
CITY OF COLUMBIA, SOUTH CAROLINA

ORDINANCE NO.: 2019-024

A THIRTEENTH SUPPLEMENTAL ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF CITY OF COLUMBIA, SOUTH CAROLINA, WATERWORKS AND SEWER SYSTEM REVENUE BONDS, IN ONE OR MORE SERIES, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING \$310,000,000, IN ORDER TO REFINANCE CERTAIN OUTSTANDING INDEBTEDNESS AND TO FINANCE VARIOUS CAPITAL PROJECTS AND IMPROVEMENTS TO THE SYSTEM, ANY NECESSARY DEBT SERVICE RESERVES, CAPITALIZED INTEREST AND ISSUANCE COSTS; AUTHORIZING THE MAYOR, THE CITY MANAGER AND THE ASSISTANT CITY MANAGER FOR FINANCE AND ECONOMIC SERVICES, OR ANY TWO OF THEM ACTING TOGETHER, TO DETERMINE CERTAIN MATTERS WITH RESPECT TO THE BONDS; PRESCRIBING THE FORM AND DETAILS OF SUCH BONDS; AND OTHER MATTERS RELATING THERETO.

Enacted: September 17, 2019

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLUMBIA,
SOUTH CAROLINA, IN COUNCIL ASSEMBLED:

Section 1. Definitions.

The terms in this Section 1 and all words and terms defined in the General Bond Ordinance No. 93-43 (the “General Bond Ordinance”) enacted by the City Council (the “Council”) of the City of Columbia, South Carolina (the “City”), on May 21, 1993 (such General Bond Ordinance as from time to time amended or supplemented by Supplemental Ordinances being defined in the Ordinance as the “Ordinance”) (except as herein otherwise expressly provided or unless the context otherwise requires) shall for all purposes of this Thirteenth Supplemental Ordinance have the respective meanings given to them in the Ordinance and in Section 1 hereof.

“2009 Letter of Credit” shall mean the irrevocable, direct-pay letter of credit issued by the Bank securing the payment of the principal of and interest on the Bonds of 2009.

“Bank” shall mean Sumitomo Mitsui Banking Corporation, acting through its New York Branch, as provider of the Letter of Credit.

“Beneficial Owner” shall mean any purchaser who acquires beneficial ownership interest in any 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 New Bond held by the Depository or its Participants in which a beneficial ownership interest is claimed.

“Bond Purchase Agreement” shall mean one or more Bond Purchase Agreements relating to the sale of the New Bonds, to be dated the date of execution and delivery thereof between the Underwriters and the City, as amended or supplemented thereto.

“Bonds of 2009” shall mean the original principal amount \$81,860,000 City of Columbia, South Carolina, Waterworks and Sewer System Revenue Bonds, Series 2009, dated September 2, 2009, all of which is outstanding as of the date of this Thirteenth Supplemental Ordinance.

“Bonds of 2010” shall mean the original principal amount \$105,000,000 City of Columbia, South Carolina, Waterworks and Sewer System Revenue Bonds, Series 2010, dated May 26, 2010, of which \$8,770,000 is outstanding as of the date of this Thirteenth Supplemental Ordinance.

“Bonds of 2011A” shall mean the original principal amount \$100,000,000 Waterworks and Sewer System Revenue Bonds, Series 2011A, dated December 8, 2011, of which \$29,835,000 is outstanding as of the date of this Thirteenth Supplemental Ordinance.

“Bonds of 2012” shall mean the original principal amount \$58,055,000 City of Columbia, South Carolina, Waterworks and Sewer System Refunding Revenue Bonds, Series 2012,

dated March 8, 2012, all of which are outstanding as of the date of this Thirteenth Supplemental Ordinance.

“Bonds of 2013” shall mean the original principal amount \$75,305,000 Waterworks and Sewer System Revenue Bonds, Series 2013, dated December 18, 2013, of which \$66,615,000 is outstanding as of the date of this Thirteenth Supplemental Ordinance.

“Bonds of 2016A” shall mean the original principal amount \$63,325,000 Waterworks and Sewer System Revenue Bonds, Series 2016A, dated December 8, 2016, of which \$59,740,000 is outstanding as of the date of this Thirteenth Supplemental Ordinance.

“Bonds of 2016B” shall mean the original principal amount \$146,710,000 City of Columbia, South Carolina, Waterworks and Sewer System Refunding Revenue Bonds, Series 2016B, dated December 8, 2016, of which \$144,675,000 is outstanding as of the date of this Thirteenth Supplemental Ordinance.

“Bonds of 2018” shall mean the original principal amount \$87,340,000 City of Columbia, South Carolina, Waterworks and Sewer System Revenue Bonds, Series 2018, dated June 21, 2018, of which \$86,425,000 is outstanding as of the date of this Thirteenth Supplemental Ordinance.

“Bonds to be Refunded” shall mean the Bonds of 2010, the Bonds of 2011A, the Bonds of 2012 and the Bonds of 2013 (or any or all of the foregoing) to be refunded with a portion of the proceeds of the New Bonds, as determined by the Mayor, the City Manager, the Assistant City Manager for Finance and Economic Services, or any two of them acting together, pursuant to Section 11.

“Book-Entry Form” or “Book-Entry System” shall mean with respect to the New Bonds, a form or system, as applicable, under which (a) the ownership of beneficial interests in the New Bonds may be transferred only through a book-entry and (b) physical bond certificates in fully registered form are registered only in the name of a Depository or its nominee 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 New Bonds, when subject to the Book-Entry System.

“Business Day” shall mean, with respect to the New Bonds issued pursuant to this Thirteenth Supplemental Ordinance, any day other than a Saturday, a Sunday or a day which shall be a legal holiday or a day on which banking institutions are authorized by law or executive order to close in the State or the state in which the respective offices of the Paying Agent and the Registrar are located.

“City Representative” shall mean the person or persons at the time designated to act on behalf of the City for the purpose of performing any act under this Thirteenth Supplemental Ordinance by a written certificate containing the specimen signature of such person or persons and signed on behalf of the City by the Mayor or the City Manager.

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

“Continuing Disclosure Agreement” shall have the meaning given that term in Section 15 hereof.

“Council” shall mean the City Council of the City.

“Custodian” shall mean the bank, depository or trust company selected by the City as custodian of the Series Construction Fund.

“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 15A of the Securities Exchange Act of 1934, as amended, operating and maintaining, with its Participants or otherwise, a Book-Entry System to record ownership of beneficial interests in the New Bonds, and to effect transfers of the New Bonds, in Book-Entry Form, and includes and means initially The Depository Trust Company (a limited-purpose trust company), New York, New York.

“Eighth Supplemental Ordinance” shall mean Eighth Supplemental Ordinance No. 2011-068 of the Council of the City enacted on September 20, 2011.

“Eleventh Supplemental Ordinance” shall mean Eleventh Supplemental Ordinance No. 2016-046 of the Council of the City enacted on September 6, 2016.

“Escrow Agent” shall mean Regions Bank, as paying agent for the Bonds to be Refunded and, if applicable, escrow agent under the Refunding Trust Agreement.

“Fifth Supplemental Ordinance” shall mean Fifth Supplemental Ordinance No. 2007-072 of the Council of the City enacted on September 19, 2007, as supplemented by the Sixth Supplemental Ordinance and the Seventh Supplemental Ordinance.

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

“Insurer” shall mean each insurance company providing a Surety Bond, or any successor thereto or assignee thereof.

“Insurer Default” shall mean there shall exist a default in the payment by the Insurer of principal of or any interest on any New Bond when required to be made by the applicable Surety Bond.

“Interest Payment Date” shall mean February 1 and August 1 of each year commencing February 1, 2020, or as otherwise determined by the Mayor, the City Manager and the Assistant City Manager for Finance and Economic Services, or any two of them acting together, pursuant to Section 11 hereof.

“Letter of Credit” shall mean, subject to Section 8 hereof, a letter of credit (if any) issued by a bank or other financial institution satisfactory to the City, to satisfy all or a portion of the Series Reserve Fund Requirement.

“New Bonds” shall mean the City of Columbia, South Carolina, Waterworks and Sewer System Revenue Bonds, in one or more series pursuant to Section 3 hereof, in the aggregate principal amount of not exceeding \$310,000,000, in order to refinance the Bonds to be Refunded, to finance the Costs of Acquisition and Construction of the New Projects (including interest coming due on a portion of the New Bonds), to fund deposits to the Series Debt Service Reserve Funds, if any, or otherwise satisfy the Series Reserve Fund Requirements, if any, applicable thereto as provided herein and to finance Costs of Issuance, authorized to be issued hereunder.

“New Projects” shall mean, collectively, the improvements, extensions and enlargements to the System, including any one or more of the projects described in Schedule I hereto, and such other improvements as the City may deem necessary or incidental to the System.

“Ninth Supplemental Ordinance” shall mean Ninth Supplemental Ordinance No. 2012-014 of the Council of the City enacted on February 21, 2012.

“Outstanding Parity Bonds” shall mean, as of the date of this Thirteenth Supplemental Ordinance, the Bonds of 2009, the Bonds of 2010, the Bonds of 2011A, the Bonds of 2012, the Bonds of 2013, the Bonds of 2016A, the Bonds of 2016B and the Bonds of 2018.

“Paying Agent” shall mean the bank, trust company or other financial institution selected by the Mayor, the City Manager and the Assistant City Manager for Finance and Economic Services, or any two of them acting together, to act as Paying Agent for the New Bonds.

“Principal Payment Date” shall have the meaning given to such term in Section 3(a).

“Refunding Trust Agreement” shall mean, collectively, one or more Refunding Trust Agreements dated the date of their execution between the City and the Escrow Agent.

“Refunding Trust Fund” shall mean, collectively, one or more funds of that name created pursuant to the Refunding Trust Agreement.

“Registrar” shall mean the bank, trust company or other financial institution selected by the Mayor, the City Manager and the Assistant City Manager for Finance and Economic Services, or any two of them acting together, to act as Registrar for the New Bonds.

“Reimbursement Agreement” shall mean, subject to Section 8, a reimbursement agreement between the City and the Insurer relating to a Surety Bond.

“Seventh Supplemental Ordinance” shall mean Seventh Supplemental Ordinance No. 2009-83 of the Council of the City enacted on August 19, 2009.

“Series Construction Fund” shall mean one or more Funds established pursuant to Section 13 hereof into which a portion of the proceeds of a Series of the New Bonds will be deposited and from which such proceeds will be disbursed to pay the Costs of Acquisition and Construction of the New Projects (including interest coming due on such Series of New Bonds, subject to Section 7 hereof) and Costs of Issuance, as applicable. Pursuant to Section 13, each Series Construction Fund shall be further identified or designated to relate to the specific Series of the New Bonds issued hereunder.

“Series Debt Service Fund” shall mean one or more Funds established pursuant to Section 7 hereof to provide for the payment of the principal of and interest on the Series of the New Bonds related thereto. Pursuant to Section 7, each Series Debt Service Fund shall be further identified or designated to relate to the specific Series of the New Bonds issued hereunder, and may include a capitalized interest account therein for the payment of interest coming due on such Series of New Bonds.

“Series Debt Service Reserve Fund” shall mean one or more Funds, if any, established pursuant to Section 8 hereof (a) to insure the timely payment of the principal and interest on the New Bonds related thereto; and (b) to provide for the redemption of the Series of the New Bonds related thereto. Pursuant to Section 8, each Series Debt Service Reserve Fund shall be further identified or designated to relate to the specific Series of the New Bonds issued hereunder.

“Series Reserve Fund Requirement” shall mean the amount, if any, established pursuant to Section 8 hereof.

“Sixth Supplemental Ordinance” shall mean Sixth Supplemental Ordinance No. 2009-87 of the Council of the City enacted on August 19, 2009.

“Surety Bond” shall mean, subject to Section 8, the reserve policy or surety bond, if any, issued by the Insurer in connection with the New Bonds and payable to the Paying Agent.

“Swap” shall mean the interest rate swap transaction entered into under the authorization of the Fifth Supplemental Ordinance.

“Tenth Supplemental Ordinance” shall mean Tenth Supplemental Ordinance No. 2013-097 of the Council of the City enacted on September 3, 2013.

“Twelfth Supplemental Ordinance” shall mean Twelfth Supplemental Ordinance No. 2018-012 of the Council of the City enacted on May 1, 2018.

“Underwriters” shall mean the firm or firms designated to serve as underwriter for the New Bonds, as selected by the Mayor, the City Manager, and the Assistant City Manager for Finance and Economic Services, or any two of them acting together, pursuant to Section 11 hereof.

“Value” or “Values” means, if a Surety Bond is in effect for a Series of New Bonds, with respect to any Permitted Investments for the Series Debt Service Fund and Series Debt Service

Reserve Fund established for such Series of New Bonds, the amount calculated under the Ordinance determined as of any date of calculation as follows:

- (a) the bid price published by a nationally recognized pricing service as selected by the City in its sole discretion;
- (b) as to certificates of deposit and bankers acceptances: the face amount thereof, plus accrued interest; and
- (c) as to any investment not specified above: the value thereof established by prior agreement between the City and the Insurer.

Section 2. Certain Findings and Determinations.

The City hereby finds and determines:

(a) This Thirteenth Supplemental Ordinance supplements the Ordinance, constitutes and is a “Supplemental Ordinance” within the meaning of such quoted term as defined and used in the Ordinance, and is enacted under and pursuant to the Ordinance.

(b) The New Bonds constitute and are “Bonds” within the meaning of the quoted word as defined and used in the Ordinance.

(c) Subject to the following sentence, the Net Revenues pledged under the Ordinance are not encumbered by any lien and charge thereon or pledge thereof, other than (i) the lien and charge thereon and pledge thereof created by the General Bond Ordinance, the Fifth Supplemental Ordinance and the Seventh Supplemental Ordinance for the payment and security of the Bonds of 2009; (ii) the lien and charge thereon and pledge thereof created by the General Bond Ordinance, the Fifth Supplemental Ordinance and the Sixth Supplemental Ordinance for the payment and security of the Bonds of 2010; (iii) the lien and charge thereon and pledge thereof created by the General Bond Ordinance and the Eighth Supplemental Ordinance for the payment and security of the Bonds of 2011A; (iv) the lien and charge thereon and pledge thereof created by the General Bond Ordinance and the Ninth Supplemental Ordinance for the payment and security of the Bonds of 2012; (v) the lien and charge thereon and pledge thereof created by the General Bond Ordinance and the Tenth Supplemental Ordinance for the payment and security of the Bonds of 2013; (v) the lien and charge thereon and pledge thereof created by the General Bond Ordinance and the Eleventh Supplemental Ordinance for the payment and security of the Bonds of 2016A and the Bonds of 2016B; (vi) the lien and charge thereon and pledge thereof created by the General Bond Ordinance and the Twelfth Supplemental Ordinance for the payment and security of the Bonds of 2018; and (vi) the lien and charge thereon and pledge thereof created by the General Bond Ordinance and this Thirteenth Supplemental Ordinance for the payment and security of the New Bonds. The City has heretofore entered into (1) the Swap which is secured by a pledge of and lien and charge upon the Net Revenues of the System, which lien and charge is subordinate and inferior to the lien and charge thereof securing the Outstanding Parity Bonds and any other Bonds issued pursuant to the General Bond Ordinance on a parity with the Outstanding Parity Bonds and (2) the 2009 Letter of Credit, the City’s payment obligations under each of which are limited to Net

Revenues of the System available “to meet any obligations of the City which are or which shall become charges, liens or encumbrances upon the Revenues of the System” as provided in Section 6.7 of the General Bond Ordinance.

(d) There does not exist an Event of Default, nor does there exist any condition which, after the passage of time or the giving of notice, or both, would constitute such Event of Default.

(e) The period of usefulness of the System is in excess of thirty (30) years from the date hereof.

(f) The estimated Costs of Acquisition and Construction of the New Projects (excluding Costs of Issuance and interest coming due on any New Bonds) are approximately \$149,000,000 to be financed in part with the proceeds of the New Bonds.

(g) Article III of the General Bond Ordinance provides that one or more Series of Bonds may be issued for such purposes as may be permitted by the Act upon compliance with certain provisions of the General Bond Ordinance for the purposes of paying the Costs of Acquisition and Construction of one or more Projects authorized to be financed under the Act. Further, Section 3.4(B) of the General Bond Ordinance provides that Bonds may be issued at any time for the purpose of refunding (including by purchase) other Bonds, including amounts to pay principal, redemption premium and interest to the date of redemption (or purchase) of the refunded Bonds and the Cost of Issuance; provided that (i) the aggregate Debt Service on all Bonds to be Outstanding after the issuance of the proposed Series of New Bonds shall not be greater than would have been the aggregate Debt Service of all Bonds not then refunded and the Bonds to be refunded; or (ii) the requirements of paragraph (A), (B), (C) and (E) of Section 3.3 of the General Bond Ordinance are met with respect to the refunding Series. Bonds issued upon compliance with Section 3.2 and Section 3.3 of the General Bond Ordinance shall be issued on a parity as to the Net Revenues of the System in all respects *inter sese*.

(h) Section 12.1 of the General Bond Ordinance provides that the obligations of the City under the Ordinance and the liens, pledges, charges, trusts, covenants and agreements of the City made or provided for therein shall be fully discharged and satisfied as to any Bond, and such Bond shall no longer be deemed to be Outstanding under the General Bond Ordinance when payment of the principal of, redemption premium, if any, and interest on such Bond shall have been provided for by irrevocably depositing with the Trustee in trust and irrevocably set aside exclusively for such payment, (A) moneys sufficient to make such payment, or (B) Government Obligations 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 and Registrar for the New Bonds.

(i) Subject to Section 8 hereof, if a Series Debt Service Reserve Fund is established hereunder with respect to a Series of the New Bonds, it shall secure only such Series of New Bonds, and the Series Reserve Fund Requirement (if any) will be satisfied through the deposit of cash (at such time as may be determined by the Mayor, the City Manager and the Assistant City Manager for Finance and Economic Services, or any two of them acting together, pursuant to

Section 8 hereof), the purchase of a Surety Bond, the provision of a Letter of Credit or any combination of the foregoing, for the benefit of the Holders of the New Bonds.

(j) The New Bonds are being issued hereunder in an aggregate principal amount of not exceeding \$310,000,000, for one or more of the following purposes: (1) to refinance the Bonds to be Refunded (the “Refunding”); (2) to improve and enlarge the System (i.e., the New Projects); (3) to pay interest coming due on the New Bonds; (4) to fund the Series Debt Service Reserve Fund (if any) in an amount equal to the Series Reserve Fund Requirement (if funded upon the initial delivery of the Bonds) through the deposit of cash, the purchase of a Surety Bond, the provision of a Letter of Credit or any combination thereof, and (5) to pay the Cost of Issuance of the New Bonds.

(k) It is necessary and in the best interest of the City to undertake the Refunding and/or the New Projects and to issue the New Bonds in the aggregate principal amount of not exceeding \$310,000,000 in accordance with the Ordinance, the Act, and this Thirteenth Supplemental Ordinance for the purposes and subject to the limitations set forth above, which New Bonds shall be issued on a parity with the Outstanding Parity Bonds.

Section 3. Authorization of New Bonds.

(a) There is hereby authorized to be issued one or more Series of Bonds designated “City of Columbia, South Carolina, Waterworks and Sewer System Revenue Bonds, Series (year) [including such further words, numbers or letters as may be necessary or desirable to identify individual series, purpose for issuance and taxable status, if applicable]” (collectively, the “New Bonds”), in the aggregate principal amount of not exceeding \$310,000,000. The proceeds of the New Bonds shall be used for one or more of the purposes set forth in Section 2(j) hereof.

The New Bonds shall mature on February 1 in each of the years (the “Principal Payment Dates”) and in the principal amounts, and bear interest at the rates per annum (calculated on the basis of a 360-day year composed of twelve 30-day months), as determined by the Mayor, the City Manager and the Assistant City Manager for Finance and Economic Services, or any two of them acting together, pursuant to Section 11 hereof.

(b) Such of the New Bonds as the Mayor, the City Manager and the Assistant City Manager for Finance and Economic Services, or any two of them acting together, shall determine pursuant to Section 11 hereof shall be subject to mandatory redemption at a redemption price equal to the principal amount of the New Bonds to be redeemed, together with interest accrued from the date of redemption, in the years and in the amounts determined by the Mayor, the City Manager and the Assistant City Manager for Finance and Economic Services, or any two of them acting together, pursuant to Section 11 hereof.

At its option, to be exercised on or before the sixtieth (60th) day prior to any mandatory redemption date, the City may (i) deliver to the Registrar for cancellation New Bonds which are subject to mandatory redemption in any aggregate principal amount desired or (ii) receive a credit in respect of its mandatory redemption obligation for any such New Bonds

which, prior to such date, have been purchased or redeemed (otherwise than through the operation of the mandatory redemption requirement) by the City and cancelled by the Registrar and not theretofore applied as a credit against any mandatory redemption obligation. Each New Bond so delivered or previously purchased or redeemed shall be credited by the Registrar, at one hundred percent (100%) of the principal amount thereof, to the obligation of the City on those respective mandatory redemption obligations in such order as the City may direct the Registrar in writing, and the principal amount of the New Bonds to be redeemed by operation of the mandatory redemption requirement shall be accordingly reduced.

(c) The Registrar, without further authorization or direction from the City, shall give notice of all mandatory redemptions within the time periods and in the manner specified in Article V of the General Bond Ordinance.

(d) The New Bonds shall originally be dated the date of delivery of the New Bonds, or such other date as the Mayor, the City Manager and the Assistant City Manager for Finance and Economic Services, or any two of them acting together, shall determine pursuant to Section 11 hereof, and shall be issued as fully registered Bonds in the denominations of \$5,000 and integral multiples of \$5,000, or in such other denominations determined by the Mayor, the City Manager and the Assistant City Manager for Finance and Economic Services, or any two of them acting together, pursuant to Section 11 hereof. The New Bonds shall be numbered and lettered in such a fashion as to maintain a proper record thereof.

(e) Principal of and redemption premium, if any, on the New Bonds shall be payable at the designated corporate trust office of the Paying Agent. Interest on the New Bonds shall be payable on each Interest Payment Date, in each case to the Holders as of the immediately preceding Record Date, such interest to be paid by the Paying Agent by check or draft mailed to each Holder at the address as it appears on the Books of Registry maintained at the designated corporate trust office of the Paying Agent, in the case of a Holder of \$1,000,000 or more in principal amount of New Bonds, by wire transfer to an account within the continental United States upon the timely receipt of a written request of such Holder.

(f) The New Bonds and the assignment provisions pertaining thereto shall be in substantially the form set forth in Exhibit A hereto, with such necessary or appropriate variations, omissions and insertions as are incidental to the series, numbers, denominations, maturities, dates, interest rate or rates, redemption provisions, the purpose of issuance and other details thereof or as are otherwise permitted or required by law or by the Ordinance, including this Thirteenth Supplemental Ordinance.

(g) A copy of the approving opinion to be rendered on the New Bonds shall be attached to each New Bond, preceding the same a certificate shall appear, which shall be signed on behalf of the City by a manual or facsimile signature of the Clerk of the City. Such certificate shall be in the form substantially as follows:

IT IS HEREBY CERTIFIED that the following are true and correct copies of the respective approving opinions of Burr & Forman LLP d/b/a Burr Forman McNair, Columbia, South Carolina, and Johnson, Toal & Battiste, P.A., Columbia, South Carolina, the originals of which were manually executed, dated and issued as of the date of the delivery of and payment for the bonds, and copies of which are on file with the City of Columbia, South Carolina.

CITY OF COLUMBIA, SOUTH CAROLINA

By: _____
Clerk

Section 4. Book-Entry System; Recording and Transfer of Ownership of the New 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 Initial Bonds of the same Series and maturity or any integral multiple of \$5,000.

The Initial Bonds will be issued in fully-registered form, as a single Bond representing the entire principal amount of each Series of the New Bonds or one New Bond for each of the maturities of each Series of the New 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 Thirteenth Supplemental Ordinance, including, without limitation, payments as aforesaid and receipt of notices. The Depository shall remit such payments to the Beneficial Owners of the New Bonds or their nominees in accordance with its rules and regulations.

Notices of redemption of the Initial Bonds or any portion thereof shall be sent to the Depository in accordance with the provisions of the General Bond Ordinance.

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 Registrar and the Paying Agent 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 Registrar and the Paying Agent 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 New Bonds registered in its name for the purpose of payment of the principal of, interest or premium, if any, on the New Bonds, giving any notice permitted or required to be given to Bondholders under the General Bond Ordinance or this Thirteenth Supplemental Ordinance, registering the transfer of the New 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 New Bonds under or through the Depository or any Participant, or any other person which is not shown on the 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 New 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; the selection of Bondholders to receive payments upon any partial redemption of the New Bonds; or any consent given or other actions taken by the Depository as a Bondholder.

If (a) the Depository determines not to continue to act as securities depository for the New Bonds, and gives reasonable notice to the Registrar or 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 New 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 New 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 New 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 the New Bonds in fully-registered form, in authorized denomination; provided, however, that the discontinuation of the Book-Entry System of registration and transfer with respect to the New Bonds or the replacement of the Depository or any successor depository shall be subject to the applicable rules and procedures of the Depository or such successor depository on file or otherwise approved by the Securities and Exchange Commission.

Section 5. Optional Redemption of New Bonds.

Such of the New Bonds as may be determined by the Mayor, the City Manager and the Assistant City Manager for Finance and Economic Services, or any two of them acting together, pursuant to Section 11 hereof shall be subject to redemption prior to maturity, at the option of the City upon the written direction of the City, in whole or in part at any time in such order of their maturities as the City shall determine and by lot within a maturity, at the respective redemption prices with respect to each New Bond, expressed as a percentage of principal amount of the New Bonds to be redeemed, as shall be determined by the Mayor, the City Manager and the Assistant City Manager for Finance and Economic Services, or any two of them acting together, pursuant to Section 11 hereof, together, in each such case, with the interest accrued on such principal amount to the date fixed for redemption.

Section 6. Payment of the New Bonds.

The New Bonds, together with the interest thereon, shall be payable, in such coin or currency of the United States of America which at the time of such payment is legal tender for public and private debts, solely from the Net Revenues of the System in accordance with the provisions of the Ordinance including this Thirteenth Supplemental Ordinance. The New Bonds shall be issued on a parity with the pledge of Net Revenues securing the remaining Outstanding Parity Bonds, and shall be senior to the pledge thereof securing the City's obligations under the Swap, the 2009 Letter of Credit or any Junior Bonds or any other charges, liens or encumbrances on the Net Revenues of the System, as contemplated by Section 6.7 of the General Bond Ordinance.

The New Bonds, and the interest thereon, shall not be a debt of the City, nor a charge, lien or encumbrance, legal or equitable, upon any property of the City or upon any income, receipts or revenues of the City other than such of the Net Revenues of the System as are hereby pledged to the payment thereof. No recourse shall be had for the payment of the New Bonds, or the interest thereon, or any part thereof, against the general fund of the City, nor shall the credit or taxing powers of the City be deemed to be pledged to the payment of the principal of and interest on the New Bonds. The full faith, credit and taxing powers of the State of South Carolina or of the City are not pledged to the payment of the principal of or the interest on the New Bonds, and the New Bonds shall never constitute an indebtedness of the City within the meaning of any State constitution provision (other than Article X, Section 14, Paragraph 10, of the South Carolina constitutional provision authorizing obligations payable solely from special sources not involving revenues from any tax or license) or statutory limitation.

Section 7. Establishment of Series Debt Service Fund.

In accordance with Section 6.5 of the General Bond Ordinance, the Series Debt Service Fund is hereby established on the date of the original delivery of the New Bonds and held by the City for the benefit of the Holders of the New Bonds; provided, however, that upon the issuance of one or more Series of New Bonds, separate funds or accounts may be established for the payment of debt service on such Series of New Bonds, with such additional numbers or letters to identify its relevance, but each such separate fund or account will be considered the "Series Debt Service Fund" with respect to the related Series of New Bonds. Notwithstanding the provisions of

this Thirteenth Supplemental Ordinance, the City may elect to establish a capitalized interest account within the Series Debt Service Fund for the payment of interest coming due on the New Bonds as described in Section 6.5 of the General Bond Ordinance, into which account a portion of the proceeds of the New Bonds will be deposited and used as provided for in Sections 12 and 13 hereof; provided, that any amounts on deposit in such capitalized interest account may be transferred to the Series Construction Fund at the City's direction and used as provided for in Sections 12 and 13 hereof.

Section 8. Establishment of the Series Reserve Fund Requirement and Series Debt Service Reserve Fund.

In accordance with Section 6.6 of the Ordinance, the Mayor, the City Manager and the Assistant City Manager for Finance and Economic Services, or any two of them acting together, may determine whether it is necessary or desirable to establish a Series Debt Service Reserve Fund for the benefit of the Holders of one or more Series of New Bonds (if any) and the amount and timing of funding of the Series Reserve Fund Requirement, and, if so, such Series Debt Service Reserve Fund shall be established on the date of the original delivery of such Series of New Bonds or funded from System Revenues over a period of time thereafter and held by the City, all as provided in the Ordinance; provided, however, that (1) upon the issuance of one or more Series of New Bonds, separate funds or accounts may be established (if at all) for each Series of New Bonds, with such additional numbers or letters to identify its relevance, but each such separate fund or account will be considered the "Series Debt Service Reserve Fund" with respect to the related Series of New Bonds; and (2) in the event of any full or partial defeasance of a Series of New Bonds under Article X of the Ordinance, then the Series Reserve Fund Requirement established for such Series of New Bonds shall be recalculated based on the then Outstanding principal amount of such Series. If the Series Debt Service Reserve Fund is established, the Series Reserve Fund Requirement initially will be satisfied by the City by the deposit of cash into the Series Debt Service Reserve Fund (which may, as designated by the Mayor, the City Manager and the Assistant City Manager for Finance and Economic Services, or any two of them acting together, pursuant to Section 11 hereof, be funded from the proceeds of the New Bonds on the date of delivery thereof or from System Revenues thereafter), with the purchase of a Surety Bond, the provision of a Letter of Credit or any combination of the foregoing, in each case for the benefit of the Holders of the New Bonds.

Section 9. Authorization to Effect Refunding; Redemption of the Bonds to be Refunded. The Mayor, the City Manager and the Assistant City Manager for Finance and Economic Services, or any two of them acting together, are hereby authorized and directed for and on behalf of the City to take such actions, including but not limited to the execution by the Mayor and the City Manager, or either of them acting alone, of the Refunding Trust Agreement or other agreements, and give such directions as shall be necessary to carry out the provisions of this Thirteenth Supplemental Ordinance, including directions to the paying agent and/or registrar of the Bonds to be Refunded calling all or a portion of the Bonds to be Refunded for redemption on one or more dates. If executed, the Refunding Trust Agreement shall be dated the date of delivery of the related Series of the New Bonds to the initial purchaser thereof, and substantially in the form approved by the Mayor and the City Manager, or either of them acting alone, upon the advice of

counsel to the City. The execution thereof shall be evidence of the approval of any such form of agreement.

Upon delivery of the New Bonds, a portion of the principal proceeds thereof, together with amounts (if any) deposited in the Debt Service Fund(s) with respect to the Bonds to be Refunded and other funds of the City, shall be used to refinance the Bonds to be Refunded or, if applicable, be deposited with the Escrow Agent and held by it in the Refunding Trust Fund under the Refunding Trust Agreement. Subject to the terms of the Refunding Trust Agreement, it shall be the duty of the Escrow Agent to keep such proceeds invested and reinvested to the extent that it shall be practical in Government Obligations and to apply the principal and interest of the trust so established in the manner prescribed in such Refunding Trust Agreement and the General Bond Ordinance.

The Mayor, the City Manager and the Assistant City Manager for Finance and Economic Services, or any two of them acting together, are hereby authorized to take such actions as may be necessary or desirable, upon the advice of counsel to the City, to secure the Government Obligations to be purchased under the Refunding Trust Agreement, including but not limited to the preparation and dissemination of bid specifications, subscription forms and the execution of directions to purchase such Government Obligations.

Section 10. Designation of Registrar and Paying Agent.

The Mayor, the City Manager and the Assistant City Manager for Finance and Economic Services, or any two of them acting together, are hereby authorized and empowered to select the Registrar and the Paying Agent, respectively, for the New Bonds, pursuant to Section 11 hereof. The Registrar and the Paying Agent shall signify its acceptance of its duties upon delivery of the New Bonds.

Section 11. Sale and Issuance of New Bonds; Official Statement; Collateral Agreements.

(a) The Mayor, the City Manager and the Assistant City Manager for Finance and Economic Services, or any two of them acting together, are hereby authorized and empowered to determine the original issue dates and initial Interest Payment Dates of each Series of the New Bonds; the aggregate principal amounts of the New Bonds, if less than authorized by this Ordinance, and each Series thereof (including the Series or portions thereof to be issued on a taxable or tax-exempt basis), authorized denominations thereof and the purposes of each Series thereof; the Bonds to be Refunded; the interest rates for each Series of the New Bonds; the New Bonds to be subject to mandatory and optional redemption; whether the Series Debt Service Reserve Fund will be established and funded with respect to each Series of the New Bonds and, if so, the manner and timing in which the Series Reserve Fund Requirement will be satisfied; the redemption prices of the New Bonds subject to optional redemption; the Registrar and Paying Agent for each Series of the New Bonds; whether each Series of the New Bonds will be sold in a public or private offering or offered through a private placement transaction, and the firm or firms which will serve as the Underwriter(s) or purchaser(s), as the case may be, in connection therewith; and any original issue discount or original issue premium at which each Series of the New Bonds

will be sold; any Underwriter's discount or other fee payable to the purchasers of each Series of the New Bonds; and any other terms, provisions and matters necessary or advisable to effect the issuance of each Series of the New Bonds.

(b) The Mayor and the City Manager, or either of them acting alone, are hereby authorized and empowered to enter into, on behalf of the City, one or more Bond Purchase Agreements to be dated the date of their respective execution. Upon the submission of each such Bond Purchase Agreement by the Underwriters, the Mayor and the City Manager, or either of them acting alone, shall further determine that the respective Bond Purchase Agreement is fair and reasonable and in the best interest of the City; that the related Series of New Bonds shall be sold to the Underwriters upon the terms and conditions set forth in such Bond Purchase Agreements and upon the basis of the representations therein set forth, and that all conditions precedent to or concurrent with the acceptance of the Bond Purchase Agreements by the City have been met. The Council hereby approves the form of Bond Purchase Agreement attached hereto as Exhibit B, together with such amendments and modifications to the form thereof as the Mayor and the City Manager, or either of them acting alone, shall negotiate and approve, and authorizes and directs the Mayor and the City Manager, or either of them acting alone, to execute the Bond Purchase Agreements, as so modified and amended, and deliver such executed Bond Purchase Agreements to the Underwriters, such person's execution and delivery of the Bond Purchase Agreements constituting conclusive evidence of his approval of the matters therein contained.

(c) The Council hereby ratifies and approves the form of Preliminary Official Statement relating to the New Bonds, in substantially the form attached hereto as Exhibit C, together with such amendments and modifications to the form thereof (the "Preliminary Official Statement") as the Mayor and the City Manager, or either of them acting alone, shall negotiate and approve. The Mayor and the City Manager, or either of them acting alone, is hereby authorized to "deem final" one or more Preliminary Official Statements related to the New Bonds for purposes of complying with the requirements set forth in Rule 15c2-12 of the Securities and Exchange Commission, promulgated under the Securities Exchange Act of 1934, as amended.

(d) The Council hereby authorizes one or more Final Official Statements of the City to be dated of even date with the execution and delivery of the Bond Purchase Agreement relating to the New Bonds, substantially in the form of the Preliminary Official Statement presented at this meeting, with such modifications as the Mayor and the City Manager, or either of them acting alone, approve, as well as any amendments or supplements thereto dated the date thereof (as so amended and supplemented, the "Final Official Statement"); the Mayor and the City Manager, or either of them acting alone, is hereby authorized and directed to execute copies of the Final Official Statement and deliver the same to the Underwriters, which execution and delivery shall be conclusive evidence of the approval of any such modifications; and the City hereby authorizes the use of the Preliminary Official Statement, the Final Official Statement, the Ordinance (including this Thirteenth Supplemental Ordinance) and the information contained herein and therein in the connection with the public offering and sale of the New Bonds by the Underwriters.

(e) A copy of this Thirteenth Supplemental Ordinance shall be filed with the minutes of the meeting at which this Thirteenth Supplemental Ordinance was enacted.

(f) The Council hereby authorizes the Mayor, the City Manager and the Assistant City Manager for Finance and Economic Services, or any two of them acting together, to negotiate the terms of and prepare investment agreements, forward delivery agreements, repurchase agreements and other agreements in connection with the New Bonds, to prepare and solicit bids for providers of such agreements, and the Mayor and the City Manager, or either of them acting alone, are authorized to execute, in the name and on behalf of the City, all such agreements or written confirmations of any such investment arrangements and other documents as may be necessary in connection therewith.

(g) Notwithstanding the foregoing resolutions, the Mayor and the City Manager, or either of them acting alone, are hereby authorized and empowered to take such actions as may be necessary or desirable to sell the New Bonds (or any Series thereof) to one or more purchasers in a private offering or private placement transaction, and may prepare, negotiate, execute and deliver a purchase agreement (which may be, but is not required to be, in the form of the Bond Purchase Agreement, together with such amendments and modifications to the form thereof as the Mayor or City Manager shall negotiate and approve, such person's execution and delivery thereof constituting conclusive evidence of his approval of the matters therein contained, or in another form satisfactory to the Mayor and City Manager, or either of them acting alone) with such purchasers and prepare, disseminate, execute and deliver requests for proposals, offering documents or private placement memoranda (which may be in the form of the Preliminary Official Statement, together with such amendments and modifications to the form thereof as the Mayor or City Manager shall negotiate and approve, such person's execution thereof constituting conclusive evidence of his approval of the matters therein contained, or otherwise) and solicit interest and receive offers from purchasers to purchase one or more Series of New Bonds in a private offering or private placement transaction as may be required in connection therewith.

(h) The Council hereby authorizes and directs all of the officers and employees of the City to carry out or cause to be carried out all obligations of the City under the aforesaid Bond Purchase Agreement or purchase agreement and to perform such other actions as they shall consider necessary or advisable in connection with the issuance, sale and delivery of the New Bonds.

(i) The Council hereby ratifies, confirms and approves the actions of the City Manager and the Assistant City Manager for Finance and Economic Services heretofore undertaken with regard to applications for Surety Bonds, Letters of Credit, other credit enhancements, and liquidity arrangements relating to the New Bonds from municipal bond insurance companies or other financial institutions and to enter into, execute and deliver on behalf of the City, such loan, insurance, reimbursement or guaranty agreements as shall be necessary and advisable, with advice of counsel, in connection with the transactions and other matters referred to herein; provided, however, that the representations and covenants contained in such agreements may be incorporated in this Thirteenth Supplemental Ordinance as if fully set forth herein.

(j) With respect to the Swap, the Mayor, the City Manager and the Assistant City Manager for Finance and Economic Services, or any two of them acting together, are authorized and empowered to take such actions and execute any agreements or other documents to

terminate the Swap, if determined it to be in the City's best interest to do so, upon advice of counsel and the City's financial advisor.

Section 12. Disposition of Proceeds of New Bonds and Certain Other Moneys.

The proceeds derived from the sale of any Series of the New Bonds, net of the original issue discount or original discount premium or both, and any Underwriters' discount or fees payable to the purchasers thereof and the premium, if any, on the Surety Bonds, shall be deposited with the City and used for one or more of the following purposes:

(a) There shall be paid over to the paying agent for the Bonds to be Refunded or the Escrow Agent (as applicable), an amount which the Mayor, the City Manager and the Assistant City Manager for Finance and Economic Services, or any two of them acting together, determine to be required, together with amounts (if any) transferred from the Debt Service Fund and/or Debt Service Reserve Fund for the Bonds to be Refunded and other moneys of the City, to provide for the payment of principal of, redemption premium, if any, and interest on the Bonds to be Refunded upon the redemption thereof.

(b) If the Mayor, the City Manager and the Assistant City Manager for Finance and Economic Services, or any two of them acting together, determine that a Series Debt Service Reserve Fund shall be established for a Series of New Bonds and the Series Reserve Fund Requirement shall be funded with a portion of the proceeds of a Series of the New Bonds, there shall be deposited with the City for deposit into such Series Debt Service Reserve Fund an amount equal to the Series Reserve Fund Requirement.

(c) The remainder of the proceeds of any Series of the New Bonds shall be deposited into the Series Construction Fund established in Section 13 hereof (or, at the election of the City, a capitalized interest account established under the Series Debt Service Fund pursuant to Section 7 hereof) to pay Costs of Acquisition and Construction for the New Projects (including interest coming due on such Series of the New Bonds) and Costs of Issuance for such Series of New Bonds.

The respective amounts specified in this Section 12 shall be determined by the City upon delivery of any Series of the New Bonds.

Section 13. Series Construction Fund.

There is hereby created and established the Series Construction Fund, which fund shall be held by the Custodian; provided, however, that upon the issuance of one or more Series of New Bonds, separate funds or accounts may be established for such Series of New Bonds, with such additional numbers or letters to identify its relevance, but each such separate fund or account will be considered the "Series Construction Fund" with respect to the related Series of New Bonds. The Series Construction Fund established for a particular Series of New Bonds shall be accounted for as a single fund, however the moneys on deposit therein may be held by one or more banks or other financial institutions designated by the City. The moneys on deposit in the Series Construction Fund shall be used and applied to pay the Costs of Acquisition and Construction of

the New Projects (including interest coming due on the New Bonds, subject to Section 7 hereof) and all Costs of Issuance incidental to the issuance and sale of the New Bonds.

Moneys held for the credit of the Series Construction Fund shall be invested to the fullest extent practicable and reasonable, in Permitted Investments, maturing at such times and in such amounts as shall be required to provide moneys to make the payments required to be made from such Fund.

Withdrawals from the Series Construction Fund shall be made in the manner withdrawals from other funds of the City are made.

If after the payment in full of all costs of the New Projects and Costs of Issuance or after adequate provision has been made for such payment any moneys remain in the Series Construction Fund, such excess shall be paid into the related Series Debt Service Fund and shall be used only for the payment of the principal of and interest on the related Series of New Bonds or, in the alternative, to acquire Outstanding New Bonds at a price (exclusive of accrued interest) not exceeding the face amount thereof.

Section 14. Federal Tax Covenant.

The City hereby covenants and agrees with the Holders of the New Bonds issued as tax-exempt obligations for federal income tax purposes (the "Tax Exempt Bonds") that it will not take any action which will, or fail to take any action which failure will, cause interest on the Tax Exempt Bonds to become includable in the gross income of the Holders 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 Tax Exempt Bonds. The City further covenants and agrees with the Holders of the Tax Exempt Bonds that no use of the proceeds of the Tax Exempt Bonds shall be made which, if such use had been reasonably expected on the date of issue of the Tax Exempt Bonds would have caused the Tax Exempt Bonds to be "arbitrage bonds," as defined in the Code; and to that end the City hereby shall:

- (a) comply with the applicable provisions of Sections 103 and Sections 141 through 150 of the Code and any regulations promulgated thereunder so long as any of the Tax Exempt Bonds are Outstanding;
- (b) establish such funds, make such calculations and pay such amounts, if necessary, in the manner and at the times required in order to comply with the requirements of the Code relating to required rebate of certain amounts to the United States; and
- (c) make such reports of such information at the times and places required by the Code.

This Ordinance shall constitute the City's declaration of official intent pursuant to Regulation §1.150-2 of the Code to reimburse the City from a portion of the proceeds of the Tax Exempt Bonds or other tax-exempt bonds issued by the City for such purposes (the "Reimbursement Bonds") for expenditures it anticipates incurring (the "Expenditures") with respect

to the New Projects prior to the issuance of the Reimbursement Bonds. The Expenditures which are reimbursed are limited to Expenditures which are: (1) properly chargeable to a capital account (or would be so chargeable with a proper election or with the application of the definition of placed in service under Regulation §1.150-2 of the Code) under general federal income tax principles; or (2) certain *de minimis* or preliminary expenditures satisfying the requirements of Regulation §1.150-2(f) of the Code. The source of funds for the Expenditures with respect to the acquisition of the New Projects will be the City's water and sewer fund. To be eligible for reimbursement of the Expenditures, the reimbursement allocation must be made not later than 18 months after the later of (a) the date on which the Expenditures were paid; or (b) the date such project was placed in service, but in no event more than three (3) years after the original Expenditures.

Section 15. Continuing Disclosure.

(a) The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Disclosure Dissemination Agent Agreement in the form attached hereto as Exhibit D (the "Continuing Disclosure Agreement") with such changes as may be approved by the Mayor and the City Manager, or either of them acting alone, upon advice of counsel. Notwithstanding any other provision of the Ordinance or this Thirteenth Supplemental Ordinance, failure of the City to comply with the provisions of the Continuing Disclosure Agreement shall not be considered an Event of Default under the Ordinance or this Thirteenth Supplemental Ordinance. The Continuing Disclosure Agreement shall be executed by the Mayor and the City Manager, or either of them acting alone, prior to the delivery of the New Bonds.

(b) The City covenants, so long as and to the extent required pursuant to Section 11-1-85, Code of Laws of South Carolina 1976, as amended, to file with a central repository for availability in the secondary bond market when requested:

- (i) an annual independent audit, within thirty (30) days of the City's receipt of the audit; and
- (ii) event specific information within thirty (30) days of an event adversely affecting more than five percent (5%) of the Revenues or the City's tax base.

