

COUNTY COUNCIL OF BEAUFORT COUNTY
ADMINISTRATION BUILDING
BEAUFORT COUNTY GOVERNMENT ROBERT SMALLS COMPLEX
100 RIBAUT ROAD
POST OFFICE DRAWER 1228
BEAUFORT, SOUTH CAROLINA 29901-1228
TELEPHONE: (843) 255-2180
www.bcgov.net

D. PAUL SOMMERVILLE
CHAIRMAN

GERALD W. STEWART
VICE CHAIRMAN

COUNCIL MEMBERS

RICK CAPORALE
MICHAEL E. COVERT
GERALD DAWSON
BRIAN E. FLEWELLING
STEVEN G. FOBES
YORK GLOVER, SR.
ALICE G. HOWARD
STEWART H. RODMAN
ROBERTS "TABOR" VAUX

GARY T. KUBIC
COUNTY ADMINISTRATOR

JOSHUA A. GRUBER
DEPUTY COUNTY ADMINISTRATOR
SPECIAL COUNSEL

THOMAS J. KEAVENY, II
COUNTY ATTORNEY

ASHLEY M. BENNETT
CLERK TO COUNCIL

AGENDA
COUNTY COUNCIL OF BEAUFORT COUNTY
REGULAR SESSION

Monday, April 24, 2017

6:00 p.m.

Council Chambers, Administration Building
Beaufort County Government Robert Smalls Complex
100 Ribaut Road, Beaufort

1. CALL TO ORDER - 6:00 P.M.
2. REGULAR SESSION
3. PLEDGE OF ALLEGIANCE
4. INVOCATION – Council Member Gerald Dawson
5. RECOGNITION
 - A. South Carolina Emergency Medical Services Network / 2016 Paramedic Educator of the Year Award / Karen Morris, Training Officer, Beaufort County EMS
6. ADMINISTRATIVE CONSENT AGENDA
 - A. Approval of Minutes
 1. [March 27, 2017](#) Caucus
 2. [April 10, 2017](#) Caucus
 3. [April 10, 2017](#) Regular Session
 - B. Committee Reports (next meeting)
 1. Community Services (May 1 at 4:00 p.m., ECR) (Joint Meeting)
 2. Executive (May 8 at 3:00 p.m., ECR)
 3. Finance (May 1 at 2:00 p.m., ECR)
(May 15 at 1:00 p.m., ECR)
 - a. Minutes – [April 10, 2017](#)
 4. Governmental (May 1 at 4:00 p.m., ECR) (Joint Meeting)
 - a. Minutes – [April 3, 2017](#)
 5. Natural Resources (May 15 at 2:00 p.m., ECR)
 - a. Minutes – [April 17, 2017](#)
 6. Public Facilities (May 15 at 4:00 p.m., ECR)
 - a. Minutes – [April 17, 2017](#)
 - C. Appointments to Boards and Commissions ([backup](#))
7. PUBLIC COMMENT – Speaker sign-up encouraged no later than 5:45 p.m. day of meeting.



8. NEW BUSINESS

A. PRESENTATION / FY 2016 COMPREHENSIVE AUDITED FINANCIAL REPORT

9. CONSENT AGENDA

- A. A RESOLUTION CALLING FOR A PUBLIC HEARING TO BE HELD UPON THE QUESTION OF THE ISSUANCE OF NOT EXCEEDING \$5,500,000 OF GENERAL OBLIGATION BONDS OF FRIPP ISLAND PUBLIC SERVICE DISTRICT, SOUTH CAROLINA; PROVIDING FOR THE PUBLICATION OF THE NOTICE OF SUCH PUBLIC HEARING; AND OTHER MATTERS RELATING THERETO ([backup](#))
1. Consideration of resolution adoption to occur April 24, 2017
 2. Finance Committee discussion to occur April 24, 2017 beginning at 3:00 p.m. in the Executive Conference Room of the Administration Building, Beaufort County Government Robert Smalls Complex, 100 Ribaut Road, Beaufort
- B. AN ORDINANCE AUTHORIZING THE FRIPP ISLAND PUBLIC SERVICE DISTRICT, SOUTH CAROLINA, TO ISSUE GENERAL OBLIGATION BONDS IN A PRINCIPAL AMOUNT NOT EXCEEDING \$5,500,000, SUBJECT TO A SUCCESSFUL REFERENDUM IN THIS DISTRICT; AND OTHER MATTERS RELATING THERETO
1. Consideration of first reading to occur April 24, 2017 ([backup](#))
 2. Finance Committee discussion to occur April 24, 2017 beginning at 3:00 p.m. in the Executive Conference Room of the Administration Building, Beaufort County Government Robert Smalls Complex, 100 Ribaut Road, Beaufort
- C. AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION REFUNDING BONDS, IN ONE OR MORE SERIES, WITH APPROPRIATE SERIES DESIGNATIONS, OF BEAUFORT COUNTY, SOUTH CAROLINA, IN THE TOTAL PRINCIPAL AMOUNT OF NOT EXCEEDING \$17,500,000; FIXING THE FORM AND DETAILS OF THE BONDS; AUTHORIZING THE COUNTY ADMINISTRATOR OR HIS LAWFULLY-AUTHORIZED DESIGNEE TO DETERMINE CERTAIN MATTERS RELATING TO THE BONDS; PROVIDING FOR THE PAYMENT OF THE BONDS AND THE DISPOSITION OF THE PROCEEDS THEREOF; AND OTHER MATTERS RELATING THERETO ([backup](#))
1. Consideration of first reading to occur April 24, 2017
 2. Finance Committee discussion to occur April 24, 2017 beginning at 3:00 p.m. in the Executive Conference Room of the Administration Building, Beaufort County Government Robert Smalls Complex, 100 Ribaut Road, Beaufort
- D. RESOLUTION / FY2017-2018 HOSPITALIZATION AND GENERAL BENEFITS RENEWALS; GROUP HEALTH, DENTAL, VISION PLAN, SHORT & LONG TERM DISABILITY AND LIFE INSURANCE
1. Consideration of resolution adoption to occur April 24, 2017
 2. Finance Committee discussion to occur April 24, 2017 beginning at 3:00 p.m. in the Executive Conference Room of the Administration Building, Beaufort County Government Robert Smalls Complex, 100 Ribaut Road, Beaufort

- E. CHANGE ORDERS 12 AND 13 / BOUNDARY STREET PROJECT / ADDITIONAL DUCT BANK SERVICE IMPACT ([backup](#))
1. Contract award: Preferred Materials, Inc., Savannah, Georgia
 2. Change Order 12: Underground placement of utilities as part of the Boundary Street Redevelopment in the amount of \$628,688.
 3. Change Order 13: Deduct totaling \$458,239 to be applied to current encumbered purchase order balance, due to the elimination of an extensive underdrain system that is not necessary due to soil type and median planting materials.
 4. Funding sources: Change Order 12 will be funded from the Boundary Street Redevelopment total budget of \$33,573,358 which is provided by TIGER Grant, County Sales Tax Fund, County Road Impact Fee and City of Beaufort TIF II. Change Order 13 will be deducted from the encumbered purchase order balance. The overall encumbered to date purchase order total will increase the net amount of **\$170,449** for Change Orders 12 and 13.
 5. Public Facilities Committee discussion and recommendation to approve change order occurred April 17, 2017 / Vote 6:0
- F. AN ORDINANCE AUTHORIZING THE OPERATION OF GOLF CARTS AT NIGHT ON DAUFUSKIE ISLAND ([backup](#))
1. Consideration of second reading approval to occur April 24, 2017
 2. Public hearing announcement – Monday, May 8, 2017 beginning at 6:30 p.m. in Council Chambers, Administration Building, Beaufort County Government Robert Smalls Complex, 100 Ribaut Road, Beaufort
 3. Public Facilities Committee discussion and recommendation to approve ordinance on second reading occurred April 17, 2017 / Vote 6:0
 4. At the March 27, 2017 meeting, Council removed this item from the consent agenda (consideration of second reading) in order to allow additional discussion and recommendation by the Public Facilities
 5. Public Facilities Committee discussion occurred March 27, 2017
 6. First reading, by title only, approval occurred March 13, 2017 / Vote 10:0
 7. Public Facilities Committee discussion and recommendation to approve ordinance on first reading occurred March 6, 2017 / Vote 7:0
 8. Public Facilities Committee Workshop discussion occurred January 30, 2017
 9. Public Facilities Committee Workshop discussion occurred December 13, 2016
 10. Public Facilities Committee discussion occurred September 19, 2016
- G. AN ORDINANCE RECOGNIZING BEAUFORT COUNTY SHERIFF'S REQUEST FOR \$30,000 FOR COSTS ASSOCIATED WITH TRAFFIC CONTROL DURING 2017 MCAS BEAUFORT AIR SHOW AND APPROPRIATING \$15,000 FROM THE STATE 2% ACCOMMODATIONS TAX FUND TO COVER SUCH COSTS ([backup](#))
1. Consideration of second reading approval to occur April 24, 2017
 2. Public hearing announcement – Monday, May 8, 2017 beginning at 6:30 p.m. in Council Chambers, Administration Building, Beaufort County Government Robert Smalls Complex, 100 Ribaut Road, Beaufort
 3. First reading approval occurred April 10, 2017 / Vote 10:0
 4. Finance Committee discussion and recommendation to approve ordinance on first reading occurred April 3, 2017 / Vote 7:0

H. AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF NOT EXCEEDING \$35,000,000 TAXABLE OR TAX-EXEMPT, OR BOTH, GENERAL OBLIGATION BOND ANTICIPATION NOTE(S), IN ONE OR MORE SERIES, WITH APPROPRIATE SERIES DESIGNATIONS, OF BEAUFORT COUNTY, SOUTH CAROLINA; FIXING THE FORM AND DETAILS OF THE NOTE(S); AUTHORIZING THE COUNTY ADMINISTRATOR TO DETERMINE CERTAIN MATTERS RELATING TO THE NOTE(S); PROVIDING FOR THE PAYMENT OF THE NOTE(S) AND THE DISPOSITION OF THE PROCEEDS THEREOF; AND OTHER MATTERS RELATING THERETO ([backup](#))

1. Consideration of second reading approval to occur April 24, 2017
2. Public hearing announcement – Monday, May 8, 2017 beginning at 6:30 p.m. in Council Chambers, Administration Building, Beaufort County Government Robert Smalls Complex, 100 Ribaut Road, Beaufort
3. First reading, by title only, approval occurred April 10, 2017 / Vote 10:0
4. Finance Committee discussion occurred April 3, 2017

10. MATTERS ARISING OUT OF EXECUTIVE SESSION

11. PUBLIC COMMENT - Speaker sign-up encouraged.

12. ADJOURNMENT

Official Proceedings
County Council of Beaufort County
March 27, 2017

The electronic and print media duly notified in
accordance with the State Freedom of Information Act.

A caucus of the County Council of Beaufort County was held Monday, March 27, 2017 beginning at 5:00 p.m. in the Large Meeting Room, Hilton Head Island Branch Library, 11 Beach City Road, Hilton Head Island, South Carolina.

ATTENDANCE

Chairman D. Paul Sommerville, Vice Chairman Gerald Stewart and Councilmen Rick Caporale, Michael Covert, Gerald Dawson, Brian Flewelling, Steven Fobes, York Glover, Alice Howard, Stewart Rodman and Roberts “Tabor” Vaux.

PLEDGE OF ALLEGIANCE

The Chairman led those present in the Pledge of Allegiance.

CALL FOR EXECUTIVE SESSION

It was moved by Mr. Flewelling, seconded by Mr. Fobes, that Council go immediately into executive session regarding negotiations incident to proposed contractual arrangements and proposed purchase of property pursuant to S.C. Code Section 30-4-70(a)(2). The vote: YEAS – Mr. Caporale, Mr. Covert, Mr. Dawson, Mr. Flewelling, Mr. Fobes, Mr. Glover, Mrs. Howard, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Mr. Vaux. The motion passed.

EXECUTIVE SESSION

RECONVENE OF CAUCUS

STATUS OF HURRICANE MATTHEW RECOVERY PROCESS

Mr. Eric Larson, Division Director–Environmental Engineering and Land Management, provided a briefing on the status of Hurricane Matthew recovery process. The update included information on marine debris, demolition sites, stormwater related debris and total dollars. All information relative to Hurricane Matthew Recovery process is available on the Disaster Recovery Website at www.beaufortcountydisasterrecovery.net.

RECEIPT OF COUNTY ADMINISTRATOR’S TWO-WEEK PROGRESS REPORT

Mr. Rodman feels it appropriate to drop the County Administrator’s and Deputy County Administrator / Special Counsel’s progress reports from the consent agenda. As an alternative, he prefers receiving a report regarding ongoing issues in the County.

Mr. Flewelling asked that the reports remain as part of the Caucus agenda. These reports provide an idea of what administration is doing daily and their focus. He reminded Council of his

proposal several years ago wherein the County Administrator would narrate a 15-minute video on the County Channel.

Mr. Glover asked the County Administrator to comment on a March 14, 2017 meeting regarding a mining permit / aquifer.

Mr. Kubic stated the County has been working with developer, Mr. Tom Zinn, whose property is located at the corner of S.C. Highway 170 and Bluffton Parkway*. Beaufort County commissioned the Bowman Report** in order to assist the County in addressing several issues Mr. Zinn felt the County should ratify or rectify with public tax dollars. The report provided the following recommendations: (i) creation of ditches alongside S.C. Highway 170 that would border the property; (ii) existing permit (#93-2X-239) the Army Corps of Engineers issued to Del Webb Communities to allow them to create a haul road through the wetland. The haul road was to allow the ability for construction and hauling materials through the wetland to access the site. The permit remains in existence and will remain active until deemed inactive. Because the haul road may affect water flow, the County wrote a letter*** to the U.S. Army Corps of Engineers (this issue was identified in our report) reminding them that they may want to review it with emphasis on restoring the land to its original condition. The second aspect of the meeting involved mining permits and the jurisdictions of the Town of Bluffton and South Carolina Department of Health and Environmental Control (SCDHEC). There are mining activities ongoing in that area for years involving hundreds of trucks hauling material. According to the permit, this is an allowable use if the material they are taking from one area of land supplements the owner in another area. Beaufort County provided to the State and the Town of Bluffton aerials taken prior to Hurricane Matthew, prior to the original permit, and post hurricane. The size of these mining operations is dramatic. The natural aquifer in this area may be impacted, thus, Mr. Zinn's property may become more saturated.

Mr. Dawson asked the County Administrator to comment on his March 14, 2017 meeting with Mr. J. L. Goodwin regarding the Yemassee Train Station.

Mr. Kubic said Beaufort County gave the Town of Yemassee \$25,000 and the State \$15,000 toward the Yemassee Train Station project. Renovations are underway. The next phase is the historic aspect of that area, the possibility of bringing back the original dormitory, or, perhaps, another focus point. A \$250,000 grant loan is pending before the U.S. Department of Agriculture (USDA).

RECEIPT OF DEPUTY COUNTY ADMINISTRATOR / SPECIAL COUNSEL'S SIX-WEEK PROGRESS REPORT

Council accepted the Deputy County Administrator / Special Counsel's Progress Report.

* Attachment: Zinn property location (www.zamsc.com).

** Attachment: Letter commissioning Bowman Report

*** Attachment: Letter to U.S. Army Corps of Engineers

DISCUSSION OF CONSENT AGENDA

Chairman Paul Sommerville asked if any members of Council would like to pull any items from the Consent Agenda for discussion or separate vote.

Mr. Rodman requested the removal of Item 9B, an ordinance regulating the operations of golf carts on Daufuskie Island. The Public Facilities Committee needs additional time for review.

Mr. Glover requested the removal of Item 9C, an ordinance authorizing the County Administrator to enter into a lease/purchase agreement with the Gullah Farmers’ Cooperative Association. As a member of the Gullah Farmers’ Cooperative Association, Mr. Glover will recuse himself.

DISCUSSION OF NON-AGENDA ITEMS

Mr. Dawson informed Council of a letter he sent to Representative Shannon Erickson regarding the lack of diversity on the Beaufort County Board of Voter Registration and Elections (Board). In a conversation with Representative Erickson, she is of the opinion that the Legislative Delegation has met the requirements.

The Board received and forwarded two applications—Ms. Bernadette Hampton and Ms. Brenda Merrick—to the Legislative Delegation for consideration. However, unbeknownst to the Board, the Legislative Delegation had already received a third application from Mrs. Angelica Flewelling. The Legislative Delegation did not consider Ms. Hampton’s application; and, instead, recommended that the Governor appoint Ms. Brenda Merrick and Mrs. Angelica Flewelling to fill the two Board vacancies. Representative Erickson took the position that they had selected the most qualified applicants and, did not consider race, etc. Ms. Hampton is as qualified, if not more qualified, than either Ms. Merrick or Mrs. Flewelling. Ms. Hampton holds a Master’s Degree and has experience working in the voter registration and election process. This matter warrants Council discussion going forward given Council’s efforts to address board diversity.

ADJOURNMENT

Council adjourned at 6:00 p.m.

COUNTY COUNCIL OF BEAUFORT COUNTY

By: _____
D. Paul Sommerville, Chairman

ATTEST:

Ashley M. Bennett, Clerk to Council
Ratified:

Attachment: Zinn Property Location

4/11/2017

9_Crossroads-Aerial1.jpg (792x856)



http://www.zamsc.com/wp-content/uploads/2015/04/9_Crossroads-Aerial1.jpg

1/1

Attachment: Letter Commissioning Bowman Report

COUNTY COUNCIL OF BEAUFORT COUNTY
OFFICE OF THE COUNTY ADMINISTRATOR
ADMINISTRATION BUILDING
BEAUFORT COUNTY GOVERNMENT ROBERT SMALLS COMPLEX
100 RIBAUT ROAD
POST OFFICE DRAWER 1228
BEAUFORT, SOUTH CAROLINA 29901-1228
TELEPHONE: (843) 255-2026
FAX: (843) 255-9403
www.bcgov.net

GARY T. KUBIC
COUNTY ADMINISTRATOR

CHERYL HARRIS
EXECUTIVE ASSISTANT

JOSHUA A. GRUBER
DEPUTY COUNTY ADMINISTRATOR
SPECIAL COUNSEL

THOMAS J. KEAVENY, II
COUNTY ATTORNEY

March 15, 2017

Mr. Marc Orlando, ICMA-CM, Town Manager
Town of Bluffton
Post Office Box 386
Bluffton, South Carolina 29910

Re: SC 170 Drainage Issues

Dear Mr. Orlando:

Please find attached a report from Bowman Consulting that Beaufort County commissioned in an attempt to address perceived drainage issues for SC 170 along the western edge of the Town of Bluffton.

The report makes recommendations regarding ditch maintenance along SC 170 and Del Webb impacts which the County is presently addressing. In addition, the report identified the probable impact on adjacent properties of the significant sand mines in the immediate area.

As you are aware, over 600 acres of sand mining operations and development activities have been underway in this area since 2009, and these operations have significantly altered the landscape. These activities have not only changed the nature of the adjacent properties, but have also taken an enormous toll on the associated County road network as well.

Please take a moment to review the attached report and advise us of any actions the Town believes are prudent to address citizens' concerns.

If you have any questions, please do not hesitate to contact me.

Sincerely,



Gary Kubic
County Administrator

Attachment

cc: Paul Sommerville, Chairman, Beaufort County Council
Members of Beaufort County Council
Lisa Sulka, Mayor, Bluffton Town Council
Members of Bluffton Town Council
Joshua Gruber, Deputy County Administrator / Special Counsel
Eric Larson, Director, Environmental Engineering & Land Management
Thomas Keaveny, County Attorney
Robert McFee, Division Director, Construction, Engineering and Facilities
David Payne, DHEC, Mining Permits Section
Tom Zinn, President, Zinn Asset Management

Attachment: Letter to U.S. Army Corps of Engineers

COUNTY COUNCIL OF BEAUFORT COUNTY
OFFICE OF THE COUNTY ADMINISTRATOR
ADMINISTRATION BUILDING
BEAUFORT COUNTY GOVERNMENT ROBERT SMALLS COMPLEX
100 RIBAUT ROAD
POST OFFICE DRAWER 1228
BEAUFORT, SOUTH CAROLINA 29901-1228
TELEPHONE: (843) 255-2026
FAX: (843) 255-9403
www.lcgov.net

GARY T. KUBIC
COUNTY ADMINISTRATOR
CHERYL HARRIS
EXECUTIVE ASSISTANT

JOSHUA A. GRUBER
DEPUTY COUNTY ADMINISTRATOR
SPECIAL COUNSEL
THOMAS J. KEAVENY, II
COUNTY ATTORNEY

March 15, 2017

Mr. Travis Hughes, Chief, Regulatory Division
U.S. Army Corps of Engineers
69A Hagood Avenue
Charleston, SC 29403

Re: Permit #93-2X-239 Issued January 25, 1994 to Del Webb Communities

Dear Mr. Hughes:

The above referenced permit was issued for a wetlands impact of 1.36 acres associated with land development activities in Beaufort County. It is our understanding that within the body of that permit, temporary Road Crossing #16A (approximately 0.58 ac) was to be removed upon completion of the project.

To the best of our knowledge, we believe that the land disturbance activities that formed the basis of the permit request have been completed by the applicant but the removal of this temporary road has not been accomplished. If this is indeed the case, the road in question no longer serves a necessary function. There is a nagging perception among adjacent property owners that this condition aggravates the poor drainage characteristics of the neighboring properties and therefore it should be removed.

Please understand Beaufort County takes no position that this does or does not materially affect community drainage; however, we would respectfully request that the Corps review the situation and advise us of your findings.

We deeply appreciate your time and consideration.

