

ORDINANCE NO. 11-12

TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING ONE MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS (\$1,350,000) DORCHESTER COUNTY, SOUTH CAROLINA, GENERAL OBLIGATION BONDS OF 2011; TO PRESCRIBE THE PURPOSES FOR WHICH THE PROCEEDS SHALL BE EXPENDED; TO PROVIDE FOR THE PAYMENT THEREOF; AND OTHER MATTERS RELATING THERETO.

BE IT ORDAINED BY THE COUNTY COUNCIL OF DORCHESTER COUNTY, SOUTH CAROLINA, IN MEETING DULY ASSEMBLED:

As an incident to the enactment of this Ordinance and the issuance of the bonds provided for herein, the County Council of Dorchester County, South Carolina (the "County Council"), the governing body of Dorchester County, South Carolina (the "County"), and the body to which is delegated the administrative duties of the County, finds that the facts set forth herein exist and the statements made with respect thereto are true and correct.

WHEREAS, by virtue of the County Bond Act (Chapter 15, Title 4 of the Code of Laws of South Carolina 1976, as amended), as amended and continued by Section 11-27-40 of the Code of Laws of South Carolina 1976, as amended (the County Bond Act, as so amended and continued, being hereinafter called the "Enabling Act"), County Council is authorized to issue general obligation bonds of the County for the purpose of defraying the cost of any purpose for which the County may, under applicable constitutional provisions, issue bonds or levy taxes, and for any amount not exceeding the constitutional debt limit applicable to the County; and

WHEREAS, County Council has heretofore determined to obtain funds for the purpose of defraying a portion of the cost of the acquisition of certain real property from the State of South Carolina to be used for parks and recreation facilities as well as other public purposes (the "Project"); and

WHEREAS, pursuant to the authorizations of Article X of the South Carolina Constitution and the Enabling Act, County Council now desires to issue its general obligation bonds to provide the funds necessary to finance a portion of the cost of the acquisition of the Project, including reimbursement for expenditures heretofore incurred in connection with the Project; and

WHEREAS, by virtue of Article X, Section 14 of the South Carolina Constitution and the Enabling Act, for the purposes set forth above, and subject to an 8% constitutional debt limit, the County is authorized to issue general obligation bonds pursuant to the Enabling Act. Based on the 2010 assessed value of all taxable property in the County of \$465,512,770, together with the assessed values of business inventories of \$2,253,721, the County's 8% constitutional debt limit is \$37,421,319. The County currently has outstanding general obligation debt in the amount of \$130,747,450. \$111,015,000 of the County's outstanding general obligation debt was issued pursuant to a referendum and does not count against the County's constitutional debt limit.

Consequently, the County is now permitted to incur, without an election, additional general obligation debt in the amount of \$17,688,869.

NOW, THEREFORE, on the basis of the foregoing authorizations and for the purpose of raising the sum of not exceeding One Million Three Hundred Fifty Thousand Dollars (\$1,350,000) to be expended for the purposes set forth above, the County Council enacts this Ordinance to effect the issuance and sale of not exceeding \$1,350,000 of General Obligation Bonds of 2011 of the County.

ARTICLE I DEFINITIONS

Section 1 Defined Terms.

The terms defined in this Article (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of this Ordinance shall have the respective meanings specified in this Article.

"Bond Registrar" shall mean the County Treasurer and any successor bond registrar.

"Bonds" shall mean the Dorchester County, South Carolina, General Obligation Bonds of 2011 authorized to be issued hereunder in the aggregate principal amount of not exceeding One Million Three Hundred Fifty Thousand Dollars (\$1,350,000).

"Books of Registry" shall mean the registration books maintained by the Bond Registrar in accordance with Section 9 of Article II hereof.

"Chairman" shall mean the chairman of the County Council or, in his absence, the vice chairman of the County Council.

"Clerk" shall mean the clerk of the County Council or, in her absence, the acting clerk.

"Closing Date" shall mean the date upon which there is an exchange of the Bonds for the proceeds representing the purchase price of the Bonds by the Original Purchaser.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"County" shall mean Dorchester County, South Carolina, a body politic and corporate and a political subdivision of the State of South Carolina.

"County Administrator" shall mean the County Administrator of Dorchester County or, in his absence, the acting county administrator.

"County Council" shall mean the County Council of Dorchester County, South Carolina, and any successor governing board of the County.

"County Finance Director" shall mean the Finance Director of Dorchester County.

"County Treasurer" shall mean the County Treasurer of Dorchester County.

"Debt Service" shall mean the scheduled amount of interest and amortization of principal payable on the Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

"Enabling Act" shall mean the County Bond Act (Chapter 15, Title 4 of the Code of Laws of South Carolina 1976, as amended), as amended and continued by Section 11-27-40 of the Code of Laws of South Carolina 1976, as amended.

"Gross Proceeds" shall mean the sum of the following amounts:

- (i) original proceeds, namely, net amounts received by or for the County as a result of the sale of the Bonds, excluding original proceeds which become transferred proceeds (determined in accordance with applicable Regulations) of obligations issued to refund in whole or in part the Bonds;
- (ii) investment proceeds, namely, amounts received at any time by or for the County, such as interest and dividends, resulting from the investment of any original proceeds (as referenced in clause (i) above) or investment proceeds (as referenced in this clause (ii)) in Nonpurpose Investments, increased by any profits and decreased (if necessary, below zero) by any losses on such investments, excluding investment proceeds which become transferred proceeds (determined in accordance with applicable Regulations) of obligations issued to refund in whole or in part the Bonds;
- (iii) sinking fund proceeds, namely, amounts, other than original proceeds or investment proceeds (as referenced in clauses (i) and (ii) above) of the Bonds, which are held in the Sinking Fund Account and any other fund to the extent that the County reasonably expects to use such other fund to pay Debt Service on the Bonds;
- (iv) Investment Property pledged as security for payment of Debt Service on the Bonds by the County;
- (v) amounts, other than as specified in this definition, used to pay Debt Service on the Bonds; and
- (vi) amounts received as a result of investing amounts described in this definition.