(c) The only remedy for failure by the City to comply with the Continuing Disclosure Agreement or the covenants included in paragraph (b) of this Section 15 shall be an action for specific performance of this covenant; and failure to comply shall not constitute a default or an "Event of Default" under the Ordinance or this Thirteenth Supplemental Ordinance. The Registrar and the Paying Agent shall have no responsibility to monitor the City's compliance with the Continuing Disclosure Agreement or the covenants included in paragraph (b) of this Section 15, and the City specifically reserves the right to amend or delete its covenants in the Continuing Disclosure Agreement or in paragraph (b) of this Section 15 to reflect any change in Section 11-1-85 of the Code of Laws of South Carolina 1976, as amended, or federal law, as applicable, without the consent of the Registrar and the Paying Agent or the Registered Holders of any New Bond.

Section 16. Modification of Ordinance.

The Holders of the Bonds of 2012, the Bonds of 2013, the Bonds of 2016A, the Bonds of 2016B, the Bonds of 2018 and the New Bonds, by their acceptance thereof, have or are deemed to have consented to the amendments set forth in the Ninth Supplemental Ordinance. The Holders of the Bonds of 2016A, the Bonds of 2016B, the Bonds of 2018 and the New Bonds, by their acceptance thereof, have or are deemed to have consented to the amendments set forth in the Eleventh Supplemental Ordinance. The Holders of the Bonds of 2018 and the New Bonds, by their acceptance thereof, have or are deemed to have consented to the amendments set forth in the Twelfth Supplemental Ordinance.

Section 17. Further Actions.

The Mayor, the City Manager, the Assistant City Manager for Finance and Economic Services, the City Clerk and the City Attorney are hereby authorized and directed to take any and all such further actions as shall be deemed necessary or desirable in order to effectuate issuance and sale of the New Bonds pursuant to the Bond Purchase Agreement, to elect to purchase the Surety Bonds and to carry out the intentions of this Thirteenth Supplemental Ordinance.

Section 18. Headings.

The headings and titles of the several sections hereof shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of this Thirteenth Supplemental Ordinance.

Section 19. Notices.

All notices, certificates or other communications hereunder or under the Ordinance shall be sufficiently given and shall be deemed given when mailed by registered mail, postage prepaid, or given when dispatched by telegram addressed as follows:

If to the City:

City of Columbia
1737 Main Street
Columbia, South Carolina 29217-0147
Attention: City Manager

The City, the Registrar, the Paying Agent, the Custodian, the Escrow Agent and the Insurer (if any) may, by notice given to the other parties, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 20. Repeal of Inconsistent Ordinances and Resolutions.

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

Section 21. Effective Date.

This Thirteenth Supplemental Ordinance shall become effective upon its enactment.

[Signature page follows]

Enacted by the City Council of the City of Columbia, South Carolina, this 17th day of September 2019.

CITY COUNCIL OF THE CITY OF COLUMBIA,
SOUTH CAROLINA



(SEAL)

By: _____
Mayor

[Handwritten signature] 9/24/19

ATTEST:

[Handwritten signature: Erika D. Moore]
Clerk

Date of First Reading: August 20, 2019
Date of Second Reading: September 17, 2019

List of New Projects

WATER CIP

Rehabilitation and Installation of Water Lines for Water Quality and Fire Protection Upgrades
System Wide Expansion
Columbia Canal Water Treatment Plant Upgrades
Lake Murray Water Treatment Plant Upgrades

SEWER CIP

Rehabilitation and Installation of Sewer Lines and Manholes
System Capacity Upgrades
System Wide Expansion
Metro Wastewater Treatment Plant Upgrades

FORM OF NEW BOND

Unless this certificate is presented by an authorized representative of The Depository Trust Company, New York, New York (“DTC”) to the City of Columbia, South Carolina or its agent for registration of transfer, exchange, or payment and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

UNITED STATES OF AMERICA
 STATE OF SOUTH CAROLINA
 CITY OF COLUMBIA
 WATERWORKS AND SEWER SYSTEM [REFUNDING] REVENUE BOND
 [TAXABLE] SERIES (YEAR)

REGISTERED

No. R- _____

<u>Original Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>CUSIP</u>
_____ 1, 2019	<i>(As set forth in Schedule A)</i>		

REGISTERED HOLDER: CEDE & CO.

PRINCIPAL AMOUNT: \$ _____

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, but solely from the Net Revenues hereinafter mentioned and not otherwise, the Principal Amount shown above on the Maturity Date shown above (unless the within Bond shall be subject to prior redemption and shall have been duly called for previous redemption and payment of redemption price made or provided for), upon presentation and surrender of this Bond at the principal office of _____, as paying agent (the “Paying Agent”) in _____, and to pay interest, but solely from the Net Revenues hereinafter mentioned and not otherwise, on such principal amount from the date hereof at the Interest Rate per annum shown above until this Bond matures. Interest on this Bond is payable (calculated on the basis of a 360-day year comprised of twelve 30-day months) on _____, and semiannually thereafter on February 1 and August 1 of each year, until this Bond matures, and shall be payable by wire transfer to the registered holder owning at least \$1,000,000 aggregate principal amount of the Bonds to an account within the continental United States or 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"), in _____, at the close of business on the fifteenth (15th) day of the calendar month preceding each semiannual interest payment date. The principal, redemption premium, if any, 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 wire transfer, check or draft as set forth above.

THIS BOND HAS BEEN ISSUED UNDER THE PROVISIONS OF TITLE 6, CHAPTER 17, [AND TITLE 11, CHAPTER 21,] CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED, AND DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION (OTHER THAN ARTICLE X, SECTION 14, PARAGRAPH 10 OF THE SOUTH CAROLINA CONSTITUTION AUTHORIZING OBLIGATIONS PAYABLE SOLELY FROM SPECIAL SOURCES NOT INVOLVING REVENUES FROM ANY TAX OR LICENSE) OR STATUTORY LIMITATION. THIS BOND AND THE BONDS OF THE SERIES OF WHICH IT IS ONE SHALL NOT CONSTITUTE A DEBT OF THE CITY, NOR A CHARGE, LIEN OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON ANY PROPERTY OF THE CITY OR ON ANY INCOME, RECEIPTS OR REVENUES THEREOF, OTHER THAN THE AFORESAID NET REVENUES OF THE SYSTEM (AS DEFINED HEREIN) PLEDGED THERETO. NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THIS BOND OR THE INTEREST THEREON AGAINST THE GENERAL FUND OF THE CITY AND NEITHER THE CREDIT NOR THE TAXING POWER OF THE CITY SHALL BE DEEMED TO BE PLEDGED THERETO. THE FULL FAITH, CREDIT AND TAXING POWERS OF THE CITY ARE NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS BOND.

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

This Bond is one of an authorized series of Bonds (as defined in the Bond Ordinance) of the aggregate principal amount of _____ (\$_____) of like date of original issue, tenor and effect, except as to number, date of maturity, principal amount, date of authentication, registered holder, redemption provisions and rate of interest, issued by the City for the purpose of [refinancing the Bonds to be Refunded (as defined in the hereinafter defined Thirteenth Supplemental Ordinance), and] financing [certain improvements, enlargements and extensions to the City's Water and Sewer System (the "System"), interest coming due on this Bond and the series of Bonds of which it is one and] Costs of Issuance (as defined in the Bond Ordinance). This Bond and the series of Bonds of which it is one are authorized to be issued and are issued under, pursuant to and in full compliance with the Constitution and statutes of the State of South Carolina (the "State"), including particularly Article X, Section 14(10) of the South Carolina Constitution and Title 6, Chapter 17 [and Title 11, Chapter 21] of the Code of Laws of South Carolina, 1976, as amended (collectively the "Act"). This Bond and the series of Bonds of which it is one are also authorized to be issued and are issued under and pursuant to General Bond Ordinance No. 93-43 of the City Council of the City (the "Council") enacted on May 21, 1993, as amended (as so amended, the "General Bond Ordinance"), and as supplemented by the Thirteenth Supplemental Ordinance

No. 2019-064 of the Council enacted on _____, 2019 (the “Thirteenth Supplemental Ordinance,” and together with the General Bond Ordinance, the “Bond Ordinance”), under the Act which Bond Ordinance has been duly codified and indexed as prescribed by law.

The Bond Ordinance contains provisions defining terms, including the properties comprising the System; sets forth the revenues pledged for the payment of the principal of and interest on this Bond and the Bonds of other series which may hereafter be issued on a parity herewith under the Bond Ordinance; sets forth the nature, extent and manner of enforcement of the security of this Bond and of such pledge, and the rights and remedies of the holder hereof with respect thereto; sets forth the terms and conditions upon which and the extent to which the Bond Ordinance may be altered, modified and amended; sets forth the terms and conditions upon which this Bond is issued upon which other bonds may be hereinafter issued payable as to principal, premium, if any, and interest on a parity with this Bond and equally and ratably secured herewith; sets forth the rights, duties and obligations of the City thereunder; and sets forth the terms and conditions upon which the pledge made in the Bond Ordinance for the security of this Bond and upon which the covenants, agreements and other obligations of the City made therein may be discharged at or prior to the maturity or redemption of this Bond with provisions for the payment thereof in the manner set forth in the Bond Ordinance. Reference is hereby made to the Bond Ordinance to all of the provisions of which any holder of this Bond by the acceptance hereof thereby assents. The provisions of the General Bond Ordinance pertaining to (1) the definitions of “Debt Service,” “Expenses of Operating and Maintaining the System” and “Maximum Debt Service”, (2) the additional bonds’ test (including the calculation of interest on Variable Rate Bonds for purposes thereof), (3) the rate covenant, (4) the ability of underwriters, purchasers or bond insurers to assent to amendments to the General Bond Ordinance, and (5) the Contingent Fund and Depreciation Fund, have been amended by Supplemental Ordinances to the General Bond Ordinance. The provisions of the Act and the Bond Ordinance shall be a contract with the holder of this Bond.

This Bond and the series of Bonds of which it is one and the interest thereon are special obligations of the City and are secured by and payable solely from, and secured equally and ratably by a pledge of and lien upon, the Net Revenues (as defined in the General Bond Ordinance) derived by the City from the System; and on a parity with the Bonds of 2009, the Bonds of 2010, the Bonds of 2011A, the Bonds of 2012, the Bonds of 2013, the Bonds of 2016A, the Bonds of 2016B and the Bonds of 2018 (as such terms are defined in the Thirteenth Supplemental Ordinance) and any Series of Bonds (as defined in the General Bond Ordinance) which are presently [or shall remain] Outstanding (as defined in the General Bond Ordinance) [after the issuance of this Bond and the series of Bonds of which it is one] or which may be hereafter issued under the General Bond Ordinance payable from such Net Revenues on a parity and equally and ratably secured therewith.

This Bond and the series of Bonds of which it is one maturing on or prior to February 1, ____, shall not be subject to redemption prior to their stated maturities. This Bond and the series of Bonds of which it is one maturing on or after February 1, ____, shall be subject to redemption prior to maturity, at the option of the City, on and after February 1, ____, in whole or in part at any time in such order of their maturities as the City shall determine and by lot within a maturity, at the redemption prices with respect to each Bond, expressed as a percentage of the principal amount to be redeemed, as set forth below, together, in each such case, with the interest accrued on such principal amount to the date fixed for redemption:

<u>Period During Which Redeemed (both dates inclusive)</u>	<u>Redemption Prices</u>
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If less than all the Bonds of the series of which this Bond is one of any maturity are called for redemption, the Bonds of such maturity to be redeemed shall be selected by lot by the Registrar. In the event this Bond is redeemable, as aforesaid, and shall be called for redemption, notice of the redemption hereof, describing this Bond and specifying the redemption date and the premium payable upon such redemption, shall be given by the Registrar by first class mail, postage prepaid, to the registered owner thereof not less than thirty (30) days and not more than sixty (60) days prior to the redemption date at the last address appearing upon the registration books of the City. If this Bond be redeemable and shall have been duly called for redemption and notice of the redemption hereof mailed as aforesaid, and if on or before the date fixed for such redemption, payment hereof shall be duly made or provided for, interest hereon shall cease to accrue from and after the redemption date hereof.

The Bonds of the series of which this Bond is one maturing in the year ____ shall be retired by sinking fund installments which shall be accumulated in the Series Debt Service Fund (as defined in the Thirteenth Supplemental Ordinance) in amounts sufficient to redeem on February 1 of each year, at a redemption price equal to the principal amount of the Bond or Bonds to be redeemed, together with interest accrued thereon to the date fixed for redemption, the principal amount of such Bonds specified for each of the years shown below:

<u>Year</u>	<u>Principal Amount</u>
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The Bonds of the series of which this Bond is one maturing in the year ____ shall be retired by sinking fund installments which shall be accumulated in the Series Debt Service Fund in amounts sufficient to redeem on February 1 of each year, at a redemption price equal to the principal amount of the Bond or Bonds to be redeemed, together with interest accrued thereon to the date fixed for redemption, the principal amount of such Bonds specified for each of the years shown below:

<u>Year</u>	<u>Principal Amount</u>
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At its option, to be exercised on or before the sixtieth (60th) day prior to any mandatory redemption date, the City may (i) deliver to the Registrar for cancellation, Bonds which are subject to mandatory redemption in any aggregate principal amount desired or (ii) receive a credit in respect of its mandatory redemption obligation for any such Bonds which, prior to such date, have been purchased or redeemed (otherwise than through the operation of the mandatory redemption requirement) by the City and cancelled by the Registrar and not theretofore applied as a credit against any mandatory redemption obligation. Each Bond so delivered or previously purchased or redeemed shall be credited by the Registrar, at one hundred 100 percent (100%) of the principal amount thereof, to the obligation of the City on those respective mandatory redemption obligations in chronological order, and the principal amount of the Bonds to be redeemed by operation of the mandatory redemption requirement shall be accordingly reduced.

This Bond is transferable, as provided in the Bond Ordinance, only upon the books of the City kept for that purpose at the principal office of the Registrar by the registered owner 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 owner or his duly authorized attorney. Thereupon a new fully registered Bond or Bonds of the same aggregate principal amount, rate of interest and maturity shall be issued to the transferee in exchange therefor as provided in the Bond 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 or redemption premium, if any, hereof and interest due hereon and for all other purposes.

To the extent and in the manner permitted by the terms of the Bond Ordinance, the provisions of this Bond or of the Bond Ordinance, or any ordinance amendatory thereof or supplemental thereto, may be amended or modified by the City with the written consent of the holders of at least sixty-six and two-thirds percent (66-2/3%) in principal amount of the Bonds of the series of which this Bond is one then outstanding under the Bond Ordinance (including the Bonds of the series of which this Bond is one); provided, that no such amendment or modification shall permit a change in the date of maturity of any installment of principal hereof or date of optional or mandatory redemption of any Bond or the date of payment of interest thereon or a

reduction in the principal amount or redemption price thereof or rate of interest thereon without the consent of the holder of each such Bond affected thereby, or shall reduce the percentage of the principal amount of Bonds, the consent of the holders of which is required by the Bond Ordinance to effect such an amendment or modification.

Under the laws of the State, this Bond and the interest hereon are exempt from all State, county, municipal, school district 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, recited and declared that all acts, conditions and things required by the Constitution and statutes of the State to exist, to happen and to be performed precedent to and in the issuance of this Bond, do exist, have happened and have been performed in due time, form and manner as required by law; that the series of which this Bond is a part does not exceed any constitutional or statutory limitation of indebtedness; and that provision has been made for the payment of the principal of and interest on this Bond and the series of which it is a part, as provided in the Bond Ordinance.

IN WITNESS WHEREOF, the City of Columbia, South Carolina, has caused this Bond to be executed in its name by the manual/facsimile signature of the Mayor of the City and attested by the manual/facsimile signature of the Clerk of the City under the seal of the City impressed, imprinted or reproduced hereon.

CITY OF COLUMBIA, SOUTH CAROLINA

By: _____
Mayor

(SEAL)

ATTEST:

Clerk

(FORM OF REGISTRAR'S CERTIFICATE OF AUTHENTICATION)

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

_____,
Registrar

Dated: _____

By: _____
Authorized Officer

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Name and Address of Transferee)
the within Bond and does hereby irrevocably constitute and appoint _____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed

(Authorized Officer)

Notice: Signature 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.

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.

CERTIFICATE

IT IS HEREBY CERTIFIED that the following are true and correct copies of the respective approving opinions of Burr & Forman LLP d/b/a Burr Forman McNair, Columbia, South Carolina, and Johnson, Toal & Battiste, P.A., Columbia, South Carolina, the originals of which were manually executed, dated and issued as of the date of the delivery of and payment for the bonds, and copies of which are on file with the City of Columbia, South Carolina.

CITY OF COLUMBIA, SOUTH CAROLINA

By: _____
Clerk

SCHEDULE A

\$ _____

City of Columbia, South Carolina

Waterworks and Sewer System [Refunding] Revenue Bonds,
[Taxable] Series (year)

<u>Maturity</u> <u>(February 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>CUSIP</u> <u>Number</u>
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FORM OF BOND PURCHASE AGREEMENT

PURCHASE CONTRACT

[\$[Bond Amount]]
CITY OF COLUMBIA, SOUTH CAROLINA
WATERWORKS AND SEWER SYSTEM REVENUE BONDS
SERIES 2019

[Pricing Date], 2019

The Honorable Mayor and Members of City Council
City of Columbia
1737 Main Street
Columbia, South Carolina 29201

The undersigned, PNC Capital Markets, LLC and Raymond James & Associates, Inc., on behalf of themselves and as representatives of Siebert Cisneros Shank & Co., L.L.C., as Underwriters (collectively, “*Underwriter*”), offers to enter into this Purchase Contract (“*Purchase Contract*”) with the City of Columbia, South Carolina (“*City*”), which, upon the acceptance of this offer and the execution of this Purchase Contract by the City, shall be in full force and effect in accordance with its terms and shall be binding upon the City and the Underwriter. This offer is made subject to your acceptance of this Purchase Contract on or before 3:00 p.m. local (City of Columbia) time, on [Pricing Date], 2019, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to your office at any time prior to the acceptance hereof by you. All terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Preliminary Official Statement (defined below) or the Ordinance (defined below).

1. ***Offer and Sale of Bonds.*** Upon the terms and conditions and upon the basis of the representations and warranties hereinafter set forth, the Underwriter hereby agrees to purchase from the City aggregate principal amount \$[Bond Amount] City’s Waterworks and Sewer System Revenue Bonds, Series 2019 (“*Bonds*”), and the City hereby agrees to sell to the Underwriter all (but not less than all) of the Bonds.

The purchase price for the Bonds shall be \$[] (representing the par amount of the Bonds less an Underwriter’s discount of \$[], [plus] [minus] aggregate net original issue [premium] [discount] of \$[]). The Underwriter may change the offering prices of the Bonds at any time and from time to time.

2. ***Authorization and Purpose.*** The Bonds shall be authorized and issued pursuant to the following: (i) Title 6, Chapter 17, [and Title 11, Chapter 21,] of the Code of Laws of South Carolina 1976, as amended (“*Enabling Act*”); (ii) the General Bond Ordinance No. 93-43 enacted by the City Council of the City (“*City Council*”) on May 21, 1993 (“*Bond Ordinance*”), as amended and supplemented, including as amended and supplemented by the Thirteenth Supplemental Ordinance No. 2019-064, enacted by the City Council on [Ordinance Date], 2019 (together with “*Bond Ordinance*,” as so amended and supplemented, “*Ordinance*”).

Proceeds of the Bonds will be used to (i) fund the improvements, extensions and enlargements to the Waterworks and Sewer System of the City (“*System*”), (ii) refund the [list Bonds to be Refunded], (iii) pay interest coming due on a portion of the Bonds, and (iv) pay the costs incurred in connection with the issuance of the Bonds. The Bonds shall mature on such dates and in such principal amounts, shall

bear interest at such rates, shall be reoffered at the prices and yields and shall be subject to optional redemption, all as set forth in Exhibit A attached hereto and made a part hereof. The Depository Trust Company (“*DTC*”) shall act as securities depository for the Bonds, which shall be issued in book-entry form.

The Bonds, including the interest thereon, are payable solely from the Net Revenues of the Waterworks and the System and are secured by a pledge of and lien on the Net Revenues thereof. There will be no debt service reserve fund established for or funded with the proceeds of the Bonds.

3. **Official Statement.** The City has previously provided to the Underwriter copies of the Preliminary Official Statement with respect to the Bonds, dated [], 2019 (“*Preliminary Official Statement*”). As of its date, the Preliminary Official Statement has been “deemed final” by the City for purposes of Rule 15c2-12(b)(1) (“*Rule*”) under the Securities Exchange Act of 1934, as amended (“*1934 Act*”) except for the offering prices, interest rates, selling commissions, principal amount per maturity, optional and mandatory redemption provisions, sources and uses of funds and delivery dates of the Bonds. Within seven business days of the date hereof and, in any event, in sufficient time to accompany confirmations requesting payment from customers, the City agrees to supply to the Underwriter a final Official Statement executed by the City (“*Official Statement*”) and in a sufficient quantity to comply with Rule and the rules of the Municipal Securities Rulemaking Board (“MSRB”) and to ensure a copy of the Official Statement is placed on <http://emma.msrb.org/> in such a way as to assist the Underwriter in complying with MSRB Rule G-32. The City hereby consents to and ratifies the use by the Underwriter of the Preliminary Official Statement and the Official Statement in connection with the public offering of the Bonds.

4. **Offering.** The Underwriter intends to make an initial bona fide public offering of all the Bonds at not in excess of the public offering price or prices (nor lower than the yield or yields) set forth in Exhibit A hereto and may subsequently change such offering price or prices (or yield or yields) without any requirement of prior notice to the City. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and others, as stated in Paragraph 1 above, at prices lower than the public offering price or prices stated.

5. **Representations and Warranties of the City.** The City hereby represents and warrants to the Underwriter that:

(a) The City is a municipal corporation existing under the laws of the State of South Carolina.

(b) The City is authorized by the laws of the State of South Carolina, including particularly the Enabling Act, to enact the Ordinance, to issue the Bonds, to enter into this Purchase Contract and to secure the Bonds in the manner contemplated by the Ordinance.

(c) The City has full power and authority to consummate the transactions contemplated by this Purchase Contract, the Bonds, the Ordinance, the Official Statement and as otherwise set forth herein.

(d) The Official Statement, as of its date, will be a final official statement as such term is defined in the Rule.

(e) The City has duly approved and authorized the distribution and use of the Preliminary Official Statement and the execution, delivery and distribution of the Official Statement; the City has

delivered the Preliminary Official Statement to the Underwriter, and, as of its date, the City deemed the Preliminary Official Statement to be final for the purpose of the Rule except for the offering prices, interest rates, selling commissions, aggregate principal amounts, principal amount per maturity, optional and mandatory redemption provisions, sources and uses of funds and delivery dates of the Bonds; the City has reviewed the Preliminary Official Statement and, except for the offering prices, interest rates, selling commissions, principal amount per maturity, optional and mandatory redemption provisions, sources and uses of funds, delivery date of the Bonds, and the information relating to DTC and its affiliates and the book-entry only system of registration and transfer and related information under the caption “THE 2019 BONDS—Book-Entry-Only System”, the over-allotment or stabilizing language on the inside front cover and the information relating to or provided by the Underwriter under the caption “MISCELLANEOUS – Underwriting” (collectively, “*Excluded Information*”), nothing has come to the City’s attention that would cause the City to believe the information contained in the Preliminary Official Statement is not true and correct in all material respects or contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made in the Preliminary Official Statement, in light of the circumstances under which they were made, misleading; and as of its date and the Closing Date, the information to be contained in the Official Statement, except for the Excluded Information, will be true and correct in all material respects and will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made in the Official Statement, in light of the circumstances under which they are to be made, misleading.

(f) The City has duly enacted the Ordinance and duly authorized all necessary action to be taken by it for: (i) the issuance and sale of the Bonds upon the terms set forth herein, in the Ordinance and in the Official Statement; (ii) the approval of the Official Statement and the execution of the Official Statement by a duly authorized official; (iii) the application of the proceeds of the Bonds for the purposes described in the Official Statement; and (iv) the execution, delivery and receipt of this Purchase Contract, the Bonds and any and all such other agreements and documents as may be required to be executed, delivered, and received by the City in order to carry out, give effect to, and consummate the transactions contemplated hereby and by the Official Statement.

(g) The Bonds, when issued, delivered and paid for as herein and in the Ordinance provided, will have been duly authorized, executed, issued and delivered and will constitute limited obligations of the City entitled to the benefits and security of the Ordinance. The Bonds and the interest thereon do not constitute an indebtedness of the City within the meaning of any provision, limitation or restriction of the South Carolina Constitution (other than Article X, Section 14, Paragraph 10 of the South Carolina Constitution authorizing indebtedness payable solely from a revenue-producing project not involving revenues from any tax or license) or the laws of the State of South Carolina and are payable by the City solely from the Net Revenues of the System.

(h) The City, immediately after the Closing, will apply the proceeds from the sale of the Bonds as described in the Ordinance and the Preliminary Official Statement, and as more fully described in the certificates delivered at the Closing. The City will not knowingly take or omit to take any action, which action or omission will, in any way, cause the proceeds from the sale of the Bonds to be applied in a manner other than as provided in the Ordinance or would cause the interest on the Bonds to be includable in gross income for federal income tax purposes.

(i) Except as stated in the Preliminary Official Statement or the Official Statement, there is no action, suit, hearing, proceeding, inquiry or investigation at law or in equity or before or by any court, public board, agency or body pending or, to the best of the City’s knowledge, threatened in writing against or directly affecting the City contesting the due organization and valid existence of the City or

wherein an unfavorable decision, ruling or finding would, in any way, adversely affect (i) the transactions contemplated hereby or by the Official Statement or the validity or due enactment of the Ordinance or the validity, due authorization and execution of the Bonds, this Purchase Contract or any agreement or instrument related to the Bonds or the System to which the City is a party and which is used or contemplated hereby or by the Official Statement, (ii) the federal tax-exempt status of the interest on the Bonds, (iii) the exemption of interest on the Bonds from taxation in South Carolina as described in Paragraph 5(j) below, (iv) the organization, existence or powers of the City or the title of the Mayor or any of the members of the City Council or any officers of the City, or (v) the business, properties or assets or the condition, financial or otherwise, of the City.

(j) The execution and delivery by the City of the Official Statement, this Purchase Contract and the other documents related to the Bonds or the System contemplated hereby and by the Official Statement, and the enactment of the Ordinance and compliance with the provisions thereof do not and will not conflict with or constitute on the part of the City a breach of or a default under any existing law, court or administrative regulation, decree, order or any agreement, indenture, mortgage or lease by which it is or, on the date of Closing, will be bound, and this Purchase Contract constitutes a legally binding obligation of the City enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

(k) There is no legislation enacted or, to the best of the City's knowledge, pending, the effect of which would be to remove the exemption of the interest on the Bonds from any taxation under the laws of South Carolina, except inheritance or other transfer taxes and certain franchise taxes.

(l) The City has not been notified of any listing or proposed listing of disqualification by the Internal Revenue Service to the effect that the City is a bond issuer that may not certify its bonds.

(m) If, between the date of this Purchase Contract and the End of the Underwriting Period (hereinafter defined), any event shall occur to the knowledge of the undersigned which could reasonably cause or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (other than the Excluded Information), the City shall notify the Underwriter thereof, and, if in the opinion of the Underwriter such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City will at its own expense forthwith prepare and furnish to the Underwriter (1) a sufficient number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to the Underwriter) which will supplement or amend the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances existing at such time, not misleading, and (2) if such notification shall be subsequent to the Closing, such legal opinion, certification, instruments and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement.

For purposes of this Purchase Contract: the "End of the Underwriting Period" shall mean the later of (1) the close of business on the 25th calendar day (unless that day is a Saturday, Sunday, or banking holiday, in which case, it shall be close of business on the next business day) following the Closing Date, unless the City has been notified in writing by the Underwriter on or prior to the Closing Date that the "End of the Underwriting Period" (for purposes of the Rule) will not occur on the Closing Date and (2) the date on which notice is given to the City by the Underwriter in accordance with the following sentence. In the event that the Underwriter has given notice to the City pursuant to clause (1)

that the “End of the Underwriting Period” (for purposes of the Rule) will not occur on the Closing Date, the Underwriter agrees to notify the City in writing as soon as practicable of the “End of the Underwriting Period” (for purposes of the Rule).

(m) Between the time of the City’s acceptance hereof and the Closing, the City will not have executed or issued any bonds or notes or incurred any other obligations for borrowed money, in each case, which are payable from, or secured by a pledge of, the Net Revenues of the System on a parity with the pledge thereof securing the Bonds, and there will not have been any adverse change of a material nature in the financial position, method of operation, or personnel of the System.

(n) Except as otherwise disclosed in the Preliminary Official Statement, the City is in material compliance with the City’s undertakings, as provided under the Rule and, to the City’s knowledge, the Securities and Exchange Commission’s (“SEC”) order dated August 24, 2016 (SEC Release No. 33-10143).

6. **Closing.** At 10:00 a.m., local (City of Columbia) time, on [Closing Date], 2019, or at such other time or such other date as shall have been agreed upon by the City and Underwriter, the City will deliver, or cause to be delivered, to the Underwriter the Bonds, in fully registered form, together with the other documents hereinafter mentioned; and the Underwriter will accept such delivery and pay the purchase price of the Bonds to the City in Federal or other immediately available funds. Time shall be of the essence, and delivery at the time and place specified pursuant to this Purchase Contract is a further condition to the obligations of the Underwriter hereunder.

Payment and delivery of the Bonds as aforesaid shall be made at the offices of the City, or at such other place as the City and the Underwriter agree upon, provided, however, that the Bonds will be physically delivered to DTC in New York, New York, or pursuant to arrangements with DTC, to Regions Bank, as registrar (“**Registrar**”) under the terms of a “FAST” closing. Such payment and delivery is herein called the “Closing.” The Bonds will be delivered as fully registered Bonds in book-entry form, in the form of one certificate per maturity and registered in the name of “Cede & Co.” At the direction of the City, the Registrar shall release or authorize the release of the Bonds at the Closing to the Underwriter upon receipt of payment for the Bonds as aforesaid. In addition, the City and the Underwriter agree that there shall be a preliminary closing on June 20, 2019, or on such other date agreed upon by the City and the Underwriter.

7. **Closing Conditions.** The Underwriter’s obligation to purchase the Bonds at the Closing is subject to the following conditions which must be performed in a timely fashion as set forth herein: (i) the performance by the City of its obligations to be performed hereunder and (ii) the following conditions, including the delivery by the City of such documents as are enumerated herein in form and substance reasonably satisfactory to the Underwriter:

(a) At the time of Closing, (i) the Official Statement shall not have been amended, modified or supplemented except as may be agreed to by the Underwriter, and the Ordinance shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter, (ii) the proceeds of the sale of the Bonds shall be applied as described in the Official Statement, (iii) all official action of the City related to the Bonds shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter, and (iv) the City shall have duly enacted and there shall be in full force and effect such proceedings as, in the opinion of Burr & Forman LLP d/b/a Burr Forman McNair and Johnson, Toal & Battiste, P.A., as co-bond counsel (“**Bond Counsel**”), shall be necessary in connection with the transactions contemplated hereby.

(b) The Underwriter shall have the right to cancel its obligation to purchase the Bonds (and such cancellation shall not constitute a default hereunder by the Underwriter) if between the date hereof and the Closing:

(i) legislation shall be enacted or be actively considered for enactment by the Congress, or recommended to the Congress for passage by the President of the United States, or favorably reported for passage to either House of the Congress by a committee of such House to which such legislation has been referred for consideration, a decision by a court of the United States or the United States Tax Court shall be rendered, or a ruling, regulation or official statement by or on behalf of the Treasury Department of the United States, the IRS or other governmental agency shall be made or proposed to be made with respect to federal taxation upon revenues or other income of the general character to be derived by the City or by any similar body, or upon interest on obligations of the general character of the Bonds, or other action or events shall have transpired that have the purpose or effect, directly or indirectly, of changing the federal income tax consequences of any of the transactions contemplated in connection herewith, that, in the opinion of the Underwriter, materially and adversely affects the market price of the Bonds or the market price generally of obligations of the general character of the Bonds;

(ii) any legislation, ordinance or regulation shall be enacted or be actively considered for enactment by any governmental body, department or agency of the State, or a decision by any court of competent jurisdiction within the State shall be rendered that, in the opinion of the Underwriter, materially and adversely affects the market price of the Bonds;

(iii) any action shall have been taken by the SEC that would require the registration of the Bonds under the Securities Act of 1933, as amended (“**1933 Act**”), or the qualification of the Ordinance under the Trust Indenture Act of 1939, as amended, or it appears that the Underwriter, by selling the Bonds, would subject itself to liability under the 1933 Act, the 1934 Act or any blue sky law;

(iv) any event shall have occurred or shall exist that, in the opinion of the Underwriter, either (i) makes untrue or incorrect in any material respect any statement or information contained in the Official Statement, or (ii) is not reflected in the Official Statement and should be reflected therein in order to make the statements and information contained therein not misleading in any material respect;

(v) there shall have occurred any outbreak of, or escalation in, hostilities or other national or international calamity or crisis or a financial crisis, including, but not limited to, the United States engaging in hostilities, or a Declaration of War or a national emergency by the United States on or after the date hereof which, in the sole opinion of the Underwriter, would affect materially and adversely the ability of the Underwriter to market the Bonds;

(vi) trading shall be suspended, or new or additional trading or loan restrictions shall be imposed, by the New York Stock Exchange or other national securities exchange or governmental authority with respect to obligations of the general character of the Bonds or a general banking moratorium shall be declared by federal, South Carolina or New York authorities;

(vi) there shall have occurred any change in the financial condition or affairs of the City or the System the effect of which is, in the sole judgment of the Underwriter, so material and adverse as to make it impracticable or inadvisable to proceed with the offering or delivery of the Bonds on the terms and in the manner contemplated by the Official Statement;

(vii) either of the ratings of the Bonds shall have been downgraded, or withdrawn, or becomes the subject of a published negative credit watch, which in the Underwriter's sole opinion, materially adversely affects the market price of the Bonds;

(viii) any litigation shall be instituted, pending or threatened to restrain or enjoin the issuance, sale or delivery of the Bonds or in any way contesting or questioning any authority for or the validity of the Bonds or the money or revenues pledged to the payment thereof or any of the proceedings of the City taken with respect to the issuance and sale thereof;

(ix) the "blue sky" or securities commission of any state in the United States has withheld registration, exemption, or clearance of the offering of the Bonds, and, in the sole opinion of the Underwriter, the effect of the withholding will materially and adversely affect the market price or marketability of the Bonds;

(x) the purchase of and payment for the Bonds by the Underwriter, or their resale or reoffering by the Underwriter, on the terms and conditions contemplated by this Purchase Contract and the Official Statement, is prohibited by any applicable law or governmental regulation or by order of any court, government authority, board, agency, or commission or would subject the Underwriter to liability under the 1933 Act, the 1934 Act, common law or otherwise;

(xi) additional material restrictions not in force on the date of this Purchase Contract have been imposed on trading in securities generally or by a governmental authority or Financial Industry Regulatory Authority, Inc.; or

(xii) there shall have occurred any event other than those listed above, the effect of which is, in the reasonable and exclusive judgment of the Underwriter, material and adverse to make it impractical or inadvisable to proceed with the offering of the Bonds on the terms and in the manner contemplated by the Official Statement.

(c) At the time of Closing, the City shall have duly adopted all proceedings required by the Enabling Act and all other applicable laws and regulations, State or federal, necessary to enable Bond Counsel to deliver an unqualified opinion with respect to due authorization, execution and delivery of the Bonds.

(d) The Underwriter shall have received, within a sufficient time period for such Official Statements to accompany confirmations delivered by the Underwriter to potential investors in accordance with the Rules of the MSRB but in no event later than seven business days following the date hereof, a quantity of Official Statements adequate to enable the Underwriter to meet the continuing obligations imposed on it by the Rule.

(e) At or prior to the Closing, the Underwriter shall receive one executed original of the following documents, unless otherwise indicated:

(i)(A) the unqualified approving opinions of Co-Bond Counsel each dated the date of Closing, addressed to the City in substantially the forms of Appendix “D” of the Official Statement, and (B) supplemental opinions of Bond Counsel, each dated the date of Closing and addressed to the Underwriter, in substantially the forms set forth in Exhibit B attached hereto;

(ii) a certificate of the City, dated the date of Closing signed by an official of the City, in substantially the form attached hereto as Exhibit C;

(iii) a specimen of the Bonds;

(iv) an opinion of Teresa A. Knox, Esquire, City Attorney, addressed to the City and the Underwriter, dated the date of Closing in substantially the form attached hereto as Exhibit D;

(v) evidence satisfactory to the Underwriter that the Bonds have been rated “[Aa1]” by Moody’s Investors Service, Inc. (“Moody’s”) and “[AA+]” by S&P Global Ratings (“S&P”);

(vi) a certified copy of the Ordinance;

(vii) a copy of the Official Statement executed on behalf of the City by a duly authorized official of the City;

(viii) an executed copy of the Disclosure Dissemination Agent Agreement dated the date of Closing, between the City and Digital Assurance Certification, L.L.C.;

(ix) the opinions of Parker Poe Adams & Bernstein LLP and the Starkes Law Firm, LLC, Co-Counsel to the Underwriter, addressed to the Underwriter and dated the date of Closing in substantially the forms attached hereto as Exhibit E;

(x) the opinion of Nexsen Pruet, LLC, special environmental counsel to the City, addressed to the Underwriter and Co-Counsel to the Underwriter, dated the date of Closing in substantially the forms attached hereto as Exhibit F; and

(xi) other certificates of the City or information of the City contained in certificates listed in the Closing Memorandum to be approved by counsel to the City and Co-Bond Counsel, and such additional opinions, as Bond Counsel may reasonably request to evidence (A) compliance by the City with legal requirements, (B) the truth and accuracy, as of the time of Closing, of the respective representations of the City contained herein and (C) the due performance or satisfaction by the City at or prior to such time, of all agreements then to be performed and of all conditions then to be satisfied by the City.

If the City shall be unable to satisfy the conditions or the obligations contained in this Purchase Contract, or if the obligation of the Underwriter to purchase and accept delivery of the Bonds shall be terminated for any reason permitted by this Purchase Contract or, at the election of the City, if the Closing shall not occur by the end of business on [Closing Date], 2019, or such alternative date as the parties may mutually establish, this Purchase Contract shall terminate and neither the Underwriter nor the City shall be under further obligation hereunder; except that the respective obligations to pay expenses to the extent applicable, as provided in Paragraph 13 hereof, shall continue in full force and effect.

The delivery of any certificate that is required to be delivered in accordance with this Purchase Contract shall be deemed to have been made if the terms of that certificate are included to the satisfaction of the Underwriter within any one certificate or any number of other certificates delivered or caused to be delivered by the party responsible for delivery.

8. **Issue Price Certificate.** At the Closing, contemporaneously with the receipt of the Bonds, the Underwriter will deliver to the City a receipt therefor and a certificate as to issue price of the Bonds confirming their reasonable expectations regarding the representations set forth in Paragraph number 4 hereof and as to such other matters reasonable required in order to enable Burr & Forman LLP d/b/a Burr Forman McNair, as Bond Counsel, to render an opinion as to the exclusion from gross income for federal income tax purposes of interest on the Bonds.

9. **Opinions of Bond Counsel.** The City will furnish to the Underwriter a reasonable supply of copies of the opinions of Bond Counsel to accompany delivery of the Bonds.

10. **Annual Audits.** The City agrees to furnish to the Underwriter, upon reasonable request during the life of the outstanding Bonds, a copy of each annual audit report for the System issued by the City from time to time.

11. **Mutual Performance.** The obligations of the City hereunder are subject to the performance by the Underwriter of its obligations hereunder.

12. **Survival of City's Representations, Warranties and Agreements.** All representations, warranties and agreements of the City hereunder shall remain operative and in full force and effect, regardless of any investigations made by or on behalf of the Underwriter and shall survive delivery and payment of the Bonds.

13. **Payment of Expenses.** If the Bonds are sold to the Underwriter by the City, the City shall pay, out of the proceeds of the Bonds, any expenses incident to the performance of its obligations hereunder including but not limited to: (a) the costs of the preparation of the Preliminary Official Statement and Official Statement for the Bonds, including the costs of all proofs and production of final proof, together with the number of copies which the Underwriter deems reasonable and the costs of delivery of the Preliminary Official Statement and Official Statement; (b) the cost of the preparation, printing and delivery of the Bonds in fully-registered form; (c) the fees and disbursements of Bond Counsel, Co-Counsel to the Underwriter and any other experts or consultants retained by the City, including the City's Attorney, financial advisor, independent engineers, accountants, consultants and the charges of Moody's and S&P; and (d) fees and costs of the Registrar/Paying Agent and Escrow Agent.

The Underwriter shall pay (a) all advertising expenses in connection with the public offering of the Bonds; (b) all expenses incurred by it in connection with its public offering and distribution of the Bonds, including, but not limited to, the fees and disbursements of any counsel retained by them (other than fees and disbursements of Co-Counsel to the Underwriter described in paragraph 13); and (c) the cost of preparing and printing the blue sky and legal investment memoranda and the disbursements for filing fees in connection with the aforesaid blue sky and legal investment memoranda.

14. **Covenants of the City.** The City agrees:

(a) To deliver promptly to the Underwriter such number of conformed copies of the Official Statement (and any amended or supplemented Official Statement) and the Ordinance as the Underwriter may reasonably request;

(b) Not to supplement or amend, or cause to be supplemented or amended, the Official Statement or the Ordinance from the date of this Purchase Contract through the End of the Underwriting Period, without the prior written consent of the Underwriter;

(c) Through the End of the Underwriting Period, to prepare any amendment or supplement to the Official Statement that may, in the judgment of the City or the Underwriter, be required so that the Official Statement as amended or supplemented will not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(d) To advise the Underwriter immediately of receipt by the City of any notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose;

(e) To cooperate with the Underwriter including furnishing such information, executing such instruments and taking such other action in cooperation with the Underwriter as may be required to qualify the Bonds for offering and sale under the “blue sky” or other laws of such jurisdictions as the Underwriter may designate; provided that in connection with such qualification the City shall not be obligated to take any action that would subject it to the general service of process in any state where it is not now subject;

(f) Not to take or omit to take any action, which action or omission will adversely affect the exemption from federal income taxation of interest on the Bonds under the Internal Revenue Code of 1986, as amended; and

(g) Not to take or omit to take any action which action or omission will in any way cause the proceeds of the Bonds to be applied in a manner contrary to that described in the Ordinance or the Official Statement.

15. **Notices.** Any notice or other communication to be given to the City under this Purchase Contract may be given by delivering the same in writing at its address set forth above, and any notice or other communication to be given to the Underwriter under this Purchase Contract may be given by delivering the same in writing to PNC Capital Markets, 4720 Piedmont Row, Suite 200, Charlotte, NC 28210, Attention: David Fischer.

16. **Establishment of Issue Price.** The Underwriter agrees to assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached as Exhibit G, with modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the City and Burr & Forman LLP d/b/a Burr Forman McNair, as Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

The City will treat the first price at which 10% of each maturity of the Bonds (“10% test”) is sold, on the sale date, to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Purchase Contract, the Underwriter shall report to the City the price or prices at which the Underwriter has sold, on the sale date, to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the City the prices at which Bonds of that maturity have been sold by the

Underwriter to the public. That reporting obligation shall continue, whether or not the Closing has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public.

The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) “public” means any person other than an underwriter or a related party,

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the City (or with the Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date of execution of this Purchase Contract by all parties.

17. ***Arm’s-Length Transaction.*** The City acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Purchase Contract is an arm’s-length commercial transaction between the City and the Underwriter, (ii) in connection therewith and with the discussions, undertakings, and procedures leading up to the consummation of this transaction, the Underwriter is and has been acting solely as a principal and is not acting as the agent or fiduciary of the City, (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the City with respect to the offering contemplated hereby or the discussions, undertakings, and procedures leading thereto (regardless of whether the Underwriter has provided other services or is currently providing other services to the City on other matters) and the Underwriter has no obligation to the City with respect to the offering contemplated hereby except the obligations expressly set forth in this Purchase Contract, (iv) the Underwriter has financial and other interests that differ from those of the City, and (v) the City has consulted its own legal, financial, and other advisors to the extent it has deemed appropriate.

18. ***Parties in Interest.*** This Purchase Contract is made solely for the benefit of the City and the Underwriter (including any successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof, except that the representation, warranties, and agreements of the City contained in this Purchase Contract shall also be deemed to be for the benefit of the person or persons, if any, who control the Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act. Nothing in this Purchase Contract is intended or shall be construed to give any person, other than the persons referred to in this paragraph, any legal or equitable right, remedy or claim under or in respect of this Purchase Contract or any provision contained herein. All of the

representations, warranties and agreements of the City contained herein shall remain in full force and effect, regardless of (a) any investigation made by or on behalf of any Underwriter, (b) delivery of the Bonds and payment of amounts required hereunder by or for the City or (c) any termination of this Purchase Contract.

19. ***Governing Law.*** This Purchase Contract shall be governed by and construed in accordance with the laws of the State of South Carolina.

20. ***Effectiveness; Counterpart Execution.*** This Purchase Contract shall become effective upon your acceptance and execution hereof and may be executed in counterparts and such counterparts shall constitute one and the same instrument.