Sincerely,

Gary Kubic
County Administrator

cc: Paul Sommerville, Chairman, Beaufort County Council
Members of Beaufort County Council
Lisa Sulka, Mayor, Bluffton Town Council
Members of Bluffton Town Council
Joshua Gruber, Deputy County Administrator / Special Counsel
Robert McFee, Division Director, Construction, Engineering and Facilities
Eric Larson, Director, Environmental Engineering & Land Management
Thomas Keaveny, County Attorney
Tonja Flanagan, Pulte
Douglas Hill, Pulte
Tom Zinn, President, Zinn Asset Management

Official Proceedings
County Council of Beaufort County
April 10, 2017

The electronic and print media duly notified in accordance with the State Freedom of Information Act.

A caucus of the County Council of Beaufort County was held Monday, April 10, 2017 beginning at 5:00 p.m. in the Executive Conference Room of the Administration Building, Beaufort County Government Robert Smalls Complex, 100 Ribaut Road, Beaufort, South Carolina.

ATTENDANCE

Chairman D. Paul Sommerville, Vice Chairman Gerald Stewart and Councilmen Rick Caporale, Michael Covert, Gerald Dawson, Brian Flewelling, Steven Fobes, York Glover, Alice Howard, Stewart Rodman and Roberts "Tabor" Vaux. Councilman Alice Howard absent.

PLEDGE OF ALLEGIANCE

The Chairman led those present in the Pledge of Allegiance.

CALL FOR EXECUTIVE SESSION

It was moved by Mr. Rodman, seconded by Mr. Covert, that Council go immediately into executive session regarding (1) discussions incident to proposed contractual negotiations and discussion of economic development Project Tetris and (2) discussion of employment of a person regulated by County Council. The vote: YEAS – Mr. Caporale, Mr. Covert, Mr. Dawson, Mr. Flewelling, Mr. Fobes, Mr. Glover, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Mr. Vaux. ABSENT – Mrs. Howard. The motion passed.

It was moved by Mr. Flewelling, seconded by Mr. Covert, that Council go immediately into executive session regarding receipt of legal advice relating to pending litigation. The vote: YEAS – Mr. Caporale, Mr. Covert, Mr. Dawson, Mr. Flewelling, Mr. Fobes, Mr. Glover, Mr. Rodman, Mr. Sommerville, and Mr. Stewart. ABSENT – Mrs. Howard. ABSTAIN – Mr. Vaux. The motion passed.

EXECUTIVE SESSION

ADJOURNMENT

Council adjourned at 6:00 p.m.

COUNTY COUNCIL OF BEAUFORT COUNTY

By: _____
D. Paul Sommerville, Chairman

ATTEST

Ashley M. Bennett, Clerk to Council
Ratified:

Official Proceedings
County Council of Beaufort County
April 10, 2017

The electronic and print media duly notified in accordance with the State Freedom of Information Act.

The regular session of the County Council of Beaufort County was held Monday, April 10, 2017 beginning at 6:00 p.m. in Council Chambers of the Administration Building, Beaufort County Government Robert Smalls Complex, 100 Ribaut Road, Beaufort, South Carolina.

ATTENDANCE

Chairman D. Paul Sommerville, Vice Chairman Gerald Stewart and Councilmen Rick Caporale, Michael Covert, Gerald Dawson, Brian Flewelling, Steven Fobes, York Glover, Alice Howard, Stewart Rodman and Roberts "Tabor" Vaux. Councilman Alice Howard absent.

PLEDGE OF ALLEGIANCE

The Chairman led those present in the Pledge of Allegiance.

INVOCATION

Council member Stewart Rodman gave the Invocation.

PROCLAMATION

Child Abuse Prevention and Sexual Assault Awareness Month

Chairman Sommerville proclaimed April 2017 as Child Abuse Prevention and Sexual Assault Awareness Month. Ms. Rebecca Albright, Hopeful Horizons Board member, accepted the proclamation.

Penn Center 1862 Circle Week

Chairman Paul Sommerville proclaimed April 16, 2017 through April 23, 2017 as Penn Center 1862 Circle Week and encouraged everyone to recognize the significance of the mission of Penn Center, Inc. -- to preserve and promote the history and culture of the Sea Islands. Ms. Ethel L. Sumpter, Secretary, Penn Center Board of Trustees, accepted the proclamation.

ADMINISTRATIVE CONSENT AGENDA

Review of the Proceedings of the Caucus held March 27, 2017

Mr. Rodman requested postponement of approval of the caucus minutes for two weeks due to concerns raised from Mr. Tom Zinn regarding the context of the update provided by the County Administrator.

Review of the Proceedings of the Regular Session held March 27, 2017

This item comes before Council under the Administrative Consent Agenda.

It was moved by Mr. Flewelling seconded by Mr. Rodman, that Council approve the minutes of the regular session held March 27, 2017. The vote: YEAS – Mr. Caporale, Mr. Covert, Mr. Dawson, Mr. Flewelling, Mr. Fobes, Mr. Glover, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Mr. Vaux. ABSENT – Mrs. Howard. The motion passed.

Committee Reports

Governmental Committee

Mr. Gerald Dawson, Governmental Committee Chairman, announced a joint meeting of Community Services and Governmental Committees has been scheduled on May 1, 2017 beginning at 4:00 p.m. in the Executive Conference Room of the Administration Building, Beaufort County Government Robert Smalls Complex, 100 Ribaut Road, Beaufort, South Carolina.

Bluffton Township Fire District Board

Governmental Committee nominated Mr. Louis Poindexter, representing Council District 6, for appointment to serve as a member of the Bluffton Township Fire District Board.

Public Facilities Committee

Public Facilities Committee Chairman Stu Rodman updated the Committee on the March 27, 2017 Public Facilities Committee meeting. The Committee continued discussing (i) an ordinance regulating the operation of golf carts on public streets and secondary highways on Daufuskie Island; (ii) Daufuskie Island park trail and amenities construction; and (iii) Marshside Mama Sublease Agreement. Discussion of Marshside Mama Sublease Agreement will occur at the April 17, 2017 meeting of the Public Facilities Committee.

Mr. Rodman expressed his desire to amend a Joint Resolution (Resolution 2017/3) of the Town of Bluffton, the Town of Hilton Head Island and Beaufort County, highlighting the urgency of addressing congestion on the U.S. Highway 278 Gateway Corridor including the Hilton Head Bridges in order to include participation of the Lowcountry Area Transportation Study (LATS).

Mr. Rodman distributed to Council a memorandum, advertisements, and budget information relative to a funding request from The Original Gullah Festival of South Carolina, Inc. This item falls under the purview of the Finance Committee.

PUBLIC COMMENT

There were no requests to speak during public comment.

NEW BUSINESS

Presentation / Fiscal Year 2016 Comprehensive Annual Financial Report

Mr. Stewart, as Chairman of Finance Committee, notified Council that a presentation on Fiscal Year 2016 Comprehensive Annual Financial Report would occur at the April 24, 2017 meeting of Council.

ITEM REMOVED FROM CONSENT AGENDA

A RESOLUTION OPPOSING THE FISCAL YEAR 2017-2018 PROPOSED SOUTH CAROLINA HOUSE OF REPRESENTATIVES BUDGET RECOMMENDATION

Mr. Rodman removed this item from the consent agenda in order to vote on this matter separately.

It was moved by Mr. Covert, seconded by Mr. Stewart, that Council adopt a resolution opposing the Fiscal Year 2017-2018 proposed South Carolina House of Representatives budget recommendations. The vote: YEAS – Mr. Caporale, Mr. Covert, Mr. Dawson, Mr. Flewelling, Mr. Fobes, Mr. Glover, Mr. Sommerville, Mr. Stewart and Mr. Vaux. ABSTAIN – Mr. Rodman. ABSENT – Mrs. Howard. The motion passed.

CONSENT AGENDA

A RESOLUTION AGREEING TO REQUEST A SOUTH CAROLINA DEPARTMENT OF TRANSPORTATION MATCHING GRANT IN THE AMOUNT OF \$80,000 FOR FERRY SERVICE TO AND FROM DAUFUSKIE ISLAND

This item comes before Council under the Consent Agenda. Discussion occurred at the March 27, 2017 meeting of the Community Services Committee.

It was moved by Mr. Flewelling, seconded by Mr. Dawson, that Council adopt a resolution to agree to apply to the State of South Carolina Department of Transportation for a matching grant in the amount of \$80,000 to assist with ferry service to and from Daufuskie Island. The vote: YEAS – Mr. Caporale, Mr. Covert, Mr. Dawson, Mr. Flewelling, Mr. Fobes, Mr. Glover, Mr.

Rodman, Mr. Sommerville, Mr. Stewart and Mr. Vaux. ABSENT – Mrs. Howard. The motion passed.

AN ORDINANCE RECOGNIZING BEAUFORT COUNTY SHERIFF’S REQUEST FOR \$30,000 FOR COSTS ASSOCIATED WITH TRAFFIC CONTROL DURING 2017 MCAS BEAUFORT AIR SHOW AND APPROPRIATING \$15,000 FROM THE STATE 2% ACCOMMODATIONS TAX FUND TO COVER SUCH COSTS

This item comes before Council under the Consent Agenda. Discussion occurred at the April 3, 2017 meeting of the Finance Committee.

It was moved by Mr. Flewelling, seconded by Mr. Dawson, that Council approve on first reading an ordinance recognizing Beaufort County Sheriff’s request for \$30,000 for costs associated with traffic control during 2017 MCAS Beaufort Air Show and appropriating \$15,000 from the State 2% Accommodations Tax Fund to cover such costs. The vote: YEAS – Mr. Caporale, Mr. Covert, Mr. Dawson, Mr. Flewelling, Mr. Fobes, Mr. Glover, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Mr. Vaux. ABSENT – Mrs. Howard. The motion passed.

CHANGE ORDER / ARBORIST SERVICES FOR BEAUFORT COUNTY HILTON HEAD ISLAND AIRPORT

This item comes before Council under the Consent Agenda. Discussion occurred at the April 3, 2017 meeting of the Finance Committee.

It was moved by Mr. Flewelling, seconded by Mr. Dawson, that Council approve a contract change order with Preservation Tree, LLC, Lady’s Island, South Carolina to provide additional arborist services for a total cost not to exceed \$29,925. Funding will come from the following sources: 90% FAA Grant 31, 5% South Carolina Aeronautics Commission, 2.5% Beaufort County and 2.5% the Town of Hilton Head Island. The vote: YEAS – Mr. Caporale, Mr. Covert, Mr. Dawson, Mr. Flewelling, Mr. Fobes, Mr. Glover, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Mr. Vaux. ABSENT – Mrs. Howard. The motion passed.

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF NOT EXCEEDING \$35,000,000 TAXABLE OR TAX-EXEMPT, OR BOTH, GENERAL OBLIGATION BOND ANTICIPATION NOTE(S), IN ONE OR MORE SERIES, WITH APPROPRIATE SERIES DESIGNATIONS, OF BEAUFORT COUNTY, SOUTH CAROLINA; FIXING THE FORM AND DETAILS OF THE NOTE(S); AUTHORIZING THE COUNTY ADMINISTRATOR TO DETERMINE CERTAIN MATTERS RELATING TO THE NOTE(S); PROVIDING FOR THE PAYMENT OF THE NOTE(S) AND THE DISPOSITION OF THE PROCEEDS THEREOF; AND OTHER MATTERS RELATING THERETO.

This item comes before Council under the Consent Agenda. Discussion occurred at the April 3, 2017 meeting of the Finance Committee.

It was moved by Mr. Flewelling, seconded by Mr. Dawson, that Council approve on first reading, by title only, an ordinance authorizing the issuance and sale of not exceeding \$35,000,000 taxable or tax-exempt, or both, General Obligation Bond Anticipation Note(s), in one or more series, with appropriate series designations, of Beaufort County, South Carolina; fixing the form and details of the note(s); authorizing the County Administrator to determine certain matters relating to the note(s); providing for the payment of the note(s) and the disposition of the proceeds thereof; and other matters relating thereto. The vote: YEAS – Mr. Caporale, Mr. Covert, Mr. Dawson, Mr. Flewelling, Mr. Fobes, Mr. Glover, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Mr. Vaux. ABSENT – Mrs. Howard. The motion passed.

BUDGET ADJUSTMENT / BEAUFORT COUNTY TRANSPORTATION COMMITTEE 2016 SCDOT COUNTY-WIDE RESURFACING PROJECT

This item comes before Council under the Consent Agenda. Discussion occurred at the March 27, 2017 meeting of the Public Facilities Committee.

It was moved by Mr. Flewelling, seconded by Mr. Dawson, that Council approve a County Transportation Committee budget increase of approximately 3.9% of the 2016 SCDOT Resurfacing Project of \$240,000 with funding from the remaining unspent 2016 25% Mandate funds of \$90,000 and \$150,000 from the Uncommitted Project C Fund. The vote: YEAS – Mr. Caporale, Mr. Covert, Mr. Dawson, Mr. Flewelling, Mr. Fobes, Mr. Glover, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Mr. Vaux. ABSENT – Mrs. Howard. The motion passed.

PUBLIC HEARINGS

AN ORDINANCE AUTHORIZING THE ASSIGNMENT OF CERTAIN UTILITY EASEMENTS TO BEAUFORT-JASPER WATER AND SEWER

The Chairman opened a public hearing beginning at 6:30 p.m. for the purpose of receiving public comment regarding an ordinance authorizing the execution and delivery of easements encumbering property owned by Beaufort County to Beaufort-Jasper Water and Sewer Authority. After calling three times for public comment and receiving none, the Chairman declared the hearing closed at 6:31 p.m.

It was moved by Mr. Flewelling, seconded by Mr. Stewart, that Council approve on third and final reading an ordinance authorizing the execution and delivery of easements encumbering property owned by Beaufort County to Beaufort-Jasper Water and Sewer Authority. The vote: YEAS – Mr. Caporale, Mr. Covert, Mr. Dawson, Mr. Flewelling, Mr. Fobes, Mr. Glover, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Mr. Vaux. ABSENT – Mrs. Howard. The motion passed.

AN ORDINANCE AUTHORIZING THE COUNTY ADMINISTRATOR TO ENTER INTO A LEASE/PURCHASE AGREEMENT WITH GULLAH FARMERS' COOPERATIVE ASSOCIATION

Mr. Glover recused himself, left the room, and was not present for any of the discussion. He serves as a member of the Gullah Farmers' Cooperative Association.

The Chairman opened a public hearing beginning at 6:32 p.m. for the purpose of receiving public comment regarding an ordinance authorizing the County Administrator to enter into a Lease/Purchase Agreement with Gullah Farmers' Cooperative Association for the Leroy Browne Center and five surrounding acres. After calling three times for public comment and receiving none, the Chairman declared the hearing closed at 6:33 p.m.

It was moved by Mr. Flewelling, seconded by Mr. Fobes, that Council approve on third and final reading an ordinance authorizing the County Administrator to enter into a Lease/Purchase Agreement with Gullah Farmers' Cooperative Association for the Leroy Browne Center and five surrounding acres. The vote: YEAS – Mr. Caporale, Mr. Covert, Mr. Dawson, Mr. Flewelling, Mr. Fobes, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Mr. Vaux. ABSENT – Mrs. Howard. RECUSAL – Mr. Glover. Mr. Glover recused himself, left the room, and was not present for any of the discussion. He is a member of the Gullah Farmers' Cooperative, Inc. The motion passed.

AN ORDINANCE TO APPROPRIATE \$207,896.00 FROM THE LOCAL (3%) ACCOMMODATIONS TAX FUND FOR REPAIR OF COUNTY DOCKS AND PIERS

The Chairman opened a public hearing beginning at 6:33 p.m. for the purpose of receiving public comment regarding an ordinance to appropriate \$207,896.00 (\$188,996.10 contract to Patterson Construction, Inc. and a 10% contingency) from the Local (3%) Accommodations Tax fund for the repair of the following County docks and piers: Alljoy Boat Landing Dock, Bluffton Public Dock/Pier, Buddy and Zoo Boat Landing Dock, C.C. Haigh Boat Landing Dock, Cross Island Boat Landing Dock, Daufuskie Island Boat Landing Dock, Edgar Glenn Boat Landing Dock, H.E. Trask Boat Landing Dock, Sam's Point Boat Landing Dock, Whale Branch Fishing Pier and White Hall Boat Landing Dock. After calling three times for public comment and receiving none, the Chairman declared the hearing closed at 6:34 p.m.

It was moved by Mr. Flewelling, seconded by Mr. Vaux, that Council approve on third and final reading an ordinance to appropriate \$207,896.00 (\$188,996.10 contract to Patterson Construction, Inc. and a 10% contingency) from the Local (3%) Accommodations Tax fund for the repair of the following County docks and piers: Alljoy Boat Landing Dock, Bluffton Public Dock/Pier, Buddy and Zoo Boat Landing Dock, C.C. Haigh Boat Landing Dock, Cross Island Boat Landing Dock, Daufuskie Island Boat Landing Dock, Edgar Glenn Boat Landing Dock, H.E. Trask Boat Landing Dock, Sam's Point Boat Landing Dock, Whale Branch Fishing Pier and White Hall Boat Landing Dock. The vote: YEAS – Mr. Caporale, Mr. Covert, Mr. Dawson, Mr. Flewelling, Mr. Fobes, Mr. Glover, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Mr. Vaux. ABSENT – Mrs. Howard. The motion passed.

TEXT AMENDMENT TO THE BEAUFORT COUNTY COMMUNITY DEVELOPMENT CODE (CDC): ARTICLE 3, SECTION 3.3.30 NEIGHBORHOOD MIXED USE (C3) ZONE STANDARDS, AND ARTICLE 4, SECTION 4.1.170 MULTI-FAMILY DWELLINGS (TO MODIFY THE REQUIREMENTS FOR MULTI-FAMILY RESIDENTIAL IN THE C3-NEIGHBORHOOD MIXED-USE DISTRICT)

The Chairman opened a public hearing beginning at 6:34 p.m. for the purpose of receiving public comment regarding text amendments to the Community Development Code: Article 3, Section 3.3.30 Neighborhood Mixed Use (C3) Zone Standards, and Article 4, Section 4.1.170 Multi-Family Dwellings (to modify the requirements for multi-family residential in the C3-Neighborhood Mixed Use District) as proposed by staff. After calling three times for public comment and receiving none, the Chairman declared the hearing closed at 6:35 p.m.

It was moved by Mr. Flewelling, seconded by Mr. Rodman, that Council approve on third and final reading text amendments to the Community Development Code: Article 3, Section 3.3.30 Neighborhood Mixed Use (C3) Zone Standards, and Article 4, Section 4.1.170 Multi-Family Dwellings (to modify the requirements for multi-family residential in the C3-Neighborhood Mixed Use District) as proposed by staff. The vote: YEAS – Mr. Caporale, Mr. Covert, Mr. Dawson, Mr. Flewelling, Mr. Fobes, Mr. Glover, Mr. Rodman, Mr. Sommerville, Mr. Stewart and Mr. Vaux. ABSENT – Mrs. Howard. The motion passed.

MATTERS ARISING OUT OF EXECUTIVE SESSION

There were no matters arising out of Executive Session.

PUBLIC COMMENT

There were no requests to speak during public comment.

ADJOURNMENT

Council adjourned at 6:36 p.m.

COUNTY COUNCIL OF BEAUFORT COUNTY

By: _____
D. Paul Sommerville, Chairman

ATTEST: _____
Ashley M. Bennett, Clerk to Council

Ratified:

DRAFT

FINANCE COMMITTEE

April 10, 2017

The electronic and print media duly notified in accordance with the State Freedom of Information Act.

The Finance Committee met Monday, April 10, 2017 beginning at 3:00 p.m., in the Executive Conference Room, Administration Building, Beaufort County Government Robert Smalls Complex, 100 Ribaut Road, Beaufort, South Carolina.

ATTENDANCE

Chairman Jerry Stewart, Vice Chairman Michael Covert and members Rick Caporale, Gerald Dawson, Brian Flewelling, Steven Fobes and Stu Rodman present. Non-committee members York Glover and Paul Sommerville present. (Paul Sommerville, as County Council Chairman, serves as an *ex-officio* member of each standing committee of Council and is entitled to vote.)

County staff: Joshua Gruber, Deputy County Administrator/Special Counsel; Alicia Holland, Assistant County Administrator–Finance; Chris Inglese, Assistant County Attorney; Gary James, Assessor; Tom Keaveny, County Attorney; and Gary Kubic, County Administrator.

School District: Earl Campbell, Vice Chairman, Board of Education; Tonya Crosby, Chief Finance and Operations Officer; Jeffrey Moss, Superintendent; Reggie Murphy, Interim Financial Services Officer; Bill Payne, Board of Education; and Cynthia Gregory-Smalls, Board of Education.

Public: David Bennett, Mayor, Town of Hilton Head Island and Economic Development Corporation member; Robert Camoin, President and CEO, Camoin Associates; Joe Lee, Economic Development Corporation; Stephen Murray, City of Beaufort Town Council and Economic Development Corporation Chairman; and Lisa Sulka, Mayor, Town of Bluffton and Economic Development Corporation member.

Media: Joe Croley, *Lowcountry Inside Track*.

Councilman Stewart chaired the meeting.

ACTION ITEM

- 1. A Resolution Opposing the 2017-2018 Proposed South Carolina House of Representatives Budget Recommendation**

Notification: To view video of full discussion of this meeting please visit http://beaufort.granicus.com/ViewPublisher.php?view_id=2

Motion: It was moved by Mr. Fobes, seconded by Mr. Dawson, that Committee approve and recommend Council adopt a resolution opposing the fiscal year 2017-2018 proposed South Carolina House of Representatives budget recommendation. The vote: YEAS – Mr. Caporale, Mr. Covert, Mr. Dawson, Mr. Flewelling, Mr. Fobes and Mr. Stewart. ABSTAIN – Mr. Rodman. The motion passed.

Recommendation: Council adopt a resolution opposing the fiscal year 2017-2018 proposed South Carolina House of Representatives budget recommendation.

INFORMATION ITEMS

2. Economic Development Corporation / FY 2017-2018 Budget

Notification: To view video of full discussion of this meeting please visit http://beaufort.granicus.com/ViewPublisher.php?view_id=2

Discussion: Committee Chairman Jerry Stewart stated in the April 3, 2017 Governmental Committee a presentation was provided on the Beaufort County Economic Development's (EDC) Organizational Strategy. The Committee accepted both the Work Plan and the 2017 and 2018 budget proposals, and recommended Finance Committee approval.

