneous D Drawing.

7. Upon payment by the Bank of the amount specified in paragraph 2 above, the Stated Amount shall be reduced by the amount of such payment, thereby leaving a Stated Amount equal to \$\_\_\_\_\_.

IN WITNESS WHEREOF, the Paying Agent has executed and delivered this Certificate as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**REGIONS BANK**, as Paying Agent

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

**ANNEX D**

TO

IRREVOCABLE DIRECT PAY LETTER OF CREDIT NO. [REDACTED]

[Letterhead of Paying Agent]

[Date]

Sumitomo Mitsui Banking Corporation (the "Bank")  
[REDACTED]  
[REDACTED]  
Attention: [REDACTED]

Re: D Drawing Certificate – Interest Portion of Purchase Price

Ladies and Gentlemen:

Regions Bank, as Paying Agent (the "Paying Agent"), hereby certifies to Sumitomo Mitsui Banking Corporation, acting through its New York Branch, with reference to the Bank's Irrevocable Direct Pay Letter of Credit No. [REDACTED] (the "Letter of Credit"; any other defined terms used herein having their respective meanings set forth in the Letter of Credit) that:

1. The Paying Agent is the Paying Agent under the Ordinance.
2. The Paying Agent hereby makes a demand for payment under the Letter of Credit in the amount of \$\_\_\_\_\_ to enable the payment of the portion of Purchase Price of Bonds tendered for purchase pursuant to Section 6 of the Seventh Supplement equal to the amount of accrued and unpaid interest on such Bonds to the date of purchase thereof.
3. The amount of this demand for payment was computed in accordance with the terms and conditions of the Bonds and the Ordinance and is demanded in accordance with Section 31 of the Seventh Supplement.
4. The amount hereby demanded does not exceed the amount available to be drawn under the Letter of Credit for this drawing.
5. The amount hereby demanded will not be applied to any payment in respect of Bank Bonds or Bonds registered in the name of the Issuer, or to the best knowledge of the Paying Agent, any nominee for (or any person who owns such Bonds for the sole benefit of) the Issuer.

6. Upon receipt by the Paying Agent of the amount demanded hereby, (a) the Paying Agent shall apply the same directly to the payment when due of the appropriate amount owing on account of the interest portion of the Purchase Price of Bonds pursuant to the Ordinance, (b) no portion of said amount shall be applied by the Paying Agent for any other purpose, and (c) no portion of said amount shall be commingled with other funds held by the Paying Agent, except amounts received pursuant to any contemporaneous C Drawing.

7. Upon payment by the Bank of the amount specified in paragraph 2 above, the Stated Amount shall be reduced by the amount of such payment, thereby leaving a Stated Amount equal to \$\_\_\_\_\_.

IN WITNESS WHEREOF, the Paying Agent has executed and delivered this Certificate as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**REGIONS BANK**, as Paying Agent

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

ANNEX E

TO

IRREVOCABLE DIRECT PAY LETTER OF CREDIT NO. [REDACTED]

[Letterhead of Paying Agent]

[Date]

Sumitomo Mitsui Banking Corporation (the "Bank")  
[REDACTED]  
[REDACTED]  
Attention: [REDACTED]

Re: Irrevocable Direct Pay Letter of Credit No. [REDACTED] Transfer to Successor  
Paying Agent

Ladies and Gentlemen:

We, the undersigned "Transferor", hereby irrevocably transfer all of our rights to draw under the above referenced Letter of Credit ("Letter of Credit") in its entirety to:

NAME OF TRANSFEREE:

\_\_\_\_\_  
(Print Name and complete address of the Transferee) "Transferee"

ADDRESS OF TRANSFEREE:

\_\_\_\_\_

CITY, STATE/COUNTRY, ZIP:

\_\_\_\_\_

In accordance with ISP 98 (as defined in the Letter of Credit), Rule 6, regarding transfer of drawing rights, all rights of the undersigned Transferor in such Letter of Credit are transferred to the Transferee, which shall have the sole rights as beneficiary thereof, including sole rights relating to any amendments, whether increases or extensions or other amendments and whether now existing or hereafter made. All amendments are to be advised directly to the Transferee without necessity of any consent of or notice to the undersigned Transferor.

The original Letter of Credit, including amendments to this date, is attached, and the undersigned Transferor requests that you endorse an acknowledgment of this transfer on the reverse hereof. The undersigned Transferor requests that you notify the Transferee of the Letter of Credit in such form and manner as you deem appropriate and of the terms and conditions of the Letter of Credit as transferred. The undersigned Transferor acknowledges that you incur no obligation hereunder and that the transfer shall not be effective until you have expressly consented to effect the transfer by notice to the Transferee and the transfer fee has been paid to you.

If you agree to these instructions, please advise the Transferee of the terms and conditions of the transferred Letter of Credit and these instructions.

Payment of a transfer fee of U.S. \$[REDACTED] is for the account of the Issuer, which shall also pay you on demand any out-of-pocket expense or cost you may incur in connection with the transfer. Receipt of such fee shall not constitute consent by you to effect the transfer.

Transferor represents and warrants that (i) our execution, delivery, and performance of this Transfer Certificate (a) are within our powers, (b) have been duly authorized, (c) constitute our legal, valid, binding and enforceable obligation, (d) do not contravene any charter provision, by-law, resolution, contract, or other undertaking binding on or affecting us or any of our properties, (e) do not require any notice, filing or other action to, with, or by any governmental authority, (f) the enclosed Letter of Credit is original and complete, (g) there is no outstanding demand or request for payment or transfer under the Letter of Credit affecting the rights to be transferred and (h) the Transferee's name and address are correct and complete and the Transferee's use of the Letter of Credit as transferred and the transactions underlying the Letter of Credit and the requested transfer do not violate any applicable United States or other law, rule or regulation.

The Effective Date shall be the date hereafter on which you effect the requested transfer by acknowledging this request and giving notice thereof to Transferee.

WE WAIVE ANY RIGHT TO TRIAL BY JURY THAT WE MAY HAVE IN ANY ACTION OR PROCEEDING RELATING TO OR ARISING OUT OF THIS TRANSFER.

[Signature pages follow]

This transfer is made subject to ISP98 and is subject to and shall be governed by the law of the State of New York.

Sincerely yours,

\_\_\_\_\_  
(Print Name of Transferor)

\_\_\_\_\_  
(Transferor's Authorized Signature)

\_\_\_\_\_  
(Print Authorized Signers Name and Title)

\_\_\_\_\_  
(Telephone Number/Fax Number)

SIGNATURE GUARANTEED

Signature(s) with title(s) conform(s) with that/those on file with us for this individual, entity or company and signer(s) is/are authorized to execute this agreement. We attest that the individual, company or entity has been identified by us in compliance with USA PATRIOT Act procedures of our bank.

\_\_\_\_\_  
(Print Name of Bank)

\_\_\_\_\_  
(Address of Bank)

\_\_\_\_\_  
(City, State, Zip Code)

\_\_\_\_\_  
(Print Name and Title of Authorized Signer)

\_\_\_\_\_  
(Authorized Signature)

\_\_\_\_\_  
(Telephone Number)

\_\_\_\_\_  
(Date)

SIGNATURE GUARANTEED

\_\_\_\_\_  
(Print Name of Transferee)

\_\_\_\_\_  
(Transferee's Authorized Signature)

\_\_\_\_\_  
(Print Authorized Signers Name and Title)

\_\_\_\_\_  
(Telephone Number/Fax Number)

Signature(s) with title(s) conform(s) with that/those on file with us for this individual, entity or company and signer(s) is/are authorized to execute this agreement. We attest that the individual, company or entity has been identified by us in compliance with USA PATRIOT Act procedures of our bank.

\_\_\_\_\_  
(Print Name of Bank)

\_\_\_\_\_  
(Address of Bank)

\_\_\_\_\_  
(City, State, Zip Code)

\_\_\_\_\_  
(Print Name and Title of Authorized Signer)

\_\_\_\_\_  
(Authorized Signature)

\_\_\_\_\_  
(Telephone Number)

\_\_\_\_\_  
(Date)

Acknowledged as of \_\_\_\_\_, 20\_\_

SUMITOMO MITSUI BANKING CORPORATION,  
acting through its New York Branch

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

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

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

**ANNEX F**

TO

IRREVOCABLE DIRECT PAY LETTER OF CREDIT NO. [REDACTED]

[Letterhead of Paying Agent]

[Date]

Sumitomo Mitsui Banking Corporation (the "Bank")

[REDACTED]

[REDACTED]

Attention: [REDACTED]

Re: Irrevocable Direct Pay Letter of Credit No. [REDACTED] Termination of Letter of Credit

Ladies and Gentlemen:

The undersigned, a duly authorized officer of Regions Bank, as Paying Agent under the Ordinance hereinafter referred to (the "Paying Agent"), hereby certifies to Sumitomo Mitsui Banking Corporation, acting through its New York Branch, in connection with the Bank's Irrevocable Direct Pay Letter of Credit No. [REDACTED] (the "Letter of Credit") issued in favor of the Paying Agent, [that fifteen (15) days prior to the date hereof, [all of the outstanding Bonds [were converted to Bonds bearing interest at a rate of interest other than a Weekly Interest Rate]/[have been [paid] [redeemed] [purchased and canceled]]/[the Letter of Credit has been replaced by an Alternate Credit Facility (as defined in the Seventh Supplement)] at least five (5) days prior to the date of this certificate in accordance with the terms of the Reimbursement Agreement and in connection therewith all the conditions contained in Section 16 of the Seventh Supplement to the delivery of an Alternate Credit Facility have been satisfied in accordance with the Ordinance, as defined in the Letter of Credit.

Pursuant to said Ordinance, we are delivering herewith the Letter of Credit for cancellation.

Very truly yours,

**REGIONS BANK**, as Paying Agent

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

Name:

Title:

**ANNEX G**

TO

IRREVOCABLE DIRECT PAY LETTER OF CREDIT NO. [REDACTED]

[Letterhead of Paying Agent]

[Date]

Sumitomo Mitsui Banking Corporation (the "Bank")

[REDACTED]

[REDACTED]

Attention: [REDACTED]

Re: Irrevocable Direct Pay Letter of Credit No. [REDACTED] Reduction of Stated Amount

Ladies and Gentlemen:

Regions Bank, as Paying Agent (the "Paying Agent"), hereby certifies to Sumitomo Mitsui Banking Corporation, acting through its New York Branch, with reference to the Bank's Irrevocable Direct Pay Letter of Credit No. [REDACTED] (the "Letter of Credit"; any other defined terms used herein having their respective meanings set forth in the Letter of Credit) that:

1. The Paying Agent is the Paying Agent under the Ordinance.
2. Bonds in the aggregate principal amount of \$\_\_\_\_\_ have been purchased and canceled in accordance with the terms of the Ordinance.
3. The Stated Amount is hereby reduced by the amount specified in paragraph 2 above plus the amount of interest coverage of the Letter of Credit on the amount specified in paragraph 2 above calculated in accordance with paragraph 1 of the Letter of Credit, thereby leaving a Stated Amount of \$\_\_\_\_\_.

IN WITNESS WHEREOF, the Paying Agent has executed and delivered this Certificate as of the \_\_\_\_ day \_\_\_\_\_ of 20\_\_.

**REGIONS BANK**, as Paying Agent

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

**EXHIBIT B**  
**FORM OF REMARKETING AGREEMENT**

**REMARKETING AGREEMENT**

**BY AND AMONG**

**CITY OF COLUMBIA, SOUTH CAROLINA**

**AND**

**RAYMOND JAMES & ASSOCIATES, INC.**  
**(successor to Morgan Keegan & Associates, Inc.), as Remarketing Agent**

**DATED AUGUST \_\_, 2015**

---

**RELATING TO**

**\$81,860,000**  
**CITY OF COLUMBIA, SOUTH CAROLINA**  
**WATERWORKS AND SEWER SYSTEM REVENUE BONDS**  
**SERIES 2009**

---

## REMARKETING AGREEMENT

This **REMARKETING AGREEMENT**, dated August \_\_, 2015 (“Remarketing Agreement”), is entered into among **CITY OF COLUMBIA, SOUTH CAROLINA** (“City”), and **RAYMOND JAMES & ASSOCIATES, INC.** (as successor to Morgan Keegan & Company, Inc.), as Remarketing Agent (the “Remarketing Agent”).

NOW THEREFORE, for and in consideration of the premises and the mutual covenants and agreements herein contained, the City and the Remarketing Agent hereby covenant, agree and bind themselves as follows:

### **Section 1.01**    *Definitions.*

Unless a different meaning clearly appears from the context, all capitalized terms used herein without definition shall have the meaning ascribed to them in the General Bond Ordinance No. 93-43, enacted by the City Council, on May 21, 1993 (“General Ordinance”), as amended and supplemented, including as supplemented particularly by a Fifth Supplemental Ordinance No. 2007-72, enacted by the City Council on September 19, 2007, and Seventh Supplemental Ordinance No. 2009-83 enacted by the City Council on August 19, 2009 (“Seventh Supplemental Ordinance”) (collectively, “Supplemental Ordinance” and together with the General Ordinance, as otherwise amended, collectively “Ordinance”). Regions Bank serves as the successor Paying Agent and Tender Agent, following the removal of U.S. Bank National Association and appointment of Regions Bank in replacement thereof on or about August 13, 2015.

Under the terms of the Ordinance, the City has heretofore issued its \$81,860,000 Waterworks and Sewer System Revenue Bonds, Series 2009 (“Bonds”), and entered into a Remarketing Agreement dated September 2, 2009, as amended (as so amended, the “Prior Remarketing Agreement”), with Morgan Keegan & Company, Inc. and one or more other financial institutions that previously served as remarketing agents. The City now desires to execute this Remarketing Agreement in replacement of the Prior Remarketing Agreement.

### **Section 2.01**    *Replacement of Prior Remarketing Agreement and Appointment of Remarketing Agent; Responsibilities.*

(a)            By execution of this Remarketing Agreement, the Prior Remarketing Agreement is hereby terminated and replaced. Subject to the terms and conditions herein contained and pursuant to Section 25 of the Seventh Supplemental Ordinance, the City hereby continues the appointment of Raymond James & Associates, Inc. (as successor to Morgan Keegan & Company, Inc.) and Raymond James & Associates, Inc. hereby accepts such appointment, as exclusive remarketing agent (“Remarketing Agent”) in performing the respective functions of determining the Daily Interest Rate, the Weekly Interest Rate, the Bond Interest Term Rate and the Long-Term Interest Rate, from time to time and the remarketing of the Bonds from time to time in the secondary market on and subsequent to the remarketing and sale of the Bonds on the date hereof, all as provided herein more fully.

(b)            The Remarketing Agent, as the agent of the City, agrees to determine the applicable rate for each Interest Rate Period, if any, all pursuant to and in accordance with Section 5 of the Seventh Supplemental Ordinance.

(c)            During the Daily Interest Rate Period and the Weekly Interest Rate Period, the Remarketing Agent, as agent for the City, shall, so long as no Event of Default under the Seventh Supplemental Ordinance has occurred and is continuing, pursuant to the terms and provisions of the Seventh Supplemental Ordinance

and upon receipt of written notice from the Tender Agent specifying the principal amount of Bonds which have been tendered for purchase pursuant to Section 6 of the Seventh Supplemental Ordinance and the Purchase Date, use its best efforts to remarket all Bonds so tendered for purchase at a price of 100% of the principal amount thereof, plus accrued interest, if any, to such Purchase Date (the "Purchase Price"); provided that the Remarketing Agent shall not undertake to remarket such Bonds if otherwise directed by the City.

