

ORDINANCE 2012-080

PROVIDING FOR THE ISSUANCE AND SALE OF NOT EXCEEDING \$7,545,000 GENERAL OBLIGATION BONDS, SERIES 2012, OF THE CITY OF COLUMBIA, SOUTH CAROLINA, TO PRESCRIBE THE PURPOSES FOR WHICH THE PROCEEDS SHALL BE EXPENDED, TO PROVIDE FOR THE PAYMENT THEREOF, AND OTHER MATTERS RELATING THERETO.

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

ARTICLE I  
FINDINGS OF FACT

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

Section 1.01. Objectives of Borrowing

Council is authorized by the provisions of Sections 5-21-210 to 5-21-500, inclusive, Code of Laws of South Carolina, 1976, as amended (the "Municipal Bond Act") to issue general obligation bonds of the City for any corporate purpose of the City. Section 14 of Article X of the Constitution provides that a municipality may issue general obligation debt for a purpose which is a public purpose and a corporate purpose of the municipality.

Council has determined that it is appropriate to raise sufficient moneys by the issuance of general obligation bonds to defray the cost of (i) the purchase of new cars, trucks and other vehicles and equipment for the police, fire, public works and parks departments of the City, and the purchase and installation of certain other assets; (ii) legal fees and other costs of issuance of the Bonds; and (iii) such other lawful corporate and public purposes as the City shall determine (collectively, the "Projects"). The Projects are a public and corporate purpose of the City within the meaning of the Municipal Bond Act and Section 14 of Article X of the Constitution (the "Enabling Act").

Section 1.02. Decision to Issue Bonds

On the basis of the foregoing, Council has determined to issue general obligation bonds, Series 2012, in the principal amount of not exceeding \$7,545,000, the proceeds of which will be used to defray the cost of the Projects and the cost of issuance thereof.

Section 1.03. Recital of Applicable Constitutional Provisions

Section 14 of Article X of the South Carolina Constitution provides that a municipality may incur general obligation indebtedness without referendum if such indebtedness, together with then outstanding indebtedness subject to the limitation, does not exceed 8% of the assessed value of all taxable property in the municipality. The final assessed value of all taxable property in the City for 2010, which is the most recently completed assessment thereof, is \$504,240,529. Thus, the debt limit of the City at the time the bonds authorized hereby are to be issued is expected to be not less than \$40,339,242. Outstanding indebtedness subject to the 8% limit as of September 4, 2012, is \$31,505,000. Consequently the City may incur the general obligation indebtedness for the Projects authorized herein without referendum.

ARTICLE II  
DEFINITIONS AND CONSTRUCTION

Section 2.01. Definitions

As used in this Ordinance unless the context otherwise requires, the following terms shall have the following respective meanings:

"Authorized Investments" mean and include all investments authorized for municipalities by the Code of Laws of South Carolina, 1976, as amended.

"Authorized Officer" means the Mayor, the City Manager, the Finance Director, the Treasurer, the City Clerk and any other officer or employee of the City designated from time to time as an Authorized Officer by ordinance or resolution of Council, and when used with reference to any act or document also means any other person authorized by ordinance or resolution of Council to perform such act or sign such document.

"Bond" or "Bonds" means any of the Bonds of the City authorized by this Ordinance.

"Bond Counsel" means Haynsworth Sinkler Boyd, P.A.

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

"Bond Payment Date" means each June 1 or December 1 on which interest on any of the Bonds shall be payable or on which both the Principal Installment and interest shall be payable on any of the Bonds.

"City" means the City of Columbia, South Carolina.

"City Clerk" means the City Clerk of the City.

"City Manager" means the City Manager of the City.

"City Request" means a written request of the City signed by an Authorized Officer.

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

"Council" means the City Council of the City of Columbia, South Carolina, the governing body of the City or any successor governing body of the City.

"DTC" means The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns.

"Enabling Act" shall have the meaning attributed thereto in Section 1.01 of this Ordinance.

"Fiduciary" means the Paying Agent, the Registrar and their successors and assigns.

"Finance Director" means the Finance Director of the City.

"Financial Advisor" means Merchant Capital, LLC.

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

"Letter of Representations" means the Letter of Representations from the City and the Registrar and Paying Agent to DTC, with respect to the Bonds, which shall be deemed to be a part of this Ordinance and shall be the binding obligation of the City and the Registrar and Paying Agent.

"Mayor" means the Mayor of the City.

"Nominee" means the nominee of the Securities Depository which shall be the Owner of the Bonds while held under a book-entry only system and any successor appointed by the Securities Depository. The initial Nominee shall be Cede & Co.

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

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

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

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

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

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

"Projects" shall have the meaning attributed thereto in Section 1.01 of this Ordinance.

"Record Date" means the 15th day of the month immediately preceding each Bond Payment Date.

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

“Securities Depository” means the administrator of the book-entry only system for the Bonds, as further described in Section 3.04 hereof and any successor appointed as provided in Section 3.04(b)(iii) hereof. The initial Securities Depository shall be DTC.

“Treasurer” means the Treasurer of the City.

#### Section 2.02. Rules of Interpretation

In this Ordinance, unless the context otherwise requires:

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

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

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

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

### ARTICLE III ISSUANCE OF BONDS

#### Section 3.01. Ordering the Issuance of Bonds

Pursuant to the provisions of the Enabling Act, and for the purpose of obtaining funds to defray the cost of the Projects and the cost of issuance of the Bonds, there shall be issued not exceeding \$7,545,000 of general obligation bonds of the City, the final principal amount of which shall be determined by the City Manager upon advice of the Financial Advisor and Bond Counsel. In no event shall the principal amount of Bonds issued hereunder cause the City to exceed its constitutional debt limit as of the date of issuance thereof.

#### Section 3.02. Maturity Schedule of Bonds

The Bonds shall be dated as of the date of delivery, and shall mature in successive annual installments on June 1 in the years and amounts as determined by the Finance Director or Treasurer. The Bonds shall bear interest at rates determined in the manner prescribed by Section 3.15 hereof. Interest on the Bonds shall be payable semiannually on June 1 and December 1 of each year commencing on a date determined by the Finance Director or Treasurer, until payment of the principal thereof.

The Finance Director or Treasurer are authorized to adjust the final principal maturity schedule in a manner consistent with the Official Notice of Sale to allow the city to accomplish the purposes for which the Bonds are being issued, but the principal amount of the Bonds shall not exceed \$7,545,000 and no Bond shall mature later than June 1, 2023.

The successful purchaser of the Bonds, within 24 hours of the sale, may specify that any Bonds maturing annually may be combined with immediately succeeding sequential maturities into a Term Bond or Bonds, bearing a single rate of interest, with the maturities set forth above (or as may be adjusted as provided herein) being subject to mandatory redemption in such maturities for each Term Bond(s).

### Section 3.03. Provision for Payment of Interest on the Bonds

The Bonds shall be authenticated on such dates as they shall, in each case, be delivered. The Bonds shall bear interest from the date to which interest has been paid next preceding the authentication date thereof, unless the authentication date thereof is a Bond Payment Date in which case, from such authentication date, or from the Bond Payment Date to which interest has last been paid, or if dated prior to June 1, 2013, or if the City shall fail to pay interest on said date, then from the date of delivery of the Bonds. The interest to be paid on any Bond Payment Date shall be paid to the Person in whose name such Bond is registered at the close of business on the Record Date next preceding such Bond Payment Date.

### Section 3.04. Medium of Payment; Form and Denomination of Bonds; Place of Payment of Principal

(a) The Bonds shall be payable as to Principal Installment and interest at the rates per annum determined in the manner prescribed by Section 3.15 hereof (on the basis of a 360 day year of twelve 30-day months) in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

(b) Book-Entry Bonds

(i) Except as provided in paragraph (iii) of this subsection (b), the Bonds shall be held under a book-entry only system administered in the name of the Nominee. Payment of interest on any Bonds registered in the name of the Nominee shall be made by New York Clearing House or equivalent next day funds to the account of the Nominee on the Bond Payment Date for the Bonds at the address indicated for the Nominee on the registration books kept by the Registrar.