Mr. Stephen Murray, Chairman, Beaufort County Economic Development Corporation, and Mr. Robert Camoin, President and CEO of Camoin Associates, presented the Beaufort County Economic Development Corporation 2017 and 2018 organizational budgets. The 2017 budget proposal totals \$84,000. The 2018 budget proposal totals \$370,498 (County obligation \$330,498; municipal obligation \$40,000 (\$10,000 each)).

Mr. Murray distributed to the Committee the Beaufort County Economic Development's Organizational Plan Executive Summary that included the Organizational Management & Structure, 2017 and 2018 projected budgets, and the 2017 Organizational Work Plan.

Mr. Stu Rodman distributed three handouts to the Committee as follows:

- Arguments for joining Southern Carolina Regional Development Alliance (Alliance) immediately rather than later
- Economic Development Corporation Budget Analysis
- "How Enterprise-Friendly are South Carolina's 50 Largest Cities"? (Palmetto Promise Institute, April 2017)

Questions and comments from the Committee included the following:

- Mr. Stewart stated the funds remaining in the fiscal year line item budget of \$290,000 will cover the EDC \$84,000 budget proposal. However, the FY 2018 budget earmark is \$290,000 and will not cover the requested amount of \$330,498.

- Mr. Covert stated if the EDC were to entertain representatives from Palmetto Electric, SCANA, Hargray, etc. that would make up the difference, if not increase it.
 - Mr. Murray said the EDC is an advocate for expanding board membership to include additional private sector members and funding. Prior models show a 50/50 split between the public and private sectors. However, there is a lack of confidence among the private sector that the County will not get behind the EDC. The EDC will try to build confidence over this next fiscal year. The hope is to maintain the County/municipal consensus support of the EDC project. If the goals and vision are achieved, we can use that to leverage support.
- Mr. Flewelling felt it difficult to solicit support from outside non-governmental agencies without an executive director in place to handle the telephone calls from the people who are writing the checks.
- Mr. Fobes said the infrastructure needs to be in place or else the public sector will need to stand behind the EDC financially.
- Mr. Caporale wanted to know if the EDC anticipates receiving any state funding.
 - Mr. Murray said the Board is optimistic. The Board has requested that the Legislative Delegation protect the proviso money. It is important to remember that the \$140,000 received cannot be used for operational expenses.
- Mr. Caporale stated he would vote to approve a three-year funding package to show commitment.
 - The EDC wants to be held to measurements as well as hold the executive director to those metrics. The EDC is optimistic of a one-year, but not a three-year, funding package.
- Mr. Flewelling is willing to approve a three-year funding package.
- Mr. Rodman wanted to know the timeline on joining the Alliance.
 - Mr. Murray stated the EDC agreed to pursue a relationship with the Alliance. The Alliance leadership is awaiting the Board's approval to negotiate on our behalf. The EDC is awaiting approval of the budget, to ensure the resources are available to continue moving the organization forward. Once we have the resources, the EDC is confident a mutually beneficial relationship can be negotiated.
- Mr. Rodman questioned the wait. Is the Board not in favor of joining the Alliance?
 - Mr. Murray said the Board is in favor of joining the Alliance. They seem to be the best fit. The Alliance has made an offer of \$175,000, plus a \$20,000 marketing fee, to serve as Beaufort County's stand-alone economic development entity. The EDC is proposing a different model wherein the EDC will act on Beaufort County's behalf for several key parts of the strategy. The Alliance would only handle market recruitment and site review. EDC members feel the contract, as presented, needs to be negotiated.

- Mr. Rodman asked about the EDC staffing levels and hiring process.
 - Mr. Murray replied the compensation package (salary, payroll taxes, health insurance and retirement) totals \$147,333 for both an executive director and executive assistant of which \$80,000 to \$110,000 is full-year employment for the executive director while the executive assistant is a partial year.
- Mr. Rodman wanted to know what constitutes municipal support.
 - It was suggested the County could provide support for municipal economic development activities.
- Mr. Rodman questioned the logic of not engaging the Alliance now and having them part of the process.
 - Mr. Murray stated they are currently engaged. The reason we have not entered into an agreement or exchanged funds is because the model proposed differs from what the EDC feels is in the best interest of Beaufort County.
- Mr. Rodman wanted to know what is actually happening.
 - Mr. Murray stated the EDC has received the proposal and will discuss and consider the contract in executive session at the next Economic Development Corporation meeting. The Board anticipates making a counteroffer.

Motion: It was moved by Mr. Flewelling, seconded by Mr. Dawson, that Committee approve the Economic Development Corporation's FY 2017-2018 budget in the amount of \$370,498 and authorize staff to include \$330,498 (municipal obligation \$40,000 (\$10,000 each)) into the County FY 2017-2018 budget proposal. The vote: YEAS – Mr. Caporale, Mr. Dawson, Mr. Flewelling and Mr. Fobes. NAYS – Mr. Covert, Mr. Rodman and Mr. Stewart. The motion passed.

Status: Committee approved the Economic Development Corporation's FY 2017-2018 budget in the amount of \$370,498 and authorized staff to include \$330,498 (municipal obligation \$40,000 (\$10,000 each)) into the County FY 2017-2018 budget proposal.

3. Presentation / FY 2016 Comprehensive Annual Financial Report

Notification: To view video of full discussion of this meeting please visit http://beaufort.granicus.com/ViewPublisher.php?view_id=2

Discussion: Mrs. Alicia Holland, Assistant County Administrator, stated the draft FY2016 Comprehensive Annual Financial Report can be found online at www.bcgov.net. The audit opinion letters and single audit report are expected within the next week. She pointed out pages 11 through 24 contain the management's discussion and analysis which provides the highlights of the financial activity during FY2016. In FY2016, there was an increase in total net position of \$31.5 million. Of which \$27 million was related to governmental activities and \$4.4

million related to proprietary activities. Contributing to that increase was net capital assets of \$25.2 million related to Rural and Critical Lands purchases and significant road projects.

Mrs. Holland provided an overview of long term liabilities. Our General Obligation Bonds (GOB), total debt outstanding, was \$222.2 million, a decrease of \$11.7 million from the prior year. The pension liability increased by \$8.4 million. As of June 30, 2016, Beaufort County has \$100.2 million in pension liability. General obligation debt capacity was \$61 million as of June 30, 2016. Looking forward, it is anticipated to pay down \$7 million of the 8% debt capacity each year, and we are looking at issuing \$21 million in the next 60 to 90 days. That will bring our debt capacity to approximately \$47 million.

Mrs. Holland provided an overview of the General Fund. Beaufort County has a written Fund Balance Policy. Our goal is Fund Balance of 30% of our annual expenditures. As of June 30, 2016, our total was at 27% and our unassigned at 25%, and we added \$1.8 million to our General Fund Balance.

Beaufort County's total Governmental Funds, not including Proprietary Funds, decreased, in the amount of \$10.4 million, attributed to the 2006 Sales Tax Referendum Projects being completed.

Questions and concerns of the Committee included the following:

- Where do we stand today with the General Fund Fund Balance?
 - As a percentage we are remaining the same year-over-year.
- Council said it would like to increase the amount, but has not achieved the percentage the last few years. We may have been too aggressive. We might need to revisit the ordinance and establish a range rather than specific numbers.
 - Mrs. Holland stated she is in agreement with such range, and feels a 5% range would be good. That would give flexibility in movement. If we have set a specific percentage and are not meeting that target, it is looked upon unfavorably with bond rating agencies.
- Our borrowing capacity has gone down. What is the limit?
 - State law looks at the capacity. Some of the other data to look at is the coverage. We set our annual debt millage rate sufficient to support the debt capacity, and no more. When you look at the income-to-debt ratio, the income meets the debt. As far as an available capacity, if we need to borrow \$20 million or \$30 million, there is the possibility it would put us in an emergency situation.
- The 8% debt capacity is equal to what number?
 - It is 8% of our total assessed value.
- Have there been conversations with bond counsel about the bond rating?
 - Beaufort County has had conversations with bond counsel regarding the issuance of general obligation bonds or bond anticipation notes. There are 46 counties nationwide that have the AAA rating. Economic diversity is one of our weaker quadrants within that matrix that feeds into that rating.

- Mr. Kubic stated if the question is what are the factors that Beaufort County needs to qualify and have in place to achieve a AAA rating, then the first thing bond rating agencies look at is the willingness of Council to control the budget. They look at the history of governance, by Council, to determine that during periods of need revenue was raised. As far as having economic stability with two economic engines that are constant – military and tourism – we meet that criterion. The area we are lacking is the diversity of economic interest throughout the County. If one of the other two were to drop, does the overall economic engine have the ability to absorb a portion of that adequately for governmental services to not be impaired? Beaufort County is at the highest level it can obtain in its rating. He does not feel we are able to achieve an AAA rating. The factors of income to debt, needs to be historically reviewed. We may be too narrow. That gets dangerous. We need to look at the criterion that makes us strong, reinforce those areas, and pursue the areas with gaps.
- It seems we have a third leg – the retirement community.
 - The problem with the retirement community is retirees, who are on a fixed income, are not likely to pass levies and self-impose additional taxes on themselves. The home and housing market is a strong point, but that puts additional services on us. We need more commercial development.

Status: Information only.

4. Discussion / Beaufort County School District / FY 2017-2018 Operating Budget

Notification: To view video of full discussion of this meeting please visit http://beaufort.granicus.com/ViewPublisher.php?view_id=2

Discussion: Beaufort County School District Superintendent Dr. Jeffrey Moss, and Tonya Crosby, Chief Finance and Operations Officer, provided the Committee a PowerPoint presentation on the fiscal year 2017-2018 preliminary General Fund budget. The budget included total state/federal mandated increases in the amount of \$4,268,885, an enrollment increase of 232, increases due to enrollment growth in the amount of \$2,353,400, operational increases in the amount of \$1,363,219, increases due to program expansion in the amount of \$84,480, and other increases that total \$2,583,881. The total increases amount to \$10,653,865. The proposed preliminary budget includes decreases in the amount of \$341,305 making the net increase \$10,312,560, and the total FY2017-2018 preliminary budget \$225,764,555.

A comparison of the House and Senate budgets were reviewed by the Committee. The two versions differ by about \$600,000, the Senate version being more favorable for Beaufort County. The Index of Taxpaying Ability calculations and the State unfunded mandates will negatively affect Beaufort County. The Board of Education has adopted a Resolution to not support the House version.

Status: Information only.

GOVERNMENTAL COMMITTEE

April 3, 2017

The electronic and print media duly notified in accordance with the State Freedom of Information Act.

The Governmental Committee met Monday, April 3, 2017 beginning at 4:00 p.m. in the Executive Conference Room of the Administration Building, Beaufort County Government Robert Smalls Complex, 100 Ribaut Road, Beaufort, South Carolina.

ATTENDANCE

Chairman Gerald Dawson, Vice Chairman Steven Fobes, and members Michael Covert, Brian Flewelling, York Glover, Jerry Stewart and Roberts "Tabor" Vaux. Non-Committee members Alice Howard, Stu Rodman and Paul Sommerville present. (Paul Sommerville, as County Council Chairman, serves as an *ex-officio* member of each standing committee of Council and is entitled to vote.)

County staff: Phil Foot, Assistant County Administrator-Public Safety; Joshua Gruber, Deputy County Administrator/Special Counsel; Tom Keaveny, County Attorney; and Gary Kubic, County Administrator.

Public: Mike Alsko, member, Beaufort County Economic Development Corporation; David Bennett, Mayor, Town of Hilton Head Island; Robert Camoin, President and CEO, Camoin Associates; Lee Copeland, Chairman, Beaufort Regional Chamber of Commerce Board of Directors; Larry Hughes, Town of Bluffton resident; Joe Lee, member, Beaufort County Economic Development Corporation; Stephen Murray, Chairman, Beaufort County Economic Development Corporation; Jason Ruff, Beaufort Regional Chamber of Commerce; Lisa Sulka, Mayor, Town of Bluffton; Frank Turano, Lowcountry Regional Manager, Alliance Consulting Engineers; and Blakely Williams, President/CEO, Beaufort Regional Chamber of Commerce.

Media: Joe Croley, *Lowcountry Inside Track*.

Councilman Dawson chaired the meeting.

ACTION ITEM

1. Consideration of Reappointments and Appointments / Bluffton Township Fire District Board

Notification: To view video of full discussion of this meeting please visit http://beaufort.granicus.com/ViewPublisher.php?view_id=2

Motion: It was moved by Mr. Stewart, seconded by Mr. Vaux, that Committee approve and recommend Council nominate Mr. Louis Poindexter, representing Council District 6, for appointment to serve as a member of the Bluffton Township Fire District Board. The vote: YEAS – Mr. Covert, Mr. Dawson, Mr. Fobes, Mr. Flewelling, Mr. Glover, Mr. Stewart and Mr. Vaux. The motion passed.

Recommendation: Council nominate Mr. Louis Poindexter, representing Council District 6, for appointment to serve as a member of the Bluffton Township Fire District Board.

INFORMATION ITEMS

2. Update / Economic Development Corporation

Notification: To view video of full discussion of this meeting please visit http://beaufort.granicus.com/ViewPublisher.php?view_id=2

Discussion: Mr. Stephen Murray, Chairman, Beaufort County Economic Development Corporation, introduced Mr. Robert Camoin, President and CEO of Camoin Associates, who presented Council a PowerPoint presentation on the Beaufort County Economic Development Organizational Strategy. The presentation provided an overview of the project scope, vision and mission statements, organizational structure, work plan, and 2017 and 2018 budgets. Projected budgets of \$84,000 for 2017 and \$370,498 for 2018 were provided.

Questions, comments, and concerns of the Committee included the following:

- The County's FY 2016 budget contains \$290,000 for economic development. Will FY 2017 budget proposal include \$290,000?
 - Yes.
- What is included in total staffing?
 - An executive director and executive assistant. The budget contains partial-year salaries.
- What is the anticipated time frame for the hiring of the executive director?
 - The EDC is currently working with a consultant on process and salary range. Hoping to have an executive director by July/August 2017.
- The key person is the executive director.
- What is included in total cost of office space?
 - Rent and utilities.
- Dismayed at municipalities' contribution; they should provide more equitable contributions.
 - In previous structures the municipal amounts discussed were \$10,000 each, rather than per capital amounts. In addition, the municipalities have been hit with expenses associated with Hurricane Matthew recovery efforts.
- How does the EDC view Beaufort County's relationship with the Beaufort Regional Chamber going forward?
 - Camoin Associates has suggested business retention expansion as a great opportunity for partnering with the chambers.

- Has the EDC concluded to joining the Southern Carolina Regional Development Alliance (Southern Alliance)?
 - The EDC has analyzed Charleston Alliance and Southern Alliance. Camoin Associates suggest we pursue a relationship with Southern Alliance. The EDC is hoping to reach an agreement with Southern Alliance.
- Is Southern Alliance capable of delivering non-industrial jobs? There is a concern with their inability to handle the wide range of applications.
 - The Southern Alliance has provided background material in knowledge base and information technology. However, they lack a track record of success because they lack the workforce or infrastructure.
- How is the EDC going to figure out whether the Southern Alliance can or cannot do the job we want them to perform?
 - Clear objectives will be set when negotiating a partnership.
- What's the rationale for waiting an extended period of time before joining Southern Alliance?
 - The EDC would like time to negotiate an agreement as the current proposal is not in the best interest or value for Beaufort County.
- What is the timing for engaging Southern Alliance and hiring an executive director?
 - These items are working in parallel. The EDC would like to hire an executive director prior to finalizing an agreement with Southern Alliance.

Motion: It was moved by Mr. Flewelling, seconded by Mr. Glover, that Committee accept and recommend Finance Committee approve the Work Plan as well as the 2017 (\$84,000) and 2018 (\$370,498) budgets presented by the Beaufort County Economic Development Corporation. The vote: YEAS – Mr. Covert, Mr. Dawson, Mr. Fobes, Mr. Flewelling, Mr. Glover, Mr. Stewart and Mr. Vaux. The motion passed.

Status: The Governmental Committee recommended Finance Committee approve the Work Plan as well as the 2017 (\$84,000) and 2018 (\$370,498) budgets presented by the Beaufort County Economic Development Corporation.

3. Executive Session

Notification: To view video of full discussion of this meeting please visit http://beaufort.granicus.com/ViewPublisher.php?view_id=2

Motion: It was moved by Mr. Flewelling, seconded by Mr. Vaux, that Governmental Committee go immediately into executive session to discuss proposed contractual negotiations and discussion of economic development Project Tetris. The vote: YEAS – Mr. Covert, Mr. Dawson, Mr. Fobes, Mr. Flewelling, Mr. Glover, Mr. Stewart and Mr. Vaux. The motion passed.

Status: No action.

NATURAL RESOURCES COMMITTEE

April 17, 2017

The electronic and print media duly notified in accordance with the State Freedom of Information Act.

The Natural Resources Committee met Monday, April 17, 2017 beginning at 2:45 p.m. in the Executive Conference Room, Administration Building, Beaufort County Government Robert Smalls Complex, 100 Ribaut Road, Beaufort, South Carolina.

ATTENDANCE

Committee Chairman Brian Flewelling, Vice Chairman Tabor Vaux and members Rick Caporale, Gerald Dawson, Steven Fobes and York Glover present. Committee member Alice Howard absent. Non-committee members Michael Covert, Paul Sommerville and Jerry Stewart present. (Paul Sommerville, as County Council Chairman, serves as an *ex-officio* member of each standing committee of Council and is entitled to vote.)

County Staff: Andrea Atherton, Capital Improvements Project Manager; Tony Criscitiello, Planning Director; Chris Inglese, Assistant County Attorney; Thomas Keaveny, County Attorney; Gary Kubic, County Administrator; and Rob McFee, Division Director–Facilities and Construction Engineering.

Media: Joe Croley, *Lowcountry Inside Track*.

Mr. Flewelling chaired the meeting.

ACTION ITEMS

1. Consideration of Reappointments and Appointments / Rural and Critical Lands Preservation Board

Notification: To view video of full discussion of this meeting please visit http://beaufort.granicus.com/ViewPublisher.php?view_id=2

Motion: It was moved by Mr. Vaux, seconded by Mr. Dawson, that Natural Resources Committee recommend Council nominate Mr. Edward Riley, representing Council District 5, for reappointment to serve as a member of the Rural and Critical Lands Preservation Board. The vote: YEAS – Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Fobes, Mr. Glover and Mr. Vaux. ABSENT – Mrs. Howard. The motion passed.

Motion: It was moved by Mr. Vaux, seconded by Mr. Caporale, that Natural Resources Committee recommend Council nominate Mr. Terry Hill, representing Council District 6, for appointment to serve as a member of the Rural and Critical Lands Preservation Board. The vote: YEAS – Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Fobes, Mr. Glover and Mr. Vaux. ABSENT – Mrs. Howard. The motion passed.

Recommendation: Council nominate Mr. Edward Riley, representing Council District 5, for reappointment and Mr. Terry Hill, representing Council District 6, for appointment to serve as members of the Rural and Critical Lands Preservation Board.

2. Consideration of Reappointments and Appointments / Southern Beaufort County Corridor Beautification Board

Notification: To view video of full discussion of this meeting please visit http://beaufort.granicus.com/ViewPublisher.php?view_id=2

Motion: It was moved by Mr. Vaux, seconded by Mr. Glover, that Natural Resources Committee recommend Council nominate Mr. Stephen Brown, representing Council District 7, for appointment to serve as a member of the Southern Beaufort County Corridor Beautification Board. The vote: YEAS – Mr. Caporale, Mr. Dawson, Mr. Flewelling, Mr. Fobes, Mr. Glover and Mr. Vaux. ABSENT – Mrs. Howard. The motion passed.

Recommendation: Council nominate Mr. Stephen Brown, representing Council District 7, for appointment to serve as a member of the Southern Beaufort County Corridor Beautification Board.

PUBLIC FACILITIES COMMITTEE

April 17, 2017

The electronic and print media duly notified in accordance with the State Freedom of Information Act.

The Public Facilities Committee met Monday, April 17, 2017 beginning at 3:00 p.m., in the Executive Conference Room, Administration Building, Beaufort County Government Robert Smalls Complex, 100 Ribaut Road, Beaufort, South Carolina.

ATTENDANCE

Chairman Stu Rodman, Vice Chairman York Glover and members Rick Caporale, Michael Covert, Jerry Stewart and Roberts "Tabor" Vaux present. Member Alice Howard absent. Non-Committee members Gerald Dawson, Brian Flewelling, Steven Fobes and D. Paul Sommerville present (Paul Sommerville, as County Council Chairman, serves as an *ex-officio* member of each standing committee of Council and is entitled to vote.).

County Staff: Andrea Atherton, Capital Improvements Project Manager; Tony Criscitiello, Planning Director; Chris Inglese, Assistant County Attorney; Thomas Keaveny, County Attorney; Collin Kinton, Division Director-Transportation Engineering; Gary Kubic, County Administrator; Rob McFee, Division Director-Facilities and Construction Engineering.

Media: Joe Croley, *Lowcountry Inside Track*.

Chairman Stu Rodman chaired the meeting.

ACTION ITEMS

1. Change Order / Boundary Street Project / Additional Duct Bank Service Impact

Notification: To view video of full discussion of this meeting please visit http://beaufort.granicus.com/ViewPublisher.php?view_id=2

Discussion: In order to comply with the FHWA TIGER III Grant and timeline requirements, the Boundary Street Redevelopment Project was advertised for bid in May 2015 and Beaufort County awarded the construction contract to Preferred Materials, Inc., (PMI) for \$18,765,274 on September 14, 2015.

