

Sponsor(s) : County Council  
First Reading : February 7, 2023  
Committee Referral : N/A  
Committee Consideration Date : N/A  
Committee Recommendation : N/A  
Second Reading : March 14, 2023  
Public Hearing : April 4, 2023  
Third Reading : April 4, 2023  
Effective Date : Immediately

I, Kaela Brinson, Council Clerk  
certify that this Ordinance was  
advertised for Public Hearing on  
March 17, 2023.

**ORDINANCE NO. 23-O-03**

**COUNCIL-ADMINISTRATOR FORM OF GOVERNMENT FOR COLLETON COUNTY**

**[TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$40,355,000  
GENERAL OBLIGATION CAPITAL PROJECT SALES TAX BONDS OF COLLETON  
COUNTY, SOUTH CAROLINA; TO PRESCRIBE THE PURPOSES FOR WHICH THE  
PROCEEDS SHALL BE EXPENDED; TO PROVIDE FOR THE PAYMENT THEREOF;  
AND OTHER MATTERS RELATING THERETO.]**

---

---

**TABLE OF CONTENTS**

(This Table of Contents for the Ordinance is for convenience of reference only and is not intended to define, limit, or describe the scope or intent of any provision of the Ordinance)

Page

**ARTICLE I  
DEFINITIONS AND INTERPRETATIONS**

Section 1 Defined Terms.....3  
Section 2 General Rules of Interpretation .....5

**ARTICLE II  
ISSUANCE OF BONDS**

Section 1 Authorization of Bonds; Approval of Maturity Dates, Principal  
Amounts, and Interest Rates .....6  
Section 2 [Reserved].....7  
Section 3 Cancellation of Bonds.....7  
Section 4 Purchase of Bonds .....7  
Section 5 Medium of Payment .....7  
Section 6 Place of Payments; Selection of Paying Agent.....7  
Section 7 Execution of Bonds; Designation of Authenticating Agent.....7  
Section 8 Form of Bonds; Designation of Bond Registrar .....8  
Section 9 Registration and Transfers of Bonds; Persons Treated as Owners .....8  
Section 10 Mutilated, Lost, or Stolen Bonds.....9  
Section 11 Exchange of Bonds .....9  
Section 12 Regulations with Respect to Exchanges and Transfers .....9  
Section 13 Temporary Bonds.....10  
Section 14 Book-Entry Only System for the Bonds.....10

**ARTICLE III  
SECURITY FOR BONDS**

Section 1 Pledge of Full Faith, Credit, and Taxing Power .....11  
Section 2 Levy and Collection of Property Taxes .....12  
Section 3. Pledge of Capital Project Sales Tax Revenues .....12

**ARTICLE IV  
SALE OF BONDS; DISPOSITION OF PROCEEDS OF SALE; INVESTMENT OF  
PROCEEDS PRIOR TO DISPOSITION**

Section 1 Sale of Bonds .....13  
Section 2 Disposition of Proceeds of Sale of Bonds .....13

**ARTICLE V  
TAX EXEMPTION OF BONDS**

Section 1	Exemption from State Taxes.....	14
Section 2	Federal Tax Provisions.....	15

**ARTICLE VI  
DEFEASANCE**

Section 1	Release of Ordinance.....	15
Section 2	Deposit of Moneys.....	16
Section 3	Notice of Release of Ordinance.....	16

**ARTICLE VII  
AMENDING AND SUPPLEMENTING OF ORDINANCE**

Section 1	Amending and Supplementing of Ordinance Without Consent of Register Owners of Bonds .....	17
Section 2	Amending and Supplementing of Ordinance With Consent of Registered Owners of Bonds .....	17
Section 3	Notation Upon Bonds; New Bonds Issued Upon Amendments .....	18
Section 4	Effectiveness of Supplemental Ordinance .....	18
Section 5	Supplemental Ordinance Affecting Fiscal Agents .....	19

**ARTICLE VIII  
CONCERNING THE FISCAL AGENTS**

Section 1	Fiscal Agents; Appointment and Acceptance of Duties.....	19
Section 2	Responsibilities of Fiscal Agents.....	19
Section 3	Evidence on Which Fiscal Agents May Act .....	20
Section 4	Compensation .....	20
Section 5	Certain Permitted Acts.....	20
Section 6	Resignation of Any Fiscal Agent .....	20
Section 7	Removal of Fiscal Agent .....	21
Section 8	Appointment of Successor Fiscal Agents .....	21
Section 9	Transfer of Rights and Property to Successor.....	21
Section 10	Merger or Consolidation.....	22
Section 11	Adoption of Authentication .....	22

**ARTICLE IX  
MISCELLANEOUS**

Section 1	Execution of Closing Documents and Certificates.....	22
Section 2	Vice Chairman May Act in Chairman's Absence; Acting Clerk May Act in Clerk's Absence.....	22
Section 3	Official Statement.....	23
Section 4	Benefits of Ordinance Limited to the County and Register Owners of the Bonds.....	23
Section 5	Ordinance Binding Upon Successors or Assigns of the County.....	23

Section 6 No Personal Liability .....23  
Section 7 Effect of Saturdays, Sundays and Legal Holidays.....24  
Section 8 Partial Invalidity.....24  
Section 9 Continuing Disclosure Undertaking .....24  
Section 10 Law and Place of Enforcement of the Ordinance .....25  
Section 11 Repeal of Inconsistent Ordinances and Resolutions.....25  
Section 12 Effective Date of this Ordinance .....25

Exhibit A - Form of Bond.

**AN ORDINANCE**

**TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$40,355,000 GENERAL OBLIGATION CAPITAL PROJECT SALES TAX BONDS OF COLLETON COUNTY, SOUTH CAROLINA; TO PRESCRIBE THE PURPOSES FOR WHICH THE PROCEEDS SHALL BE EXPENDED; TO PROVIDE FOR THE PAYMENT THEREOF; AND OTHER MATTERS RELATING THERETO.**

**BE IT ENACTED BY THE COUNTY COUNCIL OF COLLETON 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 Colleton County, South Carolina (the "County Council"), the governing body of Colleton County, South Carolina (the "County"), find that the facts set forth herein exist and the statements made with respect thereto are true and correct.