21. ***No Liability.*** Neither the Mayor or members of the City Council, nor any officer, agent, attorney or employee as such, in his or her individual capacity, past, present or future of the City, either directly or through the City, shall be charged personally by the Underwriter with any liability, or held liable to such Underwriter under any term or provision of this Purchase Contract or because of its execution or contemplated execution, or because of any breach or attempted or alleged breach thereof. It is expressly agreed and understood that the obligations of the City under this Purchase Contract are solely corporate obligations and that no personal liability whatsoever shall attach to, or be incurred by, any past, present or future officer, agent, attorney or employee thereof. All personal liability of any character against every such past, present or future officer, agent, attorney and employee of the City is, by the execution of this Purchase Contract and as a condition of, and as part of the consideration for, the execution of this Purchase Contract, expressly waived and released. The immunity of the past, present or future officers, agents, attorneys and employees of the City under the provision contained in this Section shall survive the termination of this Purchase Contract.

[ONE SIGNATURE PAGE FOLLOWS]
[REMAINDER OF PAGE INTENTIONALLY BLANK]

Very truly yours,

By: PNC CAPITAL MARKETS, LLC and Raymond James & Associates, Inc., on behalf of themselves and as representatives of Siebert Cisneros Shank & Co., L.L.C.

By: _____

Its: _____

Accepted and Agreed to as
of the date first above written.

CITY OF COLUMBIA, SOUTH CAROLINA

By: _____

Its: _____

[SIGNATURE PAGE TO PURCHASE CONTRACT - REVENUE BONDS 2019]

EXHIBIT A

The Bonds shall mature on the dates and bear interest at the rates and shall be reoffered at the prices as set forth below:

MATURITY SCHEDULE

<u>MATURITY</u> <u>(FEB. 1)</u>	<u>AMOUNT(\$)</u>	<u>INTEREST</u> <u>RATE(%)</u>	<u>YIELD(%)</u>	<u>PRICE(%)</u>	<u>CUSIP</u>
2020					
2021					
2022					
2022					
2023					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
2039					
2040					
2043					
2044					

\$[] []% Term Bond, Due [] [], 20[]; Yield: []^C; Price []%^C; CUSIP: []

^CPriced to the call date of February 1, 202[9]

Redemption

Optional Redemption

[The Bonds maturing on or after February 1, 20[30], are subject to redemption prior to maturity on or after February 1, 20[29], at the option of the City, as a whole or in part at any time in such order of their maturities as the City shall determine at the redemption price equal to 100% of the principal amount of the 2019 Bonds being redeemed together with accrued interest to the date fixed for redemption.]

Mandatory Redemption

[The Bonds maturing on February 1, 20[] (“**Term Bonds**”), shall be subject to mandatory sinking fund redemption commencing February 1, 20[], [respectively], and will be redeemed (to the extent not previously redeemed) at 100% of the principal amount of the principal amount thereof to be redeemed, plus interest accrued to the redemption date, on February 1 of each of the following years in the respective principal amounts for each year specified below:]

<u>Year</u>	<u>Amount</u>
[]	\$[]
[] [†]	[]

[†]Final Maturity for \$[] []% Term Bond

[At its option, to be exercised on or before the sixtieth (60th) day prior to any mandatory redemption date, the City may (i) deliver to the Registrar for cancellation Term Bonds which are subject to mandatory redemption in any aggregate principal amount desired or (ii) receive a credit in respect of its mandatory redemption obligation for any such Term Bonds which, prior to such date, have been purchased or redeemed (otherwise than through the operation of the mandatory redemption requirement) by the City and cancelled by the Registrar and not theretofore applied as a credit against any mandatory redemption obligation. Each Term Bond so delivered or previously purchased or redeemed shall be credited by the Registrar, at one hundred percent (100%) of the principal amount thereof, to the obligation of the City on those respective mandatory redemption obligations in such order as the City may direct the Registrar in writing, and the principal amount of the Term Bonds to be redeemed by operation of the mandatory redemption requirement shall be accordingly reduced.]

EXHIBIT B

Form of Supplemental Bond Counsel Opinion

[Closing Date], 2019

PNC Capital Markets LLC
Charlotte, North Carolina

Raymond James & Associates, Inc.
Richmond, Virginia

Siebert Cisneros Shank & Co., L.L.C.
New York, New York

Re: \$[Bond Amount] Waterworks and Sewer System Revenue Bonds, Series 2019, of the City of Columbia, South Carolina

We have acted as bond counsel in connection with the issuance by the City of Columbia, South Carolina (“City”) of its \$[Bond Amount] original principal amount Waterworks and Sewer System Revenue Bonds, Series 2019 (“Bonds”). This opinion is being delivered to you pursuant to paragraph 7(e)(i)(B) of the Purchase Contract dated [Pricing Date], 2019 (“Purchase Contract”) between the City and you as the underwriter (“Underwriter”). Capitalized terms not otherwise defined herein shall have the meanings assigned such terms in the Purchase Contract.

Reference is made to our approving opinion (“Opinion”) of even date herewith as bond counsel addressed to the City delivered in connection with the issuance of the Bonds. You are hereby authorized to rely upon the Opinion to the same extent as if the Opinion were specifically addressed to you, subject to the qualifications and considerations set forth in the Opinion.

In connection therewith, we have examined:

1. Title 6, Chapter 17, [and Title 11, Chapter 21] of the Code of Laws of South Carolina, 1976, as amended.
2. The Purchase Contract.
3. The Official Statement dated [Pricing Date], 2019 (“Official Statement”), relating to the Bonds; provided, however, that we have not reviewed any electronic version of the Official Statement and assume that any such version is identical in all respects to the printed version.
4. The General Bond Ordinance No. 93-43 enacted by City Council (“City Council”) of the City on May 21, 1993 (“General Ordinance”), as amended and supplemented, including as amended and supplemented particularly by the Thirteenth Supplemental Ordinance No. 2019-[Ordinance Number], enacted by the City Council on [Ordinance Date], 2019 (collectively, the “Ordinance”).
5. The Disclosure Dissemination Agent Agreement dated the date hereof between the City and Digital Assurance Certification, L.L.C. (“Disclosure Agreement”).

Based upon the foregoing and examinations of such other documents, and consideration of such matters of law as we have deemed appropriate to enable us to render this opinion, we are of the opinion that:

1. The Purchase Contract and the Disclosure Agreement, respectively, have been duly authorized, executed and delivered by the City.

2. The Official Statement has been duly authorized, approved and delivered by the City.

3. We have considered the information contained in the Official Statement under the headings entitled: “THE 2019 BONDS” (other than the information under “Book-Entry-Only System”); “SECURITY FOR THE 2019 BONDS”; and in Appendix C of the Official Statement entitled “Summary of Certain Provisions of the Ordinance” and, based upon our review, we are of the opinion that the statements or summaries under such headings (except the information therein related to The Depository Trust Company and its affiliates and the book-entry only system of registration and transfer and related information under the caption “THE 2019 BONDS—Book-Entry Only System,” as to which we express no opinion) are, to the extent indicated therein, accurate statements or summaries of the matters set forth or documents referred to therein, and fairly present the information purported to be shown, and the information under the heading “TAX EXEMPTION AND OTHER TAX MATTERS” is true and correct in all material respects.

4. The Ordinance and the Bonds conform as the form and tenor with the terms and provisions thereof as set out in the Official Statement.

5. All conditions precedent to the delivery of the Bonds contained in the Ordinance have been fulfilled.

6. The Bonds are presently exempt from registration under the Securities Act of 1933, as amended, and the Ordinance is presently exempt from qualification as an indenture under the Trust Indenture Act of 1939, as amended.

This opinion is rendered to and may be relied upon solely by the Underwriter and may not be relied upon by any other persons, firms or corporations.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Yours very truly,
Burr & Forman LLP

[Closing Date], 2019

PNC Capital Markets LLC
Charlotte, North Carolina

Raymond James & Associates, Inc.
Richmond, Virginia

Siebert Cisneros Shank & Co., L.L.C.
New York, New York

Re: \$[Bond Amount] Waterworks and Sewer System Revenue Bonds, Series 2019, of the City of Columbia, South Carolina

We have acted as bond counsel in connection with the issuance by the City of Columbia, South Carolina (“City”) of its \$[Bond Amount] original principal amount Waterworks and Sewer System Revenue Bonds, Series 2019 (“Bonds”). This opinion is being delivered to you pursuant to paragraph 7(e)(i)(B) of the Purchase Contract dated [Pricing Date], 2019 (“Purchase Contract”) between the City and you as the underwriter (“Underwriter”). Capitalized terms not otherwise defined herein shall have the meanings assigned such terms in the Purchase Contract.

Reference is made to our approving opinion (“Opinion”) of even date herewith as bond counsel addressed to the City delivered in connection with the issuance of the Bonds. You are hereby authorized to rely upon the Opinion to the same extent as if the Opinion were specifically addressed to you, subject to the qualifications and considerations set forth in the Opinion.

In connection therewith, we have examined:

1. Title 6, Chapter 17, [and Title 11, Chapter 21] of the Code of Laws of South Carolina, 1976, as amended.
2. The Purchase Contract.
3. The Official Statement dated [Pricing Date], 2019 (“Official Statement”), relating to the Bonds; provided, however, that we have not reviewed any electronic version of the Official Statement and assume that any such version is identical in all respects to the printed version.
4. The General Bond Ordinance No. 93-43 enacted by City Council (“City Council”) of the City on May 21, 1993 (“General Ordinance”), as amended and supplemented, including as amended and supplemented particularly by the Thirteenth Supplemental Ordinance No. 2019-[Ordinance Number], enacted by the City Council on [Ordinance Date], 2019 (collectively, the “Ordinance”).
5. The Disclosure Dissemination Agent Agreement dated the date hereof between the City and Digital Assurance Certification, L.L.C. (“Disclosure Agreement”).

Based upon the foregoing and examinations of such other documents, and consideration of such matters of law as we have deemed appropriate to enable us to render this opinion, we are of the opinion that:

1. The Purchase Contract and the Disclosure Agreement, respectively, have been duly authorized, executed and delivered by the City.
2. The Official Statement has been duly authorized, approved and delivered by the City.
3. We have considered the information contained in the Official Statement under the

headings entitled: “THE 2019 BONDS” (other than the information under “Book-Entry-Only System”); “SECURITY FOR THE 2019 BONDS”; and in Appendix C of the Official Statement entitled “Summary of Certain Provisions of the Ordinance” and, based upon our review, we are of the opinion that the statements or summaries under such headings (except the information therein related to The Depository Trust Company and its affiliates and the book-entry only system of registration and transfer and related information under the caption “THE 2019 BONDS—Book-Entry Only System,” as to which we express no opinion) are, to the extent indicated therein, accurate statements or summaries of the matters set forth or documents referred to therein, and fairly present the information purported to be shown.

4. The Ordinance and the Bonds conform as the form and tenor with the terms and provisions thereof as set out in the Official Statement.

5. All conditions precedent to the delivery of the Bonds contained in the Ordinance have been fulfilled.

6. The Bonds are presently exempt from registration under the Securities Act of 1933, as amended, and the Ordinance is presently exempt from qualification as an indenture under the Trust Indenture Act of 1939, as amended.

This opinion is rendered to and may be relied upon solely by the Underwriter and may not be relied upon by any other persons, firms or corporations.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Yours very truly,
Johnson, Toal & Battiste, P.A.

EXHIBIT C

GENERAL CERTIFICATE OF THE CITY OF COLUMBIA REQUIRED BY SECTION 7(e)(ii) OF THE PURCHASE CONTRACT

Pursuant to Section 7(e)(ii) of the Purchase Contract dated [Pricing Date], 2019 (“Purchase Contract”), between the City of Columbia, South Carolina (“City”) and PNC Capital Markets LLC and Raymond James & Associates, Inc., on behalf of themselves and as representatives of Siebert Cisneros Shank & Co., L.L.C., as underwriters (collectively “Underwriter”), the undersigned authorized representative of the City hereby certifies as follows:

1. The representations and warranties of the City in the Purchase Contract are true and correct in all material respects as of the date hereof.

2. There is no action, suit, hearing, proceeding, inquiry or investigation at law or in equity or before or by any court, public board, agency or body pending or, to the best of the City’s knowledge, threatened in writing against or directly affecting the City contesting the due organization and valid existence of the City or wherein an unfavorable decision, ruling or finding would, in any way, materially adversely affect (A) the transactions contemplated by the Purchase Contract or the Official Statement dated [Pricing Date], 2019 (“Official Statement”), relating to the aggregate principal amount \$[Bond Amount] City of Columbia, South Carolina Waterworks and Sewer System Revenue Bonds, Series 2019 (“Bonds”), or the validity, due authorization and execution of the Purchase Contract, the Disclosure Dissemination Agent Agreement dated [Closing Date], 2019, between the City and Digital Assurance Certification, L.L.C., or any agreement or instrument related to the Bonds to which the City is a party and which is used or contemplated for use in the consummation of the transactions contemplated by the Purchase Contract or by the Official Statement, (B) the federal tax-exempt status of the interest component on the Bonds, (C) the exemption of the interest component on the Bonds from taxation as described in Paragraph 5(j) of the Purchase Contract, (D) the organization, existence or powers of the City or the title of the Mayor or any of the members of the City Council or any officers of the City except as set forth in the Official Statement, or (E) the business, properties or assets or the condition, financial or otherwise, of the City.

3. The information with respect to the City contained in the Official Statement, relating to the Bonds, is, as of its date, true and correct in all material respects. The information with respect to the City contained in the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading, and there has not been any material adverse change in the financial condition or operations of the City since the date of the Official Statement which has not been brought to the attention of the Underwriter in writing prior to the date hereof.

4. To the best of the knowledge and belief of the City, the City reasonably expects as of the date hereof that the proceeds of the Bonds will be used as provided in the Official Statement.

IN WITNESS WHEREOF, the undersigned has executed this Certificate in the name and on behalf of the City as of [Closing Date], 2019.

CITY OF COLUMBIA, SOUTH CAROLINA

By: _____
City Manager

EXHIBIT D

[Form of Opinion of the City Attorney]

[Closing Date], 2019

PNC Capital Markets LLC
Charlotte, North Carolina

Raymond James & Associates, Inc.
Richmond, Virginia

Siebert Cisneros Shank & Co., L.L.C.
New York, New York

City of Columbia
Columbia, South Carolina

*§[Bond Amount]
City of Columbia, South Carolina
Waterworks and Sewer System Revenue Bonds
Series 2019*

As City Attorney to the City of Columbia, South Carolina, a municipal corporation and political subdivision created pursuant to the laws of the State of South Carolina (“City”), I have considered the validity of the City’s §[Bond Amount] original principal amount Waterworks and Sewer System Revenue Bonds, Series 2019 (“Bonds”). This opinion is being delivered to you pursuant to paragraph 7(e)(iv) of the Purchase Contract dated [Pricing Date], 2019 (“Purchase Contract”) between the City and you as the underwriter (“Underwriter”). Capitalized terms not otherwise defined herein shall have the meanings assigned such terms in the Purchase Contract.

In connection therewith, I have examined:

1. Title 6, Chapter 17, [and Title 11, Chapter 21] of the Code of Laws of South Carolina, 1976, as amended;
2. The Purchase Contract;
3. The Official Statement dated [Pricing Date], 2019 (“Official Statement”), relating to the Bonds, provided, however, that I have not reviewed any electronic version of the Official Statement and assume that any such version is identical in all respects to the printed version;
4. The General Bond Ordinance No. 93-43 enacted by City Council (“City Council”) of the City on May 21, 1993 (“General Ordinance”), as amended and supplemented, including as amended and supplemented particularly by the Thirteenth Supplemental Ordinance No. 2019-[Ordinance Number], enacted by the City Council on [Ordinance Date], 2019 (collectively, the “Ordinance”);
5. The Disclosure Dissemination Agent Agreement dated the date hereof between the City and Digital Assurance Certification, L.L.C. (“Disclosure Agreement” and with the Purchase Contract, “City Agreements”); and
6. Such other documents and instruments and proceedings of the City as I have deemed relevant.

As to questions of fact material to my opinion, I have relied upon representations and other certifications of officials of the City without undertaking to verify the same by independent investigation.

Based on the foregoing, I am of the opinion that as of this date:

1. The City is a political subdivision validly existing under the Constitution and laws of the State of South Carolina, and has all requisite power and authority (i) to enact and implement the Ordinance and to issue, sell and deliver the Bonds and (ii) to conduct its business as currently being conducted and as proposed to be conducted and as described in the Official Statement and to carry out the transactions contemplated by the Purchase Contract and the Official Statement.

2. Each of the City Agreements has been duly authorized, executed and delivered by the City and, assuming due authorization, execution and delivery by the applicable parties thereto, constitutes a legal, valid and binding agreement enforceable against the City in accordance with its terms (except that the enforceability thereof may be subject to the exercise of judicial discretion in accordance with general principles of equity and to bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable); provided, however, that no opinion is expressed as to the enforceability of the indemnity or choice of law provisions thereof.

3. The City has taken all action legally required of it to enact and to implement the Ordinance and to authorize the issuance, sale and delivery of the Bonds. The Ordinance has been duly enacted by the City Council.

4. To the best of my knowledge and after due inquiry, the City is not in default in any material respect under any material agreement or other instrument related to the Bonds or the System to which it is a party or by which it may be bound.

5. There are no consents, approvals or authorizations of the State of South Carolina or any local governmental authority required on the part of the City in connection with the enactment and implementation of the Ordinance and the execution and delivery of the Purchase Contract, provided, however, that there is no opinion given with respect to compliance with any state securities laws or "blue sky" laws of any jurisdiction.

6. To the best of my knowledge and after due inquiry and except as disclosed in the Official Statement, there are no proceedings or investigations pending or threatened in writing against the City in any court or before any governmental authority or arbitration board or tribunal, wherein an unfavorable decision, ruling or finding would in any way materially and adversely affect the transactions contemplated by the Purchase Contract and the Official Statement or which, in any way, would adversely affect the validity and enforceability of the Bonds, or any agreement or instrument related to the Bonds or the System to which the City is a party and which is used or contemplated by the foregoing.

7. To the best of my knowledge and after due inquiry, the City in all material respects has good and proper title to the System as described in the Official Statement.

8. None of the proceedings held or actions taken by the City with respect to the Ordinance, the City Agreements or the Bonds have been repealed, rescinded or revoked.

Very truly yours,

Teresa A. Knox
City Attorney

EXHIBIT E

Form of Underwriter's Counsel Opinion

[Closing Date], 2019

PNC Capital Markets LLC
Charlotte, North Carolina

Raymond James & Associates, Inc.
Richmond, Virginia

Siebert Cisneros Shank & Co., L.L.C.
New York, New York

***[\$Bond Amount]
City of Columbia, South Carolina
Waterworks and Sewer System Revenue Bonds
Series 2019***

Ladies and Gentlemen:

We have acted as counsel to PNC Capital Markets, LLC and Raymond James & Associates, Inc., on behalf of themselves and as representatives of Siebert Cisneros Shank & Co., L.L.C., as underwriters (collectively "Underwriter") in connection with the purchase of the referenced bonds ("Bonds") pursuant to a Purchase Contract, dated [Pricing Date], 2019 ("Purchase Contract"), between the Underwriter and the City of Columbia, South Carolina ("City"). This opinion is delivered to you pursuant to Section 7(e)(ix) of the Purchase Contract. Each capitalized term not otherwise defined in this letter has the meaning assigned to that term in the Purchase Contract.

We have, as your counsel, examined and relied on originals or copies, certified or otherwise identified to our satisfaction, of such other documents, legal opinions, instruments or records, and have made such investigation of law, as we have deemed appropriate as a basis for the conclusions hereinafter expressed for the purpose of this opinion.

In arriving at the conclusions expressed below, we are not expressing any opinion or view on, and are assuming and relying on, the validity, accuracy and sufficiency of the records, documents, certificates and opinions referred to above, including the accuracy of all factual matters represented and legal conclusions contained therein. We have assumed that all records, documents, certificates and opinions that we have reviewed, and the signatures thereto, are genuine.

We are not passing on and do not assume any responsibility for the accuracy, completeness or fairness of any of the statements contained in the Official Statement, dated [Pricing Date], 2019 ("Official Statement"), and make no representation that we have independently verified the accuracy, completeness or fairness of any such statements. However, in our capacity as your counsel, we met in conferences with your representatives and representatives of the City, counsel to the City, Burr & Forman LLP and Johnson Toal & Battiste, P.A, as co-bond counsel, during which conferences the contents of the Official Statement and related matters were discussed. Based on our participation in these conferences, and in reliance on these conferences and on the records, documents, certificates and opinions referenced above, we advise you that, during the course of our representation of you as the Underwriter on this matter, no information came to the attention of the attorneys in our firm rendering legal services in connection with your representation that caused us to believe that the Official Statement as of its date and as of the date of this letter (except for any financial and statistical data and forecasts,

numbers, estimates, assumptions and expressions of opinion, and information concerning The Depository Trust Company and the book-entry system for the Bonds contained or incorporated by reference in the Official Statement and its Appendices, which we expressly exclude from the scope of this sentence) contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

Furthermore, we are of the opinion that in connection with the offering and sale of the Bonds, the Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and no indenture with respect to the Bonds is required to be qualified pursuant to the Trust Indenture Act of 1939, as amended.

Except as set forth above, we express no opinion in connection with the issuance and sale of the Bonds. The opinions expressed above are rendered solely for your benefit in connection with the issuance of the Bonds. These opinions may neither be relied on by you for any other purpose nor be furnished to, used, circulated, quoted or relied on by any other person or entity for any other purpose, without our prior written consent in each instance. We disclaim any obligation to update the opinions expressed above for events occurring or coming to our attention after the date of this letter.

Very truly yours,

PARKER POE ADAMS & BERNSTEIN LLP

[Closing Date], 2019

PNC Capital Markets LLC
Charlotte, North Carolina

Raymond James & Associates, Inc.
Richmond, Virginia

Siebert Cisneros Shank & Co., L.L.C.
New York, New York

[\$Bond Amount]
City of Columbia, South Carolina
Waterworks and Sewer System Revenue Bonds
Series 2019

Ladies and Gentlemen:

We have acted as co-counsel to PNC Capital Markets LLC and Raymond James & Associates, Inc., on behalf of themselves and as representatives of Siebert Cisneros Shank & Co., L.L.C., as underwriters (collectively “Underwriter”) in connection with the purchase of the above referenced bonds (“Bonds”) pursuant to a Purchase Contract, dated [Pricing Date], 2019 (“Purchase Contract”), between the Underwriter and the City of Columbia, South Carolina (“City”). This opinion is delivered to you pursuant to Section 7(e)(ix) of the Purchase Contract. Each capitalized term not otherwise defined in this Letter has the meaning assigned to that term in the Purchase Contract.

We have, as your counsel, examined and relied on originals or copies, certified or otherwise identified to our satisfaction, of such other documents, legal opinions, instruments or records, and have made such investigation of law, as we have deemed appropriate as a basis for the conclusions hereinafter expressed for the purpose of this opinion.

In arriving at the conclusions expressed below, we are not expressing any opinion or view on, and are assuming and relying on, the validity, accuracy and sufficiency of the records, documents, certificates and opinions referred to above, including the accuracy of all factual matters represented and legal conclusions contained therein. We have assumed that all records, documents, certificates and opinions that we have reviewed, and the signatures thereto, are genuine.

We are not passing on and do not assume any responsibility for the accuracy, completeness or fairness of any of the statements contained in the Official Statement, dated [Pricing Date], 2019 (“Official Statement”), and make no representation that we have independently verified the accuracy, completeness or fairness of any such statements. However, in our capacity as your counsel, we met in conferences with your representatives and representatives of the City, counsel to the City, Burr & Forman LLP and Johnson, Toal & Battiste, P.A., as co-bond counsel, during which conferences the contents of the Official Statement and related matters were discussed. Based on our participation in these conferences, and in reliance on these conferences and on the records, documents, certificates and opinions referenced above, we advise you that, during the course of our representation of you as the Underwriter on this matter, no information came to the attention of the attorneys in our firm rendering legal services in connection with your representation that caused us to believe that the Official Statement as of its date and as of the date of this letter (except for any financial and statistical data and forecasts, numbers, estimates, assumptions and expressions of opinion, and information concerning The Depository Trust Company and the book-entry system for the Bonds contained or incorporated by reference in the Official Statement and its Appendices, which we expressly exclude from the scope of this sentence) contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the

statements therein, in the light of the circumstances under which they were made, not misleading.

Furthermore, we are of the opinion that in connection with the offering and sale of the Bonds, the Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and no indenture with respect to the Bonds is required to be qualified pursuant to the Trust Indenture Act of 1939, as amended.

Except as set forth above, we express no opinion in connection with the issuance and sale of the Bonds. The opinions expressed above are rendered solely for your benefit in connection with the issuance of the Bonds. These opinions may neither be relied on by you for any other purpose nor be furnished to, used, circulated, quoted or relied on by any other person or entity for any other purpose, without our prior written consent in each instance. We disclaim any obligation to update the opinions expressed above for events occurring or coming to our attention after the date of this letter.

Very truly yours,

STARKES LAW FIRM

EXHIBIT F

Form of Environmental Special Counsel

[Closing Date], 2019

PNC Capital Markets LLC
Charlotte, North Carolina

Raymond James & Associates, Inc.
Richmond, Virginia

Siebert Cisneros Shank & Co., L.L.C.
New York, New York

Parker Poe Adams & Bernstein LLP
Columbia, South Carolina

The Starkes Law Firm, P.A.
Columbia, South Carolina

[\$Bond Amount]
City of Columbia, South Carolina
Waterworks and Sewer System Revenue Bonds
Series 2019

Ladies and Gentlemen:

We have acted as special counsel to the City of Columbia, South Carolina (“City”) with respect to certain environmental matters. The City has asked that we provide you with this opinion related to the referenced bonds (“Bonds”) pursuant to Section 7(e)(x) of the Purchase Contract, dated [Pricing Date], 2019 (“Purchase Contract”), between PNC Capital Markets, LLC and Raymond James & Associates, Inc., on behalf of themselves and as representatives of Siebert Cisneros Shank & Co., L.L.C., as underwriters (“Underwriters”) and the City. Each capitalized term not otherwise defined in this letter has the meaning assigned to that term in the Purchase Contract.

We have, as the City's special counsel, examined and relied on originals or copies, certified or otherwise identified to our satisfaction, of such documents, legal opinions, instruments or records, and have made such investigation of law, as we have deemed appropriate as a basis for the conclusions hereinafter expressed for the purpose of this opinion.

In arriving at the conclusions expressed below, we are not expressing any opinion or view on, and are assuming and relying on, the validity, accuracy and sufficiency of the records, documents, certificates and opinions referred to above, including the accuracy of all factual matters represented and legal conclusions contained therein. We have assumed that all records, documents, certificates and opinions that we have reviewed, and the signatures thereto, are genuine. We are not passing on and do not assume any responsibility for the accuracy, completeness or fairness of any of the statements contained in the Official Statement dated [Pricing Date], 2019 (“Official Statement”), and make no representation that we have independently verified the accuracy, completeness or fairness of any such statements. However, in our capacity as special counsel to the City, we have reviewed the contents of the Official Statement, contained under the heading “THE CITY AND THE SYSTEM - Environmental Matters”. In reliance on the records, documents, certificates and opinions referenced above, we advise you that, during the course of our representation of the City, no information came to the attention of the

attorneys in our firm rendering legal services in connection with the City's representation that caused us to believe that the information in Official Statement contained under the heading "THE CITY AND THE SYSTEM - Environmental Matters" (except for the subheading entitled "*Conclusion*"), as of its date and as of the date of this letter contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

Except as set forth above, we express no opinion in connection with the issuance and sale of the Bonds. The opinion expressed above is rendered solely for your benefit in connection with the issuance of the Bonds. This opinion may neither be relied on by you for any other purpose nor be furnished to, used, circulated, quoted or relied on by any other person or entity for any other purpose, without our prior written consent in each instance. We disclaim any obligation to update the opinion expressed above for events occurring or coming to our attention after the date of this letter.

Very truly yours,

W. THOMAS LAVENDER, JR.
NEXSEN PRUET, LLC

EXHIBIT G
FORM OF UNDERWRITER' S CERTIFICATE
ISSUE PRICE CERTIFICATE

The undersigned, on behalf of PNC Capital Markets LLC (“PNC”) and Raymond James & Associates, Inc. (“Raymond James”), on behalf of themselves and as representatives of Siebert Cisneros Shank & Co., L.L.C. (“Siebert”), as underwriters (collectively “Underwriter”), hereby certify as set forth below with respect to the sale and issuance of the above-captioned obligations (“Bonds”).

1. ***Sale of the Bonds.*** As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

2. ***Defined Terms.***

(a) *City* means City of Columbia, South Carolina.

(b) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the City with respect to certain of the representations set forth in the Federal Tax Certificate of the City dated of even date herewith and with respect to compliance with the federal income tax rules affecting the Bonds, and by McNair Law Firm, N.A., as Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the City from time to time relating to the Bonds.

PNC CAPITAL MARKETS LLC,

By: _____
Name: David Fischer

Dated: [Closing Date], 2019

SCHEDULE A

SALE PRICES

(Attached)

MATURITY SCHEDULE

FORM OF PRELIMINARY OFFICIAL STATEMENT

NEW ISSUE

RATINGS:

BOOK-ENTRY-ONLY

Moody's: []

Standard & Poor's: []

In the opinion of Burr & Forman LLP d/b/a Burr Forman McNair Co-Bond Counsel, assuming continued compliance by the City with the provisions of the Internal Revenue Code of 1986, as amended, as described herein, interest on the 2019 Bonds is excludable from gross income for federal income tax purposes under existing laws, regulations, rulings and judicial decisions. Interest on the 2019 Bonds is not an item of tax preference in computing the alternative minimum tax. The 2019 Bonds and the interest thereon will also be exempt from all State, county, municipal, school district and other taxes or assessments imposed within the State of South Carolina, except estate, transfer and certain franchise taxes. See "TAX EXEMPTION AND OTHER TAX MATTERS" herein"



[\$]*

**CITY OF COLUMBIA, SOUTH CAROLINA
WATERWORKS AND SEWER SYSTEM REVENUE BONDS
SERIES 2019**

Dated: Delivery Date

Due: February 1, as shown on inside cover

The City of Columbia, South Carolina ("City"), Waterworks and Sewer System Revenue Bonds, Series 2019 ("2019 Bonds"), are issuable in fully-registered form and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), to which payments of principal, redemption premium, if any, and interest on the 2019 Bonds will be made. Individual purchases will be made in book-entry form only, in denominations of \$5,000 or any whole multiple thereof. So long as Cede & Co., as partnership nominee of DTC, is the registered owner of the 2019 Bonds, references herein to holders or registered owners of the 2019 Bonds means Cede & Co., and shall not mean the beneficial owners of the 2019 Bonds. Interest on the 2019 Bonds shall be payable on each August 1 and February 1 commencing February 1, 2020, until maturity or prior redemption. Principal on the 2019 Bonds will be payable in the years and amounts shown on the inside cover hereof. All capitalized terms used on this cover, and not otherwise defined, are defined herein.

The 2019 Bonds are being issued under the authority of the Constitution and laws of the State, including Title 6, Chapter 17, [and Title 11, Chapter 21] Code of Laws of South Carolina 1976, as amended, and the General Bond Ordinance No. 93-43, enacted by the City Council, the governing body of the City ("City Council"), on May 21, 1993, as amended and supplemented, including as amended and supplemented particularly by the Thirteenth Supplemental Ordinance No. 2019-[], enacted by the City Council on [], 2019 (as amended and supplemented, the "Ordinance").

The 2019 Bonds are being issued for the purposes of (i) funding certain improvements, extensions and enlargements to the Waterworks and Sewer System of the City ("System"); (ii) refunding [list Bonds to be Refunded]; (iii) paying interest coming due on a portion of the 2019 Bonds; and (iv) paying the costs incurred in connection with the issuance of the 2019 Bonds.

The 2019 Bonds, including the interest thereon, are payable solely from the Net Revenues of the System and are secured by a pledge of and lien on the Net Revenues thereof. **THERE WILL BE NO DEBT SERVICE RESERVE FUND ESTABLISHED FOR OR FUNDED WITH THE PROCEEDS OF THE 2019 BONDS.**

THE 2019 BONDS WILL BE SUBJECT TO OPTIONAL AND MANDATORY REDEMPTION PRIOR TO MATURITY AS DESCRIBED HEREIN.

THE 2019 BONDS DO NOT CONSTITUTE INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION (OTHER THAN ARTICLE X, SECTION 14, PARAGRAPH 10 OF THE SOUTH CAROLINA CONSTITUTION AUTHORIZING OBLIGATIONS PAYABLE SOLELY FROM SPECIAL SOURCES NOT INVOLVING REVENUES FROM ANY TAX OR LICENSE) OR STATUTORY LIMITATION. THE 2019 BONDS SHALL NOT CONSTITUTE DEBT OF THE CITY, NOR A CHARGE, LIEN OR ENCUMBRANCE, LEGAL OR EQUITABLE, ON ANY PROPERTY OF THE CITY OR ON ANY INCOME, RECEIPTS OR REVENUES THEREOF, OTHER THAN THE NET REVENUES OF THE SYSTEM PLEDGED THERETO. NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE 2019 BONDS OR THE INTEREST THEREON AGAINST THE GENERAL FUND OF THE CITY AND NEITHER THE CREDIT NOR THE TAXING POWER OF THE CITY SHALL BE DEEMED TO BE PLEDGED THERETO. THE FULL FAITH, CREDIT AND TAXING POWERS OF THE CITY ARE NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE 2019 BONDS.

PNC CAPITAL MARKETS LLC

RAYMOND JAMES

SIEBERT CISNEROS SHANK & CO., L.L.C.

The 2019 Bonds are offered when, as and if issued and delivered by the City, subject to the final approving opinions of Burr & Forman LLP (Burr Forman McNair), Columbia, South Carolina, and Johnson, Toal & Battiste, P.A., Columbia, South Carolina, Co-Bond Counsel. Certain legal matters will be passed on for the City by the City Attorney, Teresa A. Knox, Esquire, and for the Underwriters by their co-counsel, Parker Poe Adams & Bernstein LLP, Columbia, South Carolina, and The Starks Law Firm, P.A., Columbia, South Carolina. Stifel, Nicolaus & Company, Incorporated, Columbia, South Carolina, has served as Financial Advisor to the City in connection with the issuance of the 2019 Bonds. It is expected that the 2019 Bonds will be available for delivery through the facilities of DTC, on or about [], 2019.

This cover page contains certain information for quick reference only. It is not a summary of the issue. Investors should read the entire Official Statement to obtain information essential to the making of an informed investment decision. The City deems the Preliminary Official Statement to be final as of its date for purposes of Rule 15c2-12 promulgated by the U.S. Securities and Exchange Commission, except for information which may be omitted pursuant to such rule.

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained in this Preliminary Official Statement are subject to completion or amendment. Under no circumstances is this Preliminary Official Statement an offer to sell or the solicitation of an offer to buy, nor shall there be any sales of the 2019 Bonds in any jurisdiction in which an offer, solicitation or sale would be unlawful prior to registration or qualification under the laws of that jurisdiction.

This Official Statement is dated [], 2019.

MATURITY SCHEDULE*

[\$] SERIAL BONDS*

<u>MATURITY</u> <u>(FEBRUARY 1)</u>	<u>AMOUNT(\$)*</u>	<u>INTEREST</u> <u>RATE(%)</u>	<u>YIELD(%)</u>	<u>PRICE(%)</u>	<u>CUSIP¹</u>
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
2039					
2040					
2041					
2042					
2043					
2044					
2045					
2046					
2047					
2048					

TERM BOND

[\$] []% DUE FEBRUARY 1, 20[] YIELD []% PRICE []%^C CUSIP¹ []

^c Priced to the call date of February 1, 20[]

¹ Copyright 2019, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services (“CGS”), which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. This information is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP numbers have been assigned by an independent company not affiliated with the Corporation or the Underwriter and are included solely for the convenience of the registered owners of the applicable 2019 Bonds. Neither the City nor the Underwriters are responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the applicable 2019 Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the execution and delivery of the 2019 Bonds as a result of various subsequent actions including, but not limited to, a prepayment in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the 2019 Bonds. It is anticipated that a CUSIP identification number (“CUSIP”) will be printed on each 2019 Bond, but neither the failure to print this number on any 2019 Bond nor any error with respect to that CUSIP constitutes cause for failure or refusal by the purchaser of that 2019 Bond to accept delivery of and pay for that 2019 Bond according to the terms of the purchaser’s proposal. All expenses regarding printing CUSIPs on the 2019 Bonds shall be paid for by the City; provided, however, that the CUSIP Service Bureau charge for the assignment of CUSIPs shall be the responsibility of and shall be paid for by the Underwriters. Further, the City is not responsible for obtaining the CUSIPs.

This Official Statement does not constitute an offering of any security other than the original offering of the 2019 Bonds identified on the cover. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied on as having been authorized by the City. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the 2019 Bonds by any person in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. THE INFORMATION AND EXPRESSIONS OF OPINION IN THIS OFFICIAL STATEMENT ARE SUBJECT TO CHANGE, AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE MADE UNDER SUCH DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CITY OR THE SYSTEM.

Information in this Official Statement has been obtained by PNC Capital Markets LLC (“PNC”) and Raymond James & Associates, Inc. (“Raymond James”), on behalf of themselves and as representatives of Siebert Cisneros Shank & Co., L.L.C. (“Siebert”), as underwriters (“Underwriters”), from the City and other sources believed to be reliable. The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of their responsibility to investors under the federal securities laws applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

Regions Bank, as Registrar and Paying Agent, has not provided, or undertaken to determine the accuracy of, any of the information contained in this Official Statement and makes no representation or warranty, express or implied, as to (i) the accuracy or completeness of such information, (ii) the validity of the 2019 Bonds, or (iii) the tax exempt status of the interest on the 2019 Bonds.

Reference herein to laws, rules, regulations, agreements, reports and other documents, do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made therein. Where full texts have not been included as appendices to the Official Statement, they will be furnished on request.

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements,” within the meaning of the 1933 Act or the Securities Exchange Act of 1934, as amended. Such statements are generally identifiable by the terminology used such as “may,” “will,” “could,” “should,” “expect,” “forecast,” “plan,” “project,” “expect,” “anticipate,” “intend,” “believe,” “estimate,” “budget,” “potential,” “continue,” or the negative of these terms or other similar words. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES, AND OTHER FACTORS THAT MAY CAUSE ACTUAL RESULTS, PERFORMANCE, OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE, OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY THE FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THESE FORWARD-LOOKING STATEMENTS IF OR WHEN CHANGES TO EXPECTATIONS, OR EVENTS, CONDITIONS, OR CIRCUMSTANCES, ON WHICH THE FORWARD-LOOKING STATEMENTS ARE BASED, OCCUR OR FAIL TO OCCUR.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2019 BONDS AT OR ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET, AND SUCH STABILIZING MAY BE DISCONTINUED AT ANY TIME.

THE 2019 BONDS WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (“1933 ACT”), AND THE ORDINANCE HAS NOT BEEN REGISTERED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED. THE REGISTRATION OR QUALIFICATION OF THE 2019 BONDS IN ACCORDANCE WITH APPLICABLE

PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE 2019 BONDS HAVE BEEN REGISTERED OR QUALIFIED, AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES, SHALL NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THE SECURITIES AND EXCHANGE COMMISSION (“SEC”) NOR ANY OTHER FEDERAL, STATE OR OTHER GOVERNMENTAL ENTITY OR AGENCY WILL HAVE PASSED ON THE ACCURACY OR ADEQUACY OF THE OFFICIAL STATEMENT OR APPROVED THE 2019 BONDS FOR SALE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

CITY OF COLUMBIA, SOUTH CAROLINA

1737 Main Street
Columbia, South Carolina 29201
803-545-3050



CITY COUNCIL

Stephen K. Benjamin, Mayor

COUNCIL MEMBERS

Tameika Isaac Devine, Mayor Pro Tem
Moe Baddourah
Sam Davis
Howard E. Duvall, Jr.
Edward H. McDowell, Jr.
Daniel J. Rickemann

CITY MANAGER

Teresa B. Wilson

**ASSISTANT CITY MANAGER
FOR FINANCE AND ECONOMIC SERVICES**

Jeffery M. Palen

CITY ATTORNEY

Teresa A. Knox, Esquire

FINANCIAL ADVISOR

Stifel, Nicolaus & Company, Incorporated
Columbia, South Carolina

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OFFICIAL STATEMENT

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CITY OF COLUMBIA, SOUTH CAROLINA WATERWORKS AND SEWER SYSTEM REVENUE BONDS SERIES 2019

INTRODUCTION

This Official Statement of the City of Columbia, South Carolina (“City” or “City of Columbia”), which includes the cover page hereof and the appendices hereto, provides information relating to the City, its Waterworks and Sewer System Revenue Bonds, Series 2019 (“2019 Bonds”). The information furnished herein includes a brief description of the 2019 Bonds, and the security therefor, the City, and its indebtedness, tax information, economic data, financial information and other matters. Also included are certain information and data pertaining to Richland County, South Carolina (“County”), Lexington County, South Carolina (“Lexington County”) and the State of South Carolina (“State” or “South Carolina”).

The 2019 Bonds, the 2018 Bonds, the 2016A Bonds, the 2016B Bonds, the 2013 Bonds, the 2012 Bonds, the 2011A Bonds, the 2010 Bonds, the 2009 Bonds and any Additional Bonds (as such terms are defined herein) are referred to herein, collectively, as the “Bonds.” Included in this Official Statement is a brief description of the City’s Waterworks and Sewer System (“System”) and the Ordinance (as defined herein), pursuant to which the 2019 Bonds are authorized and issued by the City. The summaries and references to all documents, statutes, reports and other instruments referred to herein do not purport to be complete, comprehensive or definitive, and each such reference or summary is qualified in its entirety by reference to each such document, statute, report or other instrument. Capitalized terms used herein without specific definition are used as defined in “APPENDIX C – Summary of Certain Provisions of the Ordinance.”

Authorization

The 2019 Bonds are being issued under the Constitution of the State of South Carolina 1895, as amended (“Constitution”) and laws of the State, including Title 6, Chapter 17, Code of Laws of South Carolina 1976, as amended, General Bond Ordinance No. 93-43, enacted by the City Council, the governing body of the City (“City Council”), on May 21, 1993, as amended and supplemented (“General Ordinance”), including as amended and supplemented particularly by the Thirteenth Supplemental Ordinance No. 2019-[], enacted by the City Council on [], 2019 (“Supplemental Ordinance,” and together with the General Ordinance, as so amended and supplemented, “Ordinance”).

Purpose

The 2019 Bonds are being issued for the purposes of (i) funding certain improvements, extensions and enlargements to the System; (ii) refunding [list Bonds to be Refunded]; (iii) paying interest coming due on a portion of the 2019 Bonds; and (iv) paying the costs incurred in connection with the issuance of the 2019 Bonds. See “SOURCES AND USES OF FUNDS” and “PLAN OF FINANCE.”

THE 2019 BONDS

General

The 2019 Bonds will be dated their date of delivery, will mature on February 1 in the years and in the principal amounts set forth on the inside cover page hereto, and will bear interest at the rates per annum (calculated on the basis of a 360-day year comprised of twelve 30-day months) set forth on the inside cover page hereto, payable on February 1, 2020, and semiannually thereafter on February 1 and August 1 of each year. The 2019 Bonds are issuable initially in book-entry form only, in denominations of \$5,000 or any whole multiple thereof. So long as the 2019 Bonds are in book-entry form and are registered in the name of Cede & Co., as the nominee of The Depository Trust Company, New York, New York (“DTC”), payments on the 2019 Bonds will be made as set forth under “Book-Entry System” below. Should the 2019 Bonds no longer be held in book-entry form, principal of the 2019 Bonds, whether due on maturity or redemption, will be payable on the respective maturity dates or redemption dates on presentation and surrender thereof at the corporate trust office of Regions Bank, as registrar and paying agent (“Registrar/Paying Agent”), and interest on the 2019 Bonds will be payable by check or draft of the Registrar/Paying Agent mailed to the person in whose name each 2019 Bond is registered as of the close of business on the fifteenth day of each month immediately preceding such payment. Interest payments to a person who

is a holder of \$1,000,000 or more in aggregate principal amount of the 2019 Bonds not held in book-entry form may be made by wire transfer to an account within the continental United States on timely receipt of a written request of such holder.

The 2019 Bonds are subject to optional and mandatory redemption prior to their maturity.

Optional Redemption

The 2019 Bonds maturing on or after February 1, 20[], are subject to redemption prior to maturity on or after February 1, 20[], at the option of the City, as a whole or in part at any time in such order of their maturities as the City shall determine at the redemption price equal to 100% of the principal amount of the 2019 Bonds being redeemed together with accrued interest to the date fixed for redemption.

Mandatory Redemption

The 2019 Bonds maturing on February 1, 20[], and 20[] (“2019 Term Bonds”), shall be subject to mandatory sinking fund redemption commencing February 1, 20[], and 20[], respectively, and will be redeemed (to the extent not previously redeemed) at 100% of the principal amount thereof to be redeemed, plus interest accrued to the redemption date, on February 1 of each of the following years in the respective principal amounts for each year specified below:

[TO FOLLOW]

At its option, to be exercised on or before the sixtieth (60th) day prior to any mandatory redemption date, the City may (i) deliver to the Registrar for cancellation 2019 Term Bonds which are subject to mandatory redemption in any aggregate principal amount desired or (ii) receive a credit in respect of its mandatory redemption obligation for any such 2019 Term Bonds which, prior to such date, have been purchased or redeemed (otherwise than through the operation of the mandatory redemption requirement) by the City and cancelled by the Registrar and not theretofore applied as a credit against any mandatory redemption obligation. Each 2019 Term Bond so delivered or previously purchased or redeemed shall be credited by the Registrar, at one hundred percent (100%) of the principal amount thereof, to the obligation of the City on those respective mandatory redemption obligations in such order as the City may direct the Registrar in writing, and the principal amount of the 2019 Term Bonds to be redeemed by operation of the mandatory redemption requirement shall be accordingly reduced.