Change Order #12 - At the time of project advertisement and contract award, final plans for the underground services to businesses had not been completed by the utility companies. Since commencement of construction in early 2016, the project team has worked diligently with the utilities, landowners, businesses and the City of Beaufort (City) to develop the final detailed utility relocation plans for the Boundary Street corridor. These plans were completed in early

2017 and the contractor, PMI, was able to price this remaining work. Change Order #12 totaling \$628,688 has been submitted by the contractor, reviewed and recommended for approval by the project's construction management firm, Infrastructure Consulting & Engineering (ICE). City and County staff have evaluated Change Order #12 and recommend that it be approved. The underground placement of the overhead utilities provides many benefits such as greater storm resilience and improved safety. Undergrounding of the overhead utilities is financed through an agreement with SCE&G and the City. The City is working with the various utility companies on a reimbursement agreement.

Change Order #13 - One of the components of the Boundary Street Redevelopment Project is the raised landscaped median in the reconstructed roadway. This raised median contains an extensive underdrain system. It has been determined that this underdrain system will not be necessary due to the soil type and median planting materials. Therefore, deduction Change Order #13 totaling -\$458,239 has been prepared and submitted for approval.

Total change orders to date, including Change Orders 12 and 13, is \$460,581 with an overall contract value of \$19,225,966.

Motion: It was moved by Mr. Glover, seconded by Mr. Caporale, that Committee recommend Council approve the following: (1) Change Order 12 to Preferred Materials, Inc., (PMI) for underground placement of utilities as part of the Boundary Street Redevelopment in the amount of \$628,688. Funding will come from the Boundary Street Redevelopment total budget of \$33,573,358 which is provided by TIGER Grant, County Sales Tax Fund, County Road Impact Fee and City of Beaufort TIF II. (2) Acceptance of deduct Change Order 13, totaling \$458,239 which will be applied to Preferred Materials, Inc. (PMI) current encumbered purchase order balance. The overall encumbered to date purchase order total will increase the net amount of \$170,449 for Change Orders 12 and 13. The vote: YEAS – Mr. Caporale, Mr. Covert, Mr. Glover, Mr. Rodman, Mr. Stewart and Mr. Vaux. ABSENT – Mrs. Howard. The motion passed.

Recommendation: Council approve the following: (1) Change Order 12 to Preferred Materials, Inc., (PMI) for underground placement of utilities as part of the Boundary Street Redevelopment in the amount of \$628,688. Funding will come from the Boundary Street Redevelopment total budget of \$33,573,358 which is provided by TIGER Grant, County Sales Tax Fund, County Road Impact Fee and City of Beaufort TIF II. (2) Acceptance of deduct Change Order 13, totaling \$458,239 which will be applied to Preferred Materials, Inc. (PMI) current encumbered purchase order balance. The overall encumbered to date purchase order total will increase the net amount of \$170,449 for Change Orders 12 and 13.

2. An Ordinance Regulating the Operation of Golf Carts on Public Streets and Secondary Highways on Daufuskie Island

Notification: To view video of full discussion of this meeting please visit http://beaufort.granicus.com/ViewPublisher.php?view_id=2

Discussion: County Attorney Tom Keaveny provided to the Committee an updated draft ordinance regulating the operation of golf carts on public streets and secondary highways on Daufuskie Island. He tweaked the ordinance so that it applies only to Daufuskie Island, and made changes to the required equipment, eliminating SCDOT approved tires, as well as windshields. The *South Carolina State Code of Laws, 1976*, as amended, defines headlights as two assemblies. The draft ordinance does not include language exempting or providing a grace period for the requirement of the safety equipment by commercial operators.

Committee Chairman Stu Rodman provided the Committee two handouts: (i) an email from Sheriff P. J. Tanner as it relates to the proposed Golf Cart ordinance and (ii) a spreadsheet outlining regulations required by the State and proposed Daufuskie Island Ordinance, as well as two options moving forward.

Comments, questions and suggestions of the Committee included the following:

- Mr. Rodman said state statute covers the following items: Vehicle ID/Serial Number, foot brakes, parking brake, driver's license, liability insurance, DMV registration and decal, headlights, and taillights. There are two groups of additional options. Option A – flashing roof light or high mounted stop/light bar. Option B – seat belts, turn signals, rear view mirrors, and horns.
- Mr. Flewelling stated Council needs to ensure there are safety features; but, has no desire to overburden the citizens of Daufuskie Island.
- Mr. Vaux stated an additional flashing roof light or high mounted stop/light bar is not necessary.
- Mr. Covert stated what Council is doing will set the precedent for other locations in the future.
- Mr. Stewart asked the County Attorney to include language to relay that this ordinance is unique to Daufuskie Island and would not follow through to more urban areas.
- Mr. Rodman said Sheriff Tanner suggested the following additional safety equipment: seat belts, turn signal, rear view mirrors and horn. Do we want to take a different path than the Sheriff's suggestion?
- Mr. Keaveny informed the Committee that state statute says you can authorize nighttime use of golf carts provided the golf carts have headlights and brake lights.
- Mr. Fobes is fine with the requirements provided by State statute and additional equipment is not needed.
- Mr. Vaux concurred. Motorcycles go much faster than golf carts and riders are not required to wear helmets.
- Mr. Stewart feels turn signals at night could be important. Seatbelts would be beneficial; however, they are not required in gated communities.
- Mr. Flewelling does not see the sense in seatbelts. School buses travel at higher speed and seatbelts are not required.
- Mr. Glover suggested incorporating the state statute equipment requirements. Other equipment would be preferred, but not required.

- Mr. Gary Kubic recommended using the requirements per state statute, and providing a grace period.
- Mr. Rodman stated seatbelts are necessary.

Motion: It was moved by Mr. Vaux, seconded by Mr. Glover, that Committee approve and recommend Council approve an ordinance authorizing the nighttime use of golf carts on Daufuskie Island in accordance with Section 56-2-105 of the Code of the Laws of South 1976, as amended.. The vote: YEAS – Mr. Caporale, Mr. Covert, Mr. Glover, Mr. Rodman, Mr. Stewart and Mr. Vaux. ABSENT – Mrs. Howard. The motion passed.

Recommendation: Council approve an ordinance authorizing the nighttime use of golf carts on Daufuskie Island in accordance with Section 56-2-105 of the Code of Laws of South Carolina, 1976, as amended.

INFORMATION ITEMS

3. Daufuskie Island Park Trail and Amenities Construction

Notification: To view video of full discussion of this meeting please visit http://beaufort.granicus.com/ViewPublisher.php?view_id=2

Discussion: Committee Chairman Stu Rodman stated this item was taken up at the March 27, 2017 Public Facilities Committee. At that meeting, the Committee was informed of ACCI's inability to secure the required performance and payment bond. Various options were discussed to include returning the South Carolina Parks, Recreation and Tourism (SCPRT) grant funds, requesting an extension of the SCPRT grant, re-advertising the bid a fifth time, and the possibility of changing the site for restrooms on Daufuskie Island. Ultimately, the Committee postponed any action on this item until the next meeting.

Mr. Gary Kubic, County Administrator, stated the Daufuskie Island Park Trail and Amenities Project (Project) has been an ongoing discussion and a difficult process. It is more expensive to implement projects on Daufuskie Island because there is no bridge and the materials handling is more expensive. Beaufort County decided to shift the risk and responsibility of the Project to the contractor, Mr. Chuck Hunter. No bond will be required. He will be responsible to complete the Project. Once the Project is complete, if the County accepts it, Mr. Hunter will be reimbursed for the work performed. The State of South Carolina has been briefed, and agrees with this process.

Status: Information item.

4. Sidewalks and Pathways to Include Advisory Board to Best Advise Council

Notification: To view video of full discussion of this meeting please visit http://beaufort.granicus.com/ViewPublisher.php?view_id=2

Discussion: Committee Chairman Stu Rodman stated this item is on the agenda to allow for an update on the sidewalks and pathways, as well discussion of an advisory board.

Mr. Kubic said the issue of Professional Errors and Omissions Insurance per Appointees which has been resolved.

Mr. Keaveny added if you act individually outside of the scope of your authority you can have personal liability.

Mr. Collin Kinton, Division Director–Transportation Engineering, provided the Committee a prioritization list of Capital Improvement Pathway Projects (provided January 2017). At the Council Retreat, funding options were discussed to include increasing TAG funds or issuing bonds.

Mr. Rodman said the County Transportation Committee (CTC) has representation across all eleven Council Districts and works on roads, pathways and sidewalks. Are they the logical body to advise Council? If so, Council will need to revise the legislation.

Mr. Flewelling said the Five-Year Funding Plan addresses within five years the County's most egregious problems. Council does not need an advisory board to tell it what to do. It is just a matter of money. He wants to move forward with the Plan now.

Mr. Stewart wants to know if funding is part of the County's proposed FY2017-2018 budget.

Mr. Kubic suspects it is not a part of the General Fund Budget.

Mr. Stewart informed the Committee that the Town of Port Royal brought before the CTC the approval of funds for a sidewalk in the Town limits. The CTC voted no because they did not feel it was appropriate for them to provide funds for that type of project. The consensus of the CTC was that sidewalks are not roads.

Mr. McFee stated the CTC has a narrow spectrum that State funds can be applied to. The CTC recently developed their Transportation Plan; it was approved by County Council, and sent to the State of South Carolina. Their focus is pavement management. The Transportation Plan does not exclude sidewalks. The Town of Port Royal sidewalk was eventually approved after clarifications and more information was provided.

Mr. Kubic stated the greater issue is whether or not County roads within municipalities are to be maintained by the municipalities. If the answer is yes, then the \$2.3 million the CTC would be dedicated strictly to the unincorporated Beaufort County. All of these moving parts and

issues are associated with the source of funding. We are sending out overtures to the municipalities. If that goes forward, that narrows the field and increases the opportunity to, perhaps, fund pathways.

Mr. Stewart would like to see the Committee discuss whether or not Council is interested in changing the CTC to an advisory body. We could then provide them the authority to advise us on pathways as well as roads. All of the other boards are advisory.

Mr. Rodman wanted to know if Council has the authority to make such change.

Mr. Keaveny believes Council does have that authority.

Mr. Flewelling said if you are going to be collecting TAG funds, there needs to be an independent, non-political body that recommends the way the dollars are to be spent.

Mr. Stewart said Council was voting on various contracts. Technically, we do not have that authority under the current situation. The ordinance language needs to be revised.

Mr. Dawson wanted to know how the items were prioritized on the Capital Improvements Pathways list. There are only three roads in his District (Sheldon/Dale/Lobeco/Burton - District 1) within the Five-Year Plan. Yet, there are schools within the District that do not have sidewalks, such as Whale Branch Early College High School. Please include the Whale Branch schools in the five-year plan.

Mr. Kinton stated the list was prioritized based on the following factors: schools, the number of homes along a road, volume of car traffic, amount of right of way available, length, cost, and ability to develop sections.

Status: Information only.

5. Dialog with Staff / Open Issues / Future Agenda Items

- **Marshside Mama Sublease Agreement**
- **Myrtle Park Office Complex**
- **Local Preference Update**
- **Solid Waste and Recycling**
- **Plantation Business Park Road Transfer**

Notification: To view video of full discussion of this meeting please visit http://beaufort.granicus.com/ViewPublisher.php?view_id=2

Status: These items are open issues and will be discussed at future Public Facilities Committee meeting.

Boards and Commissions
Reappointments and Appointments
April 24, 2017

1 Governmental Committee

Bluffton Township Fire District Board

<u>NominateD</u>	<u>Name</u>	<u>Position/Area/Expertise</u>	<u>Reappoint/Appoint</u>	<u>Votes Required</u>	<u>Term/Years</u>	<u>Expiration</u>
04.10.17	Louis Poindexter	Council District 6	Appoint	6/11	Partial	2/2020

2 Natural Resources Committee

Rural and Critical Lands Preservation Board

<u>Nominate</u>	<u>Name</u>	<u>Position/Area/Expertise</u>	<u>Reappoint/Appoint</u>	<u>Votes Required</u>	<u>Term/Years</u>	<u>Expiration</u>
04.24.17	Edward Riley	Council District 5	Reappoint	6/11	4	2/2021
04.24.17	Terry Hill	Council District 6	Appoint	6/11	4	2/2021

Southern Beaufort County Corridor Beautification Board

<u>Nominate</u>	<u>Name</u>	<u>Position/Area/Expertise</u>	<u>Reappoint/Appoint</u>	<u>Votes Required</u>	<u>Term/Years</u>	<u>Expiration</u>
04.24.17	Stephen Brown	Council District 7	Appoint	6/11	4	2/2021

A RESOLUTION 2017 /

CALLING FOR A PUBLIC HEARING TO BE HELD UPON THE QUESTION OF THE ISSUANCE OF NOT EXCEEDING \$5,500,000 OF GENERAL OBLIGATION BONDS OF FRIPP ISLAND PUBLIC SERVICE DISTRICT, SOUTH CAROLINA; PROVIDING FOR THE PUBLICATION OF THE NOTICE OF SUCH PUBLIC HEARING; AND OTHER MATTERS RELATING THERETO.

BE IT RESOLVED, by the County Council of Beaufort County (the “*County Council*”), the governing body of Beaufort County, South Carolina (the “*County*”):

WHEREAS, the County Council is empowered by Act No. 1189 enacted at the 1974 Session of the South Carolina General Assembly entitled:

AN ACT TO AUTHORIZE THE GOVERNING BODIES OF ALL COUNTIES OF THE STATE WHEREIN EXIST SPECIAL PURPOSE DISTRICTS CREATED PRIOR TO MARCH 7, 1973, TO ISSUE BONDS OF SUCH DISTRICTS IN FURTHERANCE OF POWERS EXISTING IN SUCH DISTRICTS AS OF MARCH 7, 1973; TO PROVIDE THE PROCEDURES PURSUANT TO WHICH SUCH BONDS MAYBE ISSUED; TO PRESCRIBE THE TERMS AND CONDITIONS UNDER WHICH BONDS MAYBE ISSUED AND THEIR PROCEEDS EXPENDED; TO MAKE PROVISION FOR THE PAYMENT OF SUCH BONDS AND TO VALIDATE ALL BONDS OF SUCH DISTRICTS ISSUED OR SOLD PRIOR TO THE EFFECTIVE DATE OF THIS ACT.

approved July 9, 1974, as amended (hereinafter called the “*Enabling Act*”), to authorize the governing body of any special purpose district created prior to March 7, 1973 and located in whole or in part within the County to issue general obligation bonds of such special purpose district in order to provide funds to be used in the furtherance of any power or function committed to such special purpose district and in effect on March 7, 1973; and

WHEREAS, the Fripp Island Public Service District, South Carolina (hereinafter called the “*District*”) is a special purpose district located within the County created prior to March 7, 1973, having been created by Act No. 1042 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina for the year 1962, as amended, and is authorized, inter alia, to acquire, build, operate, and maintain such facilities as shall be required for (i) the provision of water, (ii) fire-fighting, (iii) waste water treatment, (iv) beach erosion control and prevention, (v) construction and maintenance of roads, (vi) insect control, and (vii) recreational purposes, and to do all things necessary or convenient to carry out such authority; and

WHEREAS, the District has determined that it is currently in need of funds to address and remediate damage to the District from Hurricane Matthew to protect the District from erosion and will soon be in need of funds to relocate and replace the sole water line connecting the

District with the mainland in connection with the South Carolina Department of Transportation's replacement of the bridge between St. Helena Island and Harbor Island.

WHEREAS, the Fripp Island Public Service District Commission (the "**Commission**"), has petitioned the County Council to authorize the issuance of not exceeding \$5,500,000 of general obligation bonds of the District (the "**Bonds**") in order to defray (A) (i) the costs of repairing, reconstructing and mitigating certain District revetments and related infrastructure, and (ii) the costs of relocating and replacing certain water transmission and related infrastructure in connection with the replacement of the Harbor River Bridge ((i) and (ii)) the "**Projects**"), and (B) the costs of issuance of the Bonds; and

WHEREAS, the Commission will make a final determination of the scope and description of the Projects prior to its adoption of a resolution authorizing the issuance of the Bonds, provided that the principal amount of the Bonds shall not exceed \$5,500,000; and

WHEREAS, the County Council is now minded to proceed in accordance with the provisions of the Enabling Act with respect to the issuance of the Bonds.

NOW THEREFORE, BE IT RESOLVED, by the County Council in a meeting duly assembled:

SECTION 1. The County Council finds that it may be in the interest of the District to raise moneys for the purpose of providing for the Projects, and in that connection hereby orders a public hearing to be held upon the question of the issuance of the Bonds.

SECTION 2. A public hearing shall be held on the question of the issuance of the Bonds in the Large Meeting Room of the Bluffton Branch Library located at 120 Palmetto Way, Bluffton, South Carolina 29910, on the 22nd day of May, 2017 at 6:30 p.m., and the notice of such hearing attached hereto as Exhibit A shall be published once a week for three (3) successive weeks in The Beaufort Gazette, which is a newspaper of general circulation in the County. The first such publication shall not be less than sixteen (16) days prior to the hearing date.

SECTION 3. The aforesaid public hearing shall be conducted publicly at the time and place above stated and both proponents and opponents of the proposed issuance of the Bonds shall be given a full opportunity to be heard in person or by counsel.

SECTION 4. Following the above aforesaid public hearing, the County Council shall determine whether and to what extent the Bonds may be issued and whether to condition the issuance of the Bonds on a referendum in the District.

SECTION 5. The Chairman of the County Council is hereby authorized and empowered to take all necessary action to provide for the holding of the aforesaid public hearing in accordance with the provisions of the Enabling Act.

DONE AT BEAUFORT, SOUTH CAROLINA, this _____ day of April, 2017.

COUNTY COUNCIL OF BEAUFORT COUNTY

(SEAL)

BY: _____
D. Paul Sommerville, Chairman

APPROVED AS TO FORM:

Thomas J. Keaveny, II, County Attorney

ATTEST:

Ashley M. Bennett, Clerk to Council

NOTICE OF PUBLIC HEARING ON THE PROPOSED ISSUE OF NOT EXCEEDING \$5,500,000 OF GENERAL OBLIGATION BONDS OF THE FRIPP ISLAND PUBLIC SERVICE DISTRICT, SOUTH CAROLINA

The County Council of Beaufort County (hereinafter called the “*County Council*”), the governing body of Beaufort County, South Carolina (the “*County*”), has determined that it may be in the interest of the Fripp Island Public Service District, South Carolina (hereinafter called the “*District*”), to raise moneys through the issuance of not exceeding \$5,500,000 of general obligation bonds of the District (the “*Bonds*”). The District has determined that it is currently in need of funds to address and remediate damage to the District from Hurricane Matthew to protect the District from erosion and will soon be in need of funds to relocate and replace the sole water line connecting the District with the mainland in connection with the South Carolina Department of Transportation’s replacement of the bridge between St. Helena Island and Harbor Island. Accordingly, the District proposes to issue the Bonds in order to defray (A) (i) the costs of repairing, reconstructing and mitigating certain District revetments and related infrastructure, and (ii) the costs of relocating and replacing certain water transmission and related infrastructure in connection with the replacement of the Harbor River Bridge ((i) and (ii)) the “*Projects*”), and (B) the costs of issuance of the Bonds. The District estimates that the cost of the acquiring, designing, engineering, constructing and equipping of the Projects and the cost of issuance of the Bonds, will be an amount not exceeding \$5,500,000. Therefore, the County Council has ordered a public hearing to be held upon the question of the issuance of the Bonds in accordance with the provisions of Act No. 1189 enacted at the 1974 Session of the South Carolina General Assembly, as amended (hereinafter called the “*Enabling Act*”).

Accordingly, notice is hereby given that a public hearing will be held in the Large Meeting Room of the Bluffton Branch Library located at 120 Palmetto Way, Bluffton, South Carolina 29910, on the 22nd day of May, 2017 at 6:30 p.m., on the question of the issuance of the Bonds, the proceeds of which will be expended to defray the cost of the Projects as described above and issuance costs thereof.

For the payment of principal and interest on the Bonds as they respectively mature and for the creation of such sinking fund as may be necessary therefor, the full faith, credit and taxing power of the District shall be irrevocably pledged, and there shall be levied on all taxable property in the District ad valorem taxes sufficient in amount to pay said principal and interest on the Bonds.

The District proposes the issuance of the Bonds to defray the cost of the Projects as described above and the costs of issuance of the Bonds.

The aforesaid hearing shall be conducted publicly and both proponents and opponents of the proposed action shall be given full opportunity to be heard in person or by counsel. Following the hearing, the County Council shall, by ordinance, make a finding as to whether and to what extent the Bonds should be issued and whether to condition the issuance of the Bonds on a referendum, and may thereupon authorize the governing body of the District to issue the Bonds to the extent it shall be found necessary.

The District is located within the County. The Enabling Act provides that bonds issued thereunder must be authorized by the governing body of the county wherein the District is located.

COUNTY COUNCIL OF BEAUFORT COUNTY

AN ORDINANCE AUTHORIZING THE FRIPP ISLAND PUBLIC SERVICE DISTRICT, SOUTH CAROLINA, TO ISSUE GENERAL OBLIGATION BONDS IN A PRINCIPAL AMOUNT NOT EXCEEDING \$5,500,000, SUBJECT TO A SUCCESSFUL REFERENDUM IN THIS DISTRICT; AND OTHER MATTERS RELATING THERETO.

BE IT ORDAINED BY THE COUNTY COUNCIL OF BEAUFORT COUNTY, SOUTH CAROLINA, AS FOLLOWS:

Section 1. The County Council of Beaufort County, South Carolina (the “*County Council*”), the governing body of Beaufort County, South Carolina (the “*County*”), hereby finds and determines:

(a) The Fripp Island Public Service District, South Carolina (the “*District*”) is a special purpose district established pursuant to the provisions of Act No. 1042 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina for the year 1962, as amended (“*Act No. 1042*”).

(b) The corporate powers and duties of the District are performed by the Fripp Island Public Service District Commission (the “*Commission*”), and as such, the Commission is the governing body of the District.