(d) Upon receipt of written notice from the Tender Agent specifying the principal amount of Bonds which have been tendered or deemed to be tendered pursuant to Section 6 of the Seventh Supplemental Ordinance, and so long as no Event of Default under the Seventh Supplemental Ordinance has occurred and is continuing, the Remarketing Agent, as agent of the City, agrees to use its best efforts to remarket such Bonds which are tendered or are deemed to be tendered at a price equal to 100% of the principal amount thereof, plus accrued interest, if any, subject to the following conditions:

- (i) satisfactory compensation and other terms and conditions shall have been agreed upon by the City and the Remarketing Agent;
- (ii) the Remarketing Agent shall have received all documents, including opinions of counsel, required to be delivered to it under the terms of the Seventh Supplemental Ordinance;
- (iii) the Remarketing Agent shall have received a remarketing memorandum, or other appropriate disclosure document satisfactory in form and substance to the Remarketing Agent, to be used in connection with its efforts to remarket the Bonds; and
- (iv) the Remarketing Agent shall have received such additional documents, certificates and legal opinions as it may reasonably request.

Further details regarding the remarketing of the Bonds shall be negotiated between the City and the Remarketing Agent prior to any date on which a mandatory tender shall occur under the Seventh Supplemental Ordinance.

(e) To the extent that the Remarketing Agent has not arranged for the secondary sale of Bonds tendered or deemed tendered pursuant to the Seventh Supplemental Ordinance, at the written direction of the City and so long as no Event of Default under the Seventh Supplemental Ordinance has occurred and is continuing, the Remarketing Agent shall continue to use its best efforts to remarket such Bonds (including Bank Bonds), at a price equal to 100% of the principal amount thereof, plus accrued interest, if any, to the date such Bonds are to be delivered and paid for pursuant to such remarketing.

(f) Notwithstanding any of the foregoing, the Remarketing Agent shall not offer for sale or sell Bonds to the City. The City may at any time, upon written direction to the Remarketing Agent and with the prior consent of the Credit Provider (if any), direct the Remarketing Agent to cease or resume the remarketing of some or all of the Bonds.

(g) The Remarketing Agent shall make appropriate settlement arrangements for the purchase of Bonds which have been remarketed as hereinabove provided between the purchasers of such remarketed Bonds and the Tender Agent, and shall direct said purchasers by appropriate instructions to pay all moneys for the purchase price of such remarketed Bonds to the Tender Agent at the time and as provided in the Seventh Supplemental Ordinance. Alternatively, if monies are paid directly to the Remarketing Agent, it shall hold them an agent and bailee of, and in escrow for the benefit of, the person or entity which shall have so delivered such moneys until such moneys are delivered to the Tender Agent.

**Section 3.01 *Exclusive Agent; Resignation and Removal of Remarketing Agent.***

The City hereby agrees that, unless this Remarketing Agreement has been previously terminated pursuant to the terms hereof, the Remarketing Agent shall act as exclusive Remarketing Agent for the City in connection with the remarketing of Bonds tendered or deemed tendered with respect to the Bonds on the terms and conditions herein contained at all times. Upon the notice and in the manner provided in Section 26 of the Seventh Supplemental Ordinance, the Remarketing Agent may at any time resign or be removed and be discharged of the duties and obligations created by this Remarketing Agreement or may be removed at any time.

**Section 4.01 *Furnishing of Offering Materials.***

(a) The City has prepared a Remarketing Supplement dated August \_\_, 2015 (the "Supplement"), which supplements the Official Statement dated September 1, 2009 ("Official Statement"), related to the Bonds. The Supplement includes as an exhibit the Official Statement and specifically incorporates by reference certain annual reports and other information, including an official statement (collectively, "Continuing Disclosure Filings"), which have been previously filed by the City with the Electronic Municipal Market Access System, maintained by the Municipal Securities Rulemaking Board. The Official Statement and the Supplement (including the Continuing Disclosure Filings specifically incorporated by reference therein) are herein referenced as the "Disclosure Documents."

(b) The City agrees to furnish the Remarketing Agent, at the City's expense, with as many copies of the Supplement as may be requested, in connection with the current and future remarketing of the Bonds as herein provided, and shall, at the City's expense, amend or supplement the Disclosure Documents (and/or other documents which are hereafter specifically incorporated by reference therein), so that at all times the Disclosure Documents will not knowingly contain any untrue statement of a material fact or knowingly omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. In addition, the City will, at its own expense, take all steps reasonably requested by the Remarketing Agent which the Remarketing Agent or its counsel may consider necessary or desirable:

- (i) to register the sale of the Bonds by the Remarketing Agent under any federal or state securities law or to qualify the Seventh Supplemental Ordinance under the Trust Indenture Act of 1939, as amended, or
- (ii) to enable the Remarketing Agent to establish a "due diligence" defense to any action commenced against the Remarketing Agent in respect of the Disclosure Documents and any supplement or amendment thereto.

**Section 5.01 *Representations, Warranties, Covenants and Agreements of the Remarketing Agent.***

The Remarketing Agent, by its acceptance hereof, represents, warrants, covenants and agrees with the City as follows:

(a) The Remarketing Agent is a corporation authorized by law to perform all the duties imposed upon it as Remarketing Agent by the Seventh Supplemental Ordinance and this Remarketing Agreement;

(b) The Remarketing Agent complies with or satisfies all requirements of the Seventh Supplemental Ordinance to act as "remarketing agent" with respect to the Bonds and has full power and authority to take all actions required or permitted to be taken by the Remarketing Agent by or under, and to perform and observe the covenants and agreements on its part contained in, the Seventh Supplemental Ordinance and this Remarketing Agreement, including, specifically:

- (i) to carry out the provisions of this Remarketing Agreement; and
- (ii) to hold all moneys delivered to it in connection with this Remarketing Agreement for the purchase of Bonds as agent and bailee of, and in escrow for the benefit of, the person or entity which shall have so delivered such moneys until such moneys are delivered to the Tender Agent;

(c) The Remarketing Agent will keep such books and records with respect to its duties as Remarketing Agent as shall be consistent with prudent industry practice and to make such books and records available for inspection by the Paying Agent and Tender Agent, the City and the Credit Provider or Liquidity Provider, if any, at all reasonable times; and

(d) The Remarketing Agent hereby designates its principal office as follows: Raymond James & Associates, Inc., 50 North Front Street, Memphis, Tennessee 38103, Attn: Short Term Products Group.

### **Section 6.01 *Representations, Warranties, Covenants and Agreements of the City.***

The City, by its acceptance hereof, represents, warrants, covenants and agrees with the Issuer and the Remarketing Agent as follows:

(a) The City has full power, authority and competence to take all actions required or permitted to be taken by the City by or under, and to perform and observe the covenants and agreements on its part contained in, this Remarketing Agreement, the Letter of Credit and Reimbursement Agreement dated August \_\_, 2015, between the City and Sumitomo Mitsui Banking Corporation, acting through its New York Branch, and the Tender Agent Agreement dated August \_\_, 2015, among the City, the Tender Agent and the Remarketing Agent (collectively, "Financing Documents");

(b) The City has, on or before the date hereof, duly taken all action necessary to be taken by it prior to such date for:

- (i) the execution, delivery and performance of the Financing Documents and which has been or will be executed in connection with the transactions contemplated by the Financing Documents and

- (ii) the carrying out, giving effect to, consummation and performance of the transactions and obligations contemplated by the Financing Documents and by the Disclosure Documents;

(c) This Remarketing Agreement and the Financing Documents when executed and delivered by the parties hereto and thereto, constitute or will constitute valid and binding obligations of the City in accordance with their respective terms, except as the enforcement (but not the validity) thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws, judicial decisions or principles of equity relating to or affecting the enforcement of creditors' rights or contractual obligations generally;

(d) The execution and delivery of the Financing Documents, the compliance with the terms, conditions or provisions hereof and thereof, and the consummation of the transactions herein and therein contemplated do not upon the date of execution and delivery thereof and will not violate any law or any regulation, order, writ, injunction or decree of any court or governmental instrumentality applicable to the City, or result in a breach of any of the terms, conditions or provisions of, or constitute a default under, any mortgage, indenture, agreement or instrument to which the City is a party or by which it or any of its properties is bound;

(e) The City will cooperate with the Remarketing Agent in the qualification of the Bonds for the

remarketing thereof and the determination of the eligibility of the Bonds for investment under the laws of such jurisdictions as the Remarketing Agent shall designate and will use its best efforts to continue any such qualification in effect so long as required for the offer and sale of the Bonds by the Remarketing Agent pursuant to this Remarketing Agreement, provided that the City shall not be required to qualify to do business in any jurisdiction where it is not now so qualified or to take any action which would subject it to general service of process in any jurisdiction;

(f) The City has no knowledge or reason to believe that any information contained in the Disclosure Documents as of their respective dates contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading, or that any supplement or amendment to the Disclosure Documents, as of the date of such supplement or amendment, will knowingly contain any untrue statement of a material fact or knowingly omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading; provided no representation is made with respect to information in the Disclosure Documents related to or provided by the Securities Depository, the Credit Provider or the Remarketing Agent or their respective affiliates; and

(g) The City shall provide written notice to the Remarketing Agent prior to the execution of any amendment or supplement to the Seventh Supplemental Ordinance or the Financing Documents.

#### **Section 7.01    *Conditions to Remarketing Agent's Obligations.***

The obligations of the Remarketing Agent under this Remarketing Agreement have been undertaken in reliance on, and shall be subject to, the due performance by the City of its obligations and agreements to be performed hereunder and to the accuracy of and compliance with the respective representations, warranties, covenants and agreements of the City contained herein (including, without limitation, those set forth in Sections 2.01(d) and 4.01, in each case, on and as of the date of delivery of this Remarketing Agreement and on and as of each date on which Bonds are to be remarketed pursuant to this Remarketing Agreement. The obligations of the Remarketing Agent hereunder with respect to each date on which Bonds are to be remarketed pursuant to this Remarketing Agreement are also subject, in the discretion of the Remarketing Agent, to the following further conditions:

(a) The Seventh Supplemental Ordinance, the Financing Documents and the Credit Facility shall be in full force and effect and shall not have been amended, modified or supplemented in any way which would materially and adversely affect the Bonds and there shall be in full force and effect, to the extent applicable, such additional resolutions, agreements, certificates (including such certificates as may be required by regulations of the Internal Revenue Service in order to establish the tax-exempt character of interest on the Bonds) and opinions as shall be necessary to effect the transactions contemplated by this Remarketing Agreement, which resolutions, agreements, certificates and opinions, at the request of the Remarketing Agent, shall be satisfactory in form and substance to the Remarketing Agent and to its counsel;

(b) There shall have been no adverse change, in the opinion of the Remarketing Agent, in the condition, financial or otherwise, of the City or the Credit Provider material to the transactions contemplated by the Disclosure Documents or this Remarketing Agreement since the date of the Supplement and no Event of Default shall have occurred and be continuing and no event shall have occurred and be continuing which, with the passage of time or giving of notice or both, would constitute an Event of Default; and

(c) The Bonds, in the opinion of the Remarketing Agent or its counsel, shall be exempt from registration pursuant to the Securities Act of 1933, as amended, and the interest paid on the Bonds shall

not be subject to federal or State income tax, and, in the opinion of the Remarketing Agent or its counsel, the Seventh Supplemental Ordinance shall be exempt from qualification as an indenture pursuant to the Trust Indenture Act of 1939, as amended.

**Section 8.01 *Term and Termination of Remarketing Agreement.***

This Remarketing Agreement shall become effective upon execution by the Remarketing Agent and the City and shall continue in full force and effect until the Bonds are no longer outstanding, subject to the right of the Remarketing Agent or the City to terminate this Remarketing Agreement at any time in accordance with the terms hereof and Section 5.1(k) of the Reimbursement Agreement and Section 26 of the Seventh Supplemental Ordinance.

**Section 9.01 *Payment of Fees and Expenses.***

(a) In consideration of the services to be performed by the Remarketing Agent under this Remarketing Agreement, the City agrees to pay to the Remarketing Agent such amounts as are required to reimburse it for or pay the reasonable expenses (including, without limitation, the fees and disbursements of its counsel, and the expenses and costs of the preparation, printing, photocopying, execution and delivery of any supplement to the Official Statement, if any) incurred, advances made and compensation for services rendered pursuant to the Seventh Supplemental Ordinance or this Remarketing Agreement.

(b) Additionally, the City agrees to pay to Remarketing Agent a continuing fee for services rendered as remarketing agent pursuant to the Seventh Supplemental Ordinance and this Agreement as follows:

(i) So long as the Bonds bear interest at the Weekly Interest Rate, the City shall pay for the services of the Remarketing Agent hereunder an annual fee equal to ten basis points (.10%) per annum of the Outstanding Bonds. Such fees shall be payable quarterly in arrears on December 1, 2015 (which initial fee shall be calculated with respect to the period commencing on the date of this Remarketing Agreement through November 30, 2015), and on the first day of each March 1, June 1, September 1, and December 1 thereafter. Upon termination of this Remarketing Agreement, fees will be paid only for that number of days during such period during which this Remarketing Agreement is in effect. Fees shall be paid upon receipt of an invoice and shall be based on months of 30 days and years of 360 days.

(ii) In addition to the annual fee described in paragraph (i), on effective date of any Short-Term Interest Period or Long-Term Interest Period, if any, the City shall pay the Remarketing Agent a mutually acceptable fee on the day prior to such effective, as compensation for the Remarketing Agent's services in remarketing the Bonds during such periods.

(c) With respect to the remarketing of Bonds that bear interest at a Bond Interest Term Rate or Long-Term Interest Rate, the Remarketing Agent shall be entitled to reimbursement of expenses and compensation for services in amounts as shall be agreed upon by the City and Remarketing Agent.

(d) Notwithstanding anything herein or in the Seventh Supplemental Ordinance to the contrary, the Remarketing Agent shall not have any obligation hereunder or under the Seventh Supplemental Ordinance to remarket the Bonds or otherwise perform any services with respect thereto if the City shall have failed to pay when due any amounts due hereunder or, in the case of Bonds to bear interest at a Bond Interest Term Rate or Long-Term Interest Rate, failure of the parties hereto to agree on the compensation referred to in paragraph (c) above not less than thirty (30) days prior to the remarketing date.

**Section 10.01 *Nature of Remarketing Agent's Obligations.***

Without limiting the foregoing, the Remarketing Agent is hereby expressly authorized and directed to honor its obligations under and in compliance with the terms of this Remarketing Agreement without regard to, and without any duty on its part to inquire into, the existence of any disputes or controversies between the City, the Paying Agent and Tender Agent, the Credit Provider or any other person or the respective rights, duties or liabilities of any of them, or whether any facts or occurrence represented in any of the documents presented under this Remarketing Agreement are true and correct. Furthermore, the City fully understands and agrees that the Remarketing Agent's sole obligation to the City shall be limited to honoring its obligations under and in compliance with the terms of this Remarketing Agreement.