"Investment Property" shall mean any security (as that term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract or investment-type property, excluding, however, obligations (i) the interest on which is excluded from gross income, under

Section 103 of the Code, for federal income tax purposes and (ii) which are not "specified private activity bonds" as defined in Section 57(a)(5)(C) of the Code.

"Net Proceeds," when used with reference to the Bonds, shall mean the face amount of the Bonds, plus premium, if any, less original issue discount, if any.

"Nonpurpose Investment" shall mean any Investment Property which is acquired with the Gross Proceeds of the Bonds and is not acquired in order to carry out the governmental purpose of the Bonds.

"Ordinance" shall mean this Ordinance as from time to time amended or supplemented by one or more supplemental ordinances enacted in accordance with the provisions of Article VII hereof.

"Original Purchaser" shall mean the first purchaser of the Bonds from the County.

"Paying Agent" shall mean the County Treasurer and any successor paying agent.

"Private Business Use" shall mean use directly or indirectly in a trade or business carried on by a natural person or in any activity carried on by a person other than a natural person, excluding, however, use by a state or local governmental unit and use as a member of the general public.

"Project" shall mean the acquisition of certain real property from the State of South Carolina as described in the recitals to this Ordinance.

"Regulations" shall mean temporary and permanent regulations promulgated under the Code.

"Sinking Fund Account" shall mean the sinking fund account established and held by the County Treasurer designed to provide for the payment of the principal of, premium, if any, and interest on the Bonds, as the same respectively fall due.

"Yield" shall mean that yield which, when used in computing the present worth of all payments of principal and interest (or other payments in the case of Nonpurpose Investments which require payments in a form not characterized as principal and interest) on a Nonpurpose Investment or on the Bonds produces an amount equal to the purchase price of such Nonpurpose Investment or the Bonds, all computed as prescribed in applicable Regulations.

Section 2 General Rules of Interpretation.

(a) Articles, Sections, and Paragraphs mentioned by number are the respective articles, sections, and paragraphs of this Ordinance so numbered.

(b) Except as otherwise expressly provided or unless the context otherwise requires, words importing persons include firms, associations, and corporations, and the masculine includes the feminine and the neuter.

(c) Words importing the redemption or redeeming or calling for redemption of a bond do not include or connote the payment of such Bond at its stated maturity or the purchase of such Bond.

(d) Words importing the singular number include the plural number and *vice versa*.

ARTICLE II ISSUANCE OF BONDS

Section 1 Authorization of Bonds, Denominations, and Maturities.

Pursuant to the provisions of the Enabling Act and for the purposes of defraying a portion of the costs of the Project, including reimbursement for expenditures heretofore incurred in connection with the Project, and the costs incurred in connection with the issuance of the Bonds, there shall be issued not exceeding One Million Three Hundred Fifty Thousand Dollars (\$1,350,000.00) of general obligation bonds of the County. The Bonds shall be designated "Dorchester County, South Carolina, General Obligation Bonds of 2011" or such other appropriate designation as determined by the County Administrator. The Bonds shall originally be dated the date of their delivery or such other date as determined by the County Administrator (the "Dated Date"), shall be in fully-registered form, shall be in denominations of Five Thousand and no/100 Dollars (\$5,000.00) each or any integral multiple thereof, and may be numbered from R-1 upward. The Bonds shall be issued in such aggregate principal amount, shall mature on such dates in the years and in the principal amounts, shall be payable as to interest at such rate or rates and on such dates, and shall be subject to redemption prior to their maturity, if at all, at such times and at such redemption prices, all as shall be approved by the County Administrator, provided that the aggregate principal amount may not exceed \$1,350,000 and the final maturity date shall be no later than ten years from the date of issuance of the Bonds. Upon the sale of the Bonds, a schedule setting forth the Dated Date, the maturity schedule, the interest rate or rates and payment dates and the redemption provisions, if any, shall be attached hereto as Exhibit C and shall be deemed incorporated into this Ordinance as if fully stated herein.

Section 2 Partial Redemption of Bond.

In the event that the Bonds are subject to redemption and only part of the principal amount of a Bond shall be called for redemption or prepaid, payment of the amount to be redeemed or prepaid shall be made only upon surrender of such Bond to the Paying Agent. Upon surrender of such Bond, the County shall execute and deliver to the holder thereof or send to such holder by registered mail at his request, risk, and expense, a new fully-executed Bond or Bonds, of authorized denominations equal in aggregate principal amount to, and of the same maturity and interest rate as, the unredeemed portion of the Bond surrendered.

Section 3 Cancellation of Redeemed Bonds.

All Bonds which have been redeemed shall be cancelled and either maintained or destroyed by the Paying Agent and shall not be reissued. A counterpart of the certificate of destruction evidencing such destruction shall be furnished by the Paying Agent to the County upon the request of the Chairman.

Section 4 Purchase of Bonds.