**WHEREAS**, Title 4, Chapter 10, Article 3 of the Code of Laws of South Carolina 1976, as amended (the "Capital Project Sales Tax Act"), authorises counties to impose a sales and use tax for the purpose of funding the costs of certain capital improvements as permitted in the Capital Project Sales Tax Act, subject to the results of a referendum, by the enactment of an ordinance pursuant to the Capital Project Sales Tax Act; and

**WHEREAS**, the Capital Project Sales Tax Act permits the revenues derived from the imposition of the sales and use tax to be pledged to the repayment of bonds issued by the county, the proceeds of which are to be used to fund the project or projects approved in the referendum; and

**WHEREAS**, pursuant to the requirements of the Capital Project Sales Tax Act, a referendum was previously approved on November 4, 2014 in Colleton County (the "Initial CPST Referendum") by which a capital project sales tax to pay costs of certain projects was approved, levied, and collected, which tax expires April 30, 2023; and

**WHEREAS**, pursuant to the provisions of the Capital Project Sales Tax Act, the County Council enacted Ordinance No. 22-O-08 (the "Capital Project Sales Tax Ordinance") to provide for the reimposition of a one percent sales and use tax (the "Capital Project Sales Tax") in Colleton County for a period not to exceed 7 years from the date of imposition of the Capital Project Sales Tax, to fund, at a maximum cost not to exceed \$40,355,061, the cost of acquiring, including in certain instances the acquisition of real property, constructing, furnishing, and equipping the following capital projects approved in the Referendum: Colleton County Animal Services Facility, Veteran's Park, Town of Smoaks – Johnsville/Smoaks Community Center, Colleton County Emergency Operations Center, Colleton County Recreation Center Additions (New Gym and Activity Rooms), Colleton County Recreation Center Additions (Pool Facility), Town of Cottageville Park Expansion, Town of Williams - Water Infrastructure Improvements, City of Walterboro – I95 Business Loop Project Phase 3, Edisto Municipal EOC and Town Hall Complex Phase 1, City of Walterboro – Ireland Creek Greenway Park and Stream Restoration (collectively, the "Referendum Projects"); and

**WHEREAS**, pursuant to the requirements of the Capital Project Sales Tax Act, a referendum was conducted on November 8, 2022 in Colleton County (the “Referendum”) for the purpose of approving the Capital Project Sales Tax to pay costs of the Referendum Projects; and

**WHEREAS**, the Referendum was approved by a majority vote of voters in the Referendum; and

**WHEREAS**, the County Council has now determined that it is in the best interest of the County, and necessary and proper for the general welfare of the County and its citizens that the County proceed with the Referendum Projects at this time by raising the necessary funds for the Referendum Projects by the issuance of general obligation bonds payable from the proceeds of the Capital Project Sales Tax; and

**WHEREAS**, there was also submitted to and approved by the voters at the Referendum the question of the issuance of not exceeding \$40,355,061 of general obligation bonds of the County, payable from the Capital Project Sales Tax to be collected over a period not to exceed 7 years, to fund the Referendum Projects; and

**WHEREAS**, County Council has determined that the estimated costs of the Referendum Projects, including the costs of issuance of the bonds authorised hereby, is approximately \$40,355,061; and

**WHEREAS**, by virtue of the County Bond Act (Title 4, Chapter 15 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 (collectively, the “Enabling Act”), County Council is authorised to issue general obligation bonds of the County in such amounts as permitted under Article X, Section 14 of the South Carolina Constitution; and

**WHEREAS**, Article X, Section 14, paragraph 6 of the South Carolina Constitution authorises the County to incur general obligation indebtedness approved by a majority vote of the qualified electors of Colleton County voting in a referendum, subject to the restrictions and limitations set forth in the referendum;

**NOW, THEREFORE**, on the basis of the foregoing authorisations and for the purpose of raising the sum of not exceeding \$40,355,061 for the Referendum Projects, the County Council enact this Ordinance to effect the issuance and sale of General Obligation Capital Project Sales Tax Bonds of the County authorised by the Enabling Act.

**ARTICLE I**

**DEFINITIONS AND INTERPRETATIONS**

**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.

“Authenticating Agent” shall mean the authenticating agent for the Bonds designated pursuant to Section 1 of Article II hereof.

“Beneficial Owner” shall mean the person in whose name a Bond is recorded as the beneficial owner of the Bond by a Participant on the records of the Participant or such person’s subrogee.

“Bonds” shall mean the General Obligation Capital Project Sales Tax Bonds, Series 2023 of the County authorised to be issued hereunder in the aggregate principal amount of not to exceed \$40,355,000.

“Bond Registrar” shall mean the bond registrar designated pursuant to the provisions of Section 1 of Article II hereof.

“Book-Entry Only System” shall have the meaning attributed to that term in Article II, Section 14 hereof.

“Books of Registry” shall mean the registration books maintained by the Bond Registrar in accordance with Section 8 of Article II hereof.

“Capital Project Sales Tax Act” shall mean Title 4, Chapter 10, Article 3 of the Code of Laws of South Carolina 1976, as amended.

“Capital Project Sales Tax” shall mean the one percent sales and use tax in Colleton County authorised to be imposed pursuant to the Capital Project Sales Tax Ordinance and the Referendum.

“Capital Project Sales Tax Ordinance” shall mean Ordinance No. 22-O-08 enacted in accordance with the Capital Project Sale Tax Act by the County Council on July 26, 2022, providing for the Referendum.

“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.

“Continuing Disclosure Undertaking” shall mean the Continuing Disclosure Undertaking hereby authorized to be executed by the Chairman or the Finance Director on behalf of the County Council, as it may be amended from time to time in accordance with the terms thereof.

“County” shall mean Colleton County, South Carolina.

“County Administrator” shall mean the County Administrator of the County.

“County Council” shall mean the County Council of Colleton County, South Carolina, the governing body of the County or any successor governing body of the County.

“Dated Date” shall mean the date of delivery of the Bonds.

“Debt Service” shall mean the scheduled amount of interest and amortisation 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.

“DTC” shall mean The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors pursuant to Article II, Section 14 hereof.

“Enabling Act” shall mean Title 4, Chapter 15 of the Code of Laws of South Carolina 1976, as amended, as further amended and continued by Section 11-27-40 of the Code of Laws of South Carolina 1976, as amended.

“Finance Director” shall mean the Finance Director of the County or, in his absence, any other officer or employee of the County designated in writing by the County Administrator to perform the duties of the Finance Director under this Ordinance.