General Redemption Provisions; Notice

In the event the 2019 Bonds or any portion thereof shall be called for redemption, notice of the redemption, describing (among other things) the 2019 Bonds to be redeemed, specifying the redemption date and the redemption price payable on such redemption, shall be mailed by first-class mail, postage prepaid, to the registered owner thereof as shown on the Books of Registry not less than 30 days and not more than 60 days prior to the redemption date. So long as the 2019 Bonds are in book-entry form and are registered in the name of Cede & Co., as the nominee of DTC, notices of redemption with respect to the 2019 Bonds will be given to Cede & Co., and will be distributed by Cede & Co. as set forth under “Book-Entry System” below.

If less than all of the 2019 Bonds of any series and maturity are called for redemption, the 2019 Bonds of such series and maturity to be redeemed shall be selected by lot within such maturity, subject to the rules of procedure of DTC while the 2019 Bonds are held in book-entry form.

If a 2019 Bond is subject by its terms to redemption prior to its stated maturity and has been duly called for redemption and notice of the redemption thereof has been duly given as in the Ordinance provided and if moneys for the payment of such 2019 Bond at the then applicable redemption price and the interest to accrue to the redemption date on such 2019 Bond are held for the purpose of such payment by the Registrar/Paying Agent, then such 2019 Bond so called for redemption shall, on the redemption date designated in such notice, become due and payable, and interest on the 2019 Bond, as appropriate, so called for redemption shall cease to accrue. The City is entitled to provide for, and give notice of, the redemption of a 2019 Bond based on certain conditions being met at or prior to redemption, including, but not limited to, the availability of amounts for such purposes.

Book-Entry System

THE DESCRIPTION WHICH FOLLOWS OF THE PROCEDURES AND RECORDKEEPING WITH RESPECT TO BENEFICIAL OWNERSHIP INTERESTS IN THE 2019 BONDS, PAYMENT OF INTEREST AND PRINCIPAL ON THE 2019 BONDS TO DIRECT AND INDIRECT PARTICIPANTS (AS DEFINED HEREIN) OR BENEFICIAL OWNERS (AS DEFINED HEREIN) OF THE 2019 BONDS, CONFIRMATION AND TRANSFER OF BENEFICIAL OWNERSHIP INTERESTS IN THE 2019 BONDS, AND OTHER RELATED TRANSACTIONS BY AND BETWEEN DTC, THE DIRECT AND INDIRECT PARTICIPANTS AND BENEFICIAL OWNERS OF THE 2019 BONDS IS BASED SOLELY ON INFORMATION FURNISHED BY DTC. ACCORDINGLY, THE CITY NEITHER MAKES NOR CAN MAKE ANY REPRESENTATION CONCERNING THESE MATTERS.

Beneficial ownership interests in the 2019 Bonds will be available only in book-entry form. Each beneficial owner of the 2019 Bonds (“Beneficial Owner”) will not receive a physical bond certificate representing their interests in the 2019 Bonds purchased. So long as Cede & Co. (“Nominee”), as nominee for DTC, or its nominee is the registered owner of the 2019 Bonds, references in this Official Statement to the owners of the 2019 Bonds shall mean DTC or its nominee and shall not mean the Beneficial Owners. Unless and until the book-entry system has been discontinued, the 2019 Bonds will be available only in book-entry form in denominations of \$5,000 or any whole multiple thereof.

DTC will initially act as securities depository for the 2019 Bonds. The 2019 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond will be issued for each maturity of the 2019 Bonds, as set forth on the front cover page hereof, and will be deposited with DTC. So long as Cede & Co. is the registered owner of the 2019 Bonds, as nominee for DTC, references herein to the Bondholders or registered owners of the 2019 Bonds, as applicable (other than under the caption “TAX EXEMPTION AND OTHER TAX MATTERS” herein), means Cede & Co., as aforesaid, and does not mean the Beneficial Owners of such 2019 Bonds.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, 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, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of the 2019 Bonds. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the 2019 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2019 Bonds on DTC’s records. The ownership interest of each Beneficial Owner is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests with respect to the 2019 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive bonds representing their ownership interests in the 2019 Bonds, except in the event that use of the book-entry system for the 2019 Bonds is discontinued.

To facilitate subsequent transfers, the 2019 Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the 2019 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2019 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts the 2019 Bonds are

credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the 2019 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2019 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Ordinance. For example, Beneficial Owners of the 2019 Bonds may wish to ascertain that the nominee holding the 2019 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar/Paying Agent and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2019 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2019 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2019 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Because DTC is treated as the Owner of the 2019 Bonds for substantially all purposes, Beneficial Owners may have a restricted ability to influence in a timely fashion remedial action or the giving or withholding of requested consents or other directions. In addition, because the identity of the Beneficial Owners is unknown to the Issuer, to DTC or to the Registrar/Paying Agent, it may be difficult to transmit information of potential interest to Beneficial Owners in an effective and timely manner. Beneficial Owners should make appropriate arrangements with their broker or dealer regarding distribution of information regarding the 2019 Bonds that may be transmitted by or through DTC.

Principal, redemption premium, if any, and interest payments on the 2019 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts on DTC's receipt of funds and corresponding detail information from the City or the Registrar/Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Registrar/Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Registrar/Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2019 Bonds at any time by giving reasonable notice to the City or Registrar/Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, 2019 Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, 2019 Bond certificates will be printed and delivered to DTC.

THE INFORMATION HEREIN CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE CITY AND THE UNDERWRITERS BELIEVE TO BE RELIABLE, BUT NEITHER THE CITY NOR THE UNDERWRITERS TAKE RESPONSIBILITY FOR THE ACCURACY THEREOF. THE BENEFICIAL OWNERS SHOULD CONFIRM THE FOREGOING INFORMATION WITH DTC OR THE DIRECT OR INDIRECT PARTICIPANTS.

Each person for whom a Participant acquires an interest in the 2019 Bonds, as nominee, may desire to make arrangements with such Participant to receive a credit balance in the records of such Participant, and may desire to make arrangements with such Participant to have all notices of redemption or other communications to DTC, which may affect such persons, to be forwarded in writing by such Participant and to have notification made of all interest payments.

When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference shall only relate to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given, they shall be sent by the Registrar/Paying Agent to DTC only.

For every transfer and exchange of 2019 Bonds, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

NONE OF THE CITY, THE UNDERWRITERS OR THE REGISTRAR/PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (II) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE 2019 BONDS UNDER THE ORDINANCE; (III) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE 2019 BONDS; (IV) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR REDEMPTION PREMIUM, IF ANY, OR INTEREST DUE WITH RESPECT TO THE 2019 BONDS; (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE 2019 BONDS; OR (VI) ANY OTHER MATTER.

The Supplemental Ordinance provides that if (a) DTC determines not to continue to act as securities depository for the 2019 Bonds and gives reasonable notice to the Registrar/Paying Agent or the City or (b) the City has advised DTC of the City's determination that DTC is incapable of discharging its duties, then the City will attempt to retain another qualified securities depository to replace DTC. On receipt by the City or the Registrar/Paying Agent of the 2019 Bonds, together with an assignment duly executed by DTC, the City will execute and deliver to the successor depository, the 2019 Bonds of the same principal amount, interest rate, and maturity. If the City is unable to retain a qualified successor to DTC, 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 2019 Bonds might be adversely affected if the book-entry system of transfer is continued (the City has undertaken 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 2019 Bonds by mailing an appropriate notice to DTC, on receipt by the City of the 2019 Bonds together with an assignment duly executed by DTC, the City will execute, authenticate and deliver to the Direct Participants the 2019 Bonds in fully-registered form, in authorized denominations; provided, however, that the discontinuation of the book-entry system of registration and transfer or the replacement of DTC or any successor depository is subject to the applicable rules of DTC or such successor depository on file or otherwise approved by the SEC.

Registration, Transfers and Exchanges

2019 Bonds Held in Book-Entry Form

So long as the 2019 Bonds are in book-entry form and are registered in the name of Cede & Co., as the nominee of DTC, the 2019 Bonds may be registered, transferred and exchanged as set forth under "Book-Entry System" herein.

2019 Bonds Not Held in Book-Entry Form

Each 2019 Bond not held in book-entry form shall be transferable only on the books of registry ("Books of Registry") of the City, which shall be kept for such purpose at the corporate trust office of the Registrar/Paying Agent, by the registered owner thereof in person or by his duly authorized attorney on surrender thereof together with a written instrument of transfer satisfactory to the Registrar/Paying Agent duly executed by the registered owner or his duly authorized attorney. On the transfer of any such 2019 Bond, the Registrar/Paying Agent shall cause to be issued in the name of the transferee a new fully registered 2019 Bond, of the same aggregate principal amount, interest rate, series and maturity as the surrendered 2019 Bond. Any registered owner requesting a transfer shall pay any tax or other governmental charge required to be paid with respect thereto. Any 2019 Bond surrendered in exchange for a new registered 2019 Bond, respectively, shall be cancelled by the Registrar/Paying Agent.

The City and the Registrar/Paying Agent may deem and treat the person in whose name any 2019 Bond not held in book-entry form shall be registered as the absolute owner of such 2019 Bond for all purposes including the payment of or on account of the principal, premium, if any, or interest thereon and any such payment made to a registered owner shall be effectual to satisfy and discharge the liability on such 2019 Bond with respect thereto.

In the event any 2019 Bond not held in book-entry form becomes mutilated in whole or in part, or is lost, stolen or destroyed, or becomes so defaced as to impair the value thereof to the holder thereof, the City shall execute and the Registrar/Paying Agent shall authenticate and deliver a new 2019 Bond, respectively, of the same interest rate and denomination and like tenor and effect in exchange or in substitution for such mutilated, lost, stolen or destroyed 2019 Bond; provided that, in the case of any mutilated 2019 Bond, such 2019 Bond shall be surrendered to the Registrar/Paying Agent, and in the case of any lost, stolen or destroyed 2019 Bond there shall be furnished to the City and the Registrar/Paying Agent evidence of such loss, theft or destruction satisfactory to the City and the Registrar/Paying Agent together with such indemnity as they shall require. In the event any such mutilated, lost, stolen or destroyed 2019 Bond shall have matured, instead of issuing a duplicate 2019 Bond, the City may pay the same. The City and the Registrar/Paying Agent may charge the holder or owner of such mutilated, lost, stolen or destroyed 2019 Bond with their reasonable fees and expenses in connection therewith.

SECURITY FOR THE 2019 BONDS

Pledged Revenues

The 2019 Bonds are payable solely from and are secured equally and ratably with the 2018 Bonds, 2016A Bonds, the 2016B Bonds, the 2013 Bonds, the 2012 Bonds, the 2011A Bonds, the 2010 Bonds, the 2009 Bonds, and all bonds hereafter issued on a parity therewith (with respect to the pledge of and lien on the Net Revenues) under the Ordinance (“Additional Bonds”) by a pledge of and lien on Net Revenues (defined herein) of the System.

The term “Net Revenues” means the Revenues of the System after deducting Expenses of Operating and Maintaining the System (defined herein). The term “Revenues” means all fees, tolls, rates, rentals and all other charges to be levied and collected in connection with and all other income and receipts of whatever kind or character derived by the City from the operation of the System or arising from the System, excluding the receipts, income, revenues, fees and other charges derived from the operation of Special Facilities. The term “Expenses of Operating and Maintaining the System” means the costs and expenses of operating and maintaining the System in good repair and working order including wages, salaries, costs of materials and supplies, costs of routine repairs, renewals, replacements or alterations occurring in the normal course of business, the reasonable fees and charges of any paying agents and registrars of any Bonds issued pursuant to the Ordinance or any supplemental ordinance, the costs of any audit required by the Ordinance and the premium for all insurance required with respect to the System. Such term does not include any allowance for depreciation or renewals or replacements of capital assets of the System and amounts deemed to be payments in lieu of taxes or other equity transfers. Pursuant to the Eleventh Supplemental Ordinance, the City has made certain amendments to the General Bond Ordinance, including modifications to exclude certain non-cash expenses as contemplated under the Governmental Accounting Standards Board (“GASB”) Statement No. 68 relating to Accounting and Financial Reporting for Pensions (An Amendment to GASB Statement No. 27) from the definition of “Expenses of Operating and Maintaining the System,” which, along with the effective date of these amendments, are further described in Appendix C hereto, under the heading “SUMMARY OF ORDINANCE – Amendments to Ordinance Pursuant to Eleventh Supplemental Ordinance.” The effect of these modifications is that, when effective, the calculation of Net Revenues for purposes of the Bond Ordinance will be higher than is currently calculated.

The term “2009 Bonds” used herein means the outstanding principal amount of \$81,860,000 of the City’s \$81,860,000 original principal amount Waterworks and Sewer System Revenue Bonds, Series 2009. The term “2010 Bonds” used herein, means the outstanding principal amount of \$8,770,000 of the City’s \$105,000,000 original principal amount Waterworks and Sewer System Revenue Bonds, Series 2010. The term “2011A Bonds” used herein, means the outstanding principal amount of \$29,835,000 of the City’s \$100,000,000 original principal amount Waterworks and Sewer System Revenue Bonds, Series 2011A. The term “2012 Bonds” used herein means the outstanding principal amount of \$58,055,000 of the City’s \$58,055,000 original principal amount Waterworks and Sewer System Refunding Revenue Bonds, Series 2012. The term “2013 Bonds” used herein means the outstanding principal amount of \$66,615,000 of the City’s \$73,305,000 original principal amount Waterworks and Sewer System Refunding Revenue Bonds, Series 2013. The term “2016A Bonds” used herein means the outstanding principal amount of \$59,740,000 of the City’s \$63,325,000 original principal amount Waterworks and Sewer System Revenue Bonds, Series 2016A. The term “2016B Bonds” used herein means the outstanding principal amount of \$144,675,000 of the City’s \$146,710,000 original principal amount Waterworks and Sewer System Refunding Revenue Bonds, Series 2016B. The term “2018 Bonds” used herein means the outstanding principal amount of \$86,425,000 of the City’s \$87,340,000 original principal amount Waterworks and Sewer System Revenue Bonds, Series 2018.

Limited Obligations

THE 2019 BONDS DO NOT CONSTITUTE INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION (OTHER THAN ARTICLE X, SECTION 14, PARAGRAPH 10 OF THE SOUTH CAROLINA CONSTITUTION AUTHORIZING OBLIGATIONS PAYABLE SOLELY FROM SPECIAL SOURCES NOT INVOLVING REVENUES FROM ANY TAX OR LICENSE) OR STATUTORY LIMITATION. THE 2019 BONDS SHALL NOT CONSTITUTE DEBT OF THE CITY, NOR A CHARGE, LIEN OR ENCUMBRANCE, LEGAL OR EQUITABLE, ON ANY PROPERTY OF THE CITY OR ON ANY INCOME, RECEIPTS OR REVENUES THEREOF, OTHER THAN THE NET REVENUES OF THE SYSTEM PLEDGED THERETO. NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE 2019 BONDS OR THE INTEREST THEREON AGAINST THE GENERAL FUND OF THE CITY AND NEITHER THE CREDIT NOR THE TAXING POWER OF THE CITY SHALL BE DEEMED TO BE PLEDGED THERETO. THE FULL FAITH, CREDIT AND TAXING POWERS OF THE CITY ARE NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE 2019 BONDS.

Rate Covenant

The City has covenanted in the Ordinance to operate the System in an efficient and economical manner and establish, levy, maintain, revise and collect such fees, rates and other charges for the use of the services and facilities furnished by the System as may be necessary or proper, which fees, rates and other charges, together with other Revenues and other available moneys, will at all times be sufficient after making due and reasonable allowance for contingencies and for a margin of error in estimates, to provide in each July 1 through June 30 fiscal year of the City, an amount equal to:

- (a) 100 percent of the amounts required to pay Expenses of Operating and Maintaining the System for the then current fiscal year;
- (b) 110 percent of the amounts required to be deposited into each Debt Service Fund (as defined in Appendix C), for the Bonds for the then current fiscal year;
- (c) 100 percent of the amounts required to be deposited to each Debt Service Reserve Fund (as defined herein), if any, for the Bonds for the then current fiscal year;
- (d) 100 percent of the amounts required to provide for payment of any Junior Bonds (as defined herein) in the then current fiscal year; and
- (e) any amounts necessary to comply in all respects with the terms of the Ordinance.

Disposition of Revenues and Funds Established by the Ordinance

The following are the additional funds and accounts created and established by the Ordinance:

- (a) Debt Service Fund to be held by the City, including an Interest Account and Principal Account (as such terms are defined in Appendix C);
- (b) Debt Service Reserve Fund, if any, to be held by the City; and
- (c) Contingent Fund and Depreciation Fund, each to be held by the City subject to the provisions of the Ordinance described in Appendix C hereto under the heading "SUMMARY OF ORDINANCE – Creation and Flow of Funds" and "--Funds Created Under General Bond Ordinance."

The Revenues of the System shall be applied at the times, in the amounts and for the purposes as provided or permitted by the Ordinance, and in the following order of priority:

First, for the payment of Expenses of Operating and Maintaining the System;

Second, into the respective Debt Service Funds, the amounts required by the Ordinance or any supplemental ordinance; and

Third, into the respective Debt Service Reserve Funds, if any, the amounts required by the Ordinance or any supplemental ordinance.

If, after applying Revenues of the System as set forth above, there are Revenues remaining, such Revenues shall then be used, first, for the payment of Junior Bonds or to meet any other obligations of the City which are or which shall become charges, liens or encumbrances on the Revenues of the System; second, to make such deposits to the Contingency Fund as required by the Ordinance (a) to provide adequate funds for improvements to the System, and (b) to build up a proper reserve against contingencies and to the Depreciation Fund as required by the Ordinance to build up a proper reserve for depreciation; and third, as the City Council shall from time to time determine to be in the best interest of the City.

Debt Service Reserve Funds

The Ordinance provides that the City, pursuant to an ordinance authorizing the issuance of a series of Bonds, may provide for the establishment of a debt service reserve fund (each, a “Debt Service Reserve Fund”) to be used solely for the purpose of preventing a default in the payment of principal of or interest or premium, if any, on the Bonds of such series.

Whenever the aggregate value of cash and securities in a Debt Service Reserve Fund shall be less than the reserve fund requirement, if any, established with respect to such fund pursuant to a supplemental ordinance authorizing a series of Bonds (“Reserve Fund Requirement”), there shall be deposited in such Debt Service Reserve Fund that amount which, together with equal, successive, monthly deposits in the same amount, will restore the value of the cash and securities in such Debt Service Reserve Fund to the applicable Reserve Fund Requirement during the succeeding 12 months. See “APPENDIX C – Summary of Certain Provisions of the Ordinance” under the heading “SUMMARY OF ORDINANCE – Funds Created Under General Bond Ordinance – *Debt Service Reserve Funds*.”

THERE WILL BE NO DEBT SERVICE RESERVE FUND ESTABLISHED FOR OR FUNDED WITH THE PROCEEDS OF THE 2019 BONDS.

Additional and Refunding Bonds

The City may issue Additional Bonds on a parity (with respect to the pledge of and lien on Net Revenues) with the 2019 Bonds subject to certain conditions set forth in the Ordinance, including, in the case of Additional Bonds issued other than for the purpose of refunding outstanding Bonds, the requirement that there shall be delivered a report, which report is not required to be based on the latest audit of the City, from the City Manager or Finance Director of the City, an Accountant or a Consulting Engineer (as such terms are defined in Appendix C), stating that the amount of the Net Revenues of the System for any consecutive 12-month period out of the last 24-month period (“Test Period”) is not less than 130 percent of the sum of the highest combined interest and principal requirements in any fiscal year (“Maximum Debt Service”) on the Bonds to be outstanding after the issuance of such Additional Bonds for any succeeding fiscal year, provided the amount of Net Revenues for such 12-month period may be adjusted by adding the following:

- (a) in case the rates and charges for the services furnished by the System shall have been revised and such revised rates and charges shall have gone into effect prior to the delivery of the Additional Bonds proposed to be issued, the additional amount of Net Revenues which would have been realized during the Test Period if such rates and charges had been in effect during such Test Period as determined by a Consulting Engineer or an Accountant; and
- (b) in case an existing sewer system, existing water system or any other public utility system is to be acquired and combined or made a part of the System from the proceeds of the Additional Bonds proposed to be issued, the additional amount of Net Revenues which would have been realized during the Test Period if such existing system or systems to be acquired had been a part of the System during such Test Period (which computation of the additional amount of Net Revenues shall be based on the method of computing Net Revenues under the Ordinance and approved by a Consulting Engineer or an Accountant).

The provisions of the General Bond Ordinance described above have been amended as described in Appendix C hereto under the heading “SUMMARY OF ORDINANCE – Amendments to Ordinance Pursuant to Thirteenth Supplemental Ordinance.”

Without complying with the foregoing debt service coverage provisions, Additional Bonds may be issued for the purpose of refunding (including by purchase) bonds provided that the Debt Service on all Bonds to be outstanding after the issuance of the proposed series of refunding bonds shall not be greater than would have been the Debt Service on all Bonds not then refunded and the Bonds to be refunded. See “APPENDIX C – Summary of Certain Provisions of the Ordinance” under the heading “SUMMARY OF ORDINANCE – Additional Bonds – *Parity Obligations*.” The term “Debt Service” means, with respect to each series of Bonds and any particular fiscal year, the aggregate of the amounts to be paid or set

aside (or estimated to be required to be paid or set aside) in the applicable Debt Service Fund in such fiscal year for the payment of the principal of, redemption premium, if any, and interest (to the extent not capitalized) on such series of Bonds.

Junior Bonds and Special Facilities Bonds

The City may issue bonds secured by a pledge of Net Revenues junior and subordinate in all respects to the pledge securing the 2019 Bonds or any other obligation or form of indebtedness, including lease purchase obligations secured by a pledge of Net Revenues, after provision has been made for all payments required to be made with respect to the 2019 Bonds (“Junior Bonds”), in such amount as it may from time to time determine. The pledge of Net Revenues shall at all times be and remain subordinate and inferior in all respects to the pledge of Net Revenues securing the 2019 Bonds. Junior Bonds may be issued to secure funds to defray the cost of improving, extending, enlarging or repairing the System, including the acquisition of a system to be combined into the System, or to refund the 2019 Bonds or any other Bonds, Junior Bonds, or any notes, bonds, or other obligations issued to finance or to aid in financing the acquisition, construction or improvement of the System. See “APPENDIX C – Summary of Certain Provisions of the Ordinance” under the heading “SUMMARY OF ORDINANCE – Additional Bonds – *Junior Bonds.*”

The City may also enter contracts, leases or other agreements pursuant to which it will agree to construct, operate and pay the costs of Special Facilities which may or may not be discrete and separate units of the System. These Special Facilities may be financed through the issuance of Special Facilities Bonds, subject to certain conditions with respect to the ability of the Special Facilities to generate sufficient revenues to pay for such Special Facilities Bonds. See “APPENDIX C – Summary of Certain Provisions of the Ordinance” under the heading “SUMMARY OF ORDINANCE – Additional Bonds – *Special Facilities Bonds.*”

SOURCES AND USES OF FUNDS

The proceeds of the sale of the 2019 Bonds are expected to be used substantially as follows:

<i>Estimated Sources of Funds</i>	<u>2019 Bonds</u>
Principal Amount of 2019 Bonds	\$*
[Less/Plus: Net Original Issue Discount/ Premium]	[]
TOTAL SOURCES OF FUNDS	\$[]*
<i>Estimated Uses of Funds</i>	
2019 Projects	\$[]
Deposit to Escrow Funds	[]
Costs of Issuance ⁽¹⁾	[]
TOTAL USES OF FUNDS	\$*

⁽¹⁾Includes Underwriters’ Discount and certain legal, accounting and other financing expenses incurred by the City, and rounding amount of (\$[]).

PLAN OF FINANCE

The proceeds of the 2019 Bonds will be deposited into the Construction Fund of 2019 established pursuant to the Supplemental Ordinance. Moneys on deposit in the Construction Fund of 2019 will be used, as needed, to finance the costs of the 2019 Projects, including without limitation payment of engineering, legal and all other expenses incidental to the 2019 Projects and issuance costs of the 2019 Bonds.

The 2019 Projects involve ongoing capital improvements to the System. These capital improvements include improvements, extensions and enlargements to the System, including any one or more of the following: (a) Waterworks System (defined herein) rehabilitation and installation of water lines and fire protection upgrades, (b) Waterworks System-wide expansions, (c) water treatment plant upgrades, (d) Sanitary Sewer System (defined herein) rehabilitation and installation of sewer lines and manholes, (e) Sanitary Sewer System capacity upgrades, Sanitary Sewer System-Wide expansions, (f) upgrades to the Metropolitan Wastewater Treatment Plant (“Metro WWTP”), and (g) any other matters with respect to the above improvements and such other improvements as the City may deem necessary or incidental to the System. Construction is expected to begin in [], and scheduled to be substantially completed by or before [].

[Describe refunding of Bonds to be Refunded]

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FINANCIAL FACTORS

Five-Year Summary

The following table sets forth a summary of the operating revenues, operating expenses, non-operating revenues and non-operating expenses and changes in net position of the System for the fiscal years ended June 30, 2014 (“Fiscal Year 2014”), through June 30, 2018 (“Fiscal Year 2018”). This summary should be read in conjunction with (a) the audited financial statements of the City for the applicable fiscal years, and (b) the information set forth under “Management’s Discussion and Analysis” herein. Included as Appendix A to this Official Statement is a portion of the Comprehensive Annual Financial Report of the City for Fiscal Year 2018. Copies of the City’s Comprehensive Annual Financial Reports for prior fiscal years are available on the City’s website at <http://www.columbiasc.net/financial-reporting/cafrs>, which is not intended to be an active hyperlink and is not incorporated by reference herein. The City’s independent public accountant did not review this Official Statement, nor did it perform any procedures related to any of the information contained in this Official Statement.

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Operating Revenues					
Charge for Services	\$116,146,448	\$117,776,372	\$130,888,121	\$136,932,319	
Other Operating Revenue	<u>352,272</u>	<u>402,151</u>	<u>844,119</u>	<u>13,961</u>	
Total Operating Revenues	\$116,498,720	\$118,178,523	\$131,732,240	\$136,946,280	
Operating Expenses					
Personnel Services	\$30,183,595	\$31,562,122	\$33,933,804	\$35,687,995	
Materials and Supplies	8,759,851	9,864,982	10,001,315	11,022,382	
Other Services and Charges	19,739,467	18,761,782	19,253,250	23,716,505	
Federal and State Grant Expenses ^{(a)A}	-	-	10,157,882	5,897,731	
Heat, Light and Power	7,127,184	6,916,836	7,096,222	7,082,144	
Depreciation	23,665,647	30,928,260	35,411,576	37,303,595	
Claims and Premiums	0	0	50,000	0	
Bad Debt Expense ^{(a)B}	<u>379,600</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Total Operating Expenses	\$89,855,344	\$98,033,982	\$115,904,049	\$120,710,352	
Operating Income	\$26,643,376	\$20,144,541	\$15,828,191	\$16,235,928	
Non-Operating Revenues/ (Expenses)					
Investment Income (Loss)	\$972,514	\$1,059,323	\$2,223,742	\$1,054,117	
Other Non-Operating Revenue	149,203	160,906	167,281	251,881	
Federal and State Grant Revenue ^{(g)C}	0	0	6,227,736	5,880,676	
Gain (Loss) from Sale of Assets	303,828	(1,501,276)	376,629	8,165	
Interest Expense ^{(b)D}	(8,933,009)	(9,828,911)	(13,374,365)	(9,691,698)	
Amortization of Bond Costs-Deferred Charges ^{(c)E}	<u>(563,534)</u>	<u>(585,709)</u>	<u>(814,758)</u>	<u>(3,335,691)</u>	
Total Non-Operating Revenues/(Expenses)	(8,070,998)	(10,695,667)	(5,193,735)	(5,832,550)	
Income (Loss) Before Contributions and Transfers	\$18,572,378	\$9,448,874	\$10,634,456	\$10,403,378	
Capital Contributions and Transfers					
Transfers In	\$1,550	\$1,295	\$1,450	0	
Transfers Out	(8,059,797)	(8,831,372)	(8,668,163)	(6,069,520)	
Capital Grants	-	-	-	250,000	
Development Contributions	<u>5,431,910</u>	<u>3,872,664</u>	<u>16,054,517</u>	<u>9,909,405</u>	
Total Capital Contributions and Transfers	(2,626,337)	(4,957,413)	7,387,804	4,089,885	
Change in Net Position	\$15,946,041	\$4,491,461	\$18,022,260	\$14,493,263	
Net Position – beginning as previously reported	535,099,215	547,211,538	-	-	
Restatement	(3,833,718) ^{(d)F}	(34,626,496) ^{(g)G}	-	-	

Net Position – Beginning	<u>531,265,497</u>	<u>512,585,045</u>	<u>517,076,506</u>	<u>535,098,766</u>
Net Position – Ending	<u>\$547,211,538</u>	<u>\$517,076,506</u>	<u>\$535,098,766</u>	<u>\$549,592,029</u>

Source: The City of Columbia Finance Department

Note: Totals may not sum due to rounding.

^{(a) B} The Bad Debt Expense for the fiscal year ended June 30, 2015 (“Fiscal Year 2015”), and for each fiscal year thereafter, reflects modified accounting procedures adopted by the City, in which the Bad Debt Expense is offset directly against Charge for Services.

^(b) The Interest Expense for the fiscal year ended June 30, 2014 (“Fiscal Year 2014”), and Fiscal Year 2015, reflect modified accounting procedures adopted by the City.

^(c) Original description was “Amortization of Bond Costs-Deferred charges,” however, the aggregate is a combination of two CAFR line items: “Bond Related Costs,” and “Amortization of Deferred Charges.” The original description was revised to reflect that, according to GASB 65, bond issuance costs are no longer amortized.

^(d) The net position was restated as a result of the City’s implementation of GASB Statement No. 65 in Fiscal Year 2014.

^(e) The net position was restated as a result of the City’s implementation of GASB Statement No. 68 in Fiscal Year 2015.

^{(f) A} This line item includes amounts primarily related to the Rain Event, as more particularly described under “THE CITY AND THE SYSTEM – Impact of Weather Event” herein.

^(g) Represents amounts received by the City from federal and state sources for reimbursement of expenses primarily related to the Rain Event.

Nine-Month Financial Summary

The following table sets forth a summary of the operating revenues, operating expenses, non-operating revenues and non-operating expenses of the System for the nine-month period ending March 31, 2019, as compared to the same period during Fiscal Year 2018. This summary has been compiled by the City from the unaudited results of operations and do not reflect end of year audit adjustments for accruals and reversals.

	<u>2018</u>	<u>2019</u>
Operating Revenues		
Charges for Services	\$103,921,767	
Other Operating Revenues	3,743	
Total Operating Revenues	<u>\$103,925,510</u>	
Operating Expenses		
Personnel Services	\$ 25,959,072	
Materials and Supplies	7,884,643	
Other Services and Charges	10,254,796	
Federal and State Grant Expenses ^(a)	232,840	
Heat, Light, and Power	4,678,808	
Depreciation [†]	-	
Claims and Premiums	-	
Total Operating Expenses	<u>\$ 49,010,159</u>	
Operating Income	\$ 54,915,351	
Non-Operating Revenues / (Expenses)		
Investment Income (Loss)	\$ 1,745,748	
Other Non-Operating Revenue	182,853	
Federal and State Grant Revenue ^(b)	240,752	
Gain (Loss) from Sale of Assets	(59,953)	
Interest Expense	(14,356,676)	
Bond Related Costs	(28,158)	
Amortization of Deferred Charges	(1,054,451)	
Total Non-Operating Revenues / (Expenses)	<u>(13,329,886)</u>	
Income (Loss) Before Contributions and Transfers	\$ 41,585,466	
Capital Contributions and Transfers		
Transfers In	-	
Transfers Out	\$(4,930,535)	
Capital Grants	-	
Development Contribution	-	
Total Capital Contributions and Transfers	<u>\$(4,930,535)</u>	

^(a)This line item includes amounts primarily related to the Rain Event.

^(b)Amounts received by the City from federal and state sources for reimbursement of expenses primarily related to the Rain Event.

[†]Depreciation is calculated on an annual basis, nine-month information is not available for fiscal year ending June 30, 2019 (“Fiscal Year 2019”). For comparison purposes, depreciation has been omitted for Fiscal Year 2018.

Management’s Discussion and Analysis

The System’s financial condition remains strong. [To be updated] Debt coverage levels substantially exceed required levels, Operating Revenues remain strong and stable, and management has continued its program of aggressive upgrades to System infrastructure.

For the fiscal year ended June 30, 2016 (“Fiscal Year 2016”), Operating Revenues experienced a notable increase over Fiscal Year 2015 due to a combination of a strengthening economy and an increase in Charges for Services due to an approximately 9% rate increase effective July 1, 2015. See “THE CITY AND THE SYSTEM-Sanitary Sewer System” for additional information. Charges for Services decreased for the Fiscal Year 2014, primarily due to a reduction of base water rates for certain water customers with 1” or larger meter connections but increased for Fiscal Year 2015 primarily due to growth and for Fiscal Year 2016 primarily due to the 9% rate increase described above.

Beginning in Fiscal Year 2015, the City updated its accounting methodology for Bad Debt Expense and reflects this item as a direct offset to Charges for Services. Initially, the Bad Debt Expense offset a portion of the increased Charges for Services for Fiscal Year 2015. Since Fiscal Year 2015, the Bad Debt Expense (and reduction in Charges for Services, as applicable) has normalized and is consistent with historical levels. The notable increase in Depreciation for Fiscal Year 2015, Fiscal Year 2016, and Fiscal Year 2017 is due in large part to the City’s placing in service additions to the Metro WWTP, which also resulted in a Loss from Sale of Assets in Fiscal Year 2015 due to the obsolescence and removal of certain equipment that had been in operation at the Metro WWTP.

From time to time (including the period presented), the City expends and has expended amounts for deferred maintenance projects related to the System, including but not limited to (1) the replacement or upgrade of parts of the System which are or were broken or inoperable and (2) the replacement, upgrade or rehabilitation of entire sections or components of the System which may be presently or had been operating but likely to fail in the near future or for which the replacement, upgrade or rehabilitation would extend their operating lives.

Starting in Fiscal Year ended June 30, 2010, and continuing through Fiscal Year 2015, the City began reclassifying some of the deferred maintenance expenses for financial reporting purposes, which had the effect of (a) increasing Other Services and Charges for the period presented and consequently Total Operating Expenses and (b) thereby reducing Operating Income, Income Before Contributions and Transfers and Change in Net Position, when compared with financial results for prior fiscal years. For Fiscal Years 2014 and 2015, Other Services and Charges declined (as applicable, to \$19,739,467 and \$18,761,782, respectively). The increase in Other Services and Charges in the Fiscal Year 2016 to \$29,411,132 was not related to reclassification of deferred maintenance but rather due to \$10,157,882 in expenditures related to an unprecedented rain event involving 20-24 inches of rainfall occurring over a four-day period in October 2015 (“Rain Event”), as more particularly described under “THE CITY AND THE SYSTEM – Impact of Weather Event” herein. These Fiscal Year 2016 Rain Event related expenses were offset by \$6,227,736 in Federal Emergency Management Agency (“FEMA”) grant revenues received by the City during the same reporting period. For Fiscal Year 2017, Other Services and Charges was \$29,614,236, which included \$5,897,731 in Rain Event related expenses. These Fiscal Year 2017 Rain Event related expenses were offset by \$5,880,676 in FEMA grant revenues received during the same reporting period.

Over the five-year period reported, the City’s Net Position – Ending has increased approximately []%, with slight fluctuations year-over-year. Most notably, as described above in the Five-Year Financial Summary, the City restated its net position in Fiscal Year 2014 and 2015, as a result of its implementation of certain GASB pronouncements. From Fiscal Year 2015 through Fiscal Year 20[], the City’s Net Position – Ending has increased by approximately []%.

In reviewing the System’s financial results for the nine-month period ending March 31, 2019, and comparing that with the same period during Fiscal Year 2018, and extrapolating through the conclusion of the Fiscal Year 2019, [the City expects that Operating Revenues will increase, and also that there will be an increase in Net Position – Ending, in the Fiscal Year 2019 over Fiscal Year 2018.]

Historical Debt Service Coverage of the System

The following table sets forth the Revenues, Expenses of Operating and Maintaining the System, Net Revenues (as these terms are defined in the Ordinance), debt service requirements and debt service coverage of the System for Fiscal Year 2014, through Fiscal Year 2018.

<u>Fiscal Year</u>	<u>Revenues</u>	<u>Expenses of Operating and Maintaining the System⁴</u>	<u>Net Revenues⁴</u>	<u>Debt Service Requirements</u>	<u>Debt Service Coverage</u>
2014	\$117,924,265	\$62,288,001	\$55,636,264	\$26,744,941	2.08x
2015 ¹	117,897,476	66,453,334	51,444,142	28,999,875	1.77x
2016 ^{1,2}	140,727,628	80,492,473	60,235,155	28,883,461	2.09x
2017 ^{2,3}	144,141,119	83,406,757	60,734,362	29,374,715	2.07x
2018					

¹As described above under “SECURITY FOR THE 2019 BONDS-Pledged Revenues,” the City has made certain amendments to the General Bond Ordinance, which are not yet effective. If such amendments were effective for Fiscal Year 2015, Fiscal Year 2016, and Fiscal Year 2017, however, the amounts shown as Expenses of Operating and Maintaining the System (as defined in Appendix C) would be reduced by \$296,327, \$229,915, and \$1,492,115, respectively.

²Revenues in Fiscal Year 2016 and Fiscal Year 2017 include amounts received from federal and state sources primarily for reimbursement of Rain Event related expenses. Expenses of Operating and Maintaining the System for Fiscal Year 2016 and Fiscal Year 2017 include expenses related primarily to the Rain Event. See “FINANCIAL FACTORS – Five-Year Summary” herein.

³As described above under “Management’s Discussion and Analysis,” the City began reclassifying certain amounts expended for deferred maintenance projects for financial reporting purposes starting in Fiscal Year 2010, which had the effect of increasing Total Operating Expenses. Consistent with the Ordinance, however, such expended amounts are treated as additions to capital assets for the System and are not considered to be Expenses of Operating and Maintaining the System when calculating Net Revenues (as defined in Appendix C) for purposes of the Ordinance. For Fiscal Year 2014 and Fiscal Year 2015, the following amounts have been excluded from Expenses of Operating and Maintaining the System in the above table: \$3,901,696, and \$652,388, respectively. Nothing was excluded from Expenses of Operating and Maintaining the System for Fiscal Year 2016 or Fiscal Year 2017.

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Projected Debt Service Requirements of the System

The following table sets forth the aggregate debt service requirements, beginning with the fiscal year commencing July 1, 2020, for the 2009 Bonds, the 2010 Bonds, the 2011A Bonds, the 2012 Bonds, the 2013 Bonds, the 2016A Bonds, the 2016B Bonds, the 2018 Bonds, and the 2019 Bonds.

Fiscal Year	Existing Debt Service [†]	Principal	2019 Bonds Interest	Total	Aggregate Debt Service
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
2039					
2040					
2041					
2042					
2043					
2044					
2045					
2046					
2047	-				
2048	-				

Note: Totals may not sum due to rounding.

[†]Debt service for the 2009 Bonds has been calculated assuming a fixed interest rate of 4.354% per annum, which is the rate payable by the City under the Series 2009 Swap, plus all annual unaudited costs associated with the replacement credit facility scheduled to expire in September 2020.

Projected Debt Service Coverage of the System

Debt service coverage as projected and prepared by the City for the Fiscal Year 2020 through Fiscal Year ending June 30, 2024, is as set forth below.

Fiscal Year	Net Revenues [†]	Existing Debt Service Requirements [€]	Estimated 2019 Bonds' Debt Service [‡]	Total Debt Service Requirements	Coverage
2020					
2021					
2022					
2023					
2024					

[†] Net Revenues have been calculated by annualizing actual unaudited financial information, as of [], 2019, of the System for the nine-month period ending March 31, 2019, with no additional changes in revenues or expenses going forward.

[€] Includes debt service for the 2009 Bonds, the 2010 Bonds, the 2011A Bonds, the 2012 Bonds, the 2013 Bonds, the 2016A Bonds, the 2016B Bonds, and the 2018 Bonds.

[‡] Debt service on the 2019 Bonds assumes (a) a project fund deposit of \$[], (b) 30-year level debt service structure, (c) no debt service reserve fund, and (d) a true interest cost of []%.

The figures set forth in the table above are projections. The actual results of operations of the System will be dependent on the amounts by which revenues and expenses increase or decrease. Revenues will be dependent on the actual number of System customers, levels of customer usage, the rates charged by the City and other factors. Expenses will be dependent on the actual levels of customer usage, the number of customers, rates, the cost of treating water and wastewater, future maintenance requirements, financing needs, health care, retirement and post-employment requirements, and other factors. Further, debt service takes into account solely the bonds described above, and does not take into account future indebtedness or future water and sewer rate increases that may be approved by City Council. No assurance can be given that the projections set forth above will be realized.

Debt Structure

2009 Bonds

Pursuant to the General Ordinance, the Fifth Supplemental Ordinance enacted by the City Council on September 19, 2007 (“Fifth Supplemental Ordinance”), and the Seventh Supplemental Ordinance enacted by the City Council on August 19, 2009, the City issued the 2009 Bonds in the original principal amount of \$81,860,000 to defray the costs of improvements to the System. The 2009 Bonds are currently outstanding in the principal amount of \$81,860,000.

2010 Bonds

Pursuant to the General Ordinance, the Fifth Supplemental Ordinance, and the Sixth Supplemental Ordinance enacted by the City Council on August 19, 2009, the City issued the 2010 Bonds in the original principal amount of \$105,000,000 to defray the costs of improvements to the System. The 2010 Bonds are currently outstanding in the principal amount of \$8,770,000.

2011A Bonds

Pursuant to the General Ordinance and the Eighth Supplemental Ordinance enacted by the City Council on September 20, 2011 (“Eighth Supplemental Ordinance”), the City issued the 2011A Bonds in the original principal amount of \$100,000,000 to defray the costs of improvements to the System. The 2011A Bonds are currently outstanding in the principal amount of \$29,835,000.

2012 Bonds

Pursuant to the General Ordinance and the Ninth Supplemental Ordinance enacted by the City Council on February 21, 2012, the City issued the 2012 Bonds in the original principal amount of \$58,055,000 to advance refund a prior bond issue. The 2012 Bonds are presently outstanding in the principal amount of \$58,055,000.

2013 Bonds

Pursuant to the General Ordinance and the Tenth Supplemental Ordinance enacted by the City Council on September 13, 2013, the City issued the 2013 Bonds in the original principal amount \$75,305,000 to defray the costs of improvements to the System. The 2013 Bonds are presently outstanding in the principal amount of \$66,615,000.

2016A Bonds

Pursuant to the General Ordinance and the Eleventh Supplemental Ordinance enacted by the City Council on September 6, 2016, the City issued the 2016A Bonds in the original principal amount \$63,325,000 to defray the costs of improvements to the System. The 2016A Bonds are currently outstanding in the principal amount of \$59,740,000.

2016B Bonds

Pursuant to the General Ordinance and the Eleventh Supplemental Ordinance enacted by the City Council on September 6, 2016, the City issued the 2016A Bonds in the original principal amount \$146,710,000 to defray the costs of improvements to the System. The 2016B Bonds are currently outstanding in the principal amount of \$144,675,000.

2018 Bonds

Pursuant to the General Ordinance and the Twelfth Supplemental Ordinance enacted by the City Council on May 1, 2018, the City issued the 2018 Bonds in the original principal amount \$87,340,000 to defray the costs of improvements to the System. The 2018 Bonds are currently outstanding in the principal amount of \$86,425,000.

Junior Lien Pledge

The City's payment obligations under the Series 2009 Swap (defined herein), including any termination payment, if any, are secured by a pledge of Net Revenues junior and subordinate in all respects to the pledge hereof securing the Bonds. The Series 2009 Swap is secured by a pledge of Net Revenues of the System junior and subordinate in all respects to the pledge thereof securing the Bonds.

THE CITY AND THE SYSTEM

General Description

The City, located at the geographic center of the State, was formed in 1786. It is the county seat of the County and the capital of the State. In addition to being the governmental center of the State, the City is also the business, finance, education and transportation center of the State. The System provides water treatment and distribution services through its waterworks system ("Waterworks System") to approximately [] billed water accounts in the Columbia Metropolitan Statistical Area ("Columbia MSA"), including approximately [] In-City customers and [] Out-of-City customers. The System provides sewer treatment and collection services through its Sanitary Sewer System to approximately [] billed sewer customers in the Columbia MSA, including approximately [] In-City customers and [] Out-of-City customers.

For further information regarding the City and the Columbia MSA, see Appendix B attached hereto.