The Paying Agent shall, if and to the extent practicable, endeavor to purchase Bonds or portions of Bonds at the written direction of the County at such time, in such manner, and at such price as may be specified by the County but in no event greater than the price equal to the then redemption price of such Bonds. The Paying Agent may so purchase Bonds with any moneys then held by the Paying Agent and available for the redemption or purchase of Bonds; provided, that any limitations or restrictions on such redemption or purchases contained in this Ordinance shall be complied with. The expenses of such purchase shall be deemed an expense of the Paying Agent to be paid by the County. The Paying Agent shall incur no liability for any purchase made in accordance with this Section or for its inability to effect such purchase in excess of the then redemption price thereof.

Section 5 Notice of Redemption.

Unless waived by any registered owner of Bonds to be redeemed, official notice of any such redemption shall be given by the County by mailing a copy of an official redemption notice by first-class mail, postage prepaid, at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the registered owners of the Bond or Bonds to be redeemed at the address shown on the Books of Registry. Failure to give notice by mail or any defect in any notice so mailed with respect to any Bond shall not affect the validity of the proceedings for such redemption for Bonds for which notice was properly given.

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the County shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. If said money shall not be 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. Upon surrender of such Bonds for redemption in accordance with such notice, such Bonds shall be paid by the Paying Agent at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal. All Bonds which have been redeemed shall be cancelled by the Paying Agent and shall not be reissued.

Section 6 Medium of Payment.

Both the principal of and interest on the Bonds shall be payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for the payment of public and private debts.

Section 7 Place of Payments.

Principal and premium, if any, of the Bonds, when due, shall be payable at the office of the County Treasurer (in such capacity, the "Paying Agent"). Interest on any Bond shall be payable by check or draft mailed to the person in whose name such Bond is registered at the close of business on the fifteenth (15th) day (whether or not a business day) of the calendar month next preceding each interest payment date by the Paying Agent.

Section 8 Execution of Bonds.

The Bonds shall be executed in the name of the County by the manual or facsimile signature of the Chairman, and attested by the manual or facsimile signature of the Clerk; provided that at least one such signature shall be manual. The seal of the County shall be impressed or reproduced on each Bond. Any facsimile signature appearing on the Bonds may be those of the officers who are in office on the date of the enactment of this Ordinance. The Bonds shall be executed in respect of any manual signature by the person or persons holding office when such Bonds are ready for delivery. The execution of the Bonds in this fashion shall be valid and effectual notwithstanding changes in the personnel of any of the above offices subsequent to their execution.

Section 9 Form of Bonds.

(a) The Bonds shall be issued in fully-registered form, and all principal, interest or other amounts due thereunder shall be payable only to the registered owner thereof. The bond registrar shall be the County Treasurer (in such capacity, the "Bond Registrar"). The County Council hereby directs the Bond Registrar to maintain, at the County's expense, the Books of Registry for the registration or transfer of the Bonds.

(b) The form of the Bonds and assignment provisions to be endorsed thereon shall be substantially as set forth in Exhibit A attached hereto and made a part of this Ordinance.

(c) A copy of the approving legal opinion to be rendered shall be attached to the back of each Bond.

Section 10 Registration and Transfers of Bonds; Persons Treated as Owners.

(a) Each Bond shall be fully-registered, and no Bond may be transferred except by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney. Upon the transfer of any such registered Bond or Bonds, the County shall execute and deliver, subject to the provisions of Section

13 of this Article, in the name of the transferee, a new registered Bond or Bonds of the same aggregate principal amount as the unpaid principal amount of the surrendered Bond or Bonds.

(b) Any bondholder requesting any transfer shall pay any tax or other governmental charge required to be paid with respect thereto. Any purported assignment in contravention of the foregoing requirements shall be, as to the County, absolutely null and void. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of and interest on such Bonds shall be made only to or upon the order of the registered owner or his legal representative. All such payments shall be valid and effective to satisfy and discharge the liability of the County upon such Bond to the extent of the sum or sums so paid. No person other than the registered owner shall have any right to receive payments, pursue remedies, enforce obligations or exercise or enjoy any other rights under any Bond against the County. Notwithstanding the foregoing, nothing herein shall limit the rights of a person having a beneficial interest in any Bond as against a person (including the registered owner) other than the County, as in the case where the registered owner is a trustee or nominee for two or more beneficial owners of an interest in any Bond.

Section 11 Mutilated, Lost, or Stolen Bonds.

In the event any Bond is mutilated, lost, stolen, or destroyed, the County may execute a new Bond of like date, maturity, interest rate, 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 Paying Agent, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the County and the Paying Agent evidence of such loss, theft, or destruction satisfactory to the County and the Paying Agent, together with indemnity satisfactory to them, provided that in the case of a holder which is a bank or insurance company, the agreement of such bank or insurance company to indemnify shall be sufficient. In the event any such Bond shall have matured, instead of issuing a duplicate Bond, the County may pay the same without surrender thereof. The County and the Paying Agent may charge the holder or owner of such Bond with their reasonable fees and expenses in this connection.

Section 12 Exchange of Bonds.

Subject to the provisions of Section 10 of this Article, the Bonds, upon surrender thereof to the Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or his duly authorized attorney, may, at the option of the registered owner thereof, and upon payment by such registered owner of any charges which the Paying Agent or the Bond Registrar may make as provided in Section 13 of this Article, be exchanged for a principal amount of Bonds of any other authorized denominations equal to the unpaid principal amount of surrendered Bonds.

Section 13 Regulations with Respect to Exchanges and Transfers.

