

ORDINANCE NO. 2004-1

AN ORDINANCE AUTHORIZING THE LEASE OF A PORTION OF T- HANGAR
BUILDING "C" LOCATED AT THE ORANGEBURG MUNICIPAL AIRPORT TO THE
NEW HAWTHORNE AVIATORS EAA CHAPTER 1367.

NOW THEREFORE BE IT ORDAINED BY CITY COUNCIL DULY ASSEMBLED,
that the City of Orangeburg lease to the New Hawthorne Aviators EAA Chapter 1367 the
property described in the attached lease for the annual rental of Sixty and No/100 (\$60.00)
Dollars for a period of three (3) years, subject to the terms and conditions of the Lease
Agreement attached hereto.

BE IT FURTHER ORDAINED, that John H. Yow, City Administrator is hereby
authorized to execute and deliver the attached Lease Agreement and any and all other
documents necessary to complete this transaction.

Description of property to be leased:

Hangar measuring 40' x 22' at the north end of T-
Hangar Building "C" located at the Orangeburg
Municipal Airport, at 1811 Airport Road,
Orangeburg, South Carolina, 29115

DONE AND RATIFIED BY THE CITY OF ORANGEBURG, STATE OF SOUTH
CAROLINA THIS 20th DAY OF JANUARY, 2004.



Mayor

[Signature]
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]

Members of Council

ATTEST:

[Signature]
City Clerk



ORDINANCE NO. 2004- 2

AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF COMBINED PUBLIC UTILITY SYSTEM REVENUE BONDS OF THE CITY OF ORANGEBURG, SOUTH CAROLINA, AND OTHER MATTERS RELATING THERETO

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

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ARTICLE I
FINDINGS OF FACT

Section 1.01. Recitals and Statement of Purpose.

Incident to the adoption of this ordinance, and the issuance of the bonds provided for herein, the City Council of the City of Orangeburg, South Carolina ("Council") finds, as a fact, that each of the statements hereinafter set forth is in all respects true and correct.

- (A) The City of Orangeburg, South Carolina (the "City") is a municipal corporation of the State of South Carolina (the "State"), located in Orangeburg County, South Carolina (the "County") and as such possesses all general powers granted by the Constitution and statutes of the State to municipal corporations, including the power to possess and operate utility systems.
- (B) Pursuant to elections heretofore duly held in Orangeburg, and in full compliance with the Constitution and Statutes of the State of South Carolina, Orangeburg became authorized, and did afterwards acquire, a Waterworks System, a Sewer System, and an Electric Light System.
- (C) Heretofore by Ordinance adopted on the 10th day of August, 1948, and in pursuance with the authorization vested in the City Council of Orangeburg by the Statute now codified as Section 6-21-40, Code of Laws of South Carolina, 1976, the three utility systems above referred to have been combined into a single system designated as Combined Public Utility System of the City of Orangeburg (herein called the "System").
- (D) Pursuant to an Ordinance adopted February 26, 1954, a natural gas system was constructed as an improvement to the System.
- (E) The System, which is comprised of the four units above referred to, is operated as the Department of Public Utilities under the control of the City Council of Orangeburg and serves persons residing in Orangeburg and in the territory surrounding Orangeburg.
- (F) The System operates on a fiscal year which begins October 1 and ends September 30.
- (G) The revenues derived from the System have not been hypothecated and pledged to the payment of any outstanding obligations.
- (H) The City contemplates improvements to the System in the future and has determined that such improvements should be financed in part through the issuance of revenue bonds.
- (I) On the basis of the foregoing, it has been determined to adopt an ordinance which permits the issuance of revenue bonds.

ARTICLE II
DEFINITIONS, CONSTRUCTION AND INTERPRETATIONS

Section 2.01. Definition of Ordinance.

This ordinance may be hereafter cited and is hereafter sometimes referred to as the Bond Ordinance; such term shall include all ordinances and Series Ordinances supplemental to, or amendatory of, this ordinance.

Section 2.02. Defined Terms.

In the Bond Ordinance, including Article I, unless a different meaning clearly appears from the context, the following terms shall have the following respective meanings:

"Accountant" shall mean an independent firm of certified public accountants of suitable standing who audit the books, records, and accounts of the City.

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

days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date, and (2) the difference between the Accreted Values for such Valuation Dates.

"Annual Principal and Interest Requirement" shall mean, with respect to any Series of Bonds, the amount required to pay principal of, redemption premium, if any, and interest on, (whether pursuant to a maturing principal installment or redemption requirements applicable thereto) such outstanding Bonds becoming due in such Fiscal Year; provided (i) with respect to Balloon Indebtedness the amount of the principal which would be payable in such period shall be computed as if such principal were amortized from the date of incurrence thereof over a period of 20 years (or, if the term thereof is less than 20 years, over a period equal to such term) on a level debt service basis at an interest rate equal to the rate borne by such Balloon Indebtedness on the date calculated, except that if the date of calculation is within 12 months of the actual maturity of such Balloon Indebtedness, the full amount of principal payable at maturity shall be included in such calculation; and (ii) the interest on Variable Rate Indebtedness shall be calculated at the highest variable rate borne over the preceding 24 months by outstanding Variable Rate Indebtedness (issued under the Bond Ordinance) or, if no such Variable Rate Indebtedness is at the time outstanding under the Bond Ordinance, by variable rate debt for which the interest rate is computed by reference to an index comparable to that to be utilized in determining the interest rate for the debt then proposed to be issued. There shall be included in this definition the principal and interest portions of the Accreted Value of Capital Appreciation Bonds becoming due at maturity or by virtue of redemption requirements applicable thereafter.

"Authorized Investments" shall mean, these investments permitted by Section 6-5-10, Code of Laws of South Carolina 1976, as now or hereafter amended.

"Authorized Officer" shall mean the Manager of the Public Utility System of the City of Orangeburg 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.

"Balloon Indebtedness" shall mean indebtedness in the form of Bonds 25% or more of the principal payments of which are due in a single year, which portion of the principal is not required by the instrument authorizing the issuance of such indebtedness to be amortized by redemption prior to such maturity date.

"Bond Payment Date" shall mean each April 1 and October 1 (or such other dates as shall be prescribed by any applicable Series Ordinance) on which interest on any of the Bonds shall be payable or on which both principal and interest shall be payable on any of the Bonds according to their respective terms.

"Bond Ordinance" shall mean this ordinance which shall include all ordinances and Series Ordinances supplemental to, or amendatory of, this ordinance.

"Bondholders" or "Holder", or any similar term, when used with reference to a Bond or Bonds, shall mean any person who shall be the registered owner of any Outstanding Bond.

"Bonds" or "Additional Bonds" shall mean the Bonds payable from the revenues of the System described in Section 4.02 of the Bond Ordinance issued in accordance with the provisions of the Bond Ordinance.

"Capital Appreciation Bonds" shall mean any Bonds as to which interest is payable only at the maturity or prior redemption of such Bonds. For the purposes of (i) receiving payment of the redemption price of a Capital Appreciation Bond that is redeemed prior to maturity, (ii) receiving payment of a Capital Appreciation Bond if the principal of all Bonds is declared immediately due and payable following an Event of Default as provided in Section 13.01 of this Ordinance, or (iii) computing the principal amount of Bonds held by the Holder of a Capital Appreciation Bond in giving any notice, consent, request or demand pursuant to this Ordinance for any purpose whatsoever, the principal amount of a Capital Appreciation Bond shall be deemed to be its Accreted Value.

"City" shall mean the City of Orangeburg, South Carolina.

"City Council" shall mean the City Council of the City of Orangeburg, the governing body of the City.

"Clerk" shall mean the Clerk of the City Council. The term shall include the Acting Clerk or the Assistant Clerk whenever, by reason of absence, illness or other reason, the person who is the Clerk is unable to act.

"Code" shall mean the Internal Revenue Code of 1986, as amended, or any successor Internal Revenue Code, and the Treasury Regulations issued thereunder, in each case, as from time to time in force.

"Consulting Engineers" shall mean any independent firm of consulting engineers having skill and experience in the operation of utilities.

"Custodian" as applied to any fund created or continued by the Bond Ordinance means the bank or other financial institution with which such fund shall be deposited as directed by the Manager of Public Utilities and whose duties with respect thereto shall be as defined herein.

"Date of Issue" shall mean that date established in any Series Ordinance from which interest shall accrue on the Bonds of the applicable Series.

"Debt Service Fund" shall mean the fund herein so designated and designed to provide for the payment of the principal of and interest on all Bonds issued pursuant to the Bond Ordinance, as the same respectively fall due, and as established by the provisions of Section 7.04 hereof.

"Debt Service Reserve Fund" shall mean any fund so designated pursuant to a Series Ordinance and intended to provide a reserve for the payment of Bonds of a Series Outstanding and issued pursuant to this Bond Ordinance and to provide for the redemption of such Series of Outstanding Bonds prior to their stated maturity as provided in Section 7.05 hereof.

"Department of Public Utilities" shall mean the department of the City which operates the System under the control of City Council.

"Depreciation and Contingent Fund" shall mean the fund designed to provide for contingencies, the replacement of depreciated or obsolete parts of the System and for improvements, betterments and extensions of the System, as established by the provisions of Section 7.06 hereof.

"Enabling Act" shall mean Chapter 21 of Title 6, Code of Laws of South Carolina, 1976, as amended and all other statutory authorizations authorizing and enabling the City to adopt the Bond Ordinance.

"Fiscal Year" shall mean the period of twelve calendar months, beginning on October 1 of each year, and ending on September 30 of such year unless the same shall have been changed pursuant to the authorization of Section 3.01 hereof.

"Gross Revenue Fund" shall mean the account or accounts which shall be established and maintained by the City in such fashion as to adequately reflect all of the receipts, income and revenues that the City shall derive from the operation of the System and all interest and other income earned by the City, as established by the provisions of Section 7.02 hereof.

"Government Obligations" shall mean and include direct general obligations of the United States of America or obligations, the timely payment of principal or interest on which is fully and unconditionally guaranteed by the United States of America.

"Junior Lien Bonds" shall mean any revenue bonds or other obligations issued by the City which are secured by pledges of and liens on the revenues of the System which are junior and subordinate in all respects to the pledges and liens made to secure Bonds.

"Manager of Public Utilities" shall mean the General Manager of the System.

"Mayor" shall mean the Mayor of the City. The term shall include the Mayor Pro Tem whenever, by reason of absence, illness or other reason, the person who is the Mayor is unable to act.

"Net Earnings" shall mean for the period in question, the net income of the System, determined in accordance with then generally accepted accounting principles, but whether or not generally accepted accounting principles so require:

- (a) revenue derived from service fees (tap-in fees) shall be included in income; and
- (b) there shall be excluded from the calculation made to determine Net Earnings:
 - (i) gains on the sale or other disposition of investments or fixed or capital assets, which do not result from the ordinary course of business,
 - (ii) investment income restricted to a purpose inconsistent with the payment of operating expenses or debt service including (whether or not so restricted) interest earned on any construction fund or construction account created with the proceeds of borrowing by the City, and
 - (iii) any amounts received by way of government grants; and
- (c) there shall be added back to such net income:

- (i) losses on the sale or other disposition of investments or capital assets which do not result from the ordinary course of business,
- (ii) amounts appropriated to the City's General Fund from revenues of the System,
- (iii) depreciation allowances,
- (iv) amounts paid as interest on Bonds, and
- (v) the amortization of financing expenses, underwriting discounts, call premiums, gains or losses on the extinguishment of debt due to the refinancing of the same, and other related or incidental non-recurring expenses resulting from the issuance or refinancing of Bonds.

"Outstanding", when used with reference to the Bonds, shall mean, as of any date, all such Bonds theretofore or then being authenticated and delivered except:

- (a) Bonds cancelled at or prior to such date;
- (b) Bonds in lieu of or in substitution for which other Bonds shall have been executed and delivered;
- (c) Bonds deemed to have been paid as provided in Article XVI hereof; and
- (d) for purposes of any consent or other action to be taken by the holders of a specified percentage of Bonds, Bonds held by, or for the account of the City, or by any person controlling, controlled by, or under common control with the City.

"Paying Agent" shall mean any bank, trust company or national banking association which is authorized to pay the principal or Redemption Price 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 substitutes in its place pursuant to this Ordinance. The institution named as Paying Agent may also act as Registrar.

"Record Date" shall mean the 15th day of the month immediately preceding each Bond Payment Date (or such other time or times as shall be prescribed by any applicable Series Ordinance).

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

"Reserve Requirement" shall mean, as of any date of calculation, the debt service reserve fund requirement, if any, established by a Series Ordinance authorizing a Series of Bonds.

"Revenues" shall mean, whether now or hereafter in effect, all receipts, fees, income and revenue, including investment earnings but excluding ad valorem tax receipts, that the City shall hereafter receive, indirectly or directly, from the ownership of the System, except customer deposits and proceeds of grants.

"Series" shall mean all of the Bonds authenticated and delivered on original issuance in a simultaneous transaction, and any Bonds thereafter authenticated and delivered in lieu of or in substitution or exchange for (but not to refund) such Bonds as herein provided, regardless of variations in maturity, interest rate or other provisions.

"Series Ordinance" shall mean a ordinance of the City authorizing the issuance of a Series of Bonds pursuant to the Bond Ordinance in accordance with the terms and provisions hereof, adopted by City Council in accordance with Sections 4.01 (A) and (B) hereof.

"Special Facilities Bonds" shall mean those obligations described in and issued in accordance with Section 6.02 hereof.

"State" shall mean the State of South Carolina.

"System" shall mean (a) the existing Waterworks System of the City; (b) the existing Sewage Disposal System of the City; (c) the existing Electric Light Distribution System of the City; (d) the existing Natural

Gas System of the City; (e) all lands, rights-of-way and easements used in connection with each of the foregoing; (f) all supplies, tools, equipment, apparatus and appurtenances incident to any of the foregoing; (g) all enlargements, improvements, extensions, additions, replacements and betterments to any of the foregoing; and (h) all interest in any of the foregoing that the City may at any time have; provided that the term "System" shall not include facilities or systems acquired or constructed with the proceeds of Special Facilities Bonds during such time as the Special Facilities Bonds issued to finance such facilities are outstanding.

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

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

Section 2.03. Interpretations.

In the Bond Ordinance, unless the context otherwise requires:

- (A) Articles, Sections and Paragraphs referred to by number shall mean the corresponding Articles, Sections and Paragraphs of the Bond Ordinance.
- (B) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations, or other legal entities, including public bodies, as well as natural persons.
- (C) The terms "hereby", "hereof", "hereto", "herein", "hereunder", and any similar terms, as used in the Bond Ordinance refer to the Bond Ordinance or Sections or Paragraphs of the Bond Ordinance and the term "hereafter" means any date after the date of adoption of the Bond Ordinance.
- (D) References to the payment of principal of bonds shall be deemed to include payment of principal both at maturity and by mandatory redemption pursuant to any sinking fund payment obligations.
- (E) Any fiduciary shall be deemed to hold an Authorized Investment in which money is invested pursuant to the provisions of the Bond Ordinance, even though such Authorized Investment is evidenced only by a book entry or similar record of investment.

ARTICLE III FISCAL YEAR

Section 3.01. Establishment and Modification of Fiscal Year.

The System shall continue to be operated on a Fiscal Year basis, which, until changed, shall commence on the first day of October of each year and shall end on the thirtieth day of September of the succeeding year. The Fiscal Year may be changed from that now existing to a different twelve-month period as prescribed by law.

ARTICLE IV THE BONDS

Section 4.01. Authorization for Bonds in Series.

- (A) From time to time and for the purposes of:
 - (1) Obtaining funds for the expansion and improvement of the System;
 - (2) Providing funds for the payment of any bond anticipation note or notes that may have been issued in anticipation of the issuance and sale of Bonds; and
 - (3) Refunding Bonds or other obligations issued to provide land or facilities which are or are to become a part of the System or which are or were payable in whole or in part from revenues of the System,

but subject to the terms, limitations and conditions herein, the City may authorize the issuance of a Series of Bonds by the adoption of a Series Ordinance, and the Bonds of any such Series may be issued and delivered upon compliance with the provisions of this Article. When so issued and delivered, such Series of Bonds

shall be on a parity in all respects inter sese, notwithstanding that they may be in different form and bear different interest rate, number, date of execution or date of delivery; and in all such instances, the pledge of the revenues made hereafter, the statutory lien herein granted, and the covenants and remedies applicable to the Holders of the Bonds shall be applicable and available to the Holders of such Bonds. But no Bonds shall be issued unless in full compliance with all of the conditions imposed by the remaining Sections of this Article IV.

The Bonds of each Series shall be issued in fully registered form. The Bonds shall, in addition to the title City of Orangeburg, South Carolina, Combined Public Utility System Revenue Bonds, bear a letter or number Series designation as may be necessary to distinguish them from the Bonds of every other Series and shall designate the year in which the Series is issued. Bonds of any Series may be authorized to be issued in the form of serial Bonds or term Bonds, with or without mandatory sinking fund payments, or both.

- (B) Each Series Ordinance shall include a determination by the City to the effect that the issuance of such Series of Bonds is necessary to provide funds to be used and expended to acquire or construct improvements to the System or to refund Bonds. In addition each Series Ordinance shall specify and determine:
- (1) The Date or dates of Issue of such Series of Bonds;
 - (2) The precise principal amount of the Series of Bonds;
 - (3) The specific purposes for which the proceeds of such Series will be used;
 - (4) The title and designation of the Bonds of such Series and manner of numbering and lettering, and the denomination or denominations of the Bonds of such Series;
 - (5) The date or dates of maturity and the amounts thereof;
 - (6) The interest rate or rates, or the manner of determining such rate or rates, of the Bonds of such Series including the extent to which Variable Rate Indebtedness is issued and if such Variable Rate Indebtedness is issued, the extent to which an interest rate cap or other financial structure customarily employed in such a borrowing will be used;
 - (7) The time for the payment of interest on the Bonds in such Series and the Record Date;
 - (8) The redemption price or redemption prices and the redemption date or redemption dates and other terms of redemption (if any) applicable to any of the Bonds of such Series for such payments;
 - (9) The Registrar and the Paying Agent for such Bonds;
 - (10) The portion of such Series that are serial Bonds and that are term Bonds, if any, including the amount and date of each mandatory redemption or sinking fund installment, if any, required by such Series Ordinance to be paid for the retirement of any such Bonds;
 - (11) The portion of such Series that are Capital Appreciation Bonds, if any, including the time for payment of such Capital Appreciation Bonds in order to address the information requested in paragraphs (7) and (8) above;
 - (12) Any other applicable redemption requirement for the Bonds of such Series and the method of satisfying the same;
 - (13) The manner in which Bonds of such Series are to be sold and provisions for the sale thereof;
 - (14) The form or forms for the Bonds of such Series;
 - (15) That the then applicable Reserve Requirement, if any, has been or will be met;
 - (16) The disposition of the proceeds of the sale of the Bonds of such Series and the manner of their application; and
 - (17) Any other provisions deemed advisable by the City not in conflict with or in substitution for the provisions of the Bond Ordinance and the Series Ordinance relating to the Bonds of such Series.

Section 4.02. Conditions to Issuance of Bonds of a Series.

- (A) Except with respect to the first Series of Bonds to be issued pursuant to the Bond Ordinance, to which no limitations shall apply, all Bonds shall be issued in compliance with the following provisions of this Section 4.02:
- (1) There shall exist, on the occasion of the issuance of the Bonds, no default in the payment of the principal of or interest on any Bonds or Junior Lien Bonds then Outstanding;
 - (2) Unless on the date of delivery of such Series of Bonds there shall be on deposit an amount equal to the Reserve Requirement for all Bonds to be Outstanding immediately following the issuance of such Series of Bonds, there shall be deposited in the Debt Service Reserve Fund such amount, if any, as is necessary to make the value of the moneys and securities in the Debt Service Reserve Fund equal to the Reserve Requirement; and
 - (3) Except in the case of Bonds issued for the purpose of refunding any Bonds, Net Earnings during the Fiscal Year immediately preceding the Fiscal Year in which such Series of Additional Bonds are to be issued shall be, as established in a certificate of independent certified public accountants, not less than 120% of the highest combined Annual Principal and Interest Requirement for any succeeding Fiscal Year on all Bonds Outstanding and all Bonds then proposed to be issued. It is specifically provided that the calculation of Net Earnings may be adjusted to reflect any rate increases currently adopted and to be in effect prior to or coincident with the issuance of such Additional Bonds, and determined pro forma as though such rate increases had been in continuous effect during such preceding fiscal year, and further adjusted to reflect estimated Net Earnings, as certified to the City by a Consulting Engineer to be received from any new or existing utility system or customers to be acquired from the proceeds of such Additional Bonds, and further adjusted to reflect 80% of estimated Net Earnings, as certified to the City by a Consulting Engineer to be received from construction of any new facilities or customers to be acquired as a result of construction of such new facilities, shall be not less than 125% of the highest Annual Principal and Interest Requirement for all Bonds then outstanding and then proposed to be issued and not less than 100% of debt service requirements coming due on all outstanding Junior Lien Bonds during the fiscal year in which such Additional Bonds are to be issued. Such calculation shall be made by an independent firm of Consulting Engineers having skill and experience in utility financing and rate design, upon the basis of a report of the accountants of the City showing actual Net Earnings for the fiscal year preceding the fiscal year in which such series of Additional Bonds are to be issued. In addition, in determining Net Earnings for purposes of this subparagraph, the customer base of the System at the end of such preceding fiscal year may be assumed to be the customer base for the entire fiscal year.
- (B) In the case of Bonds issued for the purpose of refunding any Bonds either:
- (1) The Annual Principal and Interest Requirements of the Refunding Bonds shall not exceed the annual Principal and Interest Requirements of the Refunded Bonds until a time subsequent to the last maturity of Bonds not refunded and which remain Outstanding following the issuance of the Refunding Bonds; or
 - (2) The City shall comply with the earnings test prescribed by paragraph (3) of the preceding subsection (A).

Section 4.03. Reliance Upon Certificates Establishing Net Earnings.

The City and any purchaser of any Bonds shall be entitled to rely upon certificates of Accountants as to Net Earnings as set forth in Section 4.02(A)(3) above and the reports of the Consulting Engineers, made in good faith, pursuant to any provision of this Article.

Section 4.04. Execution of Bonds.

- (A) Unless otherwise prescribed by any Series Ordinance, the Bonds shall be executed in the name of and on behalf of the City by the Mayor, the corporate seal of the City shall be impressed or reproduced thereon and the same shall be attested by the Clerk of City Council. Such officers may employ facsimiles of their signatures.

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

Section 4.05. Authentication.

Only such Bonds as shall have endorsed thereon a certificate of authentication duly executed by the Registrar shall be entitled to any right or benefit under the Bond Ordinance. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Registrar, and such executed certificate of the Registrar upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under the Bond Ordinance. The Registrar's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by any authorized officer of the Registrar.

Bonds may be issued pursuant to a book entry system administered by a securities depository to be named in a Series Ordinance with no physical distribution of Bond certificates to be made. Any provision hereof or of the Bonds requiring physical delivery of the Bonds shall with respect to any Bonds held under the book entry system, be deemed to be satisfied by notation on the Register maintained by the Securities Depository. The Securities Depository shall be the institution so designated in any Series Ordinance or amendments thereto.

Section 4.06. Denominations; Medium of Payment.

All Bonds, unless otherwise prescribed in the applicable Series Ordinance, shall be issued in denominations of \$5,000 or any integral multiple thereof (or in the case of Capital Appreciation Bonds, in denominations representing \$5,000 Accreted Value at maturity or integral multiples thereof), provided that, upon partial redemption of a Bond requiring surrender thereof and the issuance of a new Bond, such new Bond may be in the denomination of the unredeemed balance. The Bonds shall be payable with respect to principal, interest, and premium, if any, in lawful money of the United States of America. The principal of and redemption premium (if any) on the Bonds (and interest on any Capital Appreciation Bonds) shall be payable when due in lawful money of the United States of America upon presentation and surrender of such Bonds at the principal office of the Paying Agent. Payment of interest on Bonds other than Capital Appreciation Bonds shall be made by check or draft drawn upon the Paying Agent and mailed to the registered Holder as of the Record Date at his address as it appears on the bond registration books maintained by the Registrar. The Registrar shall maintain a record of the amount and date of any payment of principal and/or interest on the Bonds (whether at the maturity date or the redemption date prior to the maturity or upon the maturity thereof by declaration or otherwise).

Section 4.07. Mutilated, Lost, Stolen or Destroyed Bonds.

In the event any Bond is mutilated, lost, stolen or destroyed, the City may execute and the Registrar may authenticate a new Bond of the same Series of like date, maturity and denomination as that mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Registrar, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the City and to the Registrar evidence of such loss, theft or destruction satisfactory to the City and the Registrar together with indemnity satisfactory to them. In the event any such Bond shall have matured, instead of issuing a duplicate Bond, the City may pay the same. The City and the Registrar may charge the Holder or owner of such Bond with their reasonable fees and expenses in this connection.

Section 4.08. Transfer and Registry; Persons Treated as Owners.

- (A) As long as any Bonds shall be Outstanding, the City shall cause books for the registration and for the transfer of Bonds to be kept. Such books shall be kept by the Registrar. The transfer of each Bond may be registered only upon the registration books of the City kept for that purpose by the Holder thereof in person or by his duly authorized attorney upon surrender thereof and an assignment with a written instrument of transfer satisfactory to the Registrar duly executed by the Holder or his duly authorized attorney. Upon the registration or transfer of any Bond, the City shall cause to be issued, subject to the provisions of Section 4. 11 hereof, in the name of the transferee a new Bond or Bonds of the same aggregate principal amount, maturity and interest rate as the surrendered Bond.
- (B) The City and any Registrar may deem and treat the person in whose name any Bond shall be registered upon the registration books of the City as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of, premium (if any) and interest on such Bond and for all other purposes, and all such payments so made to any such Holder or, upon his order, 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 the Registrar shall be affected by any notice to the contrary.

Section 4.09. Date and Payment Provisions.

Each Bond of a Series shall bear interest from its date and shall be dated as of the interest payment date next preceding the date of its authentication, unless authentication shall be upon an interest payment date, in which case it shall be dated as of the date of its authentication, or unless authentication shall precede the first payment of interest on the Bonds of such Series, in which case it shall be dated as of the date selected by the City for the initial dating of the Bonds of such Series; provided, however, that if at the time of authentication of any Bond, any interest on such Bond is in default, such Bond shall be dated as of the date to which interest on such Bond has been paid, and provided, further, however, Capital Appreciation Bonds may bear interest and be dated upon such terms and conditions as shall be established in the applicable Series Ordinance.

Section 4.10. Interchangeability of Bonds.

Bonds of a Series, upon surrender or exchange thereof at the office of the Registrar for the Bonds of such Series with a written instrument of transfer satisfactory to the Registrar, duly executed by the Holder or his duly authorized attorney, may, at the option of the Holder and upon payment by such Holder of any charges made pursuant to Section 4.11 hereof, be exchanged for an equal aggregate principal amount of Bonds of such Series of any other authorized denominations.

Section 4.11. Regulations With Respect to Exchanges and Transfer.

In all cases in which the privilege of exchanging or transferring Bonds is exercised, the City shall execute and the Registrar, as the case may be, shall authenticate and deliver Bonds in accordance with the provisions of the Bond Ordinance. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled and destroyed and shall not be reissued, and a counterpart of the certificate of destruction evidencing such destruction shall be furnished by the Registrar to the City. All Bonds so destroyed shall thereafter no longer be considered Outstanding for any purposes of the Bond Ordinance. There shall be no charge to the Holder for such exchange or transfer of Bonds except that the Registrar may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or transfer. Neither the City nor the Registrar shall be required (a) to register, transfer or exchange Bonds of a Series after the Record Date until after the mailing of any notice of redemption or (b) to register, transfer or exchange any Bonds called for redemption.

Section 4.12. Cancellation and Destruction of Mutilated, Paid or Surrendered Bonds.

Upon the surrender of mutilated Bonds pursuant to Section 4.07 hereof, or Bonds paid or surrendered, the same shall be cancelled and destroyed and shall not be reissued, and a counterpart of the certificate evidencing such destruction shall be furnished by the Registrar to the City. All Bonds so destroyed shall thereafter no longer be considered Outstanding for any purposes of the Bond Ordinance.

Section 4.13. Notice of Redemption.

If any of the Bonds, or portions thereof, are called for redemption, the Registrar shall give notice to the Holders of any Bonds to be redeemed, in the name of the City, of the redemption of such Bonds, or portions thereof, which notice shall specify the Bonds to be redeemed, the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the Bonds of such Series are to be redeemed, the numbers of the Bonds so to be redeemed, and, in the case of Bonds to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed. Such notice shall be given by mailing a copy of the redemption notice by first class mail at least 30 days prior to the date fixed for redemption to the Holder of each Bond to be redeemed, at the address shown on the registration books; provided, however, that failure to give such notice by mail, or any defect in the notice mailed to the Holder of any Bond, shall not affect the validity of the proceedings for the redemption of any other Bond. Provided funds for their redemption are on deposit with the Paying Agent, all Bonds so called for redemption shall cease to bear interest on the specified redemption date and shall no longer be deemed to be Outstanding hereunder. If said money shall not be so available on the redemption date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption. In the event of a redemption at the option of the City, the City shall give the Registrar notice of its intent to redeem not less than 60 days prior to the redemption date.

Section 4.14. Cancellation of Bonds Which Have Been Redeemed.

All Bonds which have been redeemed shall be cancelled and destroyed by the Registrar and shall not be reissued, and a counterpart of the certificate of destruction evidencing such destruction shall be furnished by

the Registrar to the City. All Bonds so destroyed shall thereafter no longer be considered Outstanding for any purposes of the Bond Ordinance.

Section 4.15. Selection of Bonds To Be Redeemed.

In the event of redemption of less than all of the Bonds of a Series of any maturity, the Bonds or portions of Bonds to be redeemed, shall be redeemed in inverse order of maturity and shall be selected not less than 45 days prior to the date fixed for redemption by lot by the Registrar; provided, however, that the portion of any Bond of a denomination which is larger than the minimum denomination for the Bonds of such Series shall be in the principal amount of such minimum denomination or a multiple thereof, and that, in selecting portions of such Bonds for redemption, the Registrar shall treat such Bond as representing that number of Bonds of minimum denomination which is obtained by dividing the principal amount of such Bond to be redeemed in part by the amount of the minimum denomination. If there shall be drawn for redemption less than all of a Bond, the City shall execute and the Registrar shall authenticate and deliver, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of the Bond so surrendered, Bonds of the same Series in any authorized denomination.

Section 4.16. Purchase of Bonds.

Any Fiduciary shall, if and to the extent applicable, purchase Bonds at the written direction of the City at such time, in such manner and at such price as may be specified by the City. Such Fiduciary may so purchase Bonds with any money then on hand by the Fiduciary which is available for the redemption or purchase of Bonds and in excess of that set aside for the payment of Bonds called for excess of that set aside for the payment of Bonds called for redemption; provided, that the Fiduciary is provided with an opinion of counsel (who may be acceptable to the Fiduciary) to the effect that such redemption or purchase complies with any limitations or restrictions on such redemption or purchase contained in the Bond Ordinance.

Section 4.17. Tax-Exempt Status of Bonds.

The Bonds and the interest thereon shall be exempt from all State, county, municipal, school district, and all other taxes or assessments of the State, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate or transfer taxes. The provisions of this Section shall be deemed a part of the contract inuring to the benefit of all Holders or beneficiaries of said Bonds.

Section 4.18. Security for Payment of Bonds; Priority of Lien.

The Bonds shall be payable solely from, and shall be secured by a pledge of and a lien upon, that portion of the Revenues which shall remain after paying the cost of the operation and maintenance of the System. Such pledge securing the Bonds shall remain superior to pledges made to secure any bonds or other obligations payable from the Revenues.

ARTICLE V
RATES AND CHARGES

Section 5.01. Rate Covenant.

- (A) The City specifically covenants and agrees to operate the System in an efficient and economical manner and maintain, levy, revise and collect rates and charges for all services furnished by the System which shall at all times be sufficient:
 - (1) To provide for the payment of the expenses of administration and operation and such expenses for maintenance of the System as may be necessary to preserve the same in good repair and working order;
 - (2) To provide for the punctual payment of the principal of and interest on all Bonds and all Junior Lien Bonds that may from time to time hereafter be Outstanding;
 - (3) To maintain the Debt Service Fund and thus provide for the punctual payment of the principal of and interest on the Bonds;
 - (4) To maintain the Debt Service Reserve Funds, if any, established in the applicable Series Ordinance, in the manner prescribed;
 - (5) To build and maintain a reserve, if any, for depreciation of the System, for contingencies and for improvements, betterments and extensions to the System other than those necessary to maintain the same in good repair and working order; and

- (6) To discharge all Obligations imposed by the Enabling Act and by the Bond Ordinance.
- (B) The City covenants and agrees that it will, (1) at all times, prescribe and maintain and thereafter collect rates and charges for the services and facilities furnished by the System which, together with other income, are reasonably expected to yield annual Net Earnings in the current Fiscal Year equal to at least 120% of the Annual Principal and Interest Requirement for all Outstanding Bonds in such Fiscal Year and 100% of debt service requirements for all Junior Lien Bonds in such Fiscal Year, and (2) promptly upon any material change in the circumstances which were contemplated at the time such rates and charges were most recently reviewed, shall review the rates and charges for its services and shall promptly revise such rates and charges as necessary to comply with the foregoing requirement.

ARTICLE VI
JUNIOR LIEN BONDS AND SPECIAL FACILITIES BONDS

Section 6.01. Right to Issue Junior Lien Bonds.

Notwithstanding that Bonds may be Outstanding, the City may, at any time, and without limitation and free of all conditions issue Junior Lien Bonds, in such amount as it may from time to time determine, payable from the revenues of the System, provided that the pledge of revenues and any lien upon the revenues of the System granted for the protection of said Junior Lien Bonds, shall at all times be and remain subordinate and inferior in all respects to the pledges of revenues and liens upon such revenues made or authorized for the Bonds.

Section 6.02. Right to Issue Special Facilities Bonds.

The City shall have at all times the right to enter into contracts, leases or other agreements pursuant to which it will agree to construct, operate and pay the costs of special facilities to be financed by its issuance of special facilities Bonds, subject to the following conditions:

- (A) The City shall determine that the rents, revenues or receipts to be derived from the special facilities shall be at least equal to the principal, interest and any reserve requirements contained in the ordinance authorizing such Special Facilities Bonds and to pay all operation, maintenance and other costs and expenses applicable to such special facilities; and
- (B) The City's revenues derived from special facilities need not be deposited in the Gross Revenue Fund, and may be pledged to secure Special Facilities Bonds, but no debt service or other costs or expense related to any special facilities may be paid from System revenues deposited in the General Revenue Fund except pursuant to Section 8.09 hereof.

For purposes of this Section 6.02, the term "special facilities" shall include all or a portion of water transmission and distribution, and sewer collection and treatment facilities and rights to all or a portion of the use of, or the capacity available from, any such facilities.

ARTICLE VII
ESTABLISHMENT OF FUNDS

Section 7.01. Requirement for Special Funds.

For so long a time as any sum remains due and payable by way of principal or interest on Bonds, the following funds or accounts relating to the revenues of the System shall be established and maintained, and deposits shall be made therein in the manner herein required. In addition to the funds herein established, certain other funds including a Construction Fund may be established by a Series Ordinance.

Section 7.02. The Gross Revenue Fund.

- (A) There shall be established and maintained a fund or account designated as the Gross Revenue Fund. This account shall be so maintained as to accurately reflect:
 - (1) The Revenues; and
 - (2) Net Earnings.
- (B) All Revenues shall be deposited in accordance with and in the manner prescribed by Article VIII hereof into this fund. Money in the Gross Revenue Fund shall be withdrawn by or on the order of the City and made use of only in the manner and in the order of priority

specified in Article VIII hereof. Withdrawals from the Gross Revenue Funds shall be made as directed by an Authorized Officer, so long as the City establishes from an accounting standpoint, proper records of receipts and disbursements for the Gross Revenue Fund, the Gross Revenue Fund may be used for the purposes of the Operation and Maintenance Fund and the Depreciation and Contingent Fund.

Section 7.03. The Operation and Maintenance Fund.

- (A) There shall be established and maintained an Operation and Maintenance Fund. This fund is intended to provide for the payment of all expenses incurred in connection with the administration and operation of the System, including, without limiting the generality of the foregoing, such expenses as may be reasonably necessary to preserve the System in good repair and working order, the fees and charges of the Registrar, Paying Agent and the custodian or trustee of any fund, the costs of audits required hereunder, and the premiums for all insurance and fidelity bonds required by the Bond Ordinance.
- (B) Withdrawals from the Operation and Maintenance Fund shall be made as directed by an Authorized Officer.

Section 7.04. The Debt Service Fund.

- (A) There shall be established and maintained a Debt Service Fund. This fund is intended to provide for the ratable payment of the principal of, premium, if any, and interest on all Bonds as the same respectively fall due. Payments into this fund shall be made in the manner prescribed by the Bond Ordinance, including the applicable provisions of Article VIII, and, except as herein provided, all money in the Debt Service Fund shall be used solely to pay the principal of and interest on the Bonds, and for no other purpose.
- (B) The Debt Service Fund shall be kept in the complete custody and control of the institution appointed as Custodian thereof and withdrawals from the Debt Service Fund shall be made only to make available to the Paying Agent, who shall transmit to each Bondholder, at such times as may be appropriate, the sums required to pay the principal of, premium, if any, and interest on the Bonds.
- (C) Money in the Debt Service Fund shall be invested and reinvested at the direction of the City in Authorized Investments, maturing not later than the date on which such money is required to pay the principal and interest next maturing. All earnings from such investments shall be added to and become a part of the Debt Service Fund, but shall be credited against payments that would otherwise be made to the Debt Service Fund pursuant to the provisions of Section 8.03 hereof.
- (D) There may be established in the Debt Service Fund from time to time a Capitalized Interest Account to provide for the payment of interest on the Bonds of a particular Series. Any such account shall be created by the Series Ordinance relating to the issuance of the Bonds of such Series. Any earnings from investment of funds in the Capitalized Interest Account relating to the Bonds of any Series shall be deposited in the Construction Fund created by the Series Ordinance relating to such Bonds or, if such Construction Fund has been terminated or no such fund was created, such earnings shall be deposited in the Debt Service Fund.

Section 7.05. The Debt Service Reserve Fund.

- (A) Each Series Ordinance may provide for the establishment of a Debt Service Reserve Fund for any Series of Bonds Outstanding. Each such Debt Service Reserve Fund shall bear a number series designation as may be necessary to distinguish such Debt Service Reserve Fund and shall, subject to the other provisions of this Bond Ordinance, be maintained in an amount equal to the applicable Reserve Requirement, as determined pursuant to the applicable Series Ordinance so long as the applicable Series of Bonds shall be Outstanding. Each such fund is intended to insure the timely payment of the principal of, premium, if any, and interest on the applicable Series of Bonds, and to provide for the redemption of such Series of Bonds prior to their stated maturities. Money in each Debt Service Reserve Fund shall be used for the following purposes, and for no other (provided, however that if sufficient funds have been paid to defease the lien of this Ordinance with respect to any Series of Bonds in accordance with Section 16.01, or if by reason of authorized replacement or otherwise is no longer required under the terms of the applicable Series Ordinance, and there exists no Event of Default with respect to any Series of Bonds, any funds remaining in the Debt Service Reserve Fund with respect to such Series may be paid as directed by the City):

- (i) To prevent a default in the payment of the principal of or interest on the applicable Series of Bonds, by reason of the fact that money in the Debt Service Fund is insufficient for such purposes;
- (ii) To pay the principal of, interest on, and redemption premium of the applicable Series of Bonds in the event that all Outstanding Bonds of such Series be redeemed as a whole; or
- (iii) To effect partial redemption of the applicable Series of Bonds; provided that subsequent to said partial redemption, the market value of the cash and securities in such Debt Service Reserve Fund shall be not less than the applicable Reserve Requirement.
- (iv) Money in the Debt Service Reserve Fund shall be in the complete custody and control of the Custodian designated for such fund and shall be invested and reinvested at the direction of the City in Authorized Investments. Subject to the remaining provisions of this paragraph (iv), the earnings from such investments shall be added to and become a part of the Debt Service Reserve Fund. Whenever, and as of any date of calculation, the value of the securities and money in the Debt Service Reserve Fund shall exceed the Reserve Requirement, the City shall direct the Custodian to apply such excess to either the partial redemption of Bonds, or to remove such excess from the Debt Service Reserve Fund and transfer into the Gross Revenue Fund.

In lieu of the deposit of moneys into any Debt Service Reserve Fund established by any Series Ordinance for any Series of Bonds and in substitution or any moneys already on deposit in any Debt Service Reserve Fund, the City may cause to be so credited a surety bond or an insurance policy payable to the Custodian for the benefit of the Bondholders or a letter of credit in an amount equal to the difference between the Reserve Requirement and the amounts then on deposit in such Debt Service Reserve Fund. The surety bond, insurance policy or letter of credit shall be payable (upon the giving of notice as required thereunder) on any interest payment date on which moneys will be required to be withdrawn from the Debt Service Reserve Fund and applied to the payment of the principal of or interest on any applicable Series of Bonds and such withdrawals cannot be made by amounts credited to the Debt Service Reserve Fund. The insurer providing such surety bond or insurance policy shall be an insurer whose municipal bond insurance policies insuring the payment, when due, of the principal of and interest on municipal bond issues results in such issues being rated in the highest rating category by Standard & Poor's Corporation and Moody's Investors Service, Inc., or their successors. The letter of credit issuer shall be a bank or trust company whose long term obligations are rated, at the time of issuance of the letter of credit, not lower than the second highest rating category by either Standard & Poor's Corporation or Moody's Investors Service, Inc. or their successors. If a disbursement is made pursuant to this paragraph, the City shall be obligated either (i) to reinstate the maximum limits of such surety bond, insurance policy or letter of credit or (ii) to deposit into the Debt Service Reserve Fund funds in the amount of the disbursement made under such bond, insurance policy or letter of credit, or a combination of such alternatives, as shall provide that the amount credited to the Debt Service Reserve Fund equals the Reserve Requirement within a time period not longer than would be required to restore the Reserve Requirement by operation of this Section.

Section 7.06. The Depreciation and Contingent Fund.

- (A) There shall be established and maintained a Depreciation and Contingent Fund. This fund shall be maintained in an amount to be established not less frequently than annually by the City in order to provide a reasonable reserve for depreciation of the System, for contingencies and for improvements, betterments and extensions of the System.
- (B) Money in this fund shall be used solely:
 - (1) For the purpose of restoring depreciated or obsolete items of the System;
 - (2) For improvements, betterments and extensions to the System, other than for those things which are reasonably necessary to maintain the System in good repair and working order;
 - (3) To defray the cost of unforeseen contingencies;
 - (4) To prevent defaults of Bonds and Junior Lien Bonds; and
 - (5) For optional redemption of Bonds.
- (C) Withdrawals from this Fund shall be made by or on order of the City.

Section 7.07. Investments of Funds.

Whenever, in the opinion of the City, it becomes desirable to invest money in any of the funds established by this Article (other than the Debt Service Reserve Fund and the Debt Service Fund for which provisions have heretofore been made) the City may effect such Authorized Investments. The Custodians shall act in compliance with directions to invest received from the City. Earnings resulting from the investment of money in a particular fund shall be deposited into the Gross Revenue Fund except as provided in Sections 7.04 and 7.05 hereof, except during any construction period during which earnings on the Construction Fund shall be credited to such fund.

ARTICLE VIII
DISPOSITION OF REVENUES

Section 8.01. Deposits to Gross Revenue Fund; Dispositions Therefrom.

Revenues except that money the disposition of which is controlled by other provisions of the Bond Ordinance are declared to be a part of the Gross Revenue Fund and shall from time to time be promptly deposited in a bank or depository in an account which will reflect the fact that they are a part of the Gross Revenue Fund. The dispositions from the Gross Revenue Fund required by the remaining Sections of this Article shall be made on or before the 15th day of each month following the delivery of the first Series of Bonds issued pursuant to the Bond Ordinance and in the order of priority established by the sequence of the remaining Sections of this Article.

Section 8.02. Deposits for Operation and Maintenance Fund.

There shall be transferred to the Operation and Maintenance Fund the amount budgeted for the cost of operating and maintaining the System for the ensuing month and any amount required for an operational reserve.

Section 8.03. Payments for Bonds.

Provision shall then be made for the payment of the principal of and interest on all Bonds then Outstanding, all without priority of any Bonds over others. To that end:

- (A) There shall be deposited into the Debt Service Fund the monthly fraction of the aggregate amount of interest to become due on the Bonds on the next ensuing interest payment date. Provided, however, that if provision has been made for the payment of all or part of the next installment of interest to become due on any Bonds, pursuant to any other provision of the Bond Ordinance, or any Series Ordinance, or by reason of investment earnings, then, in such event, the deposits required by this paragraph may be omitted, or reduced accordingly. If, as a result of providing that any Series of Bonds shall bear interest payable for a period less than semi-annually, any Holder of any of such Bonds shall receive payments of interest for any period for which payments were not made to holders of Bonds bearing interest payable semi-annually, then there shall be set aside in the Debt Service Fund in trust for the benefit of the Holders of Bonds bearing interest payable semi-annually an amount of money equal to the interest accrued on the Bonds bearing interest payable semi-annually for such period.
- (B) There shall be deposited into the Debt Service Fund one-twelfth (1/12) of the aggregate amount of principal of all Bonds becoming due and payable during the next succeeding twelve months, so that on each principal maturity date, the amount of principal to be paid shall have been accumulated and be on hand. Provided, however, that if provision has been made for the payment of all or part of the next installment of principal to become due on the Bonds, pursuant to any other provision of the Bond Ordinance, or any Series Ordinance, or by reason of investment earnings, then, in such event, the deposits required by this Paragraph may be omitted, or reduced accordingly.
- (C) If, on the occasion when the deposits required by Paragraphs (A) and (B) of this Section are to be made, the sum of the deposits required thereby plus previous monthly deposits and the remaining deposits to be made prior to the next succeeding principal and interest payment dates, will be less than the sum required to effect the payment of the next succeeding installment of either principal or interest, or both, as the case may be, a sum equal to such deficiency shall be added to the deposits so to be made.

Section 8.04. Deposits for the Debt Service Reserve Funds - Valuation.

- (A) Unless the respective Debt Service Reserve Funds, if any, contains at the time of valuation prescribed below in cash and securities amounts at least equal to the applicable Reserve

Requirement there shall be paid into the appropriate Debt Service Reserve Fund on the first day of the month following such determination, and on the first day of each of the next succeeding ten months, one-eleventh of the amount necessary to reestablish in such Debt Service Reserve Fund the Reserve Requirement.

- (B) The market value of the cash and securities in the applicable Debt Service Reserve Fund shall be established as of the thirtieth day of September of each year and within 45 days of such date in order to determine if the Debt Service Reserve Fund contains the amount required by the Bond Ordinance and the extent to which payments therefor or withdrawals therefrom must be made.

Section 8.05. Payments for Junior Lien Bonds.

Provision shall then be made for the payment of any other indebtedness which is junior and subordinate to the Bonds in the order of priority contemplated by the proceedings authorizing their issuance.

Section 8.06. Deposits for the Depreciation and Contingent Fund.

There shall be deposited into the Depreciation and Contingent Fund that sum which is one-twelfth of the sum, if any, which has been currently determined by the City to be the estimated requirements therefor for the then current Fiscal Year.

Section 8.07. Permissible Transfers.

The following transfers of money shall at all times be permissible, under the conditions enumerated below:

- (1) If any surplus moneys shall accumulate in the Operation and Maintenance Fund over and above the cost of operating and maintaining the System during the remainder of the then current Fiscal Year and the cost of operating and maintaining the System during the next ensuing Fiscal Year and over and above the sum heretofore found to be the normal annual amount required for reasonable and proper improvements, betterments and extensions to the System during the then current Fiscal Year and the next ensuing Fiscal Year, such surplus may at any time be transferred to the Gross Revenue Fund.
- (2) If any surplus moneys shall accumulate in the Depreciation and Contingent Fund over and above the normal annual depreciation for the then current Fiscal Year and the next ensuing Fiscal Year and over and above the sum heretofore found to be the normal annual amount required for reasonable and proper improvements, betterments and extensions to the System during the then current Fiscal Year and the next ensuing Fiscal Year, such surplus moneys may be transferred to the Gross Revenue Fund.

Section 8.08. Use of Surplus Money.

All money remaining after making the payments required by Sections 8.01 to 8.07, and all moneys resulting from a surety bond being used in substitution for moneys on deposit in the Debt Service Reserve Fund as permitted by Section 7.05 herein, shall be disposed of for any lawful purpose in such manner as the City shall from time to time determine.

ARTICLE IX
AGREEMENT TO FURNISH
INFORMATION WITH RESPECT TO SYSTEM

Section 9.01. Keeping Records.

The City recognizes that those who may from time to time hereafter be the holders of the Bonds will, throughout the life of the Bonds, require full information with respect to the System, the fiscal affairs of the System, and all matters incident to each. To that end, it especially covenants and agrees:

- (A) That it will keep proper books of records and accounts, in which complete and correct entries shall be made of all transactions relating to the System, all revenues derived therefrom, and all expenditures which may be made from such revenues. Such records shall be kept in such fashion as to show the number of consumers which may from time to time make use of the System, or any facilities or services rendered by the System, and the rates required to be paid by each class of consumer.

- (B) That at least annually, the City will prepare a report signed by its Manager of Public Utilities, setting forth in detail:
- (1) the income and expense account of the System;
 - (2) all payments to, and withdrawals from any Construction Fund, the Debt Service Fund, any Debt Service Reserve Fund, of any the Operation and Maintenance Fund, the Depreciation and Contingent Fund, established by this Bond Ordinance;
 - (3) the amounts on deposit at the end of each annual period to the credit of each of the funds listed in sub-paragraph (2);
 - (4) the aggregate of all bonds issued, paid, purchased or redeemed, and the prices received or paid therefor; and
 - (5) the Balance Sheet of the System at the end of such annual period.

Section 9.02. Audit Required.

The City further covenants and agrees that as soon after the close of each Fiscal Year as possible, it will cause to be made by an independent firm of public accountants, of suitable experience and responsibility, an audit of the records, books and accounts pertaining to the System, the cost of such audit shall be treated as a part of the cost of operating and maintaining the System. The copies so furnished need not be certified.

ARTICLE X
STATUTORY LIEN - REMEDIES

Section 10.01. Establishment of Lien.

For the further protection of the Bondholders, a statutory lien upon the System is hereby created and granted as provided in the Enabling Act, which said statutory lien is hereby recognized as valid and binding upon the City and the System, and shall take effect immediately upon the delivery of any Bonds, and any Bondholder may, either in law or in equity, by suit, action, mandamus or other proceedings, protect the statutory lien hereby conferred, and may be suit, action, mandamus or other proceedings enforce and compel the performance of all duties required by this Bond Ordinance and the Enabling Act, including the making and collecting of sufficient rates and charges for the services and facilities from all users, including the City, and its agencies, segregating of the income and revenue, and the proper application thereof.

The statutory lien hereby created and granted shall not preclude the securing of Additional Bonds by a statutory lien of equal rank, in order that such Additional Bonds shall become pari passu with the Bonds; provided, always that such Additional Bonds be issued in conformity with the provisions of Article IV hereof.

Section 10.02. Remedies.

If there be any default in the payment of the principal of or interest on any of said Bonds, then upon the institution of suit by any Bondholder, any court having jurisdiction of the action, may appoint a receiver to administer said system on behalf of the City, with the power to charge and collect rates and charges sufficient to provide for the payment of the Bonds, and for the payment of the expenses of operating and maintaining the same, and to apply the income and revenues in conformity with this Bond Ordinance and the Enabling Act.

Section 10.03. No Remedy Exclusive.

No remedy conferred upon any Holder of the Bonds by this Bond Ordinance is exclusive of any other remedy, but each such remedy is cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred by this Bond Ordinance or the Enabling Act, or by any other law. No waiver of any default or breach of duty or contract by any Holder of the Bonds shall extend to or affect any subsequent default or breach of duty or contract or shall impair any rights or remedies thereon. No delay or omission of any Bondholder to exercise any right or power accruing upon any default shall impair any such right or power accruing by reason thereof, or shall be construed to be a waiver of any such default or acquiescence therein. Every substantive right and every remedy conferred upon the Holders of the Bonds may be enforced and exercised from time to time and as often as may be expedient. In case any suit, action or proceedings to enforce any right or exercise any remedy shall be brought or taken, and then discontinued or abandoned, or shall be determined adversely to the Holders of the Bonds, then and in every such case, the City and such Bondholders shall be restored to their former rights, positions and remedies as if no suit, action or proceeding has been brought or taken.

Section 10.04. Actions of One Bondholder Not to Prejudice Rights of Others.

No one, or more, Bondholders secured hereby shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security granted and provided for herein, or to enforce any right hereunder, except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Holders of such Bonds Outstanding.

ARTICLE XI
ADDITIONAL COVENANTS

Section 11.01. Additional Covenants to Secure Bonds.

The City further covenants and agrees:

- (A) That neither the System, nor any part thereof, nor any of the revenues derived from the System, have been or will be hypothecated, mortgaged, otherwise pledged or encumbered, save and except as herein disclosed and provided for;
- (B) That it will permit no free service to be rendered, or use to be made of the services and facilities of the System and for the services and facilities of the System used by the City, the reasonable cost and value of such services and facilities shall be paid as such services accrue. The revenue so received from the City shall be deemed revenue derived from the operation of the System, and shall be accounted for in the same manner as other revenues of the System;
- (C) That so long as there are any Bonds outstanding and unpaid, it will perform all duties with reference to the System required by the Constitution and statutes of the State, and the City hereby irrevocably covenants, binds and obligates itself not to pledge, mortgage or otherwise encumber the System or any part thereof, or any revenues therefrom, except in the manner herein authorized, and it will not sell, lease or dispose of any portion of the System, necessary or useful (as determined by the City) in the operation of the System, until all Bonds shall be paid in full, or unless and until provision shall have been made for the payment of all Bonds and the interest thereon in full, and the City further obligates itself and covenants and agrees with the Bondholders to maintain in good condition and to operate said System, and to collect and charge such rates for the services and facilities of the System so that the income and revenues of the System will be sufficient at all times to meet the requirements of the Bond Ordinance. If, pursuant to this Section, anything belonging to the System which is not deemed by the City to be necessary or useful therefor shall be sold or disposed of, the proceeds of such sale or disposition shall be deposited at the direction of the City in either of the Depreciation and Contingent Fund or in the Gross Revenue Fund;
- (D) That it will permit, so long as there are any Bonds Outstanding, any Bondholder to inspect the System and all records and accounts thereof under reasonable terms and conditions and after reasonable notice has been given;
- (E) That no payments on account of appropriations to the general fund of the City shall be made except as permitted under Section 8.08 hereof;
- (F) That it will not make any use of the proceeds of any Series of tax-exempt Bonds which, if such use had been reasonably expected on the date of the issuance of the Bonds of such Series would have caused such Bonds or any other Bonds to be "arbitrage bonds" within the meaning of Section 148 (or any successor provision) of the Code and will observe and not violate the requirements of Section 148 (or any successor provision) of the Code; and
- (G) That it will maintain insurance for the benefit of the Bondholders of a kind and in an amount which would be carried by private companies engaged in a similar type of business, and to pay the cost of such insurance from the Operation and Maintenance Fund.

ARTICLE XII
MODIFICATION OF ORDINANCE

Section 12.01. Modification Without Bondholder Approval.

- (A) Provided always that the security of the Bonds shall not be lessened, or in any manner impaired, the City may for any one or more of the following purposes at any time, or from time to time, adopt an ordinance, supplementing the Bond Ordinance, and any Series Ordinance which ordinance shall be fully effective in accordance with its terms:

- (1) To provide for the issuance of a Series of Bonds in accordance with Article IV of the Bond Ordinance;
 - (2) To add to the covenants and agreements of the City in the Bond Ordinance, other covenants and agreements thereafter to be observed;
 - (3) To surrender any right, power or privilege reserved to or conferred upon the City by the Bond Ordinance; and
 - (4) To cure, correct and remove any ambiguity or inconsistent provisions contained in the Bond Ordinance.
- (B) It is further provided that such supplemental ordinance shall not become effective until a copy thereof, duly certified, shall have been filed in the office of the Clerk of Court for Orangeburg County.

Section 12.02. Modification with Bondholder Approval.

The rights and duties of the City and the Bondholders and the terms and provisions of the Bond Ordinance may be modified or altered in any respect by an ordinance adopted by City Council with the prior written consent of the Holders of 66-2/3% in principal amount of all Bonds of each Series which would be affected by such modification or alteration then Outstanding, such consent to be evidenced by an instrument or instruments executed by such Holders and duly acknowledged or proved in the manner of a deed capable of being recorded, but no such modification or alteration shall:

- (A) Extend the maturity of any payment of principal or interest due upon any Bond;
- (B) Effect a reduction in the amount which the City is required to pay by way of principal, interest or redemption premium on any Bonds;
- (C) Effect a change as to the type of currency in which the City is obligated to effect payment of the principal, interest and redemption premiums of any Bond;
- (D) Permit the creation of a pledge of or lien upon the revenues of the System prior to or equal to the Bonds;
- (E) Permit preference or priority of any Bonds to others;
- (F) Alter or modify the provisions of Section 4.02 or of Articles V, VII, and VIII; or
- (G) Reduce the percentage required for the written consent to the modification or alteration of the provisions of the Bond Ordinance, without the consent of the Holders of all Bonds affected by such change or modification.

Section 12.03. Procedure for Procuring Bondholder Approval.

The City may rely upon the registry books maintained by the Registrar to determine who are the Holders of the Bonds. Any and all modifications made in the manner hereinabove provided for shall not become effective until there has been filed with the Clerk of Court for Orangeburg County a copy of such amendatory ordinance hereinabove provided for, duly certified, as well as proof of consent to such modification by the Holders of 66 2/3% in principal amount of the Bonds of each Series then Outstanding.

For purposes obtaining Bondholder approval, the Registrar shall be fully empowered to establish a special record date to determine who are the Holders of the Bonds.

ARTICLE XIII
EVENTS OF DEFAULT

Section 13.01. Events of Default.

- (A) Each of the following events is hereby declared an "Event of Default," that is to say, if:
 - (1) Payment of the principal of any of the Bonds shall not be made by the City when the same shall become due and payable, either at maturity or by proceedings for redemption;
 - (2) Payment of any installment of interest on any Bonds shall not be made by the City when the same becomes due and payable;

- (3) The City shall for any reason be rendered incapable of fulfilling its obligations hereunder;
- (4) An order or decree shall be entered with the consent or acquiescence of the City appointing a receiver, or receivers, of the System, or of the revenues thereof, or any proceedings shall be instituted with the consent or acquiescence of the City for the purpose of effecting a composition between the City and its creditors whose claims relate to the System, or for the purpose of adjusting claims of such creditors, pursuant to any federal or State Statute now or hereafter enacted, or if such order or decree, having been entered without the consent or acquiescence of the City, shall not be vacated or discharged or stayed on appeal within 60 days after entry thereof, or if such proceeding having been instituted without the consent or acquiescence of the City, shall not be withdrawn or any orders entered shall not be vacated, discharged, or stayed on appeal within 60 days after the institution of such proceedings, or the entry of such orders.

ARTICLE XIV **CONCERNING THE FIDUCIARIES**

Section 14.01. Paying Agent, Registrar and Certain Custodians to Constitute Fiduciaries.

For all purposes of this Article the Paying Agent, the Registrar, and the Custodians established for the various funds established hereunder shall constitute "Fiduciaries" and where so used in this Article such term shall embrace the Paying Agent, the Registrar and the Custodians of said funds.

Section 14.02. Fiduciary; Appointment and Acceptance of Duties.

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

Section 14.03. 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 shall be deemed to make 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 14.04. Evidence on Which Fiduciaries May Act.

- (A) Each Fiduciary, upon receipt of any notice, resolution, request, consent order, certificate, report, opinion, bond, or other paper or document furnished to it pursuant to any provision of the Bond Ordinance, shall examine such instrument to determine whether it conforms to the requirements of the Bond 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 proved and established by a certificate of an Authorized Officer, and such certificate shall be full warrant for any action taken or suffered in good faith 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 14.05. 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 Bond 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 Bond Ordinance. Subject to the provisions of Section 14.03 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 14.06. 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 14.07. 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 Registered 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 14.09 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 14.08. 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 14.09. 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 14.07 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 14.10. Transfer of Rights and Property to Successor.

Any successor Fiduciary appointed under the Bond 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 so 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 Bond 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 14.11. 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 Bond Ordinance, shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act.

Section 14.12. Adoption of Authentication.

In case any of the Bonds contemplated to be issued under the Bond 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 XV
TENOR OF OBLIGATIONS

Section 15.01. Purpose of Covenants in Bond Ordinance.

Every covenant, undertaking and agreement made on behalf of the City, as set forth in this Bond Ordinance is made, undertaken and agreed to, for the proper securing of the payment of the principal of and interest on the Bonds. Each shall be deemed to partake of the obligation of the contract between the City and the Holders of the Bonds, and shall be enforceable accordingly.

ARTICLE XVI
DEFEASANCE

Section 16.01. Defeasance General.

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

- (A) The Paying Agent shall hold, at the stated maturities of such Bonds, in trust and irrevocably appropriated thereto, sufficient money for the payment thereof.
- (B) If default in the payment of the principal of such Bonds or the interest thereon shall have occurred on the stated maturities of such Bonds, and thereafter tender of such payment shall have been made, and the Paying Agent shall then hold in trust and irrevocably appropriated thereto, sufficient money for the payment thereof to the date of the tender of such payment.
- (C) If the City shall have deposited with the Paying Agent, in an irrevocable trust, money or Government Obligations, the principal of and interest on which when due (without reinvestment thereof) will provide money which, together with the money, if any, deposited at the same time, shall be sufficient to pay, when due, the principal, interest and redemption premium, if any, due and to become due on and prior to the maturity or, if the City has irrevocably elected to redeem Bonds, on and prior to the redemption date of such Bonds.

Section 16.02. Money to be Held in Trust - When Returnable to City.

Any money which at any time shall be deposited with the Paying Agent, by or on behalf of the City, for the purpose of paying and discharging any Bonds or the interest thereon, shall be and is hereby assigned, transferred and set over to the Paying Agent in trust for the respective Holders of the Bonds, and such money shall be and is hereby irrevocably appropriated to the payment and discharge thereof. But if, through lapse of time or otherwise, the Holders of said Bonds shall no longer be entitled to enforce payment of their

obligations, then, in such event, it shall be the duty of the Paying Agent to forthwith return said funds to the City.

Section 16.03. Deposits Subject to Conditions of Article XVI.

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

ARTICLE XVII
MISCELLANEOUS

Section 17.01. Purpose of Covenants in Bond Ordinance.

Every covenant, undertaking and agreement made on behalf of the City as set forth in the Bond Ordinance is made, undertaken and agreed to, for the proper securing of the payment of the principal of and interest on the Bonds. Each shall be deemed to partake of the obligation of the contract between the City and the Bondholders and shall be enforceable accordingly.

Section 17.02. Effect of Remedies Granted By Ordinance Not Being Available to Holders of Other Bonds.

If it shall be held by any court of competent jurisdiction that any right or remedy granted by the Bond Ordinance or any Series Ordinance to the Holders of any Bond is not available to the Holders of all other Bonds, then such rights and remedies are herewith conferred upon the holders of such other Bonds.

Section 17.03. Effect of Invalidity of Provisions of Bond Ordinance.

If any section, paragraph, clause or provision of the Bond Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of the Bond Ordinance.

Section 17.04. Repealing Clause.

All ordinances, or parts thereof, inconsistent herewith be and the same are hereby repealed to the extent of such inconsistencies.

Section 17.05. Direction to Index Bond Ordinance.

This Ordinance shall be forthwith codified in the Code of Ordinances as required by law or by the rules and regulations of the City, and the same shall be indexed under the general heading "COMBINED PUBLIC UTILITY SYSTEM REVENUE BONDS OF THE CITY OF ORANGEBURG, SOUTH CAROLINA."

RESOLVED BY City Council duly assembled this 20th day of January, 2004.



Paul A. Miller
MAYOR
Sam Haire
Judith L. Hester
Charles B. Bonnell
Paul D. [unclear]
Jayell Phang

MEMBERS OF COUNCIL

ATTEST:
Carrie H. Johnson
CITY CLERK



ORDINANCE NO. 2004 - 3

A SERIES ORDINANCE MAKING PROVISION FOR THE TERMS AND CONDITIONS OF A COMBINED PUBLIC UTILITY SYSTEM REVENUE BOND OF THE CITY OF ORANGEBURG, SOUTH CAROLINA, AUTHORIZED BY A BOND ORDINANCE OF THE CITY OF ORANGEBURG ADOPTED JANUARY 20, 2004.

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

ARTICLE I
FINDINGS OF FACT

SECTION 1.1. Findings of Fact. As an incident to the adoption of this Series Ordinance, the City Council ("City Council") of the City of Orangeburg, South Carolina (the "City") has made the following findings:

(a) By ordinance entitled AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF COMBINED PUBLIC UTILITY SYSTEM REVENUE BONDS OF THE CITY OF ORANGEBURG, SOUTH CAROLINA, AND OTHER MATTERS RELATING THERETO," adopted on January 20, 2004 (the "Bond Ordinance"), City Council made provision for the issuance from time to time of Combined Public Utility System Revenue Bonds of the City payable from revenues derived from the operation of the System. Capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Bond Ordinance.

(b) The revenues derived from the System are not otherwise pledged or hypothecated.

(c) The City has determined to defray the cost of renovations and improvements to the Administration Building located at 1016 Russell Street to serve all divisions of the Department of Public Utilities, acquisition and installation of a peak shaving generator for the Electric Light Distribution System, a geographical information system to serve all divisions of the Department of Public Utilities, an electrical transformer to serve the Electric Light Distribution System, extension of a natural gas pipeline to serve the Natural Gas System, a ten million gallon per day expansion to the water plant to serve the Waterworks System and extensions to the sewer line to serve the Sewage Disposal System (the "Project") through the borrowing authorized herein. The Project will be part of the System.

(d) The City has determined to issue revenue bonds to finance the Project.

(e) The Bond Ordinance provides that a Series Ordinance shall be adopted with respect to each Series of Bonds which Series Ordinance shall express the approval of City Council to the issuance of a Series of Bonds and City Council's agreement to abide by the terms, provisions and agreements set forth in the Bond Ordinance and shall specify and determine:

(1) The Date or Dates of Issue of such Series of Bonds;

(2) The precise principal amount of the Series of Bonds;

(3) The specific purposes for which the proceeds of such Series will be used;

(4) The title and designation of the Bonds of such Series and manner of numbering and lettering, and the denomination or denominations of the Bonds of such Series;

(5) The date or dates of maturity and the amounts thereof;

(6) The interest rate or rates, or the manner of determining such rate or rates, of the Bonds of such Series including the extent to which Variable Rate Indebtedness is issued and if such Variable Rate Indebtedness is issued, the extent to which an interest rate cap or other financial structure customarily employed in such a borrowing will be used;

(7) The time for the payment of interest on the Bonds in such Series and the Record Date;

(8) The redemption price or redemption prices and the redemption date or redemption dates and other terms of redemption (if any) applicable to any of the Bonds of such Series for such payments;

(9) The Registrar and the Paying Agent for such Bonds;

(10) The portion of such Series that are serial Bonds and that are Term Bonds, if any, including the amount and date of each mandatory redemption or sinking fund installment, if any, required by such Series Ordinance to be paid for the retirement of any such Bonds;

(11) The portion of such Series that are Capital Appreciation Bonds, if any, including the time for payment of such Capital Appreciation Bonds in order to address the information requested in paragraphs (7) and (8) above.

(12) Any other applicable redemption requirement for the Bonds of such Series and the method of satisfying the same;

(13) The manner in which Bonds of such Series are to be sold and provisions for the sale thereof;

(14) The form or forms for the Bonds of each Series;

(15) That the then applicable Reserve Requirement, if any, has been or will be met;

(16) The disposition of the proceeds of the sale of the Bonds of such Series and the manner of their application; and

(17) Any other provisions deemed advisable by the City not in conflict with or in substitution for the provisions of the Bond Ordinance and the Series Ordinance relating to the Bonds of such Series.

NOW THEREFORE BE IT ORDAINED BY COUNCIL IN MEETING DULY ASSEMBLED:

A. It is specifically found that the Bonds, whose issuance is herewith provided for, is issued for purposes permitted by and in full compliance with all of the provisions set forth in the Bond Ordinance.

B. The City hereby determines that the issuance of the Bonds is necessary to provide funds to be used and expended to construct improvements to the System.

C. It is further ordained that:

1) The useful life of the System is found to be 40 years.

2) The Date of Issue of the Bond is to be the date of delivery of the Bond or such other date as the Manager of Public Utilities shall determine.

3) The Bond shall be in the original principal amount of \$9,500,000.

4) The proceeds of the Bond shall be used:

(a) to provide moneys which will be sufficient, together with other available funds, to finance the Project; and

(b) to pay certain costs and expenses relating to the issuance of the Bond.

5) The Bond shall be designated City of Orangeburg, South Carolina, Combined Public Utility System Revenue Bond, Series 2004, and shall be issued in fully registered form.

6) The Bond shall bear interest at the rate of 3.00%.

7) Principal on the Bond shall be payable in ten equal installments of \$950,000 on April 1 in each of the years 2005 through 2014.

8) Interest on the Bond shall be payable on April 1 and October 1 of each year commencing April 1, 2004, to the Holder thereof as of the Record Date. The Record Dates for the Bond shall be March 15 and September 15 of each year.

9) The Bond is subject to redemption on and after April 1, 2009, in whole or in part at any time, but if in part, in inverse order of scheduled payments.

10) The Registrar and the Paying Agent for the Bond shall be Bank of America, N.A., so long as it is the Registered Holder of the Bond. In the event Bank of America, N.A. is no longer the Registered Holder, the City shall appoint a successor Registrar pursuant to Section 14.09 of the Bond Ordinance.

- 11) The Bond shall be sold to Bank of America, N.A., on the terms described herein and pursuant to the letter dated January 16, 2004, attached hereto as Exhibit A. All obligations of the City described in Exhibit A are hereby incorporated by reference.
- 12) The Bond shall be substantially in the form attached hereto as Exhibit B.
- 13) A Debt Service Reserve Fund shall not be established for the Bond.
- 14) The proceeds of the Bond shall be deposited in the Construction Fund hereby established in accordance with Section 7.01 of the Bond Ordinance and shall be applied to pay the cost of the Project and the cost of issuance of the Bond. The Construction Fund shall be held, maintained and controlled as directed by the City.
- 15) City Council hereby authorizes the issuance of the Bond and agrees to abide by all of the terms, provisions and agreements set forth in the Bond Ordinance.
- 16) City Council hereby approves the form of the Request for Proposals circulated in connection with the issuance of the Bond to be attached hereto as Exhibit C.
- 17) To the extent required, the City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement attached hereto as Exhibit D. Notwithstanding any other provision of this Series Ordinance, failure of any party to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default. Any Bondholder may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the City to comply with its obligations hereunder and under the Continuing Disclosure Agreement to comply with its obligations under the Continuing Disclosure Agreement.
- 18) City Council hereby authorizes the Mayor to take such further action as may be necessary to effect the issuance of the Bond.
- 19) The City has issued no tax exempt obligations during the calendar year 2004 and except for the Bond herein provided for does not anticipate the issuance of other tax exempt obligations in calendar year 2004 in an amount which will exceed an aggregate total of \$10,000,000 and the City does hereby designate the aforesaid Bond hereby authorized as a qualified tax exempt obligations within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986.

RESOLVED BY City Council duly assembled this 20th day of January, 2004.



Paul A. Miller
MAYOR
James H. Haire
Sandra L. Fritts
Charles B. Brundage
Charles J. Jones
Joseph H. Cherry

MEMBERS OF COUNCIL

ATTEST:

Carrie H. Johnson
CITY CLERK

STATE OF SOUTH CAROLINA

COUNTY OF ORANGEBURG

I, the undersigned, Clerk of the City Council of the City of Orangeburg, South Carolina ("Council"),
DO HEREBY CERTIFY:

That the foregoing constitutes a true, correct and verbatim copy of an Ordinance adopted by Council.
The Ordinance was read at three public meetings of Council on December 16, 2003, January 6, 2004, and
January 20, 2004. An interval of at least six days occurred between each reading. At each meeting, a
quorum of Council was present and remaining present throughout the meeting.

The Ordinance is now in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my Hand this 20th day of January, 2004.

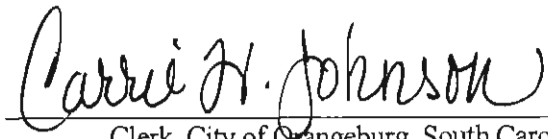

Clerk, City of Orangeburg, South Carolina



EXHIBIT A

ATTACHED

Letter Dated January 16, 2004

Michael J. Thacker, Senior Vice President, Bank of America

To

Fred H. Boatwright, Manager of the Department of Public Utilities

Regarding \$9,500,000 City of Orangeburg, South Carolina
Combined Public Utility System Revenue Bond, Series 2004

Bank of America



Bank of America, N.A.
Commercial Banking
SCJ-240-03-07
PO Box 448
Columbia, SC 29202-0448

RECEIVED

January 16, 2004

JAN 16 2004

Department of Public Utilities

**PROPOSAL FOR \$9,500,000 CITY OF ORANGEBURG, SOUTH CAROLINA
COMBINED PUBLIC UTILITY SYSTEM REVENUE BOND,
SERIES 2004**

Mr. Fred H. Boatwright, Manager
Department of Public Utilities
1016 Russell Street
Post Office Box 1057
Orangenburg, South Carolina 29116-1057

Dear Mr. Boatwright:

In response to your request for proposal date January 6, 2004 (the "RFP"), Bank of America, N.A. ("Bank of America") is pleased to provide our commitment to the City of Orangenburg, South Carolina to purchase the Bond (as such term is defined below), subject to the terms and conditions outlined below:

- A. BOND/PURPOSE: Bank of America commits to the City of Orangenburg, South Carolina (the "City") to purchase, at par, that certain tax-exempt \$9,500,000 Combined Utility System Revenue Bond, Series 2004 (the "Bond") of the City. The Bond shall be issued as a single fully registered Bond and dated as of the date of delivery of the Bond. The proceeds of the Bond must be used to defray the cost of (i) the Project (as defined in the RFP); and (ii) issuance of the Bond.

THIS COMMITMENT IS SUBJECT TO MANDATORY ARBITRATION PURSUANT TO THE FEDERAL ARBITRATION ACT AND IF THE FEDERAL ARBITRATION ACT IS INAPPLICABLE, THE UNIFORM ARBITRATION ACT, SECTION 15-48-10, ET SEQ., CODE OF LAWS OF SOUTH CAROLINA 1976 AS AMENDED.

NPCOL1:677208.3-CL-(AML) 900000-00272



USA
2000 Olympic Teams

Document Page

- B. REPAYMENT SCHEDULE: On April 1, 2004 and on each October 1 and April 1 thereafter, all accrued but unpaid interest on the Bond shall be due and payable. Principal of the Bond shall be repaid on April 1 of each of the following years and in the following amounts:

<u>Year</u>	<u>Amount</u>
2005	\$950,000
2006	\$950,000
2007	\$950,000
2008	\$950,000
2009	\$950,000
2010	\$950,000
2011	\$950,000
2012	\$950,000
2013	\$950,000
2014	\$950,000

- C. DEBT SERVICE RESERVE FUND: No debt service reserve fund will be required.
- D. INTEREST RATE: The outstanding principal of the Bond shall accrue interest at a fixed rate per annum equal to 3.00% per annum. **THIS RATE SHALL ONLY BE AVAILABLE TO THE CITY IF THIS COMMITMENT IS ACCEPTED ON JANUARY 16, 2004; THE CITY ADVISES BANK OF AMERICA IN WRITING ON OR BEFORE 9:30 A.M. ON WEDNESDAY, JANUARY 21, 2004 THAT CITY COUNSEL HAS ACCEPTED THIS COMMITMENT AND APPROVED THE ISSUANCE OF THE BOND; AND THE BOND IS ISSUED ON OR BEFORE FEBRUARY 5, 2004. IF THE COMMITMENT IS NOT ACCEPTED OR THE BOND NOT ISSUED BY THE DATES REFERENCED ABOVE, BANK OF AMERICA SHALL HAVE THE RIGHT IN ITS SOLE DISCRETION TO ADJUST THE INTEREST RATE.**

This interest rate has been established, in part, by Bank of America assuming (and relying on the City's representation) that interest on the Bond shall be exempt from gross income taxes for federal and state law purposes and that the Bond shall be a "qualified tax-exempt obligation" within the meaning of Section 265 of the Internal Revenue Code of 1986, as amended (the "Code"). Bank of America shall not be obligated to provide these rates to the City unless Bank of America

receives evidence, including legal opinions, in form and content acceptable to Bank of America, that the Bond so qualifies.

Interest shall be calculated on the basis of each month having 30 days in a 360 day year.

- E. PREPAYMENT/REDEMPTION: The Bond shall not be subject to prepayment or redemption prior to April 1, 2009. The Bonds are subject to prepayment or redemption in whole or in part without penalty on or after April 1, 2009; provided, any partial prepayment or redemption shall be applied in the inverse order of scheduled maturities.
- F. SECURITY: The Bond must be secured by a first priority pledge of the Revenues and a statutory lien on the System.
- G. FINANCIAL INFORMATION: The City must provide Bank of America with annual then current, audited fiscal year end financial statements for the City and the System within 210 days of the end of each fiscal year of the City. All financial statements must be in form and content acceptable to Bank of America and must include balance sheets, income information, sources and uses of funds and a list of contingent liabilities.
- H. APPROVAL OF BOND DOCUMENTS: All the documents required to consummate the Bond or required during the term of the Bond affecting the security or relating to the City's capacity and authority to issue the Bond and to execute such other documents, opinions (including an opinion of bond counsel) and assurances as Bank of America may reasonably request and all procedures in connection therewith must be acceptable to Bank of America and its legal counsel in form and substance. Without limiting the generality of the foregoing, the obligation of Bank of America to purchase the Bond is expressly subject to the review and approval by Bank of America and its legal counsel, in their sole discretion, of all ordinances and other documents governing or related to the Bond.
- I. CLOSING: The closing of the Bond must occur no later than February 5, 2004.
- J. COSTS: The Authority shall pay for all costs and expenses incurred by the Authority or the Bank of America in connection with the Bond, regardless of whether the Bond is issued. The law firm of Nexsen Pruet Adams Kleemeier, LLC, Columbia, South Carolina, will represent Bank of America in this

transaction, and fees will be determined on the basis of time and effort expended, but will not exceed \$1,750.00.

- K. CONDITIONS: Bank of America shall not be obligated to purchase the Bond if: (i) legislation shall be enacted or recommended to the Congress for passage by the President of the United States, or favorably reported for passage to either House of the Congress by any committee of such House or announced by the chairman of any such committee to which such legislation has been referred for consideration, a joint announcement of the Chairman of the House Ways and Means Committee and the Senate Finance Committee and the Secretary of the Treasury shall have been made, a decision by a court of the United States or the United States Tax Court shall be rendered, or a filing, regulation or statement by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed to be made with respect to the federal taxation upon the Bond, or upon interest on obligations of the general character of the Bond, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of changing the federal income tax consequences of any of the transactions contemplated in connection herewith and, in the reasonable opinion of Bank of America, materially adversely affects the purchase price of the Bond, or (ii) any legislation, ordinance, rule or regulation shall be introduced in or be enacted by any governmental body, department or agency in the State of South Carolina (the "State") or a decision by a court within the State shall be rendered which, in Bank of America's opinion, materially affects the purchase price of the Bond or the amount of, or ability to pledge, the security for the Bond, or (iii) there shall exist any event which in Bank of America's reasonable judgment makes untrue or incorrect in any material respect any statement or information delivered to Bank of America with respect to the Bond, or (iv) there shall have occurred any outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war, or (v) a general banking moratorium shall have been declared by either federal or state authorities, or (vi) there shall have occurred since the date of this Commitment any material adverse change in the affairs of the City or the City shall default on any of its debt obligations.
- L. RELIANCE: This commitment constitutes an offer by Bank of America to the City to purchase the Bond on terms and conditions set forth herein and should not be relied upon by any third party for any purpose.

- M. AMENDMENT AND WAIVER: No alteration, modification, amendment or waiver of any terms and conditions of this commitment or of any other documents required by or delivered to Bank of America under this commitment, shall be effective or enforceable against Bank of America unless set forth in writing by Bank of America.
- N. INTEGRATION: The terms set forth in this commitment represent the entire agreement between the City and Bank of America with respect to the Bond, and this commitment supersedes any prior contemporaneous agreements, commitments, discussions and understandings, oral or written, with respect to the Bond.
- O. LIMITATION ON DAMAGES: Bank of America shall not be liable to the City and the City shall not be liable to Bank of America for indirect, special or consequential damages which may arise out of the issuance of this commitment.
- P. GOVERNING LAW: This commitment shall be governed by the laws of the State of South Carolina.
- Q. CONSTRUCTION: Capitalized terms used, but not defined, in this commitment shall have the meanings ascribed to such terms in the RFP or the Bond Ordinance (as described in the RFP).
- R. ARBITRATION: Any controversy or claim between or among the parties hereto including but not limited to those arising out of or relating to this commitment or any related instruments, agreements or documents including any claim based on or arising from an alleged tort, shall be determined by binding arbitration in accordance with the Federal Arbitration Act (or if not applicable, the applicable state law), and the rules of practice and procedure for the arbitration of commercial disputes of J.A.M.S./Endispute, or any successor thereto, as supplemented by any special rules set forth in any of the documents. Judgment upon any arbitration award may be entered in any court having jurisdiction. Any party to this commitment may bring an action, including a summary or expedited proceeding, to compel arbitration of any controversy or claim to which this commitment applies in any court having jurisdiction over such action.

Bank of America is happy to have the opportunity to provide this commitment to the City. If you find the above-mentioned terms and conditions acceptable, please have the City indicate its acceptance below and return a copy of the signed commitment letter to me via telefax for my receipt no later than January 16, 2004, with the original to be delivered overnight to me

Mr. Fred H. Boatwright, Manager
January 16, 2004
Page 6

for my receipt on January 21, 2004. Should the commitment not be accepted by that date, it will become null and void and Bank of America will have no obligation to fund any request.

We are looking forward to working with you on this transaction and all future requests. We appreciate your consideration of Bank of America of this particular transaction, and we look forward to continuing our mutually beneficial relationship in the future. Should you feel a need to discuss the contents of this commitment letter, please do not hesitate to call me at (803) 255-7455.

Sincerely,



Michael J. Thacker
Senior Vice President
Location Code: SC3-240-03-07
P.O. Box 448
Columbia, South Carolina 29202-0448
Telefax: (803) 255-7480
Email: Mike.Thacker@BankofAmerica.com

This commitment as outlined herein is agreed to and accepted this 16th day of January, 2004.

CITY OF ORANGEBURG, SOUTH
CAROLINA

(SEAL)

By: _____
Its: _____

EXHIBIT B

(FORM OF BOND)
(FACE OF BOND)

CITY OF ORANGEBURG, SOUTH CAROLINA
COMBINED PUBLIC UTILITY SYSTEM
REVENUE BOND, SERIES 2004

Interest Rate

3.00 %

Date of Issue

February 5, 2004

THE CITY OF ORANGEBURG, SOUTH CAROLINA (the "City") acknowledges itself indebted and for value received hereby promises to pay, solely from the sources and as hereinafter provided, to the Bank of America, N.A., or registered assigns, the "Registered Holder", the principal amount of Nine Million Five Hundred Thousand Dollars (\$9,500,000), payable in ten equal installments of principal of \$950,000 on April 1 in each of the years 2005 through 2014. This Bond will bear interest from the Date of Issue set forth above at the rate of 3.00% per annum. Interest on this Bond is calculated on the basis of 360-day year of 12 thirty-day months payable on April 1 and October 1 of each year beginning April 1, 2004. The interest so payable on any April 1 or October 1 will be paid to the person in whose name this Bond is registered at the close of business on the March 15 or September 15 immediately preceding such April 1 or October 1 (the "Record Date"). Payments of principal installments and interest on the Bond shall be made by check or draft mailed at the times provided herein to the Registered Holder as of the Record Date at the address shown on the registration books. This Bond is subject to redemption on and after April 1, 2009, at par, in whole or in part at any time, but if in part, in inverse order of scheduled payments.

THIS BOND HAS BEEN ISSUED UNDER THE PROVISIONS OF TITLE 6, CHAPTER 21, CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED, AND DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY WITHIN STATE CONSTITUTIONAL PROVISIONS (OTHER THAN ARTICLE X, SECTION 14, PARAGRAPH 10 OF THE SOUTH CAROLINA CONSTITUTION AUTHORIZING OBLIGATIONS PAYABLE SOLELY FROM SPECIAL SOURCES NOT INVOLVING REVENUES FROM ANY TAX OR LICENSE). THIS BOND SHALL NOT CONSTITUTE A DEBT OF THE CITY, NOR A CHARGE, LIEN OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON ANY PROPERTY OF THE CITY OR ON ANY INCOME, RECEIPTS OR REVENUES THEREOF, OTHER THAN THE AFORESAID NET REVENUES OF THE SYSTEM PLEDGED THERETO. NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THIS BOND OR THE INTEREST THEREON AGAINST THE GENERAL FUND OF THE CITY AND NEITHER THE CREDIT NOR THE TAXING POWER OF THE CITY SHALL BE DEEMED TO BE PLEDGED THERETO. THE FULL FAITH, CREDIT AND TAXING POWERS OF THE CITY ARE NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS BOND.

Both the principal of and interest on this Bond, as the same shall become due, are payable solely from the revenues derived from the operation of the Combined Public Utility System of the City (the "System") as described herein. This Bond shall not in any event constitute an indebtedness of the City within the meaning of any provision, limitation or restriction of the Constitution or statutes of the State of South Carolina (the "State"). The City is not obligated to pay this Bond, or the interest hereon, save and except from revenues derived from the operation of the System.

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.

This Bond is issued pursuant to and in accordance with the Constitution and statutes of the State of South Carolina (the "State"), including particularly Chapter 21, Title 6, Code of Laws of South Carolina 1976, as amended, an ordinance duly adopted by the City Council of the City of Orangeburg ("Council") on January 20, 2004 (the "Bond Ordinance") and a Series Ordinance duly adopted by Council on January 20, 2004 (the "Series Ordinance") (the Bond Ordinance and the Series Ordinance are hereinafter collectively referred to as the "Ordinances") for the purpose of obtaining funds to defray the cost of renovations and improvements to the Administration Building located at 1016 Russell Street to serve all divisions of the Department of Public Utilities, acquisition and installation of a peck shaving generator for the Electric Light Distribution System, a geographical information system to serve all divisions of the Department of Public Utilities, an electrical transformer to serve the Electric Light Distribution System, extension of a natural gas pipeline to serve the Natural Gas System, a ten million gallon per day expansion to the water plant to serve the Waterworks System and extensions to the sewer line to serve the Sewage Disposal System and to pay certain costs incidental to the issuance of the Bond.

Certain capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Ordinances. Certified copies of the Ordinances are on file in the office of the Trustee and in the office of the Clerk of Court for Orangeburg County, South Carolina.

The City has covenanted to continuously operate and maintain the System and fix and maintain such rates for the services and facilities furnished by the System as shall at all times be sufficient (a) to provide for the payment of the expenses of the administration and operation and such expenses for maintenance of the System as may be necessary to preserve the same in good repair and working order, (b) to provide for the punctual payment of the principal of and interest on the Bond and all Junior Lien Bonds, (c) to maintain the Debt Service Fund and thus provide for the punctual payment of the principal of and interest on the Bond, (d) to maintain the Debt Service Reserve Fund in the manner prescribed in the Ordinances, (e) to build and maintain a reserve for depreciation of the System, for contingencies and for improvements, betterments and extensions to the System other than those necessary to maintain the same in good repair and working order, and (f) to discharge all obligations imposed by the Enabling Act and the Ordinances.

For the payment of the principal of and interest on the Bond, there are hereby irrevocably pledged that portion of the Revenues which remain after paying the cost of the operation and maintenance of the System; and a lien upon such Revenues has been granted to the Holders of the Bond.

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

This Bond is transferable, as provided in the Bond Ordinance, only upon the registration books of the City kept for that purpose by the Trustee or other registrar, by the Holder hereof in person or by his duly authorized attorney, upon (a) surrender of this Bond and an assignment with a written instrument of transfer satisfactory to the Trustee duly executed by the Holder hereof or his duly authorized attorney and (b) payment of the charges, if any, prescribed in the Bond Ordinance. Thereupon a new Bond of the same aggregate principal amount, maturity and interest rate shall be issued to the transferee in exchange therefor as provided in the Bond Ordinance. The City, the Trustee and any Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal or redemption price hereof and interest due hereon and for all other purposes.

For every exchange or transfer of the Bond, the City or the Trustee or Registrar, as the case may be, 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 to exist, be performed or happen precedent to or in the issuance of this Bond, exist, have been performed and have happened, and 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.

IN WITNESS WHEREOF, CITY OF ORANGEBURG, SOUTH CAROLINA, has caused this Bond to be signed by the Mayor of the City, its seal to be reproduced hereon and the same to be attested by the Clerk of City Council of the City.



CITY OF ORANGEBURG, SOUTH CAROLINA

By *Paul G. Min*
Mayor, City of Orangeburg, South Carolina

Attest:

By *Carroll Johnson*
Clerk, City Council of the City of
Orangeburg, South Carolina

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:

EXHIBIT C

ATTACHED

Letter Dated January 6, 2004
Fred H. Boatwright, Manager of the Department of Public Utilities

To

Ms. Creigh Jennings, Bank of America

Regarding \$9,500,000 City of Orangeburg, South Carolina
Combined Public Utility System Revenue Bond, Series 2004



Department of Public Utilities

City of Orangeburg
1016 Russell Street
Post Office Box 1057
Orangeburg, South Carolina 29116-1 057
(803) 268-4001 • Fax (803) 535-2218

Fred H. Boatwright
Manager

January 6, 2004

Ms. Creigh Jennings
Bank of America
200 Meeting Street – 1st Floor
Charleston, South Carolina 29401

RE: \$9,500,000 City of Orangeburg, South Carolina Combined Public Utility System
Revenue Bond, Series 2004

Dear Ms. Jennings:

The City of Orangeburg, South Carolina (the "City") has made general provision for the issuance of Combined Public Utility System Revenue Bonds by Ordinance to be adopted by City Council January 20, 2004 (the "Bond Ordinance"). In addition City Council, by Series Ordinance to be adopted January 20, 2004 (the "Series Ordinance"), has made specific provision for the issuance of a \$9,500,000 City of Orangeburg, South Carolina Combined Public Utility System Bond, Series 2004 (the "Bond").

The proceeds of the Bond will be applied to defray the cost of renovations and improvements to the Administration Building located at 1016 Russell Street to serve all divisions of the Department of Public Utilities, acquisition and installation of a peak shaving generator for the Electric Light Distribution System, a geographical information system to serve all divisions of the Department of Public Utilities, an electrical transformer to serve the Electric Light Distribution System, extension of a natural gas pipeline to serve the Natural Gas System, a ten million gallon per day expansion to the water plant to serve the Waterworks System and extensions to the sewer line to serve the Sewage Disposal System (the "Project"). The Project will be part of the City's Combined Public Utility System (the "System").

The purpose of this letter is to request your proposal to purchase the Bond on the terms and conditions described herein. The Bond will be designated a "qualified tax-exempt obligation" in accordance with Section 265(b)(3)(B) of the Internal Revenue Code of 1986.

The City currently has no outstanding revenue debt secured by the System. The Bond will be the first obligation incurred pursuant to the Bond Ordinance. Under the provisions of the Bond Ordinance the City may under certain conditions issue additional Combined Public Utility

Mayor
Paul A. Miller

Members of Council
Charles B. Barnwell, Jr.
Bernard Haire
Charles W. Jernigan

Members of Council
Sandra P. Knotts
Trelvis A. Miller, Sr.
Joyce W. Rheney

System Revenue Bonds on parity with the City's Public Utility System Revenue Bonds, from time to time outstanding. Such additional obligations shall be issued pursuant to Article IV of the Bond Ordinance. The Bond will not be rated or insured, nor will a Debt Service Reserve Fund be provided.

Principal and Interest Payments

The City's requires a fixed rate of interest on the Bond to be paid on each April 1 and October 1 commencing April 1, 2004, until maturity or prior redemption. The Bond shall be payable annually on April 1 in accordance with the following schedule.

<u>April 1</u>	<u>Principal Amount</u>
2005	\$950,000
2006	\$950,000
2007	\$950,000
2008	\$950,000
2009	\$950,000
2010	\$950,000
2011	\$950,000
2012	\$950,000
2013	\$950,000
2014	\$950,000

Interest on the Bond will be computed using "Banker's Daycount" method with each month having 30 days in a 360 day year.

Redemption Provisions

The City prefers a redemption provision to prepay the Bond on or after April 1, 2009 in whole or in part at anytime without penalty. Your proposal should address your required redemption provisions if different from the City's preference.

The Bond Ordinance and Series Ordinance

The Bonds will be issued under the Bond Ordinance and the Series Ordinance to be adopted by the City. A copy of the Bond Ordinance and the Series Ordinance is enclosed.

Financial Information

Summary of Historical Revenue and Expenses - The table attached in Appendix A indicates the System's audited financial results for each fiscal year beginning 1999 through 2002 and unaudited results for the fiscal year ended September 30, 2003. Appendix B contains copies of the City's audited financial statements relating to the Combined Public Utility System for the fiscal year ending September 30, 2002.

Form of Proposal

If you are interested in providing a financing proposal to the City you should submit your proposal to the City at the addresses indicated below. The proposal may be organized according to the suggested outline below.

General Information - Please provide the address, telephone and fax numbers of the branch office designated for this engagement and the name of the primary contact person.

Please indicate the interest rate(s) proposed and all fees, if any, which the City will be responsible for paying in connection with the financing. If no fees are stated it will be assumed that the City will be responsible only for fees related to Bond Counsel, City Attorney, and Registrar and Paying Agent fees.

Interest rate(s), all fees, and terms must be guaranteed from the date of your proposal until a date not earlier than February 5, 2004. The expected closing date is on or before February 5, 2004.

Other Pertinent Information - Please provide any supplemental information believed relevant and indicate the willingness and ability to close the transaction by February 5, 2004.

The City will not prepare an official statement in connection with the sale of the Bond, and, in that regard, the purchaser of the Bond will be required to deliver to the City a certificate indicating that the purchaser (a) is a financial institution or other sophisticated investor, (b) has undertaken an independent investigation of the affairs of the City, its Combined Public Utility System, and its financial condition sufficient to understand the risks associated with the acquisition of the Bond and (c) that such purchaser is acquiring the Bond as an investment for its own account and without a view to resale.

The Selection Process

Questions and request for additional information should be directed to me at the address and phone number listed above or to Bond Counsel as follows:

Charlton deSaussure, Jr.
Post Office Box 340
134 Meeting Street – Third Floor
Charleston, South Carolina 29401
Telephone: 843-720-4420
E-mail: cdesaussure@hsblawfirm.com

Proposals are due on or before 12:00 noon. January 15, 2004 at which time they will be publicly opened.

Proposals will be reviewed and evaluated by the City staff and the City's Bond Counsel which shall decide which firm can best meet the needs of the City. Evaluation criteria will include, among other things, interest rate proposed, call provisions, and financing costs.

The City anticipates that a selection will be made by 5:00 P.M. January 15, 2004.

Respondents will be notified after initial review if additional information is required.

January 6, 2004

Page 4

Submission of Proposals

Submit one copy of your proposal to the City at the following address:

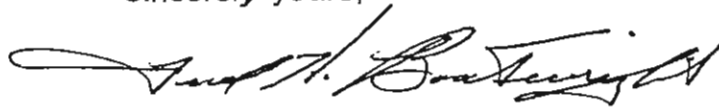
Fred H. Boatwright, Manager
Department of Public Utilities
1016 Russell Street
Post Office Box 1057
Orangeburg, South Carolina 29116-1057

The City reserves the right to reject all proposals, to negotiate with any respondent and to waive irregularities or information in connection with this request.

Legal Proceedings

Legal proceedings in connections with the authorization, issuance, sale and validity of the Bond are subject to the approving opinion of Haynsworth Sinkler Boyd, P.A., Charleston, South Carolina ("Bond Counsel"). Bond Counsel shall also render opinions relating to the tax-exempt status of the Bond and applicability of Section 265(b)(3)(B) of the Internal Revenue Code of 1986.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Fred H. Boatwright", with a stylized flourish at the end.

Fred H. Boatwright

FHB/ba
Enclosures

MGR-04-0001

Exhibit A

- City of Orangeburg, Orangeburg, South Carolina, Department of Public Utilities
Statements of Revenues, Expenses, and Changes in Net Assets
Years Ended September 30, 2003 and 2002
- City of Orangeburg, Orangeburg, South Carolina, Department of Public Utilities
Statements of Revenues, Expenses, and Changes in Net Assets
Years Ended September 30, 2002 and 2001
- City of Orangeburg, Orangeburg, South Carolina, Department of Public Utilities
Statements of Revenues, Expenses, and Changes in Net Assets
Years Ended September 30, 2001 and 2000
- City of Orangeburg, Orangeburg, South Carolina, Department of Public Utilities
Statements of Revenues, Expenses, and Changes in Net Assets
Years Ended September 30, 2000 and 1999
- City of Orangeburg, Orangeburg, South Carolina, Department of Public Utilities
Statements of Revenues, Expenses, and Changes in Net Assets
Years Ended September 30, 1999 and 1998

Exhibit B

Audited Financial Statement
City of Orangeburg, Orangeburg, South Carolina
Fiscal Year Ending September 30, 2002

EXHIBIT D

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Orangeburg, South Carolina (the "Issuer") in connection with the issuance of \$9,500,000 Combined Public Utility System Revenue Bonds, Series 2004, of the City of Orangeburg, South Carolina (the "Bonds"). The Bonds are being issued pursuant to an Ordinance adopted January 20, 2004, and a Series Ordinance adopted January 20, 2004 (collectively, the "Ordinances"). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Bondholders and in order to assist the Participating Underwriters in complying with Securities Exchange Commission Rule 15c2-12(b)(5).

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

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

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

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

"National Repository" shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. Currently, the following are National Repositories:

- Bloomberg Financial Markets, Municipal Repository, 100 Business Park Drive, Skillman, NJ 08558-3629 (609) 279-3225, Fax: (609) 279-5962, Email: munis@bloomberg.com, <http://www.bloomberg.com>
- Standard & Poor's J.J. Kenny Repository, 55 Water Street, 45th Floor, New York, NY 10041, (212) 438-4568, Fax: (212) 438-0222 or 0223, Email: nrmsir_repository@sandp.com, <http://www.jjkenny.com>
- FT Interactive Data, Attention: NRMSIR, 100 William Street, New York, NY 10038, Phone: (212) 771-6999, Fax: (212) 771-7390, E-mail: nrmsir@ftid.com, <http://www.ftinteractivedata.com>
- DPC Data, Inc., One Executive Drive, Fort Lee, NJ 07024, (201) 346-0701, Fax: (201) 947-0107, Email: nrmsir@dpcdata.com, <http://dpcdata.com>

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

"Repository" shall mean each National Repository and each State Repository, if any.

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

"State Repository" shall mean any public or private repository or entity designated by the State as a state repository for the purpose of the Rule. As of the date of this Agreement, there is no State Repository established in South Carolina.

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than 180 days following the end of the Issuer's fiscal year (presently October 1 to September 30) commencing with the fiscal year ending September 30, 2004, provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 business days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent, if other than the Issuer. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report.

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

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

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the following:

- (a) The City's complete audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the City's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.
- (b) If generally accepted accounting principles have changed since the last Annual Report was submitted pursuant to this Disclosure Certificate and if such changes are material to the System, a narrative report describing the impact of such change in the System.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Issuer shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Significant Events.

- (a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events:

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

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

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

SECTION 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be the Issuer.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, to the effect that such amendment or waiver 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.

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

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

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

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



CITY OF ORANGEBURG, SOUTH CAROLINA

By: *Sam G. Miller*

Dated: *January 20*, 2004



ORDINANCE 2004- 4

AN ORDINANCE OF CITY COUNCIL TO SET SUBURBAN FIRE PROTECTION RATES AS AUTHORIZED UNDER SECTION 18-4.2 OF THE CODE OF ORDINANCES OF THE CITY OF ORANGEBURG SOUTH CAROLINA

WHEREAS, the City of Orangeburg, South Carolina provides fire protection and other related services to the suburban areas outside the City; and

WHEREAS, a large Majority of the emergency calls are in the suburban areas; and

WHEREAS, the City incurs substantial costs in providing this service; and

WHEREAS, the City strives to maintain and improve its level of Public Safety services.

NOW THEREFORE, BE IT ORDAINED, by Orangeburg City Council, duly assembled, that §18-4.2 of the Code of Ordinances of the City of Orangeburg is hereby amended by setting the following Suburban Fire Protection Rates, which shall be effective as of Feb. 17, 2004.

SUBURBAN FIRE PROTECTION RATES

1.	1st house less than 900 square feet	\$ 74.00
	All other miscellaneous structures on same lot	\$ 51.50
2.	1st house 900 square feet to 1499 square feet	\$104.00
	All other miscellaneous structures on same lot	\$ 83.00
3.	1st house 1500 square feet to 2099 square feet	\$111.50
	All other miscellaneous structures on same lot	\$ 89.00
4.	1st house 2100 square feet to 2699 square feet	\$119.00
	All other miscellaneous structures on same lot	\$ 97.00
5.	1st house 2700 square feet to 3299 square feet	\$126.00
	All other miscellaneous structures on same lot	\$104.00
6.	1st house 3300 square feet to 3899 square feet	\$133.00
	All other miscellaneous structures on same lot	\$111.50
7.	1st house 3900 square feet and larger	\$141.00
	All other miscellaneous structures on same lot	\$119.00
21.	Single Wide Trailer	\$ 74.00
22.	Double Wide Trailer	\$104.00
23.	Mobile Home Park, Each Single Wide Trailer	\$ 74.00
	Mobile Home Park, Each Double Wide Trailer	\$104.00
31.	Apartments less than 900 square feet - 1st apt.	\$ 74.00
	All other apartments	\$ 52.50
32.	Apartments 900 square feet or larger - 1st apt.	\$104.00
	All other apartments	\$ 83.00
33.	Duplex, each apartment less than 900 square feet	\$ 74.00
	Second Duplex, less than 900 square feet	\$ 52.50
34.	Duplex, each apartment 900 square feet or more	\$ 104.00
	Second Duplex, 900 square feet or more	\$ 83.00
35.	Apartments less than 900 square feet with laundry	\$ 74.00
	All other apartments	\$ 52.50
41.	Vacant Lot not exceeding 5 acres	\$ 64.00
42.	Vacant parcels larger than 5 acres	\$ 96.00
51.	Business less than 1200 square feet	\$111.50
52.	Business 1200 square feet or larger	\$259.00

AN ORDINANCE EXTENDING THE FRANCHISE AGREEMENT BETWEEN THE CITY OF ORANGEBURG AND TIME WARNER ENTERTAINMENT-ADVANCE/NEWHOUSE, A NEW YORK GENERAL PARTNERSHIP D/B/A TIME WARNER CABLE DATED MAY 4, 1995 AND EXPIRING ON MAY 31, 2004.

WHEREAS, Time Warner currently holds a cable television franchise awarded by the City, which franchise authorizes Time Warner to provide cable services within the City (the "Franchise"); and

WHEREAS, Section 626 (a)(1) of the Cable Communications Policy Act of 1984, as amended, 47 U.S.C. § 546 (a)(1) (the "Cable Act"), provides that if a written renewal request is submitted by a cable operator during the 6-month period which begins with the 36th month before franchise expiration and ends with the 30th month prior to franchise expiration, a franchising authority shall, within six (6) months of the request, commence a proceeding to identify future cable-related community needs and interests and to review the performance of the cable operator under the franchise during the then current franchise term; and

WHEREAS, Time Warner has submitted the written request specified in §626 (a)(1) of the Cable Act by letter dated August 31, 2001; and

WHEREAS, Time Warner's written request advises the City that Time Warner is invoking its rights under the formal renewal procedures set forth in Section 626(a)-(g) of the Cable Act, 47 U.S.C. § 546 (a)-(g) (the "Formal Process"); and

WHEREAS, the City held a public hearing under the Formal Process on February 19, 2002 and Time Warner was notified of such hearing by letter dated December 27, 2001; and

WHEREAS, representatives of Time Warner attended and participated in the public hearing of the City held on February 19, 2002; and

WHEREAS, the primary issues then in dispute between the City and Time Warner were the term of the franchise renewal and Time Warner's timely response to outages and consumer complaints; and

WHEREAS, representatives of Time Warner have acknowledged opportunities for improvement in the training of personnel handling outages and consumer complaints and has initiated an improved training program; and

WHEREAS, the City has been advised that as a result of additional training of personnel substantial improvements will be achieved in the areas of response to outages and consumer complaints and Time Warner has requested that the City extend the existing Franchise Agreement for an additional year, expiring on May 31, 2005, to fully implement its improved training procedures; and

WHEREAS, the City has agreed to said extension on the assurance that response to outages and consumer complaints will improve during said extended term; and

WHEREAS, the City and Time Warner now agree that utilizing the informal renewal process during the extended term described in Section 626 (h) of the Cable Act, 47 U.S.C. §546 (h), (the "Informal Process") is mutually beneficial and preferable to the formal renewal procedures and timelines set out in the Formal Process.

NOW THEREFORE BE IT ORDAINED BY COUNCIL DULY ASSEMBLED, that the Franchise Agreement between the City of Orangeburg and Time Warner Entertainment-Advance/Newhouse, a New York general partnership d/b/a Time Warner Cable dated May 4, 1995 and all terms, conditions and limitations as contained therein are extended for an additional one (1) year, expiring on May 31, 2005, for the purposes stated hereinabove.

DONE AND RATIFIED BY THE CITY OF ORANGEBURG, STATE OF SOUTH
CAROLINA THIS 18 DAY OF May, 2004.



Mayor

Paul G. Miller
Samuel Haire
Dandra P. Stott
Charles B. Samuel
Julius A. Miller
James W. Khene
Chad Rye
Members of Council

ATTEST:

City Clerk

Carrie Johnson

AN ORDINANCE REPEALING ORDINANCE NO. 2003-13.

WHEREAS, by Ordinance No. 2003-13, dated December 16, 2003, the Franchise Agreement between The City of Orangeburg and BellSouth Telephone and Telegraph, now BellSouth Telecommunications, Inc., (hereinafter referred to as "BellSouth"), was extended for an additional one (1) year, expiring on December 31, 2004, and

WHEREAS, as part of a Settlement Agreement approved by Resolution of City Council dated December 16, 2003 it was agreed that said franchise extension would be repealed,

NOW THEREFORE, BE IT ORDAINED by City Council duly assembled that Ordinance No. 2003-13 dated December 16, 2003 is hereby repealed in its entirety.

DONE AND RATIFIED BY THE CITY OF ORANGEBURG, STATE OF SOUTH CAROLINA THIS 1st DAY OF JUNE , 2004.



Paul G. Miller
Mayor
Edward D. Haire
James W. Phares
Charles A. Miller
Charles B. Conwell
Chris Dugan

Members of Council

ATTEST: Carrie H. Johnson
City Clerk

**AN ORDINANCE APPROVING SETTLEMENT AGREEMENT BETWEEN
THE CITY OF ORANGEBURG AND BELL SOUTH TELECOMMUNICATIONS, INC.**

WHEREAS, The City of Orangeburg ("the City") previously found it necessary to institute a Declaratory Order Proceeding against BellSouth Telecommunications, Inc. ("the Company") in the Public Service Commission of South Carolina, known as *City of Orangeburg v. BellSouth Telecommunications, Inc.*, Docket No. 2001-370-C, concerning franchise fee issues that had long been in dispute between the City and the Company; and

WHEREAS, the City and the Company have reached a compromise settlement of all issues pending in that Declaratory Order Proceeding; and

WHEREAS, this Council approved the terms of the settlement by resolution of December 16, 2003, authorizing the execution by the City Administrator of a Settlement Agreement with the Company; and

WHEREAS, the Settlement Agreement has now been duly executed by the City and by the Company;

NOW THEREFORE, BE IT ORDAINED, by City Council duly assembled that the City of Orangeburg finds the terms of the settlement as set forth in the executed Settlement Agreement to be fair, reasonable, necessary, and advantageous to the City of Orangeburg and its citizens; and

BE IT FURTHER ORDAINED, that the settlement as set forth in the executed Settlement Agreement is hereby APPROVED.

DONE AND RATIFIED BY THE CITY OF ORANGEBURG, STATE OF SOUTH CAROLINA THIS 1st DAY OF JUNE, 2004.



Mayor

Paul M. Min
James W. Hair
James W. Hair
Charles A. Miller
Charles B. Brumfield
Charles Brumfield

Members of Council

ATTEST:

Carrie H. Johnson
City Clerk



ORDINANCE No. 2004 - 8

AN ORDINANCE TO ADOPT ALL NEW RATES PERTAINING TO WATER FOR THE DEPARTMENT OF PUBLIC UTILITIES OF THE CITY OF ORANGEBURG

BE IT ORDAINED By the Mayor and Members of Council of the City of Orangeburg, South Carolina, in Council assembled, and by authority of the same;

That all the rates of the Department of Public Utilities of the City of Orangeburg pertaining to Water, as heretofore adopted be, and the same are hereby repealed, and in lieu thereof, the Water Rates of the Department of Public Utilities of the City of Orangeburg, hereto attached, be and they are hereby, declared effective and in full force on July 9, 2004 as indicated on the Rate Schedule;

BE IT FURTHER ORDAINED, by the Mayor and Members of Council of the City of Orangeburg, in Council assembled, and by authority of the same, that the rates be accepted; and

DONE AND RATIFIED BY City Council duly assembled this 8th day of July, 2004.



Paul G. Miller

MAYOR

Sandra P. Lott

Charles B. Brumley

James W. Cheney

Charles R. Dugan

Robert A. Miller

MEMBERS OF COUNCIL

ATTEST:

Carrie W. Johnson

CITY CLERK

DEFINING SLUM AND BLIGHTED AREAS

WHEREAS, Community Development Block Grants and other sources of funding may be available from time to time for redevelopment of slum and blighted areas; and,

WHEREAS, it is appropriate to define "blighted areas" for purposes of designation of such areas for which funds may be granted for preservation, improvement, and redevelopment in a manner consistent with CDBG program requirements and State Law.

NOW, THEREFORE, BE IT ORDAINED by Mayor and City Council of the City of Orangeburg, South Carolina, in Council duly assembled this 17th day of August 2004, that the following definition of a "Slum and Blighted Area" is adopted for purposes of designating areas, making application for funds and expenditures of funds for the improvement, preservation, conservation, or redevelopment of such areas as may be identified by Resolution of Council describing the area and identifying the conditions which meet the standards in the definition.

In accordance with State Law, a "Slum and Blighted Area" means any improved or vacant area within identified boundaries located within the territorial limits of the municipality where:

1) The area consists of improved industrial or commercial, and residential buildings or improvements, which because of a combination of five or more of the following factors (one of the factors must be item j.) are detrimental to the public safety, health, morals, or welfare, within the area:

- a) age of buildings (defined as at least 50 year old)
- b) dilapidation so as not to be suitable as a residence or place of business
- c) obsolescence
- d) deterioration
- e) illegal use of individual structure
- f) presence of structures below locally adopted code standards (defined as 25% of structures within the designated area)
- g) excessive vacancies
- h) overcrowding of structures and community facilities
- i) lack of ventilation, light or sanitary facilities
- j) deterioration of public facilities
- k) excessive land coverage
- l) deleterious land use or layout
- m) depreciation of physical maintenance, and
- n) lack of community planning; or

2) If vacant, the sound growth is impaired by:

(I) A combination of two or more of the following factors:

- a) Obsolete platting of vacant land
- b) Diversity of ownership of such land
- c) Tax and special assessment delinquencies on such land
- d) Deterioration of structures or sitc improvements in neighboring areas adjacent to the vacant land, or

(II) The area immediately prior to becoming vacant qualified as a slum and blighted area.

Approved this 17th day of Aug 2004



Carrie H. Johnson
Attest: City Clerk

[Signature]
Mayor
[Signature]
Charles B. Brundage
[Signature]
[Signature]
[Signature]

Councilmembers

ORDINANCE NO. 2004-10

ORDINANCE TO ESTABLISH A "TYPE B" RESIDENTIAL PLANNED DEVELOPMENT DISTRICT "RIVERS POINT" AS PROPOSED BY DEVELOPER BERT SHULER AND OWNER HENRY GOODWIN LOCATED AT (TAX MAP# 0152-15-01-003) PURSUANT TO SECTION §24-6.1 PLANNED DEVELOPMENT DISTRICT OF THE CODE OF ORDINANCES OF THE CITY OF ORANGEBURG, SOUTH CAROLINA

WHEREAS, Bert Shuler and Henry Goodwin, pursuant to Section § 24-6.1 of the Zoning Ordinance of the City of Orangeburg, South Carolina has proposed a Type B Residential PDD; and

WHEREAS, proper posting of the property and notice of the Public Hearing for the proposed zoning map amendment has been duly published in accordance with Section §24-12; and

WHEREAS, the Planning Commission has reviewed the Proposed Type B Residential PDD relative to:

- 1) Site Requirements,
- 2) Minimum Area Requirements,
- 3) Development Standards and
- 4) Improvement Guarantees; and,

WHEREAS, the Planning Commission found all requirements and standards were met and have recommended approval by City Council.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and City Council of the City of Orangeburg, State of South Carolina, in Council duly assembled we do hereby approve the proposed Land Use and Conceptual plan of "Rivers Point Subdivision" a Type B Residential PDD as proposed by Bert Shuler and Henry Goodwin contingent upon full and timely compliance with PDD requirements under the City of Orangeburg Zoning Ordinance and requirements of the PDD Agreement between the City and the owner and developer. "Rivers Point Subdivision" shall be designated as "Type B PDD No. 2004-1" on the Zoning Map of the City and the Zoning Administrator shall amend the Zoning Map to reflect same within seven (7) days from the effective date of this Ordinance.

DONE AND RATIFIED BY THE CITY OF ORANGEBURG, STATE OF SOUTH CAROLINA THIS 7th DAY OF September 2004.



Paul G. Min
Mayor
James W. Rhew
Paul D. Dungan
Charles A. Miller
Charles B. Bannock
James H. Haire
Sandra P. Smith
Councilmembers

ATTEST: Carrie H. Johnson
Assistant City Clerk

ORDINANCE NO. 2004- 11

**AN ORDINANCE AMENDING THE BUDGET FOR THE CITY OF ORANGEBURG,
SOUTH CAROLINA, FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2003 AND
ENDING SEPTEMBER 30, 2004**

**THE CITY COUNCIL OF THE CITY OF ORANGEBURG HEREBY ORDAINS AND
RATIFIES:**

Section 1. That the Budget of the City of Orangeburg for the Fiscal Year beginning October 1, 2003 and ending September 30, 2004, designated as Ordinance No. 2003-06, shall be and hereby is amended so to levy a tax to cover the period from the first day of January 2003 to the thirty-first day of December 2003, both inclusive, for the sums and in the manner hereinafter mentioned and shall be levied, collected and paid into the Treasury of the City of Orangeburg, South Carolina, for the use and service thereof; i.e., a tax of seventy-three (73) mills and the same is hereby assessed on each dollar of the assessed value of all real estate and personal property within the City of Orangeburg, South Carolina, except as such which is exempt from taxation by law.

Section 2. That in all other respects, except as hereby and heretofore amended, the budget for the City of Orangeburg for the Fiscal Year beginning October 1, 2003 and ending September 30, 2004 shall remain in full force and effect.

Section 3. That all Ordinances or parts of Ordinances in conflict herewith are hereby repealed.

Adopted by the Council of the City of Orangeburg on this 7th day of September, 2004, at which a quorum was present and voting.



ATTEST:

Carrie H. Johnson
ASST. CITY CLERK

Lawrence M. Min
MAYOR

Joseph W. Roney

Chad Dwyer

Julius A. Miller

Charles B. Bannett

Sam Haire

Sandra T. Smith
MEMBERS OF COUNCIL

ORDINANCE NO. 2004- 12

AN ORDINANCE TO RAISE REVENUE AND ADOPT A BUDGET FOR THE CITY OF ORANGEBURG, SOUTH CAROLINA FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2004 AND ENDING SEPTEMBER 30, 2005

BE IT ORDAINED by the Mayor and Council Members of the City of Orangeburg, South Carolina, in Council assembled, and by authority of the same:

SECTION 1. In accordance with Section 5-7-260 of the 1976 Code of Laws of South Carolina, and Council shall act by Ordinance to adopt budgets, levy taxes, and collect all other income sources available to the City pursuant to public notice.

SECTION 2. That the prepared budget for the fiscal year October 1, 2004-September 30, 2005, and the estimated revenue for payment of same is hereby adopted.

SECTION 3. That a tax to cover the period from the first day of January, 2004 to the thirty-first day of December, 2004, both inclusive, for the sums and in the manner hereinafter mentioned, is and shall be levied, collected and paid into the Treasury of the City of Orangeburg for the use and service thereof; i.e., a tax of 73 mills be and the same is hereby assessed on each dollar of the assessed value of all real estate and personal property within the City of Orangeburg, South Carolina, except as such which is exempt from taxation by law.

SECTION 4. Tax levied under this Ordinance shall be due and payable at the office of the City Clerk and Treasurer, in the Municipal Building of the City of Orangeburg, South Carolina, from the first day of November, 2004, until the fifteenth day of January 2005, from the hours of 8:00 A.M. until 5:00 P.M., Monday through Friday, Saturdays and Sundays excepted.

SECTION 5. On January 16, 2005, a penalty of fifteen (15) percent shall be added on all unpaid taxes. The City Clerk and Treasurer shall on March 17, 2005, place all delinquent properties in execution in accordance with and adding an additional execution cost of \$45.00 by Section 6-1-10, as amended, of the Code of Ordinances of the City of Orangeburg, South Carolina.

SECTION 6. If for any reason, any sentence, clause or provisions of this Ordinance shall be declared invalid, such shall not affect the remaining provisions thereof.

DONE AND RATIFIED BY THE CITY COUNCIL OF ORANGEBURG, SOUTH CAROLINA, IN COUNCIL ASSEMBLED THIS 7th DAY OF September, 2004.



Paul G. Min

MAYOR

Joyce W. Rhoney

Chub Dyer

Julius A. Miller

Charles B. Russell

John Hare

James P. Smith

MEMBERS OF COUNCIL

ATTEST:

Carrie H. Johnson

ASST. CITY CLERK



ORDINANCE No. 2004 - 13

AN ORDINANCE TO ADOPT A BUDGET FOR THE OPERATION OF
DEPARTMENT OF PUBLIC UTILITIES FOR THE
CITY OF ORANGEBURG, STATE OF SOUTH CAROLINA
FOR THE FISCAL YEAR
OCTOBER 1, 2004 THROUGH SEPTEMBER 30, 2005

BE IT ORDAINED by City Council duly assembled that the attached budget consisting of seven (7) pages is hereby adopted as the operating budget for the Department of Public Utilities for the City of Orangeburg for the fiscal year October 1, 2004 through September 30, 2005.

BE IT FURTHER ORDAINED that the Manager of the Department of Public Utilities is authorized to transfer budgeted amounts between line items and/or divisions or between approved capital projects in accordance with the duties and responsibilities of said Manager.

DONE AND RATIFIED by Council duly assembled this 7th day of September, 2004.



Laura Miller
Mayor

Bernie Haie

Sandra R. Knott

Charles D. Bandy

Thomas A. Miller

Chris Dyer
Jay W. Roney
Members of Council

ATTEST:
Carroll Johnson
City Clerk

DEPARTMENT OF PUBLIC UTILITIES
CITY OF ORANGEBURG
PROJECTED BUDGET
TOTAL PROJECTIONS

	<u>ACTUAL</u> <u>2002-2003</u>	<u>PROJECTED</u> <u>2004-2005</u>
<u>OPERATING INCOME:</u>		
Net Billings	\$ 71,653,517	\$ 77,675,585
Water and Wastewater Taps	161,674	211,000
Water and Wastewater Impact Fees	264,863	326,000
Counter Service Fees	874,049	896,000
Fiber Rentals	8,862	9,500
Miscellaneous Sales & Services	459,520	681,000
Charge Off Accts Collected	122,802	112,948
TOTAL INCOME	\$ 73,545,287	\$ 79,912,033
<u>COST OF SALES:</u>		
Electricity Purchased	\$ 33,404,726	\$ 36,750,600
Natural Gas Purchased	14,135,792	15,696,500
GROSS PROFIT	\$ 26,004,769	\$ 27,464,933
<u>OPERATING EXPENSES:</u>		
Depreciation Expense	\$ 4,628,162	\$ 4,955,991
Operating Expense	5,989,398	5,980,057
Administrative Expense	5,807,103	6,466,224
Bad Debt Expense	266,009	199,207
TOTAL OPERATING EXPENSE	\$ 16,690,672	\$ 17,601,479
OPERATING PROFIT	\$ 9,314,097	\$ 9,863,454
<u>NON-OPERATING REVENUE:</u>		
Interest Earned Short-Term Investment	\$ 453,901	\$ 391,250
TOTAL NON-OPERATING REVENUE	\$ 453,901	\$ 391,250
TOTAL OPERATING & NON-OPERATING REVENUE	\$ 9,767,998	\$ 10,254,704
<u>NON-OPERATING EXPENSE:</u>		
Other Interest Expense	\$ -	\$ -
TOTAL NON-OPERATING EXPENSE	\$ -	\$ -
NET PROFIT	\$ 9,767,998	\$10,254,704

DEPARTMENT OF PUBLIC UTILITIES
CITY OF ORANGEBURG
PROJECTED BUDGET
ELECTRIC DIVISION

	<u>ACTUAL</u> <u>2002-2003</u>	<u>PROJECTED</u> <u>2004-2005</u>
<u>OPERATING INCOME:</u>		
Net Billings	\$ 46,580,806	\$ 50,432,400
Counter Service Fees	621,283	635,000
Fiber Rentals	8,862	9,500
Miscellaneous Sales & Services	113,882	195,500
Charge Off Accts Collected	91,846	83,500
TOTAL INCOME	\$ 47,416,679	\$ 51,355,900
<u>COST OF SALES:</u>		
Electricity Purchased	\$ 33,404,726	\$ 36,750,600
GROSS PROFIT	\$ 14,011,953	\$ 14,605,300
<u>OPERATING EXPENSES:</u>		
Depreciation Expense	\$ 2,395,162	\$ 2,512,495
Operating Expense	1,899,229	1,942,225
Administrative Expense	2,684,319	2,908,621
Bad Debt Expense	199,539	136,798
TOTAL OPERATING EXPENSE	\$ 7,178,249	\$ 7,500,139
OPERATING PROFIT	\$ 6,833,704	\$ 7,105,161
<u>NON-OPERATING REVENUE:</u>		
Interest Earned Short-Term Investment	\$ 271,778	\$ 235,500
TOTAL NON-OPERATING REVENUE	\$ 271,778	\$ 235,500
TOTAL OPERATING & NON-OPERATING REVENUE	\$ 7,105,482	\$ 7,340,661
<u>NON-OPERATING EXPENSE:</u>		
Other Interest Expense	\$ -	\$ -
TOTAL NON-OPERATING EXPENSE	\$ -	\$ -
NET PROFIT	\$ 7,105,482	\$ 7,340,661

DEPARTMENT OF PUBLIC UTILITIES
CITY OF ORANGEBURG
PROJECTED BUDGET
GAS DIVISION

	<u>ACTUAL</u> <u>2002-2003</u>	<u>PROJECTED</u> <u>2004-2005</u>
<u>OPERATING INCOME:</u>		
Net Billings	\$ 17,405,662	\$ 19,048,500
Counter Service Fees	166,991	170,000
Miscellaneous Sales & Services	18,867	10,000
Charge Off Accts Collected	16,210	13,598
TOTAL INCOME	\$ 17,607,730	\$ 19,242,098
 <u>COST OF SALES:</u>		
Natural Gas Purchased	\$ 14,135,792	\$ 15,696,500
GROSS PROFIT	\$ 3,471,938	\$ 3,545,598
 <u>OPERATING EXPENSES:</u>		
Depreciation Expense	\$ 427,629	\$ 487,299
Operating Expense	458,967	474,998
Administrative Expense	902,956	1,126,416
Bad Debt Expense	32,504	28,950
TOTAL OPERATING EXPENSE	\$ 1,822,056	\$ 2,117,663
 OPERATING PROFIT	\$ 1,649,882	\$ 1,427,935
 <u>NON-OPERATING REVENUE:</u>		
Interest Earned Short-Term Investment	\$ 53,830	\$ 46,500
TOTAL NON-OPERATING REVENUE	\$ 53,830	\$ 46,500
 TOTAL OPERATING & NON-OPERATING REVENUE	\$ 1,703,712	\$ 1,474,435
 <u>NON-OPERATING EXPENSE:</u>		
Other Interest Expense	\$ -	\$ -
TOTAL NON-OPERATING EXPENSE	\$ -	\$ -
 NET PROFIT	\$ 1,703,712	\$ 1,474,435

DEPARTMENT OF PUBLIC UTILITIES
CITY OF ORANGEBURG
PROJECTED BUDGET
WATER DIVISION

	<u>ACTUAL</u> <u>2002-2003</u>	<u>PROJECTED</u> <u>2004-2005</u>
<u>OPERATING INCOME:</u>		
Net Billings	\$ 4,466,049	\$ 4,831,714
Water Taps	118,671	145,500
Water Impact Fees	71,174	110,500
Counter Service Fees	51,240	54,500
Miscellaneous Sales & Services	175,042	225,500
Charge Off Accts Collected	<u>9,866</u>	<u>10,350</u>
TOTAL INCOME	\$ 4,892,042	\$ 5,378,064
GROSS PROFIT	\$ 4,892,042	\$ 5,378,064
<u>OPERATING EXPENSES:</u>		
Depreciation Expense	\$ 983,267	\$ 1,059,497
Operating Expense	2,064,239	1,923,334
Administrative Expense	1,473,507	1,635,013
Bad Debt Expense	<u>23,020</u>	<u>21,624</u>
TOTAL OPERATING EXPENSE	\$ 4,544,033	\$ 4,639,468
OPERATING PROFIT	\$ 348,009	\$ 738,596
<u>NON-OPERATING REVENUE:</u>		
Interest Earned Short-Term Investment	<u>\$ 89,738</u>	<u>\$ 76,500</u>
TOTAL NON-OPERATING REVENUE	\$ 89,738	\$ 76,500
TOTAL OPERATING & NON-OPERATING REVENUE	\$ 437,747	\$ 815,096
<u>NON-OPERATING EXPENSE:</u>		
Other Interest Expense	<u>\$ -</u>	<u>\$ -</u>
TOTAL NON-OPERATING EXPENSE	\$ -	\$ -
NET PROFIT	\$ 437,747	\$ 815,096

DEPARTMENT OF PUBLIC UTILITIES
CITY OF ORANGEBURG
PROJECTED BUDGET
WASTEWATER DIVISION

	<u>ACTUAL</u> <u>2002-2003</u>	<u>PROJECTED</u> <u>2004-2005</u>
<u>OPERATING INCOME:</u>		
Net Billings	\$ 3,201,000	\$ 3,362,971
Wastewater Taps	43,003	65,500
Wastewater Impact Fees	193,689	215,500
Counter Service Fees	34,535	36,500
Miscellaneous Sales & Services	151,729	250,000
Charge Off Accts Collected	4,880	5,500
TOTAL INCOME	\$ 3,628,836	\$ 3,935,971
GROSS PROFIT	\$ 3,628,836	\$ 3,935,971
<u>OPERATING EXPENSES:</u>		
Depreciation Expense	\$ 822,104	\$ 896,700
Operating Expense	1,566,963	1,639,500
Administrative Expense	746,321	796,174
Bad Debt Expense	10,946	11,835
TOTAL OPERATING EXPENSE	\$ 3,146,334	\$ 3,344,209
OPERATING PROFIT	\$ 482,502	\$ 5,910,762
<u>NON-OPERATING REVENUE:</u>		
Interest Earned Short-Term Investment	\$ 38,555	\$ 32,750
TOTAL NON-OPERATING REVENUE	\$ 38,555	\$ 32,750
TOTAL OPERATING & NON-OPERATING REVENUE	\$ 521,057	\$ 624,512
<u>NON-OPERATING EXPENSE:</u>		
Other Interest Expense	\$ -	\$ -
TOTAL NON-OPERATING EXPENSE	\$ -	\$ -
NET PROFIT	\$ 521,057	\$ 624,512

DEPARTMENT OF PUBLIC UTILITIES
CITY OF ORANGEBURG
PROJECTED SOURCES OF FUNDING & EXPENDITURES
FISCAL YEAR 2004 - 2005

	<u>2005</u>
<u>OPERATIONS:</u>	
Net Income	\$10,254,704
Charges Against Operations Not Requiring Working Capital - Depreciation	<u>\$ 4,955,991</u>
TOTAL	\$15,210,695
 <u>USE OF WORKING CAPITAL:</u>	
Approved Capital Projects For Fiscal Year	\$11,760,695 **
Cash Transfer to City General Fund In Lieu of Taxes	<u>\$ 3,450,000</u>
TOTAL	\$15,210,695

** SEE ATTACHMENT FOR BREAKDOWN OF APPROVED CAPITAL PROJECTS

APPROVED CAPITAL IMPROVEMENTS PLANNED
FISCAL YEAR 2004 - 2005

Administrative Building Modifications	\$ 1,142,178
Geographical Information System	\$ 1,184,488
115 kV Transmission Line & Substation #24	\$ 200,000
DPU/City Radio System	\$ 550,000
Natural Gas Service to Interstate 26 & Road #22	\$ 897,000
Natural Gas Service to Interstate 26 & Homestead Road	\$ 126,029
10 Million Gallon/Day Treatment Capacity Expansion at Water Treatment Plant	\$ 7,360,000
Deep Well Aquifer Storage & Recovery (ASR)	\$ 0
Whitford Stage Creek Wastewater Trunk Line	<u>\$ 301,000</u>
TOTAL	\$11,760,695

**AMENDING THE BUSINESS LICENSE ORDINANCE LEVYING A BUSINESS
LICENSE TAX ON RETAIL TELECOMMUNICATIONS SERVICES**

WHEREAS, South Carolina Code sections 58-9-2200 through 58-9-2270, effective June 30, 1999, provide for municipal business license taxes on "retail telecommunications services" as defined and limited therein; and

WHEREAS, the South Carolina General Assembly, on June 3, 2004, ratified an act (Rat # 0406) amending S.C. Code sections 58-9-2200, 58-9-2220, and 58-9-2230, that will take effect upon approval by the Governor, and that, among other things, authorizes municipalities, for business license tax years beginning after 2003, to levy a maximum business license tax on the gross income derived from the sale of retail telecommunications services for the preceding calendar or fiscal year at the rate of one percent; and

WHEREAS, it is necessary to amend the Business License Ordinance to conform to the State law as amended;

NOW THEREFORE, BE IT ORDAINED by the Mayor and Council of the City of Orangeburg, that the Business License Ordinance is amended as follows:

Section 1.

a. Notwithstanding any other provisions of the Business License Ordinance, the business license tax for "retail telecommunications services", as defined in S. C. Code section 58-9-2200, shall be at the maximum rate authorized by S. C. Code section 58-9-2220, as it now provides or as provided by its amendment. The business license tax year shall begin on January 1 of each year. The rate for the 2005 business license tax year shall be the maximum rate allowed by State law as in effect on February 1, 2005. Declining rates shall not apply.

b. In conformity with S.C. Code section 58-9-2220, the business license tax for "retail telecommunications services" shall apply to the gross income derived from the sale of retail telecommunications services for the preceding calendar or fiscal year which either originate or terminate in the municipality and which are charged to a service address within the municipality regardless of where these amounts are billed or paid and on which a business license tax has not been paid to another municipality. The measurement of the amounts derived from the retail sale of mobile telecommunications services shall include only revenues from the fixed monthly recurring charge of customers whose service address is within the boundaries of the municipality. For a business in operation for less than one year, the amount of business license tax shall be computed on a twelve-month projected income.

Section 2.

a. For the year 2005, the business license tax for "retail telecommunications services" shall be due on February 1, 2005, and payable by February 28, 2005, without penalty. For years after 2005, the business license tax for "retail telecommunications services" shall be due on January 1 of each year and payable by January 31 of that year, without penalty.

b. The delinquent penalty shall be five percent (5 %) of the tax due for each month, or portion thereof, after the due date until paid.

Section 3.

Exemptions in the business license ordinance for income from business in interstate commerce are hereby repealed. Properly apportioned gross income from interstate commerce shall be included in the gross income for every business subject to a business license tax.

Section 4.

a. Nothing in this Ordinance shall be interpreted to interfere with continuing obligations of any franchise agreement or contractual agreement in the event that the franchise or contractual agreement should expire after December 31, 2003.

b. All fees collected under such a franchise or contractual agreement expiring after December 31, 2003, shall be in lieu of fees or taxes which might otherwise be authorized by this Ordinance.

Section 5.

As authorized by S. C. Code section 5-7-300, the Agreement with the Municipal Association of South Carolina for collection of current and delinquent license taxes from telecommunications companies pursuant to S. C. Code section 58-9-2200 shall continue in effect. Notwithstanding the provisions of the Agreement, for the year 2005, the Municipal Association of South Carolina is authorized to collect current and delinquent license taxes, in conformity with the due date and delinquent date for 2005 as set out in this Ordinance and is further authorized, for the year 2005, to disburse business license taxes collected, less the service charge agreed to, to this municipality on or before April 1, 2005, and thereafter as remaining collections permit.

Section 6.

All previous ordinances, or portions of ordinances, in conflict with this Ordinance are hereby repealed.

Done and Ratified by the City of Orangeburg, State of South Carolina this 5th day of October 2004.



Paul A. Miller
MAYOR
Sandra P. Knotts
Charles B. Bonnell
Julius A. Miller
Clay Duggan
Jeff W. Rheneas
Benjamin Hairs
COUNCILMEMBERS

ATTEST:

Caruth H. Johnson
ASSISTANT CITY CLERK

**AN ORDINANCE TO AUTHORIZE THE REFINANCING
OF REAL PROPERTY IMPROVEMENTS AND THE MODIFICATION
OF THE LEASE OF PROPERTIES TO BRANCH BANKING AND TRUST COMPANY**

WHEREAS, the City of Orangeburg (the "City") previously undertook a project for several real property improvements ("the Project") and entered into a financing arrangement with Branch Banking and Trust Company ("BB & T") as authorized by Ordinance Number 1999-19, and

WHEREAS, the City has determined it is in its best interest to enter into a refinancing arrangement with BB&T consisting of the modification of the financing documents previously executed.

NOW THEREFORE BE IT ORDAINED BY CITY COUNCIL DULY ASSEMBLED, as follows:

1. The City hereby determines that it is in its best interest to modify the financing arrangement with Branch Banking and Trust Company ("BB&T"), in accordance with the proposal dated September 16, 2004. The remaining, unpaid amount to be refinanced shall be \$3,787,058.20, the annual interest rate (in the absence of default or change in tax status) shall not exceed 4.10%, the financing term shall not exceed fifteen (15) years from closing and the financing shall not be re-priced.
2. All financing contracts and all related documents for the closing of the modification (the "Financing Documents") shall be consistent with the foregoing terms. The City Administrator of the City is hereby authorized and directed to execute and deliver any Financing Documents, and to take all such further action as he may consider necessary or desirable, to carry out the financing of the Project as contemplated by the proposal and this ordinance. The Financing Documents may include a Modification Agreement, Modified Base Lease, a Modified Lease Agreement and an Escrow Agreement as BB&T may request. The City Administrator on behalf of the City is hereby authorized to execute and deliver said Financing Documents, including the Modified Base Lease which leases to BB&T the properties described on Exhibit A of said Modified Base Lease in accordance with its terms, and conditions. Modifications shall include a deletion of Parcel 5 as previously described on Exhibit A. (A copy of said Modification Agreement being attached hereto as Exhibit B.)
3. The City Administrator is hereby authorized and directed to hold executed copies of the Financing Documents until the conditions for the delivery of the Financing Documents have been completed to such officer's satisfaction. The City Administrator is authorized to approve changes to any Financing Documents previously signed by the City Administrator, provided that such changes shall not substantially alter the intent of such documents or certificates from the intent expressed in the forms executed by such officer. The Financing Documents shall be in such final forms as the City Administrator shall approve, with the City Administrator's release of any Financing Document for delivery constituting conclusive evidence of such officer's final approval of the Document's final form.
4. The City shall not take or omit to take any action the taking or omission of which will cause its interest payments on this financing to be includable in the gross income for federal income tax purposes of the registered owners of the interest payment obligations. The City hereby designates its obligations to make principal and interest payments under the Financing Documents as "qualified tax exempt obligations" for the purpose of Internal Revenue Code Section 265(b)(3).

5. All prior actions of City officers in furtherance of the purposes of this ordinance are hereby ratified, approved and confirmed. All other resolutions and ordinances (or parts thereto) in conflict with this ordinance are hereby repealed, to the extent of the conflict. This ordinance shall take effect immediately upon final adoption.

DONE AND RATIFIED IN COUNCIL DULY ASSEMBLED THIS 19th DAY OF OCTOBER
,2004.



Lawrence Miller
Mayor

Samuel Haire
Sandra R. Scott
Charles E. Sanders
Julius H. Miller
Chad Dyer
James W. Rhoney
Members of Council

ATTEST: Carol H. Johnson
City Clerk

**Amending The Business License Ordinance
Provisions For Insurance Companies and
For Brokers For Non-admitted Fire and Casualty Insurers**

BE IT ORDAINED by the Mayor and Council of the City of Orangeburg that the Business License Ordinance is amended by changing the provisions for insurance companies and for brokers for non-admitted fire and casualty insurers to read as follows:

SECTION 1.

SIC	NAICS	City
Code	Code	Code
63	5241	410000
		415000
		420000
		430000

Insurance Companies: Except as to fire insurance, "gross premiums" means gross premiums collected (1) on policies on property or risks located in the municipality, and (2) on policies, wherever the insured property or risk is located, that are sold, solicited, negotiated, taken, transmitted, received, delivered, applied for, produced or serviced by the insurance company's office located in the municipality or by the insurance company's employee doing business within the municipality or by the office of the insurance company's licensed or appointed producer (agent) located in the municipality or by the insurance company's licensed or appointed producer (agent) doing business within the municipality. As to fire insurance, "gross premiums" means gross premiums (1) collected in the municipality, and/or (2) realized from risks located within the limits of the municipality.

Gross premiums shall include new and renewal business without deductions for any dividend, credit, return premiums or deposit.

Solicitation for insurance, receiving or transmitting an application or policy, examination of a risk, collection or transmitting of a premium, adjusting a claim, delivering a benefit, or doing any act in connection with a policy or claim shall constitute doing business within the municipality whether or not an office is maintained therein. A premium collected on property or a risk located within the municipality shall be deemed to have been collected within the municipality. Declining rates shall not apply.

631-632	52411	420000	<u>Life, Health and Accident</u>2% of Gross Premiums
631-635	524126	410000	<u>Fire and Casualty</u>2% of Gross Premiums
636	524127	415000	<u>Title Insurance</u>2% of Gross Premiums
6411	524210	430000	<u>Brokers for Fire and Casualty Insurers - Non-admitted:</u>

As to brokers for non-admitted fire and casualty insurers, "gross premiums" means gross premiums collected by or for fire and casualty insurers not licensed in South Carolina (1) on policies on property or risks located in the municipality and/or (2) on policies, wherever the insured property or risk is located, that are sold, solicited, negotiated, taken, transmitted, received, delivered, applied for, produced or serviced by a broker located in or doing business within the municipality. Brokers shall provide, with their payment of the tax, a copy of the report required by the State Department of Insurance showing the locations of the property or risks insured.....
2% of Gross Premiums

[Premiums for non-admitted business are not included in broker's gross commissions for other business. Declining rates shall not apply.]

SECTION 2.

Notwithstanding any other provisions of this ordinance, license taxes for insurance companies and brokers for non-admitted fire and casualty insurers shall be payable on or before May 31 in each year without penalty. The penalty for delinquent payments shall be 5% of the tax due per month, or portion thereof, after the due date until paid.

SECTION 3.

Any exemptions in the business license ordinance for income from business in interstate commerce are hereby repealed. Gross income from interstate commerce shall be included in the gross income for every business subject to a business license tax.

SECTION 4.

The Agreement with the Municipal Association of South Carolina, pursuant to S. C. Code section 5-7-300, for collection of current and delinquent license taxes from insurance companies and brokers for non-admitted fire and casualty insurers shall continue in effect.

All ordinances in conflict with this ordinance are hereby repealed.

This ordinance shall be effective on the date of final reading.



Carmit H. Johnson

Assistant City Clerk

Mayor

Lancey. Min
James Haire
Dandra P. Haire
Charles E. Brantley
Michael A. Miller
George W. Keneedy

Water Rate – Codes 4A, 4B, 4C**General Service
(Inside City Limits)****Department of Public Utilities - Orangeburg, South Carolina****Commodity Charge:**

First 50,000 Cu. Ft. @ \$0.78 per 100 Cu. Ft. per month
All in excess of 50,000 Cu. Ft. @ \$0.64 per 100 Cu. Ft. per month

Service Charge:

For ¾ inch tap -----	\$ 2.90 per month per bill
For 1 inch tap -----	\$ 4.22 per month per bill
For 1-1/2 inch tap -----	\$ 5.28 per month per bill
For 2 inch tap -----	\$ 10.55 per month per bill
For 3 inch tap -----	\$ 31.65 per month per bill
For 4 inch tap -----	\$ 42.20 per month per bill
For 6 inch tap -----	\$ 79.13 per month per bill
For 8 inch tap -----	\$105.50 per month per bill

Note: “General Terms and Conditions” in effect apply to above. See Article IV for Billing and Payment Terms.

Effective: July 9, 2004

Water Rate – Codes 4D, 4E, 4F

General Service (Outside City Limits)

Department of Public Utilities - Orangeburg, South Carolina

Commodity Charge:

First 50,000 Cu. Ft. @ \$1.42 per 100 Cu. Ft. per month
All in excess of 50,000 Cu. Ft. @ \$0.79 per 100 Cu. Ft. per month

Service Charge:

For ¾ inch tap -----	\$ 5.01 per month per bill
For 1 inch tap -----	\$ 6.33 per month per bill
For 1-1/2 inch tap -----	\$ 8.44 per month per bill
For 2 inch tap -----	\$ 14.77 per month per bill
For 3 inch tap -----	\$ 42.20 per month per bill
For 4 inch tap -----	\$ 52.75 per month per bill
For 6 inch tap -----	\$ 94.95 per month per bill
For 8 inch tap -----	\$131.88 per month per bill

Note: "General Terms and Conditions" in effect apply to above. See Article IV for Billing and Payment Terms.

Effective: July 9, 2004

Water Rate - Codes 4G, 4H

Detecto Check Fire Service

(Inside City Limits)

Department of Public Utilities - Orangeburg, South Carolina

Commodity Charge:

First 50,000 Cu. Ft. @ \$2.11 per 100 Cu. Ft. per month
All in excess of 50,000 Cu. Ft. @ \$1.58 per 100 Cu. Ft. per month

Service Charge:

For 4 inch tap ----- \$ 42.20 per month per bill
For 6 inch tap ----- \$ 79.13 per month per bill
For 8 inch tap ----- \$105.50 per month per bill
For 10 inch tap ----- \$131.88 per month per bill
For 12 inch tap ----- \$158.25 per month per bill

Note: "General Terms and Conditions" in effect apply to above. See Article IV for Billing and Payment Terms.

Effective: July 9, 2004

Water Rate - Codes 4I, 4J

Detecto Check Fire Service

(Outside City Limits)

Department of Public Utilities - Orangeburg, South Carolina

Commodity Charge:

First 50,000 Cu. Ft. @ \$3.75 per 100 Cu. Ft. per month
All in excess of 50,000 Cu. Ft. @ \$2.22 per 100 Cu. Ft. per month

Service Charge:

For 4 inch tap ----- \$ 52.75 per month per bill
For 6 inch tap ----- \$ 94.95 per month per bill
For 8 inch tap ----- \$131.88 per month per bill
For 10 inch tap ----- \$158.25 per month per bill
For 12 inch tap ----- \$184.63 per month per bill

Note: "General Terms and Conditions" in effect apply to above. See Article IV for Billing and Payment Terms.

Effective: July 9, 2004

Water Rate - Code 4K**Full Flow Fire Service****(Inside City Limits)****Department of Public Utilities - Orangeburg, South Carolina****Commodity Charge:**

First 50,000 Cu. Ft. @ \$0.78 per 100 Cu. Ft. per month
All in excess of 50,000 Cu. Ft. @ \$0.64 per 100 Cu. Ft. per month

Service Charge:

For 4 inch tap ----- \$ 42.20 per month per bill
For 6 inch tap ----- \$ 79.13 per month per bill
For 8 inch tap ----- \$105.50 per month per bill
For 10 inch tap ----- \$131.88 per month per bill
For 12 inch tap ----- \$158.25 per month per bill

Note: "General Terms and Conditions" in effect apply to above. See Article IV for Billing and Payment Terms.

Effective: July 9, 2004

Water Rate - Code 4L

Full Flow Fire Service

(Outside City Limits)

Department of Public Utilities - Orangeburg, South Carolina

Commodity Charge:

First 50,000 Cu. Ft. @ \$1.42 per 100 Cu. Ft. per month
All in excess of 50,000 Cu. Ft. @ \$0.79 per 100 Cu. Ft. per month

Service Charge:

For 4 inch tap -----\$ 52.75 per month per bill
For 6 inch tap -----\$ 94.95 per month per bill
For 8 inch tap -----\$131.88 per month per bill
For 10 inch tap -----\$158.25 per month per bill
For 12 inch tap -----\$184.63 per month per bill

Note: "General Terms and Conditions" in effect apply to above. See Article IV for Billing and Payment Terms.

Effective: July 9, 2004

Commodity Charge:

\$0.81 per 100 Cu. Ft. per month

Service Charge:

\$105.50 per month

Contract Demand

Minimum Bill:

Contract demand times commodity charge per month

A new CONTRACT DEMAND shall be calculated annually at the close of the Department of Public Utilities' fiscal year. The new calculated CONTRACT DEMAND shall be 65 percent of the average of the previous twelve months billing (amount billed). The CONTRACT DEMAND shall never be less than the initial CONTRACT DEMAND of 2033.20 Ccf per month. The new CONTRACT DEMAND shall become effective with the October billing of the new fiscal year.

Note: "General Terms and Conditions" in effect apply to above. See Article IV for Billing and Payment Terms.

Effective: August 2, 2004

Water Rate – Code 4P

Fire Hydrants
(Inside City Limits)

Department of Public Utilities - Orangeburg, South Carolina

Net Monthly Rate

The following is the rate schedule for fire hydrants installed in the City of Orangeburg.

Service Charge: \$5.01 per fire hydrant per month

Note: “General Terms and Conditions” in effect apply to above. See Article IV for Billing and Payment Terms.

Effective: July 9, 2004

Department of Public Utilities - Orangeburg, South Carolina

Net Monthly Rate

The following is the rate schedule for fire hydrants installed outside the City of Orangeburg.

Service Charge: \$6.59 per fire hydrant per month

Note: “General Terms and Conditions” in effect apply to above. See Article IV for Billing and Payment Terms.

Effective: July 9, 2004

Department of Public Utilities - Orangeburg, South Carolina

Commodity Charge:

\$0.81 per 100 Cu. Ft. per month

Service Charge:

\$105.05 per month

Contract Demand

Minimum Bill:

Contract demand times commodity charge per month

A new CONTRACT DEMAND shall be calculated annually at the close of the Department of Public Utilities' fiscal year. The new calculated CONTRACT DEMAND shall be 65 percent of the average of the previous twelve months billing (amount billed). The CONTRACT DEMAND shall never be less than the initial CONTRACT DEMAND of **467.91 Ccf** per month. The new CONTRACT DEMAND shall become effective with the October billing of the new fiscal year.

Note: "General Terms and Conditions" in effect apply to above. See Article IV for Billing and Payment Terms.

Effective: August 2, 2004

53.	Mall-shopping Complex	
	Under 1200 Square feet (each unit)	\$ 111.50
	1200 Square feet or Larger (each unit)	\$259.00
54.	Storage Warehouse - up to 3000 square feet	\$128.00
61.	Industrial, Manufacturing, or Institutions 1500 square feet to 100,000 square feet	\$1,277.00
62.	Industrial, Manufacturing, or Institutions over 100,000 square feet	\$1,915.50
63.	Hospitals	\$6,382.00
71.	Gasoline Service Stations	\$301.00
72.	Gasoline Service Station and Convenience Store with Underground Tanks	\$405.50
73.	Gasoline Service Station and Convenience Store with Above ground Tanks	\$480.00
74.	Gasoline Bulk Plant	\$665.00
81.	Dumpster Sites (per site), or Manned Convenience Stations (per site)	\$147.00
99.	Unassigned (do not accept payment)	
	All vehicle fires	\$400.00

No contracts: When the Department of Public Safety responds to a residential call without a valid contract, the minimum service charge will be \$1,200.00 plus the price of the contract. All institutions, commercial or manufacturing calls will be billed for actual costs with a minimum charge of \$1,200.00 plus the cost of the fire contract. Fire reports will not be issued until the service charge is paid in full.

DONE AND RATIFIED BY Council duly assembled this 17th of February, 2004.



Paul A. Miller
Mayor

James W. Cherry
Charles D. Ferguson

Charles B. Boudry

James Haire

Julius A. Miller

Council Members

Attest:

Carrie Johnson
City Clerk