Administration of the City

The City is governed by a council-manager form of government. The Mayor and City Council, who are elected for four-year staggered terms, are vested with the legislative and policy-making powers of the City. Day-to-day activities are administered by a council-appointed City Manager who serves as the chief executive officer of the City and is responsible to the City Council for proper administration of all affairs of the City. The City Manager serves an indefinite term and is subject to removal by a majority vote of the City Council. Financial affairs are under the supervision of the Assistant City Manager for Finance and Economic Services who is appointed by the City Manager. The Finance Director reports to the Assistant City Manager for Finance and Economic Services and is responsible for debt administration, investments and appropriation expenditures and is custodian of all City funds. The General Services Director is responsible for the operation and maintenance of the Facilities.

The present members of the City Council, their occupations, and the dates which their current terms end are as follows:

<u>Name</u>	<u>Occupation</u>	<u>Term Ends</u>
Stephen K. Benjamin, Mayor	Attorney	December 31, 2021
Tameika Isaac Devine, Mayor Pro Tem	Attorney	December 31, 2021
Moe Baddourah	Business Owner	December 31, 2019
Sam Davis [†]	Chief Executive Officer	December 31, 2021
Howard E. Duvall, Jr.	Retired	December 31, 2019
Edward H. McDowell, Jr.	Retired	December 31, 2019
Daniel J. Rickenmann	Business Consultant	December 31, 2021

[†]City Councilman Sam Davis is the Chief Executive Officer of BEKOTU and Associates, Inc.

Teresa B. Wilson has served as City Manager since January 2013. Ms. Wilson has served as the City's Director of Governmental Affairs and Assistant City Manager for Community Programs, Economic Development and Government Services. Ms. Wilson graduated from the University of South Carolina's Honors College and the University of South Carolina School of Law. Prior to joining the City, Ms. Wilson served as Government and Community Relations Coordinator for the University of South Carolina's Office of the President, and also served as a liaison for the University of South Carolina and the City of Columbia, as well as a number of community organizations.

Jeffery M. Palen has served as the Assistant City Manager for Finance and Economic Services and Chief Financial Officer since January 2013. Prior to his current position, Mr. Palen served as the City's Treasurer beginning in November 2008, and as hospital chief financial officer with Health Management Associates from 2005 to 2008. Mr. Palen graduated with a Bachelor of Science in Business and a Master's Degree in Business Administration from the University of South Carolina. Mr. Palen has held various positions in both the private and public sectors, including serving as the Deputy Treasurer and the Deputy Auditor for Lexington County.

Janice L. Alonso has served as the Finance Director of the City since July 2013. She has been employed with the City since December 2008, first as the Accounting Manager and, in August 2010, as the Deputy Finance Director. Ms. Alonso has held various positions in both private and public sectors, including Deputy Treasurer for Lexington County and Assistant Controller for Thermo Scientific. Ms. Alonso graduated from the University of South Carolina with a Bachelor of Science in Business. Ms. Alonso is also a Certified Government Finance Officer in South Carolina.

The System is administered by the City through the City Manager. Under the City Manager's direction, the financial operations of the System are administered by the Assistant City Manager for Finance and Economic Services. The Utilities Department operates the System's two water treatment plants, water storage and pumping stations, and the wastewater plant and sewer lift stations, and maintains all water distribution and treatment sewer collection mains. A total of approximately 500 persons are employed in managerial, clerical, maintenance and other capacities relating to the System.

The Assistant City Manager of Columbia Water is Clint Shealy, P.E., who has served in this capacity since July 2017. Mr. Shealy is a licensed Water Treatment Plant Operator and Professional Engineer. Prior to being named Assistant City Manager of Columbia Water, Mr. Shealy served as the City's Director of Utilities and Water Works Superintendent. Prior to coming to Columbia Water, Mr. Shealy worked for the South Carolina Department of Health and Environmental Control and engineering firms BP Barber & Associates, Inc. and Black and Veatch Corporation. Mr. Shealy is a registered Professional Engineer in the State. He earned his Bachelor of Science degree in Engineering from Clemson University.

Initial recommendations for expansion or renovation of the System are made by the Assistant City Manager of Columbia Water. The recommendations are then reviewed by the City Manager and submitted to the City Council for review and approval as part of the budget process. Increases in rates for the System must be reviewed and adopted by the City Council prior to going into effect.

Service Area

The service area of the Waterworks System includes all of the City of Columbia, portions of the County and Lexington County, as well as the City of Forest Acres, the Towns of Arcadia Lakes, Chapin and Irmo, and the Fort Jackson Military Reservation ("Fort Jackson"). The service area of the Sanitary Sewer System includes all of the City of Columbia and portions of the County, including Fort Jackson, and portions of Lexington County and the City of West Columbia. The entire System covers approximately 320 square miles with a population of approximately 410,000 persons living within that area. The population in the overall service area of the System has generally been increasing since the 1950s due in large measure to the growth of the service area of the System outside of the City.

The City has exclusive rights to provide water and sewer services within the City limits and non-exclusive rights outside of the City limits. Both the County and Lexington County have the legal authority to provide water and sewer service within the unincorporated areas of those counties not presently served by municipalities or special purpose districts, but each has only provided services on a limited basis. The County currently provides water or sewer services only in small, isolated areas. Lexington County and several municipalities in Lexington County formed a joint municipal water and sewer commission ("Commission") for the purpose of providing water and sewer services on an integrated, county-wide basis, but it is the City's understanding that neither the Commission nor Lexington County intend to provide water or sewer services in unincorporated areas of that county already being served by the City. Several municipalities in the County and Lexington County currently provide water and/or sewer services to residents within those municipalities. One large special purpose district, East Richland County Public Service District, provides sewer services to a portion of the County (including certain of the incorporated municipalities therein, e.g., the City of Forest Acres and the Town of Arcadia Lakes).

Service to areas outside of the City limits currently accounts for approximately 74% of the revenues of the Waterworks System and 54% of the revenues of the Sanitary Sewer System of the City. The average water rates for customers outside the City are approximately 1.7 times higher than the average rates for customers inside the City and the average sewer rates for customers outside the City are approximately 1.7 times higher than the average rates for customers inside the City. Because the City already has an extensive water and sewer system in place in large areas of both Richland

and Lexington Counties, and because it can offer services to prospective new customers at competitive rates, the City believes that it can continue enlarging the size of its service area in the unincorporated areas of Richland and Lexington Counties.

Ten Largest Customers

The following table sets forth the ten largest water and sewer customers, by total revenue, for the Fiscal Year 2018.

<u>Company</u>	<u>No. of Meters</u>	<u>Consumption (100 gallons)</u>	<u>Water Revenue</u>	<u>Sewer Revenue</u>	<u>Total Revenue</u>
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TOTAL

Source: City of Columbia

†Aggregate customer (accounts grouped by name)

Impact of Weather Event

Beginning Thursday, October 1, 2015, and continuing into Monday, October 5, 2015, the City experienced an unprecedented rain event involving 20-24 inches of rainfall (“Rain Event”). During the early morning hours of Sunday, October 4, significant flooding occurred throughout the City. Published reports indicate that approximately 400 homes and 60 businesses in the City were damaged and approximately 100 roads were closed, blocked, or impassable because of the flooding. Multiple sewer and water lines ruptured or broke. The City experienced a 60-foot wide breach in the Columbia Canal, which the City uses to provide water for one of the City’s water treatment facilities. President Obama issued a disaster declaration for the State pursuant to which federal disaster aid has been made available to the State to supplement State, County, and local recovery efforts in the City and several other affected by the severe storms and flooding.

The City anticipates expenditures necessary for clean-up and repair to be approximately \$150,000,000. The City anticipates FEMA will reimburse the City for 75% of qualifying costs and the State will reimburse the City for the remaining 25%. Without regard to potential long-term mitigation improvements, and assuming all relevant levels of reimbursement, the City estimates the general fund impact to be less than \$1,000,000 and does not anticipate any material impact to the operation and maintenance expenses of the System or to net capital expenditures related to the System. The City cannot guarantee whether all costs will qualify for FEMA reimbursement or whether the State will provide any reimbursement.

Waterworks System

General

The sources of raw water for the Waterworks System are the Broad River, via the Columbia Canal (which has an average flow of 3,000 cubic feet per second) and Lake Murray. The City has purchased rights to raw water under contracts with South Carolina Electric & Gas Company (“SCE&G”), which owns these water rights. The contract, with respect to water from Lake Murray, is for a term that is coterminous with SCE&G’s license to operate its Saluda Hydro Station and provides for up to 100 million gallons per day (“MGD”). The City owns the Columbia Hydro Station and the Columbia Canal.

The water treatment plant located on the Columbia Canal (“Canal Plant”) has a total raw water pumping capacity of 125 MGD with a sustained capacity of 85 MGD. The Canal Plant was originally constructed in 1906 and expanded in 1916,

1942, 1954, 1958, 1968 and 2006. The Canal Plant has a rated capacity for treatment of raw water of 84 MGD. The Canal Plant is currently producing an average flow of approximately 34 MGD with a maximum demand of 60 MGD. The total finished water pumping capacity was expanded to 84 MGD in 2013. The Canal Plant generally serves the area south of Interstate 20 and east of the Broad River. A major building renovation and filter upgrade was completed in 1998. Raw water and high service pumping improvements were completed in 2013.

The water treatment plant on Lake Murray (“Lake Murray Plant”) has a raw water pumping capacity of 105 MGD. The Lake Murray Plant, which was completed in 1983, has been expanded to increase high service (finished water) pumping capacity from 40 MGD to 105 MGD and water treatment capacity from 30 MGD to 75 MGD. The Lake Murray Plant generally serves the area north of Interstate 20. The average treatment and pumping rate at the Lake Murray Plant is 31 MGD. An expansion was completed in 2006 to increase its capacity to 75 MGD.

The City believes that the water sources provided by the Broad River and Lake Murray are adequate to provide ample water to meet the current and foreseeable needs of the System, and that the Columbia Plant and the Lake Murray Plant, as expanded and upgraded, will be adequate to continue to meet water treatment needs of the System for at least the next 20 years.

Approximately 2,300 miles of predominantly ductile iron and PVC pipelines, ranging in size from 4-inch to 64-inch diameters, comprise the Waterworks System’s distribution network. The City places considerable emphasis on replacing smaller and deteriorated water mains and installing additional fire hydrants for optimal fire protection, the costs of which are paid from System Revenues and from the proceeds of revenue bonds of the System. The City maintains two 3-MG storage reservoirs for finished water at the Canal Plant, two 5-MG storage reservoirs at the Lake Murray Plant and 22 other storage tanks with an aggregate storage capacity of 44 MG.

The City owns all of the pipes, storage tanks, pumping stations and water treatment facilities that it uses to distribute water to customers. The pipes and all other parts of the water delivery system are expected to have at least a 75-year useful life. Existing pipes are typically installed in rights-of-way owned by the City, the County or Lexington County or the State, with new lines being placed in exclusive easements when possible. The City owns in fee simple the land on which the Columbia Plant and Lake Murray Plant are located and most of the land on which pump stations and storage tanks are located.

The City maintains an ongoing program of upgrading, modernizing and rehabilitating the Waterworks System, the costs of which are paid from System Revenues, proceeds of revenue bonds of the System and State and Federal grants. See “Capital Expenditures” herein.

Operations

The total number of customers of the Waterworks System has grown by more than 8.4% over the past ten fiscal years. The major part of the growth has occurred as a result of new Out-of-City customers being added. Information on Revenues is set forth for both the Waterworks System and Sanitary Sewer System on a combined basis in “FINANCIAL FACTORS.” The table below shows the number of water customers during the past ten Fiscal Years:

Number of Billed Customers on Waterworks System

<u>Fiscal Year</u>	<u>In-City</u>	<u>Out-of-City</u>	<u>Total</u>
2009	39,799	93,850	133,649
2010	39,671	94,803	134,474
2011	40,164	95,302	135,466
2012	40,549	96,517	137,066
2013	41,249	97,355	138,604
2014	40,896	99,113	140,009
2015	40,530	99,506	140,036
2016	41,133	99,837	140,970
2017	41,741	101,576	143,317
2018			

Source: City of Columbia

Special Contracts

The City has entered into contracts with Fort Jackson, the Town of Chapin (“Chapin”), and the Town of Winnsboro (“Winnsboro”) to provide water service. The contract with Fort Jackson, which was entered into as of March 25, 1987, provides that the City will be paid at rates subject to renegotiation on the request of either party with reasonable cause. In February 2011, a 15% rate increase, which is effective through June 2020, went into effect for water service provided to Fort Jackson.

The City’s contract with Chapin, which was entered into on June 29, 1988, provides for the acquisition of the entire water system of Chapin and provides for the City to enjoy the exclusive right to furnish water to Chapin for a period of 30 years. Under the 1988 agreement Chapin transferred title to a portion of its water system to the City. In 1996 the City and Chapin amended the 1988 agreement, whereby Chapin would retain the portion of its water system not yet transferred to the City under the 1988 agreement and the City would continue to provide bulk water to Chapin pursuant to bulk water supply agreements. Chapin customers are charged the standard Out-of-City rates.

The City’s contract with Winnsboro is also a bulk water supply agreement, which was entered into May 1, 2013, pursuant to which Winnsboro customers pay the City’s standard Out-of-City rate.

Waterworks System Rates

Information on rates and fees of the Waterworks System is set forth in “Water and Sewer Rates and Fees” herein.

Federal and State Requirements

The City currently holds the necessary permits and approvals from the South Carolina Department of Health and Environmental Control (“DHEC”) to operate a water treatment and distribution system. The Waterworks System currently meets all material federal and State requirements regarding a public water supply system. See “Environmental Matters – General.”

Sanitary Sewer System

The City’s Sanitary Sewer System consists of over 1,000 miles of sewer lines ranging in diameter from 4 inches to 60 inches, 55 sewage lift stations and a central treatment facility known as the Metro WWTP. The Metro WWTP, a biological oxidation extended aeration treatment facility located on the Congaree River three miles south of the City, was originally constructed in 1970 and expanded in 1982 to 40 MGD and again in 1998 to 60 MGD. Currently the average daily flow to the Metro WWTP is about 34 MGD. Nearly five percent of the flow to the Metro WWTP is industrial. The City expects that the Metro WWTP, as expanded and upgraded, will be adequate to provide sewage treatment for the Sanitary Sewer System through the year 2060.

The City owns all of the sewer lines, lift stations and treatment facilities of the Sanitary Sewer System. The sewer lines are expected to have at least a 50-75 year useful life, with proper maintenance. The sewage lift stations are being rehabilitated as needed and are on a maintenance schedule, and most stations are expected to have a useful life of at least 15 years at construction or after rehabilitation is completed. Sewer lines are typically installed in easements or in rights-of-way owned by the City, Richland or Lexington County or the State, with new lines being placed in exclusive easements when possible. The City owns in fee simple the land on which the Metro WWTP and many of the sewage lift station sites.

The City maintains an ongoing program of upgrading, rehabilitating, and modernizing of the Sanitary Sewer System, the costs of which are paid from System Revenues and from the proceeds of revenue bonds of the System. See “Capital Expenditures” herein.

Operations

The number of In-City customers of the Sanitary Sewer System grew by approximately []% between 2009 and 2018. The table below shows the number of customers of the Sanitary Sewer System over the past ten Fiscal Years.

Number of Billed Customers on Sanitary Sewer System

<u>Fiscal Year</u>	<u>In-City</u>	<u>Out-of-City</u>	<u>Total</u>
2009	32,503	36,004	68,507
2010	32,500	36,722	69,222
2011	32,501	36,698	69,199
2012	33,136	37,182	70,318
2013 [†]	33,185	26,515	59,700
2014	33,182	27,057	60,239
2015	32,704	26,972	59,676
2016	33,508	27,269	60,777
2017	33,803	27,549	61,352
2018			

[†]Reflects reduction of sewer customers arising from the City's sale of a portion of its Sanitary Sewer System (including approximately 13,000 or 16% of its then-existing sewer accounts) to a private utility ("Utility") in March 2013. It is intended that these customers will continue to be served by the City at predetermined rates until the Utility can construct necessary infrastructure allowing connections to its treatment plant. Effective October 2016, remaining customers will pay 70% of the out-of-City sewer rate. The Utility completed construction of the aforementioned infrastructure in fall 2017, and such customers are no longer served by the Sanitary Sewer System.

Special Contracts

The City entered into a contract with the City of West Columbia ("West Columbia") in 1975 and with Fort Jackson in 1967. The parties agreed to contribute financially to the construction, operation, maintenance, supervision and repair of certain components of the Sanitary Sewer System. The City assumed responsibility for the operation of these components, in return for which the City is paid a base monthly charge plus various other charges based on gallons of sewage discharged. The City and West Columbia entered into an Amended and Restated Agreement on July 7, 2015, which replaced the 1975 agreement.

Sanitary Sewer System Rates

Information on rates and fees of the Sanitary Sewer System is set forth in "Water and Sewer Rates and Fees" herein. The most recent rate increase became effective July 1, 2017.

Federal and State Requirements

The Sanitary Sewer System currently holds the necessary permits and approvals from DHEC to operate its sewage collection and treatment system. Except as described in the EPA and DHEC Actions section below, the Sanitary Sewer System currently meets all material federal and State requirements in regard to a sewage collection and treatment system. See "Environmental Matters – General."

Water and Sewer Rates and Fees

General

The rates charged by the City for water and sewer service are not subject to approval by any federal or State regulatory body. The City's rates, as adopted effective July 1, 2017, are set forth below. Based on these revised rates, the average monthly water and sewer bill for a residential In-City user, based on water usage of 800 cubic feet, is \$54.94 and for an Out-of-City user is \$93.48. The City has regularly increased rates as necessary, and effected rate increases to provide sufficient revenues for payment of projected increased costs of operation, expansion of the System, increases in debt service and to maintain required debt service coverage ratios. See "FINANCIAL FACTORS – Historical Debt Service Coverage of the System" and "– Projected Debt Service Coverage of the System."

Water Rates

Monthly Water Service Rates

<u>Meter Size</u>	<u>In-City</u>	<u>Out-of-City</u>
5/8"	\$6.91	\$11.75
1"	11.54	19.62
1 1/2"	17.28	29.38
2"	27.65	47.01
3"	55.31	94.02
4"	86.42	146.91
6"	173.05	294.18
8"	276.54	470.12
10"	549.07	933.42

Additional Rates

(per 100 cubic feet after first 300 cubic feet used)

	<u>Residential</u>		<u>Commercial</u>		<u>Irrigation</u>	
	<u>In-City</u>	<u>Out-of-City</u>	<u>In-City</u>	<u>Out-of-City</u>	<u>In-City</u>	<u>Out-of-City</u>
Next 9,700	\$ 2.48	\$ 4.22	\$ 2.36	\$ 4.01	\$ 4.22	\$ 7.17
Next 90,000	2.36	4.01	2.23	3.79	4.01	6.82
Over 100,000	2.23	3.79	2.09	3.55	3.79	6.45

Sewer Rates

Monthly Sewer Service Rates

<u>Meter Size</u> <u>(inches)</u>	<u>Sewer Base</u> <u>In-City</u>	<u>Sewer Base</u> <u>Out-of-City</u>
5/8"	\$6.91	\$11.75
1"	6.91	11.75
1 1/2"	6.91	11.75
2"	11.06	18.80
3"	21.12	37.60
4"	34.57	58.76
6"	69.13	117.53
8"	110.62	188.05
10"	172.84	293.82

Additional Sewer Rates
(per 100 cubic feet)

\$3.59

\$6.11

Maximum sewer service rates on single-family residences during the months of April through October are based on a use of 1,400 cubic feet of water and during the months of November through March are based on actual usage. Sewer rates for apartment buildings and trailer parks are the base rate per dwelling unit plus the rate per 100 cubic feet reflected by water consumption. Sewer rates for hotels, motels, dormitories and rooming houses are one-half of the base rate of a single-family residence per room plus a base fee on meter connection size plus the rate per 100 cubic feet reflected by water consumption.

Comparison of Water Rates in the Columbia MSA

Currently, there are six providers of water in the Columbia area: Lexington Water System, Carolina Water Service, Midlands Utilities, the City of Columbia, the City of West Columbia and the City of Cayce. The chart below compares current average monthly water bills for each of the three largest providers of water service.

<u>Municipality</u>	<u>Average Monthly Water Bill[†]</u>	
	(In-City)	(Out-of-City)
City of Columbia	\$19.31	\$32.85
City of West Columbia	18.00	38.00
City of Cayce	32.94	65.88

[†]Based on 5,250 gallons of water.

Water and Sewer Tap Fees

The City charges new customers to the Waterworks System a tap fee that ranges from \$2,512.00 for a ¾-inch meter to \$8,490.00 for a 2-inch meter. The City charges new customers to the Sanitary Sewer System a tap fee of \$3,940.00 for each tap. Water and sewer tap fees generated a total of \$[] in revenues for the System in Fiscal Year 2018.

Sewer Plant Expansion Fees

The City began charging new customers of the Sanitary Sewer System a sewer plant expansion fee on October 1, 1987. The fee is intended to provide an additional source of moneys for upgrading and expansion of the Metro WWTP. Sanitary Sewer System plant expansion fees generated a total of \$[] in revenues in Fiscal Year 2018.

Water and Sewer Billing and Collection Policies

New or transferring account fees are charged to customers (new and existing) who request service. Bills are mailed to customers on a periodic basis throughout the month and are payable on receipt. Customers receiving both water and sewer services receive combined bills for these services. Water or sewer service accounts that are two months or more in arrears are terminated for non-payment. Advance notice of 10 days is given prior to such termination action.

Capital Expenditures

The City has expanded and improved the System with proceeds of revenue bonds and Revenues of the System. During Fiscal Year 2014 through Fiscal Year 2018, the City expended approximately \$[] for System expansion and improvement, including approximately \$[] expended in Fiscal Year 2018. The following table shows the amounts expended from proceeds of revenue bonds and System Revenues for capital improvements to the System, including cash-funded projects that fall outside the City's Capital Improvements Program, undertaken during Fiscal Year 2014 through Fiscal Year 2018.

Capital Improvements Undertaken

<u>Fiscal Year Ended June 30</u>	<u>Capital Improvements Financed with Bond Proceeds</u>	<u>Capital Improvements Financed with System Revenues</u>	<u>Total Capital Improvements</u>
2014	\$44,305,275	\$ 3,901,696	\$48,206,971
2015	56,215,053	652,388	56,867,441
2016	24,869,006	53,959,345	78,828,351
2017	48,724,832	46,075,039	94,799,871
<u>2018</u>			
TOTAL	\$	\$	\$

City of Columbia Finance Department

Capital Improvements Program

Future capital expenditures to expand and improve the System are managed by the City through a rolling five-year Capital Improvements Program, which is approved annually by City Council as part of the adoption of the City's Budget Ordinance. The current Capital Improvements Program covers the Fiscal Year 2017 through fiscal year ending June 30, 2021, and anticipates capital expenditures of approximately \$120,000,000 per year for each of the next five years for total expenditures of approximately \$600,000,000. Sixty-seven percent of the anticipated capital expenditures will be devoted to the Sanitary Sewer System and the remaining 33% will be devoted to the Waterworks System. The expenditures are expected to include engineering, storage tanks, water plant additions, increased sewer capacity, lines, pump stations, easements and land. In addition, expenditures will be targeted to rectify issues identified in the Consent Decree (as defined below).

The City expects to fund the Capital Improvements Program with, among other sources, Revenues of the System (including capital payments from the City of West Columbia, South Carolina ("West Columbia")), proceeds of Bonds, and State and federal grants. Although the breakdown between debt and other sources used to fund the capital expenditures for the Capital Improvements Program varies, approximately 25% of the annual capital expenditures for the Capital Expenditures Program are anticipated to be funded from System Revenues (including capital payments from West Columbia) and State and Federal grants.

The five-year Capital Improvements Program is reviewed and updated annually to address the needs of the System. The City is in the process of revising the Capital Improvements Program, and will continue to evaluate and revise it if necessary, to ensure all requirements of the Consent Decree are met within the timeframes established thereby, while complying with the rate covenant set forth in the General Ordinance. The City believes a portion of the capital improvements that are or will be mandated by the Consent Decree are currently contemplated in the five-year Capital Improvements Program. See "Environmental Matters – Conclusion."

Environmental Matters

General

Operation of the System is subject to regulation by certain federal, State and local authorities. Federal and State standards and procedures that currently regulate and control operation of the System may change from time to time as a result of continuing legislative, regulatory and judicial action. Therefore, there is no assurance that the facilities comprising the System currently in operation, under construction or contemplated will always remain subject to the regulations currently in effect, or will always be in compliance with future regulations.

An inability to comply with various governmental regulations and standards could result in reduced operating levels or complete shutdown of such facilities not in compliance. Furthermore, compliance with such governmental regulations and standards may substantially increase capital and operating costs.

Permits and Ordinances

The System is in substantial compliance with current regulatory requirements of the United States Environmental Protection Agency (“EPA”) and DHEC, and the requirements and conditions of all permits required to operate the System are in order. The City currently has the following permits in effect:

<u>Permit</u>	<u>Effective Date</u>	<u>Expiration Date</u>	<u>Description</u>
DHEC Wastewater NPDES Permit #SC0020940 (“NPDES Permit”)	June 1, 2018	May 31, 2023	Authorization to discharge treated effluent in accordance with the National Pollutant Discharge Elimination System (“NPDES”) into the Congaree River continues in effect until a renewal decision is made
Public Water System Operating Permit System #401001		No Expiration Date	Authorization to operate a water treatment plant
S.C. Water Resources Commission, Interbasin Transfer Permit 1013-IB	August 29, 2008	August 29, 2028	Authorization to transfer water between river basins in South Carolina for its potable water treatment plant(s)

The City has had a Wastewater Services Ordinance in place since March 19, 1974. Subsequent revisions to this ordinance are periodically made to reflect changes in federal, State and local standards. The City has operated an Industrial Pretreatment Program pursuant to the Federal General Pretreatment Regulations and approved by DHEC since October 1, 1984. The City includes the West Columbia under this program pursuant to an inter-jurisdictional agreement executed January 8, 1986. Eight categorical and 4 significant non-categorical industries are currently regulated under this program.

The City is also authorized to discharge stormwater from the Metro WWTP under NPDES General Permit for the Storm Water Discharges Associated with Industrial Activities (Except Construction) issued by DHEC on September 1, 2016.

EPA and DHEC Actions

In April 2009, the United States Environmental Protection Agency (“EPA”) issued a Notice of Violation to the City for effluent limit violations of the City’s Wastewater NPDES Permit #SC0020940 (“NPDES Permit”), which NPDES Permit was issued by EPA pursuant to the Clean Water Act (“CWA”). In April 2009, the EPA also requested information from the City under the CWA relating to the compliance status of the Sanitary Sewer System. On September 14, 2010, DHEC reissued the NPDES Permit, with an expiration date of September 30, 2015. DHEC reissued the NPDES Permit, effective October 1, 2015, with an expiration date of September 30, 2020. On May 2, 2018, DHEC reissued the NPDES permit with an expiration date of May 31, 2023.

On review of the City’s responses to the EPA’s information requests, the EPA identified numerous alleged violations by the City of the CWA, including the frequent occurrence of sanitary sewer overflows from the Sanitary Sewer System over a specified time period (“CWA Violations”). Additionally, the EPA identified alleged effluent limit violations of the NPDES Permit and violations of NPDES Permit requirements related to the City’s implementation of the approved industrial pretreatment program (“NPDES Violations,” and, together with the CWA Violations, “Violations”). By letter dated May 25, 2010, the EPA notified the City that it had referred this matter to the Civil Enforcement Division of the U.S. Department of Justice (“DOJ”), but indicated its preference to negotiate a resolution of this matter.

On September 9, 2013, after a lengthy period of negotiations among the City, the EPA, the DOJ and DHEC, the EPA, the DOJ and DHEC lodged a Consent Decree (“Consent Decree”) with the U.S. District Court for the District of South Carolina (“District Court”), in which the City agreed to settle allegations by the EPA, the DOJ and DHEC regarding the Violations. Based on comments received during the public comment period on the terms of the Consent Decree the parties agreed to certain revisions to the Supplemental Environmental Project (“SEP”) required under the Consent Decree. On May 21, 2014, the District Court entered an order approving the Consent Decree.

The terms of the Consent Decree require the City to (i) evaluate the Sanitary Sewer System and, based on that evaluation, implement capital improvements to the Sanitary Sewer System’s infrastructure, and (ii) implement a \$1,000,000 SEP aimed at restoring and reducing flooding along segments of Rocky Branch and Gills Creek. The City anticipates total expenditures of approximately \$750,000,000 will be required over a period of approximately 10 years in order to meet the requirements of the Consent Decree. The City’s five-year Capital Improvements Program has been revised and will continue to be revised (if necessary) to enable the City to meet all of its obligations under the Consent Decree within the prescribed timeframes. In addition, the City was required to pay a civil penalty in the amount of \$476,400 to resolve the alleged CWA Violations.

On October 6, 2015, the City notified the DOJ, the EPA and DHEC of a force majeure event, namely the Rain Event. On October 13, 2015, the City submitted a written report concerning such force majeure event and provided a supplemental report on March 24, 2016, with a request for additional time to meet certain deadlines in the Consent Decree and in implementation schedules of program documents submitted pursuant to the Consent Decree. The City also requested an extension for stipulated penalties for sanitary sewer overflows. By letter dated June 2, 2016, the EPA granted all of the extensions requested as a result of the Rain Event.

As a result of the final Consent Decree, the City may potentially be required to pay additional civil penalties should it not comply with the terms of the Consent Decree. The City intends to fully comply with the terms of the Consent Decree and undertake the capital improvements required by the Consent Decree. The City does not expect its compliance with the Consent Decree to have a materially adverse impact on the financial condition of the System or the City.

Fringe Benefits, Retirement and Health Insurance and Other Post-Employment Benefits

Retirement Plan

The South Carolina Retirement Systems (“Systems”), as administered by the South Carolina Public Employees Benefit Authority (“Authority”), maintains five independent cost sharing, multi-employer defined benefit plans. The City is a participating employer in the Systems and, generally, the City’s employees are covered by the Systems’ South Carolina Retirement System (“SCRS”) or the Police Officers Retirement System (“PORS”) plans, unless the employee has elected to participate in the Optional Retirement Program (“ORP”).

The SCRS plan offers retirement and other benefits, including disability, survivor and death benefits, to eligible state employees. Both employees and employers are required to contribute to the SCRS a percentage of the participating employee’s earnable compensation at a rate set by State law. The PORS plan offers retirement and other benefits for police officers employed by the City. Like the SCRS, both employees and employers are required to contribute to the PORS a percentage of the participating employee’s earnable compensation at a rate set by State law.

For Fiscal Year 2018, the City made contributions to the SCRS of \$[] and to the PORS of \$[], which amounts equaled the statutorily required contributions to SCRS and PORS.

City employees eligible for participation in the SCRS may choose to participate in the ORP, which is a defined contribution plan in which participants direct the investments of their funds in a plan administered by one of four investment providers. The Systems assume no liability for the ORP benefits and for this reason the ORP is not considered part of the retirement systems for financial statement purposes. Contributions to the ORP are set at the same rates as the SCRS. To participate in the ORP, participants must irrevocably waive participation in the SCRS.

Additionally, the Authority issues its own Comprehensive Annual Financial Report for the Systems (“Report”). A copy of the Report for Fiscal Year 2018 may be found at <http://www.peba.sc.gov/assets/cafr.pdf> (which is not intended to be an active hyperlink and is not incorporated by reference herein). Information for the Systems is included in the Comprehensive Annual Financial Report for the State. A copy of the State’s Report may be found at <https://cg.sc.gov/sites/default/files/Documents/Publications%20and%20Reports/Comprehensive%20Annual%20Financial%2>

[0Reports%20\(CAFR\)/FY2018/FY2018CAFR.pdf](#) (which is not intended to be an active hyperlink and is not incorporated by reference herein).

Plan Contributions

Act No. 13 of 2017 (“Plan Legislation”), was signed into law on April 25, 2017. The Plan Legislation removes the power from the Board of Directors of the Authority (“Authority Board”) to set the rate of contributions to the plans and instead statutorily sets the contribution rates to the SCRS and PORS for both employers and employees through the fiscal year ending June 30, 2027. Additionally, the Plan Legislation shifts the burden of funding the unfunded actuarial accrued liability of the SCRS and PORS entirely to participating employers.

The Plan Legislation increases and sets the contribution rates through fiscal year ending June 30, 2027, as follows:

<u>Fiscal Year</u>	<u>SCRS</u>		<u>PORS</u>	
	<u>Employer Contribution</u>	<u>Employee Contribution</u>	<u>Employer Contribution</u>	<u>Employee Contribution</u>
2018-2019	14.56	9.00	17.24	9.75
2019-2020	15.56	9.00	18.24	9.75
2020-2021	16.56	9.00	19.24	9.75
2021-2022	17.56	9.00	20.24	9.75
2022-2027	18.56	9.00	21.24	9.75

Following fiscal year ending June 30, 2027, the Plan Legislation reverts the authority to set the contribution rates of participating employers back to the Authority Board; employee contributions are capped at 9.00% of earnable compensation for the SCRS and 9.75% of earnable compensation for the PORS. The Authority Board is authorized pursuant to the Plan Legislation to set employer contributions based on the actuarial value of the plans; however, the Plan Legislation prohibits the Authority Board from increasing a participating employer’s rate of contribution by more than 0.5% in any fiscal year. The Authority Board may decrease contribution rates of both employers and employees under the Plan Legislation if an actuarial valuation of the SCRS and PORS shows a funded ratio of at least 85% and any decrease would not decrease the funded ratio below 85%. Any decrease by the Authority Board to employer and employee contributions must be made in equal amounts.

The Plan Legislation also shortens the amortization schedule for the unfunded actuarial accrued liabilities of the SCRS and PORS. The unfunded actuarial accrued liability of the SCRS and PORS, as determined by an annual actuarial valuation, must be amortized over a funding period that does not exceed the following schedule:

<u>Fiscal Year</u>	<u>Funding Period</u>
2017-2018	30 years
2018-2019	29 years
2019-2020	28 years
2020-2021	27 years
2021-2022	26 years
2022-2023	25 years
2023-2024	24 years
2024-2025	23 years
2025-2026	22 years
2026-2027	21 years
2027 and after	20 years

The Plan Legislation permits employer contribution rates to be increased above those as set forth in the table above or as set by the Authority Board after the fiscal year ending June 30, 2027, if the contribution rates are insufficient to meet the funding periods as set forth above. Increases to employer contribution rates to meet the funding period set forth above may be made without limitation.

The City expects the Plan Legislation to require a \$[] increase in its SCRS budget, and a \$[] increase in its PORS budget for Fiscal Year 2019 to fund the increased employer contribution as set forth in the Plan Legislation.

Reporting Plan Liability

In accordance with the GASB Statement No. 68, the City reports its proportionate share of the overall Net Pension Liability of the Systems – which represents the difference between the total cost of the Systems’ expected future benefits to be paid and the value of assets on hand to cover the benefits – in the City’s financial statements for Fiscal Year 2018. The City reported its proportionate share of SCRS and PORS Net Pension Liability as \$[] and \$[], respectively or []% and []% of the total net pension liability.

Other Post-Employment Benefits

The City is a participant in the State Other Retirement Benefits Employer Trust for medical, dental, and vision coverage, and eligible retirees are allowed to continue coverage in accordance with the City Other Postemployment Benefits (“OPEB”) Substantive Plan, a single-employer defined benefit plan. It is the City’s policy to periodically review its medical and dental coverage to provide the most favorable benefits and premiums for the City employees and retirees.

In accordance with the newly-implemented GASB Statement No. 75, the City’s other postemployment benefit liability is now calculated based on the City’s total unfunded OPEB liability. As of July 1, 2018, the most recent measurement date, the estimated total unfunded OPEB liability of the City was \$164,820,581. The City anticipates the unfunded OPEB liability to increase, but is unable to provide an estimated increase.

Liability Insurance

Subject to specific immunity set forth in the South Carolina Tort Claims Act, the City, like other local governments, is liable for damages not to exceed \$300,000 per incident/person and \$600,000 per occurrence/aggregate for torts. There are no limits in actual damages for recoveries under 42 U.S.C. § 1983. No punitive or exemplary damages are permitted under the South Carolina Tort Claims Act or the Federal Civil Rights Act. The City currently self-insures against tort liability under the South Carolina Tort Claims Act.

INTEREST RATE SWAPS AND OTHER OBLIGATIONS

In September 2007, the City entered into an ISDA Master Agreement and an accompanying schedule (collectively, “Master Agreement”) with JPMorgan Chase Bank, N.A. (in such capacity, “Counterparty”), to establish the general terms under which various interest rate swap and other derivative transactions may be entered between such parties.

The Series 2009 Swap

On September 20, 2007, and pursuant to the written confirmation to the Master Agreement dated such date between the City and the Counterparty, the City entered into a “fixed payor” interest rate swap agreement with the Counterparty (“Series 2009 Swap”) to enable the City to synthetically hedge a portion of its variable rate interest exposure relative to the 2009 Bonds during the term of the Series 2009 Swap. The Series 2009 Swap obligates the City to pay the Counterparty a fixed rate, based on a notional amount equal to the initial par amount of the 2009 Bonds, as reduced based on mandatory sinking fund redemptions scheduled therefor. The goal of the Series 2009 Swap is to reduce the City’s variable rate exposure under the 2009 Bonds and convert much of its variable rate exposure during the term of the Series 2009 Swap to a hedged fixed rate (subject to applicable basis risks associated with the actual correlation of such variable rate index with the actual variable rate of such Bonds). The Series 2009 Swap will expire in accordance with its terms (unless earlier terminated) on February 1, 2038, which is a date coterminous with the final maturity date of the 2009 Bonds.

Under certain circumstances, some of which may be beyond the control of the City, the Series 2009 Swap is subject to termination prior to the scheduled termination date, including on the occurrence of certain events of default. Such events of default include without limitation (i) failure to pay or deliver any payment required to be made under the Master Agreement, (ii) breach of Master Agreement, (iii) credit support default, (iv) misrepresentation, (v) default under a specified derivative transaction, (vi) cross default, (vii) bankruptcy and (viii) merger of party or any guarantor of such party without assumption of such party’s obligations by the resulting entity.

In addition to the foregoing, the Counterparty has the right, but is not required, to terminate the Series 2009 Swap in the event that the rating of the long-term unsecured debt (without credit or structural enhancement) of the City is withdrawn, suspended for more than 30 days or reduced below “BBB” by Standard & Poor’s or “Baa2” by Moody’s. Correspondingly, the City has the right, but is not required, to terminate the Series 2009 Swap in the event that the rating of the long-term

unsecured debt (without credit or structural enhancement) of the Counterparty is withdrawn, suspended for more than 30 days or reduced below “BBB” by Standard & Poor’s or “Baa2” by Moody’s.

In the event of an early termination of the Series 2009 Swap, the City may owe a termination payment to the Counterparty or, conversely, the Counterparty may owe a termination payment to the City. Such a termination payment generally would be based on the market value of the Series 2009 Swap on the date of termination. For example, if the Series 2009 Swap was terminated, the City’s termination payment (including accrued interest) to the Counterparty, based on mid-market rates not derived from the solicitation of actionable bids from any broker-dealers, as of May 1, 2019, would have been approximately \$[]. Any such amount that may be owed in the future by the City with respect to the Series 2009 Swap may be substantial, and could adversely affect the City’s ability to pay debt service on the Bonds. Such termination payments are secured by a pledge of Net Revenues junior and subordinate to the pledge of Net Revenues securing the Bonds and all parity debt.

In addition, a partial termination of the Series 2009 Swap could occur to the extent that any Bonds are redeemed pursuant to an optional redemption. If such an optional redemption occurs, a termination payment related to the portion of the Series 2009 Swap terminated may be owed to either the City or the Counterparty, depending on market conditions at that time. Moreover, the Series 2009 Swap can be terminated on mutual agreement of the Counterparty and the City. There is no guarantee the Series 2009 Swap will be outstanding for its stated term.

The payment obligations of the City under the Series 2009 Swap will not alter or affect the obligation of the City to pay or make payments with respect to the principal of, redemption price of and interest on the 2009 Bonds. The Counterparty has no obligation to make payments directly to the holders of the 2009 Bonds. The holders of the 2009 Bonds have no contractual or other rights or claims against the Counterparty for payment of the 2009 Bonds. The Series 2009 Swap does not provide a source of security or other credit for the 2009 Bonds.

Additional Derivative Agreements

In addition to the Series 2009 Swap, the City may in the future enter into one or more additional interest rate swap or other derivative transactions, whether pursuant to the Master Agreement or otherwise and whether with the Counterparty or one or more other swap counterparties, to the extent not prohibited by the Ordinance. The extent or effect of any such additional transactions cannot be known as of the date of this Official Statement.

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the 2019 Bonds on an event of default under the Ordinance are in many respects dependent on judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code, the remedies specified by the federal bankruptcy code and the Ordinance, the 2019 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the 2019 Bonds (including Co-Bond Counsel’s approving opinions) will be qualified, as to the enforceability of the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of credits enacted before or after such delivery.

LEGAL MATTERS

Litigation

No litigation is pending or, to the knowledge of the City, threatened in writing in any court to restrain or enjoin the issuance or delivery of the 2019 Bonds or the collection, payment or receipt of the moneys pledged or to be pledged to pay the principal of, premium, if any, and interest on the 2019 Bonds or, in any way contesting or affecting the validity of the 2019 Bonds, the General Ordinance or the Supplemental Ordinance, the power to collect, pay or receive the moneys with which to pay the 2019 Bonds or the organization or the powers of the City, including the power to operate the System and to collect revenues therefrom.

United States Bankruptcy Code

The undertakings of the City should be considered with reference to Chapter 9 of the Bankruptcy Code, 11 U.S.C. § 901, et seq., as amended (“Bankruptcy Code”), and other laws affecting creditors’ rights and municipalities generally. Chapter 9 permits a municipality, political subdivision, public agency, or other instrumentality of a State that is insolvent or unable to meet its debts as such debts mature to file a petition in the United States Bankruptcy Court for the purpose of

effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of its creditors; provides that the filing of the petition under that Chapter operates as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; directs a petitioner to file a plan for the adjustment of its debts; permits the petitioner in its plan to modify the rights to payment of its creditors; provides that the plan must be accepted in writing by or on behalf of creditors; and provides that the plan must be accepted in writing by or on behalf of creditors of each impaired class of claims holding at least two-thirds in amount and more than one-half in number of the creditors which have accepted or rejected the plan. The plan may be confirmed notwithstanding the negative vote of one or more classes of claims if the court finds that the plan is in the best interest of creditors, is feasible, and is fair and equitable with respect to the dissenting classes of creditors. A petitioner has the right to reinstate indebtedness under its plan according to the original maturity schedule of such indebtedness notwithstanding any provision in the documents under which the indebtedness arose relating to the insolvency or financial condition of the debtor before the confirmation of the plan, the commencement of a case under the Bankruptcy Code, or the appointment of or taking possession by a trustee in a case under the Bankruptcy Code or by a receiver or other custodian prior to the commencement of a case under the Bankruptcy Code.

Other Legal Matters

Certain legal matters incident to the authorization, issuance and sale of the 2019 Bonds are subject to the approval of the legality of issuance thereof by Burr & Forman LLP d/b/a Burr Forman McNair (“Burr Forman McNair”) Columbia, South Carolina, and Johnson, Toal & Battiste, P.A., Columbia, South Carolina, as Co-Bond Counsel. The proposed forms of the opinions of Co-Bond Counsel to be delivered when the 2019 Bonds are issued are set forth in Appendix D hereto. Certain matters will be passed on for the Underwriters by Parker Poe Adams & Bernstein LLP, Columbia, South Carolina, and The Starkes Law Firm, P.A., Columbia, South Carolina, as Co-Underwriters’ Counsel. Certain legal matters will be passed on behalf of the City by the City Attorney, Teresa A. Knox, Esquire.

From time to time, Parker Poe Adams & Bernstein LLP serves as Bond Counsel to the City and, from time to time, one or both Parker Poe Adams & Bernstein LLP, The Starkes Law Firm, P.A. and Burr Forman McNair have represented one or more of the Underwriters as counsel in financing transactions unrelated to the sale of the 2019 Bonds. Neither the City nor Underwriter has conditioned the future employment of any of these firms in connection with any proposed financing issues for the City or either Underwriter on the successful execution and delivery of the 2019 Bonds.

TAX EXEMPTION AND OTHER TAX MATTERS

Internal Revenue Code of 1986

In the opinion of Burr Forman McNair, to be delivered on the date of issuance of the 2019 Bonds, under existing laws, regulations, rulings and judicial decisions and assuming the City’s continued compliance with certain covenants described below, interest on the 2019 Bonds is excludable from gross income of the recipients thereof for federal income tax purposes.

The Internal Revenue Code of 1986, as amended (“Code”), including the Treasury Regulations promulgated thereunder, includes provisions that relate to tax-exempt obligations, such as the 2019 Bonds, including, among other things, permitted uses and investment of the proceeds of the 2019 Bonds and the rebate of certain net arbitrage earnings from the investment of such proceeds to the United States Treasury. Noncompliance with these requirements may result in interest on the 2019 Bonds becoming subject to federal income taxation retroactive to the respective issuance dates thereof. The City has covenanted to comply with the requirements of the Code to the extent required to maintain the exclusion of interest on the 2019 Bonds from gross income for federal tax purposes. Failure of the City to comply with the covenant could cause the interest on the 2019 Bonds to be taxable retroactively to the date of issuance.

The Code imposes an alternative minimum tax on a taxpayer’s alternative minimum taxable income. Interest on the 2019 Bonds is not an item of tax preference for purposes of the alternative minimum tax. Interest on the 2019 Bonds is not an item of tax preference for purposes of the alternative minimum tax.