(c) Act No. 1042 committed to the District various duties and responsibilities, and is authorized, *inter alia*, to acquire, build, operate, and maintain such facilities as shall be required for (i) the provision of water, (ii) fire-fighting, (iii) waste water treatment, (iv) beach erosion control and prevention, (v) construction and maintenance of roads, (vi) insect control, and (vii) recreational purposes, and to do all things necessary or convenient to carry out such authority.

(d) The District has determined that it is currently in need of funds to address and remediate damage to the District from Hurricane Matthew to protect the District from erosion and will soon be in need of funds to relocate and replace the sole water line connecting the District with the mainland in connection with the South Carolina Department of Transportation’s replacement of the bridge between St. Helena Island and Harbor Island.

(e) In carrying out its functions and duties, the Commission has determined that a need exists at the present time to issue general obligation bonds (the “*Bonds*”) in order to defray: (A) (i) the costs of repairing, reconstructing and mitigating certain District revetments and related infrastructure, and (ii) the costs of relocating and replacing certain water transmission and related infrastructure in connection with the replacement of the Harbor River Bridge ((i) and (ii)) the “*Projects*”), and (B) the costs of issuance of the Bonds. The Commission estimates that the costs of designing, planning, acquiring, engineering, constructing, improving and equipping of the Project, and the cost of issuance of the Bonds, will not exceed \$5,500,000.

(f) The Commission, on behalf of the District, has submitted a petition to the County Council requesting authorization to issue the Bonds in order to finance the costs of the Project and the costs of issuance thereof.

(g) Pursuant to Title 6, Chapter 11, Article 5, of the Code of Laws of South Carolina, 1976, as amended (the “**Enabling Act**”), the County Council is empowered to authorize the Commission to issue bonds of the District, the proceeds of which are to be used in furtherance of any power of the District.

(h) Responsive to the petition of the Commission, the County Council adopted a resolution calling for a public hearing on the question of the issuance of the Bonds be held in the Bluffton Branch Library located at 120 Palmetto Way, Bluffton, South Carolina 29910, on the 22nd day of May, 2017 at 6:30 p.m., and notice of such hearing has been duly published once a week for three successive weeks in The Beaufort Gazette, a newspaper of general circulation in the County. Such public hearing was held by the County Council on May 22, 2017, on the question of the issuance of the Bonds, where both proponents and opponents were given the opportunity to be heard.

(i) Following the May 22, 2017 public hearing, the County Council has determined to condition the issuance of the Bonds upon the result of a special election held in the District on the question of the issuance of the Bonds (the “**Bond Referendum**”). Such Bond Referendum shall be conducted pursuant to Title 4, Chapter 15 of the Code of Laws of South Carolina 1976, as amended, as required by the Enabling Act.

(j) Article X, Section 14, of the Constitution of the State of South Carolina, 1895, as amended (the “**Constitution**”), provides that the General Assembly may, by general law, prescribe that general obligation debt may be incurred by the governing body of any special purpose district for any of its corporate purposes in an amount not exceeding eight percent of the assessed value of all taxable property of such district (the “**Bonded Debt Limit**”). The County Council, by separate resolution, dated the date hereof, has ordered the Bond Referendum be held, and specified other details of the Bond Referendum therein. Such Article further provides that if general obligation debt is authorized by a majority vote of the qualified electors of the special purpose district voting in a referendum authorized by law, there shall be no conditions or restrictions limiting the incurring of such indebtedness except as specified in such Article. Such Bonds, when and if issued pursuant to a successful Bond Referendum, would not be restricted by, or count toward, the Bonded Debt Limit, in accordance with the Constitution and laws of the State of South Carolina.

Section 2. Should the Bond Referendum result favorably to the issuance of the Bonds, and upon the filing of the declaration of the result of the Bond Referendum in the office of the Clerk of Court for Beaufort County, South Carolina, the District is hereby authorized to issue the Bonds. Upon such filing, the Commission, on behalf of the District, is authorized to cause the issuance of the Bonds at one time or from time to time, as it may determine, in an aggregate principal amount not to exceed \$5,500,000, for the purposes set forth in Section 1(e) hereof or, in the discretion of the District, general obligation bond anticipation notes (the “**BANS**”) in a principal amount of not exceeding \$5,500,000, pursuant to the provisions of Title

11, Chapter 17 of the Code of Laws of South Carolina 1976, as amended (the “**BAN Act**”). The Bonds and the BANS shall be issued pursuant to a resolution of the Commission adopted in conformity with the terms and provisions of the Enabling Act and the BAN Act, respectively.

Section 3. For the payment of the principal and interest on the Bonds as they respectively mature and for the creation of such sinking fund as may be necessary therefor, the full faith, credit and taxing power of the District shall be irrevocably pledged, and there shall be levied annually by the Auditor of Beaufort County and collected by the Treasurer of Beaufort County, in the same manner as County taxes are levied and collected, a tax without limit on all taxable property in the District sufficient to pay the principal and interest of the Bonds as they respectively mature and to create such sinking fund as may be necessary therefor.

Section 4. The Commission is authorized to do all things necessary or convenient in accordance with applicable law to effect the issuance of the Bonds or the BANS at such time as it deems necessary and in the interest of the District.

Section 5. All orders, resolutions, ordinances and parts thereof, procedural or otherwise, in conflict herewith or the proceedings authorizing the issuance of the Bonds are, to the extent of such conflict, hereby repealed and this Ordinance shall take effect and be in full force from and after its passage and approval.

Section 6. This Ordinance shall forthwith be codified in the Code of the County Ordinances in the manner prescribed by law.

Section 7. This Ordinance shall become effective upon its enactment.

ENACTED THIS _____ DAY OF MAY, 2017.

COUNTY COUNCIL OF BEAUFORT COUNTY

(SEAL)

BY: _____
D. Paul Sommerville, Chairman

APPROVED AS TO FORM:

Thomas J. Keaveny, II, County Attorney

ATTEST:

Ashley M. Bennett, Clerk to Council

First Reading:

Second Reading:

Public Hearing:

Third and Final Reading:

ORDINANCE NO. 2017/___

AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION REFUNDING BONDS, IN ONE OR MORE SERIES, WITH APPROPRIATE SERIES DESIGNATIONS, OF BEAUFORT COUNTY, SOUTH CAROLINA, IN THE TOTAL PRINCIPAL AMOUNT OF NOT EXCEEDING \$17,500,000; FIXING THE FORM AND DETAILS OF THE BONDS; AUTHORIZING THE COUNTY ADMINISTRATOR OR HIS LAWFULLY-AUTHORIZED DESIGNEE TO DETERMINE CERTAIN MATTERS RELATING TO THE BONDS; PROVIDING FOR THE PAYMENT OF THE BONDS AND THE DISPOSITION OF THE PROCEEDS THEREOF; AND OTHER MATTERS RELATING THERETO.

BE IT ORDAINED BY THE COUNTY COUNCIL OF BEAUFORT COUNTY, SOUTH CAROLINA, AS FOLLOWS:

SECTION 1. Findings and Determinations. The County Council (the "County Council") of Beaufort County, South Carolina (the "County"), hereby finds and determines:

(a) Pursuant to Section 4-9-10, Code of Laws of South Carolina 1976, as amended (the "S.C. Code"), and the results of a referendum held in accordance therewith, the Council-Administrator form of government was adopted and the County Council constitutes the governing body of the County.

(b) Article X, Section 14 of the Constitution of the State of South Carolina, 1895, as amended (the "Constitution"), provides that each county shall have the power to incur bonded indebtedness in such manner and upon such terms and conditions as the General Assembly shall prescribe by general law. Such debt must be incurred for a public purpose and a corporate purpose in an amount not exceeding eight percent (8%) of the assessed value of all taxable property of such county.

(c) Pursuant to Title 4, Chapter 15 of the S.C. Code (the same being and hereinafter referred to as the "County Bond Act"), the governing bodies of the several counties of the State of South Carolina (the "State") may each issue general obligation bonds to defray the cost of any authorized purpose and for any amount not exceeding its applicable constitutional limit.

(d) The County Bond Act provides that as a condition precedent to the issuance of bonds an election be held and the result be favorable thereto. Title 11, Chapter 27 of the S.C. Code provides that if an election be prescribed by the provisions of the County Bond Act, but not be required by the provisions of Article X of the Constitution, then in every such instance, no election need be held (notwithstanding the requirement therefor) and the remaining provisions of the County Bond Act shall constitute a full and complete authorization to issue bonds in accordance with such remaining provisions.

(e) The assessed value of all the taxable property in the County as of June 30, 2016, is not less than \$1,725,369,752. Eight percent of the assessed value is \$138,029,580. As of the date hereof, the outstanding general obligation debt of the County subject to the limitation imposed by Article X, Section 14(7) of the Constitution is \$74,961,036. Thus, the County may incur not exceeding \$53,068,544 of additional general obligation debt within its applicable debt limitation.

A portion of the 2007 Bonds (hereinafter defined) being refunded with the proceeds of the Bonds (hereinafter defined) count against the County's constitutional debt limit. Therefore, the portion of the par amount of the Bonds over and above the outstanding amount of the 2007 Bonds being refunded subject to the County's 8% constitutional debt limit will also count against the County's constitutional debt limit.

The County intends to also issue not exceeding \$35,000,000 general obligation bond anticipation notes which will also count against their constitutional debt limit.

(f) In a referendum (the "2000 Referendum") held in the County on November 7, 2000, the following question was submitted to the qualified electors of the County:

Shall Beaufort County, South Carolina issue general obligation bonds, not to exceed \$40,000,000, for the purpose of land preservation, by purchasing open land, development rights and conservation easements in all areas of Beaufort County, in order to alleviate traffic congestion in high growth areas and to protect water quality, natural lands, wildlife areas, farmland, parkland, coastal areas, rivers and wetlands, provided that all expenditures shall be prioritized based upon an official criteria and ranking system established for the County, and subject to an annual independent audit?

The Referendum was duly conducted and a majority of the qualified electors of the County voted in favor of the issuance of the general obligation bonds.

(g) Pursuant to the Constitution, statutory authorizations, the favorable results of the 2000 Referendum, and an Ordinance enacted by the County Council on April 9, 2007 (the "2007 Ordinance"), the County issued its original principal amount \$17,530,000 General Obligation Refunding Bonds, Series 2007, dated November 7, 2007 (the "Series 2007 Bonds").

(h) The Series 2007 Bonds are currently outstanding in the principal amount of \$6,405,000. The Series 2007 Bonds maturing on or after March 1, 2018, are subject to redemption on or after March 1, 2017, at any time, at par plus interest accrued thereon to the date fixed to redemption.

(i) In a referendum (the "2006 Referendum") held in the County on November 7, 2006, the following question was submitted to the qualified electors of the County:

Shall the County be empowered to issue, either at one time as a single issue or from time to time as several separate issues, general obligation bonds of the County in the aggregate principal amount not to exceed \$50,000,000, the proceeds of which shall be used for the purpose of defraying the costs of the County Rural and Critical Land Preservation Program which preserves land by purchasing open land, development rights and conversation easements in all areas of Beaufort County, in order to alleviate traffic congestion in high growth areas and to protect water quality, natural lands, wildlife areas, farmland, parkland, coastal areas, rivers and wetlands, legal fees and costs of issuance of such bonds, provided that all expenditures shall be prioritized based upon the official criteria and ranking system established for the County and subject to annual audit?

The Referendum was duly conducted and a majority of the qualified electors of the County voted in favor of the issuance of the general obligation bonds.

(j) Pursuant to the Constitution, statutory authorizations, the favorable results of the 2006 Referendum, and an Ordinance enacted by the County Council on December 5, 2011 (the “2011 Ordinance”), the County issued its original principal amount \$10,000,000 General Obligation Bonds, Series 2011, dated December 15, 2011 (the “Series 2011 Bonds”).

(k) The Series 2011 Bonds are currently outstanding in the principal amount of \$9,645,000. The Series 2011 Bonds maturing on or after March 1, 2022, are subject to redemption on or after March 1, 2021, at any time, at par plus interest accrued thereon to the date fixed to redemption.

(l) Sections 11-21-10 to 11-21-80 of the S.C. Code empower any “public agency” to utilize the provisions of Article 5, Chapter 15, Title 11 (the “Refunding Act”) of the S.C. Code to effect the refunding of any outstanding general obligation bonds.

(m) Based on current market conditions and projected savings, the County Council finds that it is in the best interest of the County to effect a refunding of certain maturities of the Series 2007 Bonds and Series 2011 Bonds (collectively, the “Bonds to be Refunded”) because a savings can be effected through the refunding of such Bonds to be Refunded. The County Council recognizes, however, that current market conditions may change and that, as of the date of enactment of this Ordinance, a determination cannot be made as to the amount of such savings, if any, realized through the refunding of the Bonds to be Refunded and that certain authority relating to such refunding is delegated to the County Administrator and/or his lawfully-authorized designee through this Ordinance. Because the Refunding Act requires that refunding bonds be sold at public sale, there can be no assurance that market conditions at the time of such sale will be similar to the prevailing rates on the date of the enactment of this Ordinance. If the rates of interest on the refunding bonds authorized by this Ordinance do not result in satisfactory debt service savings, the County Council, through the authority delegated to the County Administrator and/or his lawfully-authorized designee, will be empowered to reject bids for the purchase of the refunding bonds.

(n) Pursuant to Ordinance No. 2012/10 adopted on August 13, 2012, the County Council adopted Written Procedures related to Tax-Exempt Debt.

(o) It is now in the best interest of the County for County Council to provide for the issuance and sale of not exceeding \$17,500,000 principal amount general obligation refunding bonds of the County to provide funds for (i) refunding the Bonds to be Refunded; (ii) costs of issuance of the Bonds; and (iii) such other lawful purposes as the County Council shall determine.

SECTION 2. Authorization and Details of Bonds. Pursuant to the aforesaid provisions of the Constitution and laws of the State, there is hereby authorized to be issued not exceeding \$17,500,000 aggregate principal amount of general obligation refunding bonds of the County to be designated “\$17,500,000 (or such lesser amount issued) General Obligation Refunding Bonds, (appropriate series designation), of Beaufort County, South Carolina” (the “Bonds”), for the purposes set forth in Section 1(o) and other costs incidental thereto, including without limiting the generality of such other costs, engineering, financial and legal fees. The Bonds will be issued in one or more series, each with an appropriate series designation.

The refunding of the Bonds to be Refunded shall be effected with a portion of the proceeds of the Bonds which proceeds shall be used for the payment of the principal of such Bonds to be Refunded as and when such Bonds to be Refunded mature and are called for redemption in accordance with the provisions of the 2007 Ordinance and the 2011 Ordinance and interest on such Bonds to be Refunded as and when

the same becomes due. If necessary, notice of the aforesaid refunding for which a portion of the proceeds of the Bonds will be used shall be given in a financial paper published in the City of New York, State of New York.

Upon the delivery of the Bonds, the principal proceeds thereof, less issuance expenses, may be deposited with an escrow agent to be named (the "Escrow Agent") and held by it under a written refunding trust agreement between the Escrow Agent and the County (the "Refunding Trust Agreement") in an irrevocable trust account or said proceeds may be deposited with the Paying Agent for the Bonds to be Refunded, as determined by the County Administrator.

The County Administrator and/or his lawfully-authorized designee are hereby authorized and directed for and on behalf of the County to execute such agreements and give such directions as shall be necessary to carry out the provisions of this Ordinance, including the execution and delivery of a Refunding Trust Agreement or Escrow Deposit Agreement, if required.

The Bonds shall be issued as fully registered bonds registrable as to principal and interest; shall be dated their date of delivery to the initial purchaser(s) thereof; shall be in denominations of \$5,000 or any integral multiple thereof not exceeding the principal amount of Bonds maturing each year; shall be subject to redemption if such provision is in the best interest of the County; shall be numbered from R-1 upward; shall bear interest from their date payable at such times as hereinafter designated by the County Administrator and/or his lawfully-authorized designee at such rate or rates as may be determined at the time of the sale thereof; and shall mature serially in successive annual installments as determined by the County Administrator and/or his lawfully-authorized designee.

Both the principal of and interest on the Bonds shall be payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for public and private debts. Regions Bank, Atlanta, Georgia, shall serve as Registrar/Paying Agent for the Bonds.

SECTION 3. Delegation of Authority to Determine Certain Matters Relating to the Bonds. The County Council hereby delegates to the County Administrator or his lawfully-authorized designee the authority to: (a) determine the par amount of the Bonds; (b) determine the maturity dates of the Bonds and the respective principal amounts maturing on such dates; (c) determine the interest payment dates of the Bonds; (d) determine the redemption provisions, if any, for the Bonds; (e) determine whether all of a portion of the Bonds should be sold together and whether all or a portion of the Bonds should be sold with all or a portion of not exceeding \$51,000,000 authorized in 2016 but not issued; (f) determine the date and time of sale of the Bonds; (g) receive bids on behalf of the County Council; and (h) award the sale of the Bonds to the lowest bidder therefor in accordance with the terms of the Notice of Sale for the Bonds.

After the sale of the Bonds, the County Administrator and/or his lawfully-authorized designee shall submit a written report to County Council setting forth the details of the Bonds as set forth in this paragraph.

SECTION 4. Registration, Transfer and Exchange of Bonds. The County shall cause books (herein referred to as the "registry books") to be kept at the offices of the Registrar/Paying Agent, for the registration and transfer of the Bonds. Upon presentation at its office for such purpose the Registrar/Paying Agent shall register or transfer, or cause to be registered or transferred, on such registry books, the Bonds under such reasonable regulations as the Registrar/Paying Agent may prescribe.

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

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

SECTION 5. Record Date. The County hereby establishes a record date for the payment of interest or for the giving of notice of any proposed redemption of Bonds, and such record date shall be the fifteenth (15th) day (whether or not a business day) preceding an interest payment date on such Bond or in the case of any proposed redemption of Bonds, such record date shall be the fifteenth (15th) day (whether or not a business day) prior to the giving of notice of redemption of bonds.

SECTION 6. Mutilation, Loss, Theft or Destruction of Bonds. In case any Bond shall at any time become mutilated in whole or in part, or be lost, stolen or destroyed, or be so defaced as to impair the value thereof to the owner, the County shall execute and the Registrar shall authenticate and deliver at the principal office of the Registrar, or send by registered mail to the owner thereof at his request, risk and expense a new Bond of the same series, interest rate and maturity and of like tenor and effect in exchange or substitution for and upon the surrender for cancellation of such defaced, mutilated or partly destroyed Bond, or in lieu of or in substitution for such lost, stolen or destroyed Bond. In any such event the applicant for the issuance of a substitute Bond shall furnish the County and the Registrar evidence or proof satisfactory to the County and the Registrar of the loss, destruction, mutilation, defacement or theft of the original Bond, and of the ownership thereof, and also such security and indemnity in an amount as may be required by the laws of the State of South Carolina or such greater amount as may be required by the County and the Registrar. Any duplicate Bond issued under the provisions of this Section in exchange and substitution for any defaced, mutilated or partly destroyed Bond or in substitution for any allegedly lost, stolen or wholly destroyed Bond shall be entitled to the identical benefits under this Ordinance as was the original Bond in lieu of which such duplicate Bond is issued, and shall be entitled to equal and proportionate benefits with all the other Bonds of the same series issued hereunder.

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

SECTION 7. Execution of Bonds. The Bonds shall be executed in the name of the County with the manual or facsimile signature of the Chairman of the County Council attested by the manual or facsimile signature of the Clerk to the County Council under a facsimile of the seal of the County impressed, imprinted or reproduced thereon; provided, however, the facsimile signatures appearing on the Bonds may be those of the officers who are in office on the date of enactment of this Ordinance. The execution of the Bonds in such fashion shall be valid and effectual, notwithstanding any subsequent change in such offices. The Bonds shall not be valid or become obligatory for any purpose unless there shall have been endorsed thereon a certificate of authentication. Each Bond shall bear a certificate of authentication manually executed by the Registrar in substantially the form set forth herein.

SECTION 8. Form of Bonds. The Bonds and the certificate of authentication shall be in substantially the form set forth in Exhibit A attached hereto and incorporated herein by reference.

SECTION 9. Security for Bonds. The full faith, credit, and taxing power of the County are hereby irrevocably pledged for the payment of the principal of and interest on the Bonds as they respectively mature, and for the creation of such sinking fund as may be necessary therefor. There shall be levied annually by the County Auditor and collected by the County Treasurer, in the same manner as other county taxes are levied and collected, a tax, without limit, on all taxable property in the County sufficient to pay the principal of and interest on the Bonds as they respectively mature and to create such sinking fund as may be necessary therefor.

The County Council shall give the County Auditor and County Treasurer written notice of the delivery of and payment for the Bonds and they are hereby directed to levy and collect annually, on all taxable property in the County, a tax, without limit, sufficient to pay the principal of and interest on the Bonds as they respectively mature and to create such sinking fund as may be necessary therefor.

SECTION 10. Notice of Public Hearing. The County Council hereby ratifies and approves the publication of a notice of public hearing regarding the Bonds and this Ordinance, such notice in substantially the form attached hereto as Exhibit B, having been published in *The Island Packet* and *The Beaufort Gazette*, newspapers of general circulation in the County, not less than 15 days prior to the date of such public hearing.

SECTION 11. Initiative and Referendum. The County Council hereby delegates to the County Administrator and/or his lawfully-authorized designee the authority to determine whether the Notice prescribed under the provisions of Section 5 of Title 11, Chapter 27 of the S.C. Code relating to the initiative and referendum provisions contained in Title 4, Chapter 9, Article 13 of the S.C. Code shall be given with respect to this Ordinance. If said Notice is given, the County Administrator and/or his lawfully-authorized designee are authorized to cause such Notice to be published in a newspaper of general circulation in the County, in substantially the form attached hereto as Exhibit C.

