

## CITY OF CAYCE

*MAYOR*  
ELISE PARTIN

*MAYOR PRO-TEM*  
JAMES E. JENKINS

*COUNCIL MEMBERS*  
TARA S. ALMOND  
EVA CORLEY  
TIMOTHY M. JAMES

*CITY MANAGER*  
REBECCA VANCE

*ASSISTANT CITY MANAGER*  
SHAUN M. GREENWOOD

**City of Cayce  
Regular Council Meeting  
Tuesday, December 2, 2014  
6:00 p.m. – Council Chambers - 1800 12<sup>th</sup> Street  
[www.cityofcayce-sc.gov](http://www.cityofcayce-sc.gov)**

**I. Call to Order**

- A. Invocation and Pledge of Allegiance
- B. Approval of Minutes  
November 18, 2014 Regular Meeting

**II. Presentation**

- A. Presentation of Community Service Awards
- B. Presentation of Whole Sole Awards
- C. Presentation by Mr. Mike Pazery re Development in the City of Cayce
- D. Presentation by Mr. Hubert Smoak re Transparency in City Government
- E. Approval of 2015 Council Meeting Dates

**III. Public Comment regarding Items on the Agenda**

**IV. Ordinances and Resolutions**

- A. Approval of Ordinance Amending Article 2 (“Definitions”) and Article 9 (“Supplemental Off-Street Parking and Loading Regulations”) of the Zoning Ordinance of the City of Cayce – Second Reading
- B. Approval of Ordinance Amending the City Code to Address the Discharge of Fireworks within the City – Second Reading
- C. Approval of Ordinance Amending City Code Section 40-119 (“Fees Related to Fats, Oil and Grease”) concerning Rates at the City of Cayce Septage and Grease Facility – Second Reading

- D. Approval of Ordinance Providing for the Issuance and Sale of a Water and Sewer System Improvement Revenue Bond, Series 2014, of the City of Cayce, South Carolina, in the Aggregate Principal Amount not exceeding \$3,734,073 plus Capitalized Interest If Any, Pursuant to the Amended and Restated Indenture of Trust as Supplemented; and other matters related thereto – Second Reading
  - E. Approval of Resolution Accepting a Gift of Real Property for Park Purposes
- V. Other**
- A. Bid Award – Highway 321 Water Replacement Project
  - B. Appointment and Swearing in of Municipal Judge
  - C. Appointment and Swearing in of City Attorney
- VI. City Manager’s Report**
- VII. Executive Session**
- A. Receipt of legal advice relating to claims and potential claims by the City and other matters covered by the attorney-client privilege
  - B. Discussion of negotiations incident to proposed contractual arrangements for sewer and water capacity fees
  - C. Discussion of negotiations incident to proposed contractual arrangements regarding Building Official services in the Town of Springdale
  - D. Discussion of City Manager’s Employment Contract Renewal
- VIII. Possible Actions by Council in follow up to Executive Session**
- IX. Adjourn**

**SPECIAL NOTE: Upon request, the City of Cayce will provide this document in whatever form necessary for the physically challenged or impaired.**



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### CITY OF CAYCE Regular Council Meeting November 18, 2014

The November Regular Council Meeting was held this evening at 6:00 p.m. in Council Chambers. Those present included Mayor Elise Partin, Council Members Tara Almond, Eva Corley, Tim James, and James Jenkins, City Manager Rebecca Vance, Assistant City Manager Shaun Greenwood and Municipal Clerk Mendy Corder. Municipal Treasurer Garry Huddle, Director of Utilities, Blake Bridwell, Chief Charles McNair and City Attorney Danny Crowe were also in attendance. Mayor Partin asked if members of the press and the public were duly notified of the Council Meeting in accordance with the FOIA. Ms. Corder confirmed they were notified.

#### Call to Order

Mayor Partin called the meeting to order. Council Member Skip Jenkins gave the invocation. Mayor Partin introduced her father Mr. Ron Vaughn who led the assembly in the Pledge of Allegiance. Mr. Vaughn is a United States National Guard Veteran who joined the 129<sup>th</sup> Special Forces in the Alabama National Guard in April 1959. He did basic training at Ft. Jackson and attended Jump School at Ft. Benning. While he was in college, the Cuban Missile Crisis broke out and President Kennedy sent Mr. Vaughn's unit to Ft. Polk, Louisiana. Ft. Polk was a deactivated base which had been closed and Mr. Vaughn's unit was assigned the task of re-opening the base in preparation for troops to train for the Cuban Missile Crisis.

#### Oaths of Office

- B. Oath of Office Administered by Judge Keabii Henderson  
Office of Mayor, Council Member District 2 and Council Member District 4

Judge Henderson administered the oaths of office to Mayor Partin, Council Member James Jenkins and Council Member Tim James.

- C. Oath of Office Administered by Judge Keabii Henderson  
Offices of City Manager, Municipal Treasurer, Municipal Clerk

Judge Henderson administered the oaths of office to the City's appointed officers, the City Manager, Municipal Treasurer and Municipal Clerk.

- D. Election of Mayor Pro-Tem

Mayor Partin advised that in accordance with City Code, the Mayor Pro-Tem is to be elected after each municipal election. Council Member James made a motion to

appoint Council Member James "Skip" Jenkins as Mayor Pro-Tem to serve a two-year term. Council Member Almond seconded the motion which was unanimously approved by roll call vote.

### **Approval of Minutes**

Council Member Almond made a motion to approve the minutes of the October 7, 2014 Regular Meeting and the October 22, 2014 Special Meeting as submitted. Council Member Corley seconded the motion which was unanimously approved by roll call vote.

### **Presentations and Proclamation**

#### **A. Presentation of Whole Sole Award**

Mayor Partin presented the Whole Sole Award to Mr. Charles Newton for assisting a resident when her car ran out of gas on N Avenue. She thanked Mr. Newton for always going above and beyond to help the City's residents and customers.

#### **B. Presentation by Mr. Ray Mixon**

Mr. Ray Mixon appeared before Council to present his concerns on Council's recent salary increase, transparency and the City's 2% Hospitality Tax. He stated he felt serving on Council is a public service and the costs of Council should not be a burden on the City's budget. He requested that paper copies of the agenda for each Council meeting be placed at City Hall as soon as the agenda is finalized. Ms. Vance explained that copies of Council Meeting agendas are always placed in the lobby of City Hall. Mr. Mixon requested that a sheet listing the balance of hospitality tax funds received each month be placed in Council Chambers for each Council Meeting. He also asked that staff give an update at each Council Meeting on what projects the hospitality tax revenue is being spent on.

Mr. Mixon read Mr. Hubert Smoak's recent letter to the editor of the State Newspaper regarding Council's salary increase. Mr. Mixon then requested that Council come up with new revenue sources to pay for their salary increase. He also asked that Council avoid having the second monthly Council Meeting unless there is a dire emergency. Mayor Partin thanked Mr. Mixon for his comments.

#### **C. Approval of Proclamation – Arbor Day**

Council Member James made a motion to approve the Proclamation for Arbor Day. Council Member Jenkins seconded the motion which was unanimously approved by roll call vote.

### **Public Comment Regarding Items on the Agenda**

Ms. Corder advised that no one signed up for public comment.

### **Ordinances and Other**

- A. Approval of Ordinance Amending Article 2 ("Definitions") and Article 9 ("Supplemental Off-Street Parking and Loading Regulations") of the Zoning Ordinance of the City of Cayce – First Reading

Ms. Vance advised that in response to concerns from the community, Council Members asked staff to research effective ways to limit the use of portable storage containers in residential areas. Staff researched the issue by comparing Ordinances from around the state and nation. Staff also had several discussions with the Planning Commission regarding how this issue should be regulated in the City of Cayce. These discussions focused mainly on the types of containers that should be allowed, the size of containers allowed and how long a container can be stored on a residential property. The Planning Commission and staff believe the resulting language is appropriate for the community.

The Planning Commission held a Public Hearing on this matter at its regularly scheduled meeting on November 17, 2014. No members of the public were present to speak in favor of or against the Ordinance. The Planning Commission voted unanimously to recommend Council approve the Ordinance.

Council Member James made a motion to approve the Ordinance on first reading amending Article 2 and Article 9 of the City's Zoning Ordinance. Council Member Almond seconded the motion which was unanimously approved by roll call vote.

- B. Approval of Ordinance Amending the City Code to Address the Discharge of Fireworks within the City - First Reading

Ms. Vance explained that at the Council Strategic Planning Session, Council discussed the possibility of amending the City Ordinances to add restrictions for the use of fireworks in the City. Currently fireworks are not mentioned specifically in the Ordinance. She stated Council specifically requested changes to the Code that would limit the use of fireworks to specific times on the 4<sup>th</sup> of July and New Years Eve. Language was also added to allow fireworks at special events provided the event is duly permitted and the fireworks have prior approval from City Council.

Ms. Vance stated that in order to comply with State Law, staff created a new Division in the "Nuisance" section of the City Code. Additionally, the penalties for

violating these specific regulations will be civil in nature and not criminal. Each violation may result in a \$100 fine. Toy cap pistols and sparklers were also specifically excluded from the regulations.

Council Member Corley made a motion to approve the Ordinance on first reading amending the City Code to address the discharge of fireworks with the City. Council Member Almond seconded the motion which was unanimously approved by roll call vote.

C. Approval of Ordinance Amending City Code Section 40-119 ("Fees Related to Fats, Oil and Grease") Concerning rates at the City of Cayce Septage and Grease Facility - First Reading

Ms. Vance advised that construction of the new Septage and Grease Facility at the City's regional wastewater treatment facility was completed and it started generating business in May 2014. She explained that, at that time, the City only accepted hauled waste from Lexington County. Shortly thereafter, the City received approval to accept hauled waste from Richland County. In October 2014, the City received approval to accept hauled waste from all South Carolina (SC) counties. Ms. Vance stated advertisements were placed on the City website and an informational flier was mailed to an extensive list of SC haulers.

Ms. Vance explained that since starting operations, the volume/revenues have not been realized as projected. There are several contributing factors to this shortfall and the Utilities Department has been researching the best possible ways to mitigate as many of these factors as possible. Specifically, the initial startup cost has been a fairly consistent complaint from potential customers. For this reason, staff believes reducing the permit fee from \$250.00 to \$0 will allow for a more attractive option to potential customers. Additionally, in order to be more competitive in the existing market, staff believes reducing the septic waste disposal fee from \$.010 to \$0.09 would be helpful in recruiting new customers.

Ms. Vance advised that business is slowly increasing at this time, but it is not on pace to meet the projected revenues. Staff believes the recommended changes will allow the City to attract additional haulers to the facility in order to increase the volume/revenues at the Septage and Grease Facility. The volume of material must be increased in order for the facility to run at optimal efficiency and for the City to realize the best return on investment.

Council Member Almond made a motion to approve the Ordinance on first reading amending City Code Section 40-119 concerning rates at the City's Septage and Grease Facility. Council Member Jenkins seconded the motion which was unanimously approved by roll call vote.

- D. Approval of Ordinance Providing for the Issuance and Sale of a Water and Sewer System Improvement Revenue Bond, Series 2014, of the City of Cayce, South Carolina, in the Aggregate Principal Amount not exceeding \$3,671,416 plus Capitalized Interest If Any, Pursuant to the Amended and Restated Indenture of Trust as Supplemented; and other matters related thereto – First Reading

Ms. Vance stated that the City has received approval from the State Revolving Loan Fund for approximately \$3,671,416 to repair and improve the Highway 321 line that leads away from the City's water plant. She explained that the Highway 321 line is the line that broke last fall and left the City without water for over 16 hours. This project will replace and upsize the water lines and valves leading out of the City's Water Plant.

Ms. Vance advised that funding for the bond payment and the debt coverage for this increased debt were included in the 2014-2015 Budget. If approved the project should be able to begin in January. Council Member James made a motion to approve the Ordinance on first reading to provide for the issuance and sale of a water and sewer system revenue bond. Council Member Almond seconded the motion which was unanimously approved by roll call vote.

- E. Approval of Ordinance Acknowledging Changes to the Program Policies of the South Carolina Water Quality Revolving Fund Authority; Approving Changes to the Loan Agreements Between the City of Cayce, South Carolina and the South Carolina Water Quality Revolving Fund Authority; Authorizing Amendments to Certain Supplemental Indentures; Acknowledging and Approving the Amendment and Restatement of Certain Debt Service Fund and Debt Service Reserve Fund Agreements; and Other Matters Relating Thereto – Second Reading

Ms. Vance stated that recently, the State Revolving Loan Fund, the bondholder for the City's Series 2002 Bond and Series 2009 Bond, revised its policies and procedures. The terms of the revision allow issuers maintaining an "A" rating from the rating agencies to reduce the reserve requirement for their bonds to \$0. The City currently maintains an "A+" rating from Standard and Poors and, as a result, the City is authorized to reduce the reserve fund amount on the above-mentioned bonds to \$0.

Ms. Vance advised that currently the City maintains a balance of \$52,599 in the debt service reserve fund for the Series 2002 Bond and \$757,604 in the debt service reserve fund for the 2009 Bond. This money will be transferred from each of the debt service reserve funds into the respective debt service funds for both issues. Once transferred, the City can utilize these funds to defer up to 6 months of debt payments on both of these bonds.

Ms. Vance stated that the Ordinance authorizes the release and transfer of the debt service reserve fund monies in accordance with the SRF policies and further authorizes the amendments of the various agreements as necessary to implement the changes. Council Member Almond made a motion to approve the Ordinance on second reading. Council Member Corley seconded the motion which was unanimously approved by roll call vote.

F. Discussion and Approval to move forward with Council Strategic Planning and Session Goals and Action Items

Ms. Vance stated that during the 2014 City Council Strategic Planning Session, Council discussed several goals, action items and purchases for the upcoming year. The purchases discussed were a new fire truck, five police vehicles, a roll off truck for the Sanitation Department, and fifteen in car digital recording systems for Public Safety Officers. The City has increased business license revenue for this year so Council also asked staff to implement some new programs. Staff has researched hiring an economic development consultant, a façade grants program, a demolition program, the completion of the 12<sup>th</sup> Street lighting project and renovations to City Hall. Ms. Vance stated that staff would like approval to move forward with the purchases and implementation of these projects. She explained that the equipment purchases would happen relatively quickly but the other items would require further approval from Council for agreements or policies.

Ms. Vance advised that the costs for each item are currently estimates and the final numbers would be brought back to Council for approval in January as a mid-year Budget Amendment. She stated these amendments would also include the Hospitality Tax funds since the City would have two full months of revenues and staff should be able to more accurately project the rest of the year's collections.

Ms. Vance explained that she would need approval from Council to purchase the items requested and approval to move forward with the items that will require requests for proposals and qualifications. Council Member Almond made a motion to authorize the City Manager to purchase the requested items and move forward with RFP's and RFQ's for the other items which will then come back before Council for final approval. Council Member Corley seconded the motion which was unanimously approved by roll call vote.

**City Manager's Report**

Ms. Vance stated that the waterline project on Lexington Avenue is completed and the sewer line project on State Street is scheduled to start soon. She stated staff plans to apply for a CDBG grant to fund the demolition of the Cayce Grammar School

but CDBG prefers that the City own the property before they give any funding and staff is working on options for ownership of the property. The RFQ's for the Knox Abbott streetscaping project are due by December 1<sup>st</sup> and will come before Council for the bid award after that. Ms. Vance advised that the City received the Land Water Conservation grant to renovate Guignard Park and secure the creek bed in the park. Staff plans to get a RFQ out for this project soon. She stated the Burnette Park renovations are underway. The new lighting will be installed by mid-January and staff is presently researching new playground equipment for the park. The renovations to Riverland Park's new park will be ready for RFQ's as soon as the renderings for a new picnic area and restroom are complete. The 12,000 Year History Park's lighting project is underway and should be finished by the end of the year.

Ms. Vance explained that the Avenues, North Frink Street, Glenn Street water tank and Broadacres water line project is a project that would upgrade all the water lines in these areas and the water tank for the older part of the City. She advised that staff intends to apply for a SRF loan for this project and the total cost of the project is approximately 16 million dollars. Ms. Vance reminded Council that water and sewer rates would have to be raised to cover the bond payment for this project. She stated staff is meeting with the City Auditors to discuss all the City's options for borrowing such a large amount of money with as minimal of a rate increase on our citizens as possible.

### **Committee Matters**

- A. Approval to Enter the Following Approved Committee Minutes into the City's Official Record

Council Member Almond made a motion to approve entering the following Committee minutes into the City's official record:

Board of Zoning Appeals – July 21, 2014  
Cayce Events Committee – September 11, 2014  
Planning Commission - September 15, 2014  
Cayce Municipal Election Commission – October 9, 2014

Council Member Corley seconded the motion which was unanimously approved by roll call vote.

### **Executive Session**

- A. Receipt of legal advice relating to claims and potential claims by the City and other matters covered by the attorney-client privilege
- B. Discussion of negotiations incident to proposed contractual arrangements

for the 12,000 Year History Park

- C. Discussion of negotiations incident to proposed contractual arrangements between the City of Cayce and Lexington Two School District
- D. Discussion of Appointment of City Judge and City Attorney

Council Member Jenkins made a motion to move into Executive Session to discuss the matters above. Council Member Almond seconded the motion which was unanimously approved by roll call vote.

### **Reconvene**

Council Member Jenkins made a motion to move out of Executive Session and reconvene the Regular Meeting. Council Member Almond seconded the motion which was unanimously approved by roll call vote.

Mayor Partin announced that no vote was taken in Executive Session other than to adjourn and resume the Regular Meeting.

### **Possible Actions by Council in follow up to Executive Session**

Council Member Almond made a motion for approval, subject to finalization by the City Manager and the City Attorney, for the negotiations incident to the proposed contractual arrangements for the 12,000 Year History Park. Council Member Jenkins seconded the motion which was unanimously approved by roll call vote.

### **Adjourn**

There being no further business, Council Member Corley made a motion to adjourn the meeting. Council Member Jenkins seconded the motion which was unanimously approved by roll call vote. The meeting adjourned at 8:25 p.m.

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Elise Partin, Mayor

ATTEST:

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Mendy C. Corder, Municipal Clerk

Item II. A.

# *Community Service Award*

Awarded to

*Frank Dickerson*

**For your 10 years of volunteer service to the City of Cayce  
as a member of the City of Cayce Zoning Board of Appeals**

Presented by

*City of Cayce Council*

*December 2, 2014*

\_\_\_\_\_  
Elise Partin, Mayor

\_\_\_\_\_  
James E. Jenkins, Mayor Pro-Tem

\_\_\_\_\_  
Timothy M. James, Council Member

\_\_\_\_\_  
Tara S. Almond, Council Member

\_\_\_\_\_  
Eva Corley, Council Member

# *Community Service Award*

Awarded to

*Mary Sharpe*

**For your 20 years of volunteer service to the City of Cayce  
as a member of the City of Cayce Museum Commission**

Presented by

*City of Cayce Council*

*December 2, 2014*

\_\_\_\_\_  
Elise Partin, Mayor

\_\_\_\_\_  
James E. Jenkins, Mayor Pro-Tem

\_\_\_\_\_  
Timothy M. James, Council Member

\_\_\_\_\_  
Tara S. Almond, Council Member

\_\_\_\_\_  
Eva Corley, Council Member



# *Community Service Award*

Awarded to

*Marion Hutson*

**For your 15 years of volunteer service to the City of Cayce  
as a member of the City of Cayce Museum Commission**

Presented by

*City of Cayce Council*

*December 2, 2014*

\_\_\_\_\_  
Elise Partin, Mayor

\_\_\_\_\_  
James E. Jenkins, Mayor Pro-Tem

\_\_\_\_\_  
Timothy M. James, Council Member

\_\_\_\_\_  
Tara S. Almond, Council Member

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Eva Corley, Council Member

## Item II. B.

On September 10, 2014 at approx 04:45 am Sgt Ballentine, PSO Kelly and PSO Baker were at CDPS HQ doing paperwork. The on duty dispatcher, Terry Burgess, was operating the radio and had been answering officers all night and had recently answered Det. Huffman in ref to a vehicle stop.

Sgt. Ballentine noted that Det. Huffman called for Dispatch to notify a tow service for the vehicle and Terry did not answer. Det. Huffman called on the radio again and Sgt. Ballentine called out to Terry to answer the radio.

Still no answer.

Sgt. Ballentine walked up to Dispatch and found Terry unconscious. Sgt Ballentine yelled for assistance from Kelly and Baker who both immediately responded.

As Sgt. Ballentine attempted to get Terry to regain consciousness he noted that Terry stopped breathing. He checked for a pulse and found none. Essentially, Terry Burgess died at that moment.

The officers quickly got Terry out of the chair and on the floor to begin CPR. Sgt Ballentine began CPR as he called out for both Kelly and Baker to find help. PSO Baker ran to the Firehouse to get First Responders and EMS personnel to respond as PSO Kelly begin toning the firehouse and radio for assistance. PSO Kelly then ran toward the firehouse to gather help and equipment.

Sgt. Ballentine continued doing CPR on Terry.

As Kelly and Baker returned with assistance and equipment (AED, Crash bag, Stretcher) EMS and Firehouse Personnel connected Terry to an AED. It shocked Terry's heart back into a rhythm and he began breathing on his own. Terry still unconscious was transported to the hospital and eventually made a full recovery.

The immediate actions of everyone involved saved Terry Burgess' life. This is a great example of teamwork, quick thinking, a little luck and God's grace.

## ***City of Cayce*** **2015 Council Meeting Dates**

The City of Cayce Council meets the first Tuesday each month at 6:00 p.m. Date and/or time may change due to conflicts in schedules. Citizens may meet with the Mayor at 5:00 p.m. prior to each meeting.

Special Council Meetings are tentatively scheduled for the third Wednesday of each month at 5:00 p.m. In April, June and October 2015 the Special Council Meeting will be held the fourth Wednesday of the month.

**January 6, 2015**  
**February 3, 2015**  
**March 3, 2015**  
**April 7, 2015**  
**May 5, 2015**  
**June 2, 2015**  
**July 7, 2015**  
**August 4, 2015**  
**September 1, 2015**  
**October 6, 2015**  
**November 3, 2015**  
**December 1, 2015**

Other meetings may be called on an as needed basis. Meetings are held in Council Chambers located at 1800 12<sup>th</sup> Street, Cayce, SC unless otherwise noted. All meetings are open to the public.