Although Burr Forman McNair is of the opinion that interest on the 2019 Bonds is excludable from gross income for federal income tax purposes, the accrual or receipt of interest on the 2019 Bonds may otherwise affect the federal income tax liability of the recipient. The extent of these other tax consequences will depend on the recipient’s particular tax status or other items of income or deduction. Prospective purchasers of the 2019 Bonds should be aware that ownership of the 2019 Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, banks, thrifts and other financial institutions, property and casualty insurance companies, certain recipients of Social Security or

Railroad Retirement benefits, certain S corporations with “excess net passive income,” foreign corporations subject to the branch profits tax, life insurance companies and taxpayers otherwise entitled to claim the earned income credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the 2019 Bonds. Burr Forman McNair will not express any opinion as to such collateral tax consequences. Prospective purchasers of the 2019 Bonds should consult their tax advisors as to collateral federal income tax consequences.

Burr Forman McNair has not undertaken to determine (or to inform any person) whether any action taken (or not taken) or event occurring (or not occurring) after the issuance date of the 2019 Bonds may affect the tax status of interest on the 2019 Bonds. In rendering its opinion, Burr Forman McNair will rely on certificates and representations of the City with respect to certain material facts solely within the City’s knowledge relating to the investment and use of the proceeds of the 2019 Bonds and compliance by the City with certain covenants.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the 2019 Bonds to be subject, directly or indirectly, to federal or State income taxation, or otherwise prevent the holders thereof from realizing the full current benefit of the tax-exempt status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the 2019 Bonds and could also affect, perhaps significantly, the market price for, or marketability of, the 2019 Bonds. Prospective purchasers of the 2019 Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Burr Forman McNair expresses no opinion.

[Original Issue Discount

Certain of the 2019 Bonds have been sold at initial public offering prices which are less than the amount payable at maturity (“Discount Bonds”). An amount not less than the difference between the initial public offering prices of the Discount Bonds and the amount payable at maturity constitutes original issue discount, which will be treated as interest on such Discount Bonds and, to the extent properly allocable to particular owners who acquire such Discount Bonds at the initial offering thereof, will be excludable from gross income for federal income tax purposes to the same extent as other interest on the 2019 Bonds.

A portion of the original issue discount that accrues in each year to an owner of a Discount Bond that is a corporation will be included in the calculation of adjusted current earnings in determining the alternative minimum tax liability of such corporation. Consequently, an owner of any Discount Bond that is a corporation should be aware that the accrual of original issue discount in each year may result in an alternative minimum tax liability although the owner of such Discount Bond has not received cash attributable to such original issue discount in such year.

Owners who may acquire 2019 Bonds that are Discount Bonds should consult their tax advisors with respect to the determination for federal income tax purposes of the amount of original issue discount or interest properly accruable with respect to such 2019 Bonds, other tax consequences of owning Discount Bonds and the state and local tax consequences of owning Discount Bonds.]

[Original Issue Premium

Certain of the 2019 Bonds have been sold at initial public offering prices which are greater than the amount payable at maturity (“Premium Bonds”). An amount equal to the excess of the purchase price of the Premium Bonds over their stated redemption prices at maturity constitutes premium on such Premium Bonds. A purchaser of a Premium Bond must amortize any premium over such Premium Bond’s term using constant yield principles, based on the purchaser’s yield to maturity. As premium is amortized, the purchaser’s basis in such Premium Bond is reduced by a corresponding amount, resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser’s basis is reduced, no federal income tax deduction is allowed. Purchasers of any 2019 Bonds at a premium, whether at the time of initial issuance or subsequent thereto, should consult with their own tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to state and local tax consequences of owning such 2019 Bonds.]

Burr Forman McNair is of the opinion that under present laws of the State, interest on the 2019 Bonds will be excluded from South Carolina taxation, except estate, transfer and certain franchise taxes. Section 12-11-20 of the Code of Laws of South Carolina 1976, as amended, imposes on every bank engaged in business in the State a fee or franchise tax computed at the rate of 4½% of the entire net income of such bank. Regulations of the South Carolina Department of Revenue require that the term “entire net income” include income derived from any source whatsoever, including interest on obligations of any state and any political subdivision thereof. Interest on the 2019 Bonds will be included in such computations.

FINANCIAL ADVISOR

Stifel, Nicolaus & Company, Incorporated, Columbia, South Carolina, has served as Financial Advisor to the City in connection with the offer and sale of the 2019 Bonds. As such, it has participated in the preparation of and review of the various financing documents related to the 2019 Bonds. The Financial Advisor will be paid from the proceeds of the 2019 Bonds.

CONTINUING DISCLOSURE

To the extent required by the Rule, the City, through a written agreement or contract for the benefit of registered owners and the Beneficial Owners of the 2019 Bonds, will provide notice, in a format as required by the Rule, either directly or indirectly through a designated agent, in a timely manner not in excess of ten business days after its occurrence, of any of the events enumerated in section (b)(5)(i)(C) of the Rule and will provide certain financial information and operating data relating to the City by no later than February 1 after the end of each of the City’s fiscal years, commencing with the report for the Fiscal Year 2018 (“Annual Report”). The form of that written agreement, the Disclosure Dissemination Agent Agreement, entered into by the City with Digital Assurance Certification, L.L.C. (“DAC”) in connection with the issuance of the 2019 Bonds (“DDAA”), is attached as Appendix E. The Annual Report will be filed on behalf of the City by DAC, as dissemination agent, with the Municipal Securities Rulemaking Board (“MSRB”). The notices of any events enumerated in section (b)(5)(i)(C) of the Rule will be filed on behalf of the City by DAC with the MSRB. The specific nature of the information to be contained in the Annual Report and the notices of enumerated events is set forth in the DDAA, the form of which is attached as Appendix E. These covenants have been made in order to assist the original purchasers of the 2019 Bonds in complying with the Rule.

As provided in the Continuing Disclosure Agreement, if the City fails to comply with any provision of the Continuing Disclosure Agreement, any registered owner or “Holder” of the Bonds may take such actions as may be necessary and appropriate, including seeking injunctive relief or specific performance by court order, to cause the City to comply with its continuing disclosure obligations under the Continuing Disclosure Agreement. “Beneficial Owner” is defined in the Continuing Disclosure Agreement to mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any 2019 Bonds (including persons holding 2019 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any 2019 Bonds for federal income tax purposes. If any person seeks to cause the City to comply with its continuing disclosure obligations under the Continuing Disclosure Agreement, it is the responsibility of such person to demonstrate that it is a “Holder” within the meaning of the Continuing Disclosure Agreement.

For Fiscal Year 2014, the City timely filed its annual report on January 23, 2015. For the Fiscal Year 2015, the City timely filed its annual report on January 22, 2016. For Fiscal Year 2016, the City timely filed its annual report on January 25, 2017. For Fiscal Year 2017, the City timely filed its annual report on January 26, 2018. For Fiscal Year 2018, the City timely filed its annual report on January 25, 2019.

In recent years there have been numerous rating actions reported by Moody’s Investors Service (“Moody’s”) and S&P Global Ratings (“S&P”) affecting several municipal bond insurance companies, some of which had insured or insure certain of the City’s bonds. Due to widespread knowledge of these rating actions, material event notices have not previously been filed by the City in each instance. The City filed notice on July 11, 2016, of S&P’s change of Assured Guaranty Corp’s rating from AA- to AA in March 2014.

The City’s policy when it learns of incomplete or late filings is to take remedial action and provide this information immediately. In addition, the City has taken and is continuing to take certain steps to help identify and report events which may trigger continuing disclosure obligations pursuant to the Rule, including but not limited to, (1) increased education (including periodic training) and awareness by the City’s finance staff of the importance of the Rule and continuing

disclosure requirements provided thereby; (2) adoption of written policies and procedures related to continuing disclosure and the assignment by the City of its most senior finance staff member with responsibility for continuing disclosure; and (3) the City's review of potential market changes that might relate to the City's continuing disclosure requirements and engagement of advisors to help alert the City and its disclosure dissemination agent, DAC, to the same.

The City may modify from time to time, consistent with the Rule, the information provided to the extent necessary or appropriate in the judgment of the City, but: (1) any such modification may only be made 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 the City; (2) the information to be provided, as modified, would have complied with the requirements of the Rule as of the date of this Official Statement, after taking into account any amendments or interpretations of the Rule, as well as any changes in circumstances; and (3) any such modification does not materially impair the interest of the Holders or the beneficial owners, as determined by the nationally recognized bond counsel or by the approving vote of the Holders of a majority in principal amount of the Bonds then Outstanding at the time of the amendment. Any annual financial information containing modified operating data or financial information will explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided. The City's continuing disclosure undertakings under the Continuing Disclosure Agreement will terminate on payment, or provision having been made for payment in a manner consistent with the Rule, in full of the principal of and interest on the 2019 Bonds.

So long as required, pursuant to Section 11-1-85, Code of Laws of South Carolina 1976, as amended, the City shall file with a South Carolina-based, central repository, if any, for availability in the secondary bond market, an annual independent audit within 30 days of its receipt and event specific information within 30 days of an event adversely affecting more than 5% of revenues of the City or the City's tax base. At present, there is no South Carolina-based, central repository.

MUNICIPALITIES CONTINUING DISCLOSURE COOPERATION INITIATIVE

In March 2014, the Securities and Exchange Commission ("SEC") announced the Municipalities Continuing Disclosure Cooperation Initiative ("MCDC"), pursuant to which municipal bond underwriters, issuers, and obligated persons were permitted to self-report possible violations involving materially inaccurate statements or omissions relating to prior compliance with the continuing disclosure obligations specified in the Rule. The SEC further announced that, to the extent an issuer meets the requirements of MCDC and the enforcement division of the SEC (the "Division") decided to recommend enforcement action against the issuer, the Division would recommend that the SEC accept a settlement from the issuer on favorable settlement terms, including the issuer's undertakings to establish appropriate policies, procedures and training regarding continuing disclosure obligations, comply with existing continuing disclosure undertakings, including updating past delinquent filings, disclose the settlement in future offering documents and cooperate with any subsequent investigations by the Division.

In April 2016, the City executed and submitted to the SEC an Offer of Settlement under MCDC, in which the City neither admitted nor denied the findings but agreed to cease and desist from future violations and proposed settlement terms consistent with those originally announced by the SEC in March 2014. By order dated August 24, 2016 (SEC Release No. 33-10143) ("Order"), a copy of which may be obtained from the SEC's website, the SEC accepted the City's Offer of Settlement and ordered the City to cease and desist from committing or causing any future violations of Section 17(a)(2) of the 1933 Act and comply with the following undertakings, which undertakings are consistent with those originally announced by the SEC in March 2014:

(1) within 180 days of the date of the Order, the City will establish appropriate written policies and procedures and periodic training regarding continuing disclosure obligations to comply with the federal securities laws, including the designation of an individual or officer at the City responsible for ensuring the City's compliance with such policies and procedures and responsible for implementing and maintaining a record (including attendance) of such training;

(2) within 180 days of the date of the Order, the City will comply with existing continuing disclosure undertakings, including updating past delinquent filings;

(3) the City will disclose in a clear and conspicuous fashion the terms of the settlement described in the Order in any final official statement for an offering by the City within five years of the date of the Order;

(4) the City will certify, in writing, compliance with the undertakings set forth above, including certification no later than the one-year anniversary of the date of the Order and certifications made from time to time upon reasonable requests by the SEC staff for further evidence of compliance; and

(5) the City will cooperate with any subsequent investigation by the Division regarding the false statements and/or material omissions that were the subject of the Order, including the roles of individuals and/or other parties involved.

Consistent with the original announcement of MCDC by the SEC, the City is not subject to any civil or criminal penalty or fine arising from MCDC or the violations that were the subject of the Order. The City has been and remains fully committed to cooperating with the SEC's efforts to ensure continuing disclosure in an appropriate and timely manner in connection with its publicly traded bond issues.

MISCELLANEOUS

Ratings

Moody's and S&P have assigned the 2019 Bonds their municipal bond ratings of "[]" and "[]," respectively. Such ratings reflect only the views of Moody's and S&P and an explanation of the significance of such ratings may be obtained from Moody's at the following address: Moody's Investors Service, Inc., 7 World Trade Center at 250 Greenwich Street, New York, New York 10007 and for S&P at: Standard & Poor's Corporation, 55 Water Street, 38th Floor, New York, New York 10041. The City has furnished to Moody's and S&P certain information and materials respecting the City and the 2019 Bonds. Generally, Moody's and S&P base their ratings on such information and materials and on investigations, studies and assumptions furnished to and obtained and made by them. There is no assurance that such ratings will remain unchanged for any period of time or that it may not be revised downward or withdrawn entirely by Moody's or S&P, if in their judgment circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the 2019 Bonds.

Underwriting

The City has engaged PNC and Raymond James to act as co-senior managing underwriters for the 2019 Bonds. The City selected PNC Capital Markets LLC ("PNC") as the book runner for the 2019 Bonds. Siebert serves as co-manager on the 2019 Bonds.

PNC and PNC Bank, National Association are both wholly-owned subsidiaries of PNC Financial Services Group, Inc. PNC is not a bank, and is a distinct legal entity from PNC Bank, National Association. PNC Bank, National Association has banking and financial relationships with the City.

The 2019 Bonds are being purchased for reoffering by the Underwriters. The Underwriters have agreed, subject to certain conditions, to purchase the 2019 Bonds at a purchase price of \$[] (representing the par amount of the Bonds less an Underwriter's discount of \$[], [plus][less] [net] aggregate original issue [premium][discount] of \$[]).

The Underwriters may offer and sell the 2019 Bonds to certain dealers and others at a price lower than the offering prices stated on the inside cover page hereof. The offering prices may be changed from time to time by the Underwriters.

Concluding Statement

All quotations from and summaries and explanations of provisions of laws of the State herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof. All references to the 2019 Bonds and the determinations of the City Council relating thereto are qualified in their entirety by reference to the definitive forms of the 2019 Bonds and the Ordinance and to such determinations. All such summaries, explanations and references are further qualified in their entirety by reference to the exercise of sovereign police powers of the State and the constitutional powers of the United States of America, and to valid bankruptcy, insolvency, reorganization, moratorium and other laws for the relief of debtors.

Certain of the information set forth in the Official Statement and in the appendices hereto has been obtained from sources other than the City that are believed to be reliable but is not guaranteed as to accuracy or completeness.

The agreement between the City and the holders of the 2019 Bonds is fully set forth in the Ordinance and neither any advertisement for the 2019 Bonds nor this Official Statement is to be construed as constituting an agreement with the holders of the 2019 Bonds.

Anyone having questions should direct them to Jeffery M. Palen, Assistant City Manager for Finance and Economic Services and Chief Financial Officer, City of Columbia, 1737 Main Street, Columbia, South Carolina 29201, and telephone 803.545.4308.

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The delivery of this Official Statement and its use in connection with the sale of the 2019 Bonds has been duly authorized by the City.

CITY OF COLUMBIA, SOUTH CAROLINA

Stephen K. Benjamin, Mayor

APPENDIX A

**PORTION OF COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE CITY FOR FISCAL YEAR ENDED JUNE 30, 2018**

APPENDIX B

GENERAL INFORMATION REGARDING THE CITY OF COLUMBIA

Population

The population of the City, Lexington County, Richland County and the Columbia Metropolitan Statistical Area (“Columbia MSA”) for the preceding five decades and estimates for calendar year 2018 are set forth in the following table:

<u>Year</u>	<u>City</u>	<u>Lexington County</u>	<u>Richland County</u>	<u>Columbia MSA</u>
1970	113,542	89,012	233,868	322,880
1980	101,229	140,353	269,735	409,953
1990	103,477	167,611	285,720	453,932
2000	116,278	216,014	320,677	647,158
2010	129,272	262,391	384,504	767,598
2018 [†]	[] [†]	[] [†]	[] [†]	[] [†]

Source: U.S. Department of Commerce, Bureau of the Census.

[†]Estimated, subject to adjustment

Per Capita Income

The following table shows the per capita income in Lexington County, Richland County and the State for the past five calendar years, for which information is available:

<u>Year</u>	<u>Lexington County</u>	<u>Richland County</u>	<u>State</u>
2012	\$37,363	\$37,811	\$35,244
2013	37,982	38,346	35,287
2014	39,771	38,811	36,860
2015	41,764	41,025	38,302
2016	42,843	42,245	39,517

Source: U.S. Bureau of Economic Analysis

Median Family Income

Median family income statistics are available only as combined figures for the Columbia MSA made up of Lexington, Richland, Calhoun, Fairfield, and Saluda counties. The median family income for the Columbia MSA for the last five fiscal years and estimates for 2018, for which information is available, is shown in the following table. Median family income figures for the State and United States are shown for comparison purposes.

<u>Fiscal Year Ended</u> <u>June 30</u>	<u>Columbia MSA</u>	<u>State</u>	<u>United States</u>
2013	\$60,400	\$55,000	\$64,400
2014	58,000	54,300	63,900
2015	64,700	55,500	65,800
2016	64,100	56,100	65,700
2017	67,000	58,300	68,000
2018 [†]	69,900	62,500	71,900

Source: U.S. Department of Housing and Urban Development, Office of Policy Development and Research

[†]Estimated as of April 1, 2018

Unemployment Rate

The average unemployment rates in the City, Lexington County, Richland County, the State and the United States for each of the last five calendar years, for which information is available, is set forth in the following table:

<u>Year</u>	<u>City</u>	<u>Lexington County</u>	<u>Richland County</u>	<u>State</u>	<u>United States</u>
2013	7.4%	5.8%	6.9%	7.6%	7.4%
2014	6.5	5.1	6.0	6.5	6.2
2015	6.5	4.9	5.7	6.0	5.3
2016	5.3	4.0	4.7	5.0	4.9
2017	4.5 [†]	3.5 [†]	4.1 [†]	4.3	4.3

Source: U.S. Department of Labor, Bureau of Labor Statistics

[†]Preliminary, subject to adjustment

The monthly unemployment rates in the City, Lexington County, Richland County, the State and the United States for the last 12 months, for which information is available, is set forth in the following table:

<u>Month</u>	<u>City</u>	<u>Lexington County</u>	<u>Richland County</u>	<u>State</u>	<u>United States</u>
February 2018					
March 2018					
April 2018					
May 2018					
June 2018					
July 2018					
August 2018					
September 2018					
October 2018					
November 2018					
December 2018					
January 2019					

Source: U.S. Bureau of Labor Statistics

[†]Preliminary, subject to adjustment

Retail Sales

The following table shows retail sales of businesses located in Lexington County, Richland County and the City for the last five fiscal years, for which information is available:

<u>Fiscal Year Ended June 30</u>	<u>Lexington County</u>	<u>Richland County</u>	<u>City</u>
2014	\$10,692,792,351	\$10,939,040,895	\$5,379,848,426
2015	12,277,626,168	10,616,492,430	4,781,690,279
2016	15,315,151,929	11,299,456,248	5,272,281,860
2017			
2018			

Source: South Carolina Department of Revenue

Construction Activity

The growth of the City is reflected in the following table showing the number of new commercial and residential units constructed in the City and the approximate cost of those units in the last five fiscal years for which information is available:

Fiscal Year Ended <u>June 30</u>	<u>Commercial</u>		<u>Residential</u>	
	Number of <u>Units</u>	Estimated <u>Commercial Costs</u>	Number of <u>Units</u>	Estimated <u>Residential Costs</u>
2014	19	\$ 87,236,042	178	\$ 35,203,257
2015	32	96,485,135	629	118,450,921
2016	34	78,078,051	179	31,824,601
2017	31	107,273,675	316	67,337,325
2018				

Source: City of Columbia, Planning and Development Services, Permits

Commerce and Industry

State and federal payrolls are major sources of employment and income for residents of the City. The City has experienced considerable expansion of Federal, State, and the City facilities. A prior example of governmental investment in the City includes completion by the Federal government of a \$32 million, 250,000 square foot National Advocacy Center located on the campus of the University of South Carolina in Columbia. Its primary mission is to train the nation’s prosecutors and litigators. An estimated 10,000 students attend one-to-two week-long continuing education programs at the center.

University of South Carolina. The University of South Carolina’s (“USC”) main campus is located in downtown Columbia. USC, along with the USC Development Foundation, the City and the University Neighborhood Association collaborated to develop the Inn at USC, a state-of-the-art hotel with 117 rooms, including several two-room suites, three deluxe suites with fireplaces, and spacious meeting and seminar rooms. The Inn at USC joined the Wyndham Hotel Group in August 2012 and is now known as the Inn at USC Wyndham Garden Columbia. The Inn is the first Wyndham Garden hotel in South Carolina. The Inn at USC Wyndham Garden Columbia is adjacent to, and services the National Advocacy Center. Marriott purchased and renovated another hotel on USC’s Columbia campus. The Courtyard Marriott opened in 2007, with 189 rooms, 16 suites, and three meeting rooms with a capacity of 600.

USC’s main campus is home to the Colonial Life Arena—the largest arena in the State with 18,000 seats, and the tenth-largest on-campus basketball facility in the nation. This one-of-a-kind facility features 41 luxury suites, four entertainment suites, and a full-service hospitality room with capacity for 300. Also located on USC’s main campus is the Strom Thurmond Wellness and Fitness Center and the Greek Village, which consists of 20 residential housing units, each accommodating 35 to 40 resident students. Located on a 29-acre tract along the Congaree River near downtown Columbia is the USC baseball stadium built in 2009 with a seating capacity of 8,242.

USC formed a public/private partnership with partners in business and government to build a 500-acre research campus called “Innovista” in downtown Columbia for research on hydrogen and other technologies. Innovista facilities consist of the Arnold School of Public Health and two research complexes: Horizon Center and Discovery Plaza. The Arnold School of Public Health, situated on a \$22 million, 104,860-square-foot facility, is the only school of public health in the State. Students become equipped to receive master’s and doctoral degree programs in public health, medicine, pharmacy, environment, kinesiology, physical therapy and health systems management. The exercise science program is ranked one of the top five nationally. Horizon I contains 125,000 square feet of dry lab and wet lab space, and is home to the National Science Foundation Industry/University Cooperative for Fuel Cell Research. Discovery Plaza I houses a wet lab with vivarium lab for USC biomedical scientists. The second building in each complex will be for private tenants and their research teams, working on projects related to those of the USC researchers, and each complex will have its own attached parking deck. Horizon II is a privately developed, five-

story, 110,000-square-foot office/dry lab building, currently under construction. Discovery II is in the design and programming phase. Tenants will include private-sector firms and governmental units with collaborative USC research relationships. Innovista provides walking and bike paths tying its buildings and parking to Riverfront Park, the USC baseball stadium, and the Strom Thurmond Wellness & Fitness Center. The total investment for the first phase of construction was approximately \$140 million, with the total investment in Innovista expected to reach \$250 million at completion. The new, 250,000 square-foot, \$90 million, Darla Moore School of Business, also located in Innovista, opened for classes for the Fall 2014 semester.

In May 2017, the USC School of Law, located in downtown, opened its new \$80 million, 187,500 square-foot facility at Bull and Gervais streets. The building features 17 classrooms, ranging in size from 20 to 95 seats, and two realistic courtrooms, including one that also can be used as a 300-seat auditorium. The new School of Law anchors a legal corridor along the north edge of the campus and comprises the school's Children Law Center, the National Advocacy Center, and the South Carolina's State House and Supreme Court.

The 60,000 square-foot, \$26 million Alumni Center, located in the Vista, opened in the summer of 2015 and is a place for alumni engagements and to celebrate life's milestones.

USC began construction in early 2014 behind the Carolina Coliseum of a private, resort-style student housing development including a six-story, 919-bed apartment complex, 650 Lincoln. The complex, which opened in 2016, includes one-, two- and four-bedroom apartments, as well as studio apartments, a fitness center, volleyball court, a pool, and other high-end amenities. As part of the project, a dining facility, parking garage and classrooms will be built behind the new Moore Business School. A portion of the complex is complete and students have moved in, while other sections have been delayed by a few months.

Downtown Columbia. Columbia Marriott located on Main Street in Downtown Columbia invested approximately \$12 million in renovations to its facilities. A new restaurant concept was a main focus of the renovations, which included updates to all guest rooms and suites and a broad transformation throughout the lobby, the concierge lounge, and the hotel's 27,000-square-feet of meeting space.

In January 2018, the Hunter-Gatherer Brewery opened in Columbia's historic Depression-era Curtiss-Wright hangar at Jim Hamilton-L.B. Owens Airport. The hangar underwent a complete renovation and re-opened as a craft brewery owned and operated by Hunter Gatherer. The brewery takes up the entire 13,000-square-foot hangar and includes a tap room, event space, an open-to-the-public brewery and an observation deck overlooking the commuter airport near Rosewood Drive. The hangar has hosted the likes of World War II hero Jimmy Doolittle and aviation legend Amelia Earhart.

In November 2017, the City announced two new projects. The first project, known as the Azurest at Heritage Creek, will be located in the City's northern area. The project is a mixed-use development of commercial, residential and retail space to include single- and multi-family housing, retail and recreation to 80, currently-undeveloped, acres. The development is expected to include more than 100 homes, a senior assisted-living facility, a school, boutique shops, medical clinics, and restaurants.

The second project is a Community and Resource Training Center, which is scheduled to be completed in 2018. Once completed, the facility will feature a large community center with a conference room, recreation area and a police substation with state-of-the-art technology. A second phase of construction is anticipated to start later in 2018 and will include walking trails, a playground and public plazas.

Downtown Columbia's 1600 block of Main Street continues its transformation. Anchored by early adopters Mast General and the Nick Theater, the block now contains a yoga studio, wine parlor, event venue, vegan restaurant, boutique cigar store, specialty ice cream shop, bowling alley, and a web development company. In addition to the numerous retail establishments, restaurants, and businesses, Main Street is also home to Soda City and Famously Hot New Year's celebration. Soda City is Columbia's Main Street Farmers Market open every Saturday from 9am – 1 pm, year round. Soda City offers visitors the opportunity to shop for gifts, fresh produce, locally-sourced fresh and prepared food, and craft items. Columbia's Famously Hot New Year's Celebration is South Carolina's largest New Year's Eve event, hosted on Main Street. Started in 2011, Famously Hot New Year is a free, outdoor celebration that draws a diverse, all-ages crowd of tens of thousands of guests—from 48 states and 11 countries—to downtown Columbia, S.C.

In August 2017, University of South Carolina trustees approved a \$460 million plan to transform the south side of USC's downtown Columbia campus into a 3,750-bed "Campus Village" student housing complex. The 18-acre site – bordered by Pickens, Heyward and Sumter streets – call for cast-stone or brick buildings of up to six stories, a 945-space parking garage, several courtyards, retail shops, a cafeteria and restaurants.

Spirit Communications Park ("Park") opened in April 2016. It is a state-of-the-art multi-use sports and entertainment venue situated in "The Commons at Bull Street" in Downtown Columbia. The Park, which hosted its first game in April 2016, is home to the Columbia Fireflies, an affiliated Minor League Baseball team. The Park was named the 2016 Ballpark of the Year by Ballpark Digest. The Park will anchor various projects at The Commons at Bull Street. The baseball team has approximately 550 part-time and 35 full-time employees. The Park seats approximately 8,000 fans for baseball games and 14,000 for concerts.

The Commons at Bull Street is a 181-acre, planned development intending to provide a live-work-play community in the City's downtown. The first phase of development includes The First Base (office) Building and the anticipated opening of Bone-In Barbeque in April 2018. The 196-unit Merrill Gardens, senior-living community and 28 residential townhomes are each under construction. The historic Bakery at Bull Street building is home to the SOCO cowork and event space. The Central Energy Facility is the future home of Downtown Church and plans are being formulated to locate a new USC Health Sciences campus on the Commons.

Station at Five Points Apartments is a new student housing complex including one, two, three, and four bedroom apartments, with numerous amenities, including electronic building access, study rooms, a 24-hour business center, community-wide high-speed Wi-Fi, media center, fire pit and grilling area, fitness center, pool, gaming room and golf simulator.

A new student housing project is currently in the construction phase for Downtown Columbia. University SC Tower, a private student housing project located a few blocks from the USC Horseshoe will feature 848 beds, five-bedroom suites, private parking and street-level retail. The latest entry into downtown's upscale student housing market will be two glass-covered towers 12-stories high, with a theater, fitness center and rooftop pool. It will be situated along Assembly, Pendleton and Park streets, across Assembly from the State House, with suites ranging from one- to five-bedrooms. Construction of the \$60 million, 435,000-square-foot complex is expected to be completed in 2018.

Vista. The City of Columbia, in cooperation with the County and neighboring Lexington County, constructed a 142,500 square-foot, state-of-the-art meeting and convention center in the downtown "Vista" area at a cost of \$40 million. The Columbia Metropolitan Convention Center is complemented by a 222-room, full service Hilton Convention Center Hotel, along with an adjacent 829-space parking garage serving the hotel, convention center and area businesses. Other major projects in the Vista area include renovation of the historic South Carolina Dispensary Warehouse for reuse as a Publix grocery store and townhouses, and the development of Canal Front Park along the Columbia Canal.

Residential projects in the Vista include Justice Square Town Homes, a 12-unit residential project. In addition, Renaissance Plaza Apartments provides live/work residential units, with 17 small storefronts and professional offices and 55 condominiums. The Canal Side development consists of 25 acres and 750 total units of single-family attached, detached and multi-family residential options, a central park area, open space adjacent to the Congaree River and Columbia Canal, and a limited amount of complementary retail and commercial space. In addition to the above, many businesses, including over 60 restaurants and bars, approximately 40 art galleries and specialty shops, hotels, banks, retail stores, and other office buildings have been or are currently under development in the Vista area.

The Vista offers various hotels and places to stay overnight, including the Courtyard Columbia Downtown at USC, the Hampton Inn Downtown Historic District, the Holiday Inn Express and Suites, the Sheraton Columbia Downtown, the Springhill Suites Columbia Downtown, Staybridge Suites, the Hyatt Place, and Aloft.

In February 2017, the new Aloft Hotel opened, bringing a new, unique boutique hotel option to the Vista. The five-story, 107 room hotel provides another contemporary and artsy offering for those looking to stay downtown providing easy walking access to most restaurants and the Convention Center. Aloft is a spinoff of the Starwood company's trendy W hotels.

In August 2016, Congaree Vista Guild announced the opening of four housing developments: The Apartments at Palmetto Compress, GreeneCrossing, ParkPlace, and 650 Lincoln, which all offer residents an urban environment convenient to the University of South Carolina, shops, restaurants, nightlife and more. These developments have added approximately 2,000 new residents to the population of Vista, and estimated to now include 5,000 residents, doubling the resident population in the Vista.

In March of 2015, Hyatt Place opened their new Columbia hotel downtown in the heart of the Vista. The hotel represents an \$18 million investment to the popular downtown hotel market, providing guests access to the most popular entertainment district in the City. The hotel features 130 guestrooms, a 24-hour gym with an indoor pool, and more than 2,000 square feet of flexible, high tech meeting space.

In and near the Vista are various museums and theatres, including the Columbia Museum of Art, the Historic Columbia Foundation, the South Carolina Confederate Relic Room and Military Museum, the South Carolina State Museum, the Koger Center for the Arts, EdVenture Children's Museum, and the Trustus Theatre.

In addition to the above, many businesses, including restaurants, hotels, banks, retail stores, apartments and other office buildings, have been or are currently under development in the Vista area.

Fort Jackson. Fort Jackson ("Fort") was established in 1917 and designated as a permanent post of the United States Army in 1940. The Fort is the largest and most active Initial Entry Training Center in the United States Army, providing training to 54% of the Army's Basic Combat Training load and 61% of the women who enter the Army each year. While some installations have experienced downsizing and closure in past years, Fort Jackson has added several new schools and training institutions since 1995 including the Army's Drill Sergeant; Master Fitness and Master Resiliency Schools; the Soldier Support Institute and their Adjutant General, Financial Management, Non-Commissioned Officers Academy, and Inter-Service Postal Training Activity; the National Center for Credibility Assessment; and the Armed Forces Chaplaincy Center and School training Army, Air Force, and Naval Chaplains. These schools and training institutions provide advance training to over 24,000 students.

More than 3,500 active duty soldiers and their 12,000 family members are assigned to the Fort. The Fort instructs more than 50,000 soldiers in basic training and advanced individual training each year. The Fort employs almost 3,500 civilians and provides services for more than 46,000 retirees and their family members. An additional 10,000 students attend courses at the Soldier Support Institute, Armed Forces Chaplaincy Center and School, National Center for Credibility Assessment and Drill Sergeant School am-malty.

Approximately 15,000 acres of the 52,000-acre base are licensed to the South Carolina Army National Guard, which operates the McGrady National Training Center. The McGrady National Training Center is responsible for training members of the SC Army National Guard and is the central training facility for Navy and Air Force Personnel assigned as Individual Augmentees.

The Fort also provides numerous support services for soldiers and their families, including the Moncrief Army Community Hospital ("Moncrief"), a 60-bed general medical and surgical hospital located on the base. Moncrief provides primary care, immunization services, lab services, radiology services, and behavioral health services to personnel and families assigned to Fort Jackson, the Shaw Air Force Base, along with thousands of military retirees living in the midlands area.

The Fort, annexed into the City in October 1968, has a significant economic impact on the midlands area, contributing approximately \$2.2 billion to the local economy. In addition, approximately 200,000 friends and family members visit the midlands area each year to attend basic training graduation activities, using local hotels, restaurants and shopping areas. The Fort encompasses more than 52,000 acres of land including over 100 ranges and field training sites and 1,160 buildings. Recent improvements include a Basic Combat Training star base, dual dining facility, Family Life and Resiliency Center, the 80 Regional Reserve Command and a Residential Communities Initiative which will result in the demolition and renovation of 640 new and 210 renovated homes for Army families.

Industries. In March 2018, Colite International, a world leader in full-service sign manufacturing, announced plans to invest \$2.5 million at its existing operations at 5 Technology Circle in Richland County. The investment will

allow the purchase of state-of-the-art equipment to keep the company competitive in national and international markets.

In February 2018, Zeus Industrial Products, a leading polymer extrusion manufacturer and material science innovator, announced plans to expand its existing location in Calhoun County. The company's \$76 million investment is expected to create an additional 350 new jobs over the next several years. When the expansion is complete, the new facility will include approximately 148,000 square feet of manufacturing space. The expansion is scheduled to be completed in 2019.

In January 2018, Tidewater Boats, a designer and manufacturer of premium saltwater boats, announced plans to grow its existing Lexington County operations. In order to accommodate the production of larger models, the company is investing \$8.3 million and creating 100 new jobs. The company will be constructing a new satellite facility at 1 Brickyard Road in Lexington, S.C. to produce its larger models. The site will allow for more modernized, streamlined production, while also freeing up space at Tidewater's original facility to expand production.

In December 2017, Nephron Pharmaceuticals Corporation, a manufacturer of sterile inhalation and 503B outsourcing medications, announced a \$12.5 million expansion to add 36,000 square feet of manufacturing space to its existing 400,000+ square foot facility in Saxe Gotha Industrial Park. The new investment is expected to create 125 new jobs. In 2011, the company announced plans to relocate its headquarters from Florida to South Carolina. Since announcing plans to relocate their headquarters, the company has invested more than \$320 million and currently employs 640 workers.

In November 2017, The Ritedose Corporation, a pharmaceutical products manufacturer, announced plans to invest \$10 million constructing a new 140,000 square foot facility within the Enterprise Industrial Campus of Midlands Technical College. The latest expansion is in addition to plans announced in 2014 to add 80,000 square feet to their existing 120,000 square foot facility, investing \$110 million and creating 65 new jobs. The Ritedose Corporation specializes in the production of inhalation products, eye drops, ear drops and oral liquids.

In November 2017, Woodfield Systems USA, a designer and manufacturer of bulk liquid and gas handling equipment, announced plans to establish a new manufacturing center in Richland County. In connection with these plans, the company intends to invest \$1.5 million and create 50 new jobs. The company's Richland County operations will produce loading arms, metering and process skids to support the loading and unloading of bulk tanker trucks and rail cars in the refined fuel, industrial and chemical and industrial HVAC markets.

In October 2017, Prysmian Group, a world leader in the telecom cables and systems industry, announced plans to expand its Lexington County facility, investing \$15 million and creating 30 new jobs within the next five years. Once the expansion is completed, Prysmian's Lexington County facility will be the company's top producer of fiber cable in the world.

In September 2017, Charter Nex, one of North America's leading independent producers of high-performance specialty films used in flexible packaging and other critical performance applications, announced plans to invest \$85 million and create 110 new jobs in connection with its proposed 140,000-square-foot facility to be constructed in the Carolina Pines Industrial Park.

In August 2017, Trane, a leading global provider of indoor comfort systems and services, announced plans to expand its existing operations with a capital investment of \$96 million and the creation of 700 new jobs. Trane currently has approximately 600 employees in South Carolina. The company's existing facility will increase in size by 680,000 square feet once the expansion is completed.

In May 2017, China Hengshi Foundation Company, a fiberglass fabric provider, announced plans to occupy a 111,000-square-foot facility located in the City. The company's new operations are expected to bring \$11.1 million in capital investment and lead to the creation of 48 new jobs. Founded in 2000, China Hengshi specializes in the research, development, production and marketing of a variety of fiber-weaving products for export around the world. Primarily used in wind turbine blades, the company's products are also used, for example, in space flight, aviation, construction, transportation, and environmental protection.

In April 2017, LulaRoe, a national clothing provider, announced plans to locate a new distribution center in Richland County. The project is expected to bring approximately \$35 million of new capital investment and create at least 1,000 new jobs over the next few years.

In March, 2017, a major aluminum cast plate manufacturer known throughout the world as Alimex, announced plans to establish a new facility in the midlands by bringing \$2 million in new capital investment and creating 27 new jobs. Alimex will lease a new industrial building located in the City. Founded in Germany in 1970, Alimex supplies the worldwide metal distribution, machining and processing industry with high-precision aluminum cast plates.

In June 2016, China Jushi, a global manufacturer of fiberglass products, announced the location of their first U.S. manufacturing operation in the County, with an expectation to produce 80,000 tons of fiberglass annually. The first phase of the project is expected to bring \$300 million in capital investment and create 400 new jobs. Once completed, the project is expected to become the largest consumer of water and sewer service from the City. China Jushi broke ground on December 8, 2016. The first phase of the project is anticipated to be completed by early 2019.

In April 2016, IBM, USC and Flour Corporation held the ribbon currently for the Center for Applied Innovation. The Center will provide application services to both public and private sector organizations across North America with specialties in the areas of analytics and higher education industry solutions. As part of the initiative, the organizations will collaborate on tailored IT curriculums and advanced analytic techniques for personalized learning. The Center is expected to create at least 100 new jobs over the next five years.

In January 2016, Dominion Carolina Gas Transmission announced its plans to establish operations in Columbia, SC. Dominions new facility will incorporate 120,000 square feet of office space on a nine acre campus. This move comes on the heels of their acquisition of Carolina Gas Transmission from SCANA Corporation. Dominion is expected to invest \$10 million in its new facility as well as bring around 100 high wage paying jobs to the City.

In November 2015, General Information Services, Inc., one of the most experienced and largest background screening providers in the nation, announced its plans to expand with a new facility in the County. The company is investing more than \$2.7 million in the new facility, which is expected to generate 91 new jobs over five years.

The following table shows the ten largest industrial employers as of December 2017, located within the Columbia MSA, the type of business and their approximate number of employees:

<u>Name</u>	<u>Type of Business</u>	<u>Number of Employees</u>
SCANA Corporation	Utility	4,227
Michelin North America Inc.	Tire manufacturing	2,080
Westinghouse Electric Corp.	Nuclear fuel assemblies	1,200
Invista	Chemical products/preparation	1,100
House of Raeford	Poultry processing	857
International Paper Co.	Fine paper	675
Nephron Pharmaceuticals	Pharmaceuticals	640
McEntire Produce	Fresh Produce Processor	600
Square D/Schneider Electric	Industrial electrical controls	530
Sysco	Food processing	500

Source: Central SC Alliance & Columbia Regional Business Journal

The following table shows the largest non-industrial employers (other than the governmental entities described under “Government Employers” below) as of December 2017, located within the Columbia MSA, the type of business and their approximate number of employees:

<u>Name</u>	<u>Type of Business</u>	<u>Number of Employees</u>
Palmetto Health	Health Care	15,000
Blue Cross & Blue Shield of SC	Insurance	6,585
Lexington Medical Center	Healthcare	6,000
Amazon	Distribution Center	4,000
Allied Barton Security Services	Corporate Security	3,300
AT&T	Telecommunications	2,400
Providence Health	Healthcare	1,625
Dorn VA Medical Center	Healthcare	1,457
Wells Fargo	Banking	1,400
First Citizens Bank	Banking	1,313
Palmetto GBA	Finance & Insurance	1,300
Colonia Life	Finance & Insurance	1,140

Source: Central SC Alliance & Columbia Regional Business Journal

Government Employers

Governmental entities are the largest employers in the Columbia MSA. As the table below indicates, such governmental entities have historically provided a stable employment base. These entities include the State government, local governments (including the City), other federal government entities and local school districts. The table shown below provides a breakdown on employment by these entities for the Columbia MSA, as of December 2017:

<u>Name</u>	<u>Approximate Number of Employees</u>
State of South Carolina	25,246
University of South Carolina	8,500
Richland County School District 1	4,226
S.C. Department of Mental Health	3,798
Lexington County School District 1	3,550
Richland County School District 2	3,600
City of Columbia	2,523
Lexington County School District #5	2,354
Richland County Government	1,879
S.C. Department of Transportation	1,716
S.C. Department of Health and Environmental Control	1,623

Source: Central SC Alliance & Columbia Regional Business Journal

Facilities Located in the Columbia MSA

Transportation. Interstate Highways 20, 26, 77 and a network of U.S. and S.C. highways traverse the Columbia MSA. Rail service is provided by Southern Railway and CSX Transportation. Passenger service is available through Amtrak via “The Silver Star.” Nationwide freight service is available through approximately 50 motor freight lines regularly serving the City area. Intercity bus service is provided by Greyhound Lines, Inc.

The Columbia Metropolitan Airport (“Airport”), located in the unincorporated area of Lexington County, and approximately six miles southwest of the City’s central business district, is comprised of two runways, associated taxiways, an air traffic control tower, aviation fuel storage facilities, aircraft parking aprons, a passenger terminal building, air cargo buildings, general aviation hangars and terminals,

support facilities for the U.S. Army Reserve, the aeronautical facilities of the South Carolina Aeronautics Commission, roads, grounds and public parking facilities; all of which are located on approximately 2,600 acres. Air operations are conducted on an 8,600-foot x 150-foot runway and an 8,000-foot x 150-foot runway. The passenger terminal features a two-level concourse for common-use gates; a central food court within easy view of all gates; expanded airline ticket counter; baggage claim area; and a covered walkway between the terminal and parking lot. A multi-level parking structure and surface parking lots provide a combined 3,505 public parking spaces. The Airport serves more than 1.2 million passengers annually and processes more than 168,000 tons of air cargo. A 108-acre parcel of the Airport property has been designated as Foreign Trade Zone 127 by U.S. Customs. The Columbia Airport Enterprise Park is a 435-acre industrial park located on the Airport complex. The FAA Southern Region Airports Division awarded the Airport the 2005 Air Carrier Airport Safety Award. The Airport has hired and maintained a competent, trained staff of Airport rescue firefighters, maintenance technicians and operations coordinators.

The passenger airlines which currently serve the Airport are: American Airlines, Delta Air Lines, and United, which provide over 30 non-stop flights to 9 major airports and 8 destinations. The major air cargo companies serving the Airport include Delta, Mountain Air Cargo, Martinaire, Federal Express, and United Parcel Service (“UPS”).

The Airport is the site of UPS’ southeastern region Air/Ground Hub and Sortation Station for both its Next Day Air and Second Day Air package delivery services. Using its own funds, UPS constructed a package sortation building encompassing approximately 352,000 square feet on a 50-acre site near the Airport, which it purchased from the Airport. UPS is also leasing from the Airport a 35,000 square foot office building on a nine-acre site in CAE Park which houses the 200-person staff that reconciles and administers UPS’ system-wide COD delivery services. UPS is operating with a minimum of 20 daily jet freighter arrivals and 20 departures at the Airport.

In June 2017, the Airport completed the process of transforming five acres of Airport property to a 4,320 solar farm, the first solar farm at an airport in the state of South Carolina. CAE dedicated \$60 million to implement environmentally-friendly projects as a part of their Enhanced Construction Opportunities Program. The solar farm is located between two runways and can produce enough energy to power 225 homes. The new solar farm is expected to save the Airport approximately \$250,000 a year.