(ii) The Bonds shall be initially issued in the form of separate, single, authenticated fully-registered Bonds in the amount of each separately stated maturity of the Bonds. Upon initial issuance, the ownership of each such Bond shall be registered on the registration books kept by the Registrar in the name of the Nominee. The Registrar and Paying Agent and the City may treat the Securities Depository (or the Nominee) as the sole and exclusive owner of the Bonds registered in the name of the Nominee for the purpose of (A) paying the principal of, or interest on, the Bonds, (B) giving any notice permitted or required to be given to Owners of Bonds hereunder, (C) registering the transfer of Bonds, (D) obtaining any consent or other action to be taken by the Owners of the Bonds and for all other purposes whatsoever; and neither the Registrar and Paying Agent nor the City shall be affected by any notice to the contrary. Neither the Registrar and Paying Agent nor the City shall have any responsibility or obligation to any Participant, any Beneficial Owner or any other person claiming a beneficial ownership interest in the Bonds under or through the Securities Depository or any Participant, or any other person which is not shown on the registration books of the Registrar as being an Owner of Bonds, with respect to (E) the accuracy of any records maintained by the Securities Depository or any Participant; (F) the payment to the Securities Depository, any Participant or any Beneficial Owner of any amount in respect of the principal of, or interest on, the Bonds; (G) any notice which is permitted or required to be given to Owners of the Bonds hereunder; (H) the selection by the Securities Depository or any Participant or any other person to receive payment in the event of a partial redemption of the Bonds; or (I) any consent given or other action taken by the Securities Depository as such Owner. The Paying Agent shall pay all principal of and premium, if any, and interest on the Bonds only to the Securities Depository (or the Nominee), and all such payments shall be valid and effectual with respect to the principal of and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. Except as provided in paragraph (iii) below, no person other than the Securities Depository shall receive an authenticated bond. Upon delivery by the Securities Depository to the Registrar and Paying Agent of written notice to the effect that the Securities Depository has determined to substitute a new Nominee in place of Cede & Co., the Bonds shall be transferable to such new Nominee in accordance with the provisions hereof.

(iii) In the event the City determines that it is in the best interests of the City not to continue the book-entry only system of transfer with respect to the Bonds, or that the interests of the Beneficial Owners might be adversely affected in the book-entry only system of transfer is continued with respect to the Bonds, then the City may notify the Securities Depository and the Registrar and Paying Agent, whereupon the Securities Depository will notify the Participants of the availability through the Securities Depository of bonds. In such event, the Registrar and Paying Agent shall issue, transfer and exchange bonds as requested by the Securities Depository and any Participant or Beneficial Owner in appropriate amounts in accordance herewith. The Securities Depository may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and the Registrar and Paying Agent and discharging its responsibilities with respect thereto under applicable law or the City may determine that the Securities Depository is incapable of discharging its duties as such and may so advise the Securities Depository. In either such event, the City shall either (A) establish its own book-entry system, (B) select another Securities Depository, or (C) deliver bonds as provided herein and as requested by any Participant or Beneficial Owner. The Bonds shall not be issued in book-entry only form if the Bonds are purchased by a Direct Placement Bidder as provided in the Official Notice of Sale or if the Bonds are offered pursuant to Section 3.19 of this Ordinance,

(iv) Notwithstanding anything in this Ordinance to the contrary, the City and the Registrar and Paying Agent hereby agree as follows with respect to the Bonds, if and to the extent any Bond is registered in the name of "Cede & Co." as nominee of DTC: (A) the Registrar and Paying Agent shall give DTC all special notices required by the Letter of Representations at the times, in the forms and by the means required by the Letter of Representations; (B) the Registrar and Paying Agent shall make payments to Cede & Co. at the times and by the means specified in the Letter of Representations; (C) Cede & Co. shall not be required to surrender Bonds which have been partially paid or prepaid to the extent permitted by the Letter of Representations; and (D) the Registrar and Paying Agent shall set a special record date (and shall notify the registered owners of the Bonds thereof in writing) prior to soliciting any Holder consent or vote, such notice to be not less than fifteen (15) calendar days prior to such record date (any Bond transferred by a registered owner subsequent to the establishment of the special record date and prior to obtaining such consent or vote shall have attached to it a copy of the notice of Holders by the Registrar and Paying Agent).

(v) The City and the Registrar and Paying Agent will recognize DTC or its nominee as the Holder for all purposes hereunder, including notices and voting.

(vi) Whenever, during the term of the Bonds, beneficial ownership thereof is determined by a book entry at DTC, the requirements in this Ordinance of holding, delivering or transferring Bonds shall be deemed modified to require the appropriate person to meet the requirements of DTC as to registering or transferring the book entry to produce the same effect.

(c) Form of Bonds

The Bonds and the form of assignment thereon shall be substantially in the form thereof set forth in **Exhibit A** hereto with any omissions, insertions and variations which may be authorized or permitted by or consistent with this Ordinance.

The Bonds shall be negotiable instruments and shall express the purpose for which they are authorized, executed and delivered and any other statements or legends which may be required by law. Each Bond shall be of a single maturity.

Section 3.05. Agreement to Maintain Registrar and Paying Agent

As long as any of the Bonds remain Outstanding there shall be a Registrar and a Paying Agent each of which shall be a financial institution maintaining Corporate Trust Offices where (i) the Bonds may be

presented for registration of transfers and exchanges, (ii) notices and demands to or upon the City in respect of the Bonds may be served, and (iii) the Bonds may be presented for payment, exchange and transfer.

Section 3.06. Execution and Authentication

(a) The Bonds shall be executed in the name and on behalf of the City by the manual or facsimile signature of an Authorized Officer or Officers, with its corporate seal (or a facsimile thereof) impressed, imprinted or otherwise reproduced thereon, and attested by the manual or facsimile signature of its City Clerk or other Authorized Officer (other than the officer or officers executing such Bonds). Bonds bearing the manual or facsimile signature of any Person authorized to sign the Bonds at the time such Bonds were so executed shall bind the City notwithstanding the fact that his or her authorization may have ceased prior to the authentication and delivery of such Bonds.

(b) No Bond shall be valid or obligatory for any purpose or shall be entitled to any right or benefit hereunder unless there shall be endorsed on such Bond a certificate of authentication in the form set forth in the Ordinance, duly executed by the manual signature of the Registrar and such certificate of authentication upon any Bond executed on behalf of the City shall be conclusive evidence that the Bond so authenticated has been duly issued hereunder and that the Holder thereof is entitled to the benefit of the terms and provisions of the Ordinance.

Section 3.07. Exchange of Bonds

Bonds, upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered Holder or his duly authorized attorney, may, at the option of the registered Holder thereof, be exchanged for an equal aggregate principal amount of Bonds in authorized denominations of the same interest rate and maturity. So long as any of the Bonds remain Outstanding, the City shall make all necessary provisions to permit the exchange of Bonds at the Corporate Trust Office of the Registrar.

Section 3.08. Transferability and Registry

All Bonds shall be transferable, only in accordance with the provisions for registration and transfer contained in the Ordinance and in the Bonds. So long as any of the Bonds remain Outstanding, the City shall maintain and keep, at the office of the Registrar, books for the registration and transfer of Bonds, and, upon presentation thereof for such purpose at the Corporate Trust Office of the Registrar, the City shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it or the Registrar may prescribe, any Bond, except that under no circumstances shall any Bond be registered or transferred to bearer. So long as any of the Bonds remain Outstanding, the City shall make all necessary provisions to permit the transfer of Bonds at the Corporate Trust Office of the Registrar.

Section 3.09. Transfer of Bonds

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

Section 3.10. Regulations with Respect to Exchanges and Transfers

All Bonds surrendered in any exchanges or transfers shall forthwith be cancelled by the Registrar. For each such exchange or transfer of Bonds, the City or the Registrar may make a charge sufficient to reimburse it or them for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the Holder requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The City shall not be obligated to issue, exchange or transfer any Bond during the 15 days next preceding any Bond Payment Date.

Section 3.11. Mutilated, Destroyed, Lost and Stolen Bonds

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

(b) Upon the issuance of any new Bond under this Section 3.11, the City may require the payment of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto and any other expenses, including counsel fees or other fees, of the City or the Registrar connected therewith.

(c) Each new Bond issued pursuant to this Section in lieu of any destroyed, lost or stolen Bond, shall constitute an additional contractual obligation of the City, whether or not the destroyed, lost or stolen Bond shall at any time be enforceable by anyone, and shall be entitled to all the benefits hereof equally and proportionately with any and all other Bonds duly issued pursuant to the Ordinance. All Bonds shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds and shall preclude (to the extent lawful) all other rights or remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds or securities.

Section 3.12. Holder As Owner of Bond

The City, the Registrar and any Paying Agent may treat the Holder of any Bond as the absolute owner thereof, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the Principal Installment and interest on such Bond and for all other purposes, and payment of the Principal Installment and interest shall be made only to, or upon the order of, such Holder. All payments to such Holder shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the City nor any Paying Agent shall be affected by any notice to the contrary.

Section 3.13. Cancellation of Bonds

The Registrar shall destroy all Bonds surrendered to it for cancellation and shall deliver a certificate to that effect to the City. No such Bonds shall be deemed Outstanding under the Ordinance and no Bonds shall be issued in lieu thereof.

Section 3.14. Payments Due on Saturdays, Sundays and Holidays

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

Section 3.15. Conditions Relating to Naming of Interest Rates

The Bonds shall bear such rate or rates of interest as shall at the sale of such Bonds reflect the lowest or true interest cost to the City as determined by the Finance Director upon advice of the Financial Advisor, at a price of not less than par, but:

- (a) all Bonds of the same maturity shall bear the same rate of interest;
- (b) no rate of interest named shall be more than 3% higher than the lowest rate of interest named; however, the Finance Director, may elect to impose an alternative spread between high and low interest rates as to Bonds upon advice of the Financial Advisor;
- (c) each interest rate named shall be a multiple of 1/8, 1/20, or 1/100 of 1%; and
- (d) any premium offered must be paid in cash as a part of the purchase price.

Section 3.16. Tax Exemption in South Carolina

Both the Principal Installment and interest on both Bonds shall be exempt from all State, county, municipal, school district, and all other taxes or assessments of the State of South Carolina, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate, transfer or certain franchise taxes.

Section 3.17. Order of Tax Levy to Pay Principal and Interest of Bonds

For the payment of the Principal Installment and interest on the Bonds as the same respectively mature, the full faith, credit and taxing power of the City are hereby irrevocably pledged, and there shall be levied and collected annually a tax on all taxable property in the City, sufficient to pay the Principal Installment and interest on such Bonds as they respectively mature, and to create such sinking fund as may be necessary therefor.

Section 3.18. Notice to Finance Director to Levy Tax

The Finance Director of the City shall be notified of this issue of Bonds and directed to cause an annual tax sufficient to meet the payment of the Principal Installment and interest on the Bonds, as the same respectively mature, to be levied and collected upon all taxable property in the City.

Section 3.19. Bonds Issued as a Single Instrument

Notwithstanding any provision of this Ordinance to the contrary, the Bonds authorized hereby, if so determined by the Mayor or City Manager, upon advice of the Financial Advisor, may be issued in the form of a single Bond. In the event the Bonds are issued as a single Bond, the following shall apply:

- (a) The dated date of the Bond shall be the date of its delivery, and the Bond shall bear interest from such date at such single fixed rate of interest named by the purchaser thereof.

(b) In no event shall the Bond be issued or reissued as other than a single Bond in such denomination as determined by the Mayor or City Manager pursuant to Section 3.02 of the Ordinance.

(c) The references to "Bonds" throughout the Ordinance shall be understood to refer to the single instrument authorized by this Section 3.19.

(d) The form of the Bond shall be substantially as set forth in **Exhibit A** attached hereto and the Notice of Sale shall be substantially as set forth in **Exhibit B** attached hereto, together with such amendments and modifications thereto as shall be determined by the Mayor or City Manager to be necessary or appropriate, upon advice of Bond Counsel.

(e) The Treasurer shall serve as Paying Agent for the Bond and the City, acting through the City Clerk, shall serve as Registrar for the Bond, provided that neither the County Treasurer of Richland County nor the City Clerk shall be deemed to be a Fiduciary within the meaning of Article VIII herein. The references to the "Corporate Trust Office" of the Paying Agent in the Ordinance shall be understood to refer to the main office of the County Treasurer of Richland County in Richland County, South Carolina, and references to the "Corporate Trust Office" of the Registrar in the Ordinance shall be understood to refer to the administrative office of the City.

(f) The Bonds shall not be issued in book-entry only form, and, in lieu thereof, shall be registered in the name of the Holder as directed by the purchaser thereof.

In such event, an official statement shall not be prepared or circulated in connection with the sale of the Bonds, and the delivery of the Bonds shall be conditioned upon the delivery by the purchaser thereof at closing of a certificate in form satisfactory to Bond Counsel regarding the suitability of the purchaser and restrictions on transfer of the Bonds. The City shall not in such case be obligated to deliver a Disclosure Dissemination Agent Agreement pursuant to Section 10.04 of this Ordinance.

#### ARTICLE IV PURCHASE OF BONDS OUTSTANDING

##### Section 4.01. Purchase of Bonds Outstanding

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

#### ARTICLE V SALE OF BONDS

##### Section 5.01. Determination of Time to Receive Bids - Form of Notice of Sale

The Bonds shall be sold at public sale at a price of not less than par. Bids shall be received until such time and on such date as may be selected by the Mayor or City Manager. The Bonds shall be advertised for sale in *The Bond Buyer* or in *The State*, which advertisement shall appear at least once, not less than 7 days before the date set for said sale. The form of the Official Notice of Sale and the conditions of sale shall be substantially those set forth in **Exhibit B** attached hereto and made a part and parcel hereof; provided, however, that a summary of the Notice may be published in lieu of publication of the full Notice.

##### Section 5.02. Award of Bonds

Upon receipt of bids for the Bonds, the Mayor or City Manager is authorized to award the Bonds to the bidder offering the lowest net interest or true interest cost therefor, as set forth in the Official Notice of Sale, provided, however, that no award of the Bonds with a net interest cost (or true interest cost, if the

award of the Bonds will be made on that basis) in excess of 5.00% shall be made without prior approval of Council by resolution supplemental hereto.

Section 5.03. Preliminary Official Statement and Official Statement

The Finance Director is hereby authorized, to prepare a Preliminary Official Statement with respect to the Bonds and to deem the same "near final" within the meaning of Securities and Exchange Commission Rule 15c2-12. The Preliminary Official Statement may be made available in printed and electronic formats prior to the sale of the Bonds. Following the award of the Bonds as provided in Section 5.02 herein, the Finance Director is authorized to prepare and make available to the purchaser of the Bonds a final Official Statement in printed and electronic formats.

ARTICLE VI  
DISPOSITION OF PROCEEDS OF SALE OF BONDS

Section 6.01. Disposition of Bond Proceeds including Temporary Investments

The proceeds derived from the sale of the Bonds shall be deposited as directed by the City and shall be expended and made use of as follows:

- (a) any premium shall be applied to the payment of the first installment(s) of principal of the Bonds;
- (b) pending the use of Bond proceeds for the purposes authorized hereby, it shall be lawful for such proceeds to be invested in Authorized Investments as determined by the Treasurer. Income earned from investments shall (1) be used to meet the debt service of the Bonds, or (2) be retained by the City and used for the purposes for which the Bonds are issued under this Ordinance or for additional capital improvements of the City as directed by Council; and
- (c) if any balance remains, it shall be held in a special fund and used to effect the retirement of the Bonds authorized by this Ordinance; provided, however, that neither the purchaser nor any Holder of the Bonds shall be liable for the proper application of the proceeds thereof.

ARTICLE VII  
DEFEASANCE OF BONDS

Section 7.01. Discharge of Ordinance - Where and How Bonds are Deemed to have been Paid and Defeased

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

- (1) The Paying Agent shall hold, at the stated maturities of the Bonds, in trust and irrevocably appropriated thereto, sufficient moneys for the payment of the Principal Installment and interest thereof; or
- (2) If default in the payment of the principal of the Bonds or the interest thereon shall have occurred on any Bond Payment Date, and thereafter tender of such payment shall have been made, and at such time as the Paying Agent shall hold in trust and irrevocably appropriated thereto, sufficient moneys for the payment thereof to the date of the tender of such payment; or
- (3) If the City shall elect to provide for the payment of the Bonds prior to their stated maturities and shall have deposited with the Paying Agent, in an irrevocable trust moneys which shall be sufficient, or Government Obligations, the principal of and interest on which when due will provide moneys, which

together with moneys, if any, deposited with the Paying Agent at the same time, shall be sufficient to pay when due the Principal Installment and interest due and to become due on the Bonds on and prior to their maturity dates.

Neither the Government Obligations nor moneys deposited with the Paying Agent pursuant to this Section nor the principal or interest payments thereon shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the Principal Installment of and interest on the Bonds; provided that any cash received from such principal or interest payments on Government Obligations deposited with the Paying Agent, if not then needed for such purpose, shall to the extent practicable, be invested and reinvested in Government Obligations maturing at times and in amounts sufficient to pay when due the Principal Installment and interest to become due on the Bonds on and prior to the maturity date thereof, and interest earned from such reinvestments not required for the payment of the Principal Installment and interest may be paid over to the City, as received by the Paying Agent, free and clear of any trust, lien or pledge.

## ARTICLE VIII CONCERNING THE FIDUCIARIES

### Section 8.01. Fiduciary: Appointment and Acceptance of Duties

The financial institution chosen to act initially as Paying Agent and Registrar hereunder, shall accept the duties and trusts imposed upon it by the Ordinance and shall agree in writing to perform such trusts but only upon the terms and conditions set forth in this Article VIII. Similarly, each financial institution appointed as a successor Registrar or as a successor Paying Agent shall signify its acceptance of the duties and trusts imposed by the Ordinance by a written acceptance.

### Section 8.02. Responsibilities of Fiduciaries

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

### Section 8.03. Evidence on Which Fiduciaries May Act

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

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

discretion the Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to it may deem reasonable.

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

#### Section 8.04. Compensation

The City shall pay to each Fiduciary from time to time reasonable compensation based on the then standard fee schedule of the Fiduciary for all services rendered under the Ordinance, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents, and employees, incurred in and about the performance of their powers and duties under the Ordinance. Subject to the provisions of Section 7.02 hereof, the City further agrees, to the extent permitted by law, to indemnify and save each Fiduciary harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder and which are not due to its negligence or willful misconduct; provided, however, that any specific agreement between the City and a Fiduciary with respect to the compensation of such Fiduciary shall control the compensation to be paid to such Fiduciary.

#### Section 8.05. Certain Permitted Acts

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

#### Section 8.06. Resignation of Any Fiduciary

Any Fiduciary may at any time resign and be discharged of the duties and obligations created by the Ordinance by giving not less than 60 days' written notice to the City and not less than 30 days' written notice to the Holders of the Bonds as established by the books of registration prior to the next succeeding Bond Payment Date and such resignation shall take effect upon the date specified in such notice unless previously a successor shall have been appointed by the City pursuant to Section 7.08 hereof in which event such resignation shall take effect immediately on the appointment of such successor. In no event, however, shall such a resignation take effect until a successor has been appointed.

#### Section 8.07. Removal of Fiduciary

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

#### Section 8.08. Appointment of Successor Fiduciaries

In case any Fiduciary hereunder shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor shall be appointed by the City. Every such Fiduciary appointed pursuant to the provisions of this Section shall be a trust company or bank organized under the laws of the United States of America or any state thereof and which is in good standing, within or outside the State of South Carolina, having a stockholders' equity of not less than \$25,000,000 if there be such an institution willing, qualified and able to accept the trust upon reasonable and customary terms.

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

#### Section 8.09. Transfer of Rights and Property to Successor

Any successor Fiduciary appointed under the Ordinance shall execute, acknowledge and deliver to its predecessor, and also to the City, an instrument accepting such appointment, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Fiduciary, with like effect as if originally named in such capacity; but the Fiduciary ceasing to act shall nevertheless, on the written request of the City, or of the successor, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the right, title and interest of the predecessor Fiduciary in and to any property held by it under the Ordinance, and shall pay over, assign and deliver to the successor Fiduciary any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the City be required by such successor Fiduciary for more fully and certainly vesting in and confirming to such successor any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the City. Any such successor Fiduciary shall promptly notify the Paying Agent and Depositaries, if any, of its appointment as Fiduciary.

#### Section 8.10. Merger or Consolidation

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

#### Section 8.11. Adoption of Authentication

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

### ARTICLE IX FEDERAL TAX CONSIDERATIONS

#### Section 9.01. Compliance with the Internal Revenue Code of 1986

The City will comply with all requirements of the Code in order to preserve the tax-exempt status of the Bonds, including without limitation, the requirement to file the information report 8038-G with the Internal Revenue Service. In this connection, the City covenants to execute any and all agreements, certificates and other documentation as it may be advised by Bond Counsel will enable it to comply with this Section, and such agreements, certificates and other documentation may be executed by an Authorized Officer.

The City hereby represents and covenants that it will not take any action which will, or fail to take any action which failure will, cause interest on the Bonds to become includable in the gross income of the Holder thereof for federal income tax purposes pursuant to the provisions of the Code and regulations promulgated thereunder in effect on the date of original issuance of Bonds. Without limiting the generality of the foregoing, the City represents and covenants that:

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

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

(c) The City is not a party to nor will it enter into any contracts with any person for the use or management of any facility provided with the proceeds of the Bonds that do not conform to the guidelines set forth in Revenue Procedure 97-13, as may be subsequently modified by applicable pronouncements of the United States Treasury Department.

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

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

#### Section 9.02. Ability to Meet Arbitrage Limitations

Careful consideration has been given to the time in which expenditures of the proceeds of the Bonds to defray the cost of the Projects and costs of issuance of the Bonds will be made. It has been ascertained that all of the money received from the proceeds of the Bonds will be expended within the limitations imposed by Section 148 of the Code and the Treasury regulations promulgated pursuant thereto. Accordingly, the City will be able to certify upon reasonable grounds that the Bonds are not "arbitrage bonds" within the meaning of Section 148 of the Code.

### ARTICLE X MISCELLANEOUS

#### Section 10.01. Failure to Present Bonds

Anything in this Ordinance to the contrary notwithstanding, any money held by the Paying Agent in trust for the payment and discharge of any of the Bonds, or the interest thereon, which remains unclaimed for such period of time, after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, that the Holder thereof shall no longer be able to enforce the payment thereof, the Paying Agent shall at the written request of the City pay such money to the City as its absolute property and free from trust, and the Paying Agent shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the City for the payment of such Bonds; provided, however, the Paying Agent shall forward to the City all moneys which remain unclaimed during a period five years from a Bond Payment Date, provided, however, that before being required to make any such payment to the City, the Paying Agent, at the expense of the City, may conduct such investigations as

may in the opinion of the Paying Agent be necessary to locate the Holders of those who would take if the Holder shall have died.

#### Section 10.02. Severability of Invalid Provisions

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

#### Section 10.03. Successors

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

#### Section 10.04. Continuing Disclosure

(a) Pursuant to Section 11-1-85, Code of Laws of South Carolina, 1976, as amended, the City covenants that it shall file with a central repository for availability in the secondary bond market when requested: (i) an annual independent audit, within thirty days of the City's receipt of the audit, and (ii) event specific information, within thirty days of an event adversely affecting more than five percent of revenue or its tax base.

(b) The City has entered into a contract with Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the "Disclosure Dissemination Agent" or "DAC") for the benefit of the Bondholders and in order to provide certain continuing disclosure with respect to obligations of the City in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Disclosure Dissemination Agent Agreement as set forth in the Preliminary Official Statement and also set forth in the Final Official Statement. Notwithstanding any other provision of this Ordinance, failure of the City to comply with the Disclosure Dissemination Agent Agreement shall not be considered an event of default hereunder; however, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City to comply with its obligations under this Section. The Disclosure Dissemination Agent Agreement shall be executed by an Authorized Officer prior to the delivery of the Bonds and shall be in such form as is set forth in **Exhibit C** hereto, together with such modifications and amendments thereto as shall be deemed necessary by such Authorized Officer, upon advice of counsel. The execution of the Disclosure Dissemination Agent Agreement shall constitute conclusive evidence of the approval by the person executing the same of any and all modifications and amendments thereto.

#### Section 10.05. Ordinance to Constitute Contract

In consideration of the purchase and acceptance of the Bonds by those who shall purchase and hold the same from time to time, the provisions of this Ordinance shall be deemed to be and shall constitute a contract between the City and the Holder from time to time of the Bonds, and such provisions are covenants and agreements with such Holders which the City hereby determined to be necessary and desirable for the security and payment thereof. The pledge hereof and the provisions, covenants, and agreements herein set forth to be performed on behalf of the City shall be for the equal benefit, protection, and security of the Holders of any and all of the Bonds, all of which shall be of equal rank without preference, priority or distinction of any Bonds over any other Bonds.

Section 10.06. Effective Date

This Ordinance shall take effect immediately upon second reading of Council and shall supersede any prior inconsistent ordinances or resolutions.

Section 10.07. Filing of Copies of Ordinance

Copies of this Ordinance shall be filed in the office of Council, the offices of the Clerk of Court for Richland County and Lexington County (as a part of the Transcript of Proceedings) and at the offices of the Paying Agent and Registrar.

Enacted by the City Council of the City of Columbia, South Carolina, this 4th day of September, 2012.

CITY OF COLUMBIA, SOUTH CAROLINA

By   
Mayor

Attest:

  
City Clerk

First Reading: August 21, 2012  
Second Reading: September 4, 2012

(FORM OF BOND)

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

UNITED STATES OF AMERICA  
STATE OF SOUTH CAROLINA  
CITY OF COLUMBIA  
GENERAL OBLIGATION BOND, SERIES 2012

INTEREST RATE	MATURITY DATE	ORIGINAL ISSUE DATE	CUSIP
	June 1, _____	_____, 2012	

REGISTERED HOLDER: CEDE & CO.

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

THE CITY OF COLUMBIA, SOUTH CAROLINA (the "City") acknowledges itself indebted and for value received hereby promises to pay, solely as hereinafter provided, to the Registered Holder (named above) or registered assigns, the Principal Amount set forth above on the Maturity Date stated above upon presentation and surrender of this bond at the Corporate Trust Office of Regions Bank, in the City of Columbia, State of South Carolina (the "Paying Agent"), and to pay interest on such principal Amount at the Interest Rate stated above (calculated on the basis of a 360-day year of twelve 30-day months), until the obligation of the City with respect to the payment of such Principal Amount shall be discharged.

This bond is one of an issue of bonds in the aggregate principal amount of not exceeding \$7,545,000 of like tenor, except as to number, rate of interest and date of maturity (the "Bonds"), issued pursuant to and in accordance with the Constitution and Statutes of the State of South Carolina, including particularly the provisions of the Enabling Act, codified as Sections 5-21-210 to 5-21-500 and 11-27-40, inclusive, Code of Laws of South Carolina, 1976, as amended, and an ordinance enacted by the City Council of the City, its governing body, on \_\_\_\_\_, 2012 (the "Ordinance").

Certain capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Ordinance. Certified copies of the Ordinance are on file in the office of the Registrar, in the office of the Paying Agent and in the offices of the Clerks of Court of Richland County and Lexington County, South Carolina.

This bond bears interest from the June 1 or the December 1 (the "Bond Payment Dates") to which interest has been paid next preceding the authentication date hereof, unless the authentication date hereof is a Bond Payment Date, in which event this bond will bear interest from the earlier of such authentication date or the date to which interest has last been paid; provided that if the authentication date hereof precedes June 1, 2013, or if the City shall fail to pay interest on June 1, 2013, then this bond will bear interest from the dated date of the Bonds. Interest on this bond is payable on the Bond Payment Dates of each year beginning June 1, 2013. The interest so payable on any Bond Payment Date shall be payable to the person in whose name this bond is registered at the close of business on the 15th day of the month next preceding such Bond Payment Date.

This bond has been issued and is held under a book-entry only system administered by The Depository Trust Company ("DTC"), a limited purpose trust company organized under the laws of the State of New York (together with its successors and assigns, the "Securities Depository").

The Registrar and Paying Agent and the City may treat the Securities Depository (or the Nominee) as the sole and exclusive owner of the Bonds registered in the name of the Nominee for the purposes of

(i) paying the principal of, or interest on, the Bonds, (ii) giving any notice permitted or required to be given to Owners of Bonds under the Trust Agreement, (iii) registering the transfer of Bonds, (iv) obtaining any consent or other action to be taken by the Owners of the Bonds and for all other purposes whatsoever; and neither the Registrar and Paying Agent nor the City will be affected by any notice to the contrary. Neither the Registrar and Paying Agent nor the City will have any responsibility or obligation to any broker-dealer, bank or other financial institution for which the Securities Depository holds Bonds as securities depository (collectively, the "Participants" and each, a "Participant"), any person in whose name a Bond is recorded as the beneficial owner of such Bond by a Participant on the records of such Participant or such person's subrogee (collectively, the "Beneficial Owners" and each, a "Beneficial Owner"), or any other person claiming a beneficial ownership interest in the Bonds under or through the Securities Depository or any Participant, or any other person which is not shown on the books for the registration and transfer of Bonds kept by the Registrar and Paying Agent as registrar (the "Register") as being an Owner of Bonds, with respect to (v) the accuracy of any records maintained by the Securities Depository or any Participant, (vi) the payment to the Securities Depository or any Participant or any Beneficial Owner of any amount in respect of the principal of or interest on the Bonds, (vii) any notice which is permitted or required to be given to Owners of Bonds under the Ordinance; (viii) the selection by the Securities Depository or any Participant or any other person to receive payment in the event of a partial redemption of the Bonds; or (ix) any consent given or other action taken by the Securities Depository as such Owner. The Registrar and Paying Agent shall pay all principal of and interest on the Bonds only to the Securities Depository (or the Nominee), and all such payments shall be valid and effectual with respect to the principal of and interest on the Bonds to the extent of the sum or sums so paid. Except as provided in immediately succeeding paragraph, no person other than the Securities Depository shall receive an authenticated bond. Upon delivery by the Securities Depository to the Registrar and Paying Agent of written notice to the effect that the Securities Depository has determined to substitute a new Nominee in place of Cede & Co., the Bonds shall be transferable to such new Nominee in accordance with the provisions of the Ordinance.

In the event the City determines that it is in the best interests of the City not to continue the book-entry only system of transfer with respect to the Bonds, or that the interests of the Beneficial Owners might be adversely affected in the book-entry only system of transfer is continued with respect to the Bonds, then the City may notify the Securities Depository and the Registrar and Paying Agent, whereupon the Securities Depository will notify the Participants of the availability through the Securities Depository of Bonds. In such event, the Registrar and Paying Agent shall issue, transfer and exchange Bonds as requested by the Securities Depository and any Participant or Beneficial Owner in appropriate amounts in accordance with the Ordinance. The Securities Depository may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and the Registrar and Paying Agent and discharging its responsibilities with respect thereto under applicable law or the City may determine that the Securities Depository is incapable of discharging its duties as such and may so advise the Securities Depository. In either such event, the City shall either (i) establish its own book-entry system, (ii) locate another Securities Depository, or (iii) deliver bonds as provided herein and as requested by any Participant or Beneficial Owner.

Notwithstanding anything in the Ordinance to the contrary, if and to the extent any Bond is registered in the name of "Cede & Co." as nominee of DTC: (i) the Registrar and Paying Agent will give DTC all special notices required by the Letter of Representations from the City and the Registrar and Paying Agent to DTC with respect to the Bonds (the "Letter of Representations") at the times, in the forms and by the means required by the Letter of Representations; (ii) the Registrar and Paying Agent will make payments to Cede & Co. at the times and by the means specified in the Letter of Representations; (iii) Cede & Co. will not be required to surrender Bonds which have been partially paid or prepaid to the extent permitted by the Letter of Representations; and (iv) the Registrar and Paying Agent will set a special record date (and shall notify the registered owners of the Bonds thereof in writing) prior to soliciting any Holder consent or vote, such notice to be not less than 15 calendar days prior to such record date (any Bond transferred by a registered owner subsequent to the establishment of the special record date and prior to obtaining such consent or vote shall have attached to it a copy of the notice of Holders by the Registrar and Paying Agent).

The City and the Registrar and Paying Agent will recognize DTC or its nominee as the Holder for all purposes hereunder, including notices and voting.

Whenever, during the term of the Bonds, beneficial ownership thereof is determined by a book entry at DTC, the requirements in the Ordinance of holding, delivering or transferring Bonds shall be deemed modified to require the appropriate person to meet the requirements of DTC as to registering or transferring the book entry to produce the same effect.

Interest hereon shall be payable by check or draft mailed at the times provided herein from the office of the Paying Agent to the person in whose name this bond is registered at the address shown on the registration books. The principal of and interest on this bond are payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

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

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

The Bonds are issuable only as fully registered Bonds in book-entry form. For every exchange or transfer of the Bonds, the City, the Paying Agent, or the Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer.

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

This bond shall not be valid or obligatory for any purpose until the Certificate of Authentication hereon shall have been duly executed by the Registrar.

IN WITNESS WHEREOF, the City of Columbia, South Carolina has caused this bond to be signed by its Mayor and its corporate seal to be hereunto reproduced and attested to by its Clerk.

(SEAL)

CITY OF COLUMBIA, SOUTH CAROLINA

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

Attest:

\_\_\_\_\_  
Clerk

CERTIFICATE OF AUTHENTICATION

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

REGIONS BANK,  
REGISTRAR

By: \_\_\_\_\_  
Authorized Signatory

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

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

TEN COM - as tenants in common

UNIF GIFT MIN ACT -

TEN ENT - as tenants by the entireties

\_\_\_\_\_ Custodian \_\_\_\_\_  
(Cust) (Minor)

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

under Uniform Gifts to Minors Act \_\_\_\_\_  
(state)

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

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_  
\_ (please print or type name and address of Transferee and Social Security or other identifying number of Transferee) the within bond and all rights and title thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

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

\_\_\_\_\_

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

\_\_\_\_\_  
(Authorized Officer)

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

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

OFFICIAL NOTICE OF SALE

\$ \_\_\_\_\_ \*  
GENERAL OBLIGATION BONDS,  
SERIES 2012,  
OF THE CITY OF COLUMBIA,  
SOUTH CAROLINA

SEALED PROPOSALS, addressed to the undersigned, will be received by the City of Columbia (the "City"), until \_\_\_\_\_. (South Carolina time) on \_\_\_\_\_, 2012, at which time said proposals will be publicly opened in \_\_\_\_\_, Columbia, South Carolina, for the purchase of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_\*) of General Obligation Bonds, Series 2012 (the "Bonds"). The Bonds will be initially issued under the DTC Book-Entry-Only System. All payments of principal and interest with respect to the Bonds shall be made through the facilities of DTC.

The Bonds will mature as to principal as follows:

<u>June 1 of Year</u>	<u>Principal Amount</u>
2013	
2014	
2015	
2016	
2017	
2018	
2019	
2020	
2021	
2022	

Interest on the Bonds will be payable on June 1 and December 1 of each year until the Bonds are paid in full, commencing on \_\_\_\_\_, 201\_\_\_. Interest on the Bonds will run from the dated date thereof, which will be the date of delivery. Interest will be calculated on the basis of a 360-day year consisting of 12 months of 30 days each. The Bonds are not subject to redemption prior to maturity.

Both principal and interest will be payable in any coin or currency of the United States of America, which at the time of payment, is legal tender for the payment of public and private debts at the Corporate Trust Office of Regions Bank, N.A., which shall serve as Registrar and Paying Agent for the Bonds.

*Bid Requirements:* Bidders shall specify a single fixed rate of interest which all Bonds maturing in a given year are to bear. No interest rate named shall exceed any other interest rate named by more than 3%. Each interest rate named shall be a multiple of 1/8, 1/20, or 1/100 of 1%. A bid for less than all the Bonds or a bid at a price less than par will not be considered.

*Award of Bonds:* The Bonds will be awarded to the bidder or bidders offering to purchase the Bonds at the lowest true interest cost (TIC) to the City. The City reserves the right to reject any and all bids or to waive irregularities in any bid. Bids will be accepted or rejected no later than 4:00 p.m., South Carolina time, on the date of the sale.

*Adjustment of Maturity Schedule.* If, after final computation of the proposals, the City determines in its sole discretion that the funds necessary to accomplish the purposes for which the Bonds are being

issued are either more or less than the proceeds of the sale of the amount of the Bonds as shown in this Notice of Sale, it reserves the right either to decrease or increase the principal amount of the Bonds (all calculations to be rounded to the nearest \$5,000), provided that any such decrease or increase shall not exceed 15% of the principal amount thereof. Such adjustment(s), if any, shall be made within twenty-four (24) hours of the award of the Bonds. In order to calculate the yield on the Bonds for federal tax law purposes and as a condition precedent to the award of the Bonds, bidders must disclose to the City and its Financial Advisor in connection with their respective bids the price (or yield to maturity) at which each maturity of the Bonds will be reoffered to the public.

In the event of any adjustment to the maturity schedule for the Bonds as described herein, no rebidding or recalculation of the proposals submitted will be required or permitted. Nevertheless, the award of the Bonds will be made to the bidder whose proposal produces the lowest true interest cost solely on the basis of the Bonds offered, without taking into account any adjustment in the amount of the Bonds pursuant to this section. The successful bidder may not withdraw its bid as a result of any changes made within these limits

*Bid Submission:* All bids for the purchase of the Bonds, except as provided in the next succeeding paragraph "*Direct Placement Bids*" must be submitted to the City through the BiDCOMP/Parity Electronic Bid Submission System ("*PARITY*") or by facsimile transmission to \_\_\_\_\_. No other form of bid or provider of electronic bidding services will be accepted. Such bids are to be publicly opened and read at such time and place on said day. The time as maintained by *PARITY* shall constitute the official time with respect to all bids submitted. Bids must be received by the City, before the time stated above. The City is not liable for any costs incurred in the preparation, delivery, acceptance or rejection of any bid.

*Direct Placement Bids:* Financial institutions desiring to submit a bid to purchase the Bonds for the purpose of investment ("*Direct Placement Bidders*") may submit bids via facsimile at telephone number \_\_\_\_\_. Direct Placement Bidders must bid a single fixed rate of interest for all Bonds at a price not less than par. In the event a Direct Placement Bidder is awarded the Bonds, the Bonds will be issued as a single Bond, without CUSIP identification. A Direct Placement Bidder, if awarded the Bonds, must execute a letter addressed to the City and Bond Counsel acknowledging, among other things, that (1) the purchaser had the opportunity to review a preliminary official statement relating to the Bonds and to the City; (2) the purchaser had an opportunity to make appropriate inquires of and receive answers from officials, employees, agents and attorneys of the City; (3) the purchaser has knowledge and experience in financial and business affairs and that it is capable of evaluating the merits and risks of the purchase of the Bond; (4) the purchaser is acquiring the Bond as a vehicle for making a commercial loan and without a present view to the distribution thereof (subject, nevertheless, to any requirement of law that the disposition of its property at all times be under its control) within the meaning of the Federal securities laws; (5) the purchaser is acquiring the Bond solely for its own account and no other undisclosed person now has any direct or indirect ownership or interest therein; and (6) the purchaser understands that the scope of engagement of Haynsworth Sinkler Boyd, P.A., as Bond Counsel to the City with respect to the Bond has been limited to matters as set forth in their opinion based on their view of such legal proceedings as they deem necessary to approve the validity of the Bond and the tax-exempt status of interest thereon (the "*Letter of Representations*"). The purchaser will also be required to covenant that it will not voluntarily dispose of all or any portion of the Bond unless it procures from each assignee thereof representations and covenants in form and content the same as those made by the purchaser.

If a bidder for the Bonds desires to have the Bonds insured, the bidder shall specify in its bid whether bond insurance will be purchased and the premium of such bond insurance must be paid at or prior to closing by the successful bidder.

If any provisions of this Official Notice of Sale conflict with information provided by *PARITY* as the approved provider of electronic bidding services, this Official Notice of Sale shall control. Further information about *PARITY* may be obtained from IPREO, Municipal Services, 1359 Broadway, 2nd Floor, New York, NY 10018, telephone (212) 849-5023 or [munis@ipreo.com](mailto:munis@ipreo.com).

*Purpose:* The Bonds are issued for the purposes of defraying the cost of (i) the purchase of new cars, trucks and other vehicles and equipment for the police, fire, public works and parks departments of the City, and the purchase and installation of certain other assets; (ii) legal fees and other costs of issuance of the Bonds; and (iii) such other lawful corporate and public purposes as the City shall determine.

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

*Official Statement:* The Preliminary Official Statement dated \_\_\_\_\_, 2012 has been deemed final by the City for purposes of paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") but is subject to revision, amendment and completion in a final Official Statement as provided in the Rule. The Preliminary Official Statement is available via internet at \_\_\_\_\_. The City will furnish the successful bidder with a sufficient number of copies of the final Official Statement in order to allow the bidder to comply with the Rule, without charge, within seven working days of the acceptance of a bid for the Bonds.

*Continuing Disclosure:* The City has entered into a contract with Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent for the benefit of the Bondholders and in order to provide certain continuing disclosure with respect to obligations of the City 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. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement.

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

*Certificate as to Issue Price:* The successful bidder for the Bonds must provide a certificate to the City not later than two business days following the sale date, and confirmed by a certificate delivered at closing, stating the initial reoffering price of the Bonds to the public (excluding bond houses and brokers) and the price at which a substantial amount of the Bonds were sold to the public, in form satisfactory to Bond Counsel. A sample copy of such a certificate may be obtained upon request from Bond Counsel.

*Delivery:* The Bonds will be delivered on or about \_\_\_\_\_, 2012, through the facilities of DTC at the expense of the City, or at such other place as may be agreed upon with the purchasers at the expense of the purchaser. The balance of the purchase price then due must be paid in Federal funds or other immediately available funds. The cost of preparing the Bonds will be borne by the City.

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

*Additional Information:* Persons seeking information should communicate with:

William H. Ellis  
Finance Director  
City of Columbia  
1136 Washington Street  
P.O. Box 147  
Columbia, SC 29217  
803/545-3406 (phone)  
whellis@columbiasc.net

Brenton J. Robertson, Esq.  
Senior Vice President  
Merchant Capital, L.L.C.  
1201 Main Street  
Suite 1600  
Columbia, SC 29201  
803/737-0062 (phone)  
brent.robertson@merchantcapital.com

*This Notice is given to evidence the City's intent to receive bids for and award the Bonds on the date stated above. Such sale may be rescheduled prior to the time bids are to be received through notice disseminated via Thomson Municipal Market Monitor, Bloomberg, or other electronic information service at least 48 hours in advance. If canceled, the sale may be thereafter rescheduled within 60 days of the date of the publication of the summary of this Official Notice of Sale in \_\_\_\_\_ on \_\_\_\_\_, 2012., and notice of such rescheduled date of sale will be posted at least 48 hours prior to the time for receipt of bids through Thomson Municipal Market Monitor, Bloomberg, or other electronic information service.*

Mayor, City of Columbia

**DISCLOSURE DISSEMINATION AGENT AGREEMENT**

This Disclosure Dissemination Agent Agreement (the "Disclosure Agreement"), dated as of November \_\_, 2012, is executed and delivered by the City of Columbia, South Carolina (the "Issuer") and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the "Disclosure Dissemination Agent" or "DAC") for the benefit of the Holders (hereinafter defined) of the Obligations (hereinafter defined) and in order to provide certain continuing disclosure with respect to the Obligations in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the "Rule").

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

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

"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.

"Annual Report" means an Annual Report described in and consistent with Section 3 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.

"Certification" means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Voluntary Report or Notice Event notice delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Voluntary Report or Notice Event notice required to be submitted to the Repository 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 Obligations and the 9-digit CUSIP numbers for all Obligations to which the document applies.

"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.

"Disclosure Representative" means the Finance Director of the Issuer or his or her designee, or such other person as the Issuer shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

"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 Obligations (including persons holding Obligations through nominees, depositories or other intermediaries) or (b) treated as the owner of any Obligations for federal income tax purposes.

"Information" means the Annual Financial Information, the Audited Financial Statements (if any) the Notice Event notices, and the Voluntary Reports.

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

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

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

“Repository” means the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access (“EMMA”) system at [www.emma.msrb.org](http://www.emma.msrb.org).

“Trustee” means the institution identified as such in the document under which the Obligations were issued.

“Voluntary Report” means the information provided to the Disclosure Dissemination Agent by the Issuer pursuant to Section 7.

## 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 Repository not later than seven months after the end of each fiscal year of the Issuer, commencing with the fiscal year ending June 30, 2012. 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 Repository in substantially the form attached as Exhibit B.

(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 Repository in substantially the form attached as Exhibit B.

(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 Repository.

(e) The Disclosure Dissemination Agent shall:

(i) determine the name and address of each Repository each year prior to the Annual Filing Date;

(ii) upon receipt, promptly file each Annual Report received under Section 2(a) with the Repository;

(iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the Repository;

(iv) upon receipt, promptly file the text of each disclosure to be made with the Repository together with a completed copy of the MSRB Material Event Notice Cover Sheet in the form attached as Exhibit C, describing the event by checking the box indicated below when filing pursuant to the Section of this Disclosure Agreement indicated:

1. "Principal and interest payment delinquencies," pursuant to Sections 4(c) and 4(a)(1);
2. "Non-Payment related defaults," pursuant to Sections 4(c) and 4(a)(2);
3. "Unscheduled draws on debt service reserves reflecting financial difficulties," pursuant to Sections 4(c) and 4(a)(3);
4. "Unscheduled draws on credit enhancements reflecting financial difficulties," pursuant to Sections 4(c) and 4(a)(4);
5. "Substitution of credit or liquidity providers, or their failure to perform," pursuant to Sections 4(c) and 4(a)(5);
6. "Adverse tax opinions or events affecting the tax-exempt status of the security," pursuant to Sections 4(c) and 4(a)(6);
7. "Modifications to rights of securities holders," pursuant to Sections 4(c) and 4(a)(7);
8. "Obligation calls," pursuant to Sections 4(c) and 4(a)(8);
9. "Defeasances," pursuant to Sections 4(c) and 4(a)(9);
10. "Release, substitution, or sale of property securing repayment of the securities," pursuant to Sections 4(c) and 4(a)(10);
11. "Ratings changes," pursuant to Sections 4(c) and 4(a)(11);
12. "Failure to provide annual financial information as required," pursuant to Section 2(b)(ii) or Section 2(c), together with a completed copy of Exhibit B to this Disclosure Agreement;
13. "Other material event notice (specify)," pursuant to Section 7 of this Agreement, together with the summary description provided by the Disclosure Representative.

(v) 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, Trustee (if any) and the Repository, 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 following information provided in the Official Statement:

- (a) Market Value/Assessment Summary of taxable property in the City;
- (b) Tax levy for the City for current fiscal year;
- (c) Tax collections for the City for preceding fiscal year;
- (d) Ten largest taxpayers for City for preceding fiscal year;
- (e) Debt service requirements for the next succeeding five years.

(b) Audited Financial Statements prepared in accordance with generally accepted accounting principles ("GAAP") as described in the Official Statement will be included in the Annual Report. Unaudited financial statements, prepared in accordance with GAAP will be included in the Annual Report. Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Issuer is an "obligated person" (as defined by the Rule), which have been previously filed with the Repository or the Securities and Exchange Commission. 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 Obligations constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements relating to the Obligations reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions or events affecting the tax-exempt status of the Obligations;
7. Modifications to rights of Holders of the Obligations;
8. Obligation calls;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Obligations;
11. Rating changes on the Obligations; and
12. Failure to provide annual financial information as required.

The Issuer shall promptly notify the Disclosure Dissemination Agent in writing upon the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence

pursuant to subsection (c). Such notice shall be accompanied with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information.

(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 five business days of receipt of such notice, 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), together with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information.

(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 the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access ("EMMA") system at [www.emma.msrb.org](http://www.emma.msrb.org).

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, notices of Notice Events, and Voluntary Reports filed pursuant to Section 7(a), the Issuer shall indicate the full name of the Obligations and the 9-digit CUSIP numbers for the Obligations 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 information with the Repository, from time to time pursuant to a Certification of the Disclosure Representative accompanying such information (a "Voluntary Report").

(b) 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, Annual Financial Statement, Voluntary Report or Notice Event notice, in addition to that required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report, Annual Financial Statement, Voluntary Report or Notice Event notice 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, Annual Financial Statement, Voluntary Report or Notice Event notice.

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 Obligations upon the legal defeasance, prior redemption or payment in full of all of the Obligations of such issue, when the Issuer is no longer an obligated person with respect to the Obligations, or upon delivery

by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of nationally recognized special tax 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 Obligations. 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 Obligations or under any other document relating to the Obligations, and all rights and remedies shall be limited to those expressly stated herein.

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

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Obligations 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.

TO THE EXTENT PERMITTED BY LAW, THE ISSUER AGREES TO INDEMNIFY AND SAVE THE DISCLOSURE DISSEMINATION AGENT AND ITS RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS, HARMLESS AGAINST ANY LOSS, EXPENSE AND LIABILITIES WHICH THEY MAY INCUR ARISING OUT OF OR IN THE EXERCISE OR PERFORMANCE OF THEIR POWERS AND DUTIES HEREUNDER, INCLUDING THE COSTS AND EXPENSES (INCLUDING ATTORNEYS FEES) OF DEFENDING AGAINST ANY CLAIM OF LIABILITY, BUT EXCLUDING LIABILITIES DUE TO THE DISCLOSURE DISSEMINATION AGENT'S NEGLIGENCE OR WILLFUL MISCONDUCT.

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 Obligations.

(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 neither of them shall incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The fees and expenses of such counsel shall be payable by the Issuer.

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 Obligations 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 Trustee of the Obligations, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Obligations, 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 New York (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.

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: William H. Ellis  
Title: Finance Director

**EXHIBIT A**

**NAME AND CUSIP NUMBERS OF OBLIGATIONS**

Name of Issuer	City of Columbia, South Carolina
Obligated Person(s)	City of Columbia, South Carolina
Name of Issue:	\$7,545,000 General Obligation Bonds, Series 2012
Date of Issuance:	_____, 2012
Date of Official Statement	_____, 2012

CUSIP Numbers:

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

Issuer: City of Columbia, South Carolina  
Obligated Person: City of Columbia, South Carolina  
Name of Issue: \$7,545,000 General Obligation Bonds, Series 2012  
Date of Issuance: \_\_\_\_\_, 2012

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Obligations as required by the Disclosure Agreement, dated as of November \_\_, 2012, between the Issuer and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. The Issuer has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by \_\_\_\_\_.

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

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

---

cc: Issuer  
Obligated Person

**EXHIBIT C  
MATERIAL EVENT NOTICE COVER SHEET**

This cover sheet and material event notice should be sent to the Repository 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 obligations to which this material event notice relates:

\_\_\_\_\_

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

Description of Material Events Notice (Check One):

1.  Principal and interest payment delinquencies
2.  Non-Payment related defaults
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 or events affecting the tax-exempt status of the security
7.  Modifications to rights of securities holders
8.  Obligation calls
9.  Defeasances
10.  Release, substitution, or sale of property securing repayment of the securities
11.  Rating changes
12.  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.

Address: \_\_\_\_\_

City, State, Zip Code: \_\_\_\_\_

Voice Telephone Number: \_\_\_\_\_

**Please print the material event notice attached to this cover sheet in 10-point type or larger, The cover sheet and notice may be faxed to the MSRB at (703) 683-1930 or sent to CDINet, Municipal Securities Rulemaking Board, 1900 Duke Street, Suite 600, Alexandria, VA 22314. Contact the MSRB at (703) 797-6600 with questions regarding this form or the dissemination of this notice.**

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

I, the undersigned, Clerk of the City Council of the City of Columbia, South Carolina, DO HEREBY CERTIFY:

That the foregoing constitutes a true, correct, and verbatim copy of an Ordinance duly adopted on second reading by the City Council of the City of Columbia, South Carolina (the "City Council") on September 4, 2012. The Ordinance was given its first reading by the City Council on August 21, 2012. That each of said meetings was duly called, and all of the members of the City Council were notified of the same. At each of said meetings, a quorum of the City Council was present and remained present throughout the proceedings incident to the adoption of this Ordinance.

The meetings held on August 21, 2012 and September 4, 2012 were regular meetings of the City Council for which notice had been previously given pursuant to and in conformity with Chapter 4, Title 30 of the Code of Laws of South Carolina 1976, as amended (the "Freedom of Information Act"). The agenda for each meeting was posted at least 24 hours prior to the commencement thereof at a prominent place at the City's administrative offices, and each agenda as posted included the consideration of the Ordinance.

The original of the Ordinance is duly entered in the permanent record of minutes of meetings of said City Council, in my custody as such Clerk.

That the said Ordinance is now in full force and effect and has not been modified, amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my Hand this \_\_\_\_ day of \_\_\_\_\_, 2012.

(SEAL)

\_\_\_\_\_  
Clerk of the City Council of Columbia,  
South Carolina