“Financial Advisor” shall mean Raymond James & Associates, Inc., the financial advisor to the County.

“Fiscal Agents” shall mean the Paying Agent, the Bond Registrar, the Authenticating Agent, and any escrow agent under Article VI hereof with respect to the Bonds.

“Interest Payment Date” shall mean any January 1 or July 1 commencing January 1, 2024.

“Investment Advisor” shall mean Raymond James & Associates, Inc., the investment advisor to the County pursuant to the Investment Engagement Agreement, or any successor thereto.

“Investment Engagement Agreement” shall mean the engagement letter of the Investment Advisor to the County, dated March 17, 2023.

“Letter of Representations” shall mean the Blanket Letter of Representation of the County

to DTC dated July 10, 1997.

“Net Proceeds,” when used with reference to the Bonds, shall mean the face amount of the Bonds, plus accrued interest and premium, if any.

“Ordinance” shall mean this Ordinance as from time to time amended and 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.

“Participants” shall mean those broker-dealers, banks, and other financial institutions for which the Securities Depository holds Bonds as securities depository.

“Paying Agent” shall mean the paying agent for the Bonds designated pursuant to Section 1 of Article II hereof.

“Referendum” shall mean the referendum conducted in Colleton County on November 8, 2022, pursuant to the provisions of the Capital Project Sales Tax Act.

“Referendum Projects” shall mean the cost of acquiring, including in certain instances the acquisition of real property, constructing, furnishing, and equipping the following capital projects approved in the Referendum: Colleton County Animal Services Facility, Veteran’s Park, Town of Smoaks – Johnsville/Smoaks Community Center, Colleton County Emergency Operations Center, Colleton County Recreation Center Additions (New Gym and Activity Rooms), Colleton County Recreation Center Additions (Pool Facility), Town of Cottageville Park Expansion, Town of Williams - Water Infrastructure Improvements, City of Walterboro – I95 Business Loop Project Phase 3, Edisto Municipal EOC and Town Hall Complex Phase 1, City of Walterboro – Ireland Creek Greenway Park and Stream Restoration.

“Securities Depository” shall mean the administrator of the book-entry only system for the Bonds, as further described in Article II, Section 14 hereof and any successor appointed as provided in Article II, Section 14 hereof. The initial Securities Depository shall be DTC.

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

**Section 2**      **General Rules of Interpretation.**

For purposes of this Ordinance, except as otherwise expressly provided or the context otherwise requires:

(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*.

(e) 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.

## **ARTICLE II**

### **ISSUANCE OF BONDS**

#### **Section 1**     **Authorization of Bonds; Approval of Maturity Dates, Principal Amounts, and Interest Rates.**

(a) Pursuant to the provisions of the Enabling Act and for the purposes of funding the costs of the Referendum Projects and paying costs of issuance of the Bonds, there shall be issued not to exceed Forty Million Three Hundred Fifty-five Thousand and no/100 Dollars (\$40,355,000.00) of general obligation bonds of the County. The Bonds shall be designated "General Obligation Capital Project Sales Tax Bonds (with such series or subseries designations as approved by the County Administrator)"; and may be issued in one or more series as designated by the County Administrator. The Bonds shall be originally dated 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.

(b) The Bonds will bear interest at such rates, payable on each Interest Payment Date, and will mature on the dates and in the amounts as are approved by the County Administrator provided that:

(i) The Bonds shall not bear interest at a true interest cost (TIC) greater than 5.0% per annum.

(ii) The Bonds shall mature not later than July 1, 2030.

(c) The County Administrator is hereby expressly delegated the authority to approve the sale and issuance of the Bonds so long as they conform to all of the parameters set forth in this Ordinance, including, but not limited to, this Section 1 of Article II.

(d) The Paying Agent, Authenticating Agent, and Bond Registrar shall be the Colleton

County Treasurer, or such institution as designated by the County Administrator, as in the best interest of the County.

Section 2 [Reserved].

Section 3 Cancellation of 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 County Administrator.

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 the time, in the manner, and at the price as may be specified by the County. The Paying Agent may so purchase the 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 redemption price thereof.

Section 5 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 6 Place of Payments; Selection of Paying Agent.

Principal and premium, if any, of the Bonds, when due, shall be payable at the corporate trust office of the Paying Agent. Interest on any Bond shall be payable on each Interest Payment Date by cheque or draught mailed to the person in whose name such Bond is registered at the close of business on the fifteenth (15<sup>th</sup>) day (whether or not a business day) of the calendar month next preceding such Interest Payment Date (the Regular Record Date) by the Paying Agent. Principal of, redemption premium, if any, and interest payable to any person holding Bonds in aggregate principal amount of \$1,000,000 or more will be paid, upon the written request of any such registered owner in form and substance satisfactory to the Paying Agent, by wire transfer of immediately available funds to an account within any of the continental United States of America designated by such registered owner on or before the Record Date.

Section 7 Execution of Bonds; Designation of Authenticating Agent.

(a) 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, and the

seal of the County shall be impressed or reproduced on each Bond. Any facsimile signature appearing on the Bonds may be that of the officer who is in the 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 effective notwithstanding changes in the personnel of any of the above offices subsequent to their execution.

(b) The Bonds shall bear a certificate of authentication, substantially in the form set forth in Exhibit A, duly executed by the Authenticating Agent. The Authenticating Agent shall authenticate each Bond with the manual signature of an authorized officer of the Authenticating Agent, but it shall not be necessary for the same authorized officer to authenticate all of the Bonds. Only such authenticated Bonds shall be entitled to any right or benefit under this Ordinance. Such certificate on any Bond issued hereunder shall be conclusive evidence that the Bond has been duly issued and is secured by the provisions hereof.

**Section 8**      **Form of Bonds; Designation of Bond Registrar.**

(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 County Council hereby direct the Bond Registrar to maintain, at the County's expense, the Books of Registry for the registration or transfer of the Bonds.

(a) 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 with any appropriate variations, legends, omissions, and insertions as permitted or required by this Ordinance or law.

**Section 9**      **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 the Authenticating Agent shall authenticate and deliver, subject to the provisions of Section 12 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 registered owner requesting any transfer shall pay all taxes or other governmental charges 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.