Medical and Health Services. There are eight hospitals located within the Columbia MSA, two of which are federal facilities (William J. Dorn Veterans Hospital and Moncrief Army Hospital). Furthermore, there are five psychiatric hospitals and approximately 100 licensed nursing homes and community residential care facilities in the Columbia MSA. In January 2006, Palmetto Health Heart Hospital located at the Richland County campus opened its doors, becoming the most advanced, state-of-the-art cardiac care facility in the area. Serving patients from the midlands and all over central South Carolina, the \$80 million, 200,000 square-foot hospital is the State’s only freestanding facility dedicated entirely to the prevention, diagnosis and treatment of cardiovascular diseases. Built specifically to meet the needs of the patients, there is a fluid transition between heart procedures and patient rooms. This unique building offers patients and visitors a comfortable and soothing experience complete with waterfalls and landscaped courtyards, and a view of the outside from each of the patient rooms. Attached to the Heart Hospital is a 100,000 square-foot medical office building which enables physicians and clinical staff to spend more time caring for the patients. To provide an unparalleled level of individualized care for residents of South Carolina, the hospital includes: 124 private inpatient beds; Cardiovascular Intensive Care Unit; Critical Care Unit; Cardiac Diagnosis; Cardiac Cath and Electrophysiology labs; Cardiac Rehabilitation Program; Pulmonary Rehabilitation Program; Telemetry Units; labs and diagnostic test areas; landscaped atriums; 700-car parking garage; gift shop; and specialty

coffee cart. Palmetto Health completed several renovation projects at its Baptist and Richland Memorial campuses. Palmetto Health Baptist Parkridge (“Parkridge”), located in the northwest portion of the City, is Palmetto Health’s newest full-service community hospital offering state-of-the-art inpatient, surgical, medical and emergency care. The Parkridge facility includes 76 in-patient beds, an intensive care unit, a labor and delivery unit and newborn nursery, six operating rooms and diagnostic and treatment services, which include imaging, laboratory, pharmacy and more. Additional services are planned for Parkridge, including non-invasive cardiology, neurosurgery orthopedics, and outpatient rehabilitation. In November 2017, it was announced that Palmetto Health and Upstate Affiliate Organization d/b/a Greenville Health System would become affiliated, to create SC Health Company and a shared strategic vision, operations and expanded access to health care for the areas in the State of South Carolina served by the two hospital systems.

Financial Institutions. The Columbia MSA serves as the chief financial center of the State. According to the Federal Deposit Insurance Corporation, as of June 30, 2018, there were 186 branches of commercial banks and savings institutions in the Columbia MSA, with deposits at all financial institutions totaling \$[].

Utilities. Electricity for industrial, residential and commercial consumption is provided by SCE&G, Tri-County Cooperative, Inc., Mid-Carolina Electric Cooperative, Inc. and Fairfield Electric Cooperative, Inc. Natural gas is provided by SCE&G. Water and sewer service is provided by the City inside the City limits, as well as to portions of Richland and Lexington Counties.

The Midlands region has attracted interest from multiple utility-scale solar farm developers. Since 2015, the development of more than 100 MW of utility-scale solar farms have been announced in Saluda, Calhoun and Lexington Counties. One megawatt of solar energy is enough to provide inexpensive, secure, clean energy to approximately 200 homes.

Recreation. The Columbia MSA offers many opportunities for recreation and leisure activities. The Columbia Museum of Art is South Carolina’s premier international art museum with extraordinary collections of European and American fine and decorative art that span centuries. The South Carolina State Museum is the largest museum in South Carolina, located in America’s first electric-powered textile mill with extensive exhibits in the disciplines of art, science and technology, cultural history and natural history. There are 12 art and historical museums in the area. The Town Theatre is the oldest, continuously operating community theatre in the U.S. and is listed on the National Register of Historical Places. The theatre provides live community theatre performances throughout the year with emphasis on musicals, comedies and youth productions. EdVenture Children’s Museum, the South’s largest children’s museum at 67,000 square feet, is the home of Eddie, the world’s largest child, along with hundreds of interactive exhibits to inspire children to experience the joy of learning. The Riverbanks Zoological Park, ranked among the top ten zoos in the nation, is home for more than 2,000 animals housed within naturalistic exhibits and a botanical garden. Riverbanks Zoo and Garden is committed to the conservation of wildlife, to the audience’s education of natural history, and to the enhancement of the quality of life in its community through the provision of high-quality recreational opportunities. The University of South Carolina and other area universities and colleges offer a wide range of sports activities for both spectators and participants. Lake Murray, a 50,000-acre man-made lake with more than 500 miles of shoreline, includes limitless opportunities for fishing, camping, boating, sailing and skiing, as well as residential sites for single-family and multi-family development. Congaree National Park, located in southeast Richland County, less than 30 minutes from downtown Columbia, offers more than 20,000 federally-designated wilderness acres that visitors can explore by foot, kayak, or canoe. The park preserves one of the largest tracts of old growth bottomland hardwood forest left in the United States.

Moreover, the lush trees growing in its floodplain forest are some of the tallest in the Eastern United States, forming one of the highest temperate deciduous forest canopies remaining in the world.

Public Schools. There were approximately 52,210 pupils enrolled in public schools in Richland County and approximately 58,103 enrolled in the public school system in Lexington County for the 2017-2018 school year (as of October 2017). All public schools are fully accredited and all teachers fully certified by the South Carolina Department of Education.

Higher Education. There are eight main institutions of higher education in the Columbia MSA, the largest being the main campus of the University of South Carolina with a Fall 2018 enrollment of []. The table below lists these institutions and their Fall 2017 enrollments:

<u>College/University</u>	<u>Enrollment</u>
University of South Carolina (Columbia Campus)	
Midlands Technical College	
Benedict College	
Southern Wesleyan University	
South University	
Columbia College	
Columbia International University	
Allen University	

Source: South Carolina Commission on Higher Education

Midlands Technical College (“MTC”) is a comprehensive, multi-campus, two-year college serving the primary region of Richland, Lexington and Fairfield counties. One of South Carolina’s largest two-year colleges, MTC enrolls students seeking to develop career skills or transfer to a four-year institution. MTC employs approximately 600 permanent faculty and staff and approximately 400 adjunct faculty. More than three-quarters of MTC’s faculty holds a master’s degree or doctorate degree in their teaching field. MTC offers approximately 100 associate degrees, diploma and certificate programs of study, and an estimated 70% of the courses are in the career program area. MTC is comprised of six campuses – Airport, Batesburg-Leesville, Beltline, Fairfield, Harbison, and the 100-acre Northeast Campus which contains MTC’s Enterprise Campus and Center of Excellence for Technology. MTC also has a teaching location at the Fort that serves enlisted personnel and civilians. MTC’s Continuing Education Division provides continuing education opportunities to more than 30,000 individuals annually and is one of the largest providers of noncredit professional upgrade training of any two-year college in the State. MTC is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools and is part of the South Carolina Technical College System.

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE ORDINANCE

SUMMARY OF CERTAIN PROVISIONS OF THE ORDINANCE

The following statements are brief summaries of certain provisions of the General Ordinance, the Eleventh Supplemental Ordinance and the Thirteenth Supplemental Ordinance (as such terms are defined in the front part of this Official Statement or herein, as the context would allow; such General Ordinance, Eleventh Supplemental Ordinance and Thirteenth Supplemental Ordinance are referenced herein as the “Ordinance”). These summaries do not purport to be complete, and reference is made to the Ordinance for a full and complete statement of such provisions. All capitalized terms not defined herein have the meanings ascribed thereto in the front part of this Official Statement or the Ordinance.

CERTAIN DEFINITIONS

“2019 Bonds” means the \$[]* original principal amount Waterworks and Sewer System Revenue Bonds, Series 2019.

“2019 Debt Service Fund” means the fund of that name established pursuant to the Thirteenth Supplemental Ordinance to provide for the payment of the principal and interest on the 2019 Bonds.

“2019 Projects” means, collectively, the improvements, extensions and enlargements to the System, including any one or more of the projects described in the Thirteenth Supplemental Ordinance, and such other improvements as the City may deem necessary or incidental to the System.

“Accountant” means a firm of independent certified public accountants selected by the City.

“Act” means Title 6, Chapter 17, Code of Laws of South Carolina 1976, as amended, and all other statutory authorizations, now or hereinafter enacted, authorizing and enabling the City to provide for the issuance of the Bonds, including, if applicable, with respect to any Series of refunding Bonds, Title 11, Chapter 21, Code of Laws of South Carolina 1976, as amended.

“Additional Bonds” means any Bonds issued under the provisions of the General Bond Ordinance described under the heading “SUMMARY OF ORDINANCE—Additional Bonds—*Parity Obligations*” herein.

“Annual Budget” means the annual budget required by the provisions of the General Bond Ordinance described in Paragraph G under the heading “SUMMARY OF ORDINANCE—General Covenants” herein.

“Authorized Representative” means a Person designated to act on behalf of the City (which may or may not be an employee or elected official of the City) in a certificate, bearing such Person’s specimen signature, signed by the Mayor or City Manager and provided to the Paying Agent.

“Beneficial Owner” means any purchaser who acquires beneficial ownership interest in any 2019 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 2019 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 means the registered owner or owners of any Outstanding Bond or Bonds.

“Bond Counsel” means any attorney or firm of attorneys of nationally recognized standing in the matters pertaining to the federal tax exemption of interest on bonds issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States.

“Bonds” means, collectively, the Bonds of 2009, the Bonds of 2010, the Bonds of 2011, the Bonds of 2012, the Bonds of 2013, the Bonds of 2016, the Bonds of 2018 and the 2019 Bonds (each as defined herein), and any Bonds

issued under and pursuant to the General Bond Ordinance, except Junior Bonds and Special Facilities Bonds.

“Bonds of 2009” means the original principal amount of \$81,860,000 Waterworks and Sewer System Revenue Bonds, Series 2009, dated September 2, 2009, all of which is currently outstanding.

“Bonds of 2010” means the outstanding principal amount of \$105,000,000 of the City’s \$105,000,000 original principal amount Waterworks and Sewer System Revenue Bonds, Series 2010, dated May 26, 2010, of which \$8,770,000 principal amount is currently outstanding.

“Bonds of 2011” means, the original principal amount \$100,000,000 Waterworks and Sewer System Revenue Bonds, Series 2011A, dated December 8, 2011, of which \$29,835,000 principal amount is currently outstanding.

“Bonds of 2012” means the \$58,055,000 original principal amount Waterworks and Sewer System Refunding Revenue Bonds, Series 2012, dated March 8, 2012, all of which is currently outstanding.

“Bonds of 2013” means the \$75,305,000 original principal amount Waterworks and Sewer System Revenue Bonds, Series 2013, dated December 18, 2013, of which \$66,615,000 principal amount is currently outstanding.

“Bonds of 2016” means, collectively, the original principal amount \$63,325,000 Waterworks and Sewer System Revenue Bonds, Series 2016A, dated December 8, 2016, of which \$59,740,000 principal amount is currently outstanding, and the original principal amount \$146,710,000 Waterworks and Sewer System Refunding Revenue Bonds, Series 2016B, dated December 8, 2016, of which \$144,675,000 principal amount is currently outstanding.

“Bonds of 2018” means the \$87,340,000 original principal amount Waterworks and Sewer System Revenue Bonds, Series 2013, dated June 21, 2018, of which \$86,425,000 principal amount is currently outstanding.

“Book-Entry Form” or “Book-Entry System” means with respect to the 2019 Bonds, a form or system, as applicable, under which (a) the ownership of beneficial interests in the 2019 Bonds may be transferred only through a book-entry and (b) physical 2019 Bond certificates in fully registered form are registered only in the name of a Depository or its nominee as Holder, with the physical 2019 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 2019 Bonds, when subject to the Book-Entry System.

“Books of Registry” means the registration books maintained by the Registrar in accordance with the General Bond Ordinance.

“Business Day” means any day other than a Saturday, a Sunday or a day which is in the State or the state in which the respective office of the Paying Agent and the Registrar is located a legal holiday or a day on which banking institutions are authorized by law or executive order to close.

“City” means the City of Columbia, South Carolina.

“Construction Fund of 2019” means the Fund established pursuant to the Thirteenth Supplemental Ordinance into which a portion of the proceeds of the 2019 Bonds will be deposited and from which such proceeds will be disbursed to pay the Costs of Acquisition and Construction of the 2019 Projects (including interest coming due on a portion of the 2019 Bonds) and Costs of Issuance.

“Consulting Engineer” means the engineer or engineering firm or corporation registered and qualified to practice the profession of engineering under the laws of the State and having a favorable reputation for skill and experience in the construction and operation of water treatment systems, sewage disposal and treatment systems employed by the City to perform and carry out the duties imposed by the General Bond Ordinance, and who or which is not a full-time employee of the City.

“Contingent Fund” means the fund of that name established pursuant to the General Bond Ordinance.

“Cost of Acquisition and Construction” means, to the extent permitted by the Act, all costs of acquisition and

construction of any Project, including the Costs of Issuance with respect to and capitalized interest on Bonds issued for such purpose. Cost of Acquisition and Construction include the payment of amounts due on bond anticipation notes, the proceeds of which were used for Cost of Acquisition and Construction.

“Cost of Issuance” means all items of expense, directly or indirectly payable or reimbursable by or to the City and related to the authorization, sale and issuance of Bonds including, but not limited to, printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of any Registrar or Paying Agent, legal fees and charges, auditing and accounting fees and charges, fees and disbursements of consultants and professionals, costs of credit ratings, fees and charges for preparation, execution, transportation and safekeeping of Bonds, costs and expenses of refunding, premiums for insurance of the payment of Bonds, financing charges, accrued interest with respect to the initial investment of proceeds of Bonds and any other costs, charges or fees in connection with the original issuance of Bonds.

“Council” means the City Council of the City of Columbia, South Carolina.

“Debt Service” means, with respect to each Series of Bonds and with respect to any particular Fiscal Year, the aggregate of the amounts to be paid or set aside (or estimated to be required to be paid or set aside) in the applicable Debt Service Fund in such Fiscal Year for the payment of the principal of, redemption premium, if any, and interest (to the extent not capitalized) on such Series of Bonds; provided, further, that in the case of Bonds which have been or will be issued as taxable obligations, for which the City has or will be entitled to receive a payment that effectively reduces the City’s debt service payment obligation therefore (including but not limited to Build America Bonds (“BABs”) issuable pursuant to the authority of the American Recovery and Reinvestment Act of 2009 (“ARRA”)), the amount to be paid or set aside in the applicable Debt Service Fund in each Fiscal Year for such payment of Debt Service will be reduced by the payment that the City has or will be entitled to receive for such purpose.

“Debt Service Fund” means the funds of that name established pursuant to the General Bond Ordinance and so designated pursuant to a supplemental ordinance to provide for the payment of the principal of and interest on the respective Series of Bonds issued pursuant to the General Bond Ordinance as the same respectively become due and payable.

“Debt Service Reserve Fund” means the funds, if any, of that name established pursuant to the General Bond Ordinance and so designated pursuant to a supplemental ordinance.

“Default” or “Event of Default” means any of those defaults specified in and defined as such under the General Bond Ordinance, as summarized under the heading “SUMMARY OF ORDINANCE—Events of Default and Remedies—*Events of Default*” herein.

“Depository” means 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, as amended, operating and maintaining, with its Participants or otherwise, a book-entry system to record ownership of beneficial interests in the 2019 Bonds, and to effect transfers of the 2019 Bonds, in book-entry only form, and includes and means initially The Depository Trust Company (a limited purpose trust company), New York, New York.

“Depreciation Fund” means the fund of that name established pursuant to the General Bond Ordinance.

“Eleventh Supplemental Ordinance” means the Eleventh Supplemental Ordinance No. 2016-046 of the Council enacted on September 6, 2016.

“Expenses of Operating and Maintaining the System” means the costs and expenses of operating and maintaining the System in good repair and working order including wages, salaries, costs of materials and supplies, costs of routine repairs, renewals, replacements or alterations occurring in the normal course of business, the reasonable fees and charges of any Paying Agents and Registrars of any Bonds issued pursuant to the General Bond Ordinance or any supplemental ordinance thereto, the costs of any audit required by the General Bond Ordinance and the premium for all insurance required with respect to the System. Except as it may otherwise be amended as described under the heading “SUMMARY OF ORDINANCE—Amendments to Ordinance Pursuant to the Eleventh

Supplemental Ordinance” herein, Expenses of Operating and Maintaining the System do not include any allowance for depreciation or renewals or replacements of capital assets of the System and amounts deemed to be payments in lieu of taxes or other equity transfers.

“Fiscal Year” means the fiscal year for the System as determined by the Council, initially being the period from July 1 in any year to and including June 30 in the following year.

“General Bond Ordinance” means Ordinance No. 93-43 of the Council of the City authorizing the issuance of Bonds enacted on May 21, 1993, as from time to time amended or supplemented by one or more supplemental ordinances.

“Government Obligations” means any of the following:

- (a) non-callable bonds, notes or direct obligations and general obligations of the United States;
- (b) non-callable, U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series);
- (c) non-callable, direct obligations of the U.S. Treasury which have been stripped by the U.S. Treasury;
- (d) non-callable, obligations issued by any agency or instrumentality of the United States of America which are backed by the full faith and credit of the United States of America; and
- (e) pre-refunded municipal bonds which are rated “Aaa” by Moody’s or “AAA” by S&P.

“Interest Account” means the account by that name created within each respective Debt Service Fund.

“Interest Payment Date” means February 1 and August 1 of each year commencing February 1, 2020.

“Junior Bonds” means either (a) bonds secured by a pledge of Net Revenues junior and subordinate in all respects to the pledge securing the Bonds or (b) any other obligation or form of indebtedness, including lease purchase obligations secured by Net Revenues after provision has been made for all payments required to be made with respect to the Bonds which obligation or indebtedness may be authorized by an ordinance of Council which is not supplemental to the General Bond Ordinance.

“Maximum Debt Service” means, the highest aggregate principal and interest requirements (to the extent not capitalized) on the Bonds then Outstanding during any Fiscal Year. With respect to any Series of Variable Rate Indebtedness, for purposes of determining Maximum Debt Service the following methods will determine the interest rate to be used:

(a) in case of determining the Reserve Fund Requirement, the interest rate will be equal to the lesser of (i) the 25-Bond Revenue Index published by *The Bond Buyer* no more than two (2) weeks prior to, but in no event after, the sale of the series of Bonds to which the Reserve Fund Requirement in question applies, or (ii) the maximum interest rate allowable on such Variable Rate Indebtedness; and

(b) in the case of determining the Maximum Debt Service for purposes of the provisions of the Ordinance described in paragraph (C) under the heading “SUMMARY OF ORDINANCE—Additional Bonds—*Parity Obligations*” herein, the interest rate on Variable Rate Indebtedness will be equal to the initial interest rate as established or in effect with respect thereto on the date thereof;

provided, however, that if the 25-Bond Revenue Index referred to in (a) above is no longer published, any reasonably equivalent nationally recognized index published for the periods in question may be selected by the City for use in its stead; provided, further, that in the case of Bonds which have been or will be issued as taxable obligations, for which the City has or will be entitled to receive a payment that effectively reduces the City’s debt service payment obligation therefore (including but not limited to BABs issuable pursuant to the authority of the ARRA), the highest aggregate principal and interest requirements for such Bonds during any Fiscal Year will be reduced by the payment that the City has or will be entitled to receive therefor.

“Moody’s” means Moody’s Investors Service, Inc., and its successor.

“Net Revenues” means the Revenues of the System after deducting the Expenses of Operating and Maintaining the System.

“Ordinance” means the General Bond Ordinance and the Thirteenth Supplemental Ordinance.

“Outstanding,” when used with respect to any Bond, have the construction given to such word pursuant to the defeasance provisions of the General Bond Ordinance; i.e., a Bond is not Outstanding if such Bond is not, or would not be, at the time, deemed to be Outstanding by reason of the operation and effect of such provisions.

“Parity Bonds” means the Bonds of 2009, the Bonds of 2010, the Bonds of 2011, the Bonds of 2012, the Bonds of 2013, the Bonds of 2016 and the Bonds of 2018.

“Participant” means 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” means for each Series of Bonds the respective paying agent or paying agents appointed pursuant to the supplemental ordinance authorizing such Bonds. With respect to the 2019 Bonds, the initial Paying Agent is Regions Bank, which also serves as the custodian of the 2018 Debt Service Fund.

“Permitted Investments” means (a) any one or more of the investments now or hereafter permitted by Section 6-5-10, Code of Laws of South Carolina 1976, as amended and in effect from time to time, or any authorization relating to the investment of City funds; and (b) the South Carolina Pooled Investment Fund or similar State administered pool investment fund.

“Principal Account” means the account by that name created within each respective Debt Service Fund.

“Project” means any and all replacements, enlargements, improvements, extensions, additions and betterments to the System, and all appurtenances, facilities, lands, rights in land, water rights, franchises and structures in connection therewith or incidental thereto, and any other project which may be financed through the issuance of bonds under the Act, including the acquisition of any system which is combined with or consolidated into the System pursuant to law.

“Record Date” means with respect to any Series of Bonds the fifteenth (15th) day (whether or not a business day) of the calendar month immediately preceding an interest payment date or such other day as may be provided in the supplemental ordinance authorizing the issuance of such Series of Bonds.

“Registrar” means for any Series of Bond, the respective bank, trust company, depository or transfer agent appointed as registrar pursuant to the supplemental ordinance authorizing such Series of Bonds. With respect to the 2019 Bonds, the initial Registrar is Regions Bank.

“Reserve Fund Requirement” means, as of the date of calculation, the debt service reserve fund requirement, if any, established pursuant to a supplemental ordinance authorizing the issuance of a Series of Bonds.

“Revenues” means all fees, tolls, rates, rentals and other charges to be levied and collected in connection with and all other income and receipts of whatever kind or character derived by the City from the operation of the System or arising from the System excluding the receipts, income, revenues, fees and other charges derived from the operation of Special Facilities.

“S&P” means S&P Global Ratings and its successors and assigns.

“Series” or “Series of Bonds” or “Bonds of Series” means all Bonds designated as being of the same series issued and delivered on original issuance in a simultaneous transaction, and any Bonds thereafter delivered in lieu thereof or in substitution therefore pursuant to the General Bond Ordinance.

“Series 2009 Swap” means the interest rate swap transaction entered into between the City and the Swap Counterparty, related to the Bonds of 2009.

“Special Facilities” means any Project, the revenues and expenses resulting from the operation of which can be segregated from the revenues and expenses of the System and which the City designates as such pursuant to ordinance of Council.

“State” means the State of South Carolina.

“Swap Counterparty” means JPMorgan Chase Bank, N.A., as the provider of the Series 2009 Swap.

“System” means the existing Waterworks and Sewer System of the City, as the same is now constituted, all properties, real and personal, and matters and things used or useful in the maintenance, operation or functioning thereof, all apparatus and equipment used in connection therewith, and all replacements, enlargements, improvements, extensions, additions, and betterments thereto that may be made thereto at any time hereafter, including any Project, and any other public utility system with which the System may hereafter be combined pursuant to ordinance of Council.

“Thirteenth Supplemental Ordinance” means the Thirteenth Supplemental Ordinance No. 2019-[] of the Council enacted on May [], 2019.

“Underwriters” means PNC Capital Markets LLC and Raymond James & Associates Inc., on behalf of themselves and as representatives of Siebert Cisneros Shank & Co., L.L.C.

“Variable Rate Indebtedness” means indebtedness in the form of Bonds the interest rate on which is not established at a fixed or constant rate at the time such indebtedness is incurred.

SUMMARY OF ORDINANCE

Operation and Maintenance

The City has covenanted that adequate provision will be made for the Expenses of Operating and Maintaining the System, and that the Revenues derived from the System will be first used to make provision for the Expenses of Operating and Maintaining the System to keep the System in good repair and working order. The City has further covenanted and agreed it will at all times operate the System properly and in an efficient and economical manner and will maintain, preserve and keep the same with the appurtenances and every part and parcel thereof in good repair, working order and condition, and will from time to time make all necessary and proper repairs and replacements so that at all times the operation of the System may be properly and advantageously conducted.

Security for and Payment of the Bonds

The Bonds, together with the interest thereon, are payable solely from and secured equally and ratably by a lien upon the Net Revenues of the System. The Net Revenues are irrevocably pledged in the General Bond Ordinance to the payment of the principal of, premium, if any, and interest on the Bonds.

The Bonds will be on a parity with respect to the pledge and lien on the Net Revenues of the System inter sese, but not with respect to the particular Debt Service Fund or Debt Service Reserve Fund created for the benefit of the Holders of the Bonds of a Series, notwithstanding, that they may be in different form, and bear different dates, interest rates, number, date of issuance or date of execution; and in all such instances, the pledge of Net Revenues made under the General Bond Ordinance, and the covenants and remedies thereby granted will be applicable and available to the Holders of such Bonds. The pledge of and lien upon Net Revenues securing the 2019 Bonds (and any other Bonds) is senior to the pledge and lien on Net Revenues securing the City’s obligations under the Series 2009 Swap or any Junior Bonds or any other charges, liens or encumbrances on the Net Revenues of the System, as contemplated by the provisions of the General Bond Ordinance described under the subheading “Funds Created Under General Bond Ordinance—*Application of Remaining Revenues*” herein.

The Bonds do not constitute an indebtedness of the City within any State Constitutional provision (other than Article X, Section 14, Paragraph 10 of the South Carolina Constitution authorizing obligations payable solely from special sources not involving revenues from any tax or license) or statutory limitation and will never constitute or give rise to a pecuniary liability of the City or a charge against its general credit or taxing power. The full faith, credit and taxing powers of the City are not pledged to the payment of the principal of and interest on the Bonds.

The covenants and agreements set forth in the General Bond Ordinance to be performed by the City are for the equal and proportionate benefit, security and protection of all Holders of the Bonds without preference, priority or distinction as to payment or security or otherwise (except as to maturity) of any of the Bonds for any reason or cause whatsoever, except as expressly provided in the General Bond Ordinance or in the Bonds, and, except as aforesaid, all Bonds will rank pari passu and will be secured equally and ratably thereunder without discrimination or preference whatsoever.

Creation and Flow of Funds

Creation of Funds and Order of Payment

The following are the funds and accounts created and established by the General Bond Ordinance:

- (i) Debt Service Fund to be held by the City, including an Interest Account and Principal Account.
- (ii) Debt Service Reserve Fund, if any, to be held by the City.

Pursuant to the provisions of the General Bond Ordinance described under the heading “Funds Created Under General Bond Ordinance—*Contingent Fund and Depreciation Fund*” herein, the General Bond Ordinance established the Contingent Fund and the Depreciation Fund. For the avoidance of doubt, (a) the designation of the Contingent Fund and the Depreciation Fund in and by the General Bond Ordinance will not be construed to require the establishment of any completely independent, self-balancing fund as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of the Revenues and assets of the System for certain purposes and to establish certain priorities for application of such Revenues and assets as provided in the General Bond Ordinance, and (b) the cash required to be accounted for in each of the foregoing funds established pursuant to the General Bond Ordinance may be deposited in a single bank account, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the cash in and deposited therein for the various purposes of such funds as provided in the General Bond Ordinance.

One or more accounts may, by direction of the City or by the terms of a supplemental ordinance, be established within any of the above funds. It is intended by the General Bond Ordinance that the funds created thereby (other than the Construction Fund) will remain in existence for so long a time as any sum remains due and payable by way of principal of and interest on the Bonds, and that deposits and withdrawals therefrom be made in the manner prescribed by the General Bond Ordinance and in the order of priority therein set forth.

So long as any of the Bonds are Outstanding, the Revenues of the System will be applied at the times, in the amounts and for the purposes as provided or permitted by the General Bond Ordinance, and in the following order of priority:

First, provision will be made for the payment of Expenses of Operating and Maintaining the System;

Second, there will be transferred into the respective Debt Service Funds, the amounts required by the General Bond Ordinance or any supplemental ordinance thereto;

Third, there will be transferred into the respective Debt Service Reserve Funds, if any, the amounts required by the General Bond Ordinance or any supplemental ordinance thereto;

Fourth, provision will be made for the payment of any Junior Bonds or to meet any other obligations of the City which are charges, liens or encumbrances upon the Revenues of the System junior and subordinate to the lien on Net Revenues securing the Bonds (including but not limited to termination payments under the Series 2009 Swap

and the payment of interest on amounts advanced by the provider of any surety bond, insurance policy or letter of credit), as described in the General Bond Ordinance;

Fifth, there will be transferred into the Contingent Fund and the Depreciation Fund the amounts required by the General Bond Ordinance; and

Sixth, the remaining Revenues will be disposed of as provided in the General Bond Ordinance;

The Debt Service Fund, the Debt Service Reserve Fund and the Construction Fund or any one or more of such funds, may at the option of the City be held by a bank, a trust company, a national banking association or a national association as Custodian under the General Bond Ordinance or a supplemental ordinance thereto.

Funds Created Under General Bond Ordinance

Debt Service Fund

The respective Debt Service Funds are intended to provide for the payment of the principal of, redemption premium, if any, and interest on each Series of Bonds as the same respectively fall due. Payments into such Funds will be made in the manner prescribed by the General Bond Ordinance and all moneys in the respective Debt Service Funds will be used solely to pay the principal of, redemption premium, if any, and interest on the respective Series of Bonds, and for no other purpose, and withdrawals therefrom will be made only to effect payment of the principal of, redemption premium, if any, and interest on the respective Series of Bonds. Earnings on investments in the Debt Service Fund, including the accounts therein, will be added to and become a part of such respective Funds and the accounts therein.

There will be transferred from the Revenues of the System into the Debt Service Fund sufficient moneys so as to comply with the provisions described below for the payment of the Bonds then Outstanding.

(a) There will be established and maintained, for the purpose of paying the interest on the respective Series of Bonds as the same becomes due and payable, an Interest Account in the respective Debt Service Funds. Not later than the fifth day preceding an interest payment date (or if such fifth preceding day is not a business day, then on the next preceding business day), the City will transfer for deposit into the respective Debt Service Funds for credit to the Interest Account an amount which will, together with any other funds on deposit from whatever source in the Interest Account of the respective Debt Service Fund, on such date be equal to the installment of interest then falling due on the respective Series of Bonds then Outstanding. In making any of the deposits to the Interest Account described in this paragraph, consideration will be given to and allowance made for accrued interest received upon delivery of each Series of Bonds to the initial purchasers and for any other credits otherwise made to the Interest Account.

(b) There will be established and maintained, for the purpose of paying the principal of the Bonds as it becomes due, whether at maturity or by mandatory sinking fund redemption, a Principal Account in the respective Debt Service Funds. Not later than the fifth day preceding any principal payment date or mandatory sinking fund redemption date on any Bond (or if such fifth preceding day is not a business day, then on the next preceding business day), the City will transfer into the respective Debt Service Funds to the credit of the Principal Account an amount which will, together with any other funds on deposit from whatever source in the Principal Account of the Debt Service Fund, provide sufficient funds to pay the aggregate amount of the principal of Bonds coming due on such principal payment date or mandatory sinking fund redemption date. In making any of the deposits to the Principal Account described in this paragraph, consideration will be given to and allowance made for any other credits otherwise made to the Principal Account.

(c) If, on the dates when the payments required by paragraphs (a) and (b) above are to be made, the payments required by said paragraphs (a) and (b) will be less than the sum required to be transferred to a Debt Service Fund to effect the payment of succeeding installment of principal or interest, or both, as the case may be, moneys in the applicable Debt Service Reserve Fund, if any, equal to such deficiency will be added to the payment to be made pursuant to said paragraphs (a) and (b).

Moneys in the respective Debt Service Funds will be used and applied solely to the payment of the interest on and the retirement of principal of and redemption premium, if any, on the respective Series of Bonds and will be used and applied in accordance with the provisions of the General Bond Ordinance. The moneys paid into the respective Debt Service Funds will be held by the City in trust solely for the purpose of paying the interest on and the retirement of the principal of and redemption premium, if any, on the respective Series of Bonds and withdrawals from such Funds will be made in order to transfer such moneys to the Paying Agent for the respective Series of Bonds. Such withdrawals will be made so that the necessary moneys will be available to the Paying Agent not later than one (1) business day prior to the day on which principal or interest or both, and redemption premium, if any, as the case may be, are payable on the Bonds.

Moneys held for the credit of the respective Debt Service Funds will be invested, to the fullest extent practicable and reasonable, in Permitted Investments which will mature prior to the respective dates when the moneys held for the credit of such Fund will be required for the purpose intended.

Debt Service Reserve Fund

A supplemental ordinance to the General Bond Ordinance may, but is not required to, provide for the establishment of a Debt Service Reserve Fund for any Series of Bonds. Each Debt Service Reserve Fund will, subject to certain provisions of the General Bond Ordinance, be maintained in an amount equal to the applicable Reserve Fund Requirement, as determined pursuant to a supplemental ordinance, and in the manner determined pursuant to such supplemental ordinance, so long as the applicable Series of Bonds is Outstanding. Each such Debt Service Reserve Fund is intended to insure the timely payment of the principal of and interest on the applicable Series of Bonds and to provide for the redemption of such Series of Bonds prior to their stated maturities. The respective Debt Service Reserve Funds will be kept on deposit with the City, and withdrawals therefrom will be made for the purposes provided in the General Bond Ordinance. **No Debt Service Reserve Fund will be established for or funded with the proceeds of the 2019 Bonds.**

Moneys in each Debt Service Reserve Fund will be used for the following purposes, and for no other:

(a) to prevent a Default in the payment of the principal of or interest on the applicable Series of Bonds, by reason of the fact that moneys in the applicable Debt Service Fund are insufficient for such purposes;

(b) to pay the principal of, interest on, and redemption premium, if any, of the applicable Series of Bonds in the event that all Outstanding Bonds of such Series be redeemed as a whole;

(c) to effect partial redemption of the applicable Series of Bonds, provided that such redemption be undertaken in accordance with the provisions of the General Bond Ordinance permitting a partial redemption of the applicable Series of Bonds and the balance remaining in the applicable Debt Service Reserve Fund following such partial redemption will not be less than the Reserve Fund Requirement; and

(d) to effect the retirement of a Series of Bonds through purchase under the conditions prescribed in the General Bond Ordinance.

Whenever the market value (determined as of the evaluation date specified in the General Bond Ordinance) of the cash and securities in the applicable Debt Service Reserve Fund exceeds the applicable Reserve Fund Requirement, such excess may be used at the direction of the City (i) to repurchase and retire the applicable Series of Bonds at prices not exceeding the call price first to become available or then prevailing or (ii) to be considered Revenues or, (iii) at the option of the City, to be transferred to the Construction Fund during the period of construction or acquisition of a Project. Purchases of Bonds will be effected by the City through the Paying Agent, and whenever Bonds have been purchased pursuant to this authorization, it will be the duty of the Paying Agent to cancel and destroy such Bonds and to deliver certificates evidencing such act to the City.

Whenever the aggregate value of cash and securities in a Debt Service Reserve Fund is less than the applicable Reserve Fund Requirement, there will be deposited in such Debt Service Reserve Fund that amount which, together with equal, successive, monthly deposits in the same amount, will restore the value of cash and securities in such Debt Service Reserve Fund to the applicable Reserve Fund Requirement during the succeeding 12 months.

If the City obtains a surety bond, insurance policy or letter of credit in substitution for moneys deposited to the applicable Debt Service Reserve Fund as may be permitted under the applicable supplemental ordinance, excess moneys will be transferred to the applicable Construction Fund, or if one does not exist, be considered Revenues.

Moneys in the respective Debt Service Reserve Funds established by the General Bond Ordinance will be invested, to the fullest extent practicable, in Permitted Investments, maturing at such times and in such amounts as are required to provide moneys to make the payments required to be made from such funds.

Application of Remaining Revenues

After making payment for the Expenses of Operating and Maintaining the System, and after making payments on the Bonds, the Revenues of the System will then be used first for the payment of Junior Bonds or to meet any other obligations of the City which are or which will become charges, liens or encumbrances upon the Revenues of the System; second to make such deposits to the Contingent Fund as required by the General Bond Ordinance to provide for adequate funds for improvements to the System and build up a proper reserve against contingencies and to the Depreciation Fund as required by the General Bond Ordinance to build up a proper reserve for depreciation of the System; and third as the Council will from time to time determines to be in the best interest of the City.

Contingent Fund and Depreciation Fund

The General Bond Ordinance establishes a Contingent Fund and a Depreciation Fund.

The City will deposit from time to time (at least on a monthly basis) into the Contingent Fund and the Depreciation Fund the amounts determined in the Annual Budget prepared for the System. Moneys in the Contingent Fund will be used to build up a reasonable reserve for improvements, betterments, and extensions to the System, other than those necessary to maintain the System in good repair and working order, and moneys in the Depreciation Fund will be used to build up a reserve for the depreciation of the System and used for the purpose of restoring or replacing depreciated or obsolete items of the System.

Moneys in the Contingent Fund and the Depreciation Fund will be held by the City in accordance with the General Bond Ordinance, and may be invested in Permitted Investments. Withdrawals from the Contingent Fund and the Depreciation Fund may be made by an authorized representative of the City.

Rates and Charges

The City has covenanted and agreed in the General Bond Ordinance to operate the System in an efficient and economical manner and establish, levy, maintain, revise and collect such fees, rates and other charges for the use of the services and facilities furnished by the System as may be necessary or proper, which fees, rates, and other charges, together with other Revenues and other available moneys, will at all times be at least sufficient after making due and reasonable allowances for contingencies and for a margin of error in estimates to provide an amount equal to (a) 100% of the amounts required to pay Expenses of Operating and Maintaining the System for the then current Fiscal Year; (b) 110% of the amounts required to be deposited into each Debt Service Fund for the then current Fiscal Year; (c) 100% of the amounts required to be deposited into each Debt Service Reserve Fund for the then current Fiscal Year; (d) 100% of the amounts required to provide for payment of any Junior Bonds for the then current Fiscal Year; and (e) the amounts necessary to comply in all respects with the terms of the General Bond Ordinance or any other contract or agreement with the Holder of a Bond; provided, further, that for purposes of determining the amounts required to be deposited into a Debt Service Fund pursuant to clause (b), to provide for payment of Junior Bonds pursuant to clause (d) or otherwise as provided in clause (e) described above, in the case of Bonds or Junior Bonds which have been or will be issued as taxable obligations, for which the City has or will be entitled to receive a payment that effectively reduces the City's debt service payment obligation therefor (including but not limited to BABs issuable pursuant to the authority of the ARRA), the debt service requirements for such Bonds or Junior Bonds will be reduced by the payment that the City has or will be entitled to receive therefor.

Additional Bonds

Parity Obligations

Anytime and from time to time, one or more Series of Additional Bonds (exclusive of bonds issued to refund Bonds) may be issued by a supplemental ordinance for such purposes as may be permitted by the Act upon compliance with the provisions of the General Bond Ordinance in such principal amounts as may be determined by the Council for the purpose of paying all or part of the Costs of Acquisition and Construction of one or more Projects, upon compliance with the following conditions:

- A. There will be executed a certificate of the Finance Director, City Manager or chief administrative official of the City stating (i) either (a) that no default exists in the payment of the principal of, premium, if any, or interest on the Junior Bonds and no Default exists in the payment of the principal of, premium, if any or interest on the Bonds, and all mandatory sinking fund redemptions, if any, required to have been made have been made, or (b) that the application of the proceeds of sale of the Series of Additional Bonds to be issued as required by the supplemental ordinance authorizing their issuance will cure any such default or Default or permit such redemptions; and (ii) either (a) that to the best of his or her knowledge, the City is not in Default in the performance of any other of its covenants and agreements contained in the General Bond Ordinance, or (b) setting forth the circumstances of each such Default known to him or her.
- B. If a certificate executed pursuant to the provisions of the General Bond Ordinance described in part (A) above should disclose a default or Default, there will be filed with the City an opinion of Bond Counsel that, in the case of any default or Default disclosed in a certificate filed pursuant thereto, each such default or Default does not deprive the Bondholders of the security afforded by the General Bond Ordinance, as amended and supplemented, in any material aspect.
- C. For the issuance of Additional Bonds to finance the Cost of Acquisition and Construction, or a portion thereof, of any Project, there will be delivered a report, which report is not required to be based upon the latest audit of the City, from the City Manager or Finance Director of the City, an Accountant or a Consulting Engineer stating that the amount of Net Revenues of the System for any consecutive twelve (12) month period out of the last twenty-four (24) month period (“Test Period”) is not less than one hundred thirty percent (130%) of the sum of the Maximum Debt Service on the Bonds to be Outstanding after the issuance of such Additional Bonds for any succeeding Fiscal Year, provided the amount of Net Revenues for any such twelve (12) month period may be adjusted by adding the following:
 - (1) in case the rates and charges for the services furnished by the System will have been revised and such revised rates and charges will have gone into effect prior to the delivery of the Additional Bonds proposed to be issued, the additional amount of Net Revenues which would have been realized during the Test Period if such rates and charges had been in effect during such Test Period as determined by a Consulting Engineer or an Accountant, and
 - (2) in case an existing sewer system, existing water system or any other public utility system is to be acquired and combined or made a part of the System from the proceeds of the Additional Bonds proposed to be issued, the additional amount of Net Revenues which would have been realized during the Test Period if such existing system or systems to be acquired had been a part of the System during such Test Period (which computation of the additional amount of Net Revenues will be based upon the method of computing Net Revenues under the General Bond Ordinance and approved by a Consulting Engineer or an Accountant).
- D. Such Additional Bonds will be issued to secure funds to defray the Cost of Acquisition and Construction of a Project; or to refund Junior Bonds, or any notes, bonds or other obligations issued to finance or to aid in financing the acquisition, construction, improvement, enlargement or

repair of the System or another enterprise combined with the System.

- E. The
supplemental ordinance to the General Bond Ordinance authorizing such Additional Bonds may provide for the funding of the Debt Service Reserve Fund with respect to such Series of Bonds in the amount of the Reserve Fund Requirement, if any, with respect to such Series of Bonds.

Without complying with the provisions of the General Bond Ordinance described in the first paragraph under this subheading “*Parity Obligations*” except as otherwise provided in the General Bond Ordinance, the City by means of a supplemental ordinance to the General Bond Ordinance enacted in compliance with the provisions of the Act and any other statutory provisions authorizing the issuance of revenue refunding bonds, including advance refunding bonds, may issue refunding Bonds under the provisions of the General Bond Ordinance as follows:

- A. Additional Bonds may be issued for the purpose of refunding (including by purchase) at any time within one year prior to maturity or prior to any sinking fund installment due date, the Bonds maturing on such date (or an amount of Bonds subject to redemption from such sinking fund installments not in excess of the amount of Bonds required to be redeemed on such due date) for the payment of which sufficient Revenues are not available. Any Additional Bonds issued for such purpose will mature (or sinking fund installments therefor will commence) not earlier than the latest stated maturity of any Bond not then refunded to be Outstanding after such refunding.
- B. Additional Bonds may be issued at any time for the purpose of refunding (including by purchase) Bonds, including amounts to pay principal, redemption premium and interest to the date of redemption (or purchase) of the Bonds and the Costs of Issuance; provided that (i) the Debt Service on all Bonds to be Outstanding after the issuance of the proposed Series of refunding Bonds will not be greater than would have been the Debt Service on all Bonds not then refunded and the Bonds to be refunded or (ii) the requirements of the provisions of the General Bond Ordinance described in parts (A), (B), (C) and (E) of the preceding paragraph are met with respect to the refunding Bonds.

Junior Bonds

The City may at any time issue Junior Bonds in such amount as it may from time to time determine, payable from the Revenues, provided that such Junior Bonds are issued to secure funds to defray the cost of improving, extending, enlarging, or repairing the System, some part thereof, including the acquisition of any system which may be combined with or consolidated into the System pursuant to law, or to refund Bonds, Junior Bonds, or any notes, bonds or other obligations issued to finance or to aid in financing the acquisition, construction or improvement of the System, and provided further that the pledge of Net Revenues securing Junior Bonds is at all times subordinate and inferior to the pledge securing the Bonds.

Special Facilities Bonds

The City also has the right to issue, from time to time, Special Facilities Bonds to defray the costs of acquiring or constructing Special Facilities subject to the following conditions:

- A. The City must determine that the receipts, income, revenues, fees and other charges to be levied and collected in connection with the Special Facilities are at least equal to: (1) the estimated costs of operating and maintaining such Special Facilities; (2) the principal and interest requirements of the Special Facilities Bonds; (3) the amounts to be deposited in any reserve funds with respect thereto; and (4) any other costs and expenses relating to such Special Facilities.
- B. The receipts, income, revenues, fees and other charges derived from the operation of the Special Facilities will be segregated from the Revenues of the System.
- C. The debt service payments and other costs and expenses related to such Special Facilities will not be paid from Revenues of the System.

General Covenants

The City has made several covenants in the General Bond Ordinance (which covenants are also made a part of the supplemental ordinances thereto) including, without limitation, the following:

- A. The City will keep proper books of records and accounts (separate from all other records and accounts) in which complete and correct entries will be made of all transactions relating to the System. A complete financial statement of the System will be prepared within 180 days after the end of each Fiscal Year and will be prepared in accordance with generally accepted accounting principles and audited by an Accountant. The City will cause to be furnished to any Holder of any of the Bonds, who makes written request therefor, a copy of such statement. Such records will be kept in accordance with the standards from time to time prescribed by the Governmental Accounting Standards Board or its successor. The City will cause to be furnished to any Holder of any of the Bonds, who make written request therefor, copies of financial statements certified by an accountant.
- B. The City will not issue any bonds, notes, certificates or other obligations or evidences of indebtedness other than the Bonds or obligations authorized or permitted by the General Bond Ordinance secured by a pledge of the Net Revenues, and it will not create or cause to be created any lien or charge on the Revenues other than the liens and charges created or permitted to be created pursuant to the General Bond Ordinance, and no part of the System will be sold, mortgaged, leased or otherwise disposed of or encumbered; provided, however, the City may from time to time permanently abandon the use of, sell, trade or lease any property forming a part of the System, but only if there is filed with the Clerk of the City prior to such abandonment, sale or lease a certificate, signed by the City Manager, stating:
 - (1) that the City is not then in Default in the performance of any of the covenants, conditions, agreements or provisions contained in the General Bond Ordinance, and
 - (2) that the Net Revenues for the preceding Fiscal Year, after giving effect to such abandonment, sale or lease and any replacement and after adjustment to reflect the moneys which would have been received if the rate schedule in effect on the date of such certificate had been in effect throughout such Fiscal Year, are not less than 100% of the Debt Service for any Fiscal Year thereafter. Amounts received from any such sale or disposition will be considered Revenues of the System.
- C. The City will make provision to maintain adequate insurance (including self-insurance) on the works, plants, facilities and properties comprising the System against the risks, accidents or casualties, of the kinds and in at least the amounts which are usually and customarily carried on similar plants, properties and systems which are owned and operated by a public or municipal corporation, including without limiting the generality of the foregoing, fire, extended coverage, general liability and workmen's compensation, and also all additional insurance covering such risks as may be deemed necessary or desirable by the City or recommended by a competent independent engineer or other advisor employed for the purpose of making such recommendations.
- D. The City will not furnish free service by the System to the City or to any agency, instrumentality or person. The reasonable costs and value of any services of the System rendered to the City through the operation of the System will be charged against the City and will be paid as the service accrues from the current funds and such funds, when so paid, will be accounted for in the same manner as other Revenues of the System.
- E. Prior to the beginning of each Fiscal Year, the City will prepare an annual budget for the ensuing Fiscal Year which will set forth in reasonable detail the estimated Revenues and operation and maintenance expenses. The City also may at any time adopt an amended annual budget for the remainder of the then current Fiscal Year.