In all cases in which the privilege of exchanging or transferring the Bonds is exercised, the County shall execute and deliver the Bonds in accordance with the provisions of this Ordinance. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Paying

Agent. There shall be no charge for such exchange or transfer of the Bonds except that the Paying Agent and the Bond Registrar may make a charge sufficient to reimburse them, or any of them, for any tax or other governmental charge required to be paid with respect to such exchange or transfer.

ARTICLE III SECURITY FOR BONDS

Section 1 Pledge of Full Faith, Credit, and Taxing Power.

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

Section 2 Levy and Collection of Taxes.

The Auditor and Treasurer of Dorchester County, South Carolina shall be notified of this issue of Bonds and directed to levy and collect, respectively, upon all taxable property in the County, an annual tax, without limit, sufficient to meet the payment of the principal of and interest on the Bonds, as the same respectively mature, and to create such sinking fund as may be necessary therefor.

ARTICLE IV SALE OF BONDS; DISPOSITION OF PROCEEDS OF SALE

Section 1 Sale of Bonds.

The Bonds shall be sold at private sale as determined by the County Administrator in accordance with the provisions of Section 11-27-40(4) of the Code of Laws of South Carolina 1976, as amended, and awarded to the bidder offering the most advantageous financing arrangement to the County, including net interest cost and redemption provisions, as determined by the County Administrator. Notice of the sale of the Bonds shall be given by publication in The Post and Courier, a newspaper of general circulation in the County, not less than seven days prior to the Closing Date, which notice shall name the purchaser of the Bonds and shall include the purchase price, the maturity schedule for the Bonds and the interest rate for the Bonds.

Section 2 Disposition of Proceeds of Sale of Bonds.

The proceeds derived from the sale of the Bonds issued pursuant to this Ordinance shall be deposited with the Treasurer of Dorchester County, and shall be expended, together with other moneys of the County, as soon as practicable, to finance the cost of the Project, including

reimbursement for expenditures heretofore incurred in connection with the Project, and the costs of issuance of the Bonds.

ARTICLE V TAX EXEMPTION OF BONDS

Section 1 Exemption from State Taxes.

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

Section 2 Federal Guarantee Prohibition.

The County shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code and the Regulations.

Section 3 Private Business Use Limitation.

In the event any Net Proceeds of the Bonds are used for a Private Business Use, the County shall assure that (i) not in excess of ten percent (10%) of the Net Proceeds of the Bonds is used for a Private Business Use if, in addition, the payment of more than ten percent (10%) of the principal or ten percent (10%) of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the County, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) in the event that both (a) in excess of five percent (5%) of the Net Proceeds of the Bonds is used for a Private Business Use, and (b) an amount in excess of five percent (5%) of the principal or five percent (5%) of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the County, in respect of property or borrowed money used or to be used for a Private Business Use, then the excess over five percent (5%) of Net Proceeds of the Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of a portion of the facilities financed or refinanced with the proceeds of the Bonds and shall not exceed the proceeds used for the governmental use of the portion of the Project to which such Private Business Use is related.

Section 4 Private Loan Limitation.

In the event any Net Proceeds of the Bonds is used to make or finance a loan to persons other than state or local government units, the County shall assure that not in excess of five percent (5%) of the Net Proceeds of the Bonds is used, directly or indirectly, for such purpose.

Section 5 No Arbitrage.

The County shall not take, or permit or suffer to be taken, any action with respect to the Gross Proceeds of the Bonds which would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code and Regulations.

Section 6 Designation of Bonds as Qualified Tax-Exempt Obligations.

The County Council makes the following findings with respect to the Bonds:

(a) The Bonds are not private activity bonds as defined in Section 141 of the Code.

(b) The County does not reasonably anticipate the amount of "qualified tax-exempt obligations" (other than private activity bonds which are not qualified 501(c)(3) bonds as defined in Section 145 of the Code) which will be issued by the County during the calendar year ending December 31, 2011 to exceed \$10,000,000.

(c) No obligations of the County have been designated as "Qualified Tax-Exempt Obligations" by the County during the calendar year ending December 31, 2011.

(d) For purposes of this Article V, the County and all subordinate entities thereof are treated as a single entity.

On the basis of the foregoing, the County Council hereby designates the Bonds as "Qualified Tax-Exempt Obligations" within the meaning of Section 265(b)(3)(B)(ii) of the Code.

Section 7 Further Authorization.

The County Administrator is further authorized to take any and all actions which, upon advice of the County's financial advisor, enable all or any portion of the Bonds to take advantage of any subsidies or programs permitted under federal law.

**ARTICLE VI
DEFEASANCE**

Section 1 Release of Ordinance.

(a) If all of the Bonds issued pursuant to this Ordinance shall have been paid and discharged, then the obligations of the County under this Ordinance, and all other rights granted

hereby, shall cease and determine. Bonds shall be deemed to have been paid and discharged within the meaning of this Article under each of the following circumstances:

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

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

(iii) If the County shall have deposited with the Paying Agent, in an irrevocable trust, either moneys in an amount which shall be sufficient, or direct general obligations of the United States of America which are not subject to redemption by the issuer prior to the date of maturity or redemption of the Bonds to be defeased, as the case may be, the principal of and interest on which, when due, and without reinvestment thereof, will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same time, shall be sufficient to pay, when due, the principal, interest and redemption premium or premiums, if any, due and to become due on and prior to the maturity date or dates or, if the County shall elect to redeem such Bonds prior to their stated maturities, and shall have irrevocably bound and obligated itself to give notice of redemption thereof, on and prior to the redemption date or dates of such Bonds, as the case may be; or

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

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

Section 2 Deposit of Moneys.