**Section 11.01 *Dealing in Bonds by Remarketing Agent.***

The Remarketing Agent, in its individual capacity, may in good faith buy, sell, own, hold and deal in any of the Bonds, and may join in any action which any Bondholder may be entitled to take with like effect as if it did not act in any capacity hereunder. The Remarketing Agent, in its individual capacity, either as principal or agent, may also engage in or be interested in any financial or other transaction with the City as freely as if it did not act in any capacity hereunder.

**Section 12.01 *Intention of Parties.***

It is the express intention of the parties hereto that neither the fixing of any interest rate on the Bonds nor any purchase, sale or transfer of any Bonds, as herein provided, shall constitute or be construed to be the extinguishment of any Bonds or the indebtedness represented thereby.

**Section 13.01 *Miscellaneous.***

(a) Except as otherwise specifically provided in this Remarketing Agreement, all notices, demands and formal actions under this Remarketing Agreement shall be in writing and mailed, telegraphed or delivered to the addresses specified in the Seventh Supplemental Ordinance for the delivery of notices. The parties hereto may, by notice given under this Remarketing Agreement, designate other addresses to which subsequent notices, requests, reports or other communications shall be directed.

(b) This Remarketing Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. The terms "successors" and "assigns" shall not include any purchaser of any of the Bonds merely because of such purchase. The issuer of a Credit Facility securing the Bonds shall be a beneficiary of the obligations of the City, the Paying Agent and Tender Agent and the Remarketing Agent hereunder, as though a signatory hereto, and may enforce such obligations in its own name and behalf.

(c) All of the representations, warranties and covenants of the City and the Remarketing Agent in this Remarketing Agreement shall remain operative and in full force and effect, regardless of:

- (i) any investigation made by or on behalf of the Remarketing Agent or the City,
- (ii) remarketing of and any payment for any Bonds hereunder, or
- (iii) termination or cancellation of this Remarketing Agreement.

(d) Section headings have been inserted in this Remarketing Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Remarketing Agreement and will not be used in the interpretation of any provisions of this Remarketing Agreement.

(e) If any provision of this Remarketing Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Remarketing Agreement invalid, inoperative or unenforceable to any extent whatever.

(f) This Remarketing Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

(g) This Remarketing Agreement shall be governed by and enforced under the laws of the State of South Carolina.

IN WITNESS WHEREOF, the City and the Remarketing Agent have caused this Remarketing Agreement to be executed, sealed and attested in their respective names by officers thereof duly authorized thereunto.

**CITY OF COLUMBIA, SOUTH CAROLINA**

By \_\_\_\_\_

Its \_\_\_\_\_

**RAYMOND JAMES AND ASSOCIATES, INC. (as  
successor to Morgan Keegan & Company, Inc.),  
as Remarketing Agent**

By \_\_\_\_\_

Its \_\_\_\_\_

**EXHIBIT C**  
**FORM OF TENDER AGENT AGREEMENT**

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TENDER AGENT AGREEMENT

among

REGIONS BANK,  
as Paying Agent and Tender Agent,

CITY OF COLUMBIA, SOUTH CAROLINA,

and

RAYMOND JAMES & ASSOCIATES, INC.  
(as successor to Morgan Keegan & Company, Inc.), as Remarketing Agent

Dated August \_\_, 2015

\$81,860,000  
City of Columbia, South Carolina  
Waterworks and Sewer System  
Revenue Bonds, Series 2009

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TENDER AGENT AGREEMENT

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## TENDER AGENT AGREEMENT

This Tender Agent Agreement (the "Tender Agreement") dated August \_\_, 2015, among Regions Bank, as Paying Agent (in such capacity, the "Paying Agent") and as Tender Agent (in such capacity, the "Tender Agent"), the City of Columbia, South Carolina (the "City"), and Raymond James & Associates, Inc. (as successor to Morgan Keegan & Co., Inc.), as Remarketing Agent (the "Remarketing Agent").

WHEREAS, the City has heretofore issued its \$81,860,000 Waterworks and Sewer System Revenue Bonds, Series 2009 (the "Bonds"), pursuant to the General Bond Ordinance No. 93-43 enacted by the City Council of the City (the "City Council") on May 21, 1993, as amended (as so amended, the "Bond Ordinance"), as supplemented by the Fifth Supplemental Ordinance No. 2007-072 enacted by the City Council on September 19, 2007 and the Seventh Supplemental Ordinance No. 2009-83 enacted by the City Council on August 19, 2009 (collectively, the "Seventh Supplemental Ordinance" and together with the Bond Ordinance, the "Ordinance"); and

WHEREAS, Regions Bank presently serves as the Paying Agent and Tender for the Bonds, following the removal of U.S. Bank National Association and appointment of Regions Bank in replacement thereof on or about August 13, 2015; and

WHEREAS, the Seventh Supplemental Ordinance provides, among other things, that the holders of the Bonds under certain circumstances may or are required to tender their Bonds for purchase by the Tender Agent, in each case in accordance with the provisions of the Seventh Supplemental Ordinance; and

WHEREAS, pursuant to the terms of the Remarketing Agreement dated August \_\_, 2015, as amended (as so amended, the "Remarketing Agreement") between the City and the Remarketing Agent, the Remarketing Agent (which, for all purposes of this Tender Agreement, shall have the meaning set forth in the Remarketing Agreement) has agreed to use its best efforts to remarket any Bonds tendered for purchase on demand by the holder thereof or subject to mandatory tender and purchase pursuant to the Seventh Supplemental Ordinance; and

WHEREAS, pursuant to the terms of the Seventh Supplemental Ordinance and the Letter of Credit and Reimbursement Agreement dated August \_\_, 2015 (the "Credit Facility Provider Agreement"), between the City and Sumitomo Mitsui Banking Corporation, acting through its New York Branch (in such capacity, the "Credit Provider"), the Credit Provider has issued its irrevocable, direct-pay Letter of Credit (the "Credit Facility") in favor of the Paying Agent, to secure the payment of principal and interest on Bonds tendered to the Tender Agent for purchase under Section 6 of the Seventh Supplemental Ordinance but which cannot be remarketed by the Remarketing Agent in accordance with the terms of the Seventh Supplemental Ordinance and the Remarketing Agreement; and

WHEREAS, the Seventh Supplemental Ordinance provides that, upon payment by the Credit Provider of the Purchase Price of a Bond upon the tender of such Bond to the Tender Agent pursuant thereto, such Bond shall be registered and delivered or transferred, as applicable, in certificated form (or held pursuant to the book-entry system of the Depository (as defined in the Seventh Supplemental Ordinance) until delivered in such form) to the Credit Provider, the Tender Agent as its agent or otherwise as provided in the Credit Facility Provider Agreement; and

WHEREAS, the City has heretofore executed a Tender Agent Agreement dated September 2, 2009, as amended (as so amended, the "Prior Tender Agreement") with the Tender Agent, Morgan Keegan & Co., Inc. (the predecessor to Raymond James & Associates, Inc.), as Remarketing Agent, and one or more financial institutions serving as co-Remarketing Agent; and

WHEREAS, in connection with the execution of the Remarketing Agreement and the Credit Facility Provider Agreement, the City now desires to enter into this Tender Agreement in replacement of the Prior Tender Agreement; and

NOW, THEREFORE, in consideration of the premises and in order to provide for the coordination of said arrangements, the parties hereby agree as follows:

Section 1. Defined Terms. Capitalized terms used in this Tender Agreement and not defined herein shall have the meanings assigned to them in the Seventh Supplemental Ordinance.

Section 2. Replacement of Prior Tender Agreement and Continuation of Appointment of Tender Agent. By execution of this Tender Agreement, the Prior Tender Agreement is hereby terminated and replaced. Subject to the terms and conditions contained herein, the City hereby continues the prior designation and appointment of Regions Bank, and Regions Bank hereby accepts the continuation of such appointment, as Tender Agent for the purposes of the Seventh Supplemental Ordinance (the "Tender Agent").

This Tender Agreement shall serve as the written instrument of acceptance required from the Tender Agent by Section 27 of the Seventh Supplemental Ordinance and copies hereof shall be delivered as therein specified to the City, the Credit Provider, the Remarketing Agent and the co-Remarketing Agent. The Principal Office (as defined in the Seventh Supplemental Ordinance) of the Tender Agent is located at Columbia, South Carolina, as set forth in Section 13 for notices under this Tender Agreement. When this Tender Agreement refers to the "Tender Agent," it shall be construed as referring to U.S. Bank National Association or its successor hereunder acting in its capacity as Tender Agent. The Tender Agent shall be subject to all obligations of the Tender Agent under the Seventh Supplemental Ordinance and shall be entitled to all rights and immunities provided to the Paying Agent under the Seventh Supplemental Ordinance.

Section 3. Creation of Purchase Fund.

(a) There is hereby continued and established with the Tender Agent pursuant to Section 29 of the Seventh Supplemental Ordinance, a separate special

purpose and non-interest bearing trust fund designated "City of Columbia, South Carolina Waterworks and Sewer System Revenue Bonds, Series 2009 - Purchase Fund" (the "Purchase Fund") for the Bonds, over which the Tender Agent shall have the exclusive right of withdrawal for the exclusive benefit of the purchasers and sellers of the Bonds tendered for purchase pursuant to the Seventh Supplemental Ordinance. The Remarketing Account, the Credit Provider Account and the Undelivered Bond Payment Account (and separate subaccounts in the Undelivered Bond Payment Account for amounts transferred from the Remarketing Account and the Credit Provider Account pursuant to Section 3(c) hereof) are hereby established as trust accounts in the Purchase Fund.

(b) Any moneys received by the Tender Agent from the Remarketing Agent for the purchase of Bonds pursuant to Section 7(a)(i) hereof shall be deposited in the Remarketing Account of the Purchase Fund, and any moneys received by the Paying Agent from the Credit Provider for the purchase of Bonds shall be transferred to the Tender Agent and deposited in the Credit Provider Account of the Purchase Fund.

(c) On each Tender Date (as defined herein), the Tender Agent shall transfer, as provided herein, from amounts on deposit in the Remarketing Account and the Credit Provider Account to the respective subaccounts of the Undelivered Bond Payment Account, an amount equal to the principal amount and accrued interest (if any) of all Undelivered Bonds on such Tender Date, in accordance with Section 8 hereof. "Undelivered Bonds," for purposes of this Tender Agreement, refers to those Bonds subject to optional or mandatory tender on a specific Tender Date which are not delivered to the Tender Agent on or prior to such Tender Date. Moneys in the respective subaccounts of the Undelivered Bond Payment Account shall not be invested and shall be held by the Tender Agent and shall be held for the exclusive benefit of the holders of such Undelivered Bonds and applied as provided in Section 8 hereof.

(d) The Tender Agent shall not invest any moneys delivered to it hereunder and shall have no liability for interest on any moneys received hereunder. Notwithstanding anything herein to the contrary, the Tender Agent shall not commingle moneys received from the Credit Provider pursuant to the Credit Facility with any other moneys.

Section 4. Deposit of Bonds. If the Bonds are no longer held in Book-Entry Form, the Tender Agent agrees to hold all Bonds delivered to it pursuant to the Seventh Supplemental Ordinance in trust for the benefit of the respective Bondholders which shall have so delivered Bonds to the Tender Agent pursuant to Section 9 or Section 10 hereof.

Section 5. Tender and Remarketing of the Bonds. All notices required pursuant to this Section 5 shall be by telephone (promptly confirmed in writing), telegram, telecopy, telex or other similar means of communication (referred to herein as an "Approved Form").

(a) By no later than 4:30 p.m. on the Business Day immediately following the date of receipt of any optional tender notice from Holders of Bonds that

bear interest at the Weekly Interest Rate (“Weekly Rate Bonds”), the Tender Agent shall give notice to the Remarketing Agent, the Credit Provider, and the Paying Agent, specifying the principal amount of Weekly Rate Bonds or portions thereof for which it has received a notice of optional tender, the numbers thereof and the date of tender (the “Weekly Rate Optional Tender Date”), and if Bonds are no longer held in Book-Entry Form the names and addresses of the Registered Owners thereof. By no later than such time as notice of any mandatory tender of Bonds is required to be delivered to Holders under the Seventh Supplemental Ordinance, the Tender Agent shall give notice to the Remarketing Agent, the Credit Provider and the Paying Agent specifying such mandatory tender date (the “Mandatory Tender Date”). For purposes of this Tender Agreement, “Tender Date” shall mean any Weekly Rate Optional Tender Date, and Mandatory Tender Date.

(b) Before 10:00 a.m. on the Business Day next preceding any Weekly Rate Optional Tender Date or Mandatory Tender Date, the Paying Agent shall advise the Tender Agent of the accrued interest which would be payable on each Bond as of such Tender Date, for all Bonds subject to tender on such Tender Date in accordance with the Seventh Supplemental Ordinance. No later than 11:00 a.m. on the Business Day next preceding the Weekly Rate Optional Tender Date or Mandatory Tender Date, the Tender Agent shall give notice to the Paying Agent, the City, the Credit Provider and the Remarketing Agent as to (i) the aggregate Purchase Price of Bonds required to be deposited by the Remarketing Agent into the Purchase Fund pursuant to Section 7(a) hereof; and (ii) the amount of such aggregate Purchase Price representing principal and the amount of such Purchase Price representing accrued interest and premium, if any.

(c) (i) Optional Tender of Weekly Rate Bonds and Mandatory Tender of All Bonds. The Remarketing Agent shall, on or prior to 4:30 p.m. on the Business Day next preceding the Weekly Rate Optional Tender Date or Mandatory Tender Date, give notice to the Tender Agent (which shall immediately notify the Paying Agent of the same information) specifying the aggregate principal amount of tendered Weekly Rate Bonds which have been remarketed, the principal amount, if any, of Weekly Rate Bonds for which the Remarketing Agent did not receive remarketing proceeds from the prospective purchasers of such tendered Bonds and the amount of accrued interest thereon to such Tender Date, and if Weekly Rate Bonds are no longer held in Book-Entry Form, of the names, addresses and taxpayer identification numbers of the purchasers and the denominations of remarketed Bonds to be delivered to each purchaser.

(ii) The Paying Agent and the Tender Agent shall be entitled to rely upon the amount indicated in notices given to them pursuant to this paragraph (c), whether the actual amount of remarketing proceeds transferred to the Tender Agent is greater or less than the amount so indicated. The Paying Agent shall immediately give the Credit Provider the notice at, and demand payment by, the time (in each case before 11:30 a.m. on the Tender Date) and in the manner required under the Credit Facility in order to insure the timely payment of the Purchase Price of all Bonds tendered for purchase under the Seventh Supplemental Ordinance with respect to the Credit Provider's obligation to purchase tendered Bonds not so remarketed and for which no remarketing

proceeds are anticipated to be transferred to the Tender Agent on the Tender Date, based on the Remarketing Agent notice. If the Paying Agent and the Tender Agent shall not receive the notice from the Remarketing Agent as required by clause (i), the Paying Agent shall immediately give the Credit Provider the notices and demand payment at the time (in each case before 11:30 a.m. on the Tender Date) and in the manner required under the Credit Facility with respect to the Credit Provider's obligations to purchase tendered Bonds not so remarketed, assuming for the purpose of such notice, that none of the Bonds subject to tender on such Tender Date, has been remarketed. Notwithstanding anything to the contrary herein, the Paying Agent shall not be entitled to draw from the Credit Facility to purchase Bank Bonds or any Bonds to the extent it has actual knowledge that the same are owned by the City.

