

#2012-18

AN ORDINANCE

TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING \$3,300,000
GENERAL OBLIGATION BONDS AND NOT EXCEEDING \$3,300,000 GENERAL
OBLIGATION BOND ANTICIPATION NOTES OF THE TOWN OF LEXINGTON, SOUTH
CAROLINA FOR THE PURPOSES OF DEFRAYING THE COSTS OF THE ACQUISITION
OF PROPERTY FOR USE AS PARKING FACILITIES AND OTHER PUBLIC USES AND
STREET AND HIGHWAY IMPROVEMENTS; 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).

	<u>Page</u>
ARTICLE I	
DEFINITIONS AND INTERPRETATIONS	
Section 1. Defined Terms	2
Section 2. General Rules of Interpretation	5
ARTICLE II	
ISSUANCE OF BONDS	
Section 1. Authorisation of Bonds; Approval of Maturity Dates, Principal Amounts, and Interest Rates	5
Section 2. Redemption of Bonds	6
Section 3. Cancellation of Bonds	8
Section 4. Purchase of Bonds	8
Section 5. Medium of Payment	9
Section 6. Place of Payments; Selection of Paying Agent	9
Section 7. Execution of Bonds; Designation of Authenticating Agent	9
Section 8. Form of Bonds; Designation of Bond Registrar	9
Section 9. Registration and Transfers of Bonds; Persons Treated as Owners	10
Section 10. Mutilated, Lost, or Stolen Bonds	10
Section 11. Exchange of Bonds	11
Section 12. Regulations with Respect to Exchanges and Transfers	11
Section 13. Book-Entry Only System for the Bonds	11
ARTICLE III	
SECURITY FOR BONDS	
Section 1. Pledge of Full Faith, Credit, and Taxing Power	13
Section 2. Levy and Collection of Property Taxes	13
ARTICLE IV	
SALE OF BONDS; DISPOSITION OF PROCEEDS OF SALE	
Section 1. Sale of Bonds	13
Section 2. Parking and Related Facilities	13
Section 3. Disposition of Proceeds of Sale of Bonds	14

ARTICLE V TAX EXEMPTION OF BONDS

Section 1	Exemption from State Taxes	15
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	18
Section 3	Notation Upon Bonds; New Bonds Issued Upon Amendments	18
Section 4	Effectiveness of Supplemental Ordinance	19
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	20
Section 3	Evidence on Which Fiscal Agents May Act	20
Section 4	Compensation	20
Section 5	Certain Permitted Acts	21
Section 6	Resignation of Any Fiscal Agent	21
Section 7	Removal of Fiscal Agent	21
Section 8	Appointment of Successor Fiscal Agents	21
Section 9	Transfer of Rights and Property to Successor	22
Section 10	Merger or Consolidation	22
Section 11	Adoption of Authentication	22

ARTICLE IX AUTHORIZATION AND ISSUANCE OF BONDS

Section 1	Constitutional and Statutory Authorisation of Notes	23
Section 2	Issuance of Notes	23
Section 3	Form of Notes	23
Section 4	Execution of Notes	23
Section 5	Interest Rates on Notes	24
Section 6	Prepayment or Redemption of Notes	24
Section 7	Sale of Notes	24
Section 8	Place of Payments; Paying Agent on Notes	24
Section 9	Registration of Transfer of Notes; Persons Treated as Owners	25
Section 10	Exchange of Notes	25
Section 11	Mutilated, Lost, Stolen, or Destroyed Notes	25
Section 12	Book-Entry Only System	26
Section 13	Registrar and Paying Agent; Designation and Responsibilities	26
Section 14	Defeasance of Notes	26

ARTICLE X APPLICATION OF NOTE PROCEEDS

Section 1	Application of Note Proceeds	27
Section 2	Purchaser of Notes Not Liable for Proper Application of Proceeds	27

ARTICLE XI SECURITY FOR THE NOTES

Section 1	Agreement to Issue Bonds or Refunding Notes	27
Section 2	Security for the Notes	27
Section 3	No Additional Amount of Notes Except Junior Notes	27
Section 4	All Notes Equally and Ratably Secured	27
Section 5	Performance of Covenants; Authority of the Town	28

ARTICLE XII MISCELLANEOUS

Section 1	Execution of Closing Documents and Certificates	28
Section 2	Mayor Pro-tempore May Act in Mayor's Absence; Acting Municipal Clerk May Act in Municipal Clerk's Absence	28
Section 3	Official Statement	28
Section 4	Benefits of Ordinance Limited to the Town and Register Owners of the Bonds and Notes	29
Section 5	Ordinance Binding Upon Successors or Assigns of the Town	29
Section 6	No Personal Liability	29
Section 7	Effect of Saturdays, Sundays and Legal Holidays	30
Section 8	Partial Invalidity	30

Section 9	Continuing Disclosure Undertaking.....	30
Section 10	Law and Place of Enforcement of the Ordinance	31
Section 11	Effect of Article and Section Headings and Table of Contents.	31
Section 12	Repeal of Inconsistent Ordinances and Resolutions	31
Section 13	Notice of Enactment of Ordinance.....	31
Section 14	Effectiveness of this Ordinance	31

APPENDIX A - FORM OF BOND

APPENDIX B - FORM OF OFFICIAL NOTICE OF SALE

APPENDIX C - FORM OF NOTICE OF ENACTMENT

APPENDIX D - FORM OF BOND ANTICIPATION NOTE

AN ORDINANCE

TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING \$3,300,000 GENERAL OBLIGATION BONDS AND NOT EXCEEDING \$3,300,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES OF THE TOWN OF LEXINGTON, SOUTH CAROLINA FOR THE PURPOSES OF DEFRAYING THE COSTS OF THE ACQUISITION OF PROPERTY FOR USE AS PARKING FACILITIES AND OTHER PUBLIC USES AND STREET AND HIGHWAY IMPROVEMENTS; TO PROVIDE FOR THE PAYMENT THEREOF; AND OTHER MATTERS RELATING THERETO.

NOW, THEREFORE BE IT ORDERED AND ORDAINED by the Town Council of the Town of Lexington, South Carolina, in Council assembled, and by the authority thereof, as follows:

As an incident to the enactment of this Ordinance and the issuance of the bonds and bond anticipation notes provided for herein, the Town Council of the Town of Lexington, South Carolina (the "Town Council"), the governing body of the Town of Lexington, South Carolina (the "Town"), find that the facts set forth herein exist and the statements made with respect thereto are true and correct.

WHEREAS, the Town is authorized under the House Rule Act (Title 5, Chapter 3 of the Code of Laws of South Carolina 1976, as amended) and the Off-Street Parking Facilities Act (Title 5, Chapter 29 of the Code of Laws of South Carolina 1976, as amended) to make provision for the construction, establishment, maintenance, and improvement of off-street parking facilities, to include motor vehicular parking facilities of all sorts, including parking lots, buildings, or ramps; and

WHEREAS, the Town Council has determined that it is necessary and proper for the security, general welfare, and convenience of the Town that certain street and road improvements and repairs, and other infrastructure and municipal improvements, including off-street parking, be constructed in the Town, as may from time to time be determined by the Town Council to be in the best interest of the Town, including the acquisition of land for such purposes. Such purposes are more fully defined as the "Project" herein; and

WHEREAS, Article X, Section 14, Paragraph 7 of the Constitution of the State of South Carolina, and the Municipal Bond Act (Title 5, Chapter 21, Article 5 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 "Bond Enabling Act"), authorize the Town Council to issue general obligation bonds, subject to the 8% constitutional debt limit, for all corporate purposes of the Town, including any public purpose necessary or convenient to the welfare of the Town; and

WHEREAS, Article X, Section 14, Paragraph 8 of the Constitution of the State of South Carolina and Title 11, Chapter 17 of the Code of Laws of South Carolina 1976, as amended (the "Note Enabling Act") authorize the Town Council to incur general obligation indebtedness in anticipation of the proceeds of general obligation bonds, subject to the 8% constitutional debt limit,

for all corporate purposes of the Town, including any public purpose necessary or convenient to the welfare of the Town; and

WHEREAS, the assessed value of all taxable property in the Town is currently \$89,488,930; the Town has outstanding bonded indebtedness (as of August 6, 2012) in the amount of \$1,415,000 which counts against its 8% constitutional debt limit; consequently, the Town may issue without an election an additional \$5,744,114 of general obligation bonds; and

WHEREAS, the Town Council have now determined that it is in the best interest of the Town, and necessary and proper for the general welfare of the Town and its citizens that this Ordinance be enacted to provide for the issuance of general obligation bonds of the Town to provide for payment of the costs of the Project and, until such time as bonds are issued to provide interim financing of such costs through the issuance of general obligation bond anticipation notes; and

NOW, THEREFORE, on the basis of the foregoing authorisations and for the purposes set forth above, the Town Council enact this Ordinance to effect the issuance and sale of not exceeding \$3,300,000 general obligation bonds and not exceeding \$3,300,000 general obligation bond anticipation notes of the Town authorised by the Bond Enabling Act and Note 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.