Any moneys which at any time shall be deposited with the Paying Agent by or on behalf of the County for the purpose of paying and discharging any Bonds shall be and are hereby assigned, transferred, and set over to the Paying Agent in trust for the respective holders of such Bonds, and such moneys shall be and are hereby irrevocably appropriated to the payment and discharge thereof. If, through lapse of time or otherwise, the holders of such Bonds shall no longer be entitled to enforce payment of their obligations, then, in such event, it shall be the duty of the Paying Agent to transfer such funds to the County.

Section 3 Notice of Release of Ordinance.

(a) In the event any of the Bonds are not to be redeemed within the sixty (60) days next succeeding the date the deposit required by Section 1(a) (iii) or (iv) of this Article is made, the County shall give the Paying Agent irrevocable instructions to mail, as soon as practicable by registered or certified mail, a notice to the owners of such Bonds at the addresses shown on the Books of Registry that (i) the deposit required by subparagraph (a) (iii) or (a)(iv) of Section 1 of this Article has been made with the Paying Agent, and (ii) the Bonds are deemed to have been paid in accordance with this Article and stating such maturity or redemption dates upon which moneys are to be available for the payment of the principal of, premium, if any, and interest on the Bonds.

(b) The County covenants and agrees that any moneys 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 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 Paying Agent to cause such notice of redemption to be given in its name and on its behalf.

ARTICLE VII
AMENDING AND SUPPLEMENTING OF ORDINANCE

Section 1 Amending and Supplementing of Ordinance Without Consent of Holders of Bonds.

(a) The County Council, from time to time and at any time and without the consent or concurrence of any holder of any Bond, may enact an ordinance amendatory hereof or supplemental hereto, if the provisions of such supplemental ordinance shall not materially adversely affect the rights of the holders of the Bonds then outstanding, for any one or more of the following purposes:

1. To make any changes or corrections in this Ordinance as to which the County Council shall have been advised by counsel that the same are verbal corrections or changes or are required for the purpose of curing or correcting any ambiguity or defective or inconsistent provision or omission or mistake or manifest error contained in this Ordinance, or to insert in this Ordinance such provisions clarifying matters or questions arising under this Ordinance as are necessary or desirable;
2. To add additional covenants and agreements of the County for the purpose of further securing the payment of the Bonds;
3. To surrender any right, power or privilege reserved to or conferred upon the County by the terms of this Ordinance;
4. To grant or confer upon the bondholders any additional right, remedies, powers, authority or security that lawfully may be granted to or conferred upon them; or

5. To make such additions, deletions or modifications as may be necessary to assure compliance with Section 148(f) of the Code relating to required rebate to the United States or otherwise as may be necessary to assure the exclusion from gross income of interest on the Bonds for purposes of federal income taxation.

(b) The County shall not enact any supplemental ordinance authorized by the foregoing provisions of this Section unless in the opinion of counsel (which opinion may be combined with the opinion required by Section 4 hereof) the enactment of such supplemental ordinance is permitted by the foregoing provisions of this Section and the provisions of such supplemental ordinance do not adversely affect the rights of the holders of the Bonds then outstanding.

Section 2 Amending and Supplementing of Ordinance With Consent of Holders of Bonds.

(a) With the consent of the holders of not less than a majority in principal amount of the Bonds then outstanding, the County Council from time to time and at any time may enact an ordinance amendatory hereof or supplemental hereto for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, this Ordinance, or modifying or amending the rights and obligations of the County under this Ordinance, or modifying or amending in any manner the rights of the holders of the Bonds then outstanding; provided, however, that, without the specific consent of the holder of each such Bond which would be affected thereby, no supplemental ordinance amending or supplementing the provisions hereof shall: (i) change the fixed maturity date of any Bond or the dates for the payment of interest thereon, or the terms of the redemption thereof, or reduce the principal amount of any Bond or the rate of interest thereon or the redemption price (or the redemption premium) payable upon the redemption or prepayment thereof; (ii) in any way limit or alter the pledge of the full faith, credit and taxing power as security for the Bonds as provided in Article III hereof; (iii) reduce the aforesaid percentage of Bonds, the holders of which are required to consent to any supplemental ordinance amending or supplementing the provisions of this Ordinance; or (iv) give to any Bond or Bonds any preference over any other Bond or Bonds secured hereby. Nothing in this paragraph contained, however, shall be construed as making necessary the approval of the holders of the Bonds of the enactment of any supplemental ordinance authorized by the provisions of Section 1 of this Article.

(b) It shall not be necessary that the consents of the holders of the Bonds approve the particular form of wording of the proposed amendment or supplement or of the supplemental ordinance affecting such amending or supplementing hereof pursuant to this Section. The County shall mail a notice at least once, not more than thirty days after the effective date of such amendment or supplement of such amendment or supplement postage prepaid, to each holder of Bonds then outstanding at his address, if any, appearing upon the Books of Registry and to the Paying Agent, but failure to mail copies of such notice to any of the holders shall not affect the validity of the supplemental ordinance effecting such amendments or supplements or the consents thereto. Nothing in this paragraph contained, however, shall be construed as requiring the giving of notice of any amendment or supplement of this Ordinance authorized by Section 1 of this Article. No action or proceeding to set aside or invalidate such supplemental ordinance or any of the proceedings for its enactment shall be instituted or maintained unless such action or proceeding is commenced within sixty days after the mailing of the notice required by this paragraph.

Section 3 Notation Upon Bonds; New Bonds Issued Upon Amendments.