Section 6. Tender of Bonds to Tender Agent. The Seventh Supplemental Ordinance provides that each Bond in respect of which a holder has delivered a notice of tender must tender such Bond to the Tender Agent no later than 11:00 a.m. on the Tender Date. Any Bonds required to be tendered for purchase that are not delivered, for which there has been irrevocably deposited with the Tender Agent in the Purchase Fund an amount of money sufficient to pay the Purchase Price thereof, shall be deemed to have been purchased by the Tender Agent pursuant to the Seventh Supplemental Ordinance and shall constitute Undelivered Bonds.

Section 7. Deposits into the Purchase Fund; Notices by Remarketing Agent. The Remarketing Agent shall, at or prior to 11:00 a.m. on each Tender Date:

(i) to the extent the Remarketing Agent has arranged for a placement of Bonds at a Purchase Price equal to par plus accrued interest (if any) to such Tender Date, cause amounts received from purchasers with respect to the aggregate Purchase Price of the Bonds to be transferred to the Tender Agent for deposit in immediately available funds in the Remarketing Account of the Purchase Fund; and

(ii) give notice in writing to the Paying Agent, the Credit Provider and the Tender Agent as to (A) the aggregate Purchase Price of Bonds which the Remarketing Agent has sold for delivery on such date; (B) the aggregate amount in immediately available funds it has deposited or caused to be deposited by 11:00 a.m. in the Remarketing Account of the Purchase Fund; and (C) the principal amount, if any, of Bonds for which the Remarketing Agent did not receive remarketing proceeds from the prospective purchasers of such tendered Bonds and the amount of accrued interest thereon to such Tender Date.

Section 8. Disbursements from the Purchase Fund. Moneys in the Remarketing Account and the Credit Provider Account of the Purchase Fund shall be initiated by Federal funds wire by or before 2:30 p.m. on each Tender Date, by the Tender Agent to purchase Bonds tendered to the Tender Agent at a Purchase Price equal to the principal amount of such Bonds plus accrued interest, if any, to the Tender Date. Upon application of moneys described in the foregoing sentence, moneys remaining in the Remarketing Account and the Credit Provider Account of the Purchase Fund attributable to Bonds required to be tendered for purchase which are not delivered

as described in Section 6, shall be credited to the respective subaccounts of the Undelivered Bond Payment Account of the Purchase Fund and shall be held by the Tender Agent for delivery to the former holder of Undelivered Bonds in payment of the applicable Purchase Price; notwithstanding the foregoing, the purchase (or deemed purchase) of Bonds required to be tendered pursuant to Section 10 hereof from either the Credit Provider Account or the related subaccount of the Undelivered Bond Payment Account shall serve to create Bank Bonds as more particularly described in Section 10 and the Credit Facility Provider Account.

The Tender Agent agrees to notify the Remarketing Agent, the Credit Provider and the Paying Agent immediately by telephone of the amount, if any, in the Purchase Fund which is in excess of the amount needed to purchase Bonds by 2:30 p.m. on the Tender Date. Any moneys remaining in the Purchase Fund in excess of the amount needed to make the payments specified in this Section 8 shall be wired to the Credit Provider to the extent amounts have been paid under the Credit Facility as promptly as practicable.

Section 9. Transfer and Delivery of Tendered Bonds for Purchase. If Bonds are no longer held in Book-Entry Form, a principal amount of Bonds equal to the principal amount of the Bonds purchased (or deemed purchased) on a Tender Date, pursuant to Section 8 hereof shall be prepared and authenticated by the Paying Agent and be made available to or upon the instruction of the Remarketing Agent, and the Tender Agent shall notify the Registrar in writing to register such Bonds in the name or names of the transferee or transferees of the Bonds to the extent that there are any changes in such information which has already been provided. The Tender Agent shall promptly remit such Bonds which have been purchased (or deemed purchased) pursuant to Section 8 hereof to the Paying Agent and notify the Registrar to cancel all Bonds so purchased and transferred pursuant to Section 8 hereof.

Section 10. Payments under Credit Facility by Bank; Remarketing and Release of Bank Bonds. Not later than 11:30 a.m. on the Tender Date, the Paying Agent is required by the Credit Facility to notify the Credit Provider of the amount necessary to purchase any Bonds with respect to which the Tender Agent has received notice from the Remarketing Agent pursuant to Section 5(c) hereof to the effect that sufficient moneys for purchase of such Bonds at the Purchase Price required in Section 8 hereof are not otherwise available in the Purchase Fund. Bonds purchased with moneys obtained by the Tender Agent under the Credit Facility ("Bank Bonds") shall be held in accordance with the provisions of the Credit Facility Provider Agreement. The Remarketing Agent shall exercise its best efforts to solicit purchases of any Bank Bonds at a price of par, plus accrued interest, if any; provided, however that no Bank Bonds may be released by the Tender Agent (1) unless the Credit Provider has reinstated the amount available under the Credit Facility to reflect the principal amount of the Bonds plus the interest coverage thereon then required to maintain the short-term ratings on such Bonds, and the Tender Agent has received written evidence from the Credit Provider of such reinstatement, or (2) until any such Bank Bond is selected for redemption pursuant to the Seventh Supplemental Ordinance and is delivered to the Paying Agent for cancellation. The proceeds of any remarketing of such Bank Bonds shall be deposited into the Remarketing Account of the Purchase Fund for transfer to the Credit Provider upon reinstatement of the Credit Facility as described in clause (1) above. Notwithstanding anything herein or in the Seventh Supplemental Ordinance to the contrary, neither the Paying Agent nor the Tender Agent shall be entitled to

request or demand indemnity as a condition to providing notifications to the Credit Provider or receiving, depositing or transferring draws on the Credit Facility to or from the Purchase Fund, all as may be described in this Tender Agreement or the Seventh Supplemental Ordinance.

Section 11. No Purchases or Sales of Bonds After Default. There shall be no purchases of Bonds pursuant to the Seventh Supplemental Ordinance without the prior written consent of the Credit Provider if there shall have occurred an Event of Default in respect of which the principal of all Bonds Outstanding shall have been declared immediately due and payable pursuant to the Seventh Supplemental Ordinance and such declaration shall not have been annulled. It shall be the obligation of the Paying Agent to notify as soon as practicable the Tender Agent, the Credit Provider and the Remarketing Agent of the existence of an Event of Default.

Section 12. Maintenance of Books and Records. Other than Bonds held in Book-Entry Form, the Tender Agent agrees to keep such books and records as shall be consistent with prudent industry practice and to make such books and records available for inspection by the City, the Credit Provider and the Paying Agent at all reasonable times.

Section 13. Notices. Except as specifically provided in this Tender Agreement, and except as otherwise noticed in writing by any of the below-referenced parties to all of the other referenced parties, all notices, demands and formal actions hereunder shall be sufficiently given when personally delivered or mailed by certified mail, postage prepaid, or when sent by telegram addressed as follows:

The Remarketing Agent:

At the address provided therefor in the Remarketing Agreement

The City:

City of Columbia  
1737 Main Street  
Columbia, South Carolina 29217-0147  
Attention: City Manager

The Credit Provider:

At the address provided therefor in the Credit Facility Provider Agreement

The Paying Agent:

Regions Bank  
1010 Gervais Street, 2nd Floor  
Columbia, South Carolina 29201  
Attention: Corporate Trust Services

The Tender Agent:

Regions Bank  
1010 Gervais Street, 2nd Floor  
Columbia, South Carolina 29201  
Attention: Corporate Trust Services

The parties may by notice given pursuant to this Section 13 designate any different address to which subsequent communications shall be sent.

Section 14. Governing Law. This Tender Agent Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of South Carolina.

Section 15. General.

(a) *Payment of Tender Agent*. The City shall pay (but solely from available Net Revenues) the Tender Agent all reasonable fees, including counsel fees, charges and out-of-pocket expenses of the Tender Agent for acting under and pursuant to this Tender Agreement upon receipt from the Tender Agent of an invoice therefor.

(b) *Tender Agent's Performance; Duty of Care*. The Tender Agent consents and agrees to perform and comply with all the terms and provisions on its part contained in this Tender Agreement. The duties and obligations of the Tender Agent shall be determined solely by the express provisions of this Tender Agreement, and no implied covenants or obligations shall be read into this Tender Agreement or the Seventh Supplemental Ordinance against the Tender Agent; and in the absence of negligence or willful misconduct on the part of the Tender Agent, the Tender Agent may conclusively rely, as to the truth of the statements expressed therein, upon any document furnished to the Tender Agent and conforming to the requirements of this Tender Agreement and the Tender Agent may rely and shall be protected in acting upon any document believed by it to be genuine and to have been signed or presented by the proper party or parties; but in the case of any such document which by any provision hereof is specifically required to be furnished to the Tender Agent, the Tender Agent shall be under a duty to examine the same to determine whether or not it conforms to the requirements of this Tender Agreement. The Tender Agent may consult with counsel and advice of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in accordance with such advice. The Tender Agent shall have no liability under this Tender Agreement or the Seventh Supplemental Ordinance except for loss occasioned by the negligence or willful misconduct to the Tender Agent.

(c) *Payments*. Any provisions of this Tender Agreement or any statute to the contrary notwithstanding, the Tender Agent hereby waives any rights to, or liens for, its fees, charges and expenses for services hereunder from funds or obligations provided pursuant to Section 7 or Section 10 hereof. The Tender Agent agrees that it will be reimbursed and compensated for its fees, charges and expenses for acting under and pursuant to this Tender Agreement directly from the City.

(d) *Term of Agreement*. This Tender Agreement shall become effective upon the remarketing of the Bonds and shall remain in full force and effect until such time as the

principal of and premium, if any, and interest on all Bonds shall have been paid; provided, however, that if the City and the Tender Agent shall have fulfilled all their respective obligations hereunder, or if the Tender Agent shall resign or be removed in accordance with Section 15(e) hereof, this Tender Agreement shall terminate, it being understood, in each case, that the Tender Agent does not waive or relinquish any rights it may have under Section 15(a) hereof.

(e) *Resignation and Removal of the Tender Agent.* The Tender Agent may at any time resign and be discharged from the duties and obligations hereby created by giving at least 60 days written notice by first-class mail, postage prepaid, to the City, the Remarketing Agent, the Credit Provider, and the Paying Agent. Any such resignation of the Tender Agent shall not take effect until the appointment of a successor Tender Agent. A copy of such notice of resignation or instrument of removal shall be sent by the Paying Agent by first class mail to the Owners of the Bonds. In the event of the resignation or removal of the Tender Agent, the Tender Agent shall pay over, assign and deliver all records, funds and accounts, to its successor, or if there be no successor, to the Paying Agent.

(f) *Amendments.* No amendments, modification or waiver of any provision of this Tender Agreement shall be effective unless the same shall be in writing and signed by all the parties hereto and consented to by the Credit Provider. Any such amendments, modification or waiver shall be effective only in the specific instance and for the purpose for which given except as expressly stated therein. This Tender Agreement may not be amended so as to adversely affect the right of the holders of Bonds to receive payment of Bonds pursuant to the Seventh Supplemental Ordinance. The Paying Agent shall inform the Tender Agent of any amendment of any provision of the Seventh Supplemental Ordinance affecting the rights, duties, or obligations or other interests of the Tender Agent which amendment shall not become effective unless the Tender Agent consents to such amendment in writing.

(g) *Successors and Assigns.* The rights, duties and obligations of the City, the Paying Agent, the Remarketing Agent and the Tender Agent hereunder shall inure, without further act, to their respective successors and permitted assigns; provided, however, that the Tender Agent may not assign its obligations under this Tender Agreement without the prior written consent of the City and the Credit Provider. Notwithstanding the foregoing, any corporation or association into which the Tender Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its debt securities administration business as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, shall be and become successor Tender Agent hereunder vested with all of the rights, powers, trusts, duties and obligations of the Tender Agent hereunder, without the execution or filing of any instrument or further act; provided, however, that such successor Tender Agent shall at all times be a commercial bank or trust company and shall at all times be organized and doing business under the laws of the United States or of any state, with a combined capital and surplus of at least \$25,000,000, and authorized under such laws to exercise corporate trust powers and shall be subject to supervision or examination by federal or state authority, and shall have been consented to in writing by the City and the Credit Provider.

(h) *Counterparts.* This Tender Agreement may be executed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

(i) *Limited Liability.* Any obligation of the City created by or arising out of this Tender Agreement shall be a limited obligation of the City, payable solely from Net Revenues which have been pledged and available therefor under and in accordance with the Bond Ordinance, and shall not constitute a charge against the general credit of the City.

(j) *Enforcement by the Tender Agent.* The Tender Agent may pursue any remedy by suit at law or in equity to enforce its rights hereunder or to enjoin any acts or things which may be in violation of the provisions of this Tender Agreement.

(k) *Actions Due on Saturdays, Sundays and Holidays.* If any date on which a payment, notice or other action required by this Tender Agreement or the Seventh Supplemental Ordinance falls on other than a Business Day, then that action or payment need not be taken or made on such date, but may be taken or made on the next succeeding Business Day on which the Tender Agent is open for business with the same force and effect as if made on such date.

(l) *Survival.* The Tender Agent's rights to compensation and reimbursement shall survive the termination of this Tender Agreement and the Bond Indenture.

(m) *Conflicts.* If there is any conflict between provisions of this Tender Agreement and provisions of the Bond Ordinance, the provisions of this Tender Agreement shall apply.

(n) *Entire Agreement.* This Tender Agreement along with the Bond Ordinance represents the entire agreement of the parties with regard to the subject matter hereof and supersedes any prior or contemporaneous agreement, oral or written, between the parties hereto with respect to the subject matter hereof.

(o) *Payments by the Tender Agent.* The Tender Agent shall only make payments called for in this Tender Agreement or in the Seventh Supplemental Ordinance from immediately available funds transferred to it for payment which funds are on deposit in an appropriate account or accounts maintained by the Tender Agent.

(p) *Limitation on Tender Agent's Obligation.* Under no circumstances shall the Tender Agent be obligated to expend any of its own funds in connection with the Bond Ordinance or the performance of its duties hereunder.

(q) *Tender Agent Acting as Conduit.* In purchasing Bonds hereunder, the Tender Agent shall be acting as a conduit and shall not be purchasing Bonds for its own account, and in the absence of written notice from the City or the Paying Agent, shall be entitled to assume that any Bond tendered to it, or deemed tendered to it for purchase, is entitled under the Seventh Supplemental Ordinance to be so purchased unless the instrument on its face is not entitled to payment.

(r) *Time.* All times stated in this Tender Agreement shall be Columbia, South Carolina time.

IN WITNESS WHEREOF, the parties hereto have caused this Tender Agreement to be duly executed and delivered as of the date first above written by their respective officers thereunto duly authorized.

REGIONS BANK, as Paying Agent and Tender Agent

By: \_\_\_\_\_  
Vice President

CITY OF COLUMBIA, SOUTH CAROLINA

By: \_\_\_\_\_  
City Manager

RAYMOND JAMES & ASSOCIATES, INC. (as successor to Morgan Keegan & Company, Inc.), as Remarketing Agent

By: \_\_\_\_\_  
Managing Director

## EXHIBIT D

### FORM OF CONTINUING DISCLOSURE AGREEMENT

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

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

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

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

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

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

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

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

“Certification” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Voluntary Report, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Voluntary Report, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be submitted to the Repositories under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Issuer and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

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

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

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

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

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

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

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

“Notice Event” means an event listed in Sections 4(a) of this Disclosure Agreement.