(c) The Bond Registrar shall not be required to exchange or transfer any Bond or portion thereof for the period beginning on the Regular Record Date and ending on the next succeeding Interest Payment Date.

Section 10     Mutilated, Lost, or Stolen Bonds.

In the event any Bond is mutilated, lost, stolen, or destroyed, the County may execute and the Authenticating Agent may authenticate 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 Bonds, they shall first be surrendered to the Paying Agent, and in the case of any lost, stolen, or destroyed Bonds, there shall be first furnished to the County and the Paying Agent evidence of their 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 registered owner which is a bank or insurance company, the agreement of such bank or insurance company to indemnify the County and the Paying Agent shall be sufficient. In the event any such Bonds shall have matured, instead of issuing a duplicate Bond, the County may pay the same without surrender thereof. The County, the Paying Agent, and the Authenticating Agent, may charge the registered owner of such Bond with their reasonable fees and expenses to replace mutilated, lost, stolen, or destroyed Bonds.

Section 11     Exchange of Bonds.

Subject to the provisions of Section 9 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, the Authenticating Agent, or the Bond Registrar may make as provided in Section 12 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 12     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 the Authenticating Agent shall authenticate 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, the Bond Registrar, and the Authenticating Agent, 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.

Section 13     Temporary Bonds.

The Bonds may be initially issued in temporary form, exchangeable for definitive Bonds to be delivered as soon as practicable. The temporary Bonds may be printed, lithographed, or typewritten, shall be of such denominations as may be determined by the County Council, shall be without coupons, and may contain such reference to any of the provisions of this Ordinance as may be appropriate. Every temporary Bond shall be executed by the County upon the same conditions and in substantially the same manner as the definitive Bonds. If the County issues temporary Bonds, it will execute and furnish definitive Bonds without delay, and thereupon the temporary Bonds shall be surrendered for cancellation at the office of the Paying Agent and the Paying Agent shall deliver and exchange for such temporary Bonds an equal, aggregate principal amount of definitive Bonds of like aggregate principal amount and in authorized denominations of the same maturity or maturities and interest rate or rates. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Ordinance as definitive Bonds under this Ordinance.

Section 14     Book-Entry Only System for the Bonds.

(a)     The provisions of this section shall apply with respect to any Bond registered to Cede & Co. or any other nominee of DTC while the book-entry only system (the "Book-Entry Only System") provided for herein is in effect and shall, during the period of their application, supersede any contrary provisions of this Ordinance.

(b)     At the direction of the County Administrator, the Bonds may be issued as a single Bond for each maturity. On the date of the initial authentication and delivery of all of the Bonds, the Bonds shall be registered in the name of Cede & Co., as nominee of DTC as the registered owner of the Bonds. With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the County shall have no responsibility or obligation to any Participant (which means securities brokers and dealers, banks, trust companies, clearing corporations, and various other entities, some of whom, or their representatives, own DTC) or to any Beneficial Owner (which means, when used with reference to the Book-Entry Only System, the person who is considered the beneficial owner thereof pursuant to the arrangements for book entry determination of ownership applicable to DTC) with respect to the following: (i) the accuracy of the records of DTC, Cede & Co., or any Participant with respect to any ownership interests in the Bonds, (ii) the delivery to any Participant, any Beneficial Owner, or any other person, other than DTC, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any Participant, or any Beneficial Owner, or any other person, other than DTC, of any amount with respect to the principal of or premium, if any, or interest on the Bonds. The Paying Agent shall pay all principal of and premium, if any, and interest on the Bonds only to or upon the order of DTC, and all such payments shall be valid and effective fully to satisfy and discharge the County's obligations with respect to the principal of and premium, if any, and interest on such Bonds to the extent of the sum so paid. No person other than DTC shall receive a Bond. Upon delivery by DTC to the County of written notice to the effect that DTC has determined to substitute a new

nominee in place of Cede & Co., the words "Cede & Co." in this section shall refer to such new nominee of DTC.

(c) Upon receipt by the County of written notice from DTC to the effect that DTC is unable or unwilling to discharge its responsibilities hereunder, the County shall issue, transfer, and exchange Bonds as requested by DTC in authorized denominations, and whenever DTC requests the County to do so, the County will cooperate with DTC in taking appropriate action after reasonable notice to arrange for a substitute Securities Depository willing and able upon reasonable and customary terms to maintain custody of the Bonds registered in whatever name or names the registered owners transferring or exchanging such Bonds shall designate in accordance with this section.

(d) In the event the County determines that it is in the best interests of the Beneficial Owners that they be able to obtain Bonds registered in the name of a registered owner other than DTC, the County may so notify DTC, whereupon DTC will notify the Participants of the availability through DTC of such Bonds. In such event, upon the return by DTC of Bonds held by DTC in the name of Cede & Co., the County shall issue, transfer, and exchange Bonds in authorized denominations as requested by DTC, and whenever DTC requests the County to do so, the County will cooperate with DTC in taking appropriate action after reasonable notice to make available Bonds registered in whatever name or names the Beneficial Owners transferring or exchanging Bonds shall designate, in accordance with this section.

(e) Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal of and premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, to DTC as provided in the Letter of Representations delivered by the County to DTC.

(f) In the event that the Book-Entry Only System pursuant to this section is discontinued, the Bonds shall be issued, transferred, and exchanged through DTC and its Participants to the Beneficial Owners.

### **ARTICLE III**

#### **SECURITY FOR BONDS**

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

For the payment of the principal of and interest on the Bonds as the same respectively mature, and for the creation of such Sinking Fund Account as may be necessary therefor, the full faith, credit, and taxing power, of the County are irrevocably pledged, and, subject to the provisions of Section 3 of this Article III, there shall be levied annually by the Auditor of Colleton County, and collected by the Treasurer of Colleton County, 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 Account as may be necessary therefor.

Section 2      Levy and Collection of Property Taxes.

The Auditor and Treasurer of Colleton County, South Carolina, shall be notified of this issue of Bonds and directed, subject to the provisions of Section 1 of this Article III, 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 Account as may be necessary therefor.