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# Memorandum

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**To:** Mayor and Council

**From:** Rebecca Vance, City Manager  
Shaun Greenwood, Asst. City Manager

**Date:** November 24, 2014

**Subject:** Approval of an Ordinance amending the Cayce City Zoning Ordinance to address the use of portable storage structures within the City limits

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## **ISSUE**

Council approval is needed for the Second Reading of an Ordinance amending the Cayce City Zoning Ordinance to limit the use of portable storage structures within the City limits.

## **BACKGROUND/DISCUSSION**

In response to concerns from the community, Council Members asked staff to research effective ways to limit the use of portable storage containers in residential areas. Staff researched the issue by comparing Ordinances from around the state and nation. Staff also had several discussions with the Planning Commission regarding how this issue should be regulated in the City of Cayce. These discussions focused mainly on the types of containers that should be allowed, the size of containers allowed and how long a container can be stored on a residential property. The Planning Commission and staff believe the resulting language is appropriate for the community.

The Planning Commission held a Public Hearing on this matter at its regularly scheduled meeting on November 17, 2014. No members of the public were present to speak in favor of or against the Ordinance. The Planning Commission voted unanimously to recommend Council approve the Ordinance.

## **RECOMMENDATION**

Staff recommends Council approve Second Reading of an Ordinance amending the Cayce City Zoning Ordinance to limit the use of portable storage structures within the City limits.



**Construction Trailer/Container/Portable Structure:** A trailer, portable temporary container, or portable structure with or without axles and wheels intended to support construction activity at a site with an active building permit.

**Bulk Solid Waste Container:** A container intended for construction waste material or other refuse, excluding garbage, for the purpose of removing said material from a site.

2. Section 9.10 (“Temporary Storage Structures”) of the Zoning Ordinance of the City of Cayce is hereby created to include the text as attached to this Ordinance.
3. Any nonconforming temporary storage structure shall be removed or brought into compliance with the provisions of this ordinance no later than 90 days following the date of adoption.

This Ordinance shall be effective from the date of second and final reading.

**DONE IN MEETING DULY ASSEMBLED,** this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Elise Partin, Mayor

ATTEST:

\_\_\_\_\_  
Mendy C. Corder, Municipal Clerk

First reading: \_\_\_\_\_

Second reading and adoption: \_\_\_\_\_

Approved as to form: \_\_\_\_\_  
Danny C. Crowe, City Attorney

## **Section 9.10 Temporary Storage Structures**

Temporary storage structures are intended to provide temporary storage of household goods on residential property and business specific goods on professional, commercial, or industrial used and/or zoned lands. Such temporary structures shall not interfere with the normal operation of the permanent use on the property and shall not be detrimental to property or improvements in the surrounding areas. There shall also be no risk of injury to persons as a result of such storage.

The following conditions shall apply to all temporary storage structures:

1. Cargo containers shall not exceed industry standards for width and height, and shall not exceed fifty-three (53) feet in length. The use of such containers shall be limited to commercial or industrial used land. Such containers shall be located to the rear or side of the principal building and set back a minimum of five (5) feet from side and rear property lines.
2. Portable storage containers shall not exceed industry standard for width, height and length, not to exceed 10' wide by 10' high by 20' in length in residential used land. The use of such containers shall be limited to residential, professional, or commercial used land. On commercial and professional used land, such containers shall be located to the rear or side of the principal building and set back a minimum of five (5) feet from side and rear property lines. On residential used land, such containers shall be set back a minimum of five (5) feet from side and rear property lines and ten (10) feet from front property lines. These setbacks may be decreased by the Zoning Administrator in cases where the layout of the property or an obstruction makes it impossible or impractical to comply with the setbacks. There shall be a maximum of one (1) container per site.

These containers shall be limited to:

- a. Uses in conjunction with an active construction project, duly permitted, and located on the construction site, provided such container(s) are removed within six (6) months of the date located on any property within the City unless otherwise permitted for a longer period of time as a result of the duration of the construction project. Such containers shall be removed within one (1) week of the demolition or building permit expiration, the issuance of a Certificate of Occupancy, or the issuance of a Certificate of Completion;
- b. Uses in conjunction with relocating or moving to or from the site for the purposes of packing or unloading due to shipping for the purpose of relocation, provided any such container is removed within two (2) weeks of the date first located on any property.

3. Semi-truck trailers shall not exceed fifty-three (53) feet in length. The use of trailers shall be limited to commercial or industrial used land. No wide or high loads will be allowed.

4. Construction trailers/containers/portable structures may be used on residential, professional, commercial, or industrial zoned land provided there is an active building permit in place. Such structures shall be set back a minimum of five (5) feet from side and rear property lines and ten (10) feet from front property lines. Such structures shall be removed within one (1) week of the building permit expiration, the issuance of a Certificate of Occupancy, or the issuance of a Certificate of Completion. No wide or high loads will be allowed.

5. Bulk solid waste containers may be used on residential, professional, commercial, or industrial used land. Such containers shall be set back a minimum of five (5) feet from side and rear property lines and ten (10) feet from front property lines. Such containers used in conjunction with a demolition or building permit shall be removed prior to the demolition or building permit expiration, the issuance of a Certificate of Occupancy, or the issuance of a Certificate of Completion.

Bulk solid waste containers may also be used for the removal of miscellaneous waste without a demolition or building permit. In this case, the use of such containers shall be limited to no more than fourteen (14) days per use.

6. No temporary storage structure shall be located so as to interfere with traffic visibility.

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# Memorandum

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**To:** Mayor and Council

**From:** Rebecca Vance, City Manager  
Shaun Greenwood, Asst. City Manager

**Date:** November 24, 2014

**Subject:** Approval of an Ordinance amending the Cayce City Code to address the discharge of fireworks within the City limits.

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## **ISSUE**

Council approval is needed for the Second Reading of an Ordinance amending the Cayce City Code to limit the discharge of fireworks within the City limits.

## **BACKGROUND/DISCUSSION**

At the Council Strategic Planning Session, Council discussed the possibility of amending the City Ordinances to add restrictions for the use of fireworks in the City. Currently fireworks are not mentioned specifically in the Ordinance. Specifically, Council requested changes to the Code that would limit the use of fireworks to specific times on the 4<sup>th</sup> of July and New Years Eve. Language was also added to allow fireworks at special events provided the event is duly permitted and the fireworks have prior approval from City Council.

In order to comply with State Law, Staff created a new Division in the "Nuisance" section of the City Code. Additionally, the penalties for violating these specific regulations will be civil in nature and not criminal. Each violation may result in a \$100 fine. Toy cap pistols and sparklers were also specifically excluded from the regulations

## **RECOMMENDATION**

Staff recommends Council approve Second Reading of an Ordinance amending the Cayce City Code to limit the discharge of fireworks within the City limits.



- (4) The discharging or shooting of fireworks in conjunction with a special event to the extent allowed under the terms of the permit issued by the Public Safety Director and approved by City Council.
- (5) The provisions of this Division shall not include nor prevent the possession or use of toy cap pistols and toy pistol paper caps which contain not more than twenty hundredths (0.20) of a grain of explosive mixture and fireworks known as sparklers. The use and possession of such toy cap pistols, toy pistol paper caps and sparklers shall be permitted at all times.

**Sec. 20-48. Use of signal fireworks.**

Nothing contained in Section 20-46 shall be construed as prohibiting the use of signals necessary for the safe operation of buses, trucks or boats within the City.

**Sec. 20-49. Jurisdiction, enforcement and penalties.**

- (1) A person who uses, fires, shoots, or discharge any fireworks within the corporate limits of the City or fails to comply with the provisions of Section 20-46 shall be deemed guilty of an infraction for each occurrence of noncompliance.
- (2) An infraction is punishable by a fine of \$100.00. Each occurrence of a violation of this Division shall be considered a separate and distinct infraction. A violation of this Division is further declared to be a public nuisance.
- (3) This Division shall be enforced by the City Manager or an authorized designee of the City Manager.

This Ordinance shall be effective from the date of second and final reading.

**DONE IN MEETING DULY ASSEMBLED**, this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Elise Partin, Mayor

ATTEST:

\_\_\_\_\_  
Mendy C. Corder, Municipal Clerk

First reading: \_\_\_\_\_

Second reading and adoption: \_\_\_\_\_

Approved as to form: \_\_\_\_\_  
Danny C. Crowe, City Attorney

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# Memorandum

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**To:** Mayor and Council

**From:** Blake Bridwell, Director of Utilities  
Keith Murphy, Superintendent of Treatment Facilities  
Neal Klimek, Asst. Super. of Septage and Grease Facility

**Date:** November 24, 2014

**Subject:** Second Reading of an Ordinance to reduce certain fees associated with the City of Cayce Septage and Grease Facility.

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## ISSUE

Council approval is needed for the Second Reading of an Ordinance amending the City of Cayce Code of Ordinances to reduce the annual waste hauler permit fee to \$0 and to reduce the septic waste disposal fee to \$0.09 per gallon.

## BACKGROUND/DISCUSSION

Construction of the new Septage and Grease Facility at the City's regional wastewater treatment facility was completed and it started generating business in May 2014. At that time, the City only accepted hauled waste from Lexington County. Shortly thereafter, the City received approval to accept hauled waste from Richland County. In October 2014, the City received approval to accept hauled waste from all South Carolina (SC) counties. Advertisements were placed on the City website and an informational flier was mailed to an extensive list of SC haulers.

Since starting operations, the volume/revenues have not been realized as projected. There are several contributing factors to this shortfall, and the Utilities Department has been researching the best possible ways to mitigate as many of these factors as possible. Specifically, the initial startup cost has been a fairly consistent complaint from potential customers. For this reason, staff believes reducing the permit fee from \$250.00 to \$0 will allow for a more attractive option to potential customers. Additionally, in order to be more competitive in the existing market, staff believes reducing the septic waste disposal fee from \$.010 to \$0.09 would be helpful in recruiting new customers.

Business is slowly increasing at this time, but it is not on pace to meet the projected revenues. Staff believes the recommended changes will allow the City

to attract additional haulers to the facility in order to increase the volume/revenues at the Septage and Grease Facility. In order for the facility to run at optimal efficiency and for the City to realize the best return on investment, the volume of material must be increased.

### **RECOMMENDATION**

Staff recommends Council approve Second Reading of an Ordinance amending the City of Cayce Code of Ordinances to reduce the annual waste hauler permit fee to \$0 and to reduce the septic waste disposal fee to \$0.09 per gallon.

STATE OF SOUTH CAROLINA )  
COUNTY OF LEXINGTON )  
CITY OF CAYCE )

ORDINANCE  
Amending City Code Section 40-119  
("Fees Related to Fats, Oil and Grease")  
Concerning Rates at the City of Cayce  
Septage and Grease Facility

**WHEREAS**, the Council has determined that it is in the interest of the City and the financial condition of its utility service to amend the fees associated with the control and disposal of fats, oil and grease at the City of Cayce Septage and Grease Facility and pursuant to the provisions of the City's Sewer Use Ordinance,

**NOW, THEREFORE, BE IT ORDAINED** by the Mayor and Council of the City of Cayce, in Council duly assembled, that:

Article III ("Sewer System") of Chapter 40 ("Utilities") Section 40-119 ("Fees Related to Fats, Oil and Grease") of the Cayce City Code is hereby amended to read as follows:

**Sec. 40-119. Fees Related to Fats, Oil and Grease.**

The following fees are established for control and disposal of fats, oil and grease at the City Septage and Grease Facility and pursuant to the City's Sewer Use Ordinance:

- Annual grease discharge permit .....\$0.00
- Annual Waste Hauler permit .....\$0.00
- Variance fee .....\$0.00
- First re-inspection (violation) fee .....\$250.00
- Successive re-inspection (violation) fee .....\$500.00
- Septic Waste Disposal fee ..... \$0.09 per gallon
- Grease Waste Disposal fee ..... \$0.12 per gallon
- Waste Testing fee ..... \$0.00
- Hauler Truck Cleaning fee..... \$50.00

This Ordinance shall take effect upon the second and final reading.

**DONE IN MEETING DULY ASSEMBLED**, this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Elise Partin, Mayor

ATTEST:

\_\_\_\_\_  
Mendy C. Corder, Municipal Clerk

First reading: \_\_\_\_\_

Second reading and adoption: \_\_\_\_\_

Approved as to form: \_\_\_\_\_  
Danny C. Crowe, City Attorney

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# Memorandum

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**To:** Mayor and Council

**From:** Rebecca Vance, City Manager

**Date:** November 24, 2014

**Subject:** Approval of an Ordinance Providing for the Issuance and Sale of a Water and Sewer System Improvements Revenue Bond, Series 2014, of the City of Cayce, South Carolina, in the Aggregate Principal Amount of Not Exceeding \$3,734,073 Plus Capitalized Interest, if any, Pursuant to the Amended and Restated Indenture of Trust as Supplemented; and other Matters Related Thereto.

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## **Issue**

Approval is needed to issue the Series 2014 Bonds for the improvements to the Highway 321 water line.

## **Background/Discussion**

The City has received approval from the State Revolving Loan Fund for approximately \$3,734,073 to repair and improve the Highway 321 line that leads away from the City's water plant. This line is the line that broke last fall and left the City without water for over 16 hours. This project will replace and upsize the water lines and valves leading out of the City's Water Plant.

Funding for the bond payment and the debt coverage for this increased debt were included in the 2014-2015 Budget. If approved the project should be able to begin in January.

\*The amount of the bond has been increased slightly to accommodate the actual bids for the project.

## **Recommendation:**

Staff recommends approval of second reading of this Ordinance as amended.

STATE OF SOUTH CAROLINA	)	ORDINANCE
	)	PROVIDING FOR THE ISSUANCE AND SALE
COUNTY OF LEXINGTON	)	OF A WATER AND SEWER SYSTEM
	)	IMPROVEMENT REVENUE BOND, SERIES 2014,
CITY OF CAYCE	)	OF THE CITY OF CAYCE, SOUTH CAROLINA,
	)	IN THE AGGREGATE PRINCIPAL AMOUNT OF
	)	NOT EXCEEDING \$3,734,073 PLUS
	)	CAPITALIZED INTEREST, IF ANY, PURSUANT
	)	TO THE AMENDED AND RESTATED
	)	INDENTURE OF TRUST AS SUPPLEMENTED;
	)	AND OTHER MATTERS RELATED THERETO.

**WHEREAS**, the City of Cayce, South Carolina (the “*City*”) is a municipality incorporated under the laws of the State of South Carolina (the “*State*”) and empowered by the provisions of Title 48, Chapter 5, Code of Laws of South Carolina, 1976, as amended (the “*Act*”) to: (i) undertake a waterworks project as defined and approved pursuant to the Federal Safe Drinking Water Act, 42 U.S.C. §§300f *et seq.*; (ii) make application for and to receive assistance from the South Carolina Water Quality Revolving Fund Authority (the “*State Authority*”); (iii) comply with regulations relating to the receipt and disposition of money of the State Drinking Water Revolving Loan Fund (the “*Fund*”) created by the Act; (iv) apply for and receive state grants; (v) enter into loan agreements; and (vi) comply with all terms and conditions of any loan agreement;

**WHEREAS**, in accordance with the provisions of Title 6, Chapter 17 of the Code of Laws of South Carolina, 1976, as amended (the “*Bond Act*”), and the Amended and Restated Indenture of Trust dated as of July 15, 2004, by and between the City and U.S. Bank National Association, as successor to Wachovia Bank, N.A. (formerly known as First Union National Bank) (the “*Trustee*”), as amended and supplemented by the Supplemental Trust Indenture of 2008-1 dated as of August 13, 2008, and as further amended and supplemented by the Supplemental Trust Indenture of 2013-1 dated as of January 16, 2013 (as amended and supplemented, the “*Indenture of Trust*”), the City has heretofore issued and has outstanding its (i) \$1,650,000 original principal amount Water and Sewer System Revenue Bond, Series 2002 (South Carolina Water Pollution Control Revolving Fund Loan Number 1-084-02-315-10) (the “*Series 2002 Bond*”); (ii) \$8,780,000 original principal amount Water and Sewer System Refunding and Improvement Revenue Bonds, Series 2004 (the “*Series 2004 Bonds*”); (iii) \$18,795,000 original principal amount Water and Sewer System Refunding and Improvement Revenue Bonds, Series 2007A (the “*Series 2007A Bonds*”); and (iv) not exceeding \$33,733,234, plus capitalized interest, if any, Water and Sewer System Improvement Revenue Bond, Series 2009 (South Carolina Water Pollution Control Revolving Fund Loan Number X1-128-09-315-11) (the “*Series 2009 Bond*”). The Series 2002 Bond, the Series 2004 Bonds, the Series 2007A Bonds and the Series 2009 Bond are collectively hereafter referred to as the “*Parity Bonds*.” The Parity Bonds are secured by a pledge of the Pledged Revenues (as defined in the Indenture of Trust), which revenues are derived from the operation of the water and sewer system of the City (the “*System*”). All capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Indenture of Trust;

**WHEREAS**, under the provisions of the Bond Act, a municipality such as the City which has bonds outstanding may issue additional bonds to provide for the construction and improvement of a revenue producing enterprise such as that constituting the System;

**WHEREAS**, the City is authorized, pursuant to the provisions of the Indenture of Trust, to adopt a supplemental indenture to provide for the issuance of additional Series of Bonds;

**WHEREAS**, the City Council of the City of Cayce (the "**City Council**"), the governing body of the City, has determined that in order to meet the needs of its residents and customers located both within and without its corporate boundaries, it is necessary for the City to implement improvements to the System (the "**Project**"), all as more specifically described in the Loan Agreement (as defined below);

**WHEREAS**, on June 18, 2014, the City Council adopted a resolution authorizing an application to the State Authority for a loan from the Fund (the "**Loan**"), the proceeds from which will be used, together with other monies, to provide for the financing of the Project;

**WHEREAS**, on September 30, 2014, the State Authority, upon review of the City's Loan application, conditionally approved the Loan;

**WHEREAS**, the Loan is being made pursuant to the authorizations of the Act, the Bond Act, the Indenture of Trust and the provisions contained within a Supplemental Trust Indenture of 2014-1 between the City and the Trustee (the "**2014 Supplemental Indenture**"), in substantially the form attached hereto as **Exhibit A**;

**WHEREAS**, the funds are to be loaned and secured pursuant to a loan agreement (the "**Loan Agreement**") between the City and the State Authority, in substantially the form attached as an exhibit to the 2014 Supplemental Indenture, and a promissory note executed and delivered by the City and registered in the name of the State Authority (the "**Note**," and collectively with the 2014 Supplemental Indenture and the Loan Agreement, the "**Loan Documents**"), the form of which is attached as Appendix E to the Loan Agreement;

**WHEREAS**, the Note will constitute a Series of Bonds under the Indenture of Trust. Pursuant to the Loan Agreement, the City will agree to use the proceeds of the Loan only to pay the actual eligible costs of the Project and, if deemed prudent by the City, capitalize the interest on the Note pursuant to the terms of the Loan Agreement; the City will also agree to pay to the State Authority such amounts as shall be required to provide for the payment of all amounts due with respect to the repayment of the Loan. To secure its obligations under the Loan Agreement, the City will grant to the State Authority a pledge of, and a lien upon, the Pledged Revenues derived from the operation of the System. Upon any failure of the City to make any payments to the State Authority pursuant to the Loan Agreement or the Note, the State Authority shall require the Treasurer of the State of South Carolina (the "**State**") to pay to the State Authority, subject to the provisions of the Act, such amount from State appropriations to which the City may be or become entitled as may be necessary to provide for the payment of all amounts due with respect to the Note; and

**WHEREAS**, the Note will not be junior to any other revenue debt of the City secured by a pledge of and lien upon the Pledged Revenues and will be issued on parity with the Parity Bonds; and

**WHEREAS**, the City Council is adopting this Ordinance in order to (i) authorize the execution and delivery, on behalf of the City, of the Loan Documents, (ii) evidence the approval of the Project and the Loan by the City Council, and (iii) authorize the execution and delivery by, and on behalf of, the City of such other agreements and certificates and the taking of such other action by the City and its officers as shall be necessary or desirable in connection with the financing of the Project in order to carry out the intent of this Ordinance.

**NOW THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF CAYCE, IN COUNCIL, DULY ASSEMBLED, AS FOLLOWS:**

**ARTICLE I**  
**LOAN AGREEMENT, NOTE AND**  
**2014 SUPPLEMENTAL INDENTURE**

**SECTION 1.1.**     *Authorization of 2014 Supplemental Indenture.* In order to facilitate the issuance and delivery of the Note, the City shall enter with the Trustee into the 2014 Supplemental Indenture pursuant to and in accordance with the provisions of the Indenture of Trust in substantially the form attached hereto as **Exhibit A**, with such changes as the Mayor shall approve (the execution thereof to be conclusive evidence of such approval), and the execution and delivery of the 2014 Supplemental Indenture on behalf of the City is hereby authorized and directed. The 2014 Supplemental Indenture shall be executed on behalf of the City by the Mayor and attested by the Clerk.

**SECTION 1.2.**     *Authorization of Loan Agreement and the Note.* The Loan Agreement, in substantially the form attached as an exhibit to the 2014 Supplemental Indenture, and the Note, in substantially the form attached as Appendix E to the Loan Agreement, with such changes as the Mayor and/or the City Manager shall approve (the execution thereof to be conclusive evidence of such approval), are hereby approved, and the execution and delivery of the Loan Agreement and the Note, on behalf of the City, are hereby authorized and directed. The Loan Agreement and the Note shall be executed on behalf of the City by the Mayor and attested by the Clerk.

**ARTICLE II**  
**MISCELLANEOUS**

**SECTION 2.1.**     *Other Instruments and Actions.* In order to implement the Loan pursuant to the Loan Documents and to give full effect to the intent and meaning of this Ordinance and the agreements and actions herein authorized, the Mayor, the City Manager and the Clerk are hereby authorized to execute and deliver such certificates, showings, instruments and agreements and to take such further action as they shall deem necessary or desirable.

**SECTION 2.2.**      *Ordinance a Contract.* This Ordinance shall be a contract between the City and the State Authority and shall be enforceable as such against the City.

This Ordinance shall take effect on the date of second reading approval by City Council.