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

SECTION 13. Tax Covenants. The County hereby covenants and agrees with the holders of the Bonds that it will not take any action which will, or fail to take any action which failure will, cause interest on the Bonds to become includable in the gross income of the holders of the Bonds for federal income tax purposes pursuant to the provisions of the Internal Revenue Code of 1986, as amended (the

“IRC”) and regulations promulgated thereunder in effect on the date of original issuance of the Bonds. The County further covenants and agrees with the holders of the Bonds that no use of the proceeds of the Bonds shall be made which, if such use had been reasonably expected on the date of issue of the Bonds would have caused the Bonds to be “arbitrage bonds,” as defined in Section 148 of the IRC, and to that end the County hereby shall:

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

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

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

SECTION 14. Book-Entry System. The Bonds initially issued (the “Initial Bonds”) will be eligible securities for the purposes of the book-entry system of transfer maintained by The Depository Trust Company, New York, New York (“DTC”), and transfers of beneficial ownership of the Initial Bonds shall be made only through DTC and its participants in accordance with rules specified by DTC. Such beneficial ownership must be of \$5,000 principal amount of Bonds of the same maturity or any integral multiple of \$5,000.

The Initial Bonds shall be issued in fully-registered form, one Bond for each of the maturities of the Bonds, in the name of Cede & Co., as the nominee of DTC. When any principal of or interest on the Initial Bonds becomes due, the Paying Agent, on behalf of the County, shall transmit to DTC an amount equal to such installment of principal and interest. DTC shall remit such payments to the beneficial owners of the 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 DTC in accordance with the provisions of the Ordinance.

If (a) DTC determines not to continue to act as securities depository for the Bonds, or (b) the County has advised DTC of its determination that DTC is incapable of discharging its duties, the County shall attempt to retain another qualified securities depository to replace DTC. Upon receipt by the County the Initial Bonds together with an assignment duly executed by DTC, the County shall execute and deliver to the successor securities depository Bonds of the same principal amount, interest rate, and maturity registered in the name of such successor.

If the County is unable to retain a qualified successor to DTC or the County 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 Bonds might be adversely affected if the book-entry system of transfer is continued (the County 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 Bonds by mailing an appropriate notice to DTC, upon receipt by the County the Initial Bonds together with an assignment duly executed by DTC, the County shall execute, authenticate and deliver to the DTC participants Bonds in fully-registered form, in substantially the form set forth in Section 8 of this Ordinance in the denomination of \$5,000 or any integral multiple thereof.

Notwithstanding the foregoing, at the request of the purchaser, the Bonds will be issued as one single fully-registered bond and not issued through the book-entry system.

SECTION 15. Sale of Bonds, Form of Notice of Sale. The Bonds shall be offered for public sale on the date and at the time designated by the County Administrator and/or his lawfully-authorized designee. A Notice of Sale in substantially the form set forth as Exhibit D attached hereto and incorporated herein by reference shall be distributed to prospective bidders and a summary of such Notice of Sale shall be published in a newspaper of general circulation in the State and/or in a financial publication published in the City of New York not less than seven (7) days prior to the date set for such sale.

SECTION 16. Preliminary and Final Official Statement. The County Council hereby authorizes and directs the County Administrator and/or his lawfully-authorized designee to prepare, or cause to be prepared, a Preliminary Official Statement to be distributed to prospective purchasers of the Bonds together with the Notice of Sale. The County Council authorizes the County Administrator to designate the Preliminary Official Statement as “final” for purposes of Rule 15c2-12 of the Securities Exchange Commission. The County Administrator and/or his lawfully-authorized designee are further authorized to see to the completion of the final form of the Official Statement upon the sale of the Bonds so that it may be provided to the purchaser of the Bonds.

SECTION 17. Filings with Central Repository. In compliance with Section 11-1-85 of the S.C. Code, the County covenants that it will file or cause to be filed with a central repository for availability in the secondary bond market when requested: (a) a copy of the annual financial report of the County within thirty (30) days from the County’s receipt thereof; and (b) within thirty (30) days of the occurrence thereof, relevant information of an event which adversely affects more than five (5%) percent of the revenues of the County or the County’s tax base.

SECTION 18. Continuing Disclosure. In compliance with the Securities and Exchange Commission Rule 15c2-12 (the “Rule”) the County covenants and agrees for the benefit of the holders from time to time of the Bonds to execute and deliver prior to closing, and to thereafter comply with the terms of a Disclosure Dissemination Agent Agreement in substantially the form appearing as Exhibit E attached to this Ordinance. In the event of a failure of the County to comply with any of the provisions of the Disclosure Dissemination Agent Agreement, an event of default under this Ordinance shall not be deemed to have occurred. In such event, the sole remedy of any bondholder or beneficial owner shall be an action to compel performance by this Ordinance.

SECTION 19. Deposit and Use of Proceeds. The proceeds derived from the sale of the Bonds necessary to refund the Bonds to be Refunded shall be deposited with the Escrow Agent pursuant to the terms of the Refunding Trust Agreement. The remaining proceeds, if any, shall be deposited with the County Treasurer in a special fund to the credit of the County and shall be applied solely to the purposes for which the Bonds have been issued, including payment of costs of issuance of the Bonds.

SECTION 20. Defeasance. The obligations of the County under this Ordinance and the pledges, covenants and agreements of the County herein made or provided for, shall be fully discharged and satisfied as to any portion of the Bonds, and such Bond or Bonds shall no longer be deemed to be outstanding hereunder when:

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

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

“Government Obligations” shall mean any of the following:

- (a) direct obligations of the United States of America or agencies thereof or obligations, the payment of principal or interest on which, in the opinion of the Attorney General of the United States, is fully and unconditionally guaranteed by the United States of America;
- (b) non-callable, U. S. Treasury Securities - State and Local Government Series (“SLGS”); and
- (c) general obligation bonds of the State, its institutions, agencies, counties and political subdivisions, which, at the time of purchase, carry a AAA rating from Standard & Poor’s or a Aaa rating from Moody’s Investors Service.

SECTION 21. Miscellaneous. The County Council hereby authorizes the County Administrator, Chair of the County Council, the Clerk to the County Council and County Attorney to execute such documents and instruments as necessary to effect the issuance of the Bonds. The County Council hereby retains McNair Law Firm, P.A., as bond counsel and Hilltop Securities, as financial advisor in connection with the issuance of the Bonds. The County Administrator is further authorized to execute such contracts, documents or engagement letters as may be necessary and appropriate to effectuate these engagements.

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

Enacted this ____ day of _____, 2017.

BEAUFORT COUNTY, SOUTH CAROLINA

Chair, County Council

(SEAL)

ATTEST:

Clerk, County Council

First Reading:

Second Reading:

Public Hearing:

Third and Final Reading:

FORM OF BOND

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
COUNTY OF BEAUFORT
GENERAL OBLIGATION REFUNDING BOND, SERIES 2017

No. R-

INTEREST	MATURITY	ORIGINAL	
<u>RATE</u>	<u>DATE</u>	<u>ISSUE DATE</u>	<u>CUSIP</u>

REGISTERED HOLDER:

PRINCIPAL AMOUNT: DOLLARS

KNOW ALL MEN BY THESE PRESENTS, that Beaufort County, South Carolina (the "County"), is justly indebted and, for value received, hereby promises to pay to the registered holder specified above, or registered assigns, the principal amount specified above on the maturity date specified above, upon presentation and surrender of this Bond at the principal office of Regions Bank in Atlanta, Georgia (the "Paying Agent"), and to pay interest on such principal amount from the date hereof at the rate per annum specified above until this Bond matures. Interest on this Bond is payable _____ 1, 20___, and semiannually on _____ 1 and _____ 1 of each year thereafter, until this Bond matures, and shall be payable by check or draft mailed to the person in whose name this Bond is registered on the registration books of the County maintained by the registrar, presently Regions Bank in Atlanta, Georgia (the "Registrar"), at the close of business on the fifteenth (15th) day of the calendar month preceding each semiannual interest payment date. The principal of and interest on this Bond are payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for public and private debts; provided, however, that interest on this fully registered Bond shall be paid by check or draft as set forth above.

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

For the payment hereof, both principal and interest, as they respectively mature and for the creation of such sinking fund as may be necessary therefor, the full faith, credit and taxing power of the County are irrevocably pledged and there shall be levied annually by the Auditor of the County and collected by the Treasurer of the County, in the same manner as other county taxes are levied and collected, a tax, without limit, on all taxable property in the County sufficient to pay the principal of and interest on this Bond as they respectively mature and to create such sinking fund as may be necessary therefor.

This Bond is one of a series of Bonds of like date of original issue, tenor and effect, except as to number, denomination, date of maturity, redemption provisions, and rate of interest, aggregating _____ Dollars (\$ _____), issued pursuant to and in accordance with the Constitution and laws of the State of South Carolina (the "State"), including Article X of the Constitution of the State of South Carolina, 1895, as amended; Title 4, Chapter 15, Code of Laws of South Carolina 1976, as amended; Title 11, Chapters 15, 21 and 27, Code of Laws of South Carolina 1976, as amended; the results of a favorable referendum; and Ordinance No. 2017/___ duly enacted by the County Council on _____, 2017.

[Redemption Provisions]

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

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

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of the State to exist, to happen and to be performed precedent to or in the issuance of this Bond exist, have happened and have been performed in regular and due time, form and manner as required by law; that the amount of this Bond, together with all other indebtedness of the County, does not exceed the applicable limitation of indebtedness under the laws of the State; and that provision has been made for the levy and collection of a tax, without limit, on all taxable property in the County sufficient to pay the principal of and interest on this Bond as the same shall respectively mature and to create such sinking fund as may be necessary therefor.

IN WITNESS WHEREOF, BEAUFORT COUNTY, SOUTH CAROLINA, has caused this Bond to be signed with the manual or facsimile signature of the Chairman of the County Council, attested by the manual or facsimile signature of the Clerk to the County Council and the seal of the County impressed, imprinted, or reproduced hereon.

BEAUFORT COUNTY, SOUTH CAROLINA

Chair of County Council

(SEAL)

ATTEST:

Clerk of County Council

[FORM OF REGISTRAR'S CERTIFICATE OF AUTHENTICATION]

Date of Authentication:

This bond is one of the Bonds described in the within mentioned Ordinance of Beaufort County, South Carolina.

_____ as Registrar

By: _____ Authorized Officer

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

TEN COM - As tenants in common

UNIF GIFT MIN. ACT

TEN ENT - As tenants by the entireties

_____ Custodian (Cust.) (Minor)

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

under Uniform Gifts to Minors

_____ (State)

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

[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:

_____ (Authorizing Officer)

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

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

A copy of the final approving opinion to be rendered shall be attached to each Bond and preceding the same a certificate shall appear, which shall be signed on behalf of the County with a manual or facsimile signature of the Clerk to the County Council. The certificate shall be in substantially the following form:

[FORM OF CERTIFICATE]

IT IS HEREBY CERTIFIED that the following is a true and correct copy of the complete final approving opinion (except for date and letterhead) of McNair Law Firm, P.A., Columbia, South Carolina, approving the issue of Bonds of which the within Bond is one, the original of which opinion was manually executed, dated and issued as of the date of delivery of and payment for the Bonds and a copy of which is on file with the County Council of Beaufort County, South Carolina.

BEAUFORT COUNTY, SOUTH CAROLINA

By: _____
Clerk of County Council

FORM OF NOTICE OF PUBLIC HEARING

NOTICE OF PUBLIC HEARING

Notice is hereby given that a public hearing will be held by the County Council of Beaufort County, South Carolina (the "County"), County Administration Building, 100 Ribaut Road, Beaufort, South Carolina, at __:__ p.m. on _____, 2017.

The purpose of the public hearing is to consider an Ordinance providing for the issuance and sale of General Obligation Refunding Bonds of Beaufort County, South Carolina, in the principal amount of not exceeding \$17,500,000 (the "Bonds"). The proceeds of the bonds will be used for the following purposes: (i) refunding the outstanding maturities of the County's original principal amount \$17,530,000 General Obligation Refunding Bonds, Series 2007; (ii) refunding certain outstanding maturities of the County's original principal amount \$10,000,000 General Obligation Bonds, Series 2011; (iii) paying costs of issuance of the Bonds; and (iv) such other lawful purposes as the County Council shall determine.

The full faith, credit, and taxing power of the County will be pledged for the payment of the principal of and interest on the Bonds and a tax, without limit, will be levied on and collected annually, in the same manner other County taxes are levied and collected, on all taxable property of the County sufficient to pay to principal of and interest on the Bonds as they respectively mature and to create such sinking fund as may be necessary therefor.

At the public hearing all taxpayers and residents of the County and any other interested persons who appear will be given an opportunity to express their views for or against the Ordinance and the issuance of the Bonds.

COUNTY COUNCIL OF BEAUFORT COUNTY,
SOUTH CAROLINA

FORM OF NOTICE

NOTICE OF ADOPTION OF ORDINANCE

Notice is hereby given that on _____, 2017, the Beaufort County Council adopted an ordinance entitled: "ORDINANCE NO. 2017/___ AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2017, IN ONE OR MORE SERIES, WITH APPROPRIATE SERIES DESIGNATIONS, OF BEAUFORT COUNTY, SOUTH CAROLINA, IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING \$17,500,000; FIXING THE FORM AND DETAILS OF THE BONDS; AUTHORIZING THE COUNTY ADMINISTRATOR OR HIS LAWFULLY-AUTHORIZED DESIGNEE TO DETERMINE CERTAIN MATTERS RELATING TO THE BONDS; PROVIDING FOR THE PAYMENT OF THE BONDS AND THE DISPOSITION OF THE PROCEEDS THEREOF; AND OTHER MATTERS RELATING THERETO" (the "Ordinance").

The proceeds of the bonds will be used for the following purposes: (i) refunding the outstanding maturities of the County's original principal amount \$17,530,000 General Obligation Refunding Bonds, Series 2007; (ii) refunding certain outstanding maturities of the County's original principal amount \$10,000,000 General Obligation Bonds, Series 2011; (iii) paying costs of issuance of the Bonds; and (iv) such other lawful purposes as the County Council shall determine.

Pursuant to Section 11-27-40(8) of the South Carolina Code of Laws, 1976, as amended, unless a notice, signed by not less than five (5) qualified electors of the County, of the intention to seek a referendum is filed both in the office of the Clerk of Court of the County and with the Clerk of the County Council, the initiative and referendum provisions of South Carolina law, Sections 4-9-1210 to 4-9-1230, South Carolina Code of Laws 1976, as amended, shall not be applicable to the Ordinance. The notice of intention to seek a referendum must be filed within twenty (20) days following the publication of this notice of the adoption of the aforesaid Ordinance in a newspaper of general circulation in Beaufort County.

COUNTY COUNCIL OF BEAUFORT COUNTY,
SOUTH CAROLINA

FORM OF NOTICE OF SALE

OFFICIAL NOTICE OF SALE

\$ _____ GENERAL OBLIGATION REFUNDING BONDS, SERIES 2017,
OF BEAUFORT COUNTY, SOUTH CAROLINA

Time and Place of Sale: NOTICE IS HEREBY GIVEN that sealed bids, facsimile bids and electronic bids will be received on behalf of Beaufort County, South Carolina (the "County"), 100 Ribaut Road, Beaufort, South Carolina, until __:__ __.m, South Carolina time, on _____, _____, 2017, at which time said proposals will be publicly opened for the purchase of \$ _____ General Obligation Refunding Bonds, Series 2017, of the County (the "Bonds").

Electronic Bids: Electronic proposals must be submitted through i-Deal's Parity Electronic Bid Submission System ("Parity"). No electronic bids from any other providers of electronic bidding services will be accepted. Information about the electronic bidding services of Parity may be obtained from i-Deal, 1359 Broadway, 2nd Floor, New York, New York 10018, Customer Support, telephone (212) 849-5021.

PROPOSALS MAY BE DELIVERED BY HAND, BY MAIL, BY FACSIMILE TRANSMISSION OR BY ELECTRONIC BID, BUT NO PROPOSAL SHALL BE CONSIDERED WHICH IS NOT ACTUALLY RECEIVED BY THE COUNTY AT THE PLACE, DATE AND TIME APPOINTED, AND THE COUNTY SHALL NOT BE RESPONSIBLE FOR ANY FAILURE, MISDIRECTION, DELAY OR ERROR RESULTING FROM THE SELECTION BY ANY BIDDER OF ANY PARTICULAR MEANS OF DELIVERY OF BIDS.

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

The Bonds will be issued in fully-registered form registered as to principal and interest; will be dated _____, 2017; will be in denominations of \$5,000 or any integral multiple thereof not exceeding the principal amount of Bonds maturing in each year; and will mature serially in successive annual installments on _____ in each of the years and in the principal amounts as follows:

<u>Year</u>	<u>Principal Amount*</u>	<u>Year</u>	<u>Principal Amount*</u>
-------------	--------------------------	-------------	--------------------------

*Preliminary, subject to adjustment.

Adjustment of Maturity Schedule. The County reserves the right, in its sole discretion, either to decrease or increase the principal amount of the Bonds maturing in any year (all calculations to be rounded to the near \$5,000), provided that any such decrease or increase shall not exceed 10% of the Bonds. Such adjustment(s), if any, shall be made within twenty-four (24) hours of the award of the Bonds. In order to calculate the yield on the Bonds for federal tax law purposes and as a condition precedent to the award of the Bonds, bidders must disclose to the County in connection with their respective bids the price (or yield to maturity) at which each maturity of the Bonds will be reoffered to the public.

In the event of any adjustment of the maturity schedule for the Bonds as described herein, no rebidding or recalculation of the proposals submitted will be required or permitted. Nevertheless, the award of the Bonds will be made to the bidder whose proposal produces the lowest true interest cost solely on the basis of the Bonds offered, without taking into account any adjustment in the amount of the Bonds pursuant to this paragraph.

The Bonds will bear interest from the date thereof payable semiannually on _____ and _____ of each year, commencing _____, until they mature.

[Redemption Provisions]

Registrar/Paying Agent: Regions Bank, Atlanta, Georgia, will serve as Registrar/Paying Agent for the Bonds.

Bid Requirements: Bidders shall specify the rate or rates of interest per annum which the Bonds are to bear, to be expressed in multiples of 1/20 or 1/8 of 1% and the interest rate specified for any maturity shall not be lower than the interest rate specified for any previous maturity. Bidders are not limited as to the number of rates of interest named, but the rate of interest on each separate maturity must be the same single rate for all Bonds of that maturity from their date to such maturity date. A bid for less than all the Bonds, a bid at a price less than par or a bid which includes a premium in excess of 10% of the par amount of the Bonds will not be considered. In addition to the bid price, the successful bidder must pay accrued interest from the date of the Bonds to the date of full payment of the purchase price.

Award of Bid. The Bonds will be awarded to the bidder or bidders offering to purchase the Bonds at the lowest true interest cost (TIC) to the County. The TIC will be the nominal interest rate which, when compounded semiannually and used to discount all debt service payments on the Bonds (computed at the interest rates specified in the bid and on the basis of a 360-day year of twelve 30-day months) to the dated date of the Bonds, results in an amount equal to the price bid for the Bonds. In the case of a tie bid, the winning bid will be awarded by lot. The County reserves the right to reject any and all bids or to waive irregularities in any bid. Bids will be accepted or rejected no later than 3:00 p.m., South Carolina time, on the date of the sale.

Security: The full faith, credit, and taxing power of the County are hereby irrevocably pledged for the payment of the principal of and interest on the Bonds as they respectively mature, and for the creation of such sinking fund as may be necessary therefor. There shall be levied annually by the Auditor of the County and collected by the Treasurer of the County, in the same manner as other county taxes are levied and collected, an ad valorem tax, without limit, on all taxable property in the County sufficient to pay the principal and interest of the Bonds as they respectively mature and to create such sinking fund as may be necessary therefor.

Good Faith Deposit: No good faith deposit is required.

Bid Form: Proposals should be enclosed in a separate sealed envelope marked “Proposal for \$ _____ General Obligation Refunding Bonds, Series 2017 of Beaufort County, South Carolina” and should be directed to the County Administrator at the address in the first paragraph hereof. It is requested but not required that you submit your bid on the Proposal for Purchase of Bonds supplied with the Official Statement.

Official Statement: Upon the award of the Bonds, the County will prepare an official statement (the “Official Statement”) in substantially the same form as the preliminary official statement subject to minor additions, deletions and revisions as required to complete the Official Statement. Within seven (7) business days after the award of the Bonds, the County will deliver the Official Statement to the successful bidder in sufficient quantity to comply with Rule G-32 of the Municipal Securities Rulemaking Board. The successful bidder agrees to supply to the County all necessary pricing information and any Underwriter identification necessary to complete the Official Statement within 24 hours after the award of the Bonds.

Continuing Disclosure: In order to assist the bidders in complying with S.E.C. Rule 15c2-12(b)(5), the County will undertake, pursuant to an ordinance and a disclosure dissemination agent agreement, to provide certain annual financial information and notices of the occurrence of certain events, if material. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement.

Legal Opinion: The County Council shall furnish upon delivery of the Bonds the final approving opinion of McNair Law Firm, P.A., Columbia, South Carolina, which opinion shall accompany each Bond, together with the usual closing documents, including a certificate of the County that no litigation is pending affecting the Bonds.

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

Delivery: The Bonds will be delivered on or about _____, 2017, in New York, New York, at the expense of the County. The balance of the purchase price then due, including the amount of accrued interest, must be paid in federal funds or other immediately available funds.

BEAUFORT COUNTY, SOUTH CAROLINA

FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the “Disclosure Agreement”), dated as of _____, 2017, is executed and delivered by Beaufort County, South Carolina (the “Issuer”) and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the “Disclosure Dissemination Agent” or “DAC”) for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) 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 (the “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 (the “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 (hereinafter defined). 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 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 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, 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 Representative” means the Finance Director, or his or her 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 any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

“Obligated Person” means any person, including the Issuer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on Exhibit A.

“Official Statement” means that Official Statement prepared by the Issuer in connection with the Bonds, as listed on Appendix A.

“Trustee” means the institution, if any, identified as such in the document under which the Bonds were issued.