"Administrator" shall mean the Town Administrator of the Town or in his absence any assistant or acting administrator of the Town.

"Authenticating Agent" shall mean the institution named as the authenticating agent for the Bonds and Notes designated pursuant to Section 8 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.

"Bond Enabling Act" shall mean the Municipal Bond Act (Title 5, Chapter 21, Article 5 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.

"Bonds" shall mean the General Obligation Bonds of the Town authorised to be issued hereunder from time to time in the aggregate principal amount of not exceeding \$3,300,000.

"Bond Counsel" shall mean the firm of Howell Linkous & Nettles, LLC or another firm of attorneys of nationally recognised standing in the matters pertaining to the federal tax exemption of interest on bonds issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States.

"Bond Registrar" shall mean the institution named as the bond registrar designated pursuant to the provisions of Section 9 of Article II hereof.

"Book-Entry Only System" shall have the meaning attributed to that term in Article II, Section 13 hereof.

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

"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 Mayor on behalf of the Town, as it may be amended from time to time in accordance with the terms thereof.

"Dated Date" shall mean the [date of delivery of the Bonds/first day of the month in which the Bonds are sold/date so designated by the Mayor].

"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.

"Defeasance Obligations" shall mean obligations of the United States or any of its agencies.

"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 13 hereof.

"Financial Advisor" shall mean Municipal Advisors Group of Boston, Inc., the Town's municipal financial advisor, or another firm duly registered with the Municipal Securities Rulemaking Board as a municipal financial advisor.

"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 and the Notes.

"Interest Payment Date" shall mean the dates selected for payment of interest on the Bonds as provided in Article II hereof.

"Letter of Representations" shall mean the Blanket Letter of Representations of the Town to DTC dated October 13, 1995.

"Mayor" shall mean the Mayor of the Town of Lexington, or any person or persons as he shall designate to exercise the powers and duties of the Mayor hereunder in lieu thereof.

"Municipal Clerk" shall mean the municipal clerk of the Town or, in her absence, the acting municipal clerk of the Town.

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

"Note Enabling Act" shall mean Title 11, Chapter 17 of the Code of Laws of South Carolina 1976, as amended.

"Note Purchase Contract" shall mean the Note Purchase Contract between the Town and the Original Purchaser of the Notes, as described in Article IX, Section 7 hereof.

"Notes" shall mean the bond anticipation notes of the Town authorized to be issued hereunder, in the aggregate principal amount of not exceeding \$3,300,000 outstanding at any one time.

"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 Town.

"Original Purchaser of the Notes" shall mean Oppenheimer & Co. Inc. or such other firm so designated by the Mayor, the first purchaser of the Notes from the Town.

"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 institution named as the paying agent for the Bonds and the Notes, as designated pursuant to Section 1 of Article II and Section 8 of Article IX hereof, respectively.

"Project" shall mean certain street and road improvements and repairs, and other infrastructure and municipal improvements to be constructed in the Town, and the acquisition and construction of certain off-street parking facilities, roadways, and other infrastructure and municipal improvements in the Town as may from time to time be determined by the Town Council to be in the best interest of the Town, including the acquisition of land for such purposes, and may include, the refinancing of certain properties in the downtown area of the Town as more specifically provided in Article IV, Section 2 hereof.

"Securities Depository" means the administrator of the book-entry only system for the Bonds, as further described in Article II, Section 13 hereof and any successor appointed as provided in Article II, Section 13 hereof. The initial Securities Depository shall be DTC.

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

"Town" shall mean the Town of Lexington, South Carolina.

"Town Council" shall mean the Town Council of the Town of Lexington, South Carolina, the governing body of the Town or any successor governing body of the Town.

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 Authorisation of Bonds; Approval of Maturity Dates, Principal Amounts, and Interest Rates.

(a) Pursuant to the provisions of the Bond Enabling Act and for the purposes of funding the costs of the Project and paying costs of issuance of the Bonds, there shall be issued not exceeding Three Million Three Hundred Thousand and no/100 Dollars (\$3,300,000.00) of general obligation

bonds of the Town, which may be issued in one or more series, as approved by the Mayor. The Bonds shall be designated "General Obligation Bonds" with such series designated as approved by the Mayor. 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 Mayor, upon the advice of Bond Counsel, pursuant to the sale of the Bonds in accordance with Article IV hereof, provided that:

(i) The Bonds shall mature not later than forty (40) years from their date of issuance.

(ii) The Interest Payment Dates for the Bonds shall be designated by the Mayor.

(iii) The Bonds shall be issued in the principal amount not exceeding \$3,300,000 as approved by the Mayor.

(iv) The Paying Agent, Authenticating Agent, and Bond Registrar shall be U.S. Bank National Association (or an affiliate thereof) or such other institution as designated by the Mayor as in the best interest of the Town.

(c) The Mayor 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.

Section 2 Redemption of Bonds.

(a) General. The Bonds may not be called for redemption by the Town except as provided in this Section 2.

(b) Optional or Mandatory Redemption. The Bonds shall be subject to optional or mandatory redemption upon the terms and conditions as approved by the Mayor, upon the advice of the Financial Advisor and Bond Counsel.

(c) Partial Redemption of Bonds. In the event that 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 that Bond to the Paying Agent. Upon surrender of such Bond, the Town shall execute and the Authenticating Agent shall authenticate and deliver to the holder thereof, at the office of the Authenticating Agent, 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.

(d) Official Notice of Redemption. (i) Unless waived by any registered owner of Bonds to be redeemed, official notice of any such redemption shall be given by the Town by mailing a copy of an official redemption notice by first class mail 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.

(ii) All official notices of redemption shall be dated and shall state:

- (A) the redemption date,
- (B) the redemption price,
- (C) if less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,
- (D) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after such date, and
- (E) the place where such Bonds are to be surrendered for payment of the redemption price.

(e) Conditional Notice of Redemption of Bonds Permitted. In the case of an optional redemption, the notice may state (i) that it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent no later than the redemption date or (ii) that the Town retains the right to rescind such notice on or prior to the scheduled redemption date (in either case, a "Conditional Redemption"), and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded.

(f) Deposit of Funds. Prior to any redemption date, the Town shall deposit with the Paying Agent an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

(g) Effect of Deposit of Funds. 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 Town 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.

(h) Further Notice. In addition to the foregoing notice, further notice shall be given by the Town as set out below, but no defect in such further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

(i) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption and (A) the CUSIP numbers of all Bonds being redeemed; (B) the date of issue of the Bond as originally issued; (C) the rate of interest borne by each Bond being redeemed; (D) the maturity date of each Bond being redeemed; and (E) any other descriptive information needed to identify accurately the Bonds being redeemed.