“Official Statement” means that Official Statement dated September 1, 2009, as supplemented by the Remarketing Supplement dated August \_\_, 2015, prepared by the Issuer in connection with its \$81,860,000 original principal amount Waterworks and Sewer System Revenue Bonds, Series 2009, as listed on Appendix A.

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

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

SECTION 2. Provision of Annual Reports.

(a) The Issuer shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy for the Trustee, not later than 30 days prior to the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than [January 31][February 1] after the end of each fiscal year of the Issuer, commencing with the fiscal year ending June 30, 2015. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification) no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent that a Notice Event as described in Section 4(a)(12) has occurred and to immediately send a notice to the MSRB in substantially the form attached as Exhibit B, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 12:00 noon on the first business day following the Annual Filing Date for the Annual Report, a Notice Event described in Section 4(a)(12) shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit B, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

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

(e) The Disclosure Dissemination Agent shall:

- (i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;
- (ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) with the MSRB;
- (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB;
- (iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) with the MSRB, identifying the Notice Event as instructed by the Issuer pursuant to Section 4(a) or 4(b)(ii) (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:

1. "Principal and interest payment delinquencies;"

2. "Non-Payment related defaults, if material;"
  3. "Unscheduled draws on debt service reserves reflecting financial difficulties;"
  4. "Unscheduled draws on credit enhancements reflecting financial difficulties;"
  5. "Substitution of credit or liquidity providers, or their failure to perform;"
  6. "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
  7. "Modifications to rights of securities holders, if material;"
  8. "Bond calls, if material;"
  9. "Defeasances;"
  10. "Release, substitution, or sale of property securing repayment of the securities, if material;"
  11. "Rating changes;"
  12. "Tender offers;"
  13. "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
  14. "Merger, consolidation, or acquisition of the obligated person, if material;" and
  15. "Appointment of a successor or additional trustee, or the change of name of a trustee, if material;"
- (v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as "Failure to provide annual financial information as required" when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;
- (vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Issuer pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:
1. "amendment to continuing disclosure undertaking;"
  2. "change in obligated person;"
  3. "notice to investors pursuant to bond documents;"
  4. "certain communications from the Internal Revenue Service;"
  5. "secondary market purchases;"
  6. "bid for auction rate or other securities;"

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

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

### SECTION 3. Content of Annual Reports.

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

- (1) The financial statements of the Issuer for the preceding fiscal year prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board (or if not in 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). If the Issuer's audited financial statements are not available by the time the

Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

- (2) Financial and operating data for each fiscal year which shall consist of the operating data generally consistent with the information contained in the tables in the Official Statement under the caption “\_\_\_\_\_.”

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer, which have been submitted to the MSRB. If the document included by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

(b) Audited Financial Statements prepared in accordance with GAAP as described in the Official Statement will be included in the Annual Report.

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

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

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

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

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

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

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

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

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

**SECTION 6. Additional Disclosure Obligations.** The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5

promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that the failure of the Disclosure Dissemination Agent to so advise the Issuer shall not constitute a breach by the Disclosure Dissemination Agent of any of its duties and responsibilities under this Disclosure Agreement. The Issuer acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Reports.

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

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

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

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

SECTION 8. Termination of Reporting Obligation. The obligations of the Issuer and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer

is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The Issuer has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Issuer may, upon thirty days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Issuer.

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

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

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

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

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

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

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Issuer and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Issuer or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

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

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

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

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

[Signature page follows]

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

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

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

CITY OF COLUMBIA, SOUTH CAROLINA, as Issuer

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

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

Name of Issuer	City of Columbia, South Carolina
Obligated Person(s)	same
Name of Bond Issue:	81,860,000 Waterworks and Sewer System Revenue Bonds, Series 2009
Date of Issuance:	_____, ____
Date of Official Statement	_____, ____
CUSIP Number:	_____

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

Name of Issuer	City of Columbia, South Carolina
Obligated Person(s)	same
Name of Bond Issue:	\$81,860,000 Waterworks and Sewer System Revenue Bonds Series 2009
Date of Issuance:	_____, ____
Date of Official Statement	_____, ____

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

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

DIGITAL ASSURANCE CERTIFICATION, L.L.C.,  
as Disclosure Dissemination Agent,  
on behalf of the Issuer

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

cc: Issuer  
Obligated Person

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

This cover sheet and material event notice should be sent to the Municipal Securities Rulemaking Board or to all Nationally Recognized Municipal Securities Information Repositories, and the State Information Depository, if applicable, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

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

\_\_\_\_\_

Issuer's Six-Digit CUSIP Number:

\_\_\_\_\_

\_\_\_\_\_

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

\_\_\_\_\_

Number of pages of attached material event notice: \_\_\_\_\_

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

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

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

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

Signature:

---

---

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

Employer: Digital Assurance Certification, L.L.C.

390 N. Orange Avenue

Suite 1750

Orlando, FL 32801

407-515-1100

**EXHIBIT C-1  
VOLUNTARY EVENT DISCLOSURE COVER SHEET**

This cover sheet and material event notice should be sent to the Municipal Securities Rulemaking Board or to all Nationally Recognized Municipal Securities Information Repositories, and the State Information Depository, if applicable, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

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

\_\_\_\_\_

Issuer's Six-Digit CUSIP Number:

\_\_\_\_\_

\_\_\_\_\_

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

\_\_\_\_\_

Number of pages of attached material event notice: \_\_\_\_\_

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

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

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

Signature:

\_\_\_\_\_

\_\_\_\_\_

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

Employer: Digital Assurance Certification, L.L.C.

390 N. Orange Avenue  
Suite 1750  
Orlando, FL 32801  
407-515-1100

**EXHIBIT C-1  
VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET**

This cover sheet and material event notice should be sent to the Municipal Securities Rulemaking Board or to all Nationally Recognized Municipal Securities Information Repositories, and the State Information Depository, if applicable, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

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

\_\_\_\_\_  
Issuer's Six-Digit CUSIP Number:

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

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

\_\_\_\_\_  
Number of pages of attached material event notice: \_\_\_\_\_

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

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

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

Signature:

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

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

Employer: Digital Assurance Certification, L.L.C.

390 N. Orange Avenue

Suite 1750

Orlando, FL 32801

407-515-1100

**EXHIBIT E**

**FORM OF REMARKETING SUPPLEMENT**

Remarketing  
Not A New Issue

RATINGS: Moody's: \_\_\_/\_\_\_

S&P: \_\_\_/\_\_\_

UNDERLYING RATINGS: Moody's: \_\_\_/\_\_\_

S&P: \_\_\_/\_\_\_



**\$81,860,000**  
**City of Columbia, South Carolina**  
**Waterworks and Sewer System Revenue Bonds**  
**Series 2009**  
**(CUSIP: 198504 SD5<sup>1</sup>)**

This Remarketing Supplement (this “*Supplement*”) to the Official Statement dated September 1, 2009, which is attached hereto as Appendix A (the “*Official Statement*”), of the City of Columbia, South Carolina (the “*City*”), provides certain information regarding (i) the adjustment of the interest rate of the 2009 Bonds from the Daily Interest Rate to the Weekly Interest Rate (as such terms are defined in the Official Statement) on August [26], 2015; and (ii) the delivery on August [26], 2015, of an irrevocable, direct-pay letter of credit (the “*Sumitomo Letter of Credit*” or the “*Alternate Credit Facility*”) issued by

**SUMITOMO MITSUI BANKING CORPORATION**

acting through its New York Branch (“*Sumitomo*” or the “*Alternate Credit Provider*”) as an “Alternate Credit Facility” within the meaning of the Seventh Supplemental Ordinance No. 2009-83 enacted by the City Council of the City (the “*Council*”) on August 19, 2009 (the “*Seventh Supplemental Ordinance*”), in substitution of the irrevocable, direct-pay letter of credit issued by U.S. Bank, National Association (“*U.S. Bank*”), which is scheduled to expire on August 31, 2015. On August [26], 2015, the irrevocable, direct-pay letter of credit issued by U.S. Bank will be replaced with the Sumitomo Letter of Credit and, upon their remarketing on August [26], 2015, the payment of the principal and purchase price of, and the interest on, the above-described bonds (the “*2009 Bonds*”) will be secured by the Sumitomo Letter of Credit. A description of Sumitomo is attached as Appendix B to this Supplement (in substitution for Appendix E contained in the Official Statement) and a summary of the Sumitomo Letter of Credit and the Letter of Credit and Reimbursement Agreement, dated August [26], 2015, by and between the City and Sumitomo, pursuant to which the Sumitomo Letter of Credit was issued (the “*Sumitomo Reimbursement Agreement*” or the “*Credit Facility Agreement*”) is included in Appendix C hereto and should be read in lieu of the section entitled “THE INITIAL CREDIT FACILITY AND INITIAL CREDIT FACILITY AGREEMENT” contained in the Official Statement.

The 2009 Bonds currently bear interest at the Daily Interest Rate but, upon remarketing thereof on August [26], 2015, will bear interest at the Weekly Interest Rate (as such terms are defined in the Official Statement).

This Supplement contains certain additional information with respect to the 2009 Bonds, which were issued in the principal amount of \$81,860,000, all of which remain outstanding. This Supplement should be read in conjunction with the accompanying Official Statement. All terms used in this Supplement shall have the same meanings assigned to them in the Official Statement, as hereby supplemented.

**RAYMOND JAMES®**

Remarketing Agent

August [26], 2015

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No dealer, broker, salesman or other person has been authorized to give any information or to make any representation other than those contained in this Supplement and the accompanying Official Statement in connection with the offering described herein, and, if given or made, such other information or representation must not be relied upon as having been authorized by the City, Sumitomo, the Paying Agent or the Remarketing Agent. This Supplement and the Official Statement do not constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any offer or solicitation of such offer or sale of the 2009 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. Neither the delivery of this Supplement and the Official Statement nor the sale of any of the 2009 Bonds implies that there has been no change in the affairs of the City, Sumitomo the Paying Agent or the Remarketing Agent since the date hereof, or that information contained or referred to in Appendix A is correct as of any time subsequent to its date.

Certain statements included or incorporated by reference in the Official Statement or this Supplement constitute "forward-looking statements," within the meaning of the 1933 Act or the Securities Exchange Act of 1934, as amended. Such statements are generally identifiable by the terminology used such as "plan," "project," "expect," "anticipate," "intend," "believe," "estimate," "budget," or other similar words. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES, AND OTHER FACTORS THAT MAY CAUSE ACTUAL RESULTS, PERFORMANCE, OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE, OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY THE FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THESE FORWARD-LOOKING STATEMENTS IF OR WHEN CHANGES TO EXPECTATIONS, OR EVENTS, CONDITIONS, OR CIRCUMSTANCES, ON WHICH THE FORWARD-LOOKING STATEMENTS ARE BASED, OCCUR OR FAIL TO OCCUR.

## CONTACT INFORMATION

### Remarketing Agent

Raymond James & Associates, Inc.  
50 North Front Street  
Memphis, Tennessee 38103  
Attn: Short Term Products Group  
Telephone: (901) 579-4226  
Facsimile: (901) 529-3717  
E-mail: [Thomas.Galvin@raymondjames.com](mailto:Thomas.Galvin@raymondjames.com)

### Successor Paying Agent

Regions Bank  
1010 Gervais Street, 2<sup>nd</sup> Floor  
Columbia, South Carolina 29201  
Attn: Corporate Trust Services  
Telephone: (803) 929-2704  
Facsimile: (803) 929-2717  
E-mail: [cristina.rhodebeck@regions.com](mailto:cristina.rhodebeck@regions.com)

## REMARKETING SUPPLEMENT

**\$81,860,000**  
**City of Columbia, South Carolina**  
**Waterworks and Sewer System Revenue Bonds**  
**Series 2009**

### INTRODUCTORY STATEMENT

The purpose of this Remarketing Supplement (this “*Supplement*”) is to revise and update certain information set forth in the Official Statement dated September 1, 2009, which is attached hereto as Exhibit A (the “*Official Statement*”), describing the bonds captioned above (the “*Bonds*”). This Supplement should be read in conjunction with the Official Statement. Certain provisions of the Official Statement are superseded by the information in this Supplement. Capitalized terms used herein and not otherwise defined shall have meanings ascribed to them in the Official Statement.

This Supplement is required to be read only in conjunction with the Official Statement. Neither this Supplement nor the Official Statement may be relied upon in any way independent of each other.

### THE 2009 BONDS

The 2009 Bonds currently bear interest at the Daily Interest Rate but, upon remarketing thereof on August [26], 2015, will bear interest at the Weekly Interest Rate. While the 2009 Bonds bear interest at the Weekly Interest Rate, (1) the Weekly Interest Rate will be determined by the Remarketing Agent on Wednesday of each week, commencing on August [26], 2015 (or the next preceding Business Day if such Wednesday is not a Business Day), and (2) the interest on the 2009 Bonds will be payable on the first Thursday of each calendar month (commencing September 3, 2015), or if any such first Thursday is not a Business Day, on the next succeeding Business Day.

The information contained in the Official Statement under the heading “THE 2009 BONDS—General” (last paragraph only) should be disregarded in its entirety and substituted with the following:

The 2009 Bonds are subject to optional and mandatory tender for purchase under certain circumstances as described below. The 2009 Bonds bearing interest at the Weekly Interest Rate (other than Bank Bonds and 2009 Bonds owned by or on behalf of the City) are subject to optional or mandatory tender for purchase and, if not remarketed, will, subject to the satisfaction of certain conditions precedent, be purchased by Sumitomo Mitsui Banking Corporation, acting through its New York Branch (“Sumitomo” or the “Alternate Credit Provider”) pursuant to an irrevocable, direct-pay letter of credit delivered on August [26],

2015 (the “Sumitomo Letter of Credit” or the “Alternate Credit Facility”), which Alternate Credit Facility is being issued and delivered pursuant to the Letter of Credit and Reimbursement Agreement dated August [26], 2015 (the “Sumitomo Reimbursement Agreement” or the “Credit Facility Agreement”), between the City and the Alternate Credit Provider. In addition, 2009 Bonds that are tendered but not remarketed will be subject to the Tender Agent Agreement dated August [26], 2015 (the “Tender Agreement”), among the City, the Tender Agent, the Remarketing Agent and the Paying Agent. The Alternate Credit Facility will permit the Paying Agent to draw an amount sufficient to pay (i) the scheduled principal of, and the portion of the Purchase Price of such tendered 2009 Bonds corresponding to principal of, the 2009 Bonds, and (ii) the scheduled interest on, and the portion of the Purchase Price of such tendered 2009 Bonds corresponding to interest coming due on, the 2009 Bonds up to 49 days’ interest other than defaulted interest and certain other non-covered interest as described in the Credit Facility Agreement) at a maximum rate of 12% per annum calculated on the basis of a 365- or 366-day year. The Alternate Credit Facility will expire on August 31, 2020, unless extended in accordance with its terms, or upon the earlier occurrence of certain events described herein. On any such expiration or termination of the Alternate Credit Facility, the 2009 Bonds will be subject to mandatory tender for purchase at the times and in the manner described in “THE 2009 BONDS—Tender Provisions—*Mandatory Tender for Purchase Upon Termination, Expiration, Reduction, Modification or Replacement of the Credit Facility, Non-Reinstatement of Credit Facility or Event of Default Under the Credit Facility Agreement.*”

The information contained in the Official Statement under the heading “THE 2009 BONDS—Interest Rates” (last paragraph only) should be disregarded in its entirety and substituted with the following:

For each of the Interest Rate Periods discussed herein, Raymond James & Associates, Inc. (as successor to Morgan Keegan & Company, Inc.), or any of its successors, shall serve as remarketing agent (“Remarketing Agent”).