Bonds delivered after the effective date of any action taken as provided in this Article may bear a notation as to such action, by endorsement or otherwise and in form approved by the County. In that case, upon demand of the holder of any Bond outstanding after such effective date and upon the presentation of the Bond for such purpose at the office of the Paying Agent, and at such additional offices, if any, as the County may select and designate for that purpose, a suitable notation shall be made on such Bond. If the County shall so determine, new Bonds, so modified as in the opinion of the County upon the advice of counsel to conform to the amendments or supplements made pursuant to this Article, shall be prepared, executed, and delivered, and upon demand of the holder of any Bond then outstanding shall be exchanged without cost to such holder for Bonds then outstanding, upon surrender of such outstanding Bonds.

Section 4 Effectiveness of Supplemental Ordinance.

Upon the enactment (pursuant to this Article and applicable law) by the County Council of any supplemental ordinance amending or supplementing the provisions of this Ordinance and the delivery to the Paying Agent and the County Council of an opinion of bond counsel that such supplemental ordinance is in due form and has been duly enacted in accordance with the provisions hereof and applicable law and that the provisions thereof are valid and binding upon the County, or upon such later date as may be specified in such supplemental ordinance, (a) this Ordinance and the Bonds shall be modified and amended in accordance with such supplemental ordinance, (b) the respective rights, limitations of rights, obligations, duties, and immunities under this Ordinance of the County and the holders of the Bonds shall thereafter be determined, exercised, and enforced under this Ordinance subject in all respects to such modifications and amendments, and (c) all of the terms and conditions of any such supplemental ordinance shall be a part of the terms and conditions of the Bonds and of this Ordinance for any and all purposes.

**ARTICLE VIII
MISCELLANEOUS**

Section 1 Execution of Closing Documents and Certificates.

The Chairman, the Clerk, the County Administrator, the County Treasurer, the County Finance Director, and all other officers and employees of the County are fully authorized and empowered to take such further action and to execute and deliver such closing documents and certificates as may be necessary and proper in order to complete the issuance of the Bonds herein authorized and the action of such officers or any one or more of them in executing and delivering any of such documents, in such form as he or they shall approve, is hereby fully authorized.

Section 2 Vice Chairman May Act in Chairman's Absence; Acting Clerk May Act in Clerk's Absence.

In the absence of the Chairman, the vice chairman of County Council is fully authorized to exercise all powers vested in the Chairman under this Ordinance. In the absence of the Clerk, the

acting clerk of the County Council is fully authorized to exercise all powers and take all actions vested in the Clerk under this Ordinance.

Section 3 Benefits of Ordinance Limited to the County and Holders of the Bonds.

With the exception of rights or benefits herein expressly conferred, nothing expressed or mentioned in or to be implied from this Ordinance or the Bonds is intended or should be construed to confer upon or give to any person other than the County and the holders of the Bonds any legal or equitable right, remedy or claim under or by reason of or in respect to this Ordinance or any covenant, condition, stipulation, promise, agreement or provision herein contained. This Ordinance and all of the covenants, conditions, stipulations, promises, agreements and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the County and the holders from time to time of the Bonds as herein and therein provided.

Section 4 Ordinance Binding Upon Successors or Assigns of the County.

All the terms, provisions, conditions, covenants, warranties and agreements contained in this Ordinance shall be binding upon the successors and assigns of the County and shall inure to the benefit of the holders of the Bonds.

Section 5 No Personal Liability.

No recourse shall be had for the enforcement of any obligation, covenant, promise or agreement of the County contained in this Ordinance or the Bonds, against any member of the County Council, any officer or employee, as such, in his or her individual capacity, past, present, or future, of the County, either directly or through the County, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, it being expressly agreed and understood that this Ordinance and the Bonds are solely corporate obligations, and that no personal liability whatsoever shall attach to, or be incurred by, any member, officer, or employee as such, past, present, or future, of the County, either directly or by reason of any of the obligations, covenants, promises, or agreements entered into between the County and the bondholders or to be implied therefrom as being supplemental hereto or thereto, and that all personal liability of that character against every such member, officer and employee is, by the enactment of this Ordinance and the execution of the Bonds, and as a condition of, and as a part of the consideration for, the enactment of this Ordinance and the execution of the Bonds, expressly waived and released. The immunity of members, officers, and employees of the County under the provisions contained in this Section shall survive the termination of this Ordinance.

Section 6 Effect of Saturdays, Sundays and Legal Holidays.

Whenever this Ordinance requires any action to be taken on a Saturday, Sunday, legal holiday, or bank holiday in the State of South Carolina, such action shall be taken on the first business day occurring thereafter. Whenever in this Ordinance the time within which any action is required to be taken or within which any right will lapse or expire shall terminate on a Saturday, Sunday, legal holiday, or bank holiday in the State of South Carolina, such time shall continue to run until midnight on the next succeeding business day.

Section 7 Partial Invalidity.

(a) If any one or more of the covenants or agreements or portions thereof provided in this Ordinance on the part of the County or the Paying Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, then such covenant or covenants, or such agreement or agreements, or such portions thereof, shall be deemed severable from the remaining covenants and agreements or portions thereof provided in this Ordinance and the invalidity thereof shall in no way affect the validity of the other provisions of this Ordinance or of the Bonds, but the holders of the Bonds shall retain all the rights and benefits accorded to them hereunder and under any applicable provisions of law.

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

Section 8 Continuing Disclosure.