Section 3.      Pledge of Capital Project Sales Tax Revenues

(a) The Bonds shall be payable from, and additionally secured by a pledge of, the net revenues raised by the Capital Project Sales Tax. Upon receipt of the net revenue of the Capital Project Sales Tax from the State Treasurer, the Treasurer of Colleton County shall deposit that portion of the net revenues as directed by annual budget of the County Council into the Sinking Fund Account established for the Bonds and shall maintain proper books and records for an accounting thereof. To the extent the net revenues derived from the Capital Project Sales Tax are or will be available and on deposit with the Treasurer of Colleton County prior to the due dates of Debt Service for any fiscal year, the County Council shall reduce the amount of taxes required to be levied and collected pursuant to Section 2 of this Article. Such net revenues received by the Treasurer of Colleton County from the State Treasurer from the Capital Project Sales Tax shall be deposited in the Sinking Fund Account and on each payment date of the Bonds shall be applied to pay current Debt Service due on the Bonds. Pending such application, moneys held in such Account shall be invested by the Treasurer of Colleton County in accordance with law. All investment earnings shall be applied as directed by the County Council for the costs of Referendum Projects.

(b) The covenants and agreements herein set forth to be performed by the County shall be for the equal and proportionate benefit, security, and protection of all registered owners of the Bonds without preference, priority, or distinction as to payment or security or otherwise (except as to maturity) of any of the Bonds or any of the others for any reason or cause whatsoever, except as expressly provided herein or in the Bonds, and, except as aforesaid, all Bonds shall rank *pari passu* and shall be secured equally and ratably hereunder without discrimination or preference whatsoever.

(c) The County Council expressly reserves the right to pledge net revenues derived from the Capital Project Sales Tax to secure the payment of other obligations of the County, including other general obligation bonds, revenue bonds, notes, lease, or contract obligations, or similar contracts or evidences of indebtedness, and to apply such net revenues that are not required to pay current Debt Service on the Bonds to the costs of other Referendum Projects.

(d) Upon payment in full of all principal and interest due on the Bonds, whether at maturity or pursuant to defeasance in accordance with Article VI hereof, all funds derived from the Capital Project Sales Tax held by the Colleton County Treasurer in the Sinking Fund Account shall be released from the lien and pledge in favour of the Bonds created hereby and shall be disbursed at the direction of the County Council to pay costs of the Referendum Facilities.

#### **ARTICLE IV**

#### **SALE OF BONDS; DISPOSITION OF PROCEEDS OF SALE; INVESTMENT OF PROCEEDS PRIOR TO DISPOSITION**

##### **Section 1**      **Sale of Bonds.**

(a) The Bonds shall be sold at public sale, at the price of not less than 100% of par and accrued interest to the date of delivery, in accordance with Section 11-27-40(9)(b) of the Code of Laws of South Carolina 1976, as amended, on the terms and conditions as are approved by the Chairman or the County Administrator. The Chairman is hereby expressly delegated the authority to approve the sale of the Bonds so long as they conform to all of the parameters set forth in Section 1 of Article II hereof. The sale of the Bonds shall be advertised as directed by the Finance Director in accordance with the Enabling Act. The form of said Notice, and the conditions of sale, are shall be approved by the Finance Director, upon the advice of the Financial Advisor and Bond Counsel. Bids for the purchase of the Bonds may be received in such form as determined by the County Administrator to be in the best interest of the County.

(b) Notwithstanding the provisions of paragraph (a) above, in the event any series of Bonds may be issued in compliance with the requirements of Section 11-27-40(4) of the Code of Laws of South Carolina 1976, as amended, the County Administrator is hereby expressly delegated the authority to solicit proposals from banks and other financial institutions for the purchase of the Bonds in accordance with said Section 11-27-40(4), and to select a proposal on the terms and conditions as are approved by the Chairman or the County Administrator, upon the advice of the Financial Advisor. The Chairman is hereby expressly delegated the authority to approve the sale of the Bonds so long as they conform to all of the parameters set forth in Section 1 of Article II hereof. Notice of the sale of the Bonds in substantially the form set forth in Exhibit B hereto shall be published in accordance with said Section 11-27-40(4).

##### **Section 2**      **Disposition of Proceeds of Sale of Bonds.**

(a) The proceeds derived from the sale of the Bonds issued pursuant to this Ordinance shall be made use of by the County Council as follows:

(i) Any accrued interest shall be deposited in the Sinking Fund Account and applied to the payment of the first instalment of interest to become due on the Bonds.

(ii) Any premium shall be applied as directed by the County Administrator upon

the advice of the Financial Advisor and Bond Counsel including the payment of capitalised interest, which shall be deposited in the Sinking Fund Account and applied to the payment of the instalments of interest designated by the County Administrator.

(iii) The remaining proceeds derived from the sale of the Bonds shall be applied as follows:

(A) Sufficient proceeds shall be applied to defray the costs of issuing the Bonds as directed by the County Administrator.

(B) Proceeds as directed by the County Administrator shall be applied by the County to fund costs of the Referendum Projects.

(C) Any remaining proceeds of the Bonds, after their application to the purposes set forth above, together with investment earnings on the proceeds of the Bonds, shall be applied as directed by the County Council.

(b) No purchaser or registered owner of the Bonds shall be liable for the proper application of the proceeds thereof.

**Section 3 Investment of Proceeds Prior to Disposition.**

(a) Pending the disposition of Bond proceeds as set forth in Section 2 above, such Bond proceeds shall be invested and reinvested by the County in conjunction with Raymond James & Associates, Inc. (the "Investment Adviser"), which shall serve as Investment Adviser to the County relating to the investment of such proceeds, in accordance with law. The Investment Adviser shall serve in a fiduciary capacity to the County pursuant to the terms of an engagement letter (the "Investment Engagement Agreement") substantially in the form of the letter of the Investment Adviser to the County, dated March 17, 2023, presented at the meeting at which this Ordinance receives third reading, with such changes as may be approved by the County Administrator upon the advice of legal counsel. The County Administrator is hereby authorized to execute and deliver the Investment Engagement Agreement upon third reading of this Ordinance.

(b) The County Administrator, or his designee, is hereby authorized on behalf of the County to direct any investment or reinvestment, make any decision, or take any other action from time to time required or convenient to the administration of the investment of such Bond proceeds pursuant to investment advisory relationship established by the Investment Engagement Agreement.

**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, or transfer taxes.

Section 2      Federal Tax Provisions.

The County Council hereby authorize the County Administrator to execute and deliver a tax regulatory agreement or certificate for the purpose of establishing and maintaining the excludability of interest on the Bonds from the gross income of the recipients thereof for federal income tax purposes.