The information contained in the Official Statement under the heading “THE 2009 BONDS—Adjustment of Interest Rate Periods—*Compliance with Rule 15c2-12*” should be disregarded in its entirety. Reference is made to the heading “CONTINUING DISCLOSURE” herein.

The information contained in the Official Statement under the heading “THE 2009 BONDS—The Remarketing Agent” (first sentence of first paragraph only) should be disregarded in its entirety and substituted with the following:

The City has appointed Raymond James & Associates, Inc. (as successor to Morgan Keegan & Company, Inc.) as remarketing agent for the 2009 Bonds.

The 2009 Bonds were initially issued pursuant to the General Bond Ordinance No. 93-43 enacted by the City Council of the City (the “*Council*”) on May 21, 1993 (“*General Ordinance*”), as so amended and supplemented from time to time, including as amended and supplemented particularly by the Seventh Supplemental Ordinance (the General Ordinance, as so amended and supplemented, is herein referenced as the “*Ordinance*”), in the original principal amount of \$81,860,000, all of which remain outstanding of the date hereof. Since the 2009 Bonds were initially issued, the City has issued the following Bonds which are payable solely from and secured equally and ratably with the 2009 Bonds by a pledge of and lien upon the Net Revenues of the System; other than the following, no other Bonds are Outstanding under the Ordinance as of the date hereof:

(1) \$105,000,000 original principal amount City of Columbia, South Carolina, Waterworks and Sewer System Revenue Bonds, Series 2010, dated May 26, 2010, outstanding in the principal amount of \$101,650,000;

(2) \$100,000,000 original principal amount City of Columbia, South Carolina, Waterworks and Sewer System Revenue Bonds, Series 2011A, dated December 8, 2011, outstanding in the principal amount of \$94,005,000;

(3) \$27,265,000 original principal amount City of Columbia, South Carolina, Waterworks and Sewer System Refunding Revenue Bonds, Series 2011B, dated December 8, 2011, outstanding in the principal amount of \$16,585,000;

(4) \$58,055,000 original principal amount City of Columbia, South Carolina, Waterworks and Sewer System Refunding Revenue Bonds, Series 2012, dated March 8, 2012, all of which is presently outstanding; and

(5) \$75,305,000 original principal amount City of Columbia, South Carolina, Waterworks and Sewer System Revenue Bonds, Series 2013, dated December 18, 2013, outstanding in the principal amount of \$71,960,000 (the “2013 Bonds”);

Except as described above, reference is made to the Official Statement under the headings “THE 2009 BONDS” and “SECURITY FOR THE 2009 BONDS” for a discussion of the terms of the 2009 Bonds and a summary of certain provisions of the Seventh Supplemental Ordinance applicable to the registration and transfer provisions, interest rate modes and adjustments between modes, tender and redemption provisions, security for the Bonds (including the 2009 Bonds), the rate covenant, additional bonds test and flow of funds under the Ordinance and to Appendix C of the Official Statement which contains a summary of the provisions of the Ordinance.

#### **THE SUMITOMO LETTER OF CREDIT AND THE SUMITOMO REIMBURSEMENT AGREEMENT**

Effective August [26], 2015, the irrevocable, direct-pay letter of credit issued by U.S. Bank National Association, securing the 2009 Bonds will be replaced by an irrevocable, direct-pay letter of credit (the “*Sumitomo Letter of Credit*” or the “*Alternate Credit Facility*”) issued by

Sumitomo Mitsui Banking Corporation, acting through its New York Branch (“*Sumitomo*” or the “*Alternate Credit Provider*”). As of such date, (i) the scheduled principal of, and the portion of the Purchase Price of tendered 2009 Bonds corresponding to principal of, the 2009 Bonds, and (ii) the scheduled interest on, and the portion of the Purchase Price of tendered 2009 Bonds corresponding to interest coming due on, the 2009 Bonds up to 49 days’ interest other than defaulted interest and certain other non-covered interest as described in the Credit Facility Agreement (as defined below) at the maximum rate of 12% per annum calculated on the basis of a 365- or 366-day year will be secured by the Sumitomo Letter of Credit. The Sumitomo Letter of Credit will be issued pursuant to a Letter of Credit and Reimbursement Agreement dated August [26], 2015 (the “*Sumitomo Reimbursement Agreement*” or the “*Credit Facility Agreement*”) by and between the City and the Alternate Credit Provider.

Attached hereto as Appendix B is certain information concerning Sumitomo, and a summary of the Sumitomo Letter of Credit and the Sumitomo Reimbursement Agreement is included in Appendix C hereto and should be read in lieu of the section entitled “THE INITIAL CREDIT FACILITY AND INITIAL CREDIT FACILITY AGREEMENT” contained in the Official Statement. The information contained in the Official Statement under the heading “THE INITIAL CREDIT FACILITY AND THE INITIAL CREDIT FACILITY AGREEMENT” and in Appendix E should be disregarded in its entirety.

## **INFORMATION REGARDING THE CITY AND THE SYSTEM**

### **Incorporation by Reference of Certain Information**

Pursuant to undertakings made in connection with the issuance of Bonds under the Ordinance, the City files annual reports and other information (“*Continuing Disclosure Filings*”) with the Electronic Municipal Market Access System (“*EMMA*”), maintained by the Municipal Securities Rulemaking Board (“*MSRB*”). This information may be accessed through the Internet at <http://emma.msrb.org/IssuerView/IssuerDetails.aspx?cusip=198504>. References to web site addresses presented in this Supplement are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Supplement.

The City hereby incorporates by reference the following Continuing Disclosure Filings: (1) the City’s audited financial statements and updated financial and operating information for the fiscal year ended June 30, 2010, which were initially filed on January 28, 2011, as supplemented; (2) the City’s audited financial statements and updated financial and operating information for the fiscal year ended June 30, 2011, which were initially filed on January 31, 2012, as supplemented; (3) the City’s audited financial statements and updated financial and operating information for the fiscal year ended June 30, 2012, which were initially filed on January 31, 2013, as supplemented; (4) the City’s audited financial statements and updated financial and operating information for the fiscal year ended June 30, 2013, which were initially filed on January 27, 2014; (5) the Official Statement dated December 5, 2013, relating to the 2013 Bonds; and (6) the City’s audited financial statements and updated financial and operating

information for the fiscal year ended June 30, 2014, which was filed on January 23, 2015 (collectively, the “*Incorporated Continuing Disclosure Filings*”).

The Incorporated Continuing Disclosure Filings are available through EMMA and may be accessed through the Internet at the webs site above. Such Incorporated Continuing Disclosure Filings and other documents incorporated herein by reference contain information concerning the City and the System as of a specific date, and other than as specifically set forth herein, such documents and information have not been updated, revised or supplemented since their respective dates. Any statement incorporated or deemed to be incorporated by reference in this Supplement will be deemed to be modified or superseded for purposes of this Supplement to the extent that a statement continued in this Supplement modifies or supersedes that statement.

**Water and Sewer Rates and Fees**

*General*

In June 2015, the Council approved increases to its water and sewer rates, representing an approximately 9.5% projected increase in System Revenues. The City’s rates, as adopted effective July 1, 2015, are set forth below. Based on these revised rates, the average monthly water and sewer bill for a residential In-City user, based on water usage of 800 cubic feet, is \$52.49 and for an Out-of-City user is \$89.23.

**Water Rates**

Except as otherwise provided by contract, the monthly water service charge is as follows:

Monthly Water Service Rates

<u>Meter Size</u>	<u>In-City</u>	<u>Out-of-City</u>
5/8”	\$6.60	\$11.22
1”	11.02	18.73
1 ½”	16.50	28.05
2”	26.40	44.88
3”	52.80	89.76
4”	82.50	140.25
6”	165.20	280.84
8”	264.00	448.80
10”	524.17	891.09

Additional Rates

(per 100 cubic feet after first 300 cubic feet used)

	<u>Residential</u>		<u>Commercial</u>		<u>Irrigation</u>	
	<u>In-City</u>	<u>Out-of-City</u>	<u>In-City</u>	<u>Out-of-City</u>	<u>In-City</u>	<u>Out-of-City</u>
Next 9,700	\$2.37	\$4.03	\$2.25	\$3.83	\$4.03	\$6.85
Next 90,000	2.25	3.83	2.13	3.62	3.83	6.51
Over 100,000	2.13	3.62	2.00	3.39	3.62	6.16

### Sewer Rates

Except as otherwise provided by contract, the monthly sewer service charge is as follows:

<u>Meter Size (inches)</u>	<u>Monthly Sewer Service Rates</u>	
	<u>Sewer Base In-City</u>	<u>Sewer Base Out-of-City</u>
5/8"	\$6.60	\$11.22
1"	6.60	11.22
1 ½"	6.60	11.22
2"	10.56	17.95
3"	21.12	35.90
4"	39.00	56.10
6"	66.00	112.20
8"	105.60	179.52
10"	16.00	280.50
 <u>Additional Sewer Rates (per 100 cubic feet)</u>	 \$3.43	 \$5.83

Maximum sewer service rates on single-family residences during the months of April through October are based on a use of 1,400 cubic feet of water and during the months of November through March are based on actual usage. Sewer rates for apartment buildings and trailer parks are the base rate of a single-family residence per dwelling unit plus the rate per 100 cubic feet as reflected by water consumption. Sewer rates for hotels, motels, dormitories and rooming houses are one-half of the base rate of a single-family residence per room plus a base fee based on meter connection size plus the rate per 100 cubic feet reflected by water consumption.

#### *Comparison of Water Rates in the Columbia MSA*

Currently, there are six providers of water in the Columbia area: Lexington Water System, Carolina Water Service, Midlands Utilities, the City of Columbia, the City of West Columbia and the City of Cayce. The chart below compares current average monthly water bills for each of the three largest providers of water service, based on rates in effect on July 1, 2015.

<u>Municipality</u>	<u>Average Monthly Water Bill<sup>†</sup></u>	
	<u>(In-City)</u>	<u>(Out-of-City)</u>
City of Columbia	\$ 18.45	\$ 31.37
City of West Columbia	17.37	36.62
City of Cayce	30.86	61.71

<sup>†</sup>Based on 5,250 gallons of water.

### *Water and Sewer Tap Fees*

The City charges new customers to the Waterworks System a tap fee that ranges from \$2,512.00 for a ¾-inch meter to \$8,490.00 for a 2-inch meter. The City charges new customers to the Sanitary Sewer System a tap and expansion fee of \$3,940.00 for each tap. Water and sewer tap fees generated a total of \$2,183,663 in revenues for the System in Fiscal Year 2014.

### *Sewer Plant Expansion Fees*

The City began charging new customers of the Sanitary Sewer System a sewer plant expansion fee on October 1, 1987. The fee is intended to provide an additional source of moneys for upgrading and expansion of the Metro WWTP. Sanitary Sewer System plant expansion fees generated a total of \$1,804,380 in revenues in Fiscal Year 2014.

### **Capital Improvements Program**

Future capital expenditures to expand and improve the System are managed by the City through a rolling five-year Capital Improvements Program, which is approved annually by City Council as part of the adoption of the City's Budget Ordinance. The current Capital Improvements Program covers the Fiscal Years ending June 30, 2016, through June 30, 2020, and anticipates capital expenditures of approximately \$120,000,000 per year for each of the next five years for total expenditures of approximately \$600,000,000, of which approximately 60% of the anticipated capital expenditures will be devoted to the Sanitary Sewer System and the remaining 40% will be devoted to the Waterworks System. The expenditures are expected to include engineering, storage tanks, water plant additions, increased sewer capacity, lines, pump stations, easements and land. In addition, expenditures will be targeted to rectify issues identified in the Consent Decree (as defined below).

The City expects to fund the Capital Improvements Program with, among other sources, Revenues of the System (including capital payments from the City of West Columbia, South Carolina ("West Columbia")), State and federal grants and proceeds of Bonds. Although the breakdown between debt and other sources used to fund the capital expenditures for the Capital Improvements Program varies, approximately 25% of the average annual capital expenditures are anticipated to be funded from System Revenues (including capital payments from West Columbia) and State and federal grants.

The five-year Capital Improvements Program is reviewed and updated annually to address the needs of the System. The City is in the process of revising the Capital Improvements Program, and will continue to evaluate and revise it if necessary, to ensure all requirements of the Consent Decree are met within the timeframes established thereby, while complying with the rate covenant set forth in the General Ordinance. The City believes a portion of the capital improvements that are or will be mandated by the Consent Decree are currently contemplated in the five-year Capital Improvements Program. See "Environmental Matters."

### **Environmental Matters**

In April 2009, the United States Environmental Protection Agency ("EPA") issued a Notice of Violation to the City for effluent limit violations of the City's Wastewater NPDES

Permit #SC0020940 (“NPDES Permit”), which NPDES Permit was issued by the South Carolina Department of Health and Environmental Control (“DHEC”) pursuant to the Clean Water Act (“CWA”), and is presently scheduled to expire on September 30, 2015, subject to automatic renewal pursuant to DHEC regulations. Thereafter, the EPA requested information from the City under the CWA relating to the compliance status of the Sanitary Sewer System.

On review of the City’s responses to the EPA’s information requests, the EPA identified numerous alleged violations by the City of the CWA, including the frequent occurrence of sanitary sewer overflows from the Sanitary Sewer System over a specified time period (“CWA Violations”). Additionally, the EPA identified additional alleged effluent limit violations of the NPDES Permit and violations of NPDES Permit requirements related to the City’s implementation of the approved industrial pretreatment program (“NPDES Violations,” and, together with the CWA Violations, “Violations”). By letter dated May 20, 2010, the EPA notified the City that it had referred this matter to the Civil Enforcement Division of the U.S. Department of Justice, but indicated its preference to negotiate a resolution of this matter.

On September 9, 2013, after a lengthy period of negotiations among the City, the EPA and DHEC, the EPA and DHEC lodged a Consent Decree (“Consent Decree”) with the U.S. District Court for the District of South Carolina (“District Court”), in which the City agreed to settle allegations by the EPA and DHEC regarding the Violations. Based on comments received during the public comment period on the terms of the Consent Decree the parties agreed to certain revisions to the Supplemental Environmental Project (“SEP”) required under the Consent Decree. On May 21, 2014, the District Court entered an order approving the Consent Decree.

The terms of the Consent Decree require the City to (i) evaluate the Sanitary Sewer System and, based on that evaluation, implement capital improvements to the Sanitary Sewer System’s infrastructure, and (ii) implement a \$1,000,000 SEP aimed at restoring and reducing flooding along segments of Rocky Branch and Gills Creek. The City anticipates total expenditures of approximately \$750,000,000 will be required over a period of approximately 10 years in order to meet the requirements of the Consent Decree. The City’s five-year Capital Improvements Program, which the City believes is presently responsive to a portion of the capital improvements that are or will be required by the Consent Decree, is being further revised to enable the City to meet all of its obligations under the Consent Decree within the prescribed timeframes. In addition, the City was required to pay a civil penalty in the amount of \$476,400 to resolve the alleged CWA Violations.