Pursuant to Section 11-1-85 of the Code of Laws of South Carolina 1976, as amended, the County hereby covenants that it will file or cause to be filed with a central repository for availability in the secondary bond market when requested: (i) an annual independent audit of the County, within thirty days of the County's receipt of the audit, and (ii) event specific information, within thirty days of an event adversely affecting more than five percent (5%) of the County's revenue or tax base.

Section 9 Law and Place of Enforcement of the Ordinance.

This Ordinance shall be construed and interpreted in accordance with the laws of the State of South Carolina and all suits and actions arising out of this Ordinance shall be instituted in a court of competent jurisdiction in that State.

Section 10 Effect of Article and Section Headings and Table of Contents.

The heading or titles of the several Articles and Sections hereof, and any table of contents appended hereto or to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of this Ordinance.

Section 11 Repeal of Inconsistent Ordinances and Resolutions.

All ordinances and resolutions of the County Council, and any part of any ordinance or resolution, inconsistent with this Ordinance are hereby repealed to the extent of such inconsistency.

Section 12 Codification.

This Ordinance shall be forthwith codified in the Code of Dorchester County Ordinances in the manner required by law and the name shall be indexed under the general heading "Bond Issue \$1,350,000 General Obligation Bonds of 2011."

Section 13 Notice of Enactment of Ordinance.


Upon enactment of this Ordinance, as authorized by subsection 8 of Section 11-27-40 of the Code of Laws of South Carolina 1976, as amended, notice, substantially in the form attached hereto as Exhibit B, of the enactment of this Ordinance shall be published once in a newspaper of general circulation in the County.

Section 14 Effectiveness of this Ordinance.

This Ordinance shall become effective upon receiving third reading.


DONE IN MEETING DULY ASSEMBLED this 15th day of August, 2011.

(SEAL)



Chairman
County Council of Dorchester County,
South Carolina

ATTEST:



Clerk
County Council of Dorchester County
South Carolina

First Reading: July 5, 2011
Second Reading: July 18, 2011
Public Hearing and Third Reading: August 15, 2011

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
COUNTY OF DORCHESTER
GENERAL OBLIGATION BOND OF 2011

NO. R-__

Interest Rate: (____%)

Maturity Date: _____ 1, _____

Original Date of Issue: _____, 2011

Registered Owner:

Principal Sum _____ Dollars

KNOW ALL MEN BY THESE PRESENTS, that **DORCHESTER COUNTY, SOUTH CAROLINA** (hereinafter called the County), a body politic and corporate and a political subdivision of the State of South Carolina, is justly indebted, and, for value received, hereby promises to pay to the Registered Owner, or registered assigns, hereof on the Maturity Date set forth above, the Principal Sum set forth above (unless this bond be subject to redemption and shall have been duly called for previous redemption and payment of the redemption price made or provided for), and to pay interest (computed on the basis of a 360-day year consisting of twelve 30-day months) on the Principal Sum from the most recent _____ 1 to which interest shall have been paid, or if no interest shall have been paid, from _____, 2011, such principal and interest being payable to the Registered Owner hereof in fully-amortized principal and interest payments of \$ _____ each on _____ 1 of each year, commencing _____ 1, 2012, through and including _____ 1, _____. The principal and interest of this bond shall be payable at the office of _____, in _____, South Carolina. Both the principal of and interest on this bond are payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for the payment of public and private debts. For the prompt payment hereof, both principal and interest, as the same shall become due, the full faith, credit, and taxing power of the County are irrevocably pledged.

THIS BOND is one of an issue of bonds of like original date of issue, tenor, and effect, except as to number, denomination, date of maturity, date of authentication, rate of interest, registered owner and redemption provisions, aggregating _____ Hundred Thousand Dollars (\$ _____), issued pursuant to and for purposes authorized by the County Bond Act (Chapter 15, Title 4 of the Code of Laws of South Carolina 1976, as amended), as amended and continued by Section 11-27-40 of the Code of Laws of South Carolina 1976, as amended, and an ordinance (the Ordinance) duly enacted by the County Council of Dorchester County, South Carolina, in order to obtain funds with which to finance a portion of the cost of the acquisition of certain real property from the State of South Carolina to be used as parks and recreation facilities as

well as other public purposes (the "Project"), including reimbursement for expenditures previously incurred in connection with the Project.

(Redemption provisions)

IF BONDS are called for redemption prior to their maturity, notice of redemption, describing the bonds or portions of bonds to be redeemed and specifying the redemption date and place or places where amounts due upon redemption will be payable, must be given by the County by sending notice, by first-class mail, postage prepaid, not less than 30 days and not more than 60 days prior to the redemption date, to the Registered Owner of each bond to be redeemed in whole or in part at the address shown on the Books of Registry. Failure to give notice by mail or any defect in and notice so mailed with respect to any bond shall not affect the validity of the proceedings for redemption as to bonds for which notice was properly given. Interest on the bonds or portions thereof to be redeemed shall cease to accrue from and after the redemption date specified in the notice, unless the County defaults in making due provision for the payment of the redemption price thereof.

THE ORDINANCE contains provisions defining terms; sets forth the terms and conditions upon which the covenants, agreements, and other obligations of the County made therein may be discharged at or prior to the maturity of this bond with provisions for the payment thereof in the manner set forth in the Ordinance; and sets forth the terms and conditions under which the Ordinance may be amended or modified with or without the consent of the owners of this bond. Reference is hereby made to the Ordinance, to all the provisions of which any owner of this bond by the acceptance hereof thereby assents.