(ii) Each further notice of redemption shall be sent at least thirty-five (35) days before the redemption date by registered or certified mail or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds and to one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

(iii) Upon the payment of the redemption price of Bonds being redeemed, each cheque or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

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 Town upon the request of the 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 Town at the time, in the manner, and at the price as may be specified by the Town. 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 Town. 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 bank or trust company designated by the Mayor as 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 (15th) 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 the 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 Town by the manual or facsimile signature of the Mayor, and attested by the manual or facsimile signature of the Municipal Clerk, and the seal of the Town shall be impressed or reproduced on each Bond. Any facsimile signature appearing on the Bonds may be those of the officers who are 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 bank or trust company designated by the Mayor as Authenticating Agent. The Authenticating Agent shall authenticate each Bond with the manual signature of an authorised officer of the Authenticating Agent, but it shall not be necessary for the same authorised 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 bond registrar shall be the bank or trust company designated by the Mayor and the Town Council hereby direct the Bond Registrar to maintain, at the Town'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 with any appropriate variations, legends, omissions, and insertions as permitted or required by this Ordinance.

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 Town shall execute and the Authenticating Agent shall authenticate 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 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 Town, 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 Town 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 Town. 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 Town, 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 (i) for which notice of redemption has been mailed to the registered owner thereof or (ii) 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 Town 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 Town and the Paying Agent evidence of their loss, theft, or destruction satisfactory to the Town 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 Town and the Paying

Agent shall be sufficient. In the event any such Bonds shall have matured, instead of issuing a duplicate Bond, the Town may pay the same without surrender thereof. The Town, the Paying Agent, and the Authenticating Agent, may charge the registered owner of such Bond with their reasonable fees and expenses in this connexion.

Section 11 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 authorised 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 13 of this Article, be exchanged for a principal amount of Bonds of any other authorised 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 Town 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 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) The Bonds shall 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 Town 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 Town'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 Town 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 Town of written notice from DTC to the effect that DTC is unable or unwilling to discharge its responsibilities hereunder, the Town shall issue, transfer, and exchange Bonds as requested by DTC in authorized denominations, and whenever DTC requests the Town to do so, the Town 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 Town 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 Town 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 Town shall issue, transfer, and exchange Bonds in authorized denominations as requested by DTC, and whenever DTC requests the Town to do so, the Town 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 Town 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 Town are irrevocably pledged and there shall be levied annually by the Auditor of Lexington County, and collected by the Treasurer of Lexington County, in the same manner as other Town taxes are levied and collected, a tax, without limit, on all taxable property in the Town, 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 Lexington County, South Carolina, shall be notified of this issue of Bonds and directed to levy and collect, respectively, upon all taxable property in the Town, 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.

ARTICLE IV

SALE OF BONDS; DISPOSITION OF PROCEEDS OF SALE

Section 1 Sale of Bonds

The Bonds shall be sold at public sale, at 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 Mayor, upon the advice of Bond Counsel. The Mayor 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 Administrator in accordance with the Bond Enabling Act. The form of said Notice, and the conditions of sale, are substantially those set forth in Exhibit B attached hereto and made a part hereof. Bids for the purchase of the Bonds may be received in such form as determined by the Administrator to be in the best interest of the Town.

Section 2 Parking and Related Facilities

The Town presently owns approximately two acres of property located on North Church Street (the "Existing Parking Facility") in the downtown section of the Town which was acquired for the purpose of providing off-street public parking in the Town, the financing of which matured on June 29, 2012, and was paid off at maturity with funds of the Town. The Town Council is presently

contemplating a land swap transaction in which the Existing Parking Facility would be exchanged for a different parcel of property located on Main Street (the "Replacement Parking Facility") in the downtown section of the Town. The Town may elect to refinance the Existing Parking Facility with Bonds or Notes or, in the event the property exchange occurs, the Town may elect to refinance the Replacement Parking Facility with Bonds or Notes in order to provide capital for the Town. The Town Council hereby delegate all such decisions regarding the financing or refinancing of the Existing Parking Facility or the Replacement Parking Facility with Bonds or Notes to the Mayor, upon the advice of the Financial Advisor and Bond Counsel.

Section 3 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 Town Council as follows:

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

(ii) Any premium shall be applied as directed by the Mayor upon the advice of the Financial Advisor and Bond Counsel.

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

(a) Sufficient proceeds shall be used to defray the costs of issuing the Bonds.

(b) The proceeds necessary to refund all Notes issued under this Ordinance shall be deposited with the Paying Agent for such issue or issues of Notes, and applied to the payment of principal, interest, and redemption premium, if any, of the Notes.

(c) The remaining proceeds shall be applied by the Town to fund costs of the Project or to refinance the Existing Parking Facility.

(B) Town Council hereby authorizes reimbursement from the proceeds of the Bonds the expenditures of funds from the general fund, prior to the issuance of the Bonds, for the Project.

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

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.

In the event the Bonds are exempt from federal taxation, the Town Council hereby authorizes the Finance Director 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 Town 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 Town 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 Town 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 Town 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 Town.

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 Town 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 Town 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 Town 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, (1) if no Bonds have been issued, or (2) 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 Town 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 Town 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 Town 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 Town 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 Town 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 Town 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 authorized 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 Town 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 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 (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 Town. 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 Town may select and designate for that purpose, a suitable notation

shall be made on such Bond. If the Town shall so determine, new Bonds, so modified as in the opinion of the Town 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 Town Council of any supplemental ordinance amending or supplementing the provisions of this Ordinance and the delivery to the Paying Agent and the Town 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 Town, 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 Town, 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 Town 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 or Notes 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 and the Notes shall be taken as the statements of the Town 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 or the Notes. No Fiscal Agent shall be deemed to make any representations as to the validity or sufficiency of this Ordinance or of any Bonds or the Notes 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 connexion with 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 Town, 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 Mayor, 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 Town to any Fiscal Agent shall be sufficiently executed if executed in the name of the Town by the Mayor.

Section 4 Compensation.

The Town 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 Town 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 Town, or conduct any banking activities with respect to the Town, 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 reorganization growing out of the enforcement of the Bonds, the Notes, 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 Town and not less than thirty (30) days' written notice to the registered owners of the Bonds or the Notes (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 Town 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 Town and such Fiscal Agent, and signed by either the Mayor or the registered owners representing a majority in principal amount of the Bonds or the Notes then outstanding or their attorneys in fact duly authorized.

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 Town. Every such Fiscal Agent appointed pursuant to the provision of this Section 8 shall be a trust company or bank organized 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 Town pursuant to the foregoing provisions of this Section 8 within forty-five (45) days after any Fiscal Agent shall have given to the Town 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 Town, 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 Town 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 Town 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 Town. 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 or Notes 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 or Notes and deliver such Bonds or Notes so authenticated. In case any such Bonds or Notes shall not have been authenticated, any successor Authenticating Agent may authenticate such Bonds or Notes 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

AUTHORISATION AND ISSUANCE OF NOTES

Section 1 Constitutional and Statutory Authorisation of Notes.

The Town Council is authorised and empowered by Subsection 9 of Section 14 of Article X of the South Carolina Constitution and by the Note Enabling Act to borrow pursuant to the provisions thereof in anticipation of the receipt of the proceeds of the Bonds.

Section 2 Issuance of Notes.

(a) Pursuant to the constitutional and statutory authorisation cited above, in order to obtain funds to pay a portion of the costs of the Project, pending the issuance of the Bonds, and costs of issuance of the Notes, the Town shall borrow an amount, as determined by the Mayor from time to time, but not exceeding \$3,300,000, to be evidenced by one or more series of Notes in the aggregate principal amount outstanding at any one time of not exceeding \$3,300,000, dated the date of their delivery, and maturing on dates designated by the Mayor to be not later than one year after their respective dates of delivery.

(b) The Notes may be renewed from time to time in the event the Bonds are not issued prior to their maturity, pursuant to authorisation of the Town Council by resolution to be duly adopted.

Section 3 Form of Notes.