**DONE IN MEETING DULY ASSEMBLED**, this 2nd day of December, 2014.

(SEAL)

\_\_\_\_\_  
Elise Partin, Mayor

ATTEST:

\_\_\_\_\_  
Mendy C. Corder, Municipal Clerk

First Reading: November 18, 2014  
Second Reading and adoption: December 2, 2014

Approved as to form: \_\_\_\_\_  
Danny C. Crowe, City Attorney

**EXHIBIT A**

**FORM OF 2014 SUPPLEMENTAL INDENTURE**

**SUPPLEMENTAL TRUST INDENTURE OF 2014-1**

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**CITY OF CAYCE, SOUTH CAROLINA**

**and**

**U.S. BANK NATIONAL ASSOCIATION,  
as Trustee**

---

**relating to the**

**\$3,734,073 plus capitalized interest, if any**

**City of Cayce, South Carolina Water and Sewer System  
Improvement Revenue Bond, Series 2014**

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**Dated as of \_\_\_\_\_, 2014**

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This **SUPPLEMENTAL TRUST INDENTURE OF 2014-1** (this “**2014 Supplemental Indenture**”) is dated as of \_\_\_\_\_, 2014, by and between the **CITY OF CAYCE, SOUTH CAROLINA** (the “**City**”), a municipality incorporated under the laws of the State of South Carolina, and **U.S. BANK NATIONAL ASSOCIATION** (the “**Trustee**”), a national banking association duly authorized to accept and execute trusts of the character hereinafter set forth, with a corporate trust office located in Columbia, South Carolina, as successor to Wachovia Bank, National Association (formerly known as First Union National Bank), as Trustee, under the Amended and Restated Indenture of Trust executed and delivered as of July 15, 2004, by and between the City and the Trustee, as amended and supplemented by the Supplemental Trust Indenture of 2008-1 dated as of August 13, 2008, and as further amended and supplemented by the Supplemental Trust Indenture of 2013-1 dated as of January 16, 2013 (as amended and supplemented, the “**Indenture of Trust**”). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Indenture of Trust.

**WITNESSETH:**

**WHEREAS**, the City is a municipality incorporated under the laws of the State of South Carolina (the “**State**”) and empowered by the provisions of Title 48, Chapter 5, Code of Laws of South Carolina, 1976, as amended (the “**Act**”) to: (i) undertake a waterworks project as defined and approved pursuant to the Federal Safe Drinking Water Act, 42 U.S.C. §§300f *et seq.*; (ii) make application for and to receive assistance from the South Carolina Water Quality Revolving Fund Authority (the “**State Authority**”); (iii) comply with regulations relating to the receipt and disposition of money of the State Drinking Water Revolving Loan Fund (the “**Fund**”) created by the Act; (iv) apply for and receive state grants; (v) enter into loan agreements; and (vi) comply with all terms and conditions of any loan agreement; and

**WHEREAS**, in accordance with the provisions of Title 6, Chapter 17 of the Code of Laws of South Carolina, 1976, as amended (the “**Bond Act**”), and the Indenture of Trust, the City has heretofore issued and has outstanding its (i) \$1,650,000 original principal amount Water and Sewer System Revenue Bond, Series 2002 (South Carolina Water Pollution Control Revolving Fund Loan Number 1-084-02-315-10) (the “**Series 2002 Bond**”); (ii) \$8,780,000 original principal amount Water and Sewer System Refunding and Improvement Revenue Bonds, Series 2004 (the “**Series 2004 Bonds**”); (iii) \$18,795,000 original principal amount Water and Sewer System Refunding and Improvement Revenue Bonds, Series 2007A (the “**Series 2007A Bonds**”); and (iv) not exceeding \$33,733,234, plus capitalized interest, if any, Water and Sewer System Improvement Revenue Bond, Series 2009 (South Carolina Water Pollution Control Revolving Fund Loan Number X1-128-09-315-11) (the “**Series 2009 Bond**”). The Series 2002 Bond, the Series 2004 Bonds, the Series 2007A Bonds and the Series 2009 Bond are collectively hereafter referred to as the “**Parity Bonds**.” The Parity Bonds are secured by a pledge of the Pledged Revenues (as defined in the Indenture of Trust), which revenues are derived from the operation of the water and sewer system of the City (the “**System**”); and

**WHEREAS**, under the provisions of the Bond Act, a municipality such as the City which has bonds outstanding may issue additional bonds to provide for the construction and improvement of a revenue producing enterprise such as that constituting the System; and

**WHEREAS**, the Indenture of Trust further provides for the issuance of additional Series of Bonds on a parity in all respects with the Parity Bonds upon the City's and the Trustee's entering into an indenture supplemental to the Indenture of Trust to authorize such Series of Bonds; and

**WHEREAS**, on June 18, 2014, the City Council of the City of Cayce (the "**City Council**"), the governing body of the City, adopted a resolution authorizing an application to the State Authority for a loan from the Fund (the "**Loan**"), the proceeds from which will be used, together with other moneys, to provide for the financing of the Project (as defined below); and

**WHEREAS**, on September 30, 2014, the State Authority, upon review of the City's Loan application, conditionally approved the Loan; and

**WHEREAS**, the Loan is to be made and secured pursuant to a loan agreement (the "**Loan Agreement**") between the City and the State Authority, in substantially the form attached hereto as **Exhibit A**, and a Note executed and delivered by the City and registered in the name of the State Authority (the "**Note**"), the form of which is attached as Appendix E to the Loan Agreement. Pursuant to the terms of the Loan Agreement, the City agrees to use the proceeds of the Loan only to pay the actual eligible costs of the project as defined in Appendix A to the Loan Agreement (the "**Project**"), and, if deemed prudent by the City, capitalized interest on the Note pursuant to the terms of the Loan Agreement; the City will also pay to the State Authority such amount as shall be required to provide payments of all amounts due with respect to the Loan; and

**NOW THEREFORE**, in consideration of the foregoing, of the acceptance by the Trustee of the trusts hereby created, and of the giving of consideration for and acceptance of the Note authorized hereunder by the Holder thereof, the City covenants and agrees with the Trustee, for the benefit of the Holder from time to time of the Note authorized hereby, as follows:

**NOW THEREFORE, THIS 2014 SUPPLEMENTAL INDENTURE WITNESSETH:**

The City, in consideration of the premises and the acceptance by the Trustee of the trusts created by the Indenture of Trust and this 2014 Supplemental Indenture and of the purchase and acceptance of the Note by the State Authority, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, in order to provide for and secure the payment of the principal of and interest on the Note according to its tenor and effect and to secure the performance and observance by the City of all the covenants expressed or implied herein and in the Note, does hereby confirm the assignment and pledge and grant of a security interest in the items identified in the granting clauses to the Indenture of Trust (defined therein as the "**Trust Estate**") to the Trustee and its successor in trust and assigns forever.

**TO HAVE AND TO HOLD** all and singular the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its respective successor in trust and assigns forever;

**IN TRUST NEVERTHELESS**, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of the State Authority, as Holder of the Note issued under and secured by the Indenture of Trust, as supplemented by this 2014 Supplemental Indenture without privilege, priority or distinction as to the lien or otherwise of any of the Bonds over any of the other Bonds except as otherwise expressly provided herein.

**THIS 2014 SUPPLEMENTAL INDENTURE FURTHER RECITES AND WITNESSETH**, and it is expressly declared, that the Note issued and secured hereunder is to be issued, authenticated and delivered, and all property, rights and interests, including, without limitation, the amounts thereby transferred, granted assigned and pledged, are to be dealt with and disposed of, under, upon and subject to the terms, conditions, stipulations, covenants, agreements, uses and purposes expressed in the Indenture of Trust as supplemented by this 2014 Supplemental Indenture, and the City has agreed and covenanted, and does hereby affirm its agreement and covenant, with the Trustee and with the State Authority, as provided in the Indenture of Trust as hereinafter amended and supplemented.

## **ARTICLE I – DEFINITIONS; AUTHORITY; AND FINDINGS**

### Section 1.01. Definitions.

(a) Except as provided in subsection (b) below, all terms which are defined in Section 1.1 of the Indenture of Trust shall have the same meanings in this 2014 Supplemental Indenture.

(b) As used in this 2014 Supplemental Indenture; unless the context shall otherwise require, the following terms shall have the following respective meanings:

**“2014 Supplemental Indenture”** means this Supplemental Trust Indenture of 2014-1 dated as of the date hereof, by and between the City and the Trustee.

**“Note Ordinance”** shall mean the ordinance enacted by the City Council on December 2, 2014, authorizing the execution and delivery of this 2014 Supplemental Indenture, the Loan Agreement and the Note.

**“Series 2014 Debt Service Reserve Fund”** shall mean the fund established pursuant to Section 6.6 of the Indenture of Trust and Section 3.03 hereof, which constitutes a Debt Service Reserve Fund under the Indenture of Trust.

**“Series 2014 Project Fund”** shall mean the fund established pursuant to Section 6.9 of the Indenture of Trust and Section 3.01 hereof, which constitutes a Project Fund under the Indenture of Trust.

**“Series 2014 Reserve Requirement”** shall mean, with respect to the Note, the Series Reserve Requirement, as such term is defined in the Indenture of Trust.

Section 1.02. Authority for the 2014 Supplemental Indenture.

This 2014 Supplemental Indenture has been duly authorized pursuant to the Note Ordinance.

Section 1.03. Findings regarding Issuance of Note.

(a) In accordance with Section 3.3(a) of the Indenture of Trust, the Note shall be issued as an Additional Bond. The City further specifies and determines as follows:

(i) the principal amount of the Note shall be in an amount not exceeding \$3,734,073, plus accrued interest, if any;

(ii) the maturity date of the Note shall be as provided for in the Loan Agreement;

(iii) the Note is being issued for the purpose of providing funds to defray all or a portion of the costs of the Project;

(iv) a description of the Project and an estimate of the Cost of Acquisition and Construction for the Project is provided for in the Loan Agreement;

(v) the Note shall bear interest and be payable on the dates as provided for in the Loan Agreement;

(vi) the Note shall be issued as a single term bond, payable by way of equal amortized payments of principal and interest as set forth in the Loan Agreement;

(vii) the redemption prices and dates applicable to the Note shall be as set forth in the Note;

(viii) U.S. Bank National Association shall serve as Trustee, Paying Agent and Registrar for the Note and payments on the Note shall be made as provided for in the Loan Agreement; and

(ix) the proceeds of the Note shall be applied as set forth in the Loan Agreement.

[End of Article I]

## ARTICLE II - AUTHORIZATION FOR LOAN

### Section 2.01. Authorization of Loan.

The acceptance of the Loan from the State Authority is hereby accepted in an amount not exceeding \$3,734,073 plus capitalized interest, if any, pursuant to and in accordance with the provisions of the Loan Agreement.

### Section 2.02. Form of Note.

(a) The Note shall constitute a Series of Bonds under the Indenture of Trust and shall be on a parity in all respects with the Parity Bonds and any Additional Bonds issued under the provisions of the Indenture of Trust.

(b) The Note shall be substantially in the form attached to the Loan Agreement as Appendix E, with such changes, modifications or amendments as the Mayor of the City (the "*Mayor*") and the Clerk shall approve, the Mayor's and the Clerk's execution and delivery of the Note being conclusive evidence of the Mayor's and the Clerk's approval to such changes, modifications and amendments.

[End of Article II]

**ARTICLE III – APPLICATION OF PROCEEDS; PAYMENTS UNDER THE DEBT  
SERVICE FUND; ESTABLISHMENT OF FUNDS**

Section 3.01. Application of Proceeds of the Note and Establishment of the Series 2014 Project Fund.

(a) The proceeds of the Note shall be applied by the City to defray the costs of the Project and the Costs of Issuance associated therewith. Disbursement of the proceeds of the Note shall not occur at the delivery thereof, but shall be made in accordance with Sections 1.3, 1.5 and 1.6 of the Loan Agreement.

(b) The Series 2014 Project Fund is hereby established and shall be held, maintained and controlled by the State Authority. Withdrawals from the Series 2014 Project Fund shall be made in accordance with the provisions of the Loan Agreement.

Section 3.02. Payment of the Loan.

Payments of principal of and interest on the Note shall be made from, and the City shall make payments to, the Debt Service Fund in accordance with the provisions of Section 6.5 of the Indenture of Trust. If the revenues pledged under the provisions of the Indenture of Trust are not sufficient, payments of principal and interest on the Note shall be made from State appropriations to which the City may become entitled pursuant to and in accordance with the provisions of the Loan Agreement and the Note.

Section 3.03. Establishment of the Series 2014 Debt Service Reserve Fund.

There shall be established the Series 2014 Debt Service Reserve Fund, which Fund shall be maintained by the Trustee in accordance with the Indenture of Trust. The Series 2014 Reserve Requirement (defined as the Reserve Requirement in the Loan Agreement) shall be the amount provided in the Loan Agreement. The City is authorized to cause the satisfaction of the Series 2014 Reserve Requirement with cash or cash equivalents (with prior approval of the State Authority) as authorized by the Indenture of Trust and as further provided in the Loan Agreement. Once funded with cash, the City, acting through the Trustee, will maintain the Series 2014 Reserve Requirement in accordance with the provisions of the Indenture of Trust and the Loan Agreement.

[End of Article III]

## ARTICLE IV – MISCELLANEOUS

### Section 4.01. Severability.

If any one or more of the covenants or agreements provided in this 2014 Supplemental Indenture on the part of the City or the Trustee to be performed should be contrary to applicable law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this 2014 Supplemental Indenture.

### Section 4.02. Applicable Law.

This 2014 Supplemental Indenture shall be governed by the applicable laws of the State, and all suits and actions arising out of the Indenture of Trust, included as amended and supplemented by this 2014 Supplemental Indenture, shall be instituted in a court of competent jurisdiction in the State.

### Section 4.03. Table of Contents and Section Headings Not Controlling.

The Table of Contents and the Headings of the several Articles and Sections of this 2014 Supplemental Indenture have been prepared for convenience of reference only and shall not control, affect the meaning of or be taken as an interpretation of any provision of this 2014 Supplemental Indenture.

### Section 4.04. No Recourse.

No recourse shall be had for the enforcement of any obligation, covenant, promise or agreement of the City contained in the Indenture of Trust or the Note against any past, present or future member of the City Council, officer or employee of the City, as such, in his or her individual capacity, either directly or through the City, 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 the Indenture of Trust and the Note are solely municipal obligations, and that no personal liability whatsoever shall attach to or be incurred by any past, present or future member of the City Council, officer or employee of the City as such, either directly or by reason of any of the obligations, covenants, promises or agreements entered into between the City and the Trustee or the Bondholders or to be implied therefrom as being supplemental hereto or thereto, and that all personal liability of that character against every such member of City Council, officer and employee is, by the execution hereof and the execution of the Note, and as a condition of, and as a part of the consideration for, the execution hereof and the execution of the Note, expressly waived and released. The immunity of the members of the City Council, officers and employees of the City under the provisions contained in this Section 4.04 shall survive termination of the Indenture of Trust.

Section 4.05. Continuing Disclosure Covenant.

The City covenants to comply with the requirements of Section 11-1-85 of the Code of Laws of South Carolina, 1976, as amended (“Section 11-1-85”) by filing with the State Authority:

- (a) An annual independent audit, within thirty (30) days of the City’s receipt of the audit; and
- (b) Event specific information within thirty (30) days of an event adversely affecting more than five percent (5%) of revenues of the System or the City’s tax base.

The City specifically reserves the right to amend the above covenant in order to reflect any applicable change in law, including, without limitation, Section 11-1-85, without consent of the Trustee or the State Authority.

The only remedy for failure by the City to comply with the covenants set forth in this Section 4.05 hereof, or any certificates or agreements delivered in connection therewith, shall be an action for specific performance or such covenants; and failure to comply with such covenants, certificates or agreements shall not constitute a default or an “Event of Default” under the Indenture of Trust or this 2014 Supplemental Indenture.

[End of Article IV]

IN WITNESS WHEREOF, the City has caused this 2014 Supplemental Indenture to be executed and delivered, and in token of its acceptance of the trusts created hereunder, the Trustee has caused this 2014 Supplemental Indenture to be executed and delivered for it in its name all dated as of the day before mentioned.

**CITY OF CAYCE, SOUTH CAROLINA**

(SEAL)

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

Attest:

\_\_\_\_\_  
Municipal Clerk

**U.S. BANK NATIONAL ASSOCIATION**

By: \_\_\_\_\_  
Natalie McNair  
Assistant Vice President

**EXHIBIT A**  
**FORM OF LOAN AGREEMENT**

(Exhibit A)

**LOAN AGREEMENT**

**between**

**SOUTH CAROLINA WATER QUALITY REVOLVING FUND AUTHORITY**

**and**

**CITY OF CAYCE**

Dated

\_\_\_\_\_, 2014

relating to

Highway 321 Water Main Replacement

South Carolina Drinking Water Revolving Loan Fund

Loan Number: X3-066-14-3210003-01

No. \_\_\_\_ of Two Executed Original Counterparts

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FEDERAL APPROPRIATIONS ACT

## LOAN AGREEMENT

THIS LOAN AGREEMENT is entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2014, between the SOUTH CAROLINA WATER QUALITY REVOLVING FUND AUTHORITY, a public instrumentality of the State of South Carolina (the "*Authority*") and the CITY OF CAYCE, a municipal corporation of the State of South Carolina (the "*Project Sponsor*").

### WITNESSETH:

WHEREAS, the Authority is authorized by Title 48, Chapter 5, Code of Laws of South Carolina, 1976, as amended (the "*Act*") to administer the South Carolina Drinking Water Revolving Loan Fund (the "*Fund*") for the purpose of assisting Project Sponsors (as defined in the Act) in the construction of, among other things, public drinking water supply, storage, treatment and distribution facilities as defined in the Federal Safe Drinking Water Act, Title 42, United States Code, Section 300f et seq., as amended; and

WHEREAS, the South Carolina Department of Health and Environmental Control (the "*Department*") is authorized by the Act to, among other things, develop a priority system and prepare an annual plan to insure compliance with the Federal Safe Drinking Water Act; and

WHEREAS, the Authority is authorized by the Act to enter into Loan Agreements (as defined in the Act) with Project Sponsors in order to finance Projects (as defined in the Act); and

WHEREAS, the Act authorizes Project Sponsors, among other things, to undertake Projects, to receive assistance in the financing of such Projects by way of loans made from the Fund and to enter into loan agreements providing for the repayment of amounts received from the Fund, together with interest thereon; and

WHEREAS, the Project Sponsor proposes to acquire and construct the facilities described in Appendix "A" hereto (the "*Project*"), which Project will be part of the Project Sponsor's water and sewer system (the "*System*"); and

WHEREAS, the Project Sponsor proposes to finance the Project with a loan made from the Fund, such loan to be pursuant to, and on a parity with debt previously issued under, an Indenture of Trust dated as of July 1, 1998, between the Project Sponsor and U.S. Bank National Association, as successor to Wachovia Bank, National Association (formerly known as Frist Union National Bank) as Trustee, as amended and restated in its entirety by the Amended and Restated Indenture of Trust dated as of July 1, 2004, by and between the Project Sponsor and the Trustee, as amended on August 13, 2008 and as further amended on January 16, 2013 (collectively, the "*Master Indenture*"); and

WHEREAS, the Project Sponsor has by ordinance enacted \_\_\_\_\_, 2014 authorized entry into a Supplemental Indenture of Trust with U.S. Bank, National Association, as Trustee, in order to authorize the transactions contemplated by this Loan Agreement (the "*Supplemental Ordinance*");

NOW, THEREFORE, BE IT AGREED AS FOLLOWS:

## ARTICLE I

### LOAN

SECTION 1.1. Loan Made and Accepted; Repayment. In consideration of the mutual promises of this Agreement, and upon and subject to its terms and conditions, the Authority agrees to make, and the Project Sponsor agrees to accept, the loan herein provided for (the "**Loan**"). The obligation of the Project Sponsor to repay the Loan and interest thereon is evidenced by this Agreement and a promissory note (the "**Note**") registered in the name of the Authority. The amount of the Loan (the "**Loan Amount**"), the interest rate on the Loan and the repayment schedule with respect to the Loan (the "**Repayment Schedule**") shall be as set forth in Appendix "B" hereto, as may be changed or modified pursuant to Section 1.4 hereof; the terms and form of the Note are set out in Appendix "E". The Project Sponsor shall make payments with respect to the Loan at the times and in the amounts set forth in Appendix "B", as modified, on the due date of any such payment.

SECTION 1.2. Purpose Limited to Project. The Project Sponsor shall use the proceeds of the Loan only to pay the actual eligible costs of the Project. The Project is described in Appendix "A" and more specifically as approved in the Project files of the Department. Except to the extent otherwise approved in writing by the Authority, only the costs shown in the Project budget set forth in Appendix "A" shall be allowed and only in the amounts provided for each category. Costs of construction shall be allowed only for work called for in plans and specifications approved by the Department. Proceeds may not be used to pay for labor performed by employees of the Project Sponsor but may be used to pay for materials installed by them.

#### SECTION 1.3. Disbursements.

1.3.1. The Authority shall make and the Project Sponsor shall accept full or partial disbursements only against incurred, actual eligible costs up to the Loan Amount and by category as provided in this Agreement.

1.3.2. For purposes of making requests for disbursement and representing the Project Sponsor in all administrative matters pertaining to administration of this Agreement, the Project Sponsor shall designate a single officer or employee (the "**Sponsor Representative**") prior to the first disbursement request.

1.3.3. In those cases when the Project Sponsor has paid the incurred Project costs and is seeking reimbursement for payment of such costs theretofore paid by the Project Sponsor, any check for disbursement from the Fund for reimbursement to the Project Sponsor shall be drawn and mailed to the Project Sponsor. In those cases when the Project Sponsor is seeking funds with which to pay incurred Project costs, any check for disbursement from the Fund to pay such costs may, at the option of the Authority, be drawn to the Project Sponsor alone or jointly to the Project Sponsor and contractor engaged by the Project Sponsor for the Project. Such check will be mailed to the Project Sponsor.

1.3.4. Before any disbursement, the Project Sponsor shall execute any documents requested by the Authority reasonably necessary or convenient to the foregoing and shall have satisfied all conditions of Section 1.6 hereof.

1.3.5. Requests for disbursement may be made only after the costs for which the draw is requested have been incurred. The Project Sponsor may not request a disbursement until all construction contracts are signed. The first request for disbursement submitted by the Project Sponsor pursuant to this Agreement shall include an amount for incurred construction costs and all amounts requested by the Project Sponsor for payment or reimbursement of amounts set forth in any of the categories "Planning and Design Engineering", "Land Acquisition", "Legal and Appraisal Fees" and "SRF Loan Closing Fee", which appear in the Project Budget in Appendix "A" hereto. The Project Sponsor shall not request disbursement against retainage until retainage is paid and shall not request disbursement for change orders unless such change orders have been approved by the Department. Unless the Authority otherwise approves, when the Project Budget indicates that the Loan shall bear only a portion of the eligible costs of the Project, or a portion of certain itemized costs, any draw shall not exceed the same proportion of such costs reported for disbursement.

1.3.6. Requests for disbursement shall be made on forms of the Department unless the Authority or Department otherwise directs, and shall be accompanied by such invoices and other proofs as the Authority and Department may reasonably require. The final disbursement shall not be released until the Department issues its approval to place the Project into operation (the "**Permit to Operate**"). No disbursement requests will be accepted more than one hundred eighty (180) days after the date of such Permit to Operate.

1.3.7. The Authority may require that each draw request shall be submitted to the Authority and Department at least twenty-one (21) days before the day disbursement is needed and may limit draw requests to one per month. The Authority will exert its best efforts to mail its check in response to a disbursement request within twenty-one (21) days of receiving such request, but no assurance is given by the Authority that such schedule will be met and the Authority shall incur no liability to any Project Sponsor. Processing on shorter notice or faster schedule shall not amend this provision.

#### SECTION 1.4. Changes in Payment Initiation Date, the Loan Amount and Repayment Schedule.

1.4.1. The Loan Amount has been determined, in part, upon the basis of the projected cost of the Project as shown in Appendix "A". The Payment Initiation Date shown in Appendix "B" (the "**Payment Initiation Date**") is determined by a combination of factors, including, but not limited to the expected Project schedule shown in Appendix "A". Appendix "B" shows the Repayment Schedule anticipated by the parties on this basis and provides for repayment of the Loan, including interest thereon, in eighty (80) equal, or approximately equal, quarterly payments beginning on the first day of the third month after the month of the Payment Initiation Date. The Loan Amount, the Payment Initiation Date and the Repayment Schedule

may be changed but only as provided in the following Section 1.4.2. The Interest Rate is fixed for the term of the Loan and may not be changed from the rate originally established in Appendix "B" hereof.

1.4.2. (a) At the written request of the Project Sponsor, submitted to the Authority no later than sixty (60) days prior to the original Payment Initiation Date in Appendix "B", the Payment Initiation Date may be extended once by the Authority to any date not later than the earlier to occur of (i) six (6) months from the original Payment Initiation Date in Appendix "B", or (ii) thirty (30) months from the first day of the month following the date of this Agreement, or (iii) the first day of the month following the date of the Permit to Operate issued by the Department for the operation of the Project.

(b) In the event the Permit to Operate the Project is issued by the Department more than one (1) month prior to the Payment Initiation Date stated in Appendix "B", the Authority shall require that either the Payment Initiation Date be accelerated to the first day of the month following the date of the Permit to Operate, or the term of the Loan be shortened by a minimum of three (3) months.

(c) The Project Sponsor may request that the Loan Amount be increased by including in principal on the Payment Initiation Date the interest which has accrued on amounts theretofore advanced from the Fund. Any such request shall be submitted in writing to the Authority by the Project Sponsor not less than thirty (30) days prior to the Payment Initiation Date.

(d) The Authority or the Project Sponsor may initiate a reduction to the Loan Amount at any time there is a determination that a lesser amount is required for completion of the Project.

(e) The initial Repayment Schedule with respect to the Loan set forth in Appendix "B" shall be modified to reflect (i) changes in the Loan Amount, (ii) extension or acceleration of the Payment Initiation Date, and (iii) any other modification thereto agreed to by the Authority and the Project Sponsor.

(f) Modification of the Repayment Schedule resulting from a change in the Loan Amount subsequent to the Payment Initiation Date shall be made such that:

(i) at the time of final disbursement pursuant to Section 1.3 the Authority shall determine the final Loan Amount;

(ii) a revised Repayment Schedule shall be calculated by the Authority based on the final Loan Amount, the interest rate set forth in Appendix "B" and payment in eighty (80) equal, or substantially equal, quarterly installments beginning on the first day of the third month after the month of the Payment Initiation Date; and

(iii) any difference between the amount theretofore paid by the Project Sponsor prior to the revision of the Repayment Schedule and the amount which would have been paid had the revised schedule been in effect from and after the Payment Initiation Date shall be credited against the next payment, or payments, due under the revised Repayment Schedule.

(g) For purposes of the Repayment Schedule, any amounts disbursed subsequent to the Payment Initiation Date shall be considered to have been advanced on the Payment Initiation Date.

1.4.3. Any change in the Loan Amount, extension or acceleration of the Payment Initiation Date or modification of the Repayment Schedule shall be documented administratively by notice under this Agreement and shall be reflected in the substitution of a revised Appendix "B" hereto reflecting any such change or modification. In connection with any such change or modification, the Authority may, but need not, impose new terms and conditions, including cancellation of the Note and execution of a new Note.

SECTION 1.5. Deadline for Borrowing and Termination of Promise to Lend. The Authority, in its sole discretion, may terminate its promise to lend all of, or any unadvanced portion of, the Loan Amount which has not been advanced if:

1.5.1. The Project Sponsor has not entered into all construction contracts applicable to the Project within six (6) months of the date of this Agreement; or

1.5.2. The Project Sponsor does not request disbursement of the unborrowed balance of the Loan Amount on or before the one hundred eightieth (180th) day following the date of the Permit to Operate issued by the Department for the Project; or

1.5.3. An Event of Default (as defined in Section 5.1 hereof) occurs (in which event the remedies for default likewise shall be available); or

1.5.4. A circumstance arises or becomes known which, in the Authority's sole discretion and opinion, (a) substantially impairs the ability of the Project Sponsor to complete the Project, to operate the Project or to repay the Loan, or (b) substantially impairs the merit of the Project.

SECTION 1.6. Conditions Precedent to Disbursement of Loan Proceeds. In addition to any other conditions herein provided, the Authority's obligation hereunder to make disbursements from the Fund for advances on the Loan shall be subject to satisfaction of the following conditions:

1.6.1. The Project Sponsor's representations and warranties shall remain true and correct;

1.6.2. No Event of Default shall have occurred under this Agreement or the Note;

1.6.3. The Project Sponsor has complied with the requirements of Sections 1.3, 1.4 and 1.5; and

1.6.4. There shall be on deposit in any debt service reserve fund required by this Agreement the amount required at such time to be on deposit therein.

ARTICLE II  
REPRESENTATIONS AND WARRANTIES

The Project Sponsor represents and warrants to the Authority as follows:

SECTION 2.1. Status of Project Sponsor. The Project Sponsor is a municipal corporation of the State of South Carolina (the "*State*"), authorized to acquire and construct the Project and to operate the Project and provide water supply/distribution services.

SECTION 2.2. Financial Statements. The financial statements of the Project Sponsor delivered to the Authority are true and correct in all respects, have been prepared in accordance with generally accepted accounting principles for units of government, consistently applied, and fairly present the respective financial condition of the subjects thereof as of the respective dates thereof. No material adverse change has occurred in the financial conditions reflected in the statements since their date and no additional borrowing has been made by the Project Sponsor since then other than borrowing specifically disclosed and approved by the Authority. All other information submitted by the Project Sponsor in support of its application for this Loan is true and correct as of the date of this Agreement, and no material adverse change with respect to the Project Sponsor has occurred.

SECTION 2.3. Pending Litigation. There are no actions, suits or proceedings, at law or in equity, in court or before any governmental or administrative agency, either pending or to the knowledge of the Project Sponsor reasonably to be considered threatened, which may impair the validity or enforceability of the Note or this Agreement or the Project Sponsor's ability to repay the Loan or to construct and operate the Project for revenue.

SECTION 2.4. No Conflicting Transactions. Consummation of the transactions hereby contemplated and performance of this Agreement will not result in any breach of, or constitute a default under, any deed to secure debt, mortgage, deed of trust, indenture, security agreement, lease, bank loan or credit agreement, municipal charter, ordinances, contracts or other instruments to which the Project Sponsor is a party or by which it may be bound or affected.

SECTION 2.5. Ownership of Premises. The Project Sponsor owns in fee simple the real property which presently constitutes or which will constitute the main operating facilities of the Project and of the System as a whole, and further owns in fee simple or by sufficient easement the real property upon, across or under which the Project Sponsor has or will have its distribution or trunk lines, booster stations, storage tanks and the like, including those to be a part of the Project and otherwise. Property of which the Project Sponsor has taken possession pursuant to Section 28-2-90 of the South Carolina Eminent Domain Procedure Act (Title 28, Chapter 2, Code of Laws of South Carolina, 1976, as amended), and in connection with which no action pursuant to Section 28-2-470 of such statute has been instituted within thirty (30) days of the condemnation notice with respect to such property, shall be deemed owned in fee simple by the

Project Sponsor pursuant to this Section 2.5. The Project Sponsor has good record title to the real property described above (or has possession pursuant to the Eminent Domain Procedure Act, as described above) with only such exceptions of record as do not limit the fee simple ownership and do not and will not interfere with the full use and enjoyment of the premises by the Project Sponsor. With respect to the personal property and fixtures of the Project Sponsor necessary or convenient to the System and its operation, there are no liens or other claims of record against such property or other evidence of adverse ownership, and the Project Sponsor owns such personal property and fixtures in fee simple without conflicting claim of ownership.

SECTION 2.6. Other Project Arrangements. The Project Sponsor has secured the utilities, access, governmental approvals and other arrangements reasonably to be considered necessary for the undertaking of the Project.

SECTION 2.7. No Construction Default. Neither the Project Sponsor nor its contractor, architect or engineer for the Project or any related project is in default of any agreement respecting the Project or a related project.

SECTION 2.8. No Default. There is no default on the part of the Project Sponsor under this Agreement or the Note, and no event has occurred and is continuing, which, with notice or the passage of time would constitute a default under any part of this Agreement or the Note.

SECTION 2.9. Effect of Draw Request. Each request for and acceptance of disbursement by the Project Sponsor shall be affirmation that the representations and warranties of this Agreement remain true and correct as of the date of the request and acceptance, that no breach of other provisions hereof has occurred, and that no adverse developments affecting the financial condition of the Project Sponsor or its ability to complete the Project or to repay the Loan plus interest thereon have occurred since the date of this Agreement unless specifically disclosed in writing by the Project Sponsor in the request for disbursement. Unless the Authority is notified to the contrary, such affirmations shall continue thereafter.

ARTICLE III  
COVENANTS

SECTION 3.1. Contract Award, Construction Inspection and Completion.

3.1.1 The Project Sponsor should not execute construction contracts or issue the notice to proceed with respect to the Project prior to receiving written approval from the Department to award construction contracts.

3.1.2 The Project Sponsor shall provide and maintain competent and adequate engineering supervision and continuous inspection of the Project to insure that the construction conforms with the plans and specifications approved by the Department. A monthly inspection report shall accompany each disbursement request.

3.1.3 The Project Sponsor shall cause the Scope of Work identified in Appendix "A" to be completed pursuant to the Project Schedule also defined in Appendix "A" hereto. The Project Sponsor shall require all contractors to satisfactorily complete all work within the time stated in the executed construction contract. Extension of any contract completion date requires the Department's approval. Any costs incurred as a result of a time extension which has not received approval by the Department shall not be eligible for Loan participation.

3.1.4 The Project Sponsor shall pay all costs to complete the Project not covered by the Loan.

SECTION 3.2. Disbursements. The Project Sponsor shall receive and promptly disburse the funds to be provided hereunder as trust funds for the purpose of paying the eligible costs of the Project and for no other purpose.

SECTION 3.3. Release of Responsibility. The Project Sponsor shall undertake the Project on its own responsibility and shall release and hold harmless the Authority, the Department, the State and their officers, members and employees from any claim arising in connection with the design, construction or operation of the Project or any other aspect of the System including any matter due solely to their negligence.

SECTION 3.4. Other Agreements. The Project Sponsor shall comply with all terms and conditions of any construction contracts, architectural or engineering agreements, trust indentures, security deeds, promissory notes, loan agreements, or the like affecting the Project, the premises of the System and its operation. The Project Sponsor shall require its construction contractor to furnish both a performance bond and payment bond in the full amount of the construction contract. The requirement of such bonds shall be for the convenience of the Authority only and shall not be an undertaking by the Authority to the Project Sponsor or any third party.

SECTION 3.5. Accounting and Auditing.

3.5.1. Accounting. The Project Sponsor shall account for the Project and the System according to Generally Accepted Governmental Accounting Principles (GAAP), applying all relevant Government Accounting Standards Board (GASB) pronouncements, as well as, when applicable, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principle Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with, or contradict, subsequent GASB pronouncements.

3.5.2. Audit. Within six (6) months of the end of each fiscal year of the Project Sponsor, the Project Sponsor shall tender to the Authority an annual financial audit by a certified public accountant. The conduct of the audit and the audit shall be in accordance with Generally Accepted Auditing Standards as defined in Government Auditing Standards, Comptroller General of the United States, July 27, 2007, and revisions, updates or successors thereto.

SECTION 3.6. Ratings from Rating Agencies. If the Reserve Requirement, as defined in Section 4.2.1 herein, is initially, or at any time during the term of the Loan, set at a level that is less than the maximum amount due on the Note during any full calendar year, the Project Sponsor shall submit to the Authority a copy of its latest long-term, unenhanced underlying rating, affirmation thereof, and any new or updated credit report on the System and/or any Parity Debt, as defined in Section 4.3.2 herein, from Standard & Poor's Rating Service, or its respective successors and assigns, ("**S&P**") or Moody's Investors Service, Inc., or its respective successors and assigns, ("**Moody's**"), and from each, if both S&P and Moody's issued ratings. Additionally, the Project Sponsor shall immediately notify, and submit to, the Authority any commentaries, updated outlooks/reports, CreditWatch placements, ratings changes or downgrades, or other actions from S&P and/or Moody's with respect to the System and/or any Parity Debt.

SECTION 3.7. Insurance. The Project Sponsor covenants and agrees that so long as any amount remains unpaid on the Note:

(A) It will insure and at all times keep the Project insured against physical loss or damage with a responsible insurance company or companies, authorized and qualified under the laws of the State, to assume the risks insured against, in an amount equal to the replacement cost of the Project;

(B) It will secure adequate fidelity bonds (blanket or individual) of a surety company doing business in the State, indemnifying the Project Sponsor against defalcation of all persons handling money derived from the System or signing checks on any bank accounts relating to the System;

(C) All insurance policies shall be open to the inspection of the Authority at any reasonable time;  
and

(D) All money received by the Project Sponsor as a consequence of any defalcation, covered by any fidelity bond, shall be used to restore the fund depleted by the defalcation. All sums received by the

Project Sponsor from insurance policies covering the Project may, to the extent necessary, be applied to the repair and replacement of the damaged or destroyed property, but, in the event that such money is not used for such purposes, then the same shall be applied to payment of the Note.

SECTION 3.8. Compliance with Governmental Authority. The Project Sponsor shall comply with all environmental laws, rules and other provisions of legal force and effect and all such other provisions which govern the construction or operation of the Project or the System.

SECTION 3.9. Adequate Rates. The Project Sponsor shall at all times establish and maintain in effect rates and charges for the services provided by, or made available by, the Project and the System as shall be sufficient to meet the requirements of this Agreement, and the Project Sponsor specifically covenants and agrees to maintain rates and charges for all services furnished by the System which shall at all times be sufficient:

3.9.1. To provide for the punctual payment of the principal of and interest on the Note and any other indebtedness of the Project Sponsor payable from revenues of the System that may from time to time hereafter be outstanding;

3.9.2. To maintain any Debt Service Reserve Fund required by this Agreement in accordance with the provisions hereof;

3.9.3. To provide for the payment of the expenses of administration and operation and such expenses for maintenance of the System as may be necessary to preserve the same in good repair and working order;

3.9.4. To build and maintain a reserve for depreciation of the System, for contingencies and for improvements, betterments and extensions to the System other than those necessary to maintain the same in good repair and working order; and

3.9.5. To discharge all other obligations imposed by the Act, by this Agreement and by the Master Indenture

The Project Sponsor further covenants and agrees that it shall at all times establish and maintain in effect rates and charges for the services provided by, or made available by, the Project and the System which, together with other income, are reasonably expected to yield annual Net Revenues, as defined in the Master Indenture, in any fiscal year equal to the greater of (i) one hundred ten percent (110%) of the annual principal and interest on all debt paid from or secured by revenues of the System plus 100% of all amounts required for Sections 3.9.2 through 3.9.5; or (ii) such other percentage of the annual principal and interest on all debt paid from or secured by revenues of the System as the Project Sponsor shall have covenanted that its Net Revenues would meet with respect to other outstanding indebtedness of the System.

SECTION 3.10. Review of Rates. The Project Sponsor covenants that, so long as any amount remains unpaid on the Note, it will review the adequacy of its rates and charges to comply with the requirements of this Agreement promptly upon any material changes in circumstances, but not less frequently than once in each fiscal year of the Project Sponsor. The Project Sponsor shall submit any adjustments to its rates and charges to the Authority immediately upon adoption.

SECTION 3.11. Disclosure of Events to Authority. The Project Sponsor covenants that, so long as any amount remains unpaid on the Note, it will submit to the Authority event specific information within thirty (30) days of an event adversely affecting more than five (5) percent of revenues of the System and any other information which is released to a municipal bond information repository service.

SECTION 3.12. Procurement Requirements. The Project Sponsor shall comply with all procurement requirements of law and, to the extent compliance therewith does not contravene any provision of law applicable to the Project Sponsor, shall comply with the procurement requirements set forth in Appendix "C" hereto.

SECTION 3.13. Inspection and Information. On reasonable notice, the Authority or the Department shall have for its own convenience and benefit, and without obligation to the Project Sponsor or any third party, the right to audit the books and records of the Project Sponsor as they may pertain to or affect the System and this Agreement and to enter upon the premises to inspect the Project. The Project Sponsor shall cause its architects, engineers, contractors, and auditors to cooperate during such inspections including making available any documents, records, reports or other materials pertinent to the Project and the inspection. The Project Sponsor shall comply with all reasonable requests by the Authority or the Department for information pertaining to the Project Sponsor's compliance with this Agreement.

SECTION 3.14. Consent to Changes. Without consent of the Authority and Department, the Project Sponsor shall make no modifications or changes to the Project, or allow to continue any defect, which would damage or reduce the value of the Project or the System. The Project Sponsor shall not divide the Project into component projects in order or in effect, so as to defeat the provisions of this Agreement. The Project Sponsor covenants that it shall remain the owner of the Project and agrees that it will not convey, transfer, mortgage or otherwise encumber the Project, the System or the revenues derived therefrom during the term of this Agreement without the express prior written approval of the Authority.

SECTION 3.15. Additional Covenants. The Project Sponsor further covenants and agrees that:

3.15.1. Neither the System, nor any part thereof, nor any of the revenues derived from the System, have been or will be hypothecated, mortgaged, otherwise pledged or encumbered, save and except as herein disclosed and provided for;

3.15.2. It will permit no free service to be rendered, or use to be made of the services and facilities of the System and for the services and facilities of the System used by the Project Sponsor, the

reasonable cost and value of such services and facilities shall be paid as such services accrue. The revenue so received from the Project Sponsor shall be deemed revenue derived from the operation of the System, and shall be accounted for in the same manner as other revenues of the System;

3.15.3. It will permit no customer to be connected to the System, or to receive any service afforded by the System, unless such customer shall become obligated to pay for the service rendered at the appropriate rate according to the rate schedule then in force;

3.15.4. It will maintain in effect rules and regulations requiring connection to the System by all persons within the jurisdiction of the Project Sponsor to whom the services of the System shall be available and shall impose availability fees and charges with respect to customers and properties within its corporate limits to which or whom service is available but which or who have not connected into the System; and

3.15.5. So long as any amount due with respect to the Note is unpaid, it will perform all duties with reference to the System required by the Constitution and statutes of the State, and the Project Sponsor hereby irrevocably covenants, binds and obligates itself not to pledge, mortgage or otherwise encumber the System or any part thereof, or any revenues therefrom, except in the manner herein authorized, and it will not sell, lease or dispose of any portion of the System, necessary or useful, and the Project Sponsor further obligates itself and covenants and agrees with the Authority to maintain in good condition and to operate said System, and to collect and charge such rates for the services and facilities of the System so that the income and revenues of the System will be sufficient at all times to meet the requirements of this Agreement.

ARTICLE IV  
ESTABLISHMENT OF FUNDS AND  
DISPOSITION OF REVENUES

SECTION 4.1. Establishment of Gross Revenue Fund, 2014 Note Accounts within the Debt Service Fund, and Depreciation and Contingent Fund. Beginning on the first day of the month following the delivery of the Note, except with respect to the 2014 Note Accounts defined in the following subsection 4.1.2, and continuing until all amounts due with respect to the Note have been paid in full, the following funds shall be established and maintained:

4.1.1. The Project Sponsor shall establish a Gross Revenue Fund, designated as the Revenue Fund in the Master Indenture, into which shall be placed all Gross Revenues, as defined in the Master Indenture. Moneys in the Gross Revenue Fund may be withdrawn on order of the Project Sponsor, but shall be made use of only in the manner and in the order of priority specified in Section 4.3 hereof.

4.1.2. Within the Debt Service Fund established pursuant to the Master Indenture, there shall be established and maintained a 2014 Account for the Note within the Interest Account and within the Principal Account, as such accounts are defined in the Master Indenture (hereafter, collectively the "*2014 Note Accounts*"). The 2015 Note Accounts shall be established for payment of principal and interest on the Note.

4.1.3. As permitted by the provisions of Section 6.3 of the Master Indenture, the Project Sponsor shall pay the Expenses of Operating and Maintaining the System from the Gross Revenues of the System, as such terms are defined in the Master Indenture.

4.1.4. The Project Sponsor shall establish a Depreciation and Contingent Fund, designated as the Depreciation and Capital Improvements Fund in the Master Indenture. Moneys in the Depreciation and Contingent Fund shall be used solely for the purpose of restoring or replacing depreciated or obsolete properties of the System, paying the cost of improvements, betterments and extensions to the System, other than those necessary to maintain the System in good repair and working order, and for the payment of extraordinary maintenance and repairs, provided, however, if necessary, moneys in the Depreciation and Contingent Fund may be used to fund any deficiency in the Debt Service Fund or any Debt Service Reserve Fund or for any other lawful purpose of the Project Sponsor.

4.1.5. In the event the Project Sponsor shall have established funds analogous to, or serving the purpose of, the funds required to be established by this Article IV, such funds may be continued and employed for the purposes of this Agreement, and the Project Sponsor shall not be required to establish duplicate funds.

SECTION 4.2. Establishment and Funding of Debt Service Reserve Fund.

4.2.1. Based on the Project Sponsor's receipt of a long-term, unenhanced underlying rating on the System and/or any Parity Debt in at least the "A" category from S&P or Moody's respectively, and from each, if both S&P and Moody's issued ratings, and the submission of such with its Loan application to the Authority, the Debt Service Reserve Fund Requirement with respect to the Note (the "**Reserve Requirement**") shall initially equal zero and shall continue to be zero subject to provisions of the following Section 4.2.2. At such time as the Reserve Requirement is greater than zero as provided in Section 4.2.2, the Project Sponsor shall establish, and there shall be maintained for the security of the Note, a Series 2014 Debt Service Reserve Fund (the "**Debt Service Reserve Fund**") to provide a reserve for payment of principal of and interest on the Note.

4.2.2. (a) The Reserve Requirement shall continue to be zero if the Project Sponsor fully complies with all requirements of Section 3.6 herein for submitting S&P/Moody's ratings/affirmations/credit reports and for immediately providing any other rating agency actions related to the System and/or any Parity Debt, and all such ratings are maintained in at least the "A" category

(b) If there is no longer any current rating or if either the S&P or Moody's rating is downgraded below the "A" category, the Reserve Requirement shall immediately increase to the maximum annual amount due on the Note, and the Project Sponsor shall meet the new requirement within one year through twelve (12) equal monthly deposits, beginning in the month following any such downgrade or loss of the rating for the System and/or any Parity Debt.

(c) In the event the Reserve Requirement is ever increased as provided in Section 4.2.2(b) above due to a ratings downgrade or loss and is subsequently upgraded to the level established in Section 4.2.2(a), then the Reserve Requirement shall revert to zero and any excess money in the Debt Service Reserve Fund shall be applied as provided in Section 4.4.3 hereof.

4.2.3. The Debt Service Reserve Fund is intended to insure the timely payment of the principal of and interest on the Note. Money in the Debt Service Reserve Fund shall be used only to prevent a default in the payment of the Note, by reason of the fact that money in the Note Payment Fund is insufficient for such purposes.

4.2.4. Prior to the delivery of this Agreement to the Authority, the Project Sponsor shall deposit, or cause to be deposited, in the Debt Service Reserve Fund, if required to be established pursuant to provisions of this Section 4.2, funds in an amount, or investments permitted by subsection 4.4.3 having a value, equal to the Reserve Requirement. In the event that the Reserve Requirement shall increase due to an increase in the Loan Amount pursuant to subsection 1.4.2(c), the Project Sponsor shall immediately deposit, or cause to be deposited, in the Debt Service Reserve Fund, if required to be established, funds in an amount equal to such increase in the Reserve Requirement.

SECTION 4.3. Disposition of Revenues. All Gross Revenues of the System shall be deposited in the Gross Revenue Fund. Beginning in the month following the delivery of this Agreement with respect to payments pursuant to subsections 4.3.1 and 4.3.3 to 4.3.5, inclusive, and beginning in the month of the Payment Initiation Date with respect to payments pursuant to subsection 4.3.2, withdrawals from the Gross Revenue Fund shall be made in the following order of priority and on or before the last Business Day (as defined in the Master Indenture) prior to the end of each month with respect to subsections 4.3.2, 4.3.3 and 4.3.4.

4.3.1. As required by subsection 4.1.3 of this Agreement and by Section 6.3 of the Trust Indenture, the Gross Revenues of the System shall be first used to pay the Expenses of Operating and Maintaining the System.

4.3.2. The monthly fraction of the next payment of principal and interest to become due on the Note on the next succeeding payment date shall be deposited in the 2014 Note Accounts of the Debt Service Fund and the last monthly deposit prior to each quarterly due date (as defined in Appendix B-1 hereof) shall be made not later than the third Business Day prior to such payment due date. Simultaneously with making the monthly deposit in the 2014 Note Accounts required by this subsection 4.3.2, the Project Sponsor shall also deposit in the Debt Service Fund (a) the monthly fraction of the next payment of principal and interest to become due on the Project Sponsor's September 11, 2002 promissory note to the Authority from the South Carolina Water Pollution Control Revolving Fund (the "**Pollution Control Fund**") relating to loan number 1-084-02-315-10 (the "**2002 Revenue Bond**"); (b) the monthly fraction of the next payment of principal and interest to become due on the Project Sponsor's Water and Sewer System Refunding and Improvement Revenue Bonds, Series 2004 (the "**2004 Revenue Bonds**"); (c) the monthly fraction of the next payment of principal and interest to become due on the Project Sponsor's Water and Sewer System Refunding and Improvement Revenue Bonds, Series 2007A (the "**2007A Revenue Bonds**"); (d) the monthly fraction of the next payment of principal and interest to become due on the Project Sponsor's September 16, 2009 promissory note to the Authority relating to loan number X1-128-09-315-11 from the Pollution Control Fund (the "**2009 Revenue Bond**"); and (e) the monthly fraction or fractions of the next payment or payments due with respect to any obligations of the Project Sponsor (the "**Obligations**") secured by a pledge of revenues on a parity with the pledge securing the Note, the 2002 Revenue Bond, the 2004 Revenue Bonds, the 2007A Revenue Bonds, and the 2009 Revenue Bond. The 2002 Revenue Bond, the 2004 Revenue Bonds, the 2007A Revenue Bonds, the 2009 Revenue Bond and the Obligations are hereinafter sometimes referred to as "**Parity Debt**". In the event amounts available for payments into the 2014 Note Accounts and the Debt Service Fund with respect to the Note and all Parity Debt are not sufficient to make all payments then required to be made, such available amounts shall be deposited into the 2014 Note Accounts and the Debt Service Fund on a pro rata basis.

4.3.3. (a) In the event any amounts shall be withdrawn from the Debt Service Reserve Fund in order to provide for payment of any amounts due with respect to the Note, there shall be deposited in the Debt Service Reserve Fund not less than one-twelfth (1/12) of the amount of any such withdrawal and such

deposits with respect to any such withdrawal shall begin in the month following such withdrawal and shall continue in each month thereafter until the amount on deposit in the Debt Service Reserve Fund shall equal at least the Reserve Requirement.

(b) In the event the Reserve Requirement for the Debt Service Reserve Fund is increased pursuant to any provision of Section 4.2.2 herein, there shall be deposited in the Debt Service Reserve Fund not less than one-twelfth (1/12) of the amount necessary to fully meet the Reserve Requirement, and such deposits shall begin in the month following a ratings downgrade or loss and shall continue in each month thereafter until the amount on deposit in the Debt Service Reserve Fund shall equal such increased Reserve Requirement.

(c) If the value of the Debt Service Reserve Fund is ever less than the Reserve Requirement, other than as provided in (a) or (b) above, or as provided in subsection 4.2.4 with respect to any increase in the Loan Amount, there shall be deposited in the Debt Service Reserve Fund not less than one-twelfth (1/12) of an amount equal to the total Reserve Requirement deficiency, beginning in the month following such a determination. Such deposits shall continue to be made until the amount on deposit in the Debt Service Reserve Fund shall equal at least the Reserve Requirement.

(d) Nothing in Sections 4.3.2(a), (b) or (c) shall preclude the Project Sponsor from fully reestablishing the Reserve Requirement in a more timely fashion than so prescribed.

4.3.4. If, in any month, for any reason, the Project Sponsor shall fail to pay all or any part of the money it has herein agreed to pay into the 2014 Note Accounts or the Debt Service Reserve Fund, the amount of any such deficiency shall be added to and shall become a part of the amount due and payable into the 2014 Note Payment Accounts or Debt Service Reserve Fund in the next succeeding month.

4.3.5. Provision shall then be made for the payment of amounts due on any Junior Bonds, as defined in the Master Indenture.

4.3.6. There shall be deposited from time to time into the Depreciation and Contingent Fund an amount determined by the Project Sponsor to be needed for the Depreciation and Contingent Fund in its Annual Budget (as defined in the Master Indenture) for the System.

4.3.7. Any revenues remaining after the foregoing deposits have been made shall be disposed of for any lawful purpose and in such manner as the Project Sponsor shall from time to time determine.

SECTION 4.4. Concerning the 2014 Note Accounts and the Debt Service Reserve Fund. The 2014 Note Accounts established pursuant to Section 4.1.2 hereof and the Debt Service Reserve Fund, if established pursuant to Section 4.2 hereof, shall be established with a bank whose deposits are insured by the Federal Deposit Insurance Corporation (the "*Trustee*") chosen by the Project Sponsor with the written approval of the Authority. The 2014 Note Accounts and the Debt Service Reserve Fund, if established, shall be held and administered by the Trustee in accordance with the provisions of the Master Indenture and the

following provisions of this Section 4.4. The Trustee shall acknowledge and accept its duties and responsibilities with respect to the 2014 Note Accounts and the Debt Service Reserve Fund, if established, in one or more written instruments delivered to the Authority with this Agreement.

4.4.1. The Trustee shall notify the Authority in writing of the date of the establishment of the 2014 Note Accounts and the Debt Service Reserve Fund and the initial amount of the deposit for each. If the Project Sponsor fails to deposit the amount required by this Agreement in the 2014 Note Accounts or Debt Service Reserve Fund at the time required for such deposits, the Trustee, no later than the fifth day after the date on which such deposit is to be made, shall provide written notification to the Project Sponsor, with a copy to the Authority, of the amount required for deposit into the 2014 Note Accounts or the Debt Service Reserve Fund pursuant to the provisions of this Agreement. If the Debt Service Reserve Fund has been established, the Trustee shall also verify balances in the Debt Service Reserve Fund, as requested by the Authority, but no less often than quarterly pursuant to Section 6.10 of the Master Indenture when the full Reserve Requirement is met and maintained.

4.4.2. From sums deposited in the 2014 Note Accounts by the Project Sponsor, the Trustee shall transmit to the Authority an electronic funds transfer or a check made payable to "Office of Local Government - SRF" in the amount, and at the times, required by the Agreement and Note. If insufficient sums exist in the 2014 Note Accounts for any payment then due and no Debt Service Reserve Fund has been established, the Trustee shall immediately notify the Project Sponsor of the amount to be transmitted to the Trustee for the payment then due. If insufficient sums exist in the 2014 Note Accounts for any payment then due and the Debt Service Reserve Fund has been established, the Trustee shall transfer the amount needed for payment from the Debt Service Reserve Fund and the Trustee shall notify the Project Sponsor of the amounts required to be deposited in the Debt Service Reserve Fund in order to replenish such a withdrawal and have on deposit therein the amount required by this Agreement. A copy of any such notice shall be provided to the Authority by the Trustee.

4.4.3. Pending disbursement pursuant to this Section 4.4, any money in the Debt Service Reserve Fund shall be invested and reinvested in Investment Securities, as defined in the Master Indenture. Subject to the remaining provisions of this Section 4.4.3, the earnings from such investments shall be added to and become a part of the Debt Service Reserve Fund. Whenever, and as of any date of calculation, the value of the securities and money in the Debt Service Reserve Fund shall exceed the Reserve Requirement, such excess shall, at the direction of the Project Sponsor be removed from the Debt Service Reserve Fund and: (a) be transferred to the Project Fund if all Project Costs (as defined in the Master Indenture) have not been paid; (b) be used to effect partial prepayment of the Note; or (c) be transferred into the Gross Revenue Fund, if the Project has been completed and all Project Costs have been paid.

4.4.4. Upon payment in full of all amounts due with respect to the Note, which payment shall be evidenced to the Trustee in writing by the Authority, the Trustee shall pay over all amounts remaining in the 2014 Note Accounts and the Debt Service Reserve Fund, if established, to the Project Sponsor upon the

receipt of written directions from the Project Sponsor and the Trustee shall thereafter have no further responsibilities under this Agreement.

ARTICLE V  
EVENTS OF DEFAULT

SECTION 5.1. Events of Default. The following occurrences shall constitute Events of Default hereunder:

(A) The Project Sponsor fails to comply with any of the covenants, terms and conditions made in this Agreement or the Master Indenture as provided at Section 10.1 therein;

(B) The Project Sponsor fails to pay any amount due on the Note at the time and in the manner provided in the Note and this Agreement;

(C) Any representation, warranty or statement made by the Project Sponsor in this Agreement or in connection with it or the Loan shall be or become untrue, incorrect or misleading in any material respect;

(D) The Project Sponsor makes an assignment for benefit of creditors, files a petition in bankruptcy, is adjudicated insolvent or bankrupt, petitions for appointment of a receiver or trustee for any substantial part of its property or is the subject of such a petition or commences or has commenced against it or its property (a) any similar proceeding under any bankruptcy law or other debtor-relief or similar law or (b) any foreclosure of any mortgage or similar implementation of a trust indenture or like instrument;

(E) Dissolution of the existence of the Project Sponsor;

(F) Any legal or equitable action is commenced against the Project Sponsor which, if adversely determined, could reasonably be expected to impair substantially the ability of the Project Sponsor to perform each and every obligation under this Agreement;

(G) Construction of the Project is not carried out with reasonable dispatch, ceases and is not resumed for forty-five (45) days or is abandoned; and

(H) The Authority reasonably suspects the occurrence of any default or Event of Default by the Project Sponsor, and following request by the Authority, the Project Sponsor fails to provide evidence reasonably satisfactory to the Authority that such default or Event of Default has not in fact occurred.

## ARTICLE VI

### REMEDIES

SECTION 6.1. Acceleration. Upon the occurrence of an Event of Default, the Authority may, by notice in writing to the Project Sponsor, declare the principal balance of the Note immediately due and payable in the manner prescribed by and in accordance with the Master Indenture; and such amount and all interest accrued thereon shall become and be immediately due and payable, anything in the Note or in this Agreement to the contrary notwithstanding. In such event, there shall be due and payable on the Note an amount equal to the total principal amount disbursed on the Note, plus all interest accrued thereon and which will accrue thereon to the date of payment.

SECTION 6.2. Additional Remedies and Enforcement of Remedies. Upon the occurrence and continuance of any Event of Default, the Authority may, subject to the provisions of Article XI of the Master Indenture, proceed forthwith to protect and enforce its rights by such suits, actions or proceedings as the Authority shall deem expedient, including but not limited to:

(A) Requiring the Project Sponsor to carry out its duties and obligations under the terms of this Agreement and under the Act;

(B) Suit upon all or any part of the Note;

(C) Civil action to require the Project Sponsor to account as if it were the trustee of an express trust for the Authority;

(D) Civil action to enjoin any acts or things which may be unlawful or in violation of the rights of the Authority; and

(E) Enforcement of any other right of the Authority including the right to make application for the appointment of a receiver to administer and operate the System.

SECTION 6.3. Remedies Not Exclusive. No remedy by the terms of this Agreement conferred upon or reserved to the Authority is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or existing at law or in equity or by statute (including the Act) on or after the date hereof.

SECTION 6.4. Termination of Proceedings. In case any proceeding taken by the Authority on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Authority, the Authority and the Project Sponsor shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Authority shall continue as if no such proceeding had been taken.

## ARTICLE VII

### SECURITY

SECTION 7.1. Pledge of Revenues. For the payment of the Note and as security for its other obligations under this Agreement, the Project Sponsor hereby grants to the Authority a pledge of, and lien upon, the Pledged Revenues of the System, as defined in the Master Indenture to be Net Revenues plus Capital Facilities Charges, as the same are defined in the Master Indenture. Such pledge and lien upon the Pledged Revenues shall be on a parity in all respects to the pledge and lien securing any Parity Debt (as defined in Section 4.3.2) and shall at all times and in all respects be and remain superior to any pledges made to secure any other obligations of the Project Sponsor payable from the revenues of the System except to the extent otherwise agreed to in writing by the Authority. Parity Debt may be issued only in compliance with Article III of the Master Indenture or, if the Master Indenture is no longer in effect, only with the prior written approval of the Authority.

SECTION 7.2. Additional Security. Upon any failure of the Project Sponsor to make any payment to the Authority in accordance with the provisions of the Note and this Agreement, the Authority shall, without further action, require the State Treasurer to pay to the Authority, subject to the provisions of the Act, the amount of state appropriations as the Project Sponsor may become entitled to until all delinquent payments under the Note have been paid.

## ARTICLE VIII

### SPECIAL REVOLVING FUND PROVISIONS

SECTION 8.1. Compliance. The Project Sponsor agrees that no date reflected in this Agreement, or in the project completion schedule, or extension of any such date, shall modify any compliance date established in an operating permit. It is the Project Sponsor's obligation to request any required modification of applicable permit terms or other enforceable requirements.

SECTION 8.2. Standard Conditions. The Project Sponsor acknowledges and agrees to comply with the following Federal and/or State requirements:

(A) The Project Sponsor shall provide access to the Project work whenever it is in preparation or progress and provide proper facilities for access and inspection. The Project Sponsor shall allow the Regional Administrator of the Environmental Protection Agency, the Comptroller General of the United States, the Department and the Authority, or any authorized representative, to have access to any books, documents, plans, reports, papers, and other records of the contractor which are pertinent to the Project for the purpose of making audit, examination, excerpts, copies, and transcriptions.

(B) Pursuant to requirements of the Fiscal Year 2012 Federal Appropriations Act (PL 112-74), the Project Sponsor shall comply with the Davis-Bacon Act and certify that all laborers and mechanics employed by prime contractors and subcontractors are paid wages at rates not less than those listed on the prevailing wage rate contained in the Project's contract documents and that all applicable provisions of the Davis-Bacon Act have been met. The Project Sponsor shall require the prime contractor to comply with the Davis-Bacon Act. See Attachment #1.

(C) The Project Sponsor shall not presently be debarred for noncompliance with Federal Law and shall not award contracts to any firm that is presently debarred for noncompliance with Federal Law where the contract amount equals or exceeds the federal small purchase procurement threshold.

(D) The Project shall comply with "American Iron and Steel" provisions, as set forth in the 2014 Appropriations Act (PL 113-76, Section 426) and related American Iron and Steel implementation guidance, requiring that all of the iron and steel products used in the Project be produced in the United States unless a waiver is granted by the U.S. Environmental Protection Agency. The Project Sponsor shall require all bidders to comply with the American Iron and Steel provisions.

ARTICLE IX  
GENERAL CONDITIONS

SECTION 9.1. No Waiver. No disbursements shall waive any provision of this Agreement or the Note or preclude the Authority from declaring a default if the Project Sponsor is unable to satisfy any such provisions or perform hereunder.

SECTION 9.2. Satisfactory Proceedings. All proceedings taken in connection with transactions provided for in this Agreement shall be satisfactory to the Authority.

SECTION 9.3. Evidence. Any condition of this Agreement which requires a submission of evidence of the existence or nonexistence of facts shall imply as a condition the existence or nonexistence, as the case may be, of such fact or facts, and the Authority shall, at all times, be free independently to establish to its satisfaction and in its absolute discretion such existence or nonexistence.

SECTION 9.4. No Beneficiaries. All conditions of the obligations of the Authority to make disbursements are imposed solely and exclusively for its benefit, its successors and assigns, and no other person shall have standing to require satisfaction of such conditions or to assume that the Authority will refuse to make disbursements in the absence of strict compliance. No person shall be deemed the beneficiary of any such conditions or any other provisions of this Agreement.

SECTION 9.5. Review and Inspection of Work. Any audit or review of plans and specifications and any inspection of the work shall be for the convenience of the Authority and Department only in order to determine that they are within the approved scope of the Project. No such review and inspection, approvals and disapprovals shall be an undertaking by the Authority or Department of responsibility for design or construction.

SECTION 9.6. Notices. All notices hereunder shall be in writing and shall be deemed to have been sufficiently given or served for all purposes when presented personally or sent by registered or certified mail to the other party hereto, with instruction to show to whom delivered and return receipt requested addressed as follows:

If to the Project Sponsor:

City of Cayce  
1800 12<sup>th</sup> Street  
Cayce, South Carolina 29033-2935

Attention: City Manager

If to the Authority:

South Carolina Water Quality Revolving Fund  
Authority  
c/o Office of Local Government - SRF  
South Carolina Budget and Control Board  
1200 Senate Street  
453 Wade Hampton Building  
Columbia, South Carolina 29201

Attention: Patricia A. Comp

Each party may notify the other by the same process of any change of such address. Loan requests and disbursements and other routine loan administration may be conducted by regular mail.

SECTION 9.7. No Joint Venture, Etc. The Authority is not a partner, joint venturer, or in any other way a party to the Project or the operation of the System of the Project Sponsor. The Authority shall not be in any way liable or responsible by reason of the provisions hereof, to the Project Sponsor or any third party, for the payment of any claims in connection therewith.

SECTION 9.8. Assignment. This Agreement may not be assigned by the Project Sponsor without the prior written consent of the Authority. The Authority may assign the Note and this Agreement, and any such holder and assignee of same shall succeed to and be possessed of the same rights as the Authority under both to the extent so transferred or assigned.

SECTION 9.9. Entire Agreement. This Agreement and the Note contain the entire terms of this Agreement and transaction. They may not be changed, waived or discharged in whole or in part, except by written instrument executed by the party sought to be charged therewith.

SECTION 9.10. Continuity. This Agreement shall be binding upon the legal representatives, successors and assigns of each party and shall inure to their benefit; provided, however, that nothing herein said shall be deemed to limit any restriction on assignment impressed upon the Project Sponsor.

SECTION 9.11. South Carolina Contract. This Agreement shall be governed by and construed in accordance with the laws of the State.

SECTION 9.12. Limitations on Actions by Project Sponsor. No action shall be commenced by the Project Sponsor against the Authority for any claim under this Agreement unless notice thereof specifically setting forth the claim shall have been given to the Authority within thirty (30) days after the occurrence of the event or omission which the Project Sponsor alleges gave rise to such claim. Failure to give such notice shall constitute a waiver of any such claim. Liability of the Authority to the Project Sponsor for any breach of the terms of this Agreement shall not exceed a sum equal to the amount which the Authority shall have failed to disburse in consequence of a breach by the Authority of its obligations under this Agreement. Upon the making of any such payment by the Authority to the Project Sponsor, it shall be treated as a disbursement under this Agreement.

SECTION 9.13. Counterparts. This Agreement is executed in two counterparts, which are separately numbered, but each of which is deemed an original of equal dignity with the other and which is deemed one and the same instrument as the other.

SECTION 9.14. Appendices. The appendices attached to this Agreement are a part of it.

SECTION 9.15. Special Conditions. The Statements of Special Conditions in Appendix "D" shall govern the matters they address.

SECTION 9.16. Time of Essence. Time is of the essence of this Agreement.