ALL PRINCIPAL, interest, or other amounts due hereunder shall be payable only to the Registered Owner hereof. The County designates the Paying Agent as Bond Registrar and directs the Paying Agent as Bond Registrar to maintain registration books for the registration or transfer of this bond. This bond may not be transferred except by the Registered Owner hereof in person or by his attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Registered Owner of this bond. Any purported assignment in contravention of the foregoing requirements shall be, as to the County, absolutely null and void. The person in whose name this bond shall be registered shall be deemed and regarded as the absolute owner hereof for all purposes, and payment of the principal of, premium, if any, and interest on this bond shall be made only to or upon the order of the Registered Owner or his legal representative. All payments made in this manner shall be valid and effective to satisfy and discharge the liability of the County upon this bond to the extent of the sum or sums paid. No person other than the Registered Owner shall have any right to receive payments, pursue remedies, enforce obligations, or exercise or enjoy any other rights under this bond against the County. Notwithstanding the foregoing, nothing herein shall limit the rights of a person having a beneficial interest in this bond as against a person (including the Registered Owner) other than the County, as in the case where Registered Owner is a trustee or nominee for two or more beneficial owners of an interest in this bond.

THIS BOND and the interest hereon are exempt from all state, county, municipal, school district, and all other taxes or assessments of the State of South Carolina, direct or indirect, general

or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate, transfer and certain franchise taxes. This bond has been designated by the County as a "Qualified Tax-Exempt Obligation" pursuant to the provisions of Section 265(b)(3)(B)(ii) of the Internal Revenue Code of 1986, as amended.

IT IS HEREBY CERTIFIED AND RECITED that all acts conditions, and things required by the Constitution and Laws of the State of South Carolina to exist, to happen, and to be performed precedent to or in the issuance of this bond exist, have happened, and have been done and performed in regular and due time, form, and manner; that the total indebtedness of the County, including this bond and the issue of which this bond is one, does not exceed any constitutional or statutory limitation thereon; and that provision has been made for the levy and collection of sufficient annual taxes, without limit, for the payment of the principal and interest hereof, as the same shall fall due.

IN WITNESS WHEREOF, DORCHESTER COUNTY, SOUTH CAROLINA, has caused this bond to be signed in its name by the Chairman of the County Council of Dorchester County, by his manual signature, attested by the Clerk of the County Council of Dorchester County, by her manual signature, under the Seal of Dorchester County impressed or reproduced hereon, and this bond to be originally dated the _____ day of _____, 2011.

DORCHESTER COUNTY, SOUTH CAROLINA

(SEAL)

By: _____
Chairman
County Council of Dorchester County,
South Carolina

ATTEST

Clerk
County Council of Dorchester County,
South Carolina

(ASSIGNMENT PROVISIONS TO APPEAR ON REVERSE SIDE OF EACH BOND)

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

TEN CON - as tenants in common
 TEN ENT - as tenants by the entireties
 JT TEN - as joint tenants with rights of survivorship and
 not as tenants in common
 UNIF GIFT MIN ACT _____
 (Cust)
 Custodian _____
 (Minor)
 under Uniform Gifts to Minors Act

 (State)

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

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____ (Social Security No. or Other Identifying Number of Assignee _____) the within bond, and does hereby irrevocably constitute and appoint _____ to transfer the said bond on the books kept for registration thereof with full power of substitution in the premises.

DATED:

Signature Guaranteed: _____

NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agents Medallion Program ("STAMP") or similar program.

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

EXHIBIT B

NOTICE OF ENACTMENT OF ORDINANCE AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$1,350,000 GENERAL OBLIGATION BONDS OF 2011 OF DORCHESTER COUNTY, SOUTH CAROLINA

Notice is hereby given that the County Council of Dorchester County has enacted an Ordinance authorizing the issuance of not exceeding \$1,350,000 General Obligation Bonds of 2011 of Dorchester County, South Carolina, secured by a pledge of the full faith, credit, and taxing power of Dorchester County.

This notice is being given pursuant to subsection 8 of Section 11-27-40 of the Code of Laws of South Carolina 1976, as amended, which provides that the initiative and referendum provisions contained in Chapter 9, Title 4 of the Code of Laws of 1976, as amended, shall not be applicable to the aforesaid Ordinance unless a notice, signed by not less than five qualified electors of the intention to seek a referendum, be filed within twenty days following the publication of this Notice in the Office of the Clerk of Court of Common Pleas and General Sessions for Dorchester County and the Office of the Clerk of the County Council of Dorchester County.

BY ORDER of the County Council of Dorchester County, South Carolina.

NOTICE OF A PUBLIC HEARING PRIOR TO FINAL ACTION BY THE COUNTY COUNCIL OF DORCHESTER COUNTY TO AUTHORIZE THE ISSUANCE AND SALE OF NOT EXCEEDING \$1,350,000 DORCHESTER COUNTY, SOUTH CAROLINA, GENERAL OBLIGATION BONDS OF 2011

A public hearing shall be held beginning at 7:00 p.m., on Monday, August 15, 2011, in the County Council Chambers, Kenneth F. Waggoner Services Center, 201 Johnston Street, St. George, South Carolina, as required by Section 4-9-130 of the Code of Laws of South Carolina 1976, before final Council action is taken to authorize the issuance and sale of not exceeding \$1,350,000 Dorchester County, South Carolina, General Obligation Bonds of 2011 (the Bonds).

The proceeds from the sale of the Bonds will be used to defray a portion of the cost of the acquisition of certain real property from the State of South Carolina to be used for parks and recreation facilities as well as other public purposes.

BY ORDER of the County Council of Dorchester County, South Carolina.