“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, together with a copy for the Trustee, 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 the next February 1 after the end of each fiscal year of the Issuer, commencing with the fiscal year ending June 30, 2017. 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 that a Failure to File Event 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, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy for the Trustee, 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) with the MSRB;
- (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB;
- (iv) upon 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:
 - “Principal and interest payment delinquencies;”
 - “Non-Payment related defaults, if material;”
 - “Unscheduled draws on debt service reserves reflecting financial difficulties;”
 - “Unscheduled draws on credit enhancements reflecting financial difficulties;”
 - “Substitution of credit or liquidity providers, or their failure to perform;”
 - “Adverse tax opinions, IRS notices or events affecting the tax status of the security;”
 - “Modifications to rights of securities holders, if material;”
 - “Bond calls, if material;”
 - “Defeasances;”
 - “Release, substitution, or sale of property securing repayment of the securities, if material;”
 - “Rating changes;”
 - “Tender offers;”
 - “Bankruptcy, insolvency, receivership or similar event of the obligated person;”
 - “Merger, consolidation, or acquisition of the obligated person, if material;” and
 - “Appointment of a successor or additional trustee, or the change of name of a trustee, if material;”
- (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) (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) upon 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 upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, Trustee (if any) and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Any Information received by the Disclosure Dissemination Agent before 6:00 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. Content of Annual Reports.

(a) Each Annual Report shall contain Annual Financial Information with respect to the Issuer, including the information provided in the Official Statement as follows:

- (i) 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 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.
- (ii) Financial and operating data for the fiscal year then ended, to the extent such information is not included in the Issuer’s audited financial statements filed pursuant to clause (1) above, which shall be generally consistent with the tabular information (or other information, as otherwise noted below) contained in the Official Statement under the following headings: “THE BONDS—Security;” “DEBT STRUCTURE—Outstanding Indebtedness;” and “CERTAIN FISCAL MATTERS—Assessed Value of Taxable Property in the County,” “—Estimated True Value of All Taxable Property in the County,” “—Tax Rates,” “—Tax Collections for Last Five Years,” and “—Ten Largest Taxpayers.”

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.

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Issuer is an “obligated person” (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the MSRB Internet Website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer will clearly identify each such document so incorporated by reference.

Any annual financial information containing modified operating data or financial information 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:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, 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;
- (vii) Modifications to rights of Bond holders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

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 Obligated Person 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 Obligated Person, 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 Obligated Person.

- (xiii) 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
- (xiv) 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 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 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-2.

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.

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 counsel expert in federal securities laws 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 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 Trustee of the Bonds, 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 Florida (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 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: _____

BEAUFORT COUNTY, SOUTH CAROLINA, as Issuer

By: _____

Name:

Title:

EXHIBIT A

NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer _____
Obligated Person(s) _____
Name of Bond Issue: _____
Date of Issuance: _____
Date of Official Statement _____

CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Issuer: _____

Obligated Person: _____

Name(s) of Bond Issue(s): _____

Date(s) of Issuance: _____

Date(s) of Disclosure _____

Agreement:

CUSIP Number: _____

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 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

cc:

EXHIBIT C-1
EVENT NOTICE COVER SHEET

This cover sheet and accompanying "event notice" will be sent to the MSRB, 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 event notice relates:

Number of pages attached: _____

_____ 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."

_____ 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.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date:

EXHIBIT C-2
VOLUNTARY EVENT DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary event disclosure" will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of _____ between the Issuer and DAC.

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 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: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date:

EXHIBIT C-3
VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary financial disclosure" will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of _____ between the Issuer and DAC.

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.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date:



COUNTY COUNCIL OF BEAUFORT COUNTY
BEAUFORT COUNTY ENGINEERING DEPARTMENT
104 Industrial Village Road, Building #3, Beaufort, SC 29906
Post Office Drawer 1228, Beaufort, SC 29901-1228
Telephone: 843-255-2700 Facsimile: 843-255-9420

TO: Councilman Stewart Rodman, Chairman, Public Facilities Committee

VIA: Gary Kubic, County Administrator *GKubic*
Josh Gruber, Deputy County Administrator *JG*
Alicia Holland, Assistant County Administrator for Finance *AH*

FROM: Robert McFee, PE, Division Director for Construction, Engineering & Facilities *J.R. McFee*

SUBJ: **Change Orders #12 & #13 for Boundary Street Redevelopment Construction**

DATE: April 11, 2017

BACKGROUND. In order to comply with the FHWA TIGER III Grant and timeline requirements, the Boundary Street Redevelopment Project was advertised for bid in May 2015 and Beaufort County awarded the construction contract to Preferred Materials, Inc., (PMI) for \$18,765,274 on September 14, 2015.

1. **Change Order #12** - At the time of project advertisement and contract award, final plans for the underground services to businesses had not been completed by the utility companies. Since commencement of construction in early 2016, the project team has worked diligently with the utilities, landowners, businesses and the City of Beaufort to develop the final detailed utility relocation plans for the Boundary Street corridor. These plans were completed in early 2017 and the contractor, PMI, was able to price this remaining work. Change Order #12 totaling \$628,688 has been submitted by the contractor, reviewed and recommended for approval by the project's construction management firm, Infrastructure Consulting & Engineering (ICE).

City and County staff have evaluated Change Order #12 and recommend that it be approved. The underground placement of the overhead utilities provides many benefits such as greater storm resilience and improved safety.

Undergrounding of the overhead utilities is financed through an agreement with SCE&G and the City of Beaufort. The City is working with the various utility companies on a reimbursement agreement.

2. **Change Order #13** - One of the components of the Boundary Street Redevelopment Project is the raised landscaped median in the reconstructed roadway. This raised median contains an extensive underdrain system. It has been determined that this underdrain system will not be necessary due to the soil type and median planting materials. Therefore, deduction Change Order #13 totaling -\$458,239 has been prepared and submitted for approval.

Total change orders to date including Change Orders 12 & 13 is \$460,581 with an overall contract value of \$19,225,966.

AH **FUNDING.** Change Order #12 will be funded from the Boundary Street Redevelopment total budget of \$33,573,358 which is provided by TIGER Grant, County Sales Tax Fund, County Road Impact Fee and City of Beaufort TIF II. Change Order #13 will be deducted from the encumbered purchase order balance for PMI. PMI's overall encumbered to date purchase order total will increase the net amount of \$170,449 for Change Orders 12 & 13.

FOR ACTION. Public Facilities Committee Meeting on April 17, 2017.

RECOMMENDATION

1. That the Public Facilities Committee approve and recommend to County Council approval of Change Order #12 to Preferred Materials, Inc., (PMI), for underground placement of utilities as part of the Boundary Street Redevelopment in the amount of \$628,688 from the funding sources listed above.

2. That the Public Facilities Committee approve and recommend to County Council acceptance of deduct Change Order #13 totaling -\$458,239 which will be applied to PMI's current encumbered purchase order balance.

JRM/mjh

Attachments: 1) Change Order 12 with ICE 3/27/17 Correspondence
2) 3/24/17 Senior Project Manager, City of Beaufort White Paper
3) Change Order 13 with ICE 4/4/17 Memo

cc: Kathy Todd

BStReDevlop/CO 12 & 13

Change Order Report

Contract ID: LPA07.036939A

Change Order Nbr: 012 Force Acct ID: 0

Change Order Type: Standard Change Order

CO Description: Boundary St. Left Side Ductbank & First St. Ductbank Impacts

Zero Dollar Change Order: No

Project Nbr	Itm Nbr	Catg	Item Code	Unit	Unit Price	Bid Qty	Prev Apprvd Qty	Curr CO Qty	Curr Apprvd Qty	Amount of Change	
0036939RD01	2022	1	9800100	LS	\$436,556.89	0	0	1	0	This Chng: \$436,556.89	
Item Description CHANGE ORDER ITEM				CO Item Description Boundary Street Left Side Ductbank Impacts				Prev Revised: \$0.00			
Supplemental Description1 Boundary Street Left Side Ductbank Impacts								New Revised: \$436,556.89			
Supplemental Description2								Bid Contract: \$0.00			
								Net Change: \$436,556.89			
								Pct Change:			
0036939RD01	5211	4	9800100	LS	\$192,131.75	0	0	1	0	This Chng: \$192,131.75	
Item Description CHANGE ORDER ITEM				CO Item Description First Street Ductbank Impacts				Prev Revised: \$0.00			
Supplemental Description1 First Street Ductbank Impacts								New Revised: \$192,131.75			
Supplemental Description2								Bid Contract: \$0.00			
								Net Change: \$192,131.75			
								Pct Change:			

Total Value for Change Order 012 = \$628,688.64

Change Order Report: Contract Completion Date Time Adjustment

Original Compl Date: 2017/12/30 Adj Compl Date: 2018/06/20 Adj No. of Days: 122

Explanation: One hundred twenty-two (122) days are granted as additional time for the Boundary Street left side ductbank impacts and the First Street ductbank impacts as associated with this change order.

General or Standard Change Order Explanation

This change order is necessary to resolve impacts associated with the First Street and Boundary Street Left Side Duct Bank. Impacts include duct bank detail changes; additional staking for utility coordination; and material and labor for installing additional conduit fittings.

Prices have been verified by the City of Beaufort staff and CEI consultants.

This brings the contract total to date to \$19,684,205.34 which overruns the original contract by a cumulative percentage of 4.90%

Pursuant to Section 104.05 of the Standard Specifications on the above referred to project, I/we (Prime Contractor), do hereby agree to the unit price stipulated above, for performing the work items listed, as part of my/our contract on this project. The work shall be performed under and in accordance with the specifications and contract requirements of our contract. The compensation and time extension, (if any), provided in this supplemental agreement constitute complete satisfaction for all direct, indirect, impact, and delay costs relating to this work.

JUSTIFICATION OF COST:

FIRM: Robert B. Royal Date: 3-28-17

Preferred Materials, Inc.

ROBERT B. ROYAL

Based upon quantities involved, field conditions and type of construction, these prices are reasonable.

Recommended by: Jared Fralix Date: 3-29-17

Reviewed by (City): _____ Date: _____

Reviewed by (County): _____ Date: _____

Accepted by (City): _____ Date: _____

Accepted by (County): _____ Date: _____

[Handwritten signature]

March 24, 2017

Correspondence #1015 C-023B

Mr. Jared Fralix, PE
CE&I Project Manager
ICE
26 John Galt Road
Beaufort, SC 29906

RE: **Left Side Duct Bank Revisions**
IFB # 062315E US 21 Business (Boundary Street) and First Street Improvements

Dear Mr. Fralix,

Preferred Materials, Inc (PMI) received a revised set of drawings for the Left Side Duct Bank January 25, 2017. There have been significant changes to the contract documents related to the duct bank construction and the time associated with said construction. While PMI appreciates all involved in facilitating these revisions and helping clarify design issues, there has been so many changes that PMI and our subcontractors have not finalized pricing until now. The majority of the changes are related to the addition of new duct configurations, location changes to the turn-out and termination details (and/or structures), field coordination with the existing utilities, several horizontal and vertical alignment changes related to utility conflicts, coupled with additional survey, additional traffic control, and project maintenance to facilitate and build said revisions, and others.

The changes in the duct bank turn-out and turn-up (structure) details are summated in the attached breakdown. Further, PMI field staff has maintained both the Traffic Control and project as a whole to facilitate the additional construction activities related to the duct bank work. For simplicity and in attempt to keep the project moving forward, PMI has summated these costs as \$1100.00 per day, and intentionally did not charge anything for the delays experienced on the right side duct bank changes. Moving forward, PMI will need compensation for the additional time necessary to complete the duct bank. There are also additional survey costs from our subcontractor Don Smith.

These revisions will cause PMI to incur substantial impacts to both project cost and schedule. PMI requests an equitable adjustment for the duct bank revisions in the amount of \$628,688.64 as compensation for the changes identified above, accompanied by a time extension to the project of 87

working days or 122 calendar days. This would be final compensation for the entirety of the duct bank work, inclusive of First Street, for the entire project. A summation of these changes is listed below:

Description	Quantity	Unit	Sub Cost	Unit Price	Total
First Street Changes	1	LS	\$142,604.23	\$156,864.65	\$156,864.65
Left Side Duct Bank Changes	1	LS	\$322,060.90	\$354,266.99	\$354,266.99
Additional Survey	1	LS	\$19,870.00	\$21,857.00	\$21,857.00
Traffic Control and Project Maintenance	87	DAY	\$1,100.00	\$1,100.00	\$95,700.00
					\$628,688.64

As you are aware, time is of the essence and PMI will need written direction to proceed with these changes. PMI will need such direction by March 10, 2017 to avoid further delay. Please consider this request and respond with any questions or concerns. Feel free to contact me at micah.shultzman@preferredmaterials.com or by phone at 864-444-0149. Thank you for your time and consideration.

Respectfully,



Micah Shultzman
Project Manager

CC: Job File 761015
Jeffrey Andrews, OM APAC
Robert Royal, AM APAC

March 27, 2017

Micah Shultzman
Project Manager
Preferred Materials
47 Telfair Place
Savannah, GA 31415

RE: Left Side Ductbank Revisions
IFB # 062315E US 21 Business (Boundary Street) and First Street Improvements

Dear Mr. Shultzman,

We have received your letter Left Side Duct Bank Revisions – IFB #062315E US 21 (Boundary Street) and First Street Improvements dated March 24, 2017 and have completed our review. Per the letter, you are requesting compensation for additional duct bank scope related to the additional conduit turn-outs and the conduit turn-ups. The values associated are an equitable adjustment of \$628,688.64 and a time extension of 122 days. We concur that these extra conduits are an addition to the scope of the contract and that an adjustment is warranted.

As mentioned in our initial response letter on March 3, 2017, we agreed with the logic used to determine net gain/loss of ductbank scope as provided in the final plan updates provided by ICE on January 25, 2017 versus the original ductbank plans. In the time since, we have met with you and your subcontractor Barnett Southern to analyze the plan changes on a detailed level, structure by structure. After this exercise, we concur with the quantities provided, the time associated with the additional quantities at each structure, and total number of equivalent days required providing an extension of 87 work days (122 calendar days).

The cost portion of the adjustment was also reviewed. The cost impact is directly related to the extra materials and additional time spent constructing the duct bank. Due to the complexity of the details we concur with the daily cost associated with the duct configuration of \$3,160.50/day. We also recognize and cost associated with the traffic control to extend the duration of the project and we concur with the cost provided as \$1,100/day. In summation, we have reviewed all the details of the costs associated with the impacts described and concur with the revised cost adjustment of \$628,688.64 as provided.

If you agree with our review, a change order will be developed to cover these changes. This change order will account for all items associated with the left side Boundary Street duct bank and the First Street duct bank. A revised CPM schedule will be required to update the sequence of activities and the substantial completion date accordingly.



Thank you for your continued cooperation as we work together to complete the construction of this project.

Regards,

A handwritten signature in blue ink that reads 'Jared Fralix'.

Jared Fralix
CM-CEI Project Manager

CC: Job File
City of Beaufort, Neal Pugliese
Beaufort County, Rob McFee

William A. Prokop
CITY MANAGER
843-525-7070
FAX 843-525-7013



CITY OF BEAUFORT
1911 Boundary Street
BEAUFORT, SOUTH CAROLINA 29902

COUNCIL MEMBERS:
Billy Keyserling, Mayor
Mike McFee, Mayor Pro Tem
Philip Cromer
Stephen Murray
Nan Sutton

March 24, 2017

White Paper

Change Order for the North side duct bank

The Prime Contractor has submitted a change order for \$628,000 for the North side duct bank construction and this expense has been validated.

Background

When Boundary Street construction commenced in December 2015, final plans for the duct bank work had not been completed by the utilities and fully adopted by the project management team. Notwithstanding the absence of completed utility relocation plans, a decision was made to commence the Boundary Street Project to comply with the TIGER Grant. Concurrently, the project team, comprised of Beaufort County, retained consultants, and City of Beaufort employees, worked with the utilities to develop detailed utility relocation plans. Understandably, because the utility duct bank plans were not completed by the time the project began, the contract consummated by Beaufort County excluded much of the fine detail duct bank work. Notably, much of the detailed utility duct bank details were not ready for vetting until early January 2017, which meant there was no plausible way for the Prime Contractor (Preferred Materials, Inc) to accurately calculate this expected, but largely undefined, projected expense.

Validation

The project team is in receipt of the change order submitted by the Prime Contractor and the costs have been validated by the Local Project Administrator (LPA) and the retained Engineering Consultant from Infrastructure Consultant Engineering.

Conclusion

While certainly a large figure to digest, it is beneficial to reinforce that the work necessary for completion of the Boundary Street Project relative to the change order was never fully scoped at project commencement, but that this was a known outstanding issue that would require resolution as the project matured. Inasmuch, this does not fall within the category as a project oversight, but rather an expected expense that has now been specifically and satisfactorily defined. There are no other issues of this nature that are projected to present for the duration of this project. Recommended approval.

Prepared by Neal Pugliese, Senior Project Manager, City of Beaufort

Change Order Report

Contract ID: LPA07.036939A

Change Order Nbr: 013 Force Acct ID: 0

Change Order Type: Standard Change Order

CO Description: Eliminating Bioswale and Median Underdrains

Zero Dollar Change Order: No

Project Nbr	Itm Nbr	Catg	Item Code	Unit	Unit Price	Bid Qty	Prev Apprvd Qty	Curr CO Qty	Curr Apprvd Qty	Amount of Change	
0036939RD01	1240	1	7143618	LF	\$60.49	2672	2672	-20	2672	This Chng: \$-1,209.80 Prev Revised: \$161,629.28 New Revised: \$160,419.48 Bid Contract: \$161,629.28 Net Change: \$-1,209.80 Pct Change: -0.75	
Item Description 18" SMOOTH WALL PIPE				CO Item Description Scope Reduction in Median Drainage							
Supplemental Description1											
Supplemental Description2											
0036939RD01	1410	1	7192020	EA	\$2,580.00	20	20	-4	20	This Chng: \$-10,320.00 Prev Revised: \$51,600.00 New Revised: \$41,280.00 Bid Contract: \$51,600.00 Net Change: \$-10,320.00 Pct Change: -20.	
Item Description DROP INLET (24" X 36")				CO Item Description Scope Reduction in Median Drainage							
Supplemental Description1											
Supplemental Description2											
0036939RD01	1580	1	8020100	SY	\$72.93	4000	4000	-4000	4000	This Chng: \$-291,720.00 Prev Revised: \$291,720.00 New Revised: \$0.00 Bid Contract: \$291,720.00 Net Change: \$-291,720.00 Pct Change: -100.	
Item Description PLANTED MEDIAN SUBSURFACE DRAINAGE				CO Item Description Scope Reduction in Median Drainage							
Supplemental Description1											
Supplemental Description2											
0036939RD01	1590	1	8021204	LF	\$38.10	300	300	-300	300	This Chng: \$-11,430.00 Prev Revised: \$11,430.00 New Revised: \$0.00 Bid Contract: \$11,430.00 Net Change: \$-11,430.00 Pct Change: -100.	
Item Description 4" PERFORATED PIPE UNDERDRAIN				CO Item Description Scope Reduction in Median Drainage							
Supplemental Description1											
Supplemental Description2											

Project Nbr	Itm Nbr	Catg	Item Code	Unit	Unit Price	Bid Qty	Prev Apprvd Qty	Curr CO Qty	Curr Apprvd Qty	Amount of Change
0036939RD01	2070	1	9000032	SY	\$133.00	600	600	-600	600	This Chng: \$-79,800.00 Prev Revised: \$79,800.00 New Revised: \$0.00 Bid Contract: \$79,800.00 Net Change: \$-79,800.00 Pct Change: -100.
Item Description			MEDIAN BIO SWALE	CO Item Description			Scope Reduction in Median Drainage			
Supplemental Description1				Supplemental Description2						
0036939RD01	3180	2	8020100	SY	\$72.93	455	455	-455	455	This Chng: \$-33,183.15 Prev Revised: \$33,183.15 New Revised: \$0.00 Bid Contract: \$33,183.15 Net Change: \$-33,183.15 Pct Change: -100.
Item Description			PLANTED MEDIAN SUBSURFACE DRAINAGE	CO Item Description			Scope Reduction in Median Drainage			
Supplemental Description1				Supplemental Description2						
0036939RD01	3190	2	8021204	LF	\$38.10	52	52	-52	52	This Chng: \$-1,981.20 Prev Revised: \$1,981.20 New Revised: \$0.00 Bid Contract: \$1,981.20 Net Change: \$-1,981.20 Pct Change: -100.
Item Description			4" PERFORATED PIPE UNDERDRAIN	CO Item Description			Scope Reduction in Median Drainage			
Supplemental Description1				Supplemental Description2						
0036939RD01	3600	2	9000032	SY	\$133.00	215	215	-215	215	This Chng: \$-28,595.00 Prev Revised: \$28,595.00 New Revised: \$0.00 Bid Contract: \$28,595.00 Net Change: \$-28,595.00 Pct Change: -100.
Item Description			MEDIAN BIO SWALE	CO Item Description			Scope Reduction in Median Drainage			
Supplemental Description1				Supplemental Description2						

Total Value for Change Order 013 = \$-458,239.15

Change Order Report: Contract Completion Date Time Adjustment

Original Compl Date: 2017/12/30 Adj Compl Date: 2018/05/30 Adj No. of Days: 101

Explanation: Twenty-one (21) days being deducted for reducing scope of Bioswale & Median Underdrain work on Boundary Street and SC170 as associated with this change order.

General or Standard Change Order Explanation

Due to the lack of planned irrigation within the median and the already improved storm water measures included in the contract, the median underdrain system and center bio swales are no longer necessary to the project. This change order is necessary to remove the median underdrain system and center bio swales from the contract.

Prices have been verified by the City of Beaufort staff and CEI consultants.

This brings the contract total to date to \$19,225,966.19 which overruns the original contract by a cumulative percentage of 2.46%

Pursuant to Section 104.05 of the Standard Specifications on the above referred to project, I/we (Prime Contractor), do hereby agree to the unit price stipulated above, for performing the work items listed, as part of my/our contract on this project. The work shall be performed under and in accordance with the specifications and contract requirements of our contract. The compensation and time extension, (if any), provided in this supplemental agreement constitute complete satisfaction for all direct, indirect, impact, and delay costs relating to this work.