As a result of the final Consent Decree, the City may potentially be required to pay additional civil penalties should it not comply with the terms of the Consent Decree. The City intends to fully comply with the terms of the Consent Decree and undertake the capital improvements required by the Consent Decree. The City does not expect its compliance with the Consent Decree to have a materially adverse impact on the financial condition of the System or the City.

### **Fringe Benefits, Retirement and Health Insurance and Other Post-Employment Benefits**

All eligible full-time City employees are required to participate in a pension plan. All firefighters and law enforcement officers must belong to the South Carolina Police Officers’ Retirement System (“PORS”). All other eligible employees must belong to the South Carolina Retirement System (“*Retirement System*”) and are covered by its pension plan. The Retirement

System is a cost-sharing, multiple-employer, defined benefit pension plan. The Retirement System provides both retirement and death benefits on an employee and employer contribution basis.

Member employees currently contribute 7.5% of their annual compensation. Employer contribution for the Retirement System is 10.6% and for the PORS is 12.64%. Total employer retirement contributions to the Retirement System and the PORS paid on behalf of all City employees totaled \$10,593,000 for the Fiscal Year ended June 30, 2014.

The City has paid all required contributions for fringe benefits and insurance as they come due and there are no liabilities for underfunding of such benefits.

The City provides post-employment health care benefits to all employees who retire from the City under early or regular retirement and have been employed by the City for 20 years or more. Currently, 778 retirees meet those requirements. The City pays all premiums for all qualifying retirees. For the Fiscal Year ended June 30, 2014, premiums totaled \$1,188,900.

In June 2004, the Governmental Accounting Standards Board (“*GASB*”) approved the final set of accounting standards applicable to Other Post-Employment Benefits (“*OPEB*”), which are non-pension benefits provided after a person leaves employment. The standards are explained in GASB Statement Nos. 43 and 45. The new GASB accounting standards were implemented and took effect with respect to the City’s financial statements during the Fiscal Year ended June 30, 2009. In anticipation of that effective date, the City engaged the services of an actuarial firm to make a determination of the City’s OPEB liability that would be recognized for that Fiscal Year. Pursuant to GASB 45, the City is required to update such determination of its OPEB liability every two years.

A report was issued by Towers Watson dated September 2014 (“*2014 Report*”) that identified an Unfunded Actuarial Liability of \$131,827,750 as of July 1, 2013. The Annual Required Contribution (“*ARC*”) was determined to be \$9,546,348 per year. The City is not currently funding the ARC in the amount suggested by the 2014 Report. Since June 30, 2006, the City has paid current OPEB charges on a pay-as-you-go basis and deposited \$48,612,704. The deposits are made to a segregated account (“*OPEB Account*”). The amounts in the OPEB Account are set aside and designated to offset the City’s OPEB liability. Amounts in the OPEB Account, however, may be accessed with the approval of the City Council and may be used for general purposes of the City.

### **The Series 2009 Swap**

Reference is made to the Official Statement under the heading “INTEREST RATE SWAPS AND OTHER OBLIGATIONS” for a discussion of the Series 2009 Swap related to the 2009 Bonds. If the Series 2009 Swap was terminated, the City’s termination payment to the Counterparty, based on mid-market rates, as of August 15, 2015, would have been approximately \$ \_\_\_\_\_.

## LEGAL MATTERS

### Litigation

Except as set forth below, no litigation, to the knowledge of the City, is threatened or pending in any court to restrain or enjoin the remarketing of the 2009 Bonds or the collection, payment or receipt of the moneys pledged or to be pledged to pay the principal of, premium, if any, and interest on the 2009 Bonds or, in any way contesting or affecting the validity of the 2009 Bonds, the General Ordinance or the Seventh Supplemental Ordinance, the power to collect, pay or receive the moneys with which to pay the 2009 Bonds or the organization or the powers of the City, including the power to operate the System and to collect revenues therefrom.

#### *2011 Lawsuit*

On October 10, 2011, a lawsuit was filed against the City, captioned, *Joseph S. Azar, individually and as Class Representative v. City of Columbia*, C/A No. 2011-CP-40-6705. The Complaint was amended on October 13, 2011, to add another plaintiff, Frank J. Cumberland, Jr., and, on February 6, 2012, to add Michael A. Letts, as an additional plaintiff, and to make additional allegations.

In the lawsuit, the plaintiffs challenge the City's ability to transfer water and sewer service charges and user fees from its water and sewer fund to other funds, including the City's general fund, and the use thereof for purposes other than the operation and maintenance of, or improvement to, the System. The plaintiffs are seeking the re-transfer or refund of a portion of such water and sewer service charges and user fees (which may affect multiple prior fiscal years) that the City allegedly impermissibly used or transferred, attorneys' fees, and injunctive relief to stop the future use or transfer of water and sewer service charges and user fees for such allegedly impermissible purposes. In addition, the plaintiffs previously petitioned the court for class certification, which the court denied in its order filed June 26, 2012.

The parties filed cross-motions for summary judgment. By order filed September 26, 2013, the circuit court granted the City's Motion for Summary Judgment and denied the plaintiffs' Motion for Summary Judgment, thereby upholding the City's use of its water and sewer revenues as lawful. Plaintiffs filed a Motion to Reconsider the circuit court's ruling, which was denied on December 6, 2013.

On January 6, 2014, plaintiffs noticed an appeal of the circuit court's order to the South Carolina Court of Appeals. After briefing was completed, the City moved to certify the appeal to the South Carolina Supreme Court, thus bypassing review by the South Carolina Court of Appeals. The South Carolina Supreme Court granted this motion on December 11, 2014. Oral argument was held before the Supreme Court on April 7, 2015. The Supreme Court could affirm the circuit court's ruling, affirm with modifications, reverse, affirm in part and reserve in part, or remand for further development of the facts in a nonjury trial.

The City cannot predict the final outcome of the appeal or whether a recovery, if any, by the plaintiffs would include the re-transfer or refund of past water and sewer service charges or user fees, the prohibition of future transfers of water and sewer service charges or user fees to other funds, including the City's general fund, interest, attorney's fees or other penalties or costs. However, the City believes that an adverse determination in the lawsuit would not materially

adversely affect the City's general financial condition or its ability to pay principal and interest of the 2009 Bonds.

### **Other Legal Matters**

In connection with the delivery of the Sumitomo Letter of Credit, certain legal matters will be passed upon for Sumitomo by its domestic counsel, Nixon Peabody LLP, New York, New York, and by its Japanese counsel, Yumoto, Ota & Miyazaki, Tokyo, Japan. McNair Law Firm, P.A., Columbia, South Carolina, Bond Counsel, will deliver the opinion required under the Seventh Supplemental Ordinance to the effect that the adjustment of the interest rate of the 2009 Bonds to the Weekly Interest Rate and the delivery of the Alternate Credit Facility is authorized or permitted under the laws of the State of South Carolina (the "State") and the Seventh Supplemental Ordinance and will not adversely affect any exclusion from gross income for federal income tax purposes, or any exemption from State income taxes, of interest on the 2009 Bonds. Such opinion refers only to the effects of the adjustment of the interest rate of the 2009 Bonds to the Weekly Interest Rate and the delivery of the Alternate Credit Facility on the tax-exempt status of the 2009 Bonds and does not update or re-affirm the original approving opinion dated September 2, 2009.

### **RATINGS**

The information in the Official Statement under the heading "RATINGS" should be disregarded in its entirety and substituted with the following:

Moody's Investors Service, Inc. ("Moody's") and Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P"), have assigned their municipal bond ratings of "\_\_\_\_\_" and "\_\_\_\_\_" respectively, to the 2009 Bonds with the understanding that upon remarketing of the 2009 Bonds, the Alternate Credit Provider will deliver the Sumitomo Letter of Credit. The long-term rating of the 2009 Bonds is based on the Sumitomo Letter of Credit, the underlying rating of the 2009 Bonds and the correlation level between the two. Any change in the long-term rating of either entity or any change in the correlation between the two could result in the long-term rating of the 2009 Bonds being reevaluated. The short-term rating of the 2009 Bonds is based on the Sumitomo Letter of Credit and will be changed whenever the Alternate Credit Provider's short-term rating changes. Ratings of the Alternate Credit Provider should be evaluated independently. The ratings reflect the respective rating agency's current assessment of the creditworthiness of Sumitomo. Moody's and S&P have also assigned underlying ratings of "\_\_\_" and "\_\_\_," respectively, to the 2009 Bonds.

Such ratings reflect only the views of Moody's and S&P and an explanation of the significance of such ratings may be obtained from Moody's at the following address: Moody's Investors Service, Inc., 7 World Trade Center at 250 Greenwich Street, New York, New York 10007 and for S&P at: Standard & Poor's Corporation, 55 Water Street, 38th Floor, New York, New York 10041. The City has furnished to Moody's and S&P certain information and materials respecting the City and the 2009 Bonds. Generally, Moody's and S&P base their ratings on such information and materials and on investigations, studies and assumptions furnished to and obtained and made by them. There is no assurance that such ratings will remain unchanged for any period of time or that it may not be revised downward or withdrawn entirely by Moody's or

S&P, if in their judgment circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the 2009 Bonds.

### CONTINUING DISCLOSURE

The 2009 Bonds were not previously subject to the continuing disclosure provisions of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “Rule”). In connection with the remarketing of the 2009 Bonds, the City will execute a Disclosure Dissemination Agent Agreement dated August [26], 2015 (the “*Continuing Disclosure Agreement*”), between the City and Digital Assurance Certification, L.L.C. (“DAC”) pursuant to which the City will covenant for the benefit of the registered owners and the “Beneficial Owners” (as defined in the Continuing Disclosure Agreement) of the 2009 Bonds, to provide certain financial information and operating data relating to the City by [no later than seven months][February 1] after the end of each of the City’s fiscal years, commencing with the report for the fiscal year ended June 30, 2015 (the “*Annual Report*”), and to provide notices of the occurrence of certain enumerated events with respect to the 2009 Bonds in accordance with Rule 15c-12(b)(5) under the Securities Exchange Act of 1934, as amended. The Annual Report will be filed on behalf of the City by DAC, as dissemination agent, with the MSRB. The notices of such material events will be filed on behalf of the City by DAC with the MSRB. The specific nature of the information to be contained in the Annual Report and the notices of certain listed events is set forth in Appendix C. These covenants have been made in order to assist each purchaser of the Bonds in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the “Rule”).

As provided in the Continuing Disclosure Agreement, if the City fails to comply with any provision of the Continuing Disclosure Agreement, any registered owner or “Holder” of the 2009 Bonds may take such actions as may be necessary and appropriate, including seeking injunctive relief or specific performance by court order, to cause the City to comply with its continuing disclosure obligations under the Continuing Disclosure Agreement. “Beneficial Owner” is defined in the Continuing Disclosure Agreement to 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 2009 Bonds (including persons holding 2009 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any 2009 Bonds for federal income tax purposes. If any person seeks to cause the City to comply with its continuing disclosure obligations under the Continuing Disclosure Agreement, it is the responsibility of such person to demonstrate that it is a “Holder” within the meaning of the Continuing Disclosure Agreement.

In reviewing its compliance with its continuing disclosure undertakings over the past five years for all of the City’s outstanding bonded indebtedness, the City noted that its annual reports for Fiscal Years ending June 30, 2010, through June 30, 2012, which were initially timely filed on January 28, 2011, January 31, 2012 and January 31, 2013, respectively, did not include as a part of its financial information and operating data the “Comparison of Water Rates in the Columbia MSA” chart which compares the average monthly water bills for certain providers of water service within the Columbia Metropolitan Statistical Area. The City supplemented its annual reports and provided the necessary information through a corrective filing with EMMA, made on November 12, 2013.

The City's policy when it learns of incomplete or late filings is to take remedial action and provide this information immediately. In addition, the City has taken certain steps to help identify and report events which may trigger continuing disclosure obligations pursuant to the Rule, including but not limited to, (1) increased education and awareness by the City's finance staff of the importance of the Rule and continuing disclosure requirements provided thereby; (2) the assignment by the City of its most senior finance staff member with responsibility for continuing disclosure; and (3) the City's review of potential market changes that might relate to the City's continuing disclosure requirements and engagement of advisors to help alert the City and its disclosure dissemination agent, DAC, to the same.

For Fiscal Year ended June 30, 2013, the City timely filed its annual report on January 27, 2014.

For Fiscal Year ended June 30, 2014, the City timely filed its annual report on January 23, 2015.

The City may modify from time to time, consistent with the Rule, the information provided to the extent necessary or appropriate in the judgment of the City, but: (1) any such modification 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 the City; (2) the information to be provided, as modified, would have complied with the requirements of the Rule as of the date of this Official Statement, after taking into account any amendments or interpretations of the Rule, as well as any changes in circumstances; and (3) any such modification does not materially impair the interest of the registered owners or the Beneficial Owners, as determined by the Paying Agent or nationally recognized bond counsel or by the approving vote of the registered owners of a majority in principal amount of the 2009 Bonds then Outstanding at the time of the amendment. Any annual financial information containing modified operating data or financial information will explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided. The City's continuing disclosure undertakings under the Continuing Disclosure Agreement will terminate on payment, or provision having been made for payment in a manner consistent with the Rule, in full of the principal of and interest on the 2009 Bonds.

**MISCELLANEOUS**

The descriptions herein and in the Official Statement of the Ordinance, the Sumitomo Reimbursement Agreement and the Sumitomo Letter of Credit are qualified in their entirety by reference to such documents, and the descriptions herein and in the Official Statement of the 2009 Bonds are qualified in their entirety by reference to the form thereof and the information with respect thereto included in the aforesaid documents. All such descriptions are further qualified in their entirety by reference to bankruptcy, insolvency, reorganization, moratorium or similar laws and laws relating to or affecting generally the enforcement of creditors' rights.

**Appendix A**

**OFFICIAL STATEMENT DATED SEPTEMBER 1, 2009**

## Appendix B

### CERTAIN INFORMATION CONCERNING SUMITOMO MITSUI BANKING CORPORATION

The information contained in this Appendix has been obtained from Sumitomo Mitsui Banking Corporation (the “*Bank*”) and is not to be construed as a representation by the City or the Remarketing Agent.

### SUMITOMO MITSUI BANKING CORPORATION

Sumitomo Mitsui Banking Corporation (*Kabushiki Kaisha Mitsui Sumitomo Ginko*) (“SMBC”) is a joint stock corporation with limited liability (*Kabushiki Kaisha*) under the laws of Japan. The registered head office of SMBC is located at 1-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-0005, Japan.

SMBC was established in April 2001 through the merger of two leading banks, The Sakura Bank, Limited and The Sumitomo Bank, Limited. In December 2002, Sumitomo Mitsui Financial Group, Inc. (“SMFG”) was established through a stock transfer as a holding company under which SMBC became a wholly-owned subsidiary. **SMFG reported ¥183,442.6 billion (US\$1,526,779.73 million) in consolidated total assets as of March 31, 2015.**

SMBC is one of the world’s leading commercial banks and provides an extensive range of banking services to its customers in Japan and overseas. In Japan, SMBC accepts deposits, makes loans and extends guarantees to corporations, individuals, governments and governmental entities. It also offers financing solutions such as syndicated lending, structured finance and project finance. SMBC also underwrites and deals in bonds issued by or under the guarantee of the Japanese government and local government authorities, and acts in various administrative and advisory capacities for certain types of corporate and government bonds. Internationally, SMBC operates through a network of branches, representative offices, subsidiaries and affiliates to provide many financing products, including syndicated lending and project finance.