The City has made several covenants in the Thirteenth Supplemental Ordinance including, without limitation, the following:

- A. The City will not take any action which will, or fail to take any action which failure will, cause interest on the 2019 Bonds to become includable in the gross income of the Holders 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 2019 Bonds. No use of the proceeds of the 2019 Bonds will be made which, if such use had been reasonably expected on the date of issue of the 2019 Bonds would have caused the 2019 Bonds to be “arbitrage bonds,” as defined in the Code; and to that end the City will:
 - (1) comply with the applicable provisions of Sections 103 and Sections 141 through 150 of the Code and any regulations promulgated thereunder so long as any of the 2019 Bonds are Outstanding;
 - (2) establish such funds, make such calculations and pay such amounts, if necessary, in the manner and at the times required in order to comply with the requirements of the Code relating to required rebate of certain amounts to the United States; and
 - (3) make such reports of such information at the times and places required by the Code.
- B. The City will comply with and carry out all of the provisions of the Disclosure Dissemination Agent Agreement in the form attached to this Official Statement as Appendix E (“Continuing Disclosure Agreement”) with such changes as may be approved by the Mayor and the City Manager, or either of them acting alone, upon advice of counsel. Notwithstanding any other provision of the General Bond Ordinance or the Thirteenth Supplemental Ordinance, failure of the City to comply with the provisions of the Continuing Disclosure Agreement will not be considered an Event of Default under the General Bond Ordinance or the Thirteenth Supplemental Ordinance.
- C. The City, so long as and to the extent required pursuant to Section 11-1-85, Code of Laws of South Carolina 1976, as amended, will file with a central repository for availability in the secondary bond market when requested:
 - (1) an annual independent audit, within thirty (30) days of the City’s receipt of the audit; and
 - (2) event specific information within thirty (30) days of an event adversely affecting more than five percent (5%) of the Revenues or the City’s tax base.
- D. The only remedy for failure by the City to comply with the Continuing Disclosure Agreement or the covenants of the Thirteenth Supplemental Ordinance described in paragraph C above will be an action for specific performance of the covenant; and failure to comply will not constitute a default or an “Event of Default” under the General Bond Ordinance or the Thirteenth Supplemental Ordinance. The Registrar and the Paying Agent will have no responsibility to monitor the City’s compliance with the Continuing Disclosure Agreement or the covenants included in the provisions of the Thirteenth Supplemental Ordinance described in paragraph C above, and the City has specifically reserved the right to amend or delete its covenants in the Continuing Disclosure Agreement or in the provisions of the Thirteenth Supplemental Ordinance described in paragraph C above to reflect any change in Section 11-1-85 of the Code of Laws of South Carolina 1976, as amended, or federal law, as applicable, without the consent of the Registrar and the Paying Agent or the Registered Holders of any 2019 Bond.

Pursuant to the Eleventh Supplemental Ordinance, the Council adopted the following procedures relating to continuing disclosure for all publicly-traded debt including but not limited to the 2019 Bonds:

- A. The Assistant City Manager for Finance and Economic Services or the equivalent thereto (“Disclosure Representative”) of the City will be responsible for compliance with these written

procedures and for compliance with any continuing disclosure obligations undertaken by the City or imposed upon the City by state or federal law or regulations. The Disclosure Representative is permitted to obtain the assistance of his or her staff and authorized to obtain professional assistance to cause this information to be compiled and provided, but the ultimate responsibility for the dissemination of the information will remain with the Disclosure Representative.

- B. The Disclosure Representative will acquire a clear understanding regarding the City's continuing disclosure obligations. Through participation in professional groups such as the South Carolina Government Finance Officers Association or the South Carolina Financial Concepts and Strategies Institute, the Disclosure Representative will participate in continuing education programs regarding continuing disclosure.
- C. For each issuance of bonds that involves a continuing disclosure obligation, the Disclosure Representative will review such continuing disclosure undertaking and discuss with the City's bond counsel, financial advisor and underwriter, if any, prior to the execution of such continuing disclosure undertaking.

Amendments or Supplements to the Ordinance

The City may, from time to time and without the consent of any Holder of the Bonds enact an ordinance amendatory or supplemental to the General Bond Ordinance (1) to provide for the issuance of Bonds, or (2) (a) to make any amendments or modifications thereto which may be required to permit the General Bond Ordinance to be qualified under the Trust Indenture Act of 1939, as amended; (b) to make any modification or amendment to the General Bond Ordinance not inconsistent therewith required for the correction of language or to cure any ambiguity or defective provisions, omission, mistake or manifest error therein contained; (c) to make any amendments or supplements thereto to grant to or confer upon the Holders additional rights, remedies, power and authority, or to grant to or confer upon any Holders, committee or trustee for the Holders any additional rights, power or authority; or (d) to add to the security of the Holders of the Bonds.

From time to time the Holders of 66-2/3% in principal amount of the Bonds then Outstanding, by an instrument or instruments in writing signed by such Holders and filed with the City, have the power to assent to and authorize any modification or amendment to the provisions of the General Bond Ordinance that may be proposed by the City or of the rights and obligations of the City and of the Holders of Bonds issued under the General Bond Ordinance; and any action authorized to be taken with the assent and authority given as aforesaid of the Holders of 66-2/3% in principal amount of the Bonds at the time Outstanding will be effective and binding upon all of the Holders of Bonds Outstanding and upon the City as fully as though such action were specifically and expressly authorized by the terms of the General Bond Ordinance; provided always, that without the consent of the Holder of each Bond affected thereby, no such modification will be made which will (1) extend the time of payment of principal of or the interest on any Bond, or reduce the principal amount thereof or the rate of interest thereon or the premium payable upon the redemption thereof, or (2) give to any Bond or Bonds any preference over any other Bond or Bonds, or (3) authorize the creation of any pledge prior to or, except as provided in the General Bond Ordinance for the issuance of Series of Bonds, on a parity with the pledge afforded by the General Bond Ordinance, or (4) reduce the percentage in principal amount of the Bonds required to assent to or authorize any such modification to the General Bond Ordinance. For the purpose of computations described by this paragraph, Bonds directly or indirectly owned or controlled by the City will be disregarded.

Any modification or amendment or supplement to the provisions of the General Bond Ordinance or of any ordinance supplemental thereto will be set forth in an ordinance to be enacted by the City.

The provisions of the General Bond Ordinance described above have been amended as described under the heading "Amendments to Ordinance Pursuant to the Eleventh Supplemental Ordinance" herein.

Amendments to Ordinance Pursuant to the Eleventh Supplemental Ordinance

Pursuant to the Eleventh Supplemental Ordinance, the City has amended certain provisions of the General Bond Ordinance, which amendments will become effective on the earlier of: (1) the date on which all the Outstanding

Bonds (other than the Bonds of 2016, 2018 and the 2019 Bonds) cease to be Outstanding; or (2) the date on which the Holders of 66 2/3% in principal amount of the Bonds then Outstanding assent to and authorize such amendment (by their acceptance of the Bonds of 2016, 2018 and the 2019 Bonds when issued, the Holders thereof have or will be deemed to have so assented and authorized such amendment), as follows:

(1) Article IX of the General Bond Ordinance is amended by adding the following text as a new paragraph at the end thereof:

The City expressly authorizes the underwriter or purchaser of any Series of Bonds, or provider of bond insurance for any Series of Bonds, to assent to and consent to such amendments to this General Bond Ordinance as contemplated by this Article in the same manner as the Holders of the Bonds.

(2) The definition of “Expenses of Operating and Maintaining the System” is amended by deleting the last sentence thereof and replacing it with the following text in its entirety:

Expenses of Operating and Maintaining the System shall not include (i) any allowance for depreciation, (ii) any renewals or replacements of capital assets of the System, (iii) any amounts deemed to be payments in lieu of taxes or other equity transfers, (iv) any person-related and other post-employment benefit-related expenses (other than such amounts actually paid) of the System, (v) any payment or amortization of financing expenses, underwriting discounts, call premiums, losses on the extinguishment of debt due to refinancing of the same, and other related and non-recurring expenses resulting from the issuance or refinancing of long term indebtedness, or (vi) any losses on the sale or other disposition of investments or fixed or capital assets.

Events of Default and Remedies

Events of Default

With respect to the Bonds, the following will constitute “Defaults” or “Events of Default:”

- A. If payment of the principal of any Bond, whether at maturity or by proceedings for redemption, by declaration or otherwise, is not made by the City after the same has become due and payable; or
- B. If payment of any installment of interest on any Bond is not made by the City as the same becomes due and payable; or
- C. If the City fails or refuses to comply with the essential provisions of the Act, or fails in the due and punctual performance of any of the covenants, conditions, agreements and provisions contained in the Bonds or in the General Bond Ordinance or in any supplemental ordinance thereto on the part of the City to be performed, and such failure continues for 30 days after written notice specifying such failure and requiring the same to be remedied has been given to the City by the Holders of not less than 20% in principal amount of the Bonds then Outstanding or any trustee or committee therefore; or
- D. If any proceedings are instituted, with the consent or acquiescence of the City, for the purpose of effecting a composition between the City and its creditors and if the claim of such creditors is in any circumstance payable from any of the Revenues or any other moneys pledged and charged in the General Bond Ordinance or any supplemental ordinance thereto for the payment of the Bonds, or any such proceedings are instituted for the purpose of adjusting the claims of such creditors, pursuant to any federal or State statute now or hereafter enacted; or
- E. If an order or decree is entered (1) with the consent or acquiescence of the City, appointing a receiver or receivers of the System or any of the facilities thereof, or (2) without the consent or acquiescence of the City, appointing a receiver or receivers of the System or any of the facilities thereof and if, in either case, such order or decree having been entered is not vacated or discharged

or stayed on appeal within 60 days after the entry thereof; or

- F. If, under the provisions of any law for the relief or aid of debtors, any court of competent jurisdiction assumes custody or control of the System or any of the facilities thereof, and such custody or control is not terminated within 90 days from the date of assumption of such custody or control; or
- G. If the City is for any reason rendered incapable of fulfilling its obligations under the General Bond Ordinance in any material respect.

Subject to the provisions, limitations and conditions of the General Bond Ordinance, insofar as the remedies provided in said provisions are concerned, nothing will prohibit or limit, or be construed as prohibiting or limiting any Holder of a Bond from enforcing the duties of the City, or any of the officers thereof, under any provisions of the General Bond Ordinance by mandamus or other appropriate suit, action or proceeding in any court of competent jurisdiction, even though the failure of the City or any of the officers thereof to perform any such duty may not then constitute an “Event of Default” as defined in the General Bond Ordinance.

Declaration of Principal and Interest as Due

Upon the occurrence of an Event of Default, and at any time thereafter while such Event of Default continues, then and in each and every case the Holders of not less than 25% in principal amount of the Bonds then Outstanding may, by written notice to the City filed in the office of the Clerk of the City, declare the principal of all Bonds then Outstanding, together with all accrued and unpaid interest thereon, if not already due, to be due and payable immediately, and upon any such declaration the same will become and be due and payable immediately, anything contained in the General Bond Ordinance or any supplemental ordinance thereto or in any of the Bonds to the contrary notwithstanding. This provision is also subject, however, to the condition that, if at any time after the principal of the Bonds, together with the accrued and unpaid interest thereon and other moneys secured in the General Bond Ordinance, have been so declared due and payable and before any further action has been taken (other than the making of the above declaration), the principal amount of all Bonds which have matured either according to the maturity date or dates otherwise specified therein (except as a result of such declaration) and all arrears of interest upon all Bonds, except interest accrued but not yet due on said Bonds, have been paid or caused to be paid, and all other Events of Default, if any, which have occurred have been remedied, cured or secured, then and in each and every such case the Holders of 25% in principal amount of the Bonds then Outstanding, by notice in writing delivered to the City, may waive such Default and its consequences and rescind and annul such declaration. No such waiver or rescission or annulment will extend to or affect any subsequent default or impair or exhaust any right or power related to such subsequent Default.

Appointment of a Receiver

Upon the occurrence of an Event of Default described in paragraphs A and B under the sub-caption “Events of Default” above, and at any time thereafter while such default continues, any court of competent jurisdiction may appoint a receiver; provided, however, if application is made by the Holders of not less than 25% in principal amount of the Bonds then Outstanding or any trustee therefore, such court will appoint a receiver. Any receiver so appointed will (a) enter into and upon and take possession of the System, to the exclusion of the City if such court so directs; (b) have, hold, use, operate, manage and control the System as such receiver may deem best; and (c) exercise all rights and powers of the City with respect to the System as the City itself may do. In addition, the receiver will (a) maintain, restore and insure the System and from time to time make all necessary and proper repairs to the System as such receiver may deem expedient; (b) establish, levy, maintain and collect such fees, rentals and other charges in connection with the System as such receiver may deem necessary or proper and reasonable; and (c) collect and receive all Revenues, deposit such Revenues in a separate account and apply such Revenues so collected and received in such manner as the court directs.

Notwithstanding anything contained in the General Bond Ordinance or the Act, such receiver has no power to sell, assign, mortgage or otherwise dispose of any assets of whatever kind or character of the City and useful to the System.

Suits at Law or in Equity and Mandamus

In case any one or more of the Events of Default happens and is continuing, then and in every such case, but subject to the provisions, limitations and conditions of the General Bond Ordinance so far as the remedies provided in said provisions are concerned, the Holder of any Bond at the time Outstanding, or trustee therefore, may, for the equal benefit and protection of all Holders of the Bonds similarly situated,

- (a) by mandamus or other suit, action or proceedings at law or in the equity, enforce such Holder's right against the City and require and compel the City to perform and carry out its duties and obligations under the Act and the General Bond Ordinance, and to perform and carry out its covenants and agreements with the Bondholders;
- (b) by action or suit in equity require the City to account as if such City were the trustee of an express trust;
- (c) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders; or
- (d) bring suit upon the Bonds.

Remedies Not Exclusive; Effect of Waiver of Default, Effect of Abandonment of Proceedings or Adverse Determination

The Holders from time to time of the Bonds are entitled to all the remedies and benefits of the General Bond Ordinance as are and as will be provided by law, and, subject to the provisions of the General Bond Ordinance, nothing therein will be construed to limit the rights or remedies of any such Holders under any applicable statute that may now exist or be enacted thereafter. No remedy conferred by the Act and the General Bond Ordinance upon any Holder of any Bond is intended to be exclusive of any other remedy, and each and every such remedy will be cumulative and will be in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred by the Act and the General Bond Ordinance or by any other law now or hereafter existing. Every substantive right and remedy conferred upon the Holders of the Bonds may be enforced and exercised from time to time and as often as may be deemed expedient.

No waiver of any default or breach of duty or contract by any Holder of any Bond will extend to or affect any subsequent default or breach of duty or contract, or will impair any rights or remedies thereon. No delay or omission of any Holder of a Bond to exercise any right or power accruing upon any default will impair any such right or power or will be construed to be a waiver of any such default or acquiescence therein.

In case any suit, action or proceeding to enforce any right or exercise any remedy will be brought or taken and then discontinued or abandoned, or will be determined adversely to Holders of the Bonds then and in every such case, the City and such Holders will be restored to their former positions and rights and remedies as if no suit, action or proceeding had been brought or taken.

Restrictions on Bondholder's Action

No Holder of any Bond will have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provision of the General Bond Ordinance or the execution of any trust under the General Bond Ordinance or for any remedy under the General Bond Ordinance unless such Holder has previously given to the City written notice of the happening of an Event of Default and the Holders of at least 25% in principal amount of the Bonds then Outstanding has filed a written request with the City and has offered the City reasonable opportunity, either to exercise the powers granted in the General Bond Ordinance or by the laws of the State or to institute such action, suit or proceeding in its own name, and unless such Holders has offered to the City adequate security and indemnity against the costs, fees (including reasonable attorneys' fees), expenses and liabilities to be incurred therein or thereby, and the City has refused to comply with such request for a period of 60 days after receipt by it of such notice, request an offer of indemnity, it being understood and intended that no one or more Holders of Bonds has any right in any manner whatever by his or their action to affect, disturb or prejudice the pledge created by the General Bond Ordinance, or to enforce any right under the General Bond Ordinance, except in the manner therein provided; and that all proceedings at law or in equity to enforce any provision of the General Bond Ordinance will be

instituted, had and maintained in the manner provided in the General Bond Ordinance and for the equal benefit of all Holders of the Outstanding Bonds.

Nothing in the General Bond Ordinance or in the Bonds contained will affect or impair the obligation of the City, which is absolute and unconditional, to pay at the respective dates of maturity and places therein expressed the principal of (and redemption premium, if any) and interest on the Bonds to the respective Holders thereof, or affect or impair the right of action, which is also absolute and unconditional, of any Holder to enforce such payment of his Bond.

Application of Revenues and Other Moneys After Default

During the continuance of an Event of Default, all moneys received by the City or any receiver pursuant to any right given or action taken under the provisions of the General Bond Ordinance described in this heading "Events of Default" will, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses and advances incurred or made by the City or any receiver with respect thereto, be deposited in the Debt Service Fund, and all amounts held by the City or any receiver will be applied as follows:

- (a) Unless the principal of all Outstanding Bonds has become or has been declared due and payable:

First: To the payment to the persons entitled thereto of all installments of interest then due on the Bonds in the order of maturity of such installments, and, if the amount available are not sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon to the person entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal amounts or redemption premium, if any, of any Bonds which have become due (other than Bonds previously called for redemption in accordance with the provisions hereof), whether at maturity or by call for redemption, in the order of their due dates, and if the amounts available are not sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the principal amounts or redemption premium, if any, due on such date, to the persons entitled thereto, without any discrimination or preference.

- (b) If the principal amounts of all Outstanding Bonds have become or have been declared due and payable, to the payment of the principal amounts and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal amounts and interest, to the persons entitled thereto without any discrimination or preference.
- (c) If the principal amounts of all Outstanding Bonds have been declared due and payable, and if such declaration thereafter has been rescinded and annulled under the provisions of the General Bond Ordinance, then, subject to the provisions of the General Bond Ordinance described in paragraph (b) herein in the event that the principal amounts of all Outstanding Bonds later becomes due or is declared due and payable, the moneys will be applied in accordance with the provisions of the General Bond Ordinance described in paragraph (a) above.

Whenever moneys are to be applied by the City or any receiver pursuant to the provisions of the Ordinance described under this caption "Application of Revenues and Other Moneys After Default," such moneys will be applied by it at such times, and from time to time, as the City or any receiver determines, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the City or any receiver applies such moneys, it will fix the date (which will be a Bond payment date unless it deems another date more suitable) upon which such application is to be made and upon such date interest on the principal amounts to be paid on such dates ceases to accrue. The City or any receiver will give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and will not be required to make payment to the Holder of any Bond until such Bond is presented to the City or any receiver for appropriate endorsement of any partial payment or for cancellation if fully paid.

Whenever all Bonds and interest thereon have been paid under the provisions of the General Bond Ordinance described under this caption "Application of Revenues and Other Moneys After Default" and all expenses and charges of any receiver have been paid, any balance remaining will be paid to the person entitled to receive the same; if no other person is entitled thereto, then the balance will be paid to the City or as a court of competent jurisdiction may direct.

Defeasance

The obligations of the City under the General Bond Ordinance and the liens, pledges, charges, trusts and the covenants and agreements of the City therein made or provided for, will be fully discharged and satisfied as to any Bond; and, unless or except as otherwise provided in the supplemental ordinance to the General Bond Ordinance providing for the issuance of any Series of Bonds, such Bond or Series of Bonds will no longer be deemed to be Outstanding thereunder when:

- (a) such Bond or Series of Bonds has been purchased by the City and surrendered to the City for cancellation or otherwise surrendered to the City or the Registrar, and is canceled or subject to cancellation by the City or Registrar, or
- (b) payment of the principal of, redemption premium, if any, and interest on such Bond or Series of Bonds, either (i) has been made or caused to be made in accordance with the terms thereof, or (ii) has been provided for by irrevocably depositing with the Paying Agent or such other depository as the City may designate in trust and irrevocably set aside exclusively for such payment, (1) moneys sufficient to make such payment, or (2) Government Obligations 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 and the Registrar. At such time as a Bond or Series of Bonds is no longer deemed to be Outstanding under the General Bond Ordinance, as aforesaid, such Bond or Series of Bonds will cease to draw interest from the redemption date thereof, and, except for the purposes of any such payment from such moneys or Government Obligations, will no longer be secured by or entitled to the benefits of the General Bond Ordinance.

APPENDIX D
FORMS OF OPINIONS OF CO-BOND COUNSEL

[Letterhead of Burr Forman McNair]

[Letterhead of Johnson, Toal & Battiste, P.A.]

APPENDIX E

FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (“Disclosure Agreement”), dated as of [], 2019, is executed and delivered by the City of Columbia, South Carolina (“Issuer”) and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (“Disclosure Dissemination Agent” or “DAC”) for the benefit of the Holders (defined below) of the Bonds (defined below) and in order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (“Rule”).

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Issuer through use of the DAC system and do not constitute “advice” within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Act”). DAC will not provide any advice or recommendation to the Issuer or anyone on the Issuer’s behalf regarding the “issuance of municipal securities” or any “municipal financial product” as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (defined below). The capitalized terms shall have the following meanings:

“Annual Report” means an Annual Report described in and consistent with Section 3 of this Disclosure Agreement.

“Annual Filing Date” means the date, set in Sections 2(a) and 2(f), by which the Annual Report is to be filed with the Repositories.

“Annual Financial Information” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

“Audited Financial Statements” means the financial statements (if any) of the Issuer for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

“Bonds” means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

“Certification” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Voluntary Report, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Voluntary Report, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be submitted to the Repositories under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Issuer and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

“Disclosure Representative” means the Assistant City Manager for Finance and Economic Services or designee, or such other person as the Issuer shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

“Disclosure Dissemination Agent” means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Issuer pursuant to Section 9 hereof.

“Failure to File Event” means the Issuer’s failure to file an Annual Report on or before the Annual Filing Date.

“Force Majeure Event” means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic

Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent's reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

"Holder" means any person (a) having 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) treated as the owner of any Bonds for federal income tax purposes.

"Information" means, collectively, the Annual Reports, the Audited Financial Statements (if any), the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

"MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

"Notice Event" means an event listed in Sections 4(a) of this Disclosure Agreement.

"Official Statement" means that Official Statement prepared by the Issuer in connection with its \$[]* Waterworks and Sewer System Revenue Bonds, Series 2019, as listed on Appendix A.

"Voluntary Event Disclosure" means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

"Voluntary Financial Disclosure" means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. Provision of Annual Reports.

(a) The Issuer shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, not later than 30 days prior to the Annual Filing Date. Promptly on receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than February 1 following the end of each fiscal year of the Issuer, commencing with the fiscal year ending June 30, 2019. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 2(a). On such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification) no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent that a Notice Event as described in Section 4(a)(12) has occurred and to immediately send a notice to the MSRB in substantially the form attached as Exhibit B, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 6:00 p.m. Eastern time on Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the Issuer are prepared but not available prior to the Annual Filing Date, the Issuer shall provide in a timely manner an electronic copy of the Issuer's unaudited financial statements to the Disclosure Dissemination Agent and shall, within a reasonable time of when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certificate, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

- (i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;
- (ii) on receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) with the MSRB;
- (iii) on receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB;
- (iv) on receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) with the MSRB, identifying the Notice Event as instructed by the Issuer pursuant to Section 4(a) or 4(b)(ii) (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:
 1. Principal and interest payment delinquencies;
 2. Non-Payment related defaults, if material;
 3. Unscheduled draws on debt service reserves reflecting financial difficulties;
 4. Unscheduled draws on credit enhancements reflecting financial difficulties;
 5. Substitution of credit or liquidity providers, or their failure to perform;
 6. Adverse tax opinions, IRS notices or events affecting the tax status of the security;
 7. Modifications to rights of securities holders, if material;
 8. Bond calls, if material, and tender offers;
 9. Defeasances;
 10. Release, substitution, or sale of property securing repayment of the securities, if material;
 11. Rating changes;
 12. Bankruptcy, insolvency, receivership or similar event of the obligated person;
 13. Merger, consolidation, or acquisition of the obligated person, if material; and
 14. Appointment of a successor or additional trustee, or the change of name of a trustee, if material;

- (v) on receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as “Failure to provide annual financial information as required” when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;
- (vi) on receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Issuer pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:
 - 1. amendment to continuing disclosure undertaking;
 - 2. change in obligated person;
 - 3. notice to investors pursuant to bond documents;
 - 4. certain communications from the Internal Revenue Service;
 - 5. secondary market purchases;
 - 6. bid for auction rate or other securities;
 - 7. capital or other financing plan;
 - 8. litigation/enforcement action;
 - 9. change of tender agent, remarketing agent, or other on-going party;
 - 10. derivative or other similar transaction; and
 - 11. other event-based disclosures;
- (vii) on receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Issuer pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:
 - 1. quarterly/monthly financial information;
 - 2. change in fiscal year/timing of annual disclosure;
 - 3. change in accounting standard;
 - 4. interim/additional financial information/operating data;
 - 5. budget;
 - 6. investment/debt/financial policy;
 - 7. information provided to rating agency, credit/liquidity provider or other third party;
 - 8. consultant reports; and
 - 9. other financial/operating data;
- (viii) provide the Issuer evidence of the filings of each of the above when made, which shall be by means

of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Issuer may adjust the Annual Filing Date on change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

SECTION 3. Content of Annual Reports.

(a) Each Annual Report shall contain the following Annual Financial Information with respect to the Issuer, as of and for the fiscal year then completed, as provided in the Official Statement as follows; provided, however, that in the event the following information is collected and prepared by a party other than the City, the City shall be excused from compliance for failure to timely provide such information in the event such information is not available to the City:

(1) The financial statements of the Issuer for the preceding fiscal year prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the GASB (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 the financial information). If the Issuer'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 contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(2) The financial and operating data contained in the following tables in the Official Statement:

(a) Under the caption, "FINANCIAL FACTORS": (i) Five-Year Summary and (ii) Historical Debt Service Coverage of the System; and

(b) Under the caption, "THE CITY AND THE SYSTEM": (i) Ten Largest Customers, (ii) Number of Billed Customers on Waterworks System, (iii) Number of Billed Customers on Sanitary Sewer System, (iv) Water Rates (if modified during such fiscal year), (v) Sewer Rates (if modified during such fiscal year), (vi) Comparison of Water Rates in the Columbia MSA, and (vii) Capital Improvements Undertaken.

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 Issuer, which have been submitted to the MSRB. If the document included by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

(b) Audited Financial Statements prepared in accordance with GAAP as described in the Official Statement will be included in the Annual Report.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of Bond holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;
13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The Issuer shall, in a timely manner not in excess of ten business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the Issuer determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB in accordance with Section 2 (e)(iv) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. CUSIP Numbers. Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited

Financial Statements, Notice Event notices, Failure to File Event notices, Voluntary Event Disclosures and Voluntary Financial Disclosures, the Issuer shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

SECTION 6. Additional Disclosure Obligations. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that the failure of the Disclosure Dissemination Agent to so advise the Issuer shall not constitute a breach by the Disclosure Dissemination Agent of any of its duties and responsibilities under this Disclosure Agreement. The Issuer acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Reports.

(a) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(b) to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

(c) The parties hereto acknowledge that the Issuer is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation. The obligations of the Issuer and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Bonds on the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or on delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of

nationally recognized bond counsel to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The Issuer has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Issuer may, on thirty days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. On termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Issuer.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Issuer or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated in this Disclosure Agreement.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely on Certifications of the Issuer at all times.

The obligations of the Issuer under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith on the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Issuer.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Issuer and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Issuer or

the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the Issuer. No such amendment shall become effective if the Issuer shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of South Carolina (other than with respect to conflicts of laws).

SECTION 15. Counterparts. This Disclosure Agreement 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.

The Disclosure Dissemination Agent and the Issuer have caused this Continuing Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C.,
as Disclosure Dissemination Agent

By: _____
Name: _____
Title: _____

CITY OF COLUMBIA, SOUTH CAROLINA,
as Issuer

By: _____
Name: _____
Title: _____

EXHIBIT A
NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer: City of Columbia, South Carolina
Obligated Person(s): City of Columbia, South Carolina
Name of Bond Issue: \$[]* Waterworks and Sewer System Revenue Bonds, Series 2019
Date of Issuance: [], 2019
Date of Official Statement: [], 2019

CUSIP Number:

EXHIBIT B
NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Columbia, South Carolina
Obligated Person(s): City of Columbia, South Carolina
Name of Bond Issue: \$[]* Waterworks and Sewer System Revenue Bonds, Series 2019
Date of Issuance: [], 2019
Date of Official Statement: [], 2019

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Disclosure Agreement, dated as of [], 2019, between the Issuer and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. The Issuer has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by:_____.

Dated: _____

DIGITAL ASSURANCE CERTIFICATION, L.L.C.,
as Disclosure Dissemination Agent,
on behalf of the Issuer

By: _____

Name: _____

Title: _____

cc: Issuer
Obligated Person

**EXHIBIT C-1
EVENT NOTICE COVER SHEET**

This cover sheet and material event notice should be sent to the Municipal Securities Rulemaking Board or to all Nationally Recognized Municipal Securities Information Repositories, and the State Information Depository, if applicable, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name: _____

Issuer's Six-Digit CUSIP Number: _____

or Nine-Digit CUSIP Number(s) of the bonds to which this material event notice relates: _____

Number of pages of attached material event notice: _____

____ Description of Notice Events (Check One):

1. ____ Principal and interest payment delinquencies;
2. ____ Non-Payment related defaults, if material;
3. ____ Unscheduled draws on debt service reserves reflecting financial difficulties;
4. ____ Unscheduled draws on credit enhancements reflecting financial difficulties;
5. ____ Substitution of credit or liquidity providers, or their failure to perform;
6. ____ Adverse tax opinions, IRS notices or events affecting the tax status of the security;
7. ____ Modifications to rights of securities holders, if material;
8. ____ Bond calls, if material;
9. ____ Defeasances;
10. ____ Release, substitution, or sale of property securing repayment of the securities, if material;
11. ____ Rating changes;
12. ____ Tender offers;
13. ____ Bankruptcy, insolvency, receivership or similar event of the obligated person;
14. ____ Merger, consolidation, or acquisition of the obligated person, if material; and
15. ____ Appointment of a successor or additional trustee, or the change of name of a trustee, if material.
16. ____ Failure to provide annual financial information as required.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature: _____

Name: _____

Title: _____

Employer: Digital Assurance Certification, L.L.C.
315 East Robinson Street, Suite 300
Orlando, Florida 32801
407-515-1100

Date: _____

EXHIBIT C-2

VOLUNTARY EVENT DISCLOSURE COVER SHEET

This cover sheet and material event notice should be sent to the Municipal Securities Rulemaking Board or to all Nationally Recognized Municipal Securities Information Repositories, and the State Information Depository, if applicable, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name: _____

Issuer's Six-Digit CUSIP Number: _____

or Nine-Digit CUSIP Number(s) of the bonds to which this material event notice relates: _____

Number of pages of attached material event notice: _____

____ Description of Voluntary Event Disclosure (Check One):

1. ___ amendment to continuing disclosure undertaking;
2. ___ change in obligated person;
3. ___ notice to investors pursuant to bond documents;
4. ___ certain communications from the Internal Revenue Service;
5. ___ secondary market purchases;
6. ___ bid for auction rate or other securities;
7. ___ capital or other financing plan;
8. ___ litigation/enforcement action;
9. ___ change of tender agent, remarketing agent, or other on-going party;
10. ___ derivative or other similar transaction; and
11. ___ other event-based disclosures.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature: _____

Name: _____

Title: _____

Employer: Digital Assurance Certification, L.L.C.
315 East Robinson Street, Suite 300
Orlando, Florida 32801
407-515-1100

Date: _____

EXHIBIT C-3

VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET

This cover sheet and material event notice should be sent to the Municipal Securities Rulemaking Board or to all Nationally Recognized Municipal Securities Information Repositories, and the State Information Depository, if applicable, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name: _____

Issuer's Six-Digit CUSIP Number: _____

or Nine-Digit CUSIP Number(s) of the bonds to which this material event notice relates: _____

Number of pages of attached material event notice: _____

_____ Description of Voluntary Financial Disclosure (Check One):

- 1. quarterly/monthly financial information;
- 2. change in fiscal year/timing of annual disclosure;
- 3. change in accounting standard;
- 4. interim/additional financial information/operating data;
- 5. budget;
- 6. investment/debt/financial policy;
- 7. information provided to rating agency, credit/liquidity provider or other third party;
- 8. consultant reports; and
- 9. other financial/operating data.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature: _____

Name: _____

Title: _____

Employer: Digital Assurance Certification, L.L.C.
315 East Robinson Street, Suite 300
Orlando, Florida 32801
407-515-1100

Date: _____

FORM OF CONTINUING DISCLOSURE AGREEMENT

FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (“Disclosure Agreement”), dated as of [], 2019, is executed and delivered by the City of Columbia, South Carolina (“Issuer”) and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (“Disclosure Dissemination Agent” or “DAC”) for the benefit of the Holders (defined below) of the Bonds (defined below) and in order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (“Rule”).

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Issuer through use of the DAC system and do not constitute “advice” within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Act”). DAC will not provide any advice or recommendation to the Issuer or anyone on the Issuer’s behalf regarding the “issuance of municipal securities” or any “municipal financial product” as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary. DAC is not a “Municipal Advisor” as such term is defined in Section 15B of the Securities Exchange Act of 1934, as amended, and related rules.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (defined below). The capitalized terms shall have the following meanings:

“Annual Filing Date” means the date, set in Sections 2(a) and 2(f) hereof, by which the Annual Report is to be filed with the MSRB.

“Annual Financial Information” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

“Audited Financial Statements” means the audited financial statements of the Issuer for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i)(B) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

“Annual Report” means an Annual Report containing Annual Financial Information described in and consistent with Section 3 of this Disclosure Agreement.

“Bonds” means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

“Certification” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Issuer and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

“Disclosure Dissemination Agent” means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Issuer pursuant to Section 9 hereof.

“Disclosure Representative” means the Assistant City Manager for Finance and Economic Services or designee, or such other person as the Issuer shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

“Failure to File Event” means the Issuer’s failure to file an Annual Report on or before the Annual Filing Date.

“Financial obligation” is defined by the Rule as and for purposes of this Disclosure Agreement shall mean (i) a debt obligation; (ii) derivative instrument entered into in connection with, or pledged as a security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Force Majeure Event” means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent’s reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

“Holder” means any person (a) having 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) treated as the owner of any Bonds for federal income tax purposes.

“Information” means, collectively, the Annual Reports, the Audited Financial Statements, the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

“MSRB” means the Municipal Securities Rulemaking Board, or any successor thereto, established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Notice Event” means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

“Official Statement” means that Official Statement prepared by the Issuer in connection with the Bonds, as listed on Appendix A.

“Voluntary Event Disclosure” means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(10) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

“Voluntary Financial Disclosure” means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. Provision of Annual Reports.

(a) The Issuer shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than February 1 after the end of each fiscal year of the Issuer, commencing with the fiscal year ending June 30, 2019. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual

Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit B, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 6:00 p.m. Eastern time on Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the Issuer are prepared but not available prior to the Annual Filing Date, the Issuer shall provide in a timely manner an electronic copy of the Issuer's unaudited financial statements to the Disclosure Dissemination Agent and shall, within a reasonable time of when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certificate, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

- (i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;
- (ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) hereof with the MSRB;
- (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) hereof with the MSRB;
- (iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) hereof with the MSRB, identifying the Notice Event as instructed by the Issuer pursuant to Section 4(a) or 4(b)(ii) hereof (being any of the categories set forth below as modified by the MSRB) when filing pursuant to Section 4(c) of this Disclosure Agreement:
 1. "Principal and interest payment delinquencies;"
 2. "Non-Payment related defaults, if material;"
 3. "Unscheduled draws on debt service reserves reflecting financial difficulties;"
 4. "Unscheduled draws on credit enhancements reflecting financial difficulties;"
 5. "Substitution of credit or liquidity providers, or their failure to perform;"
 6. "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
 7. "Modifications to rights of securities holders, if material;"
 8. "Bond calls, if material, and tender offers;"
 9. "Defeasances;"
 10. "Release, substitution, or sale of property securing repayment of the securities, if material;"

11. "Rating changes;"
 12. "Bankruptcy, insolvency, receivership or similar event of the Issuer;"
 13. "Merger, consolidation, or acquisition of the Issuer, if material;"
 14. "Appointment of a successor or additional trustee, or the change of name of a trustee, if material;"
 15. "Incurrence of a financial obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders, if material;" and
 16. "Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties."
- (v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as "Failure to provide annual financial information as required" when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;
- (vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Issuer pursuant to Section 7(a) hereof (being any of the categories set forth below as modified by the MSRB) when filing pursuant to Section 7(a) of this Disclosure Agreement:
1. "Amendment to continuing disclosure undertaking;"
 2. "Change in Issuer;"
 3. "Notice to investors pursuant to bond documents;"
 4. "Certain communications from the Internal Revenue Service;"
 5. "Secondary market purchases;"
 6. "Bid for auction rate or other securities;"
 7. "Capital or other financing plan;"
 8. "Litigation/enforcement action;"
 9. "Change of tender agent, remarketing agent, or other on-going party;" and
 10. "Other event-based disclosures."
- (vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) hereof with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Issuer pursuant to Section 7(b) hereof (being any of the categories set forth below as modified by the MSRB) when filing pursuant to Section 7(b) of this Disclosure Agreement:
1. "Quarterly/monthly financial information;"
 2. "Change in fiscal year/timing of annual disclosure;"

3. "Change in accounting standard;"
4. "Interim/additional financial information/operating data;"
5. "Budget;"
6. "Investment/debt/financial policy;"
7. "Information provided to rating agency, credit/liquidity provider or other third party;"
8. "Consultant reports;" and
9. "Other financial/operating data."

(viii) provide the Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Issuer may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

SECTION 3. Content of Annual Reports.

Each Annual Report shall contain Annual Financial Information with respect to the Issuer, including the information provided in the Official Statement as follows; provided, however, that in the event the following information is collected and prepared by a party other than the City, the City shall be excused from compliance for failure to timely provide such information in the event such information is not available to the City:

- (1) The financial statements of the Issuer for the preceding fiscal year prepared in accordance with generally accepted accounting principles 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 the financial information). If the Issuer's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to this Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.
- (2) Financial and operating data for the preceding fiscal year, which shall consist of the financial and operating data contained in the following tables in the Official Statement:
 - (a) Under the caption, "FINANCIAL FACTORS": (i) Five-Year Summary and (ii) Historical Debt Service Coverage of the System; and
 - (b) Under the caption, "THE CITY AND THE SYSTEM": (i) Ten Largest Customers, (ii) Number of Billed Customers on Waterworks System, (iii) Number of Billed Customers on Sanitary Sewer System, (iv) Water Rates (if modified during such fiscal year), (v) Sewer Rates (if modified during such fiscal year), (vi) Comparison of Water Rates in the Columbia MSA, and (vii) Capital Improvements Undertaken.

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 Issuer, which have been submitted to the MSRB. If the document included by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

If the Annual Financial Information contains modified operating data or financial information different from the Annual Financial Information agreed to in the continuing disclosure undertaking related to the Bonds, the Issuer is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of Bond holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Issuer;

Note to subsection (a)(12) of this Section 4: For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

13. The consummation of a merger, consolidation, or acquisition involving an Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

The Issuer shall, in a timely manner not in excess of ten business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the Issuer determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that either (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB in accordance with Section 2(e)(iv) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. CUSIP Numbers. The Issuer will provide the Dissemination Agent with the CUSIP numbers for (i) new bonds at such time as they are issued or become subject to the Rule and (ii) any Bonds to which new CUSIP numbers are assigned in substitution for the CUSIP numbers previously assigned to such Bonds.

SECTION 6. Additional Disclosure Obligations. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The Issuer acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filing.

(a) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(b) to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

(c) The parties hereto acknowledge that the Issuer is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation. The obligations of the Issuer and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The Issuer has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Issuer may, upon thirty days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable to the Disclosure Dissemination Agent until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior

written notice to the Issuer.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Issuer or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon Certifications of the Issuer at all times.

The obligations of the Issuer under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Issuer.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Issuer and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Issuer or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the Issuer. No such amendment shall become effective if the Issuer shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the

Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of South Carolina (other than with respect to conflicts of laws).

SECTION 15. Counterparts. This Disclosure Agreement 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.

[SIGNATURE PAGE FOLLOWS]
[REMAINDER OF PAGE INTENTIONALLY BLANK]

The Disclosure Dissemination Agent and the Issuer have caused this Continuing Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C.,
as Disclosure Dissemination Agent

By: _____
Name: _____
Title: _____

CITY OF COLUMBIA, SOUTH CAROLINA, as Issuer

By: _____
Name: _____
Title: _____

EXHIBIT A
NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer	City of Columbia, South Carolina
Obligated Person(s)	City of Columbia, South Carolina
Name of Bond Issue:	\$_____ * Waterworks and Sewer System Revenue Bonds, Series 2019
Date of Issuance:	[], 2019
Date of Official Statement:	[], 2019
CUSIP Number:	198504

EXHIBIT B
NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer City of Columbia, South Carolina
Obligated Person(s) City of Columbia, South Carolina
Name of Bond Issue: \$_____ * Waterworks and Sewer System Revenue Bonds, Series 2019
Date of Issuance: [], 2019
Date of Official Statement: [], 2019

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Disclosure Dissemination Agent Agreement, dated as of [], 2019, between the Issuer and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. The Issuer has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by:_____

Dated: _____

DIGITAL ASSURANCE CERTIFICATION, L.L.C.,
as Disclosure Dissemination Agent,
on behalf of the Issuer

By: _____
Name: _____
Title: _____

cc: Issuer
 Obligated Person

**EXHIBIT C-1
EVENT NOTICE COVER SHEET**

This cover sheet and accompanying "event notice" may be sent to the Municipal Securities Rulemaking Board pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name:

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this material event notice relates:

Number of pages of attached material event notice: _____

_____ Description of Notice Events (Check One):

1. "Principal and interest payment delinquencies;"
2. "Non-Payment related defaults, if material;"
3. "Unscheduled draws on debt service reserves reflecting financial difficulties;"
4. "Unscheduled draws on credit enhancements reflecting financial difficulties;"
5. "Substitution of credit or liquidity providers, or their failure to perform;"
6. "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
7. "Modifications to rights of securities holders, if material;"
8. "Bond calls, if material;"
9. "Defeasances;"
10. "Release, substitution, or sale of property securing repayment of the securities, if material;"
11. "Rating changes;"
12. "Tender offers;"
13. "Bankruptcy, insolvency, receivership or similar event of the Issuer;"
14. "Merger, consolidation, or acquisition of the Issuer, if material;"
15. "Appointment of a successor or additional trustee, or the change of name of a trustee, if material;"
16. "Incurrence of a financial obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders, if material;" and
17. "Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties."

_____ Failure to provide annual financial information as required

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
315 E. Robinson Street
Suite 300
Orlando, FL 32801
407-515-1100

Date: _____

EXHIBIT C-2
VOLUNTARY EVENT DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary event notice" may be sent to the Municipal Securities Rulemaking Board pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name:

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

_____ Description of Voluntary Event Disclosure (Check One):

1. "amendment to continuing disclosure undertaking;"
2. "change in Issuer;"
3. "notice to investors pursuant to bond documents;"
4. "certain communications from the Internal Revenue Service;"
5. "secondary market purchases;"
6. "bid for auction rate or other securities;"
7. "capital or other financing plan;"
8. "litigation/enforcement action;"
9. "change of tender agent, remarketing agent, or other on-going party;" and
10. "other event-based disclosures."

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
315 E. Robinson Street
Suite 300
Orlando, FL 32801
407-515-1100

Date: _____

EXHIBIT C-3
VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary financial disclosure" may be sent to the Municipal Securities Rulemaking Board pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name:

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

_____ Description of Voluntary Financial Disclosure (Check One):

1. "quarterly/monthly financial information;"
2. "change in fiscal year/timing of annual disclosure;"
3. "change in accounting standard;"
4. "interim/additional financial information/operating data;"
5. "budget;"
6. "investment/debt/financial policy;"
7. "information provided to rating agency, credit/liquidity provider or other third party;"
8. "consultant reports;" and
9. "other financial/operating data."

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
315 E. Robinson Street
Suite 300
Orlando, FL 32801
407-515-1100

Date: _____