(a) The Notes shall be issued in the aggregate principal amount of not exceeding \$3,300,000, in denominations as approved by the Mayor, may be numbered from R-1 and upward consecutively, and shall be in substantially the form attached hereto as Exhibit D, with any necessary changes or appropriate variations, omissions, and insertions as are incidental to the series, numbers, denominations, and registration and transfer provisions as are otherwise permitted or required by law or this Ordinance.

(b) The Notes shall be payable, both principal and interest, 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. Principal of and interest on the Notes shall be paid when due to the Noteholders by the Paying Agent from moneys on deposit with the Paying Agent for such purpose.

Section 4 Execution of Notes.

The Notes shall be executed in the name of the Town by the Mayor, and attested by the Municipal Clerk, by their manual or facsimile signatures, provided that in the event that both such signatures are facsimile signatures, the Notes shall be of no effect unless and until they are authenticated by the manual signature of an authorised officer of a bank that is named by the Mayor as authenticating agent, and the seal of the Town shall be impressed or reproduced on each Note.

Any facsimile signature appearing on the Notes may be those of the officers who are in office on the date of the adoption of this resolution. The Notes shall be executed in respect of any manual signature by the person or persons holding office when such Notes are ready for delivery. The execution of the Notes in this fashion shall be valid and effectual notwithstanding changes in the personnel of any of the above offices subsequent to their execution.

Section 5 Interest Rates on Notes.

The Notes shall bear interest at such interest rate or rates as approved by the Mayor, which interest shall be payable at the maturity of the Notes and on such other interest payment dates as approved by the Mayor.

Section 6 Prepayment or Redemption of Notes.

(a) The Notes shall be subject to prepayment or prior redemption upon the terms and conditions as approved by the Mayor.

(b) Notice of redemption of Notes will be given by the Town by mailing it by first class mail, not less than 30 days nor more than 60 days prior to the redemption date, to the registered owner of each Note called for redemption. Interest on the Notes or portion thereof to be redeemed shall cease to accrue from and after the redemption date, unless the Town defaults in making due provision for the payment of the redemption price thereof.

Section 7 Sale of Notes.

The Notes shall be sold at a price or prices, approved by the Mayor, to the Original Purchaser of the Notes, which prices the Mayor shall have determined to be in the best interest of the Town. The Town Council hereby delegate to the Mayor the authority to execute and deliver to the Original Purchaser of the Notes an agreement, upon the advice of the Financial Advisor and Bond Counsel, for the sale of the Notes (each, a "Note Purchase Contract"). The Note Purchase Contract shall provide for a sale price as approved by the Mayor, and shall meet the other terms and conditions set forth in this Ordinance. Any persons as the Mayor shall designate may exercise the foregoing powers and duties of the Mayor in lieu thereof.

Section 8 Place of Payments; Paying Agent on Notes.

Principal of the Notes, when due (whether at maturity or prepayment), shall be payable at the designated corporate trust office of U.S. Bank National Association, or of such other institution as shall have been designated by the Mayor as Paying Agent for the Notes (the "Paying Agent" for the Notes). Interest on any Note shall be payable on each interest payment date by cheque or draught mailed to the person in whose name such Note is registered at the close of business on the fifteenth (15th) day (whether or not a business day) of the calendar month next preceding such interest payment date (the "Regular Record Date" for the Notes) by the Paying Agent.

Section 9 Registration of Transfer of Notes; Persons Treated as Owners. (a) Any Note shall be transferable upon the books of registry, only by the noteholder or by his attorney, duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Town, duly executed by the noteholder or his duly authorized attorney. Upon the transfer of any Note, the Town shall issue in the name of the transferee, a new Note or Notes of the same aggregate principal amount as the unpaid principal amount of the surrendered Note.

(b) The provisions of Section 12 hereof shall apply with respect to any Note registered to Cede & Co. or any other nominee of DTC while the Book-Entry Only System provided for therein is in effect and shall, during the period of their application, supersede any contrary provisions of this Ordinance.

(c) Any noteholder of a Note requesting any transfer shall pay any tax or other governmental charge required to be paid with respect thereto. As to any Note in fully-registered form, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of or on account of the principal of and interest on any Note in fully-registered form shall be made only to or upon the order of the registered holder thereof, or his duly authorized attorney, and the Town shall not be affected by any notice to the contrary; but the registration may be changed as herein provided. All payments made in this manner shall be valid and effectual to satisfy and discharge the liability upon the Note to the extent of the sum or sums paid.

(d) At reasonable times and under reasonable regulations established by the Paying Agent, the books of registry for the Notes may be inspected and copied by or delivered to, the Town or holders of 25% or more in principal amount of the Notes then outstanding, or a designated representative thereof.

Section 10 Exchange of Notes.

The Notes issued in fully-registered form, upon surrender thereof at the office of the Town or the Paying Agent, with a written instrument of transfer satisfactory to the Town duly executed by the holder of the Note or his duly authorized attorney, may, at the option of the holder of the Note, and upon payment by such holder of any charges which the Town may make as provided in paragraph (f), be exchanged for a principal amount of Notes of any other authorized denomination equal to the unpaid principal amount of the surrendered Notes.

Section 11 Mutilated, Lost, Stolen, or Destroyed Notes.

In the event any Note is mutilated, lost, stolen, or destroyed, the Town may execute a new Note of like denomination as that mutilated, lost, stolen, or destroyed; provided that, in the case of any mutilated Note, it shall first be surrendered to the Town, and in the case of any lost, stolen, or destroyed Note, there shall be first furnished to the Town evidence of the loss, theft, or destruction satisfactory to the Town 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 the bank or insurance company to indemnify shall be sufficient. In the event any mutilated, lost, stolen

or destroyed Note shall have matured, instead of issuing a duplicate Note, the Town may pay it without surrender thereof. The Town may charge the Notsholder of the Note with the reasonable fees and expenses of the Town in this connexion.

Section 12 Book-Entry Only System.

The Provisions of Article II, Section 13 of this Ordinance shall apply to the Notes in the same manner as to the Bonds.

Section 13 Registrar and Paying Agent; Designation and Responsibilities.

The Paying Agent shall, provided that sufficient funds are on deposit for such purpose with the Paying Agent as provided in Section 3 hereof, pay to the owners or holders of the Notes the principal of, redemption premium, if any, and interest on each Note in accordance with the terms of the Notes and any corresponding Note resolutions or ordinances.

Section 14 Defeasance of Notes.

If the Town deposits with the Paying Agent or other escrow agent moneys or Defeasance Obligations which, together with the earnings thereon, are sufficient to pay the principal of and redemption premium on any particular Note becoming due, either at maturity or by call for optional redemption or otherwise, together with all interest accruing thereon to the due date or redemption date, and pays or makes provision for payment of all fees, costs, and expenses of the Town and the Paying Agent (or other escrow agent) due or to become due with respect to such Note, all liability of the Town with respect to such Note shall cease, such Note shall be deemed not to be outstanding hereunder, and the holder or holders of such Note shall be restricted exclusively to the moneys or Defeasance Obligations so deposited, together with any earnings thereon, for any claim of whatsoever nature with respect to such Note, and the Paying Agent (or other escrow agent) shall hold such moneys, Defeasance Obligations, and earnings in trust for such holder or holders. In determining the sufficiency of the moneys and Defeasance Obligations deposited pursuant to this Section, the Paying Agent shall receive, and may rely upon: (a) a verification report of a firm of nationally recognized independent certified public accountants or other qualified firm acceptable to the Town and the Paying Agent; and (b) an opinion of Bond Counsel to the effect that (1) all conditions set forth in this Section have been satisfied and (2) that defeasance of such Notes will not cause interest on the Notes to be includable in gross income for federal income tax purposes. Upon such defeasance all rights of the Town, including its right to provide for optional redemption of the Note on dates other than planned pursuant to such defeasance, shall cease unless specifically retained by filing a written notification thereof with the Paying Agent at the time the Defeasance Obligations are deposited with the Paying Agent (or other escrow agent).

ARTICLE X
APPLICATION OF NOTE PROCEEDS

Section 1 Application of Note Proceeds.

All proceeds of the Notes shall be applied as directed by the Mayor to pay costs of the Project and issuance costs of the Notes. Proceeds of any renewal or refunding Notes shall be applied to refund outstanding Notes or as otherwise provided in the resolution of Town Council authorizing their issuance.

Section 2 Purchaser of Notes Not Liable for Proper Application of Proceeds.

No purchaser or holder of the Notes shall be liable for the proper application of the proceeds thereof.

ARTICLE XI
SECURITY FOR THE NOTES

Section 1 Agreement to Issue Bonds or Refunding Notes.

The Town Council covenant and agree, pursuant to Section 11-17-20 of the Note Enabling Act to issue and sell the Bonds, in the manner prescribed by the Bond Enabling Act in an amount sufficient to retire the Notes, prior to the maturity of the Notes or to issue refunding Notes in such a sufficient amount.

Section 2 Security for the Notes.

For the payment of the Notes, there are hereby pledged the proceeds to be derived from the sale of the Bonds to be issued by the Town or, if the Bonds are not issued prior to the maturity of the Notes, from the sale of an issue of renewal or refunding bond anticipation notes, together with the full faith, credit, and taxing power of the Town.

Section 3 No Additional Amount of Notes Except Junior Notes.

The Town agrees with the holders of the Notes that the Town will not issue additional bond anticipation notes in an amount such that the outstanding principal amount of all Notes Outstanding are in excess of \$3,500,000 in anticipation of the issuance of the Bonds unless the same are expressly made junior to the Notes authorized by this Ordinance.

Section 4 All Notes Equally and Ratably Secured.

All Notes authorized by, and issued pursuant to this Ordinance shall be secured equally and ratably as provided in Section 2 of this Article.

Section 5 Performance of Covenants: Authority of the Town.

The Town covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in the Note Enabling Act, in this Ordinance, in the Notes executed and delivered hereunder, and in all proceedings pertaining thereto. The Town covenants that it is duly authorized under the Constitution and laws of the State of South Carolina to issue the Notes authorized hereby, to enact this Ordinance, and to pledge the proceeds of the Bonds hereby pledged in the manner and to the extent herein set forth; that all action on its part for the issuance of the Notes and the enactment of this Ordinance has been duly and effectively taken; and that the Notes in the hands of the holders thereof are and will be valid and enforceable obligations of the Town according to the import thereof.

ARTICLE XII

MISCELLANEOUS

Section 1 Execution of Closing Documents and Certificates.

The Mayor, the Municipal Clerk, the Administrator of the Town, and all other officers and employees of the Town, are fully authorized, empowered, and directed to take all further action and to execute and deliver any and all documents, instruments, and certificates and to do and to cause to be done any and all acts and things as may be necessary and proper in order to complete the issuance of the Bonds and the Notes herein authorized 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, or in carrying out the transactions contemplated by this ordinance is hereby fully authorized.

Section 2 Mayor Pro-tempore May Act in Mayor's Absence; Acting Municipal Clerk May Act in Municipal Clerk's Absence.

In the absence of the Mayor, the Mayor Pro-tempore is fully authorized to exercise all powers vested in the Mayor under this Ordinance. In the absence of the Municipal Clerk, the acting Municipal Clerk of the Town is fully authorized to exercise all powers and take all actions vested in the Municipal Clerk under this Ordinance.

Section 3 Official Statement.

(a) The Town Council hereby authorize the Administrator to approve the form of the Preliminary Official Statements relating to the Bonds and the Notes, and hereby direct the distribution thereof in connexion with the sale of the Bonds and the Notes, respectively.

(b) The Town Council hereby authorize the final Official Statement of the Town relating to the Bonds and the Notes, with any modifications as the Administrator of the Town, upon the advice of the Financial Advisor and Bond Counsel, approves; the Mayor of the Town is hereby authorized and directed to execute copies of the Official Statements and deliver them to the Original Purchasers of the Bonds and the Notes, which execution and delivery shall be conclusive evidence of

the approval of any such modifications; and the Town hereby authorize the use of the Official Statements and the information contained therein in connection with the public offering and sale of the Bonds and the Notes, respectively. The Town Council hereby delegates to the Mayor authority to deem final any such documents within the meaning of S.B.C. Rule 15a2-12.

Section 4 Benefits of Ordinance Limited to the Town and Registered Owners of the Bonds and Notes.

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 or Notes is intended or should be construed to confer upon or give to any person other than the Town and the registered owners of the Bonds and Notes, respectively, 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 Town and the registered owners from time to time of the Bonds and the Notes as herein and therein provided.

Section 5 Ordinance Binding Upon Successors or Assigns of the Town.

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

Section 6 No Personal Liability.

No recourse shall be had for the enforcement of any obligation, covenant, promise, or agreement of the Town contained in this Ordinance or the Bonds or the Notes, against any member of the Town Council, or any officer or employee of the Town, as such, in his or her individual capacity, past, present, or future, either directly or through the Town, 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 and the Notes 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 Town and the registered owners of the Bonds and the Notes 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 the Notes, and as a condition of, and as a part of the consideration for, the enactment of this Ordinance and the execution of the Bonds and the Notes, expressly waived and released. The immunity of the members, officers, and employees, of the Town 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 Town 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 and the Notes 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 circumstances, 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 Town 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 Town 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 Town.

The only remedy for failure by the Town Council to comply with the covenant in this Section 9 shall be an action for specific performance of this covenant. The Town 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 or Notes.

(b) In addition, the Town Council hereby authorize the Administrator of the Town to execute such Continuing Disclosure Undertakings as are necessary or useful with respect to the sale of the Bonds or the Notes.

(c) The Town Council further hereby covenant and agree that they will comply with and carry out all of the provisions of each Continuing Disclosure Undertaking. Notwithstanding any other provision of this Ordinance, failure of the Town Council to comply with any Continuing Disclosure Undertaking shall not be considered an event of default with respect to the Bonds or the Notes; 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 Town 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 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 12 Repeal of Inconsistent Ordinances and Resolutions.

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

Section 13 Notice of Enactment of Ordinance.

Upon enactment of this Ordinance, notice, substantially in the form attached hereto as Exhibit C, of the enactment of this Ordinance shall be published in The Lexington County Chronicle & The Dispatch News, a newspaper of general circulation in the Town, or another newspaper of general circulation in the Town if so directed by the Mayor.

Section 14 Effective Date of this Ordinance.

This Ordinance shall become effective upon approval following second reading.

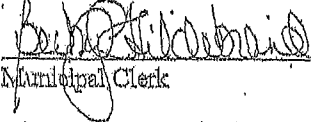
Enacted this 4th day of September, 2012.

TOWN OF LEXINGTON, SOUTH CAROLINA



Mayor

ATTEST:



Municipal Clerk

First Reading: July 9, 2012
Public Hearing August 6, 2012
Second Reading: September 4, 2012

EXHIBIT A.

FORM OF BOND

STATE OF SOUTH CAROLINA
TOWN OF LEXINGTON
GENERAL OBLIGATION BOND OF _____

NO. R-__

CUST. No. _____

Interest Rate: _____ and ____/100 per centum (____%)

Maturity Date: _____ 1, _____

Original Date of Issue: _____, 2008

Registered Owner: CEDE & CO.

Principal Sum: _____ /100 (\$ _____) Dollars

KNOW ALL MEN BY THESE PRESENTS, that the TOWN OF LEXINGTON, SOUTH CAROLINA (hereinafter called the Town), a body politic and corporate and a municipal corporation under the laws 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 (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), the Principal Sum 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 Sum from the most recent _____ 1 or _____ 1 to which interest shall have been paid, or if no interest shall have been paid, from _____, _____, interest being payable to the maturity hereof on the first days of _____ and _____ of each year (such dates being hereinafter referred to as the Interest Payment Dates), commencing _____ 1, _____ at the Interest Rate per annum specified above, until payment of the Principal Sum. 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 Paying Agent) at his address as it appears on the registration books (the Books of Registry) of the Town 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 principal office of the Paying Agent, in the City of _____, State of _____. 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 Town 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, redemption provisions, and registered owner, aggregating _____ Dollars (\$ _____) (the "Bonds"), issued pursuant to and for purposes authorized by the Municipal Bond Act (Title 5, Chapter 21, Article 5 of the Code of Laws of South Carolina, 1976), as amended and continued by Title 11, Chapter 27 of the Code of Laws of South Carolina 1976, as amended; and an ordinance (the Ordinance) duly enacted by the Town Council of the Town of Lexington, South Carolina, in order to obtain funds with which to defray the costs of acquisition and renovation of certain or the construction, establishment, maintenance, and improvement of off-street parking facilities.

THE ORDINANCE contains provisions defining terms; sets forth the terms and conditions upon which the covenants, agreements, and other obligations of the Town 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 provisions of which any owner of this bond by the acceptance hereof thereby assents.

THE BONDS maturing on or before _____ 1, _____, are not subject to optional redemption prior to their maturity. The Bonds maturing after _____ 1, _____, are subject to optional redemption on or after _____ 1, _____, at the option of the Town, in whole at any time or in part from time to time on any Interest Payment Date, and those maturities as designated by the Town, and by lot as to Bonds or portions of Bonds within a maturity (but only in integral multiples of \$5,000), at the redemption price of par plus accrued interest to the date fixed for redemption.

THE BONDS maturing on _____ 1, _____, are subject to mandatory redemption on _____ 1, _____, and on each _____ 1 thereafter, at a redemption price equal to the principal amount of each Bond (or portion thereof) to be redeemed plus accrued interest to the date fixed for redemption, in the following principal amounts and on the dates set forth below:

<u>_____ 1 of the Year</u>	<u>Principal Amount</u>
----------------------------	-------------------------

"Final Maturity"

THE BONDS maturing on _____ 1, _____, are subject to mandatory redemption on _____ 1, _____ and on each _____ 1 thereafter, at a redemption price equal to the principal amount of each Bond (or portion thereof) to be redeemed plus accrued interest to the date fixed for redemption, in the following principal amounts and on the dates set forth below:

<u>_____ 1 of the Year</u>	<u>Principal Amount</u>
----------------------------	-------------------------

* Final Maturity

NOTICE OF REDEMPTION will be given by the Town by mailing it by first class mail, not less than 30 days or not more than 60 days prior to the redemption date, to each registered owner of each Bond or portion thereof called for redemption. Failure to give notice by mail or any defect in any notice 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 Town defaults in making due provision for the payment of the redemption price thereof.

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 Town, 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 Town 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 Town. 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 Town, as in the case where 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 this bond (a) for the period beginning on the Regular Record Date and ending on the next succeeding Interest Payment Date or (b) if this bond has been called for redemption.

[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. This bond has been designated by the Town as a "Qualified Tax-Exempt Obligation" ("Bank Qualified") 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 Town, 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 shall 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 authorized officer of the authenticating agent.

IN WITNESS WHEREOF, THE TOWN OF LEXINGTON, SOUTH CAROLINA, has caused this bond to be signed in its name by the Mayor of the Town of Lexington, by his manual, attested by the Municipal Clerk of the Town of Lexington, by her manual signature, under the Seal of the Town of Lexington impressed or reproduced hereon, and this bond to be originally dated the Original Date of Issue.

TOWN OF LEXINGTON, SOUTH CAROLINA

(SEAL)

Mayor

ATTEST:

Municipal Clerk

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.

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.

EXHIBIT B
FORM OF OFFICIAL NOTICE OF SALE

OFFICIAL NOTICE OF SALE

TOWN OF LEXINGTON, SOUTH CAROLINA

\$ _____ *

General Obligation Refunding Bonds of _____

*Preliminary, Subject to Change

NOTICE IS HEREBY GIVEN that the Town of Lexington, South Carolina (the "Town") will receive electronic bids for all, but not less than all, of the principal amount of Town of Lexington, South Carolina, General Obligation Refunding Bonds of _____ (collectively referred to as the "Series _____ Bonds") until _____ A.M. Eastern Time on _____.

The sale date of all or any portion of the Series _____ Bonds may be modified by notice disseminated via TM3 (www.tm3.com) or another electronic information service at least forty-eight (48) hours prior to the time set for the receipt of bids on the modified date of sale. If a new date is selected for the receipt of bids for any or all of the Series _____ Bonds, it will be disseminated via TM3 (www.tm3.com) or another electronic information service at least forty-eight (48) hours prior to the time set for the receipt of bids.

Electronic bids must be submitted to the Bidcomp/PARITY Competitive Bidding System ("PARITY"). No other form of bid or provider of electronic bidding services will be accepted. For the purposes of establishing the time all bids are received, the time as maintained by PARITY shall constitute the official time. NOTICE OF A CHANGE OR CANCELLATION WILL BE GIVEN BY NOTIFICATION PUBLISHED ON TM3 (www.tm3.com) NOT LATER THAN 4:00 P.M., EASTERN TIME ON THE DAY PRECEDING THE RECEIPT OF BIDS. Such notice will specify the revised principal amounts and the change to the call provisions, if any, and any later date or time selected for the sale, which may be postponed or cancelled in the same manner.

Consideration of the bids and the award of the Series _____ Bonds will occur by _____ P.M. Eastern Time on the same day of the sale. Further information regarding the electronic bidding site may be obtained by contacting PARITY at (212) 806-8102.

DESCRIPTION: The Series _____ Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made available to the public. The Series _____ Bonds will be dated as of the date of delivery, which is expected to occur on _____. Interest will be payable semiannually on _____ 1 and _____ 1 of each year beginning _____ 1, _____. Principal of the Series _____ Bonds will mature (subject to the right of redemption as hereinafter set forth) on _____ 1 in the years and amounts, as follows (subject to adjustment as provided herein):

Year Principal
Due 1 Series Bonds*

\$

*Preliminary, Subject to Change

REVISED MATURITY SCHEDULE AND/OR CALL PROVISIONS: The preliminary annual principal amounts (the "Preliminary Annual Principal Amounts") of the Series _____ Bonds as set forth above in this Notice of Sale may be revised before the viewing of electronic bids for the purchase of the Series _____ Bonds. Any such revisions (the "Revised Annual Principal Amounts") **WILL BE GIVEN BY NOTIFICATION PUBLISHED ON TMS (www.tms3.com) NOT LATER THAN _____ P.M., EASTERN TIME ON THE DAY PRECEDING THE RECEIPT OF BIDS.** In the event that no such revisions are made, the Preliminary Annual Principal Amounts will constitute the Revised Annual Principal Amounts. **BIDDERS SHALL SUBMIT BIDS BASED ON THE REVISED ANNUAL PRINCIPAL AMOUNTS, IF ANY.** Prospective bidders may request notification by facsimile transmission of any revisions to the Preliminary Annual Principal Amounts by so advising and faxing their telecopier number(s) to Municipal Advisors Group of Boston, Inc., Financial Advisor, at (____) _____ - _____ by _____ P.M., EASTERN TIME, at least one day prior to the date for receipt of bids.

CHANGES TO REVISED MATURITY SCHEDULE: The Town further reserves the right to change the Revised Annual Principal Amounts of the Series _____ Bonds after determination of the successful bidder, by increasing or decreasing the principal amount of each maturity greater than \$ _____ by not more than ten percent (10%) and each maturity less than \$ _____ by no more than twenty percent (20%) of each Revised Annual Principal Amount. Such changes, if any, will determine the final annual principal amounts (the "Final Annual Principal Amounts"). The dollar amount bid by the successful bidder will be adjusted to reflect any adjustments in the Final Annual Principal Amounts of the Series _____ Bonds. The interest rates specified by the successful bidder for the various maturities at the initial reoffering prices shall not change. **THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING PRICES AS A RESULT OF ANY CHANGES MADE TO THE PRINCIPAL AMOUNTS WITHIN THESE LIMITS.** The Town anticipates that the Final Annual Principal Amounts of the Series _____ Bonds will be communicated to the successful bidder subsequent to the award of the Series _____ Bonds as soon as possible. **AS A RESULT OF ANY SUCH CHANGES IN THE FINAL ANNUAL PRINCIPAL AMOUNTS, THE SUCCESSFUL BIDDER'S UNDERWRITER'S DISCOUNT WILL BE ADJUSTED SO THAT THE**

ORIGINAL PURCHASE PRICE BID AS A PERCENTAGE OF PAR REMAINS THE SAME. Notwithstanding the foregoing, the Town may decrease the principal amount of each maturity by more than the percentages stipulated above of each Revised Principal Amount if permitted by the successful bidder.

TERM BOND OPTION: Bidders may designate two (2) or more of the consecutive serial maturities for the Series _____ Bonds as one (1) or more term bond maturities, equal in aggregate principal amount to, and with mandatory sinking fund, redemption requirements corresponding to, such designated serial maturities.

OPTIONAL REDEMPTION: The Series _____ Bonds maturing on or prior to _____ 1, _____ are not subject to optional redemption prior to their maturity. The Series _____ Bonds maturing after _____ 1, _____, are subject to redemption on and after _____ 1, _____, at the option of the County, in whole or in part at any time, and by lot as to Series _____ Bonds or portions of Series _____ Bonds within a maturity (but only in integral multiples of \$5,000), at the redemption price of par plus accrued interest to the date fixed for redemption.

PURPOSE AND SECURITY: The proceeds of the Series _____ Bonds will be used to provide funds to (i) currently refund certain outstanding general obligation bonds of the Town, and (ii) pay costs of issuance of the Bonds. See "THE BONDS - Plan of Refunding" in the Preliminary Official Statement.

The Series _____ Bonds are general obligations of the Town and the full faith, credit and taxing power of the Town are irrevocably pledged to the payment of the principal and interest thereof. For more complete and detailed information, please see "THE BONDS - Security for Bonds" in the Preliminary Official Statement.

BOOK-ENTRY REGISTRATION: The Series _____ Bonds will be dated the date of delivery, which is scheduled to occur on _____, _____. The Series _____ Bonds will be issued as fully registered bonds without coupons in the denomination of \$5,000 or any integral multiple thereof, only in book-entry form payable to a nominee of The Depository Trust Company, New York, New York ("DTC"), as securities depository for the Series _____ Bonds. Reference is made to the Preliminary Official Statement relating to the Series _____ Bonds for the applicable provisions relating to the transfer of beneficial ownership, manner of redemption, the responsibilities of DTC participants and the right of the Town to discontinue use of the book-entry only system.

SUBMISSION OF BID: Electronic bids must be submitted to *PARITY*. All prospective bidders must be contracted customers of i-Deal's Bidcomp Competitive Bidding System. If you do not have a contract with Bidcomp, call (212) 404-8102 to become a customer. By submitting a bid, a prospective bidder represents and warrants to the Town that such a bidder's bid for the Series _____ Bonds (if a bid is submitted in connection with the sale) is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder to a legal, valid, and enforceable contract for the purchase of the Series _____ Bonds. By contracting with *PARITY* a prospective bidder is not obligated to submit a bid in connection with the sale. If any provisions of this Notice of Sale shall conflict with information provided by *PARITY* as the selected

provider of electronic bidding services, this Notice of Sale shall control.

INTEREST RATE AND BIDDING DETAILS: The rate of interest specified for any maturity may not exceed ____% per annum. Bidders may specify the rate or rates of interest the Series ____ Bonds are to bear in multiples of $1/8^{\text{th}}$ or $1/20^{\text{th}}$ of 1%, but no maturity may bear interest at more than one rate, and no interest rate may be more than ____% higher than the lowest interest rate.

A bid for less than all of the Series ____ Bonds, a bid for less than 100 percent (100.00%) of the par value of the Series ____ Bonds, or a bid for greater than 120.00% of the par value of the Series ____ Bonds will not be considered.

BASIS OF AWARD: Unless all bids are rejected, the Series ____ Bonds will be awarded to the responsible bidder whose bid complies with this Notice of Sale and results in the lowest true interest cost to the Town. The lowest true interest cost will be determined in accordance with the True Interest Cost ("TIC") method by doubling the semi-annual interest rate, compounded semi-annually, necessary to discount the debt service payments from the debt service payment dates to the dated date of the Series ____ Bonds and to the aggregate purchase price. If two (2) or more responsible bidders offer to purchase the Series ____ Bonds at the same lowest TIC, the Series ____ Bonds may be apportioned between such bidders if it is agreeable to each of the bidders who have offered the price producing the same lowest TIC; provided, that if apportionment is not acceptable to such bidders, the Town will have the right to award the Series ____ Bonds to one of such bidders. There will be no auction. The Town reserves the right to waive irregularities in any bid and to reject any or all bids.

NO GOOD FAITH DEPOSIT: A good faith deposit is not required for a bid to be considered for the Series ____ Bonds.

DELIVERY AND PAYMENT: Delivery of the Series ____ Bonds will be made through the facilities of DTG within 45 days from the date of award, accompanied by a certified transcript of the record of proceedings, a Signature and No-Litigation Certificate, a Non-Arbitrage and Tax Certificate, and the approving opinion of Howell Linkous & Nettles, LLC. In addition, the approving opinion of Bond Counsel, substantially in the form included as an Appendix to the Preliminary Official Statement, will be delivered to the Purchaser. Certain legal matters are to be passed upon for the Town by Brad Campbell, Esq., the Town Attorney. Payments for the Series ____ Bonds shall be made by wire transfer in immediately available Federal funds. Delivery is expected on or about ____.

Concurrently with the delivery of the Series ____ Bonds, the Town will furnish a certificate, signed by the appropriate officials, stating in effect that, as of its date and at all times subsequent thereto and up to the time of delivery of the Series ____ Bonds, the information contained in the Preliminary Official Statement was, and such information contained in the Official Statement is, true and correct in all material respects and does not contain any untrue statement of a material fact and does not omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

CUSIP NUMBERS: The Town shall assume no obligation for the assignment of CUSIP numbers for the Series _____ Bonds or for the correctness of any such numbers printed thereon, but the Town will permit such printing to be done at the expense of the successful bidder, provided that such printing does not result in any delay of the date of delivery of the Series _____ Bonds. Neither the failure to print such numbers on any Series _____ Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Series _____ Bonds.

OFFICIAL STATEMENT: A Preliminary Official Statement has been prepared by the Town, and such Preliminary Official Statement is deemed final by the Town for purposes of compliance with Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Rule"). Any omission of information from the Preliminary Official Statement is allowable under the Rule. The Town will prepare and provide to the Purchaser, within seven (7) business days after the award, up to _____ copies of the final Official Statement (the "Final Official Statement") without cost to the Purchaser. The Final Official Statement shall be in substantially the same form as the Preliminary Official Statement, subject to any additions, deletions, or revisions that the Town believes are necessary.

After the award of the Series _____ Bonds, the Town will prepare copies of the Final Official Statement and will include therein such additional information concerning the reoffering of the Series _____ Bonds as the successful bidder may reasonably request. The successful bidder shall be responsible to the Town in all respects for the accuracy and completeness of information provided by such successful bidder with respect to such reoffering. Additional copies of the Final Official Statement may be printed at the successful bidder's expense, if such bidder agrees to pay the Town in advance for the cost of any additional copies.