The New York Branch of SMBC is licensed by the State of New York Banking Department to conduct branch banking business at 277 Park Avenue, New York, New York, and is subject to examination by the State of New York Banking Department and the Federal Reserve Bank of New York.

#### **Financial and Other Information**

Audited consolidated financial statements for SMFG and its consolidated subsidiaries for the fiscal year 2014 ended March 31, 2015, as well as other corporate data, financial information and analyses, are available in English on SMFG's website at [www.smfg.co.jp/english](http://www.smfg.co.jp/english).

The information herein has been obtained from SMBC, which is solely responsible for its content. The delivery of the Remarketing Supplement shall not create any implication that there has been no change in the affairs of SMBC since the date hereof, or that the information contained or referred to herein is correct as of any time subsequent to its date.

## Appendix C

### SUMMARY OF SUMITOMO LETTER OF CREDIT AND SUMITOMO REIMBURSEMENT AGREEMENT

The following is a summary of certain provisions of the Alternate Credit Facility and the Sumitomo Reimbursement Agreement relating to the 2009 Bonds.

#### General

The Alternate Credit Provider has agreed to issue, in favor of the Paying Agent on behalf of the owners of the 2009 Bonds, and pursuant to the Sumitomo Reimbursement Agreement, the Alternate Credit Facility in support of the 2009 Bonds. Under the Sumitomo Reimbursement Agreement, the City has agreed to pay to the Alternate Credit Provider an amount equal to all amounts drawn under the Alternate Credit Facility, together with interest on any such amounts from the date of the drawing to the day of repayment. The City has also agreed to pay certain fees and expenses of the Alternate Credit Provider in connection with the issuance of the Alternate Credit Facility.

**The Alternate Credit Facility and the Sumitomo Reimbursement Agreement each contain various provisions, covenants and conditions, certain of which are summarized below. Various words or terms used in the following summary are defined elsewhere in this Remarketing Supplement, the Alternate Credit Facility or the Sumitomo Reimbursement Agreement, and reference is made thereto for a full understanding of their import.**

#### The Alternate Credit Facility

The Alternate Credit Facility will be issued in the amount equal to \$83,178,731 (the "Stated Amount"), of which, up to \$81,860,000 is available for the payment of the unpaid principal of, or the portion of the Purchase Price corresponding to the principal of, the 2009 Bonds; and up to \$1,318,731 is available for the payment of unpaid interest accrued on, or the portion of the Purchase Price corresponding to interest accrued on, the 2009 Bonds. The Alternate Credit Facility will permit the Paying Agent to draw an amount sufficient to pay (i) the scheduled principal of, and the portion of the Purchase Price of such tendered 2009 Bonds corresponding to principal of, the 2009 Bonds, and (ii) the scheduled interest on, and the portion of the Purchase Price of such tendered 2009 Bonds corresponding to interest coming due on, the 2009 Bonds up to 49 days' interest (other than defaulted interest and certain other non-covered interest as described in Sumitomo Reimbursement Agreement) at a maximum rate of 12% per annum calculated on the basis of a 365- or 366-day year. The Alternate Credit Facility will be an irrevocable obligation of the Alternate Credit Provider to pay to the Paying Agent, upon timely demand and in accordance with the terms thereof, the Stated Amount of the Alternate Credit Facility, as said Stated Amount may be reduced and reinstated as provided therein.

The Alternate Credit Facility will be effective upon the remarketing of the 2009 Bonds on August [26], 2015. The Alternate Credit Facility will expire on the earliest to occur of (i) August 31, 2020, as the same may be extended pursuant to the Sumitomo Reimbursement Agreement (the "Stated Expiration Date"), (ii) the fifth (5<sup>th</sup>) Business Day next following delivery by the Alternate Credit Provider to the Paying Agent of the written notice requiring a mandatory tender

of the 2009 Bonds following the occurrence of an event of default under the Sumitomo Reimbursement Agreement, (iii) the payment by the Alternate Credit Provider of the final drawing available to be made under the Alternate Credit Facility which is not subject to reinstatement, and (iv) receipt by the Alternate Credit Provider from the Paying Agent of a written notice pursuant to the Alternate Credit Facility describing the earlier termination of the Alternate Credit Facility and the date thereof by reason of delivery of a substitute letter of credit, conversion of the interest rate borne by the 2009 Bonds to a rate of interest not secured by the Alternate Credit Facility or the repayment of all 2009 Bonds in full. The Alternate Credit Facility may only be drawn on by the Paying Agent or by a transferee that has succeeded to the duties of the Paying Agent and to whom the Alternate Credit Facility has been properly transferred in accordance with its terms.

Upon the written request of the City received by the Alternate Credit Provider no earlier than one hundred twenty (120) days prior to, and not later than sixty (60) days preceding, the Stated Expiration Date then in effect, the Alternate Credit Provider may renew the Alternate Credit Facility for an additional term of up to five (5) years. If the City makes such a written request, not later than thirty (30) days after receipt of such request, the Alternate Credit Provider will give written notice to the City and the Paying Agent as to whether the Alternate Credit Provider will renew the Alternate Credit Facility and, if the Alternate Credit Provider indicates that it will renew the Alternate Credit Facility, which shall be in the Alternate Credit Provider's sole and absolute discretion, the proposed renewal terms thereof. Any failure by the Alternate Credit Provider to respond to a request for an extension or renewal of the Alternate Credit Facility shall be deemed to be a denial of such request. In the event that the Alternate Credit Facility is not renewed, the City will use reasonable efforts to (i) obtain a substitute letter of credit or (ii) cause the 2009 Bonds to be remarketed bearing interest at a rate not requiring the Alternate Credit Facility.

### **Events of Default**

The occurrence and continuance of any one or more of the following events shall be an "Event of Default" under the Sumitomo Reimbursement Agreement:

(a) any representation or warranty made by the City under or in connection with (or incorporated by reference in) the Sumitomo Reimbursement Agreement, the Remarketing Agreement, the Tender Agent Agreement and, as and to the extent applicable, the Financing Documents or in any certificate or statement required to be delivered by the City under the Sumitomo Reimbursement Agreement or thereunder shall prove to be untrue in any material respect on the date on which it was made and, in the case of the Financing Documents, on the date of enactment thereof; or

(b) nonpayment by the City of (i) any amounts payable under certain sections of the Sumitomo Reimbursement Agreement, or the Commitment Fee specified in the Fee Letter, in each case, when due, (ii) any amounts payable under certain sections of the Sumitomo Reimbursement Agreement, or any Letter of Credit Fee specified in the Fee Letter, in each case, when due and such default in payment shall continue for five (5) Business Days after written demand therefor by the Alternate Credit Provider and (iii) any amounts payable under certain sections of the Sumitomo Reimbursement Agreement, or any other amount described in the Fee

Letter and not specified in (i) and (ii) of this paragraph (b), when due and such default in payment shall continue for the greater of (A) the grace period provided in said section or Fee Letter or (B) thirty (30) calendar days, in each case, after written demand therefor by the Alternate Credit Provider; or

(c) the breach by the City of any of the other terms or provisions of (or incorporated by reference in) the Sumitomo Reimbursement Agreement (other than set forth in (a) or (b) above) which are not remedied within thirty (30) calendar days after written notice thereof shall have been received by the City from the Alternate Credit Provider; provided, however, that if the breach is other than non-payment of monies and cannot be corrected within such 30-day cure period, the Alternate Credit Provider shall not unreasonably withhold its consent to a one-time extension of such cure period for an additional thirty (30) day period (commencing as of the last day of the initial 30-day cure period) so long as the City shall have instituted corrective action and such corrective action is being diligently pursued; provided, further, however, that there shall be no cure period for a failure to observe or perform any covenant or agreement set forth in or contemplated by certain sections of the Sumitomo Reimbursement Agreement; or

(d) any material provision of the Sumitomo Reimbursement Agreement, the Fee Letter, the 2009 Bonds, the Remarketing Agreement, the Tender Agent Agreement or any Financing Document shall at any time for any reason cease to be valid and binding on the City or any other Person party thereto or shall be declared to be null and void, or the validity or enforceability thereof shall be contested by the City or by any Governmental Authority having jurisdiction, or any Governmental Authority having jurisdiction shall find or rule that any material provision of the Sumitomo Reimbursement Agreement, the Fee Letter, the 2009 Bonds, the Remarketing Agreement, the Tender Agent Agreement or any Financing Document is not valid or binding on the City, or the City shall deny that it has any or further liability or obligation under any such document; or

(e) (i) the City shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it the bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its assets, or the City shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against the City any case, proceeding or other action of a nature referred to in (i) of this paragraph (e) which (x) results in an order for such relief or in the appointment of a receiver or similar official or (y) remains undismissed, undischarged or unbonded for a period of sixty (60) days; or (iii) there shall be commenced against the City, any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets, which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within sixty (60) days from the entry thereof; or (iv) the City shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in (i), (ii) or (iii) of this paragraph (e); or (v) the City shall generally not, or shall be unable to, or so admit in writing its inability to, pay its

Debts or becomes insolvent within the meaning of Section 101(32) of the United States Bankruptcy Code of 1978, as it may be amended from time to time (Title 11 of the United State Code), and any successor statute thereto or (vi) a debt moratorium or comparable extraordinary restriction on repayment of Debt shall have been declared or announced (whether or not in writing) by the City or imposed by a Governmental Authority with jurisdiction over the City with respect to the 2009 Bonds, any Bank Bonds, any Parity Bonds or any other Debt issued pursuant to the Ordinance; or

(f) (i) the City shall default in any payment of principal of or interest or any premium on any Parity Bonds and such default shall continue beyond the expiration of the applicable grace period, if any, or (ii) the City shall fail to perform any other agreement, term or condition contained in the Ordinance which results in the 2009 Bonds or any Parity Bonds becoming due and payable prior to the scheduled date therefor or which enables (or, with the giving of notice or lapse of time, or both would enable) the holders of such 2009 Bonds or Parity Bonds, or any Person acting on behalf of such holders, to accelerate the maturity thereof; provided that none of the foregoing shall constitute an Event of Default under the Sumitomo Reimbursement Agreement so long as the City is diligently contesting in good faith by appropriate legal proceedings its obligation to make such payment or the amount of the payment required or to perform or observe such agreement, term or condition; or

(g) a final judgment or order for the payment of money payable from Net Revenues in an amount in excess of \$1,000,000 shall have been rendered against the City and such judgment or order shall not have been satisfied, stayed or bonded pending appeal within a period of sixty (60) days from the date on which it was first so rendered; provided however, that no judgment or order shall be deemed to have not been satisfied, stayed or bonded pending appeal if the City has entered into an agreement to pay such judgment or order over a period of time and the City is not in default under such agreement; or

(h) there shall have been rendered a determination that interest on any of the 2009 Bonds is includable in the gross income of the owners thereof for federal income tax purposes, as a result of the entry of any decree or judgment by a court of competent jurisdiction, or the taking of any official action by the Internal Revenue Service, whether or not such decree, judgment or action is appealable or deemed to be final under applicable procedural law, or delivery to the Alternate Credit Provider, the City, the Paying Agent and the Tender Agent of an opinion of nationally recognized bond counsel selected by the Alternate Credit Provider and reasonably acceptable to the City, to the effect that the interest borne by the 2009 Bonds is includable in the gross income of the recipients thereof generally for federal income tax purposes; or

(i) a Rating Agency shall have (i) withdrawn the long-term rating assigned to the City's Parity Bonds, (ii) suspended the long-term rating assigned to the City's Parity Bonds, or (iii) lowered its long-term rating assigned to the City's Parity Bonds to "Baa2" or below, in the case of Moody's, or "BBB" or below, in the case of Standard & Poor's (or to the equivalent rating then in effect with respect to Moody's or Standard & Poor's), respectively; provided, however, that any withdrawal, suspension or downgrade described in the foregoing provisions of this paragraph (i) shall not be deemed an Event of Default under the Sumitomo Reimbursement Agreement if said withdrawal, suspension or downgrade, as the case may be, shall be attributable

to the withdrawal, suspension or downgrade of the long-term ratings assigned to any third party credit enhancement provider; or

(j) any pledge or security interest created by the Ordinance or the Sumitomo Reimbursement Agreement to secure any amount due under the 2009 Bonds, any Bank Bonds or any Parity Bonds shall fail to be fully enforceable with the priority required under the Ordinance by reason of a final, non-appealable judgment of a court of competent jurisdiction.

#### **Remedies If Event of Default Occurs under the Sumitomo Reimbursement Agreement**

If any Event of Default under the Sumitomo Reimbursement Agreement occurs and is continuing, then, and in any such event, the Alternate Credit Provider may, at the same or different times, so long as such Event of Default shall not have been remedied, proceed to enforce all remedies available to it under the Sumitomo Reimbursement Agreement and under the 2009 Bonds and the Financing Documents and applicable law and in equity, including, without limitation:

(a) The Alternate Credit Provider may notify the Paying Agent of such occurrence, direct the Paying Agent to cause a mandatory tender of the 2009 Bonds as provided in the Supplemental Ordinance, and state that the Alternate Credit Facility will terminate on the fifth (5th) Business Day following the date the Paying Agent receives such written notice from the Alternate Credit Provider.

(b) Subject to the limitations contained in the Original Bond Ordinance, the Alternate Credit Provider may declare all amounts payable under the Sumitomo Reimbursement Agreement and under the Fee Letter (other than Bank Bonds) to be, whereupon the same shall become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are waived by the City; provided that in the case of any Event of Default under the Sumitomo Reimbursement Agreement specified in paragraph (e) under the subheading "Events of Default" above, all amounts payable under the Sumitomo Reimbursement Agreement shall be immediately due and payable without the giving of any notice to the City or the taking of any other action by any Person.

(c) Upon the occurrence of an Event of Default under the Sumitomo Reimbursement Agreement, the Alternate Credit Provider is authorized at any time and from time to time, to the fullest extent permitted by law, to setoff, to exercise any banker's lien or any right of attachment and apply any and all balances, credits, deposits (general or special, time or demand, provisional or final), accounts or monies at any time held and other indebtedness at any time owing by the Alternate Credit Provider to or for the account of the City or the System against any and all of the obligations of the City under the Sumitomo Reimbursement Agreement or in connection with any Bank Bonds, whether or not the Alternate Credit Provider shall have made any demand for any amount owing to the Alternate Credit Provider by the City and although such obligations may be unmatured; provided, however, that moneys that have been advanced by the Alternate Credit Provider pursuant to a Drawing made pursuant to the Alternate Credit Facility may not be subject to the right of setoff described in this paragraph (c).

(d) In addition to the rights and remedies set forth above, in the case of any Event of Default specified in the Sumitomo Reimbursement Agreement, the Alternate Credit Provider may (i) assess interest on all amounts due and payable under the Sumitomo Reimbursement Agreement at the Default Rate as defined in the Sumitomo Reimbursement Agreement and (ii) exercise all of its rights and remedies under or in respect of the 2009 Bonds and the Financing Documents or all other rights and remedies available at law or in equity.

All the foregoing remedies shall be cumulative. Promptly following the delivery of notice of termination of the Alternate Credit Facility, the Alternate Credit Provider shall give notice thereof to the City, the Remarketing Agent, the Paying Agent and the Tender Agent, but failure to give such notice to the City, the Remarketing Agent, the Paying Agent or the Tender Agent shall not impair the effect of such notice.

**Appendix D**

**FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT**