
ORDINANCE NO. 2008-038

AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2008, OF THE CITY OF COLUMBIA, SOUTH CAROLINA, FOR THE PURPOSE OF REFUNDING THE CITY'S \$9,400,000 ORIGINAL PRINCIPAL AMOUNT GENERAL OBLIGATION BONDS, SERIES 1998; FIXING THE FORM AND DETAILS OF THE BONDS; AUTHORIZING THE MAYOR AND CITY MANAGER TO DETERMINE CERTAIN MATTERS RELATING TO THE BONDS; PROVIDING FOR THE PAYMENT OF THE BONDS AND THE DISPOSITION OF THE PROCEEDS THEREOF; AND OTHER MATTERS RELATING THERETO.

Enacted: June 4, 2008

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLUMBIA, SOUTH CAROLINA, AS FOLLOWS:

SECTION 1. Definitions. Unless the context shall clearly indicate some other meaning, the terms defined in this Section shall have, for all purposes of this Ordinance, the meanings hereinafter specified, with the definitions equally applicable to both the singular and plural forms and vice versa. The term:

“1998 Bond Ordinance” shall mean the Ordinance No. 97-066 as amended by Ordinance No. 98-019 enacted on December 17, 1997, and April 1, 1998, respectively, authorizing the issuance and sale of the 1998 Bonds.

“1998 Bonds” shall mean the \$9,400,000 original principal amount General Obligation Bonds, Series 1998, dated May 1, 1998, currently outstanding in the principal amount of \$3,540,000.

“Beneficial Owner” shall mean any purchaser who acquires beneficial ownership interest in an Initial Bond held by the Depository. In determining any Beneficial Owner, the City, the Registrar and the Paying Agent may rely exclusively upon written representations made and information given to the City, the Registrar and the Paying Agent, as the case may be, by the Depository or its Participants with respect to any Bond held by the Depository or its Participants in which a beneficial ownership interest is claimed.

“Bondholders” or the term “Holders” or any similar term shall mean the registered owner or owners of any outstanding Bond or Bonds.

“Bonds to be Refunded” shall mean the 1998 Bonds maturing on February 1, 2009, to and including February 1, 2012.

“Book-Entry Form” or “Book-Entry System” shall mean with respect to the Bonds, a form or system, as applicable, under which (i) the ownership of beneficial interests in the Bonds may be transferred only through a book-entry and (ii) physical Bond certificates in fully registered form are registered only in the name of the Depository or its nominees as Holder, with the physical Bond certificates “immobilized” in the custody of the Depository. The book-entry maintained by the Depository is the record that identifies the owners of participatory interests in the Bonds, when subject to the Book-Entry System.

“Books of Registry” shall mean the registration books maintained by the Registrar in accordance with Section 7 hereof.

“City” shall mean the City of Columbia, South Carolina.

“Code” shall mean the Internal Revenue Code of 1986 as amended.

“Council” shall mean the City Council of the City of Columbia, South Carolina.

“Depository” shall mean any securities Depository that is a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, operating and maintaining, with its Participants or otherwise, a Book-Entry System to record ownership of beneficial interests in the Bonds, and to effect transfers of the Bonds, in Book-Entry Form, and includes and means initially The Depository Trust Company (a limited-purpose trust company), New York, New York.

“Escrow Agent” shall mean U.S. Bank National Association as successor to First Union National Bank, the paying agent for the 1998 Bonds or such other bank as the City Manager and the Mayor may determine.

“Escrow Agreement” shall mean the Escrow Agreement dated the date of its execution between the City and the Escrow Agent.

“Initial Bonds” shall mean the Bonds initially issued in Book-Entry Form as provided in Section 4 hereof.

“Interest Payment Date” shall mean February 1 and August 1 of each year commencing on such date as determined by the Mayor and City Manager.

“Letter of Representations” shall mean the Letter of Representations executed and delivered by the City to the Depository.

“Municipal Bond Act” shall mean Title 5, Chapter 21, Article 5, Code of Laws of South Carolina 1976, as amended.

“Ordinance” shall mean this Ordinance.

“Participant” shall mean any bank, brokerage house or other financial institution for which, from time to time, the Depository effects book-entry transfers and pledges of securities deposited with the Depository.

“Paying Agent” shall mean Regions Bank, Columbia, South Carolina.

“Record Date” shall mean the fifteenth (15th) day of the month immediately preceding each Interest Payment Date on the Bonds or the date of notice of any proposed redemption of the Bonds.

“Refunding Act” shall mean Title 11, Chapter 15, Article 5 of the Code of Laws of South Carolina 1976, as amended.

“Registrar” shall mean Regions Bank, Columbia, South Carolina.

“Series 2008 Bonds” shall mean the General Obligation Bonds, Series 2008, authorized to be issued pursuant to Section 3 hereof.

“South Carolina Code” shall mean South Carolina Code of Laws 1976, as amended.

“State” shall mean the State of South Carolina.

SECTION 2. Findings and Determinations. The Council of the City hereby finds and determines:

(a) The City is an incorporated municipality located in Lexington County and Richland County, South Carolina, and as such possesses all powers granted to municipalities by the Constitution and laws of this State.

(b) Article X, Section 14 of the Constitution of the State of South Carolina, 1895, as amended (the “Constitution”), provides that general obligation debt may be incurred by the governing body of each city of the State of South Carolina for any public and corporate purpose in an amount not exceeding eight percent of the assessed value of all taxable property of such city.

(c) Pursuant to the Municipal Bond Act, the municipal council of any municipality may issue general obligation bonds of such municipality for any corporate purpose of such municipality to any amount not exceeding the constitutional debt limit applicable.

(d) Pursuant to such constitutional, City and statutory authorizations, the City has issued the 1998 Bonds pursuant to the 1998 Bond Ordinance.

(e) The Refunding Act authorizes and provides the procedure for the issuance of general obligation bonds whose proceeds are to be used to pay, in whole or in part, sums due on general obligation bonds previously issued.

(f) The 1998 Bonds are currently outstanding in the amount of \$3,540,000. The 1998 Bonds which mature on or after February 1, 2009, are subject to redemption at the option of the City on or after February 1, 2008, as a whole at any time, at a redemption price equal to 100% of the principal amount of such 1998 Bonds to be redeemed together with the interest accrued thereon to the date fixed for redemption.

(g) Based on current market conditions and projections of savings, the Council finds that it is in the best interest of the City to effect a refunding of all of the 1998 Bonds because a savings can be effected through the refunding and redemption of such 1998 Bonds. The Council recognizes, however, that current market conditions may change and that, as of the date of the enactment of this Ordinance, a determination cannot be made as to the amount of such savings, if any, will be realized through the refunding of all of the 1998 Bonds, and that certain authority relating to such refunding is delegated to the Mayor and City Manager of the City through this Ordinance. Because the Refunding Act requires that refunding bonds be sold at public sale there can be no assurance that market conditions at the time of such sale will be similar to the prevailing rates on the date of the adoption of this Ordinance. If the rates of interest on the refunding bonds authorized by this Ordinance do not result in satisfactory debt service savings, the Mayor and City Manager will be empowered to reject bids for the purchase of the refunding bonds.

(h) The Municipal Bond Act requires that an election be held prior to the issuance of general obligation bonds. Title 11, Chapter 27 of the South Carolina Code as amended, provides that if an election be prescribed by the provisions of the Municipal Bond Act, but is not required by the provisions of Article X of the Constitution, then in every such instance, no election need be held (notwithstanding the requirement therefor) and the remaining provisions of the Municipal Bond Act shall constitute a full and complete authorization to issue bonds in accordance with such remaining provisions. Title 11, Chapter 27 further provides that any municipality of the State may issue bonds in fully registered form.

(i) The assessed value of all taxable property in the City is not less than \$427,969,353 which includes the 1987 assessed value of merchants' inventory in the amount of \$6,667,290. Eight percent (8%) of such sum is \$34,237,548. As of the date hereof, the outstanding general obligation debt of the City subject to the limitation imposed by Article X, Section 14(7)(a) of the Constitution is \$28,795,000, representing the outstanding principal balance of the following general obligation bonds of the City:

- (i) \$9,400,000 original principal amount General Obligation Refunding Bonds, Series 1998, dated May 1, 1998, presently outstanding in the principal amount of \$3,540,000 (heretofore defined as the "Bonds to be Refunded");
- (ii) \$15,500,000 original principal amount General Obligation Bonds, Series 2002, dated August 1, 2002, presently outstanding in the principal amount of \$13,120,000 of which \$640,000 will be retired on June 1, 2008, leaving an outstanding principal balance of \$12,480,000;
- (iii) \$9,085,000 original principal amount General Obligation Bonds, Series 2007A, dated December 1, 2007, presently outstanding in the principal amount of \$9,085,000; and
- (iv) \$3,050,000 original principal amount General Obligation Bonds, Taxable Series 2007B, dated December 11, 2007, presently outstanding in the principal amount of \$3,050,000.

Thus after June 1, 2008, excluding the principal of the Bonds to be Refunded, the City may incur \$9,622,548 of general obligation debt within its applicable constitutional debt limitation.

(j) It is now in the best interest of the City for the Council to provide for the issuance and sale of general obligation refunding bonds of the City pursuant to the aforesaid provisions of the Constitution and laws of the State of South Carolina in order to effect the refunding of all 1998 Bonds maturing on or after February 1, 2009 and to authorize such 1998 Bonds maturing on and after February 1, 2009, to be called for redemption on a date to be determined by the Mayor and City Manager.

SECTION 3. Authorization and Details of Bonds. Pursuant to the aforesaid provisions of the Constitution and laws of the State of South Carolina, there is hereby authorized to be issued general obligation refunding bonds of the City (the "Series 2008 Bonds") to effect the refunding of the Bonds to be Refunded. The Series 2008 Bonds shall be issued in a principal amount determined by the Mayor and City Manager which amount will be sufficient to provide for the payment of principal of and interest on the Bonds to be Refunded to the date fixed for redemption and all expenses incurred in connection with the issuance of the Series 2008 Bonds. The Refunding Bonds shall be designated "(principal amount issued) General Obligation Refunding Bonds, Series 2008, of the City of Columbia, South Carolina."

Upon the delivery of the Series 2008 Bonds, the principal proceeds thereof, less any accrued interest and less costs of issuance, shall be deposited with the Escrow Agent, and held by it under the Escrow Agreement in a special trust account. If necessary, the City Manager and Mayor are authorized to direct the Escrow Agent to keep such proceeds invested and reinvested to the extent that it shall be practical in obligations of the United States or any agency thereof and to apply the principal and interest of the trust so established in the manner prescribed in such Escrow Agreement.

The Mayor and City Manager are hereby authorized and directed for and on behalf of the City to execute such agreements and give such directions as shall be necessary to carry out the provisions of this Ordinance, including the execution and delivery of the Escrow Agreement.

The Series 2008 Bonds shall be issued as fully registered Bonds; shall be dated as of the date of their delivery or the first or the fifteenth day of the month in which the Series 2008 Bonds are delivered to the initial purchaser(s) thereof or such other date as determined as the Mayor determines; shall be in denominations of \$5,000 or any integral multiple thereof not exceeding the principal amount of the Series 2008 Bonds maturing in each year unless issued as a single Series 2008 Bond in the entire principal amount of the issue; shall bear interest (calculated on the basis of a 360-day year of twelve 30-day months) from their date payable semiannually thereafter on February 1 and August 1 of each year commencing on a date determined by the Mayor and City Manager, until the Series 2008 Bonds mature, at such rate or rates as may be determined by the Mayor and City Manager at the time of the sale thereof; and shall mature serially in successive annual installments on February 1 in the years and in the principal amounts as determined by the Mayor and City Manager pursuant to Section 5 hereof.

Both the principal of and interest on the Series 2008 Bonds shall be payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for public and private debts. Regions Bank in Columbia, South Carolina, is hereby designated as the Registrar and the Paying Agent for the Bonds.

SECTION 4. Redemption Provisions. The Series 2008 Bonds shall not be subject to redemption prior to their stated maturities.

SECTION 5. Delegation of Authority to Determine Certain Matters Relating to the Bonds. Without further authorization, the Council hereby delegates to the Mayor and the City Manager the authority to determine: (a) the original issue date of the Series 2008 Bonds; (b) the aggregate

principal amount of the Series 2008 Bonds to be issued; (c) the first interest payment date; and (d) the respective principal amounts maturing on each maturity date (February 1) of the Series 2008 Bonds. The Council further delegates to the Mayor and City Manager the authority to: (a) determine the date and time of sale of the Series 2008 Bonds; (b) direct the paying agent for the Bonds to be Refunded to give a conditional notice of redemption of the Bonds to be Refunded; (c) to receive bids on behalf of the City to award the sale of the Series 2008 Bonds to the lowest bidder therefor, in accordance with the terms of the Notice of Sale for the Series 2008 Bonds, provided that no award shall be made unless the net present value savings attributable to the refunding authorized by this Ordinance is in excess of two percent (2%) of the par amount of the Bonds to be Refunded; and (d) make adjustments to the principal amounts of the Series 2008 Bonds immediately following the sale. After the sale of the Series 2008 Bonds, the Mayor and City Manager shall submit a written report to the Council setting forth the results of the sale of the Series 2008 Bonds.

SECTION 6. Book-Entry Bonds. If requested by the initial purchaser of the Series 2008 Bonds, the Initial Bonds will be eligible securities for the purposes of the Book-Entry System of transfer maintained by the Depository, and transfers of beneficial ownership of the Initial Bonds shall be made only through the Depository and its participants in accordance with rules specified by the Depository. Such beneficial ownership must be of \$5,000 principal amount of Series 2008 Bonds of the same maturity or any integral multiple of \$5,000.

The Initial Bonds shall be issued in fully registered form, as a single Series 2008 Bond or one Series 2008 Bond for each of the maturities of the Series 2008 Bonds, in the name of Cede & Co., as the nominee of the Depository. When any principal of, premium, if any, or interest on the Initial Bonds becomes due, the City shall transmit or cause the Paying Agent to transmit to the Depository an amount equal to such installment of principal, premium, if any, and interest. Such payments will be made to Cede & Co. or other nominee of the Depository as long as it is owner of record on the applicable Record Date. Cede & Co. or other nominee of the Depository shall be considered to be the owner of the Initial Bonds so registered for all purposes of this Ordinance, including, without limitation, payments as aforesaid and receipt of notices. The Depository shall remit such payments to the beneficial owners of the Series 2008 Bonds or their nominees in accordance with its rules and regulations.

The Depository is expected to maintain records of the positions of Participants in the Initial Bonds, and the Participants and persons acting through Participants are expected to maintain records of the Beneficial Owners in the Initial Bonds. The City, the Paying Agent and the Registrar make no assurances that the Depository and its Participants will act in accordance with such rules or expectations on a timely basis, and the City, the Paying Agent and the Registrar shall have no responsibility for any such maintenance of records or transfer of payments by the Depository to its Participants, or by the Participants or persons acting through Participants to the Beneficial Owners.

The City, the Paying Agent and the Registrar may treat the Depository (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purpose of payment of the principal of, interest or premium, if any, on the Series 2008 Bonds, giving any notice permitted or required to be given to Bondholders under this Ordinance, registering the transfer of Series 2008 Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever, and shall not be affected by any notice to the contrary. The City, the Paying Agent and

the Registrar shall not have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Series 2008 Bonds under or through the Depository or any Participant, or any other person which is not shown on Books of Registry of the City maintained by the Registrar as being a Bondholder, with respect to the accuracy of any records maintained by the Depository or any Participant or the maintenance of any records; the payment by the Depository or any Participant of any amount in respect of the principal of, interest or premium, if any, on the Bonds; the sending of any transaction statements; the delivery or timeliness of delivery by the Depository or any Participant of any notice which is permitted or required to be given to Bondholders thereunder; or any consent given or other action taken by the Depository as a Bondholder.

SECTION 7. Successor Depository. If (a) the Depository determines not to continue to act as Depository for the Series 2008 Bonds and gives reasonable notice to the Registrar and the City, or (b) the City has advised the Depository of the City's determination that the Depository is incapable of discharging its duties, then the City shall attempt to retain another qualified securities depository to replace the Depository. Upon receipt by the City or the Registrar of the Initial Bonds together with an assignment duly executed by the Depository, the City shall execute and deliver to the successor Depository the Series 2008 Bonds of the same principal amount, interest rate and maturity. If the City is unable to retain a qualified successor to the Depository, or the City has determined that it is in its best interest not to continue the Book-Entry System of transfer or that interests of the Beneficial Owners of the Series 2008 Bonds might be adversely affected if the Book-Entry System of transfer is continued (the City undertakes no obligation to make any investigation to determine the occurrence of any events that would permit it to make any such determination), and has made provision to so notify Beneficial Owners of the Series 2008 Bonds by mailing an appropriate notice to the Depository, upon receipt by the City of the Initial Bonds together with an assignment duly executed by the Depository, the City shall execute, authenticate and deliver to the Depository Participants Bonds in fully registered form, in substantially the form set forth in Section 11 of this Ordinance in the denomination of \$5,000 or any integral multiple thereof.

SECTION 8. Registration, Transfer and Exchange of Series 2008 Bonds. The City shall cause the Books of Registry to be kept at the offices of the Registrar for the registration and transfer of the Series 2008 Bonds. Upon presentation at its office for such purpose, the Registrar shall register or transfer, or cause to be registered or transferred, on such Books of Registry, the Series 2008 Bonds under such reasonable regulations as the Registrar may prescribe.

Each Series 2008 Bond shall be transferable only upon the Books of Registry of the City, which shall be kept for such purpose at the principal office of the Registrar, by the registered owner thereof in person or by his duly authorized attorney upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney. Upon the transfer of any such Series 2008 Bond, the Registrar on behalf of the City shall issue in the name of the transferee a new fully registered Series 2008 Bond or Series 2008 Bonds of the same aggregate principal amount, interest rate and maturity as the surrendered Series 2008 Bond. Any Series 2008 Bond surrendered in exchange for a new registered Series 2008 Bond pursuant to this Section shall be canceled by the Registrar.

The City, the Registrar and the Paying Agent may deem or treat the person in whose name any fully registered Series 2008 Bond shall be registered upon the Books of Registry as the absolute owner of such Series 2008 Bond, whether such Series 2008 Bond shall be overdue or not, for the purpose of receiving payment of the principal of and interest on such Series 2008 Bond and for all other purposes; and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Series 2008 Bond to the extent of the sum or sums so paid, and neither the City nor the Registrar shall be affected by any notice to the contrary. In all cases in which the privilege of transferring Series 2008 Bonds is exercised, the City shall execute and the Registrar shall authenticate and deliver Series 2008 Bonds in accordance with the provisions of this Ordinance. Neither the City nor the Registrar shall be obliged to make any such transfer of Series 2008 Bonds during the fifteen (15) days preceding an interest payment date on such Series 2008 Bonds.

SECTION 9. Record Date. The City hereby establishes a record date for the payment of interest or for the giving of notice of any proposed redemption of Series 2008 Bonds, and such record date shall be not more than fifteen (15) days preceding an Interest Payment Date on such Series 2008 Bond or, in the case of any proposed redemption of Series 2008 Bonds, such record date shall be not more than fifteen (15) days (whether or not a business day) prior to the mailing of notice of redemption of Series 2008 Bonds.

SECTION 10. Mutilation, Loss, Theft or Destruction of Series 2008 Bonds. In case any Series 2008 Bond shall at any time become mutilated in whole or in part, or be lost, stolen or destroyed, or be so defaced as to impair the value thereof to the owner, the City shall execute and the Registrar shall authenticate and deliver at the principal office of the Registrar, or send by registered mail to the owner thereof at his request, risk and expense a new Series 2008 Bond of the same series, interest rate and maturity and of like tenor and effect in exchange or substitution for and upon the surrender for cancellation of such defaced, mutilated or partly destroyed Series 2008 Bond, or in lieu of or in substitution for such lost, stolen or destroyed Series 2008 Bond. In any such event, the applicant for the issuance of a substitute Series 2008 Bond shall furnish the City and the Registrar evidence or proof satisfactory to the City and the Registrar of the loss, destruction, mutilation, defacement or theft of the original Series 2008 Bond, and of the ownership thereof, and also such security and indemnity as may be required by the laws of the State of South Carolina or such greater amount as may be required by the City and the Registrar. Any duplicate Series 2008 Bond issued under the provisions of this Section in exchange and substitution for any defaced, mutilated or partly destroyed Series 2008 Bond or in substitution for any allegedly lost, stolen or wholly destroyed Series 2008 Bond shall be entitled to the identical benefits under this Ordinance as was the original Series 2008 Bond in lieu of which such duplicate Series 2008 Bond is issued, and shall be entitled to equal and proportionate benefits with all the other Series 2008 Bonds of the same series issued hereunder.

All expenses necessary for the providing of any duplicate Series 2008 Bond shall be borne by the applicant therefor.

SECTION 11. Execution of Series 2008 Bonds. The Series 2008 Bonds shall be executed in the name of the City with the manual or facsimile signature of the Mayor of the City attested by the manual or facsimile signature of the Clerk of the City under a facsimile of the seal of the City

which shall be impressed, imprinted or reproduced thereon. The Series 2008 Bonds shall not be valid or become obligatory for any purpose unless there shall have been endorsed thereon a certificate of authentication. Each Series 2008 Bond shall bear a certificate of authentication manually executed by the Registrar in substantially the form set forth herein.

SECTION 12. Form of Series 2008 Bonds. The Series 2008 Bonds shall be in substantially the following form. In the event the Series 2008 Bonds will be held by a single Bondholder, the form of bond may be revised as a single fully registered Series 2008 Bond for each maturity or a single fully registered bond which sets forth all maturing principal amounts:

(FORM OF SERIES 2008 BOND)

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
CITY OF COLUMBIA
GENERAL OBLIGATION REFUNDING BOND, SERIES 2008

No. R-

<u>INTEREST</u> <u>RATE</u>	<u>MATURITY</u> <u>DATE</u>	<u>ORIGINAL</u> <u>ISSUE DATE</u>	<u>CUSIP</u>
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REGISTERED HOLDER:

PRINCIPAL AMOUNT:

DOLLARS

KNOW ALL MEN BY THESE PRESENTS, that the City of Columbia, South Carolina (the "City"), is justly indebted and, for value received, hereby promises to pay to the registered holder named above, or registered assigns, the principal amount shown above on the maturity date shown above, upon presentation and surrender of this Bond at the principal office of Regions Bank as paying agent (the "Paying Agent") in Columbia, South Carolina, and to pay interest on such principal sum from the date hereof at the interest rate per annum shown above until this Series 2008 Bond matures. Interest on this Bond is payable semiannually on February 1 and August 1 of each year commencing _____, until this Bond matures and shall be payable by check or draft mailed to the person in whose name this Bond is registered on the registration books of the City maintained by the registrar, presently Regions Bank as registrar (the "Registrar"), in Columbia, South Carolina, at the close of business on the fifteenth (15th) day of the calendar month preceding each semiannual interest payment date. The principal and interest on this Bond are payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for public and private debts provided, however, that interest on this fully registered Bond shall be paid by check or draft as set forth above.

This Bond shall not be entitled to any benefit under the Ordinance (as defined herein), nor become valid or obligatory for any purpose, until the Certificate of Authentication hereon shall have been duly executed by the Registrar.

For the payment of the principal and interest on this Bond, as they respectively mature, and for the creation of a sinking fund to aid in the retirement and payment thereof, the full faith, credit and taxing power of the City are irrevocably pledged, and there shall be levied and collected, annually upon all taxable property in the City an ad valorem tax, without limitation as to rate or amount, sufficient for such purposes.

This Bond is one of a series of Bonds of like date of original issue, tenor and effect, except as to number, denomination, date of maturity, redemption provisions, date of authentication and rate of interest, aggregating _____ (\$ _____) issued pursuant to and in accordance with the Constitution and laws of the State of South Carolina, including Article X, Section 14 of the Constitution of the State of South Carolina, 1895, as amended; Title 11, Chapter 15, Article 5, Code of Laws of South Carolina 1976, as amended; Title 11, Chapter 27, Code of Laws of South Carolina 1976, as amended; and Ordinance No. 2008-038 duly enacted on June 4, 2008, by the City Council (the "Ordinance").

This Bond and the series of which it is one shall not be subject to redemption prior to their stated maturities.

This Bond and the series of which it is one is transferable as provided in the Ordinance, only upon the books of the City kept for that purpose at the principal office of the Registrar by the registered holder in person or by his duly authorized attorney upon surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered holder or his duly authorized attorney. Thereupon, a new fully registered Bond or Bonds of the same aggregate principal amount, interest rate, and maturity shall be issued to the transferee in exchange therefor as provided in the Ordinance. The City, the Registrar and the Paying Agent may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal hereof and interest due hereon and for all other purposes.

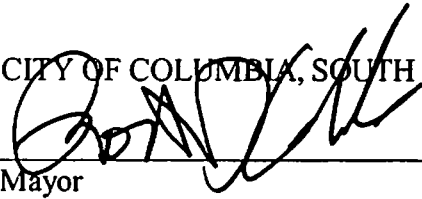
Under the laws of the State of South Carolina, this Bond and the interest hereon are exempt from all State, county, municipal, City and all other taxes or assessments, except estate or other transfer taxes, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of the State of South Carolina to exist, to happen and to be performed precedent to or in the issuance of this Bond exist, have happened and have been performed in regular and due time, form and manner as required by law, and that the amount of this Series 2008 Bond, together with all other indebtedness of the City, does not exceed the applicable limitation of indebtedness under the laws of the State of South Carolina and that provision has been made for the levy and collection annually upon all taxable property in the City an ad valorem tax, without limitation as to rate or amount, sufficient to pay the principal of and interest on this Bond as the

same shall respectively mature and to create a sinking fund to aid in the retirement and payment thereof.

IN WITNESS WHEREOF, CITY OF COLUMBIA, SOUTH CAROLINA, has caused this Bond to be signed with the [manual or facsimile] signature of the Mayor of the City, attested by the [manual or facsimile] signature of the Clerk of the City and the seal of the City impressed, imprinted or reproduced hereon.

CITY OF COLUMBIA, SOUTH CAROLINA



Mayor

(SEAL)

ATTEST:



Clerk

[FORM OF REGISTRAR'S CERTIFICATE OF AUTHENTICATION]

Date of Authentication:

This Bond is one of the bonds described in the within-mentioned Ordinance of the City of Columbia, South Carolina.

as Registrar

By: _____
Authorized Officer

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

TEN COM - as tenants in common

UNIF GIFT MIN ACT -

TEN ENT - as tenants by the
entireties

_____ Custodian _____
(Cust) (Minor)
under Uniform Gifts to
Minors Act _____
(state)

JT TEN - as joint tenants with
right of survivorship
and not as tenants in
common

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

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____ (Name and Address of Transferee) the within Series 2008 Bond and does hereby irrevocably constitute and appoint _____ attorney to transfer the within Series 2008 Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed

(Authorized Officer)

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

Notice: The signature to the assignment must correspond with the name of the registered holder as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

A copy of the final approving legal opinions to be rendered shall be attached to the back of each Bond and preceding the same a certificate shall appear, which shall be signed on behalf of the City with a facsimile signature of the Clerk of the City. Said certificate shall be in substantially the following form:

IT IS HEREBY CERTIFIED that the following are true and correct copies of the final legal opinions (except for date and letterhead) of McNair Law Firm, P.A., Columbia, South Carolina and McAngus Goudeock and Courie LLC, approving the issue of bonds of which the within bond is one, the original of which opinion was manually executed, dated and issued as of the date of delivery of and payment for the bonds, and a copy of which is on file with the City of Columbia, South Carolina.

CITY OF COLUMBIA, SOUTH CAROLINA

By: _____
Clerk

SECTION 13. Security for Series 2008 Bonds. The full faith, credit and taxing power of the City are hereby irrevocably pledged for the payment of the principal of and interest on the Series 2008 Bonds as they respectively mature and for the creation of a sinking fund to aid in the

retirement and payment thereof, and there shall be levied and collected annually upon all taxable property in the City an ad valorem tax, without limitation as to rate or amount, sufficient for such purposes.

The appropriate official of the City shall be notified as to the delivery of and payment for the Series 2008 Bonds and is hereby directed to levy and collect annually upon all taxable property in the City an ad valorem tax, without limitation as to rate or amount.

SECTION 14. Defeasance. The obligations of the City under this Ordinance and the pledges, covenants and agreements of the City herein made or provided for, shall be fully discharged and satisfied as to any portion of the Series 2008 Bonds, and such Series 2008 Bond or Series 2008 Bonds shall no longer be deemed to be outstanding hereunder when:

(a) such Series 2008 Bond or Series 2008 Bonds shall have been purchased by the City and surrendered to the City for cancellation or otherwise surrendered to the City or the Paying Agent and is canceled or subject to cancellation by the City or the Paying Agent; or

(b) payment of the principal of and interest on such Series 2008 Bonds either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for by irrevocably depositing with the Paying Agent in trust and irrevocably setting aside exclusively for such payment, (1) moneys sufficient to make such payment, or (2) Government Obligations (hereinafter defined) maturing as to principal and interest in such amounts and at such times as will ensure the availability of sufficient moneys to make such payment and all necessary and proper fees, compensation and expenses of the Paying Agent. At such time as the Series 2008 Bonds shall no longer be deemed to be outstanding hereunder, such Series 2008 Bonds shall cease to draw interest, and, except for the purposes of any such payment from such moneys or Government Obligations as set forth in (ii) above, shall no longer be secured by or entitled to the benefits of this Ordinance.

“Government Obligations” shall mean any of the following: (1) cash; (2) United States Treasury Obligations – State and Local Government Series; (3) United States Treasury bills, notes, bonds or zero coupon treasury bonds all as traded on the open market; (4) direct obligations of the U.S. Treasury which have been stripped by the Treasury itself, including CATS TIGRS and similar securities; (5) obligations of any agencies or instrumentalities which are backed by the full faith and credit of the United States of America; (6) bonds or debentures issued by any Federal Home Loan Bank or consolidated bonds or debentures issued by the Federal Home Loan Bank Board; or (7) any legally permissible combination of any of the foregoing. Government Obligations must be redeemable only at the option of the holder thereof.

SECTION 15. Exemption from State Taxes. Both the principal of and interest on the Series 2008 Bonds shall be exempt, in accordance with the provisions of Section 12-2-50 of the South Carolina Code, from all State, county, municipal, City and all other taxes or assessments, except estate or other transfer taxes, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise.

SECTION 16. Sale of Series 2008 Bonds; Form of Notice of Sale. The Series 2008 Bonds shall be sold at public sale. A Notice of Sale in the form set forth below shall be distributed to prospective bidders, and a summary of such Notice of Sale shall be published in a newspaper having general circulation in the State of South Carolina not less than seven (7) days prior to the date set for such sale.

The Notice of Sale shall be in substantially the following form:

NOTICE OF SALE
\$ _____ GENERAL OBLIGATION REFUNDING BONDS, SERIES 2008,
OF CITY OF COLUMBIA
STATE OF SOUTH CAROLINA

Time and Place of Sale: NOTICE IS HEREBY GIVEN that sealed bids, facsimile bids and electronic bids will be received on behalf of the City of Columbia (the "City"), South Carolina, by the Mayor in the office of the City Manager, Second Floor, Room 26, City Hall, 1737 Main Street, Columbia, South Carolina until 12:00 Noon, South Carolina time, on _____, 2008, at which time said proposals will be publicly opened for the purchase of \$ _____ General Obligation Refunding Bonds, Series 2008, of City of Columbia, South Carolina (the "Bonds").

Sealed Bids: Each hand-delivered proposal shall be enclosed in a sealed envelope marked "Proposal for \$ _____ General Obligation Refunding Bonds, Series 2008, of City of Columbia, South Carolina" and should be directed to the Mayor of the City at the address in the first paragraph hereof.

Facsimile Bids: The City will accept the facsimile transmission of a manually signed Official Bid Form at the risk of the Bidder. The City shall not be responsible for any failure, misdirection, delay or error resulting from the selection by any bidder of any particular means of delivery of bids. The City will take reasonable steps to ensure the confidentiality of all bids transmitted to it by facsimile transmission, but cannot guarantee the confidentiality of information transmitted by such means. Any delay in receipt of a facsimile bid, and any incompleteness or illegible portions of such bid are the responsibility of the bidder. Bids by facsimile should be transmitted to the attention of _____, _____, telephone (803) _____, fax (803) _____.

Electronic Bids: Electronic proposals may be submitted through i-Deal's Parity Electronic Bid Submission System ("Parity"). No electronic bids from any other providers of electronic bidding services will be accepted. Information about the electronic bidding services of Parity may be obtained from i-Deal, 1359 Broadway, 2nd Floor, New York, New York 10018, Customer Support Telephone: 212.849.5000.

PROPOSALS MAY BE DELIVERED BY HAND, BY MAIL, BY FACSIMILE TRANSMISSION OR BY ELECTRONIC BID, BUT NO PROPOSAL SHALL BE CONSIDERED WHICH IS NOT ACTUALLY RECEIVED BY THE CITY AT THE PLACE, DATE AND TIME APPOINTED, AND THE CITY SHALL NOT BE RESPONSIBLE FOR ANY FAILURE, MISDIRECTION, DELAY OR ERROR

RESULTING FROM THE SELECTION BY ANY BIDDER OF ANY PARTICULAR MEANS OF DELIVERY OF BIDS.

Book-Entry Only Bonds: The Series 2008 Bonds will be issued in fully registered form. If requested by the successful bidder, a single Series 2008 Bond or one Series 2008 Bond representing each maturity will be issued to and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (the "Depository"), as registered owner of the Series 2008 Bonds, and each such Series 2008 Bond will be immobilized in the custody of the Depository. The Depository will act as the Depository for the Series 2008 Bonds. Individual purchases will be made in book-entry only form in the principal amount of \$5,000 or any integral multiple thereof not exceeding the principal amount of Series 2008 Bonds maturing each year; purchasers will not receive physical delivery of certificates representing their interest in the Series 2008 Bonds purchased. The winning bidder, as a condition to delivery of the Series 2008 Bonds, will be required to deposit the Series 2008 Bond certificates representing each maturity with the Depository.

Series 2008 Bonds: The Series 2008 Bonds will dated _____ 1, 2008 or such other date as the successful bidder may requested; and will mature serially in successive annual installments on February 1 in each of the years and in the principal amounts as follows:

<u>Maturity Date</u>	<u>Amount</u>
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The Series 2008 Bonds will bear interest from the date thereof payable semiannually on February 1 and August 1 of each year commencing _____ 1, 20____, until the Series 2008 Bonds mature. Interest will be calculated on the basis of a 360-day year of twelve 30-day months.

Redemption Provisions: The Series 2008 Bonds shall not be subject to redemption prior to their stated maturities.

Registrar and Paying Agent: Regions Bank, Columbia, South Carolina, will act as the Registrar and the Paying Agent for the Series 2008 Bonds.

Bid Requirements: Bidders shall specify the rate or rates of interest per annum which the Series 2008 Bonds are to bear, to be expressed in multiples of 1/20 or 1/100, 1/8 of 1% with no greater difference than three (3%) percent between the highest and lowest rates of interest named by a bidder. Bidders are not limited as to the number of rates of interest named, but the rate of interest on each separate maturity must be the same single rate for all Series 2008 Bonds of that maturity from their date to such maturity date. A bid for less than all the Series 2008 Bonds, or a bid at a price less than par, will not be considered. In addition to the bid price, the successful bidder must pay accrued interest from the date of the Series 2008 Bonds to the date of full payment of the purchase price. The Series 2008 Bonds will be awarded to the bidder or bidders offering to purchase the Series 2008 Bonds at the lowest net interest cost to the City, such interest cost to be determined by computing the total dollar interest cost from the date of the Series 2008 Bonds to the respective maturity dates and deducting therefrom the amount of the premium offered, if any, over

and above the principal amount. The City Council reserves the right to reject any and all bids or to waive irregularities in any bid. Bids will be accepted or rejected no later than 3:00 p.m., South Carolina time, on the date of the sale.

Good Faith Check: No good faith deposit is required.

Bid Form: Each proposal should be enclosed in a sealed envelope marked "Proposal for \$ _____ General Obligation Refunding Bonds, Series 2008, City of Columbia, South Carolina" and should be directed to the Mayor at the address in the first paragraph hereof. It is requested but not required that you submit your bid on the Proposal for Purchase of Series 2008 Bonds supplied with the Official Statement.

Official Statement: The City deems the Preliminary Official Statement to be "final" as described in SEC Rule 15c2-12(b)(1) for the purposes of such Rule. Upon the award of the Series 2008 Bonds, the City will prepare a Final Official Statement (the "Official Statement") in substantially the same form as the Preliminary Official Statement subject to minor additions, deletions and revisions as required to complete the Official Statement. Within seven (7) business days after the award of the Series 2008 Bonds, the City will provide the successful bidder, without cost, 100 copies of the Official Statement. The successful bidder agrees to supply to the City all necessary pricing information and any Purchaser identification necessary to complete the Official Statement within 24 hours after the award of the Series 2008 Bonds.

Legal Opinions: The City Council shall furnish upon delivery of the Series 2008 Bonds the respective final approving opinion of McNair Law Firm, P.A., Columbia, South Carolina and McAngus Goudelock and Courie LLC, which opinions shall be attached to each Series 2008 Bond, together with the usual closing documents, including a certificate that no litigation is pending affecting the Series 2008 Bonds. Certain legal matters will be approved by Kenneth E. Gaines, Esq., City Attorney.

Certificate as to Issue Price: The successful bidder must provide a certificate to the City by the date of delivery of the Series 2008 Bonds, stating the initial reoffering price of the Series 2008 Bonds to the public (excluding bond houses and brokers) and the price at which a substantial amount of the Series 2008 Bonds were sold to the public, in form satisfactory to Bond Counsel. A sample copy of such a certificate may be obtained from Bond Counsel.

Delivery: At the request of the successful bidder, the Series 2008 Bonds will be delivered through the facilities of The Depository Trust Company in New York, New York, on or about _____, 2008, at the expense of the City, or at such other place as may be agreed upon with the purchasers at the expense of the purchaser. The balance of the purchase price then due (including the amount of accrued interest) must be paid in federal funds or other immediately available funds. Any cost of printing the Series 2008 Bonds will be borne by the City.

CUSIP Numbers: It is anticipated that CUSIP identification numbers will be set forth on the Series 2008 Bonds, but neither the failure to print such numbers on any Series 2008 Bond nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and pay for the Series 2008 Bonds in accordance with the terms of its proposal.

The CUSIP Service Bureau charge for the assignment of such numbers shall be the responsibility of and shall be paid for by the successful bidder.

Postponement: The City reserves the right to postpone, from time to time, the date established for the receipt of bids. The City will communicate any such change in the sale date through Thomson Municipal Market Monitor not less than 12 hours prior to the time bids are to be received. If any date fixed for the receipt of bids and the sale of the Series 2008 Bonds is postponed, any alternative sale date will be announced through Thomson Municipal Market Monitor at least 12 hours prior to such alternative sale date. On any such alternative sale date, any bidder may submit a sealed, facsimile, or electronic bid for the purchase of the Series 2008 Bonds in conformity in all respects with the provisions of this Notice of Sale, except for the date of sale and except for the changes announced through Thomson Municipal Market Monitor at the time the sale date and time are announced.

Financial Advisor: The City has employed Merchant Capital, L.L.C., Atlanta, Georgia, as its Financial Advisor in connection with the issuance of the Series 2008 Bonds.

Additional Information: Persons seeking information should communicate with:

Melissa A. Caughman
Interim Finance Director
City of Columbia
1136 Washington Street
P.O. Box 147
Columbia, SC 29217
Telephone: 803.545-3201
Fax: 803.255.8957
E-mail: macaughman@columbiasc.net

Brenton J. Robertson, Esq.
Senior Vice President
Merchant Capital, L.L.C.
One Buckhead Plaza
3060 Peachtree Rd., N.W.
Suite 1700
Atlanta, GA 30305
Telephone: 404.504.2762 (direct)
E-mail: brentr@merchancapital.com

s/Robert D. Coble
Mayor, City of Columbia, South Carolina

SECTION 17. Preliminary and Final Official Statement. The Council hereby authorizes and directs the Mayor to prepare, or cause to be prepared, a Preliminary Official Statement to be distributed to prospective purchasers of the Series 2008 Bonds together with the Notice of Sale. The Council authorizes the Mayor to designate the Preliminary Official Statement as "near final" for purposes of Rule 15c2-12 of the Securities and Exchange Commission. The Mayor is further authorized to see to the completion of the final form of the Official Statement upon the sale of the Series 2008 Bonds so that it may be provided to the purchaser of the Series 2008 Bonds.

SECTION 18. Continuing Disclosure. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of a Continuing Disclosure Certificate in substantially the form attached hereto as Exhibit A. Notwithstanding any other provisions of this Ordinance, failure of the City to comply with the Continuing Disclosure Certificate shall not be

considered an event of default, and no liability for damages shall attach therefor. The sole remedy for such failure to comply shall be that any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Section.

SECTION 19. Filings with Central Repository. In compliance with Section 11-1-85 of the South Carolina Code, the City covenants that it will file or cause to be filed with a central repository for further availability in the secondary bond market when requested: (a) a copy of the annual audit of the City within thirty (30) days of the City's receipt thereof; and (b) within thirty (30) days of the occurrence thereof, relevant information of an event which, in the opinion of the City, adversely affects more than five percent (5%) of the City's revenue or its tax base.

SECTION 20. Deposit and Use of Proceeds. The proceeds derived from the sale of the Series 2008 Bonds shall be deposited in a special fund, separate and distinct from all other funds, and applied solely to the purpose for which the Series 2008 Bonds are issued except that the premium, if any, shall be placed in the sinking fund established pursuant to the Municipal Bond Act, and the accrued interest, if any, shall be used to discharge in part the first interest to become due on the Series 2008 Bonds. If any surplus remain, it shall be deposited in the sinking fund to be established for the payment of the Series 2008 Bonds.

SECTION 21. Tax Covenants. The City hereby covenants and agrees with the holders of the Series 2008 Bonds that it will not take any action which will, or fail to take any action which failure will, cause interest on the Series 2008 Bonds to become includable in the gross income of the bondholders for federal income tax purposes pursuant to the provisions of the Code and regulations promulgated thereunder in effect on the date of original issuance of the Series 2008 Bonds and that no use of the proceeds of the Series 2008 Bonds shall be made which, if such use had been reasonably expected on the date of issue of the Series 2008 Bonds would have caused the Series 2008 Bonds to be "arbitrage bonds", as defined in Section 148 of the Code, and to that end the City hereby shall:

(a) comply with the applicable provisions of Section 103 and Sections 141 through 150 of the Code and any regulations promulgated thereunder so long as the Series 2008 Bonds are outstanding;

(b) establish such funds, make such calculations and pay such amounts in the manner and at the times required in order to comply with the requirements of the Code relating to required rebates of certain amounts to the United States; and

(c) make such reports of such information at the time and places required by the Code.

SECTION 22. Miscellaneous. The Council hereby authorizes the Mayor, City Manager, City Clerk, Interim Finance Director and City Attorney to execute such documents and instruments as may be necessary to effect the issuance of the Series 2008 Bonds.

All rules, regulations, resolutions and parts thereof, procedural or otherwise, in conflict herewith or the proceedings authorizing the issuance of the Series 2008 Bonds are, to the extent of such conflict, hereby repealed, and this Ordinance shall take effect and be in full force from and after its adoption.

[Signature page follows]

This Ordinance shall be forthwith codified in the Code of City Ordinances in the manner required by law.

ENACTED this 4th day of June, 2008.

CITY OF COLUMBIA, SOUTH CAROLINA

Mayor

(SEAL)

ATTEST:

Clerk

First Reading: May 21, 2008
Second Reading: June 4, 2008

[Signature page]

EXHIBIT A

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Columbia, South Carolina (the "City"), in connection with the issuance of \$ _____ General Obligation Refunding Bonds, Series 2008 (the "Bonds"). The Bonds are being issued pursuant to Ordinance No. 2008-038 enacted by the City Council of the City on June 4, 2008 (the "Ordinance"). The City covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the holders or beneficial owners and in order to assist the Participating Underwriters (defined below) in complying with the Rule (defined below).

SECTION 2. Definitions. The following capitalized terms shall have the following meanings:

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

"**Beneficial Owner**" shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories, or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"**Series 2008 Bonds**" shall mean the \$ _____ General Obligation Refunding Bonds, Series 2008, City of Columbia, South Carolina, dated _____, 2008.

"**Disclosure Representative**" shall mean the Finance Director of the City or his or her designee, or such other person as the City shall designate from time to time.

"**Disclosure USA**" shall mean the central post office for continuing disclosure filings established by the Texas Municipal Advisory Council.

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

"**Holders**" or "**Holders of the Bonds**" shall mean the registered owners of the Bonds.

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

"**National Repository**" shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule.

“Participating Underwriter” shall mean the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Repository” shall mean each National Repository and each State Repository, if any.

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

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

SECTION 3. Provision of Annual Reports.

(a) The City shall provide, or shall cause the Dissemination Agent to provide, not later than seven months from the end of the City’s fiscal year (currently June 30), commencing with the report of the fiscal year ending June 30, 2008, to Disclosure USA or each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate. The audited Comprehensive Annual Financial Report of the City (“CAFR”) for the fiscal year ended June 30, 2008, and for each subsequent fiscal year, may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date, provided, however, that in such event the audited financial statements will be submitted not later than 15 days after such audited CAFR becomes available for distribution. If the City’s fiscal year changes, it shall give notice of such change in the same manner as for a material Listed Event under Section 5(c) hereof.

(b) Not later than 15 days prior to the date specified in Section 3(a) for providing the Annual Report to Disclosure USA or the Repositories, the City shall provide the Annual Report to the Dissemination Agent, if other than the City.

(c) If the City is unable to provide to Disclosure USA or the Repositories an Annual Report by the date required in Section 3(a), the City shall send a notice to Disclosure USA or each National Repository or the Municipal Securities Rulemaking Board and each State Repository, if any, in substantially the form attached hereto as *Exhibit A*.

(d) For each fiscal year of the City, the Dissemination Agent shall:

(1) determine each year prior to the date for providing the Annual Report the name and address of each Repository;

(2) file each Annual Report with Disclosure USA or each Repository (within five business days after receipt thereof from the City, if the Dissemination Agent is other than the City); and

(3) after complying with clause (ii) of this Section 3(d), if the Dissemination Agent is other than the City, file a report with the City certifying whether the Annual Report has been provided pursuant to this Disclosure Certificate, and, if provided, stating the date it was provided, and listing all Disclosure USA or the Repositories to which it was provided.

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

(a) The audited CAFR for the fiscal year ended on the previous June 30, prepared in conformity with generally accepted accounting principles applicable as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board (or if not in conformity, to be accompanied by a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of financial information). If the City's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall include unaudited financial statements in a format similar to the financial statements contained in the Official Statement dated _____, 2008, relating to the Bonds (the "Official Statement"), and the audited financial statements shall be filed in the same manner as the Annual Report within 15 days after said financial statements become available.

(b) Financial information relating to the City's General Fund revenues and expenditures for the previous five fiscal years, prepared substantially in the form of and updating the table of the Official Statement under the heading, "FINANCIAL INFORMATION—General Fund – Five-Year Summary."

(c) Information concerning the City's budget for the fiscal year in which the Annual Report is issued, prepared substantially in the form of the summary shown in the Official Statement under the heading, "FINANCIAL INFORMATION—General Fund Budget."

(d) Information concerning the assessed value of taxable real and personal property in the City for each of the five previous fiscal years and, if available from the office of the Auditor of Richland County and Lexington County, an estimate for the fiscal year in which the Annual Report is issued, prepared substantially in the form of and updating the tables shown in the Official Statement under the heading, "TAX INFORMATION—Assessed Value of Taxable Property."

(e) (i) Information concerning the ad valorem property taxes collected for the City for each of the five previous fiscal years prepared substantially in the form of and updating the table shown in the Official Statement under the heading, "TAX INFORMATION— Tax Collections"; and (ii) information concerning the ten largest taxpayers in the City and the amounts of City taxes paid during the previous fiscal year, prepared substantially in the form of the table shown in the Official Statement under the heading, "TAX INFORMATION — Ten Largest Taxpayers."

(f) Information showing the legal debt limit of the City as of June 30 of the previous fiscal year or some later date, substantially in the form shown in the Official Statement under the heading, "DEBT STRUCTURE — Legal Debt Limit of the City," and (ii) information showing the outstanding indebtedness of the City, including long-term lease obligations and other long-term

liabilities, as of June 30 of the previous fiscal year or some later date, substantially in the form of and updating the table and information in the Official Statement under the heading, "DEBT STRUCTURE- Outstanding Indebtedness - Description of General Obligation Indebtedness by Issue - Capital Lease Obligations - Other City Debt," and the composite debt service table in the Official Statement under the heading, "DEBT STRUCTURE - Composite Debt Service."

The Annual Report may consist of one or more documents. Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City, which have been submitted by the City to each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The City shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

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

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions or events affecting the tax-exempt status of the security;
- (vii) Modifications to rights of bondholders;
- (viii) Bond calls;
- (ix) Defeasance;
- (x) Release, substitution, or sale of property securing repayment of the securities; and
- (xi) Rating changes.

(b) Whenever the City obtains knowledge of the occurrence of a Listed Event, the City shall as soon as possible determine if such event is material under applicable federal securities laws. If the City determines that such occurrence is material under applicable federal securities laws, the City shall, or shall cause the Dissemination Agent to, promptly file a notice of such occurrence with each (i) National Repository or the Municipal Securities Rulemaking Board and (ii) the State Repository. Notwithstanding the foregoing, notice of a Listed Event described in subsections (a)(viii) and (ix) need not be given under this subsection any earlier than the notice, if any, of the underlying event is given to Holders of affected Bonds pursuant to the Ordinance.

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

SECTION 7. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and

may discharge any such Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be the City.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate and any provision of this Disclosure Certificate may be waived provided the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Section 3(a), 4, 5 or 8, it may be made only in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person (within the meaning of the Rule) with respect to the Bonds, or the type of business conducted;

(b) The City's undertaking, as amended or taken into account, such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule as of the date of the Official Statement, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders and beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the City shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a material Listed Event under Section 5(e) hereof, and (ii) the Annual Report for the year in which the change is made shall present a comparison (in narrative form and also, if reasonably feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

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

SECTION 10. Default. In the event of a failure of the City or the Dissemination Agent to comply with any provision of this Disclosure Certificate, any beneficial owner may take such actions as may be necessary and appropriate, including seeking injunctive relief or specific performance by court order, to cause the City, or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Certificate. A default under this Disclosure

Certificate shall not be deemed an event of default under the Ordinance, and the sole remedy under this Disclosure Certificate in the event of any failure of the City or the Dissemination Agent to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriters, and Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 12. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

CITY OF COLUMBIA, SOUTH CAROLINA

By: _____
Its: City Manager

Dated: _____, 2008

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of City: City of Columbia, South Carolina

Name of Bond Issue: \$_____ General Obligation Refunding Bonds, Series 2008, City of Columbia, South Carolina,

Date of Issue: _____, 2008

NOTICE IS HEREBY GIVEN that City of Columbia, South Carolina (the "City"), has not provided an Annual Report with respect to the above-named Bonds as required by Sections 3 and 4 of the Continuing Disclosure Certificate executed and delivered by the City as Dissemination Agent. The City has notified us in writing that the Annual Report will be filed by _____.

Dated: _____

CITY OF COLUMBIA, SOUTH CAROLINA