INFORMATION FROM THE PURCHASER: The Purchaser shall, within two (2) hours after being notified of the verbal award of the Bonds, advise the Financial Advisor, Municipal Advisors Group of Boston, Inc. (the "Financial Advisor"), of the initial public offering prices of the Series _____ Bonds by facsimile to (_____) _____. The Purchaser shall also be obligated to furnish, prior to the delivery of the Series _____ Bonds, such certifications and other information as may be requested by the Financial Advisor or Bond Counsel as shall be necessary to enable the Town to determine the "issue price" of the Bonds as defined in Section 1273 of the Internal Revenue Code of 1986, as amended. Questions regarding the required certificate should be directed to Samuel W. Howell, Howell Linkous & Nettles, LLC, Bond Counsel, telephone (843) 266-3800.

CONTINUING DISCLOSURE: In order to assist the successful bidder in complying with the Rule the Town will undertake to provide annual reports and notices of certain material events. A summary of the Town's undertakings to comply with the Rule are contained in the Preliminary Official Statement. The Town has not failed to comply with the requirements of any undertaking of the Town entered into in compliance with the Rule.

BLUE SKY LAWS: The Town has not undertaken to register the Series _____ Bonds under the securities law of any jurisdiction, nor has the Town investigated the eligibility of any institution or person to purchase or participate in the underwriting of the Series _____ Bonds under any applicable

legal investment, insurance, banking, or other laws. By submitting a bid for the Series _____ Bonds, the Purchaser represents that the sale of the Series _____ Bonds in jurisdictions other than South Carolina will be made only under exemptions from registration or, wherever necessary, the Purchaser will register the Series _____ Bonds in accordance with the securities laws of the jurisdiction in which the Series _____ Bonds are offered or sold. The Town agrees to cooperate with the Purchaser in any such registration at the Purchaser's written request and expense, but the Town shall not be required to consent to service of process in any such jurisdiction.

ADDITIONAL INFORMATION: A Preliminary Official Statement in a form deemed final by the Town has been posted electronically at www.i-dealprospects.com. Additional copies of such information are available upon request to Municipal Advisors Group of Boston, Inc., _____, _____; phone (____) _____ the Financial Advisor.

Town Council of the Town of Lexington, South Carolina

EXHIBIT C

FORM OF NOTICE OF ENACTMENT

NOTICE OF ENACTMENT OF ORDINANCE AUTHORIZING ISSUANCE OF NOT
EXCEEDING \$ _____ GENERAL OBLIGATION BONDS OF TOWN OF
LEXINGTON, SOUTH CAROLINA

Notice is hereby given that the Town Council of the Town of Lexington, South Carolina (the "Town") has enacted an Ordinance authorizing the issuance of not exceeding at any one time outstanding \$ _____ General Obligation Bonds and General Obligation Notes of the Town secured by a pledge of the full faith, credit, and taxing power of the Town.

By order of the Town Council of Town of Lexington, South Carolina.

EXHIBIT D

FORM OF BOND ANTICIPATION NOTE

TOWN OF LEXINGTON, SOUTH CAROLINA
GENERAL OBLIGATION BOND ANTICIPATION NOTE
SERIES _____

No. R-_____

\$ _____

MATURITY DATE _____

ORIGINAL DATE OF ISSUE _____

CUSIP: _____

REGISTERED OWNER: CEDE & Co.

PRINCIPAL AMOUNT: _____ and no/100 Dollars

TOWN OF LEXINGTON, SOUTH CAROLINA, a body politic and corporate and a municipal corporation under the laws of the State of South Carolina (the "Issuer"), FOR VALUE RECEIVED promises to pay to the Registered Owner set forth above, or registered assigns, the Principal Amount set forth above, on the Maturity Date set forth above, together with interest from the date hereof on such Principal Amount at the rate of _____ and ___/100 per centum (____%) per annum, payable on _____.

THIS NOTE is one of an issue of bond anticipation notes (the "Notes") of like tenor and effect, except as to number, denomination, and registered owner, in the aggregate original principal amount of \$ _____, being issued pursuant to an ordinance enacted by the Town Council (the "Town Council") of the Issuer (the "Ordinance"), pursuant to and for the purposes authorized by Article X, Section 14, Paragraph 8 of the South Carolina Constitution and Title 11, Section 17 of the Code of Laws of South Carolina 1976, as amended, in anticipation of the receipt of the proceeds of general obligation bonds of the Issuer in the principal amount of not exceeding \$ _____ (the "Bonds"), to fund a portion of the costs of certain off-street parking facilities in the Town of Lexington pursuant to the provisions of Title 5, Chapters 21 and 25 of the Code of Laws of South Carolina 1976, as amended. All capitalised terms not defined herein are defined in the Ordinance.

THE TOWN COUNCIL have covenanted and agreed to issue and sell the Bonds, in an amount sufficient to retire the Notes, prior to the maturity thereof or to issue renewal or refunding bond anticipation notes in such a sufficient amount. The Town Council expressly reserve the right to issue additional bond anticipation notes secured by a pledge of the proceeds of the Bonds on a parity with the pledge securing this Note so long as the total outstanding principal amount of notes secured by a pledge of the proceeds of the Bonds (including this Note) do not exceed \$ _____.

FOR THE PROMPT PAYMENT HEREOF, there are hereby pledged the proceeds to be derived from the sale of the Bonds to be issued by the Issuer or, if the Bonds are not issued prior to the maturity of the Notes, from the sale of an issue of renewal or refunding bond anticipation notes, together with the full faith, credit, and taxing power of the Issuer.

[THIS NOTE is not subject to redemption prior to its stated maturity.]

THE ORDINANCE contains provisions defining terms; sets forth the terms and conditions upon which the covenants, agreements, and other obligations of the Issuer made therein may be discharged at or prior to the maturity of this Note 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 Note. Reference is hereby made to the Ordinance to all provisions of which any Registered Owner of this Note by the acceptance hereof thereby assents.

[THIS NOTE has been designated by the Issuer as a "Qualified Tax-Exempt Obligation" ("Bank Qualified") pursuant to the provisions of Section 265(b)(3)(B)(ii) of the Internal Revenue Code of 1986, as amended.]

THE PRINCIPAL AND INTEREST on this Note, when due, shall be payable at the corporate trust office of _____ (the "Paying Agent"), in _____. This Note may be transferred only upon assignment duly executed by the Registered Owner. So long as any amount remains outstanding hereunder, there may be only one Registered Owner of this Note at any time. Any purported assignment in contravention of the foregoing requirements shall be, as to the Issuer, absolutely null and void. The person in whose name this Note 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 the Note 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 Issuer upon this Note 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 this Note against the Issuer. Notwithstanding the foregoing, nothing herein shall limit the rights of a person having a beneficial interest in this Note as against a person (including the Registered Owner) other than the Issuer, as in the case where the Registered Owner is a trustee or nominee for two or more beneficial owners of an interest in this Note.

THIS NOTE shall not be entitled to any benefit 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 authorized officer of the authenticating agent.

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 Note, exist, have happened, and have been done and performed.

in regular and due time, form, and manner, and the amount of this Note and the issue of which it is a part does not exceed any constitutional or statutory limitation thereon.

IN WITNESS WHEREOF, THE TOWN OF LEXINGTON, SOUTH CAROLINA, has caused this Note to be signed in its name by the Mayor of the Town of Lexington, by his manual signature, attested by the Municipal Clerk of the Town of Lexington, by her manual signature, under the Seal of the Town of Lexington, impressed hereon, and this Note to be originally dated the original date of issue set forth above.

TOWN OF LEXINGTON, SOUTH CAROLINA

(SEAL)

By: _____

Mayor

ATTEST:

Municipal Clerk

CERTIFICATE OF AUTHENTICATION

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

as Authenticating Agent

Date of Authentication: _____

By _____
Authorized Officer

The following abbreviations, when used in the inscription on the face of this note, 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 note, and does hereby irrevocably constitute and appoint _____ to transfer the said note 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 note in every particular, without alteration or enlargement or any change whatever.