SECTION 9.17. Severability. If any provision of this Agreement, or any portion thereof, should be ruled void, invalid, unenforceable or contrary to public policy by any court of competent jurisdiction, any remaining provisions of this Agreement shall survive and be applied, and together with the invalid or unenforceable portion shall be construed or reformed to preserve as much of the original words, terms, purpose and intent as shall be permitted by law.

IN WITNESS WHEREOF, the Project Sponsor and the Authority have caused these presents to be signed, sealed and delivered all as of the date hereof.

CITY OF CAYCE

(SEAL)

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Attest:

\_\_\_\_\_

Its \_\_\_\_\_

SOUTH CAROLINA WATER QUALITY REVOLVING FUND AUTHORITY

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

Ashlie Lancaster, Interim Director,  
Office of Local Government,  
South Carolina Budget and Control Board

SCOPE OF WORK

Project Sponsor: City of Cayce

Project Name: Highway 321 Water Main Replacement

Loan Number: X3-066-14-3210003-01

Installation of approximately 4,060 linear feet (LF) of 30-inch ductile iron waterline, 2,730 LF of 24-inch ductile iron waterline, 2,610 LF of 16-inch ductile iron waterline, 540 LF of 12-inch ductile iron waterline, 10 hydrants, and all necessary valves and appurtenances.

PROJECT BUDGET

Project Sponsor: City of Cayce

Project Name: Highway 321 Water Main Replacement

Loan Number: X3-066-14-3210003-01

<u>ITEM</u>	<u>SRF LOAN</u>	<u>TOTAL ELIGIBLE COSTS</u>
Planning and Design Engineering	\$ 248,753	\$ 248,753
Land Acquisition	30,000	30,000
Legal and Appraisal Fees	55,000	55,000
SRF Loan Closing Fee	9,156	9,156
Construction	2,890,400	2,890,400
Construction Contingency	289,040	289,040
Construction Inspection and Engineering	<u>149,067</u>	<u>149,067</u>
Total	\$3,671,416	\$3,671,416

SUBJECT TO REVISION PRIOR TO CLOSING

PROJECT SCHEDULE

Project Sponsor: City of Cayce

Project Name: Highway 321 Water Main Replacement

Loan Number: X3-066-14-3210003-01

<u>ACTION</u>	<u>DATE</u>
Bid Opening	November 6, 2014
Contract Execution	December 18, 2014
Notice to Proceed	December 18, 2014
Start of Construction	January 5, 2015
DHEC Permit to Operate	July 15, 2015

SUBJECT TO REVISION PRIOR TO CLOSING

REPAYMENT SCHEDULE

Project Sponsor: City of Cayce

Project Name: Highway 321 Water Main Replacement

Loan Number: X3-066-14-3210003-01

Loan Amount: \$3,671,416                      Payment Initiation Date: August 1, 2015

Interest Rate: 2.00% per annum              First Payment Due Date: November 1, 2015

Loan Term: 20 years                              Payment Frequency: Quarterly

- (1) Prior to the Payment Initiation Date, amounts disbursed shall bear interest from the date of the Authority's check for each disbursement and accrued interest only shall be due on the Payment Initiation Date.
- (2) Repayment of the principal and interest shall be due in 80 installments, commencing on the first day of the third month after the month of the Payment Initiation Date and continuing quarterly on the first day of each third month thereafter.
- (3) Repayment shall be in 79 equal installments in the amount of Fifty-Five Thousand Seven Hundred Ninety-Four and 64/100 Dollars (\$55,794.64) each, and one final installment in the amount of Fifty-Five Thousand Seven-Hundred Ninety-Four and 71/100 Dollars (\$55,794.71).

SUBJECT TO REVISION PRIOR TO CLOSING

Project Sponsor: City of Cayce

Loan Number: X3-066-14-3210003-01

PROCUREMENT REQUIREMENTS

Recycled Funds

- I. Prior to construction contract award, the Project Sponsor shall:
  - A. Advertise the Project for a minimum of thirty (30) days in advance of bid opening using at least one of the following methods:
    - 1. Local newspapers of general circulation.
    - 2. Statewide or regional newspapers of general circulation.
    - 3. The South Carolina Business Opportunities (SCBO).
  - B. Modify bid documents only by written addenda, which require prior Department approval.
  - C. Hold a public bid opening.
  - D. Utilize competitive sealed construction bids.
  - E. Require at least a five percent (5%) bid bond or certified check.
  - F. Require one hundred percent (100%) payment and performance bonds.
  - G. Require the contractor, during construction, to provide fire, extended coverage, vandalism and malicious mischief insurance equal to the actual value of the insured property.
  - H. Follow, and require the prime contractor to follow, Davis-Bacon and Related Acts provisions.
  - I. Follow, and require the prime contractor to follow, American Iron and Steel Provisions.
  - J. If other funding sources are included which have stricter bidding requirements or if applicable Federal, State or local laws or ordinances have stricter requirements, these stricter requirements govern.
  - K. After bid opening, provide the Department with the following:
    - 1. Project Construction Summary For Recycled Projects (DHEC Form #1295).
    - 2. A certified copy of the advertisement with date(s) of publication.
    - 3. Detailed bid tabulation certified by Project Sponsor's engineer.
    - 4. Proposal of successful bidder(s).
    - 5. Bid bond with associated Power of Attorney.
    - 6. Engineer's award recommendation of low bidder(s) to Project Sponsor. If the award is recommended to other than the low bidder(s), provide justification for decision.
    - 7. Certified copy of Project Sponsor's tentative award resolution listing the proposed contractor(s) and contractor amount(s).
    - 8. Davis-Bacon wage rate(s) used in bidding the project.
    - 9. A copy of the proposed prime contractor's Bidders American Iron and Steel Certification (DHEC Form 2556).

10. Certification Regarding Debarment, Suspension and Other Responsibility Matters (DHEC Form #3590) from the proposed prime contractor(s) and all subcontractors whose contract amount is expected to exceed \$25,000.
  11. Project Inspection Designation Form (DHEC Form #2324), with all required attachments, indicating the selected method of providing continuous inspection during construction.
- L. Receive Department approval to award the construction contract(s).
- II. Subsequent to construction contract award, the Project Sponsor shall submit the following to the Department as proof of compliance with procurement requirements:
- A. Executed contract documents.
  - B. Notice to Proceed.
  - C. Monthly Construction Inspection Reports.
  - D. Davis-Bacon Certification (DHEC Form #2557) with each draw request.
  - E. American Iron and Steel Certification (DHEC Form #0962) with each draw request.
- III. Subsequent to contract award, the Project Sponsor shall submit the following, for Department review and approval, on any proposed change orders:
- A. Need for the change.
  - B. Clear description of the change.
  - C. Cost and pricing data.
  - D. Documentation of negotiation.
  - E. For claims, information showing the claim did not result from the Project Sponsor's or contractor's mismanagement.

SPECIAL CONDITIONS

Project Sponsor: City of Cayce

Project Name: Highway 321 Water Main Replacement

Loan Number: X3-066-14-3210003-01

None

STATE OF SOUTH CAROLINA  
COUNTY OF LEXINGTON

**PROMISSORY NOTE TO SOUTH CAROLINA  
WATER QUALITY REVOLVING FUND AUTHORITY FOR  
SOUTH CAROLINA DRINKING WATER  
REVOLVING LOAN FUND LOAN**

CITY OF CAYCE, SOUTH CAROLINA  
WATER AND SEWER SYSTEM REVENUE BOND, SERIES 2014

FOR VALUE RECEIVED, the City of Cayce (the "*Project Sponsor*") promises to pay to the order of the South Carolina Water Quality Revolving Fund Authority (the "*Authority*") the principal sum owing from time to time by the Project Sponsor pursuant to, and in accordance with, the Agreement (the "*Agreement*"), the terms of which are incorporated herein by reference, between the Project Sponsor and the Authority relating to Loan Number X3-066-14-3210003-01, Highway 321 Water Main Replacement, principal sum, rate of interest and amount and due date of payments thereunder being set forth in Appendix "B" to the Loan Agreement. The records of the Authority with respect to the date and amount of payments on this Note shall be conclusive as to such matters. Interest shall be computed on a three hundred sixty-five-day year basis and compounded annually; the principal of this Note and any installment thereof shall bear interest until paid in full.

Time is of the essence of this Note.

The Project Sponsor may prepay the outstanding principal balance of this Note in whole or in part, together with any accrued interest thereon, at any time without penalty or premium; all such prepayments shall be applied against principal installments due on this Note in the inverse order of the maturity dates thereof.

All payments of principal and interest shall be made in money of the United States at the office of the Authority in Columbia, South Carolina, or at such place as the Authority may designate in writing, and shall be made in funds immediately available in Columbia, South Carolina.

The Project Sponsor agrees to pay at the time any such late payment hereunder is made a late charge of three percent (3%) of any payment not made on or before the tenth day of the month in which such payment is due. Interest which accrues after maturity of this Note or after its earlier acceleration shall be due and payable upon demand.

Payments shall be applied first to any late charge, then to interest, then to principal. There is no intent for any payment to exceed any legal limit on interest, if any such legal limit applies. If an excess sum occurs, it shall be applied to principal unless the Project Sponsor elects its return in writing.

If the Project Sponsor fails to make any payment of principal or interest within thirty (30) days of the date when due, or if the Project Sponsor defaults in the performance of any of the terms, covenants or conditions of any agreement or other documents concerning this Note, including without limitation the Agreement, the Authority may declare the principal of this Note and all unpaid interest accrued on it to be due and payable immediately, without prior notice or demand to the Project Sponsor.

The failure of the Project Sponsor to make any payment of principal or interest or both shall not constitute a default until thirty (30) days following the due date but the Authority shall have no obligation to give the Project Sponsor notice of any failure to make such payments. Upon any such payment default, the Authority shall immediately avail itself of the provisions of Section 7.2 of the Agreement relating to additional security for payment of amounts due on this Note.

The Project Sponsor waives presentment for payment, demand, protest, and notice of non-payment. Neither a failure to accelerate for default nor acceptance of a past due installment shall be a novation of this Note or constitute a waiver of the right to insist upon strict compliance with it and any related agreements and documents.

The Project Sponsor shall pay all costs of collection, including but not limited to reasonable attorney's fees if the Authority endeavors to collect this Note in any manner through an attorney at law. The rights and remedies of the Authority provided in this Note are cumulative and not exclusive of any other rights and remedies afforded the Authority by law or by any other document.

This Note shall be governed by and construed and interpreted in accordance with the laws of the State of South Carolina.

IN WITNESS WHEREOF, the Project Sponsor has caused this Note to be executed under its seal and to be registered in the name of the South Carolina Water Quality Revolving Fund Authority as of this \_\_\_ day of \_\_\_\_\_, 2014.

CITY OF CAYCE

[SEAL]

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

Typed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Attest:

\_\_\_\_\_

Its \_\_\_\_\_

**CERTIFICATE OF AUTHENTICATION**

This Promissory Note is the obligation issued pursuant to the Project Sponsor's Amended and Restated Indenture of Trust dated July 15, 2004, as amended on August 13, 2008 and as further amended January 16, 2013, as authorized by the Project Sponsor's Supplemental Trust Indenture dated \_\_\_\_\_, 2014.

U.S. BANK NATIONAL ASSOCIATION, TRUSTEE

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

Typed Name: \_\_\_\_\_

**Davis-Bacon Wage Rates Required Under Federal Appropriations Act  
For Subrecipients (Project Sponsors)**

1. Applicability of the Davis-Bacon (DB) Prevailing Wage Requirements

Under the FY 2012 Federal Appropriations Act (PL 112-74), DB prevailing wage requirements were permanently applied to the construction, alteration, and repair of treatment works carried out in whole or in part with assistance made available by a State water pollution control revolving fund and to any construction project carried out in whole or in part by assistance made available by a State drinking water revolving loan fund. If a subrecipient encounters a unique situation at a site that presents uncertainties regarding DB applicability, the subrecipient must discuss the situation with the recipient State before authorizing work on that site.

2. Obtaining Wage Determinations

- (a) Subrecipients shall obtain the wage determination for the locality in which a covered activity subject to DB will take place prior to issuing requests for bids, proposals, quotes or other methods for soliciting contracts (solicitation) for activities subject to DB. These wage determinations shall be incorporated into solicitations and any subsequent contracts. Prime contracts must contain a provision requiring that subcontractors follow the wage determination incorporated into the prime contract.
- (i) While the solicitation remains open, the subrecipient shall monitor [www.wdol.gov](http://www.wdol.gov) weekly to ensure that the wage determination contained in the solicitation remains current. The subrecipients shall amend the solicitation if DOL issues a modification more than 10 days prior to the closing date (i.e. bid opening) for the solicitation. If DOL modifies or supersedes the applicable wage determination less than 10 days prior to the closing date, the subrecipients may request a finding from the State recipient that there is not a reasonable time to notify interested contractors of the modification of the wage determination. The State recipient will provide a report of its findings to the subrecipient.
- (ii) If the subrecipient does not award the contract within 90 days of the closure of the solicitation, any modifications or supersedes DOL makes to the wage determination contained in the solicitation shall be effective unless the State recipient, at the request of the subrecipient, obtains an extension of the 90 day period from DOL pursuant to 29 CFR 1.6(c)(3)(iv). The subrecipient shall monitor [www.wdol.gov](http://www.wdol.gov) on a weekly basis if it does not award the contract within 90 days of closure of the solicitation to ensure that wage determinations contained in the solicitation remain current.
- (b) If the subrecipient carries out activity subject to DB by issuing a task order, work assignment or similar instrument to an existing contractor (ordering instrument) rather than by publishing a solicitation, the subrecipient shall insert the appropriate DOL wage determination from [www.wdol.gov](http://www.wdol.gov) into the ordering instrument.
- (c) Subrecipients shall review all subcontracts subject to DB entered into by prime contractors to verify that the prime contractor has required its subcontractors to include the applicable wage determinations.
- (d) As provided in 29 CFR 1.6(f), DOL may issue a revised wage determination applicable to a subrecipient's contract after the award of a contract or the issuance of an ordering instrument if DOL determines that the subrecipient has failed to incorporate a wage determination or has used a wage determination that clearly does not apply to the contract or ordering instrument. If this occurs, the subrecipient shall either terminate the contract or ordering instrument and issue a revised solicitation or ordering instrument or incorporate DOL's wage determination retroactive to the beginning of the contract or ordering instrument by change order. The subrecipient's contractor must be compensated for any increases in wages resulting from the use of DOL's revised wage determination.

### 3. Contract and Subcontract Provisions

Refer to Appendix A: Mandatory Supplemental General Conditions For The South Carolina State Revolving Fund Program that must be included in all bid documents and contracts over \$2,000. Available from the Department.

### 4. Contract Provisions for Contracts in Excess of \$100,000

Refer to Appendix A: Mandatory Supplemental General Conditions For The South Carolina State Revolving Fund Program that must be included in all bid documents and contracts over \$100,000. Available from the Department.

### 5. Compliance Verification

- (a) The subrecipient shall periodically interview a sufficient number of employees entitled to DB prevailing wages (covered employees) to verify that contractors or subcontractors are paying the appropriate wage rates. As provided in 29 CFR 5.6(a)(6), all interviews must be conducted in confidence. The subrecipient must use Standard Form 1445 (SF 1445) or equivalent documentation to memorialize the interviews. Copies of the SF 1445 are available from EPA on request.
- (b) The subrecipient shall establish and follow an interview schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, the subrecipient should conduct interviews with a representative group of covered employees within two weeks of each contractor or subcontractor's submission of its initial weekly payroll data and two weeks prior to the estimated completion date for the contract or subcontract. Subrecipients must conduct more frequent interviews if the initial interviews or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB. Subrecipients shall immediately conduct necessary interviews in response to an alleged violation of the prevailing wage requirements. All interviews shall be conducted in confidence.
- (c) The subrecipient shall periodically conduct spot checks of a representative sample of weekly payroll data to verify that contractors or subcontractors are paying the appropriate wage rates. The subrecipient shall establish and follow a spot check schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, if practicable, the subrecipient should spot check payroll data within two weeks of each contractor or subcontractor's submission of its initial payroll data and two weeks prior to the completion date the contract or subcontract. Subrecipients must conduct more frequent spot checks if the initial spot check or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB. In addition, during the examinations the subrecipient shall verify evidence of fringe benefit plans and payments thereunder by contractors and subcontractors who claim credit for fringe benefit contributions.
- (d) The subrecipient shall periodically review contractors and subcontractor's use of apprentices and trainees to verify registration and certification with respect to apprenticeship and training programs approved by either the U.S Department of Labor or a state, as appropriate, and that contractors and subcontractors are not using disproportionate numbers of, laborers, trainees and apprentices. These reviews shall be conducted in accordance with the schedules for spot checks and interviews described in Item 5(b) and (c) above.
- (e) Subrecipients must immediately report potential violations of the DB prevailing wage requirements to the EPA DB contact listed above and to the appropriate DOL Wage and Hour District Office listed at <http://www.dol.gov/esa/contacts/whd/america2.htm>.

STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF LEXINGTON )  
 )  
CITY OF CAYCE )

I, the undersigned Municipal Clerk of the City of Cayce, South Carolina (the "*City*"), DO HEREBY CERTIFY THAT:

The foregoing constitutes a true, correct and verbatim copy of an ordinance enacted by the City Council of the City (the "*Council*") on December 2, 2014 (the "*Ordinance*"). The Ordinance was read at two (2) public meetings of the Council on two (2) separate days. An interval of at least six (6) days occurred between each reading. At each meeting a quorum of the membership of the Council were present and remained throughout.

As required by Chapter 4, Title 30 of the Code of Laws of South Carolina 1976, as amended, a notice of each meeting (including the date, time, and place thereof, as well as an agenda) was posted prominently in the City Hall of the City at least twenty-four hours prior to said meeting. In addition, the local news media and all persons requesting notification of meetings of the Council were notified of the time, date, and place of such meeting, and were provided with a copy of the agenda therefor at least twenty-four hours in advance of such meeting.

The original of the Ordinance is duly entered in the permanent records of the City, in my custody as Municipal Clerk.

The Ordinance is now of full force and effect, and has not been modified, amended or repealed.

IN WITNESS WHEREOF, I have hereunto set my Hand and the Seal of the City, this \_\_\_\_ day of December, 2014.

(SEAL)

\_\_\_\_\_  
Municipal Clerk  
City of Cayce, South Carolina

STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF LEXINGTON )  
 )  
CITY OF CAYCE )

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(SEAL)

\_\_\_\_\_  
Municipal Clerk  
City of Cayce, South Carolina

STATE OF SOUTH CAROLINA	)	ORDINANCE
	)	PROVIDING FOR THE ISSUANCE AND SALE
COUNTY OF LEXINGTON	)	OF A WATER AND SEWER SYSTEM
	)	IMPROVEMENT REVENUE BOND, SERIES 2014,
CITY OF CAYCE	)	OF THE CITY OF CAYCE, SOUTH CAROLINA,
	)	IN THE AGGREGATE PRINCIPAL AMOUNT OF
	)	NOT EXCEEDING <del>\$3,671,416</del> <u>3,734,073</u> PLUS
	)	CAPITALIZED INTEREST, IF ANY, PURSUANT
	)	TO THE AMENDED AND RESTATED
	)	INDENTURE OF TRUST AS SUPPLEMENTED;
	)	AND OTHER MATTERS RELATED THERETO.

**WHEREAS**, the City of Cayce, South Carolina (the “*City*”) is a municipality incorporated under the laws of the State of South Carolina (the “*State*”) and empowered by the provisions of Title 48, Chapter 5, Code of Laws of South Carolina, 1976, as amended (the “*Act*”) to: (i) undertake a waterworks project as defined and approved pursuant to the Federal Safe Drinking Water Act, 42 U.S.C. §§300f *et seq.*; (ii) make application for and to receive assistance from the South Carolina Water Quality Revolving Fund Authority (the “*State Authority*”); (iii) comply with regulations relating to the receipt and disposition of money of the State Drinking Water Revolving Loan Fund (the “*Fund*”) created by the Act; (iv) apply for and receive state grants; (v) enter into loan agreements; and (vi) comply with all terms and conditions of any loan agreement;

**WHEREAS**, in accordance with the provisions of Title 6, Chapter 17 of the Code of Laws of South Carolina, 1976, as amended (the “*Bond Act*”), and the Amended and Restated Indenture of Trust dated as of July 15, 2004, by and between the City and U.S. Bank National Association, as successor to Wachovia Bank, N.A. (formerly known as First Union National Bank) (the “*Trustee*”), as amended and supplemented by the Supplemental Trust Indenture of 2008-1 dated as of August 13, 2008, and as further amended and supplemented by the Supplemental Trust Indenture of 2013-1 dated as of January 16, 2013 (as amended and supplemented, the “*Indenture of Trust*”), the City has heretofore issued and has outstanding its (i) \$1,650,000 original principal amount Water and Sewer System Revenue Bond, Series 2002 (South Carolina Water Pollution Control Revolving Fund Loan Number 1-084-02-315-10) (the “*Series 2002 Bond*”); (ii) \$8,780,000 original principal amount Water and Sewer System Refunding and Improvement Revenue Bonds, Series 2004 (the “*Series 2004 Bonds*”); (iii) \$18,795,000 original principal amount Water and Sewer System Refunding and Improvement Revenue Bonds, Series 2007A (the “*Series 2007A Bonds*”); and (iv) not exceeding \$33,733,234, plus capitalized interest, if any, Water and Sewer System Improvement Revenue Bond, Series 2009 (South Carolina Water Pollution Control Revolving Fund Loan Number X1-128-09-315-11) (the “*Series 2009 Bond*”). The Series 2002 Bond, the Series 2004 Bonds, the Series 2007A Bonds and the Series 2009 Bond are collectively hereafter referred to as the “*Parity Bonds*.” The Parity Bonds are secured by a pledge of the Pledged Revenues (as defined in the Indenture of Trust), which revenues are derived from the operation of the water and sewer system of the City (the “*System*”). All capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Indenture of Trust;

**WHEREAS**, under the provisions of the Bond Act, a municipality such as the City which has bonds outstanding may issue additional bonds to provide for the construction and improvement of a revenue producing enterprise such as that constituting the System;

**WHEREAS**, the City is authorized, pursuant to the provisions of the Indenture of Trust, to adopt a supplemental indenture to provide for the issuance of additional Series of Bonds;

**WHEREAS**, the City Council of the City of Cayce (the "**City Council**"), the governing body of the City, has determined that in order to meet the needs of its residents and customers located both within and without its corporate boundaries, it is necessary for the City to implement improvements to the System (the "**Project**"), all as more specifically described in the Loan Agreement (as defined below);

**WHEREAS**, on June 18, 2014, the City Council adopted a resolution authorizing an application to the State Authority for a loan from the Fund (the "**Loan**"), the proceeds from which will be used, together with other monies, to provide for the financing of the Project;

**WHEREAS**, on September 30, 2014, the State Authority, upon review of the City's Loan application, conditionally approved the Loan;

**WHEREAS**, the Loan is being made pursuant to the authorizations of the Act, the Bond Act, the Indenture of Trust and the provisions contained within a Supplemental Trust Indenture of 2014-1 between the City and the Trustee (the "**2014 Supplemental Indenture**"), in substantially the form attached hereto as **Exhibit A**;

**WHEREAS**, the funds are to be loaned and secured pursuant to a loan agreement (the "**Loan Agreement**") between the City and the State Authority, in substantially the form attached as an exhibit to the 2014 Supplemental Indenture, and a promissory note executed and delivered by the City and registered in the name of the State Authority (the "**Note**," and collectively with the 2014 Supplemental Indenture and the Loan Agreement, the "**Loan Documents**"), the form of which is attached as Appendix E to the Loan Agreement;

**WHEREAS**, the Note will constitute a Series of Bonds under the Indenture of Trust. Pursuant to the Loan Agreement, the City will agree to use the proceeds of the Loan only to pay the actual eligible costs of the Project and, if deemed prudent by the City, capitalize the interest on the Note pursuant to the terms of the Loan Agreement; the City will also agree to pay to the State Authority such amounts as shall be required to provide for the payment of all amounts due with respect to the repayment of the Loan. To secure its obligations under the Loan Agreement, the City will grant to the State Authority a pledge of, and a lien upon, the Pledged Revenues derived from the operation of the System. Upon any failure of the City to make any payments to the State Authority pursuant to the Loan Agreement or the Note, the State Authority shall require the Treasurer of the State of South Carolina (the "**State**") to pay to the State Authority, subject to the provisions of the Act, such amount from State appropriations to which the City may be or become entitled as may be necessary to provide for the payment of all amounts due with respect to the Note; and

**WHEREAS**, the Note will not be junior to any other revenue debt of the City secured by a pledge of and lien upon the Pledged Revenues and will be issued on parity with the Parity Bonds; and

**WHEREAS**, the City Council is adopting this Ordinance in order to (i) authorize the execution and delivery, on behalf of the City, of the Loan Documents, (ii) evidence the approval of the Project and the Loan by the City Council, and (iii) authorize the execution and delivery by, and on behalf of, the City of such other agreements and certificates and the taking of such other action by the City and its officers as shall be necessary or desirable in connection with the financing of the Project in order to carry out the intent of this Ordinance.

**NOW THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF CAYCE, IN COUNCIL, DULY ASSEMBLED, AS FOLLOWS:**

**ARTICLE I**  
**LOAN AGREEMENT, NOTE AND**  
**2014 SUPPLEMENTAL INDENTURE**

**SECTION 1.1.**     *Authorization of 2014 Supplemental Indenture.* In order to facilitate the issuance and delivery of the Note, the City shall enter with the Trustee into the 2014 Supplemental Indenture pursuant to and in accordance with the provisions of the Indenture of Trust in substantially the form attached hereto as **Exhibit A**, with such changes as the Mayor shall approve (the execution thereof to be conclusive evidence of such approval), and the execution and delivery of the 2014 Supplemental Indenture on behalf of the City is hereby authorized and directed. The 2014 Supplemental Indenture shall be executed on behalf of the City by the Mayor and attested by the Clerk.

**SECTION 1.2.**     *Authorization of Loan Agreement and the Note.* The Loan Agreement, in substantially the form attached as an exhibit to the 2014 Supplemental Indenture, and the Note, in substantially the form attached as Appendix E to the Loan Agreement, with such changes as the Mayor and/or the City Manager shall approve (the execution thereof to be conclusive evidence of such approval), are hereby approved, and the execution and delivery of the Loan Agreement and the Note, on behalf of the City, are hereby authorized and directed. The Loan Agreement and the Note shall be executed on behalf of the City by the Mayor and attested by the Clerk.

**ARTICLE II**  
**MISCELLANEOUS**

**SECTION 2.1.**     *Other Instruments and Actions.* In order to implement the Loan pursuant to the Loan Documents and to give full effect to the intent and meaning of this Ordinance and the agreements and actions herein authorized, the Mayor, the City Manager and the Clerk are hereby authorized to execute and deliver such certificates, showings, instruments and agreements and to take such further action as they shall deem necessary or desirable.



**EXHIBIT A**

**FORM OF 2014 SUPPLEMENTAL INDENTURE**

STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF LEXINGTON )  
 )  
CITY OF CAYCE )

I, the undersigned Municipal Clerk of the City of Cayce, South Carolina (the “*City*”), DO HEREBY CERTIFY THAT:

The foregoing constitutes a true, correct and verbatim copy of an ordinance enacted by the City Council of the City (the “*Council*”) on December 2, 2014 (the “*Ordinance*”). The Ordinance was read at two (2) public meetings of the Council on two (2) separate days. An interval of at least six (6) days occurred between each reading. At each meeting a quorum of the membership of the Council were present and remained throughout.

As required by Chapter 4, Title 30 of the Code of Laws of South Carolina 1976, as amended, a notice of each meeting (including the date, time, and place thereof, as well as an agenda) was posted prominently in the City Hall of the City at least twenty-four hours prior to said meeting. In addition, the local news media and all persons requesting notification of meetings of the Council were notified of the time, date, and place of such meeting, and were provided with a copy of the agenda therefor at least twenty-four hours in advance of such meeting.

The original of the Ordinance is duly entered in the permanent records of the City, in my custody as Municipal Clerk.

The Ordinance is now of full force and effect, and has not been modified, amended or repealed.

IN WITNESS WHEREOF, I have hereunto set my Hand and the Seal of the City, this \_\_\_\_ day of December, 2014.

(SEAL)

\_\_\_\_\_  
Municipal Clerk  
City of Cayce, South Carolina

<b>Summary report:</b>	
<b>Litéra® Change-Pro TDC 7.5.0.112 Document comparison done on 11/21/2014 3:56:50 PM</b>	
<b>Style name:</b> Default Style	
<b>Intelligent Table Comparison:</b> Active	
<b>Original DMS:</b> nd://4811-4572-9056/3/Ordinance.docx	
<b>Modified DMS:</b> nd://4811-4572-9056/4/Ordinance.docx	
<b>Changes:</b>	
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<b>Total Changes:</b>	<b>3</b>

**SUPPLEMENTAL TRUST INDENTURE OF 2014-1**

---

**CITY OF CAYCE, SOUTH CAROLINA**

**and**

**U.S. BANK NATIONAL ASSOCIATION,  
as Trustee**

---

**relating to the**

**~~\$3,671,416~~3,734,073 plus capitalized interest, if any**

**City of Cayce, South Carolina Water and Sewer System  
Improvement Revenue Bond, Series 2014**

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**Dated as of \_\_\_\_\_, 2014**

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This **SUPPLEMENTAL TRUST INDENTURE OF 2014-1** (this “**2014 Supplemental Indenture**”) is dated as of \_\_\_\_\_, 2014, by and between the **CITY OF CAYCE, SOUTH CAROLINA** (the “**City**”), a municipality incorporated under the laws of the State of South Carolina, and **U.S. BANK NATIONAL ASSOCIATION** (the “**Trustee**”), a national banking association duly authorized to accept and execute trusts of the character hereinafter set forth, with a corporate trust office located in Columbia, South Carolina, as successor to Wachovia Bank, National Association (formerly known as First Union National Bank), as Trustee, under the Amended and Restated Indenture of Trust executed and delivered as of July 15, 2004, by and between the City and the Trustee, as amended and supplemented by the Supplemental Trust Indenture of 2008-1 dated as of August 13, 2008, and as further amended and supplemented by the Supplemental Trust Indenture of 2013-1 dated as of January 16, 2013 (as amended and supplemented, the “**Indenture of Trust**”). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Indenture of Trust.

**WITNESSETH:**

**WHEREAS**, the City is a municipality incorporated under the laws of the State of South Carolina (the “**State**”) and empowered by the provisions of Title 48, Chapter 5, Code of Laws of South Carolina, 1976, as amended (the “**Act**”) to: (i) undertake a waterworks project as defined and approved pursuant to the Federal Safe Drinking Water Act, 42 U.S.C. §§300f *et seq.*; (ii) make application for and to receive assistance from the South Carolina Water Quality Revolving Fund Authority (the “**State Authority**”); (iii) comply with regulations relating to the receipt and disposition of money of the State Drinking Water Revolving Loan Fund (the “**Fund**”) created by the Act; (iv) apply for and receive state grants; (v) enter into loan agreements; and (vi) comply with all terms and conditions of any loan agreement; and

**WHEREAS**, in accordance with the provisions of Title 6, Chapter 17 of the Code of Laws of South Carolina, 1976, as amended (the “**Bond Act**”), and the Indenture of Trust, the City has heretofore issued and has outstanding its (i) \$1,650,000 original principal amount Water and Sewer System Revenue Bond, Series 2002 (South Carolina Water Pollution Control Revolving Fund Loan Number 1-084-02-315-10) (the “**Series 2002 Bond**”); (ii) \$8,780,000 original principal amount Water and Sewer System Refunding and Improvement Revenue Bonds, Series 2004 (the “**Series 2004 Bonds**”); (iii) \$18,795,000 original principal amount Water and Sewer System Refunding and Improvement Revenue Bonds, Series 2007A (the “**Series 2007A Bonds**”); and (iv) not exceeding \$33,733,234, plus capitalized interest, if any, Water and Sewer System Improvement Revenue Bond, Series 2009 (South Carolina Water Pollution Control Revolving Fund Loan Number X1-128-09-315-11) (the “**Series 2009 Bond**”). The Series 2002 Bond, the Series 2004 Bonds, the Series 2007A Bonds and the Series 2009 Bond are collectively hereafter referred to as the “**Parity Bonds**.” The Parity Bonds are secured by a pledge of the Pledged Revenues (as defined in the Indenture of Trust), which revenues are derived from the operation of the water and sewer system of the City (the “**System**”); and

**WHEREAS**, under the provisions of the Bond Act, a municipality such as the City which has bonds outstanding may issue additional bonds to provide for the construction and improvement of a revenue producing enterprise such as that constituting the System; and

**WHEREAS**, the Indenture of Trust further provides for the issuance of additional Series of Bonds on a parity in all respects with the Parity Bonds upon the City's and the Trustee's entering into an indenture supplemental to the Indenture of Trust to authorize such Series of Bonds; and

**WHEREAS**, on June 18, 2014, the City Council of the City of Cayce (the "**City Council**"), the governing body of the City, adopted a resolution authorizing an application to the State Authority for a loan from the Fund (the "**Loan**"), the proceeds from which will be used, together with other moneys, to provide for the financing of the Project (as defined below); and

**WHEREAS**, on September 30, 2014, the State Authority, upon review of the City's Loan application, conditionally approved the Loan; and

**WHEREAS**, the Loan is to be made and secured pursuant to a loan agreement (the "**Loan Agreement**") between the City and the State Authority, in substantially the form attached hereto as **Exhibit A**, and a Note executed and delivered by the City and registered in the name of the State Authority (the "**Note**"), the form of which is attached as Appendix E to the Loan Agreement. Pursuant to the terms of the Loan Agreement, the City agrees to use the proceeds of the Loan only to pay the actual eligible costs of the project as defined in Appendix A to the Loan Agreement (the "**Project**"), and, if deemed prudent by the City, capitalized interest on the Note pursuant to the terms of the Loan Agreement; the City will also pay to the State Authority such amount as shall be required to provide payments of all amounts due with respect to the Loan; and

**NOW THEREFORE**, in consideration of the foregoing, of the acceptance by the Trustee of the trusts hereby created, and of the giving of consideration for and acceptance of the Note authorized hereunder by the Holder thereof, the City covenants and agrees with the Trustee, for the benefit of the Holder from time to time of the Note authorized hereby, as follows:

**NOW THEREFORE, THIS 2014 SUPPLEMENTAL INDENTURE WITNESSETH:**

The City, in consideration of the premises and the acceptance by the Trustee of the trusts created by the Indenture of Trust and this 2014 Supplemental Indenture and of the purchase and acceptance of the Note by the State Authority, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, in order to provide for and secure the payment of the principal of and interest on the Note according to its tenor and effect and to secure the performance and observance by the City of all the covenants expressed or implied herein and in the Note, does hereby confirm the assignment and pledge and grant of a security interest in the items identified in the granting clauses to the Indenture of Trust (defined therein as the "**Trust Estate**") to the Trustee and its successor in trust and assigns forever.

**TO HAVE AND TO HOLD** all and singular the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its respective successor in trust and assigns forever;

**IN TRUST NEVERTHELESS**, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of the State Authority, as Holder of the Note issued under and secured by the Indenture of Trust, as supplemented by this 2014 Supplemental Indenture without privilege, priority or distinction as to the lien or otherwise of any of the Bonds over any of the other Bonds except as otherwise expressly provided herein.

**THIS 2014 SUPPLEMENTAL INDENTURE FURTHER RECITES AND WITNESSETH**, and it is expressly declared, that the Note issued and secured hereunder is to be issued, authenticated and delivered, and all property, rights and interests, including, without limitation, the amounts thereby transferred, granted assigned and pledged, are to be dealt with and disposed of, under, upon and subject to the terms, conditions, stipulations, covenants, agreements, uses and purposes expressed in the Indenture of Trust as supplemented by this 2014 Supplemental Indenture, and the City has agreed and covenanted, and does hereby affirm its agreement and covenant, with the Trustee and with the State Authority, as provided in the Indenture of Trust as hereinafter amended and supplemented.

## **ARTICLE I – DEFINITIONS; AUTHORITY; AND FINDINGS**

### Section 1.01. Definitions.

(a) Except as provided in subsection (b) below, all terms which are defined in Section 1.1 of the Indenture of Trust shall have the same meanings in this 2014 Supplemental Indenture.

(b) As used in this 2014 Supplemental Indenture; unless the context shall otherwise require, the following terms shall have the following respective meanings:

**“2014 Supplemental Indenture”** means this Supplemental Trust Indenture of 2014-1 dated as of the date hereof, by and between the City and the Trustee.

**“Note Ordinance”** shall mean the ordinance enacted by the City Council on December 2, 2014, authorizing the execution and delivery of this 2014 Supplemental Indenture, the Loan Agreement and the Note.

**“Series 2014 Debt Service Reserve Fund”** shall mean the fund established pursuant to Section 6.6 of the Indenture of Trust and Section 3.03 hereof, which constitutes a Debt Service Reserve Fund under the Indenture of Trust.

**“Series 2014 Project Fund”** shall mean the fund established pursuant to Section 6.9 of the Indenture of Trust and Section 3.01 hereof, which constitutes a Project Fund under the Indenture of Trust.

**“Series 2014 Reserve Requirement”** shall mean, with respect to the Note, the Series Reserve Requirement, as such term is defined in the Indenture of Trust.

Section 1.02. Authority for the 2014 Supplemental Indenture.

This 2014 Supplemental Indenture has been duly authorized pursuant to the Note Ordinance.

Section 1.03. Findings regarding Issuance of Note.

(a) In accordance with Section 3.3(a) of the Indenture of Trust, the Note shall be issued as an Additional Bond. The City further specifies and determines as follows:

(i) the principal amount of the Note shall be in an amount not exceeding ~~\$3,671,416~~3,734,073, plus accrued interest, if any;

(ii) the maturity date of the Note shall be as provided for in the Loan Agreement;

(iii) the Note is being issued for the purpose of providing funds to defray all or a portion of the costs of the Project;

(iv) a description of the Project and an estimate of the Cost of Acquisition and Construction for the Project is provided for in the Loan Agreement;

(v) the Note shall bear interest and be payable on the dates as provided for in the Loan Agreement;

(vi) the Note shall be issued as a single term bond, payable by way of equal amortized payments of principal and interest as set forth in the Loan Agreement;

(vii) the redemption prices and dates applicable to the Note shall be as set forth in the Note;

(viii) U.S. Bank National Association shall serve as Trustee, Paying Agent and Registrar for the Note and payments on the Note shall be made as provided for in the Loan Agreement; and

(ix) the proceeds of the Note shall be applied as set forth in the Loan Agreement.

[End of Article I]

## ARTICLE II - AUTHORIZATION FOR LOAN

### Section 2.01. Authorization of Loan.

The acceptance of the Loan from the State Authority is hereby accepted in an amount not exceeding \$~~3,671,416~~3,734,073 plus capitalized interest, if any, pursuant to and in accordance with the provisions of the Loan Agreement.

### Section 2.02. Form of Note.

(a) The Note shall constitute a Series of Bonds under the Indenture of Trust and shall be on a parity in all respects with the Parity Bonds and any Additional Bonds issued under the provisions of the Indenture of Trust.

(b) The Note shall be substantially in the form attached to the Loan Agreement as Appendix E, with such changes, modifications or amendments as the Mayor of the City (the "**Mayor**") and the Clerk shall approve, the Mayor's and the Clerk's execution and delivery of the Note being conclusive evidence of the Mayor's and the Clerk's approval to such changes, modifications and amendments.

[End of Article II]

**ARTICLE III – APPLICATION OF PROCEEDS; PAYMENTS UNDER THE DEBT  
SERVICE FUND; ESTABLISHMENT OF FUNDS**

Section 3.01. Application of Proceeds of the Note and Establishment of the Series 2014 Project Fund.

(a) The proceeds of the Note shall be applied by the City to defray the costs of the Project and the Costs of Issuance associated therewith. Disbursement of the proceeds of the Note shall not occur at the delivery thereof, but shall be made in accordance with Sections 1.3, 1.5 and 1.6 of the Loan Agreement.

(b) The Series 2014 Project Fund is hereby established and shall be held, maintained and controlled by the State Authority. Withdrawals from the Series 2014 Project Fund shall be made in accordance with the provisions of the Loan Agreement.

Section 3.02. Payment of the Loan.

Payments of principal of and interest on the Note shall be made from, and the City shall make payments to, the Debt Service Fund in accordance with the provisions of Section 6.5 of the Indenture of Trust. If the revenues pledged under the provisions of the Indenture of Trust are not sufficient, payments of principal and interest on the Note shall be made from State appropriations to which the City may become entitled pursuant to and in accordance with the provisions of the Loan Agreement and the Note.

Section 3.03. Establishment of the Series 2014 Debt Service Reserve Fund.

There shall be established the Series 2014 Debt Service Reserve Fund, which Fund shall be maintained by the Trustee in accordance with the Indenture of Trust. The Series 2014 Reserve Requirement (defined as the Reserve Requirement in the Loan Agreement) shall be the amount provided in the Loan Agreement. The City is authorized to cause the satisfaction of the Series 2014 Reserve Requirement with cash or cash equivalents (with prior approval of the State Authority) as authorized by the Indenture of Trust and as further provided in the Loan Agreement. Once funded with cash, the City, acting through the Trustee, will maintain the Series 2014 Reserve Requirement in accordance with the provisions of the Indenture of Trust and the Loan Agreement.

[End of Article III]

## ARTICLE IV – MISCELLANEOUS

### Section 4.01. Severability.

If any one or more of the covenants or agreements provided in this 2014 Supplemental Indenture on the part of the City or the Trustee to be performed should be contrary to applicable law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this 2014 Supplemental Indenture.

### Section 4.02. Applicable Law.

This 2014 Supplemental Indenture shall be governed by the applicable laws of the State, and all suits and actions arising out of the Indenture of Trust, included as amended and supplemented by this 2014 Supplemental Indenture, shall be instituted in a court of competent jurisdiction in the State.

### Section 4.03. Table of Contents and Section Headings Not Controlling.

The Table of Contents and the Headings of the several Articles and Sections of this 2014 Supplemental Indenture have been prepared for convenience of reference only and shall not control, affect the meaning of or be taken as an interpretation of any provision of this 2014 Supplemental Indenture.

### Section 4.04. No Recourse.

No recourse shall be had for the enforcement of any obligation, covenant, promise or agreement of the City contained in the Indenture of Trust or the Note against any past, present or future member of the City Council, officer or employee of the City, as such, in his or her individual capacity, either directly or through the City, 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 the Indenture of Trust and the Note are solely municipal obligations, and that no personal liability whatsoever shall attach to or be incurred by any past, present or future member of the City Council, officer or employee of the City as such, either directly or by reason of any of the obligations, covenants, promises or agreements entered into between the City and the Trustee or the Bondholders or to be implied therefrom as being supplemental hereto or thereto, and that all personal liability of that character against every such member of City Council, officer and employee is, by the execution hereof and the execution of the Note, and as a condition of, and as a part of the consideration for, the execution hereof and the execution of the Note, expressly waived and released. The immunity of the members of the City Council, officers and employees of the City under the provisions contained in this Section 4.04 shall survive termination of the Indenture of Trust.

Section 4.05. Continuing Disclosure Covenant.

The City covenants to comply with the requirements of Section 11-1-85 of the Code of Laws of South Carolina, 1976, as amended (“Section 11-1-85”) by filing with the State Authority:

(a) An annual independent audit, within thirty (30) days of the City’s receipt of the audit; and

(b) Event specific information within thirty (30) days of an event adversely affecting more than five percent (5%) of revenues of the System or the City’s tax base.

The City specifically reserves the right to amend the above covenant in order to reflect any applicable change in law, including, without limitation, Section 11-1-85, without consent of the Trustee or the State Authority.

The only remedy for failure by the City to comply with the covenants set forth in this Section 4.05 hereof, or any certificates or agreements delivered in connection therewith, shall be an action for specific performance or such covenants; and failure to comply with such covenants, certificates or agreements shall not constitute a default or an “Event of Default” under the Indenture of Trust or this 2014 Supplemental Indenture.

[End of Article IV]

IN WITNESS WHEREOF, the City has caused this 2014 Supplemental Indenture to be executed and delivered, and in token of its acceptance of the trusts created hereunder, the Trustee has caused this 2014 Supplemental Indenture to be executed and delivered for it in its name all dated as of the day before mentioned.

**CITY OF CAYCE, SOUTH CAROLINA**

(SEAL)

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

Attest:

\_\_\_\_\_  
Municipal Clerk

**U.S. BANK NATIONAL ASSOCIATION**

By: \_\_\_\_\_  
Natalie McNair  
Assistant Vice President

**EXHIBIT A**  
**FORM OF LOAN AGREEMENT**

(Exhibit A)

<b>Summary report:</b>	
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# Memorandum

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**To:** Mayor and Council  
**From:** Rebecca Vance, City Manager  
**Date:** November 24, 2014  
**Subject:** Approval of a Resolution Accepting a Gift of Property for Park Purposes

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**Issue**

Approval is needed of a Resolution accepting a gift of property for park purposes.

**Background/Discussion**

The City wishes to acquire the approximately 359 acres of property otherwise known as the 12,000 Year History Park property from SCE&G. This property will be operated and maintained as a continuation of our Riverwalk Park while planning is being undertaken for the future park. The City is not required to make any payments for this property.

**Recommendation:**

Staff recommends approval of this Resolution.



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# Memorandum

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**To:** Mayor and Council

**From:** Rebecca Vance, City Manager  
Blake Bridwell, Director of Utilities

**Date:** November 20, 2014

**Subject:** Highway 321 Waterline Replacement Bid Award Consideration

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## **ISSUE**

Council consideration is necessary for the award of a utility construction contract for the construction of 12 inch to 30 inch water mains from the City Water Treatment Plant to Fish Hatchery Road.

## **BACKGROUND/DISCUSSION**

The City has received approval from the State Revolving Loan Fund for approximately \$3,734,073 to replace and improve the Highway 321 water line that broke last fall and left the City without water for over 16 hours. This project will replace and upsize the water lines and valves leading out of the City's Water Plant.

Funding for the bond payment and the debt coverage for this increased debt were included in the 2014-2015 Budget. If approved, the project construction should begin in January. The SRF loan must be closed before the end of the 2014 calendar year.

The project advertisement for bids was published on October 19, 2014 in The State Newspaper and also distributed to the usual contractor outlets. Interest in the project was received from eight contractors. Three (3) sealed bids were received, and publically opened and read aloud at City Hall on November 19, 2014 at 2:00 PM.

Following the completion of the project bid opening, AEC checked all bid documents to confirm their completeness and the accuracy of the bid amounts. Bids ranged from a high bid of \$4,202,495.00 to the low bid of \$2,982,900.90. AEC has provided their bid tabulation and their bid award recommendation letter dated November 20, 2014 (copies attached) to City staff for a bid award to LAD Corporation of West Columbia in the amount of \$2,982,900.90, contingent upon

LAD Corporation of West Columbia being approved by the SCDHEC SRF Section.

**RECOMMENDATION**

Staff recommends that City Council approve a bid award in the amount of \$2,982,900.90 to the low bidder LAD Corporation of West Columbia, contingent upon LAD Corporation of West Columbia being approved by the SCDHEC SRF Section.

**BID CERTIFICATION  
HIGHWAY 321 WATERLINE REPLACEMENT  
CITY OF CAYCE  
Project No.: 13-035**

BID DATE: November 19, 2014 at 2:00 PM

Certified as Correct: *C.A.K.*

Date: 11/19/2014

Item	Description	Qty	Unit	D.S. Utilities, Inc.		LAD Corporation of West Columbia		T B Landmark Construction, Inc.	
				Unit Price	Amount	Unit Price	Amount	Unit Price	Amount
1.	30" Ductile Iron (DIP) Water Line In Place (Includes All Joint Restraints in Accordance with Joint Restraint Detail on Sheet 18 of 21 Unless Otherwise Noted)	4,020	LF	\$ 216.50	\$ 870,330.00	\$ 197.28	\$ 793,065.60	\$ 300.00	\$ 1,206,000.00
2.	24" Ductile Iron (DIP) Water Line In Place (Includes All Joint Restraints in Accordance with Joint Restraint Detail on Sheet 18 of 21 Unless Otherwise Noted)	2,320	LF	\$ 175.00	\$ 406,000.00	\$ 153.28	\$ 355,609.60	\$ 200.00	\$ 464,000.00
3.	16" Ductile Iron (DIP) Water Line In Place (Includes All Joint Restraints in Accordance with Joint Restraint Detail on Sheet 18 of 21 Unless Otherwise Noted)	2355	LF	\$ 115.00	\$ 270,825.00	\$ 106.34	\$ 250,430.70	\$ 125.00	\$ 294,375.00
4.	12" Ductile Iron (DIP) Water Line In Place (Includes All Joint Restraints in Accordance with Joint Restraint Detail on Sheet 18 of 21 Unless Otherwise Noted)	425	LF	\$ 100.00	\$ 42,500.00	\$ 87.00	\$ 36,975.00	\$ 99.00	\$ 42,075.00
5.	42" Bore and Jack Steel Casing with 30" DIP Carrier Pipe Complete In Place (Includes All Necessary Joint Restraints and Appurtenances for Complete Installation)	50	LF	\$ 667.00	\$ 33,350.00	\$ 675.00	\$ 33,750.00	\$ 1,500.00	\$ 75,000.00
6.	36" Bore and Jack Steel Casing with 24" DIP Carrier Pipe Complete In Place (Includes All Necessary Joint Restraints and Appurtenances for Complete Installation)	410	LF	\$ 565.00	\$ 231,650.00	\$ 425.00	\$ 174,250.00	\$ 850.00	\$ 348,500.00
7.	30" Bore and Jack Steel Casing with 16" DIP Carrier Pipe Complete In Place (Includes All Necessary Joint Restraints and Appurtenances for Complete Installation)	240	LF	\$ 450.00	\$ 108,000.00	\$ 336.00	\$ 80,640.00	\$ 765.00	\$ 183,600.00
8.	24" Bore and Jack Steel Casing With 12" DIP Carrier Pipe Complete In Place (Includes All Necessary Joint Restraints and Appurtenances for Complete Installation)	200	LF	\$ 95.00	\$ 19,000.00	\$ 226.00	\$ 45,200.00	\$ 685.00	\$ 137,000.00
9.	30" Butterfly Valve In Place (Complete)	6	EA	\$ 16,060.00	\$ 96,360.00	\$ 15,534.00	\$ 93,204.00	\$ 21,900.00	\$ 131,400.00
10.	24" Butterfly Valve In Place (Complete)	3	EA	\$ 8,180.00	\$ 24,540.00	\$ 8,323.00	\$ 24,969.00	\$ 14,000.00	\$ 42,000.00
11.	16" Butterfly Valve In Place (Complete)	3	EA	\$ 4,760.00	\$ 14,280.00	\$ 4,553.00	\$ 13,659.00	\$ 6,000.00	\$ 18,000.00
12.	12" Gate Valve In Place (Complete)	2	EA	\$ 2,320.00	\$ 4,640.00	\$ 2,420.00	\$ 4,840.00	\$ 3,585.00	\$ 7,170.00
13.	Air Release Valve Assembly In Place Complete with Manhole	6	EA	\$ 5,975.00	\$ 35,850.00	\$ 3,750.00	\$ 22,500.00	\$ 11,300.00	\$ 67,800.00
14.	Exposed Air Release Valve Assembly at Pipe Bridge (Includes Insulation, Valves, Fittings and All Appurtenances)	1	EA	\$ 3,210.00	\$ 3,210.00	\$ 8,195.00	\$ 8,195.00	\$ 8,000.00	\$ 8,000.00
15.	Fire Hydrant Assembly (Includes Hydrant, Hydrant Tee, 6" Gate Valve, Lead Pipe, Valve Box and Protective Concrete Collar).	10	EA	\$ 5,865.00	\$ 58,650.00	\$ 8,373.00	\$ 83,730.00	\$ 10,060.00	\$ 100,600.00

**BID CERTIFICATION  
HIGHWAY 321 WATERLINE REPLACEMENT  
CITY OF CAYCE  
Project No.: 13-035**

BID DATE: November 19, 2014 at 2:00 PM

Certified as Correct: *C.A.K.*

Date: 11/19/2014

				D.S. Utilities, Inc.		LAD Corporation of West Columbia		T B Landmark Construction, Inc.	
16.	Restrained Joint DIP Fittings (In Place): includes all tees, All Tees, Bends, Reducers, Plugs, Caps and Other Other Fittings Not Identified Separately	23.0	TONS	\$ 0.01	\$ 0.23	\$ 9,010.00	\$ 207,230.00	\$ 10,000.00	\$ 230,000.00
17.	Sawcut, Remove, and Replace Asphalt Roadway	60	LF	\$ 328.00	\$ 19,680.00	\$ 78.00	\$ 4,680.00	\$ 350.00	\$ 21,000.00
18.	Sawcut, Remove, and Replace Asphalt Driveways (and Conc. Curbing)	510	LF	\$ 75.00	\$ 38,250.00	\$ 58.00	\$ 29,580.00	\$ 100.00	\$ 51,000.00
19.	Sawcut, Remove, and Replace Concrete Driveways (and Conc. Curbing)	290	LF	\$ 155.00	\$ 44,950.00	\$ 66.00	\$ 19,140.00	\$ 90.00	\$ 26,100.00
20.	Transfer Existing Services To New Water Line (Includes Tap, Fittings, Tubing to Existing Service / Meter Location, and Connection to Existing Meter)								
	a. 3/4" Service	5	EA	\$ 650.00	\$ 3,250.00	\$ 1,250.00	\$ 6,250.00	\$ 1,000.00	\$ 5,000.00
	b. 1" Service	3	EA	\$ 840.00	\$ 2,520.00	\$ 1,354.00	\$ 4,062.00	\$ 1,000.00	\$ 3,000.00
	c. 2" Service	5	EA	\$ 1,560.00	\$ 7,800.00	\$ 2,420.00	\$ 12,100.00	\$ 1,400.00	\$ 7,000.00
21.	Pipe Bridge Crossing Congaree Creek (Includes H piles, Pile Driving, Concrete Pile Cap, Structural Steel Members, Hardware, Erection, Pipe Saddles and Attachment Hardware, Painting (Pipe And Bridge) and All Other Work and Appurtenances Necessary for a Complete Installation). Excludes Pipe and Fittings.	1	LS	\$ 297,200.00	\$ 297,200.00	\$190,900.00	\$ 190,900.00	\$185,000.00	\$ 185,000.00
22.	Restoration/Erosion Control	1	LS	\$ 97,020.00	\$ 97,020.00	\$149,272.00	\$ 149,272.00	\$165,000.00	\$ 165,000.00
23.	Line A – Tie In at Station 10+38 - Connect Existing 4" Water Service to New 30" Line and Cap Existing Line (Includes 4" Piping, 4" Gate Valve, Restraint, 90° Bends, Sleeve, and All Other Fittings, Appurtenances and Work Necessary for Complete Connection of New 30" Line to Existing 4" Line as Shown in Drawings)	1	LS	\$ 5,750.00	\$ 5,750.00	\$ 8,500.00	\$ 8,500.00	\$ 10,000.00	\$ 10,000.00
24.	Line A – Tie In at Station 23+90 - Connect Existing 12" Water Line to New 30" Line and Cap Existing 12" Line (Includes 12" x 12" Tapping Sleeve and (Includes 12" x 12" Tapping Sleeve and Valve, 12" Piping, Restraint, 12" - 90° Bend, 12" - 45° Bend, 30" x 12" Reducer, 12" Caps and All Other Fittings, Appurtenances and Work Necessary for Complete Connection of New 30" Line to Existing 12" Line as Shown in Drawings)	1	LS	\$ 13,675.00	\$ 13,675.00	\$ 20,860.00	\$ 20,860.00	\$ 25,000.00	\$ 25,000.00

**BID CERTIFICATION  
HIGHWAY 321 WATERLINE REPLACEMENT  
CITY OF CAYCE  
Project No.: 13-035**

BID DATE: November 19, 2014 at 2:00 PM

Certified as Correct: *C. A. K.*

Date: 11/19/2014

			D.S. Utilities, Inc.		LAD Corporation of West Columbia		T B Landmark Construction, Inc.		
25.	Line B – Tie In at Station 22+54 - Connect Existing 8" Water Line to New 24" Line and Cap Existing Line (Includes 8" x 8" Tapping Sleeve and Valve, 8" Piping, Restraint, 8" - 90° Bend, 8" Caps, and All Other Fittings, Appurtenances and Work Necessary for Complete Connection of New 24" Line to Existing 8" Line as Shown in Drawings)	1	LS	\$ 10,975.00	\$ 10,975.00	\$ 11,415.00	\$ 11,415.00	\$ 12,500.00	\$ 12,500.00
26.	Line B – Tie In at Station 26+96 - Connect Existing 16" Water Line to New 24" Line (Includes 16" x 16" Tapping Sleeve and Valve, 16" Piping, Restraint, 16" - 90° Bends and All Other Fittings, Appurtenances and Work Necessary for Complete Connection of New 24" Line to Existing 16" Line as Shown in Drawings)	1	LS	\$ 28,935.00	\$ 28,935.00	\$ 28,988.00	\$ 28,988.00	\$ 25,000.00	\$ 25,000.00
27.	Line C – Tie In At Station 9+22 - Connect Existing 6" Water Line to New 16" Line (Includes 6" x 6" Tapping Sleeve and Valve, 6" Piping, Restraint, 6" - 90° Bend and All Other Fittings, Appurtenances and Work Necessary for Complete Connection of New 16" Line to Existing 6" Line as Shown in Drawings)	1	LS	\$ 5,630.00	\$ 5,630.00	\$ 5,338.00	\$ 5,338.00	\$ 10,000.00	\$ 10,000.00
28.	Line C – Tie In at Station 26+00 (End) - Connect New 16" To Existing 10" Water Line (Includes 10" x 10" Tapping Sleeve and Valve, 10" Piping, Restraint, 16" x 10" Reducer and All Other Fittings, Appurtenances and Work Necessary for Complete Connection of New 16" Line to Existing 10" Line as Shown in Drawings)	1	LS	\$ 7,755.00	\$ 7,755.00	\$ 7,879.00	\$ 7,879.00	\$ 10,000.00	\$ 10,000.00
29.	Line D – Tie In at Station 3+98 - Connect New 12" Line to Existing 6" Water Line (Includes 6" x 6" Tapping Sleeve and Valve, 6" Piping, 6" 45° Bend, Restraint, Cut and Repair of Asphalt Roadway, and All Other Fittings, Appurtenances and Work Necessary for Complete Connection of New 12" Line to Existing 6" Line as Shown in Drawings)	1	LS	\$ 9,915.00	\$ 9,915.00	\$ 9,694.00	\$ 9,694.00	\$ 12,500.00	\$ 12,500.00
30.	Line D – Tie In at Station 4+13 - Connect New 12" Line to Existing 10" Water Line (Includes 10" x 10" Tapping Sleeve and Valve, 12" x 10" Reducer, 10" Piping, Restraint, Cut and Repair of Asphalt Roadway, and All Other Fittings, Appurtenances and Work Necessary for Complete Connection of New 12" Line to Existing 10" Line as Shown in Drawings)	1	LS	\$ 9,690.00	\$ 9,690.00	\$ 11,401.00	\$ 11,401.00	\$ 15,000.00	\$ 15,000.00

**BID CERTIFICATION  
HIGHWAY 321 WATERLINE REPLACEMENT  
CITY OF CAYCE  
Project No.: 13-035**

BID DATE: November 19, 2014 at 2:00 PM

Certified as Correct: *Craig A. King*

Date: 11/19/2014

			D.S. Utilities, Inc.		L&D Corporation of West Columbia		T B Landmark Construction, Inc.		
31.	Line E – Tie In at Station 0+16 - Connect New 30" Line to Existing 8" Water Line. (Includes 8" x 8" Tapping Sleeve and Valve, 8" 45° Bend, 8" Piping, Restraint, Cut and Repair of Asphalt Roadway, and All Other Fittings, Appurtenances and Work Necessary for Complete Connection of New 30" Line to Existing 8" Line as Shown in	1	LS	\$ 16,410.00	\$ 16,410.00	\$ 10,844.00	\$ 10,844.00	\$ 17,500.00	\$ 17,500.00
32.	Line E – Tie In At Station 2+90 - Connect New 12" Line to Existing 12" Water Line (Includes 12" x 12" Tapping Sleeve and Valve, Cut and Repair of Asphalt Roadway, and All Other Fittings, Appurtenances and Work Necessary for Complete Connection of New 12" Line to Existing 12" Line as Shown in Drawings)	1	LS	\$ 11,670.00	\$ 11,670.00	\$ 11,799.00	\$ 11,799.00	\$ 15,000.00	\$ 15,000.00
33.	I-26 Interchange Improvements A Sheet 16 of 21 (Line A – Station No. 29+83). New 2" Service Line to West Side Of Hwy. 321. Includes Horizontal Directional Drill of 210 LF of 6" HDPE Casing with 2" Service Line. Connect to Ex. 2" Service Line Serving West Side of Hwy. Cap Existing 2" Line. Includes All 2" Fittings, Valves, Cut in of New 2" Line, and All Other Fittings, Appurtenances and Work Necessary for Complete Connection of New 30" Line to Existing 2" Line as Shown in Drawings)	1	LS	\$ 12,735.00	\$ 12,735.00	\$ 34,391.00	\$ 34,391.00	\$ 21,650.00	\$ 21,650.00
34.	I-26 Interchange Improvements B and C Sheet 16 of 21. Cap Existing 12" and 10" Lines on West Side of Hwy. 321 at I-26 Overpass. Cap Lines in Two (2) Locations as Shown in Drawings (Includes 12" and 10" Caps, Cut and Repair of Asphalt Roadway, and All Other Fittings, Appurtenances and Work Necessary for a Complete Installation as Shown in Drawings)	1	LS	\$ 9,285.00	\$ 9,285.00	\$ 7,100.00	\$ 7,100.00	\$ 9,360.00	\$ 9,360.00
35.	12" Flushing Connection (Includes 12" Piping, Restraint, 12" - 90° Bend, 12" Gate Valve, 12" Cap, and All Other Fittings, Appurtenances and Work Necessary for a Complete Installation of Flushing Connection.	3	EA	\$ 8,855.00	\$ 26,565.00	\$ 12,890.00	\$ 38,670.00	\$ 17,125.00	\$ 51,375.00
36.	Remove Existing Fire Hydrant and Cap Line. Includes Concrete Thrust Restraint.	2	EA	\$ 1,805.00	\$ 3,610.00	\$ 1,250.00	\$ 2,500.00	\$ 2,495.00	\$ 4,990.00
37.	Manifold Replacement at Water Treatment Plant – Sheet 16 of 21. Includes Line Stop Valves (6 Total), Caps on Existing Lines (16 Total), All Necessary Pipe and Fittings, Asphalt Roadway Repair, and All Other Work Necessary for Complete Abandonment of Existing Lines as Shown in Drawings.	1	EA	\$ 217,130.00	\$ 217,130.00	\$129,290.00	\$ 129,290.00	\$144,000.00	\$ 144,000.00
<b>TOTAL AMOUNT BID</b>					<b>\$3,119,585.23</b>		<b>\$2,982,900.90</b>		<b>\$4,202,495.00</b>





ENGINEERING CONSULTANTS, INC.

1300 12th Street, Suite A • P.O. Box 2299 • Cayce, SC 29171 • (803) 791-1400 • FAX: (803) 791-8110

November 20, 2014

Ms. Rebecca Vance  
City Manager  
City of Cayce  
P. O. Box 2004  
Cayce, SC 29171

RE: Recommendation of Award  
Highway 321 Water Line Replacement  
SRF Project No. 3210003-01  
AEC Project No. 13-035

Dear Ms. Vance:

On Wednesday, November 19, 2014, at 2:00 PM, in the Council Chambers at Cayce City Hall, three (3) bid packages were received and read aloud for the above referenced project. Pursuant to the opening of the bids and in accordance with the City's request, we have reviewed the bids taken for the project and the low bidder for the project was LAD Corporation of West Columbia with a unit price bid total amount of \$2,982,900.90.

Based on a review of the bid documents, it is recommended that the City of Cayce award a contract for the construction of this project to LAD Corporation of West Columbia in the amount of \$2,982,900.90, contingent upon LAD Corporation of West Columbia being approved by the SCDHEC SRF Section. Upon your direction, we will prepare the Contract Documents for execution by the Owner and the Contractor, subsequent to the approval of LAD Corporation of West Columbia by SRF and the closing of the SRF loan.

Copies of the Bid Tabulation and Bid Certification are enclosed. Should you have any questions or need additional information, please do not hesitate to give us a call.

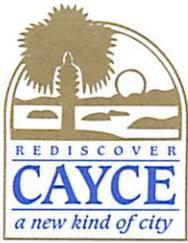
Sincerely,

**American Engineering Consultants, Inc.**

Craig A. Kirby, P.E.  
Project Manager

Enclosures

cc: Mr. Blake A. Bridwell, P.E., City of Cayce (w/ enclosures)  
Ms. Kim Forston, SCDHEC SRF Section (w/ enclosures)  
Mr. Alton Hutto, LAD Corporation of West Columbia (w/ enclosures)



# CITY OF CAYCE

*MAYOR*  
ELISE PARTIN

*MAYOR PRO-TEM*  
JAMES E. JENKINS

*COUNCIL MEMBERS*  
TARA S. ALMOND  
EVA CORLEY  
TIMOTHY M. JAMES

*CITY MANAGER*  
REBECCA VANCE

*ASSISTANT CITY MANAGER*  
SHAUN M. GREENWOOD

## JUDGES OATH OF OFFICE

I do solemnly swear that:

I am duly qualified, according to the Constitution of this State, to exercise the duties of the office to which I have been appointed, and that I will, to the best of my ability, discharge those duties and will preserve, protect and defend the Constitution of this State and of the United States;

I pledge to uphold the integrity and independence of the judiciary; I pledge, in the discharge of my duties, to treat all persons who enter the courtroom with civility, fairness, and respect; I pledge to listen courteously, sit impartially, act promptly, and rule after careful and considerate deliberation; I pledge to seek justice, and justice alone;

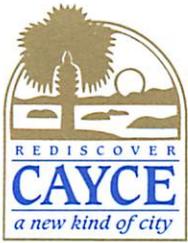
So help me God.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Oath administered by:

\_\_\_\_\_  
Mendy Corder, Notary Public  
My Commission Expires May 18, 2022



## CITY OF CAYCE

*MAYOR*  
ELISE PARTIN

*MAYOR PRO-TEM*  
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REBECCA VANCE

*ASSISTANT CITY MANAGER*  
SHAUN M. GREENWOOD

### OATH OF OFFICE

#### SC CODE OF LAWS

As City Attorney of the municipality of Cayce, I will equally, fairly, and impartially, to the best of my ability and skill, exercise the trust reposed in me, and I will use my best endeavors to preserve the peace and carry into effect according to law the purposes for which I have been appointed. So help me God.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Administered By