**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 thereby shall cease and determine. Bonds shall be deemed to have been paid and discharged within the meaning of this Article in 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 or other escrow agent meeting the requirements of a Fiscal Agent hereunder, 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 of the Bonds to be defeased, the principal of and interest on which, when due, and without reinvestment thereof, will provide moneys, which, together with the moneys, if any, so deposited at the same time, shall be sufficient to pay, when due, the principal, interest, and redemption premium or premiums, if any, due or to become due on and prior to the maturity date or dates; or

(iv) If there shall have been so deposited 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, so deposited at the same time, shall be sufficient to pay, when due, the principal and interest due or to become due on the Bonds on the maturity thereof.

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

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

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

**Section 2**      **Deposit of Moneys.**

Any moneys which at any time shall be deposited with a Fiscal 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 Fiscal Agent in trust for the respective registered owners 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 registered owners 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 Fiscal Agent to transfer such funds to the County.

**Section 3**      **Notice of Release of Ordinance.**

(a) In the event any of said 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 Fiscal Agent irrevocable instructions to mail, as soon as practicable by first class mail, a notice to the registered 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 Fiscal Agent, and (ii) said 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, and premium, if any, and interest on, said Bonds.

(b) The County covenants and agrees that any moneys which it shall deposit with the Fiscal Agent shall be deemed to be deposited in accordance with, and subject to, the applicable provisions of this Article.

**ARTICLE VII**

**AMENDING AND SUPPLEMENTING OF ORDINANCE**

Section 1     Amending and Supplementing of Ordinance Without Consent of Registered Owners of Bonds.

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

(i) 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 and 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;

(ii) To add additional covenants and agreements of the County for the purpose of further securing the payment of the Bonds;

(iii) To surrender any right, power, or privilege reserved to or conferred upon the County by the terms of this Ordinance;

(iv) To grant or confer upon the registered owners of the Bonds any additional rights, remedies, powers, authority, or security that lawfully may be granted to or conferred upon them; or

(v) 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 of America 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 Council 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 registered owners of the Bonds then outstanding.

Section 2     Amending and Supplementing of Ordinance With Consent of Registered Owners of Bonds.

(a) With the consent of the registered owners 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 or obligations of the County under this Ordinance, or modifying or amending in any manner the rights of the registered owners of the Bonds then

outstanding; provided, however, that without the specific consent of the registered owner 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) reduce the aforesaid percentage of Bonds, the registered owners of which are required to consent to any supplemental ordinance amending or supplementing the provisions of this Ordinance; or (iii) 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 registered owners of the Bonds of the enactment of any supplemental ordinance authorised by the provisions of Section 1 of this Article.

(b) It shall not be necessary that the consents of the registered owners of the Bonds approve the particular form of the wording of the proposed amendment or supplement or of the supplemental ordinance effecting such amending or supplementing hereof pursuant to this Section. The County shall mail a notice at least once, not more than thirty (30) days after the effective date of such amendment or supplement, of such amendment or supplement postage prepaid, to each registered owner of Bonds then outstanding at his address appearing upon the Books of Registry and to the Paying Agent, but failure to mail copies of such notice to any of the registered owners 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 authorised 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 (60) 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 registered owner 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 registered owner of any Bond then outstanding shall be exchanged without cost to such registered owner 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, the Fiscal Agents, and the registered owners 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.

Section 5      Supplemental Ordinance Affecting Fiscal Agents.

No supplemental ordinance changing, amending, or modifying any of the rights, duties, and obligations of any Fiscal Agent appointed by or pursuant to the provisions of this Ordinance may be enacted by the County Council or be consented to by the registered owners of the Bonds without written consent of such Fiscal Agent affected thereby.

**ARTICLE VIII**

**CONCERNING THE FISCAL AGENTS**

Section 1      Fiscal Agents; Appointment and Acceptance of Duties.

The Paying Agent, the Bond Registrar, the Authenticating Agent, and any escrow agent with respect to the Bonds shall accept the duties and trusts imposed upon it by this Ordinance and shall agree in writing to perform such trusts but only upon the terms and conditions set forth in this Article VIII. Similarly, each financial institution appointed as a successor Paying Agent, Bond Registrar, Authenticating Agent, or escrow agent shall signify its acceptance of the duties and trusts imposed by this Ordinance by a written acceptance.

Section 2      Responsibilities of Fiscal Agents.

The recitals of fact contained herein and in the Bonds shall be taken as the statements of the County and no Fiscal Agent shall be deemed to assume any responsibility for the correctness of the same except in respect of the authentication certificate of the Authenticating Agent endorsed on the Bonds. No Fiscal Agent shall be deemed to make any representations as to the validity or sufficiency of this Ordinance or of any Bonds or as to the security afforded by this Ordinance, and no Fiscal Agent shall incur any liability in respect thereof. No Fiscal Agent shall be under any responsibility or duty with respect to the application of any moneys paid to any other Fiscal Agent. No Fiscal Agent 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 Fiscal Agent shall be liable in the performance of its duties hereunder except for its own negligence or wilful misconduct.

Section 3      Evidence on Which Fiscal Agents May Act.

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

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

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

Section 4      Compensation.

The County shall pay to each Fiscal Agent from time to time reasonable compensation based on the then standard fee schedule of the Fiscal Agent for all services rendered under this Ordinance, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents, and employees, incurred in and about the performance of their powers and duties under this Ordinance; provided, however, that any specific agreement between the County and a Fiscal Agent with respect to the compensation of that Fiscal Agent shall control the compensation to be paid to it.

Section 5      Certain Permitted Acts.

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

Section 6      Resignation of Any Fiscal Agent.

Any Fiscal Agent may at any time resign and be discharged of the duties and obligations created by this Ordinance by giving not less than sixty (60) days' written notice to the County and

not less than thirty (30) days' written notice to the registered owners of the Bonds (as established by the Books of Registry) prior to the next succeeding Interest Payment Date, and such resignation shall take effect upon the date specified in such notice unless a successor shall have been appointed previously by the County pursuant to Section 8 of this Article VIII, in which event such resignation shall take effect immediately upon the appointment of such successor. In no event, however, shall such a resignation take effect until a successor has been appointed.

Section 7      Removal of Fiscal Agent.

Any Fiscal Agent may be removed at any time by an instrument or concurrent instruments in writing, filed with the County and such Fiscal Agent, and signed by either the Chairman or the registered owners representing a majority in principal amount of the Bonds then outstanding or their attorneys in fact duly authorised.

Section 8      Appointment of Successor Fiscal Agents.

(a) In case any Fiscal Agent 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 County. Every such Fiscal Agent appointed pursuant to the provisions of this Section 8 shall be a trust company or bank organised under state or federal laws 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 institution willing, qualified, and able to accept the trust upon reasonable and customary terms.

(b) If in a proper case no appointment of a successor Fiscal Agent shall be made by the County pursuant to the foregoing provisions of this Section 8 within forty-five (45) days after any Fiscal Agent shall have given to the County written notice as provided in Section 6 of this Article VIII or after a vacancy in the office of such Fiscal Agent shall have occurred by reason of its removal or inability to act, the former Fiscal Agent or any registered owner may apply to any court of competent jurisdiction to appoint a successor. Said court may thereupon, after notice, if any, as the court may deem proper, appoint a successor.

Section 9      Transfer of Rights and Property to Successor.

Any successor Fiscal Agent appointed under this Ordinance shall execute, acknowledge, and deliver to its predecessor, and also to the County, an instrument accepting such appointment, and thereupon the successor, without any further act, deed, or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties, and obligations of the predecessor Fiscal Agent, with like effect as if originally named in that capacity; but the Fiscal Agent ceasing to act shall nevertheless, at the request of the County or at the written request of the successor Fiscal Agent, execute, acknowledge, and deliver, all instruments of conveyance and further assurance and do all things as may reasonably be required for more fully and certainly vesting and confirming in the successor Fiscal Agent all the right, title, and interest, of the predecessor Fiscal Agent in and to any property held by it under this Ordinance, and shall pay over, assign, and deliver, to the successor Fiscal Agent any money or other property subject to the trusts

and conditions herein set forth. Should any deed, conveyance, or instrument in writing, from the County be required by such successor Fiscal Agent 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 authorised by law, be executed, acknowledged, and delivered, by the County. Each successor Fiscal Agent shall promptly notify the other Fiscal Agents, if any, of its appointment as Fiscal Agent.

**Section 10**     **Merger or Consolidation.**

Any corporation or other organisation into which any Fiscal Agent may be merged or converted or with which it may be consolidated or any corporation or other organisation resulting from any merger, conversion, or consolidation or other organisation to which it may be party or any corporation or other organisation to which any Fiscal Agent may sell or transfer all or substantially all of its corporate trust business, provided such corporation or other organisation shall be a bank or trust company organised under state or federal laws, and shall be authorised by law to perform all the duties imposed upon it by this Ordinance, shall be the successor to such Fiscal Agent without the execution or filing of any paper or the performance of any further act.

**Section 11**     **Adoption of Authentication.**

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

**ARTICLE IX**

**MISCELLANEOUS**

**Section 1**     **Execution of Closing Documents and Certificates.**

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

**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 the County Council is fully authorised 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 authorised to exercise all powers and take all actions vested in the Clerk under this Ordinance.

Section 3      Official Statement.

(a)      The County Council hereby approve the form of the Preliminary Official Statement relating to the Bonds in substantially the form presented at third reading hereof and hereby direct the distribution thereof in connexion with the sale of the Bonds.

(b)      The County Council hereby authorise the Official Statement of the County relating to the Bonds substantially in the form of the Preliminary Official Statement presented at this meeting, with any modifications as the County Administrator, upon the advice of the Financial Advisor and bond counsel, approves; the County Administrator is hereby authorized and directed to execute copies of the Official Statement and deliver them to the Original Purchaser of the Bonds, which execution and delivery shall be conclusive evidence of the approval of any such modifications; and the County hereby authorize the use of the Official Statement and the information contained therein in connection with the public offering and sale of the Bonds.

Section 4      Benefits of Ordinance Limited to the County and Registered Owners 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 registered owners 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 registered owners from time to time of the Bonds as herein and therein provided.

Section 5      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 registered owners of the Bonds.

Section 6      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, or any officer or employee of the County, as such, in his or her individual capacity, past, present, or future, 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, either directly or by reason of any of the obligations, covenants, promises, or agreements, entered into between the County and the registered owners of the Bonds 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 the members, officers, and employees, of the County under the provisions contained in this Section shall survive the termination of this Ordinance.

Section 7      Effect of Saturdays, Sundays and Legal Holidays.

Whenever this Ordinance requires any action to be taken on a Saturday, Sunday, or legal holiday or bank holiday in the State of South Carolina or in a state where the office of any Fiscal Agent is located, the action shall be taken on the first secular or 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, or legal holiday or bank holiday in the State of South Carolina or in a state where the office of any Fiscal Agent is located, the time shall continue to run until midnight on the next succeeding secular or business day.

Section 8      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 any Fiscal 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 registered owners 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 9      Continuing Disclosure Undertaking.

(a) Pursuant to Section 11-1-85 of the Code of Laws of South Carolina 1976, as amended (“Section 11-1-85”), the County Council covenant to file with a central repository for availability in the secondary bond market when requested:

(i) An annual independent audit, within thirty days of the County Council's receipt of the audit; and

(ii) Event specific information within 30 days of an event adversely affecting more than five percent of the aggregate of revenues of the County.

The only remedy for failure by the County Council to comply with the covenant in this Section 9 shall be an action for specific performance of this covenant. The County Council specifically reserves the right to amend this covenant to reflect any change in Section 11-1-85, without the consent of any registered owner of any Bonds.

(b) In addition, the County Council hereby authorize the Chairman of County Council or the Finance Director of the County to execute the Continuing Disclosure Undertaking, in the form approved by the Finance Director of the County, upon the advice of the Financial Advisor or bond counsel. The County Council further hereby covenant and agree that they will comply with and carry out all of the provisions of the Continuing Disclosure Undertaking. Notwithstanding any other provision of this Ordinance, failure of the County Council to comply with the Continuing Disclosure Undertaking shall not be considered an event of default with respect to the Bonds; however, any registered owner may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the County Council to comply with their obligations under this paragraph.

**Section 10**     **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 said State.

**Section 11**     **Repeal of Inconsistent Ordinances and Resolutions.**

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

**Section 12**     **Effective Date of this Ordinance.**

This Ordinance shall become effective upon approval following third reading.

IN WITNESS WHEREOF, COLLETON COUNTY, SOUTH CAROLINA, has caused this bond to be signed in its name by the Chairman of the County Council of Colleton County, by his manual signature, attested by the Clerk of the County Council of Colleton County, by her manual signature, under the Seal of Colleton County impressed or reproduced hereon, and this bond to be originally dated the Original Date of Issue.

COLLETON COUNTY, SOUTH CAROLINA

(SEAL)

By: *Stuart D. Moultrie*  
Chairman  
County Council of Colleton County,  
South Carolina

ATTEST:

*Karla Brinson*  
Clerk  
County Council of Colleton County,  
South Carolina

*[Signature]*  
Approved as to Form  
Sean P. Thornton, County Attorney

COUNCIL VOTE: *Unanimous*  
OPPOSED:

First Reading: February 7, 2023  
Second Reading: March 14, 2023  
Public Hearing: [April 4, 2023]  
Third Reading: [April 4, 2023]

FORM OF BOND

STATE OF SOUTH CAROLINA  
COUNTY OF COLLETON  
GENERAL OBLIGATION CAPITAL PROJECT SALES TAX BOND, SERIES [ ]

NO. R-1

CUSIP NO. \_\_\_\_\_

Interest Rate: \_\_\_\_\_ and \_\_/100 percentum ( \_\_\_\_%)

Maturity Date: July 1, \_\_\_\_\_

Original Date of Issue: May \_\_, 2023

Registered Owner: CEDE & Co.

Principal Amount: \_\_\_\_\_ Million \_\_\_\_\_ and \_\_/100  
(\$ \_\_\_\_\_) Dollars

**KNOW ALL MEN BY THESE PRESENTS**, that **COLLETON 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 the Registered Owner, or registered assigns, hereof on the Maturity Date set forth above, the Principal Amount set forth above, and to pay interest (computed on the basis of a 360-day year consisting of twelve 30-day months) on the Principal Amount from the most recent January 1 or July 1 to which interest shall have been paid, or if no interest shall have been paid, from the Original Date of Issue, interest being payable to the Maturity Date hereof on the first days of January and July of each year (such dates being hereinafter referred to as the Interest Payment Dates), commencing January 1, 2024, at the Interest Rate per annum specified above, until payment of the Principal Amount. The interest so payable and to be punctually paid or duly provided for on any Interest Payment Date will be paid to the person in whose name this bond is registered at the close of business on the fifteenth day (whether or not a business day) of the calendar month immediately preceding such Interest Payment Date (the Regular Record Date), by cheque or draught mailed to the registered owner by the Colleton County Treasurer (the Paying Agent) at his address as it appears on the registration books (the Books of Registry) of the County as maintained by the Paying Agent as bond registrar (the Bond Registrar). The principal and premium, if any, of this bond, when due, shall be payable upon presentation and surrender of this bond at the office of the Paying Agent in the City of Walterboro, State of 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 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 payable from and additionally secured by a pledge of the net revenues collected from the Capital Project Sales Tax imposed in Colleton County, South Carolina, pursuant to Title 4, Chapter 10, Article 3 of the Code of Laws of South Carolina 1976, as amended.

**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, [redemption provisions,] and registered owner, aggregating \_\_\_\_\_ Million Dollars (\$ \_\_\_\_\_), issued pursuant to and for purposes authorized by the County Bond Act (Title 4, Chapter 15 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 Capital Project Sales Tax Act (Title 4, Chapter 10, Article 3 of the Code of Laws of South Carolina 1976, as amended; the favourable results of a referendum conducted in Colleton County, South Carolina; and an ordinance (the "Ordinance") duly enacted by the County Council of Colleton County, South Carolina, in order to fund costs of capital projects in the County and costs of issuance of the Bonds.

**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 registered owner of this bond. Reference is hereby made to the Ordinance, to all provisions of which any registered 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. 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 power 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 the Registered Owner is a trustee or nominee for two or more beneficial owners of an interest in this bond.

**THE BOND REGISTRAR** shall not be required to exchange or transfer any bond or portion thereof for the period beginning on the Regular Record Date and ending on the next succeeding Interest Payment Date

**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, or transfer taxes.

**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 they should fall due.

**THIS BOND** shall not be entitled to any benefit under the Ordinance or become valid or obligatory for any purpose until it shall have been authenticated by the execution of the Certificate of Authentication which appears hereon by the manual signature of an authorised officer of the authenticating agent.

**CERTIFICATE OF AUTHENTICATION**

This bond is one of the bonds of the issue designated herein and issued under the provisions of the within-mentioned Ordinance.

**COLLETON COUNTY TREASURER,**  
as Authenticating Agent

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

Date of Authentication: \_\_\_\_\_

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

TEN COM - as tenants in common  
TEN ENT - as tenants by the entireties  
JT TEN - as joint tenants with right 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 of Owner: \_\_\_\_\_

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

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

NOTICE: The signature to 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.

FORM OF NOTICE OF PRIVATE SALE

**NOTICE OF PRIVATE SALE OF \$ \_\_\_\_\_ COLLETON COUNTY GENERAL OBLIGATION CAPITAL PROJECT SALES TAX BONDS, SERIES 20\_\_**

Notice is hereby given that the County Council of Colleton County, South Carolina intends to sell the \$ \_\_\_\_\_ General Obligation Capital Project Sales Tax Bonds, Series 20\_\_ (the "Bonds") of Colleton County, South Carolina (the "County"), secured by a pledge of the full faith, credit, and taxing power of the County, to \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, at a price of \$ \_\_\_\_\_, plus accrued interest (if any). The Bonds are payable from and additionally secured by a pledge of the net revenues collected from the Capital Project Sales Tax imposed in Colleton County, South Carolina, pursuant to Title 4, Chapter 10, Article 3 of the Code of Laws of South Carolina 1976, as amended. The Bonds will have a [\_\_\_\_-year] maturity schedule with payments of principal and interest. [The first scheduled payment will be due on the 6-month anniversary of the date of issuance of the Bonds and every 6 months thereafter until maturity.] The Bonds shall bear interest at the fixed rate of [\_\_\_\_]% per annum until the final maturity of the Bonds.

By order of the County Council of Colleton County, South Carolina