JUSTIFICATION OF COST:

FIRM: _____ Date: _____

___ Based upon quantities involved, field conditions and type of construction, these prices are reasonable.

Recommended by: _____ Date: _____

Reviewed by (City): _____ Date: _____

Reviewed by (County): _____ Date: _____

Accepted by (City): _____ Date: _____

Accepted by (County): _____ Date: _____

Memorandum to Project File

April 4, 2017

Project: Boundary Street Redevelopment Project
LPA 07.036939A

Subject: Change Order 13 – Engineer’s Estimate

Due to the lack of planned irrigation within the center medians and improved storm water measures, a change order was created to remove the center underdrain system and bio swales from the project. The pay items associated with this work are listed below

<u>Pay Item</u>	<u>Quantity</u>	<u>Unit</u>	<u>Price</u>	<u>Total</u>
Traffic Control	1	LS		
Planted Median Subsurface Drainage	4,455	SY	\$72.93	\$324,903.15
4" Perforated Pipe Underdrain	352	LF	\$38.10	\$13,411.20
Median Bio Swale	815	SY	\$133.00	\$108,395.00
Drop Inlet (24"x36") (Sta 338+40; Sta 339+16; Sta 352+47; Sta 353+54)	4	EA	\$2,580.00	\$10,320.00
18" Smooth Wall Pipe (Sta 352+47)	20	LF	\$60.49	<u>\$1,209.80</u>
				\$458,239.15

Calculated By:
Jared Fralix, PE – Project Manager

Eliminating Bioswale and Median Underdrains

<u>Line Itm#</u>	<u>Catg Nbr</u>	<u>Itm Cde</u>	<u>Description</u>	<u>Units</u>	<u>Cur Qty</u>	<u>Unit Price</u>
1580	1	8020100	planted median subsurface drainage	SY	4,000.000	\$72.93
3180	2	8020100	planted median subsurface drainage	SY	455.000	\$72.93
Total					4455.000	\$ 324,903.15

1590	1	8021204	4" perforated pipe underdrain	LF	300.000	\$38.10
3190	2	8021204	4" perforated pipe underdrain	LF	52.000	\$38.10
Total					352.000	\$ 13,411.20

2070	1	9000032	median bio swale	SY	600.000	\$133.00
3600	2	9000032	median bio swale	SY	215.000	\$133.00
Total					815.000	\$ 108,395.00

1240	1	7143628	18" smooth wall pipe (20 LF)	LF	20.000	\$ 60.49
Total					20.000	\$ 1,209.80

1410	1	7192020	drop inlts (24" x 26") - Sta 339+16	EA	1.000	\$ 2,580.00
1410	1	7192020	drop inlts (24" x 26") - Sta 352+47	EA	1.000	\$ 2,580.00
1410	1	7192020	drop inlts (24" x 26") - Sta 353+54	EA	1.000	\$ 2,580.00
1410	1	7192020	drop inlts (24" x 26") - Sta 338+40	EA	1.000	\$ 2,580.00
Total					4.000	\$ 10,320.00

Cost Savings \$ 458,239.15

ORDINANCE 2017 / _____

**AN ORDINANCE AUTHORIZING THE OPERATION OF
GOLF CARTS AT NIGHT ON DAUFUSKIE ISLAND**

WHEREAS, Act 246 of 2016 authorizes a County which meets certain criteria as set forth therein to enact an ordinance allowing for the operation of golf carts at night on designated portions of the County; and

WHEREAS, Beaufort County satisfies the criteria set forth in Act 246 of 2016; and

WHEREAS, Beaufort County recognizes golf carts are an increasingly popular and efficient mode of local transportation in communities; and

WHEREAS this Council, which is charged with maintaining and preserving the health, safety and welfare of Beaufort County citizens, residents and visitors, has examined the possibility of, the advantages, disadvantages and safety risks associated with, extending golf cart use from daytime throughout the County to nighttime in designated portions of the County including municipalities and barrier islands; and

WHEREAS, after conducting this examination and after hearing from local residents, local communities throughout the County including representatives of municipalities, vendors of golf cart safety equipment and the Beaufort County Sheriff, this Council has deliberated and has concluded that nighttime golf cart use on Daufuskie Island is reasonable, appropriate and in the best interest of the residents and visitors to Daufuskie Island given the many qualities and characteristics of the island which make it unique including that Daufuskie is accessible only by water, that there are very few motor vehicles on the island, that golf carts are the primary mode of transportation on the island even in daytime and that there is virtually no automobile traffic on the island which could pose a danger to people operating golf carts at night.

NOW, THEREFORE, BEAUFORT COUNTY COUNCIL, hereby amends Chapter 70 of its Code of Ordinances so as to include Article V, Section 70-100 which authorizes the

operation of golf carts at night on all public streets and roads on Daufuskie Island provided that such golf carts are equipped with working headlights and rear lights.

This Ordinance shall take effect thirty (30) days after being approved by County Council.

DONE this _____ day of _____, 2017.

COUNTY COUNCIL OF BEAUFORT COUNTY

BY: _____
D. Paul Sommerville, Chairman

APPROVED AS TO FORM:

Thomas J. Keaveny, II, County Attorney

ATTEST:

Ashley M. Bennett, Clerk to Council

First Reading, By Title Only: March 13, 2017

Second Reading:

Public Hearing:

Third and Final Reading:

ORDINANCE NO. _____

AN ORDINANCE RECOGNIZING BEAUFORT COUNTY SHERIFF'S REQUEST FOR \$30,000 FOR COSTS ASSOCIATED WITH TRAFFIC CONTROL DURING 2017 MCAS BEAUFORT AIR SHOW AND APPROPRIATING \$15,000 FROM THE STATE 2% ACCOMMODATIONS TAX FUND TO COVER SUCH COSTS

WHEREAS, County Council is authorized to utilize State 2% Accommodations Tax Funds to promote tourism and enlarge the economic benefits of tourism through advertising, promotion, construction and maintenance of access and access to nearby roads for civic, cultural recreational or historic facilities; and

WHEREAS, S. C. Code Ann. §6-4-10(4)(b) expressly authorizes a county which has a high concentration of tourism activity to use state accommodations tax funds "to provide additional county and municipal services including, but not limited to, law enforcement [and] traffic control" as may be necessary for tourism related activities; and

WHEREAS, MCAS Beaufort, one of Beaufort County's strongest economic drivers, will host the 2017 MCAS Air Show at its facility in Beaufort County between April 29-30, 2017 which will feature, among others, static displays and live performers designed to showcase naval aviation at its best with demonstrations by the United States Naval Flight Demonstrations Team, the Blue Angels all of which is expected to draw approximately 100,000 visitors; and

WHEREAS, given that MCAS Beaufort is remote and that most, if not all, attendees will utilize highways, streets and roads to access the facility resulting in unusually large volumes of traffic on the highways, streets and roads all of which will need to be managed by law enforcement, including Beaufort County Sheriff's office; and

WHEREAS, the Sheriff estimates his office will incur approximately \$30,000 in unanticipated and unbudgeted expenses directly related to providing police and traffic services to the community as a result of the 2017 MCAS Beaufort Air Show; and

WHEREAS, Beaufort County Council believes these tourism related expenses should be shared by the City of Beaufort and Beaufort County equally and that its share of these expenses should be appropriated from the State 2% Accommodations Tax Fund.

NOW THEREFORE, BE IT ORDAINED that Beaufort County Council, duly assembled, hereby appropriates \$15,000.00 from the State 2% Accommodations Tax Fund to the Beaufort County Sheriff's Office to defray a portion of the anticipated expenses associate with the 2017 MCAS Beaufort Air Show.

DONE, this _____ day of _____ 2017.

COUNTY COUNCIL OF BEAUFORT COUNTY

BY: _____
D. Paul Sommerville, Chairman

APPROVED AS TO FORM:

Thomas J. Keaveny, II
Beaufort County Attorney

ATTEST:

Ashley M. Bennett, Clerk to Council

First Reading: April 10, 2017

Second Reading:

Public Hearing:

Third and Final Reading:

ORDINANCE NO. 2017/___

AUTHORIZING THE ISSUANCE AND SALE OF NOT EXCEEDING \$35,000,000 TAXABLE OR TAX-EXEMPT, OR BOTH, GENERAL OBLIGATION BOND ANTICIPATION NOTE(S), IN ONE OR MORE SERIES, WITH APPROPRIATE SERIES DESIGNATIONS, OF BEAUFORT COUNTY, SOUTH CAROLINA; FIXING THE FORM AND DETAILS OF THE NOTE(S); AUTHORIZING THE COUNTY ADMINISTRATOR TO DETERMINE CERTAIN MATTERS RELATING TO THE NOTE(S); PROVIDING FOR THE PAYMENT OF THE NOTE(S) AND THE DISPOSITION OF THE PROCEEDS THEREOF; AND OTHER MATTERS RELATING THERETO.

BE IT ORDAINED BY THE COUNTY COUNCIL OF BEAUFORT COUNTY, SOUTH CAROLINA, AS FOLLOWS:

SECTION 1. Findings and Determinations. The County Council (the "County Council") of Beaufort County, South Carolina (the "County"), hereby finds and determines:

(a) Pursuant to Section 4-9-10, Code of Laws of South Carolina 1976, as amended (the "S.C. Code"), and the results of a referendum held in accordance therewith, the Council-Administrator form of government was adopted and the County Council constitutes the governing body of the County.

(b) Article X, Section 14 of the Constitution of the State of South Carolina, 1895, as amended (the "Constitution"), provides that each county shall have the power to incur bonded indebtedness in such manner and upon such terms and conditions as the General Assembly shall prescribe by general law. Such debt must be incurred for a public purpose and a corporate purpose in an amount not exceeding eight percent (8%) of the assessed value of all taxable property of such county.

(c) Pursuant to Title 4, Chapter 15 of the S.C. Code (the same being and hereinafter referred to as the "County Bond Act"), the governing bodies of the several counties of the State of South Carolina (the "State") may each issue general obligation bonds to defray the cost of any authorized purpose and for any amount not exceeding their applicable constitutional limit.

(d) The County Bond Act provides that as a condition precedent to the issuance of bonds an election be held and the result be favorable thereto. Title 11, Chapter 27 of the S.C. Code provides that if an election be prescribed by the provisions of the County Bond Act, but not be required by the provisions of Article X of the Constitution, then in every such instance, no election need be held (notwithstanding the requirement therefor) and the remaining provisions of the County Bond Act shall constitute a full and complete authorization to issue bonds in accordance with such remaining provisions.

(e) Article X, Section 14 of the Constitution further provides that general obligation bond anticipation notes may be issued in anticipation of the proceeds of general obligation bonds which may lawfully be issued under such terms and conditions that the General Assembly may prescribe by law.

(f) Pursuant to the provisions of Title 11, Chapter 17 of the S.C. Code ("Title 11, Chapter 17"), any county, whenever authorized by general or special law to issue bonds, may, pending the sale and issuance thereof, borrow in anticipation of the receipt of the proceeds of the bonds. Such provisions also provide that if any approval be necessary prior to the issuance of bonds by the county, the county must obtain the same approval prior to the issuance of temporary financing provided therein.

(g) The assessed value of all the taxable property in the County as of June 30, 2016, is not less than \$1,725,369,752. Eight percent of the assessed value is \$138,029,580. As of the date hereof, the outstanding general obligation debt of the County subject to the limitation imposed by Article X, Section 14(7) of the Constitution is \$74,931,036. Thus, the County may incur not exceeding \$63,068,544 of additional general obligation debt within its applicable debt limitation.

The County intends to issue general obligation refunding bonds, a portion of which will count against the County's constitutional debt limit.

(h) Pursuant to Ordinance No. 2012/10 adopted on August 13, 2102, the County adopted Written Procedures related to Tax-Exempt Debt.

(i) Pending the issuance and sale of general obligation bonds, it is necessary and in the best interest of the County for the County Council to provide for the issuance and sale of general obligation bond anticipation notes in an amount of not exceeding \$35,000,000 to provide funds for (i) purposes related to recovery from Hurricane Matthew (the "Project"); (ii) paying costs of issuance of the Notes (hereinafter define); and (iii) such other lawful purposes as the County Council shall determine.

SECTION 2. Bonds. Pursuant to this Ordinance, the County Council has irrevocably obligated and bound itself to effect the issuance of not exceeding \$35,000,000 or such other amount as may be determined of a general obligation bonds (the "Bonds") prior to the stated maturity of the Note. Prior to the sale and issuance of the Bond, the County shall adopt a resolution setting forth the form and details of such Bond.

SECTION 3. Authorization and Details of Notes. Pursuant to the aforesaid provisions of the Constitution and laws of the State, there is hereby authorized to be issued not exceeding \$35,000,000 aggregate principal amount of taxable or tax-exempt, or both, general obligation bond anticipation notes of the County, in one or more series, in one or more years, with appropriate series designations, to be designated "(amount issued) General Obligation Bond Anticipation Notes, (appropriate series designation) of Beaufort County, South Carolina"(the "Notes") for the purposes set forth in Section 1(i) and other costs incidental thereto, including without limiting the generality of such other costs, engineering, financial and legal fees.

The Notes shall be issued as fully registered Notes registerable as to principal and interest; shall be dated as of their date of delivery to the initial purchaser(s) thereof; shall bear interest from their dated date payable at maturity at such rate or rates as may be determined by the County Council at the time of sale thereof.

Both the principal of and interest on the Notes shall be payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for public and private debts. Regions Bank, Atlanta, Georgia, shall serve as Registrar/Paying Agent for the Notes.

The County Council may determine it to be in the best interest of the County to refund or renew the outstanding Note at maturity rather than issuing the Bonds. If that determination is made, County Council may authorize the Note to be rolled over or renewed by adopting a Resolution incorporating the terms of this Ordinance and setting for the details of the renewed note.

SECTION 4. Delegation of Authority Relating to Determine Certain Matters Relating to the Notes. The County Council hereby delegates to the County Administrator or his lawfully-authorized designee the authority to: (a) determine the par amount of the Notes; (b) determine the maturity date of the Notes; (c) determine redemption provisions, if any, for the Notes; (d) determine the date and time of sale of the

Notes; (e) receive bids on behalf of the County Council; and (f) to award the sale of the Notes to the lowest bidders therefor in accordance with the terms of the Notice of Sale for the Notes.

After the sale of the Notes, the County Administrator or his lawfully-authorized designee shall submit a written report to the County Council setting forth the details of the Notes as set forth in this Section.

SECTION 5. Registration, Transfer and Exchange of Notes. The County shall cause books (herein referred to as the “registry books”) to be kept at the offices of the Registrar/Paying Agent, for the registration and transfer of the Notes. Upon presentation at its office for such purpose the Registrar/Paying Agent shall register or transfer, or cause to be registered or transferred, on such registry books, the Notes under such reasonable regulations as the Registrar/Paying Agent may prescribe.

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

The County and the Registrar/Paying Agent may deem or treat the person in whose name any fully-registered Note shall be registered upon the registry books as the absolute owner of such Note, whether such Note shall be overdue or not, for the purpose of receiving payment of the principal of and interest on such Note and for all other purposes and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid, and neither the County nor the Registrar/Paying Agent shall be affected by any notice to the contrary. For every such transfer of Notes, the County or the Registrar/Paying Agent may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such transfer, and, except as otherwise provided herein, may charge a sum sufficient to pay the cost of preparing each Note issued upon such transfer, which sum or sums shall be paid by the person requesting such transfer or by the County as a condition precedent to the exercise of the privilege of making such transfer.

SECTION 6. Record Date. The County hereby establishes a record date for the payment of interest or for the giving of notice of any proposed redemption of Notes, and such record date shall be the fifteenth (15th) day of the calendar month preceding each semiannual interest payment date on such Note or in the case of any proposed redemption of Notes, such record date shall be the fifteenth (15th) day prior to the giving of notice of redemption of bonds.

SECTION 7. Mutilation, Loss, Theft or Destruction of Notes. In case any Note shall at any time become mutilated in whole or in part, or be lost, stolen or destroyed, or be so defaced as to impair the value thereof to the owner, the County shall execute and the Registrar shall authenticate and deliver at the principal office of the Registrar, or send by registered mail to the owner thereof at his request, risk and expense a new Note of the same series, interest rate and maturity and of like tenor and effect in exchange or substitution for and upon the surrender for cancellation of such defaced, mutilated or partly destroyed Note, or in lieu of or in substitution for such lost, stolen or destroyed Note. In any such event the applicant for the issuance of a substitute Note shall furnish the County and the Registrar evidence or proof satisfactory to the County and the Registrar of the loss, destruction, mutilation, defacement or theft of the original Note, and of the ownership thereof, and also such security and indemnity in an amount as may be required by the laws of

the State or such greater amount as may be required by the County and the Registrar. Any duplicate Note issued under the provisions of this Section in exchange and substitution for any defaced, mutilated or partly destroyed Note or in substitution for any allegedly lost, stolen or wholly destroyed Note shall be entitled to the identical benefits under this Ordinance as was the original Note in lieu of which such duplicate Note is issued, and shall be entitled to equal and proportionate benefits with all the other Notes of the same series issued hereunder.

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

SECTION 8. Execution of Notes. The Notes shall be executed in the name of the County with the manual or facsimile signature of the Chair of the County Council attested by the manual or facsimile signature of the Clerk to the County Council under a facsimile of the seal of the County impressed, imprinted or reproduced thereon; provided, however, the facsimile signatures appearing on the Notes may be those of the officers who are in office on the date of adoption of this Ordinance. The execution of the Notes in such fashion shall be valid and effectual, notwithstanding any subsequent change in such offices. The Notes shall not be valid or become obligatory for any purpose unless there shall have been endorsed thereon a certificate of authentication. Each Note shall bear a certificate of authentication manually executed by the Registrar in substantially the form set forth herein.

SECTION 9. Form of Notes. The Notes shall be in substantially the form attached hereto as Exhibit A, respectively, and incorporated herein by reference.

SECTION 10. Security for Notes. For the payment of the principal of and interest, if necessary, on the Notes as they respectively mature there are hereby pledged the proceeds of the Bonds and the full faith, credit and taxing power of the County. The County at its option may also utilize any other funds available therefor for the payment of the principal of and interest on the Notes.

SECTION 11. Defeasance. The obligations of the County under this Ordinance and the pledges, covenants and agreements of the County herein made or provided for, shall be fully discharged and satisfied as to any portion of the Notes, and such Note or Notes shall no longer be deemed to be outstanding hereunder when:

(a) Such Note or Notes shall have been purchased by the County and surrendered to the County for cancellation or otherwise surrendered to the County or the Paying Agent and is canceled or subject to cancellation by the County or the Paying Agent; or

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

“Government Obligations” shall mean any of the following:

- (i) direct obligations of the United States of America or agencies thereof or obligations, the payment of principal or interest on which, in the opinion of the Attorney General of the United States, is fully and unconditionally guaranteed by the United States of America;
- (ii) non-callable, U. S. Treasury Securities - State and Local Government Series (“SLGS”); and
- (iii) general obligation bonds of the State, its institutions, agencies, counties and political subdivisions, which, at the time of purchase, carry a AAA rating from Standard & Poor’s or a Aaa rating from Moody’s Investors Service.

(c) Such Note or Notes shall be defeased as provided in Section 11-14-110 of the S.C. Code as such may be amended from time to time.

SECTION 12. Exemption from State Taxes. Both the principal of and interest on the Notes shall be exempt, in accordance with the provisions of Section 12-2-50 of the S.C. Code, 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.

SECTION 13. Eligible Securities. The Notes initially issued (the “Initial Notes”) will be eligible securities for the purposes of the book-entry system of transfer maintained by The Depository Trust Company, New York, New York (“DTC”), and transfers of beneficial ownership of the Initial Notes shall be made only through DTC and its participants in accordance with rules specified by DTC. Such beneficial ownership must be of \$5,000 principal amount of Notes of the same maturity or any integral multiple of \$5,000.

The Initial Notes shall be issued in fully-registered form, one Note for each of the maturities of the Notes, in the name of Cede & Co., as the nominee of DTC. When any principal of or interest on the Initial Notes becomes due, the Paying Agent, on behalf of the County, shall transmit to DTC an amount equal to such installment of principal and interest. DTC shall remit such payments to the beneficial owners of the Notes or their nominees in accordance with its rules and regulations.

If (a) DTC determines not to continue to act as securities depository for the Notes, or (b) the County has advised DTC of its determination that DTC is incapable of discharging its duties, the County shall attempt to retain another qualified securities depository to replace DTC. Upon receipt by the County the Initial Notes together with an assignment duly executed by DTC, the County shall execute and deliver to the successor securities depository Notes of the same principal amount, interest rate and maturity registered in the name of such successor.

If the County is unable to retain a qualified successor to DTC or the County 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 Notes might be adversely affected if the book-entry system of transfer is continued (the County 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 Notes by mailing an appropriate notice to DTC, upon receipt by the County of the Initial Notes together with an assignment duly executed by DTC, the County shall execute, authenticate and deliver to the DTC

participants Notes in fully-registered form, in substantially the form set forth in Section 3 of this Ordinance in the denomination of \$5,000 or any integral multiple thereof.

Notwithstanding the foregoing, at the request of the purchaser, the Notes will be issued as one single fully-registered Note and not issued through the book-entry system.

SECTION 14. Sale of Notes, Form of Notice of Sale. The Notes shall be offered for public sale on the date and at the time designated by the County Administrator and/or his lawfully-authorized designee. A Notice of Sale in substantially the form set forth as Exhibit B attached hereto and incorporated herein by reference shall be distributed to prospective bidders and a summary of such Notice of Sale shall be published in a newspaper of general circulation in the State and/or in a financial publication published in the City of New York not less than seven (7) days prior to the date set for such sale.

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

SECTION 16. Filings with Central Repository. In compliance with Section 11-1-85 of the S.C. Code, the County covenants that it will file or cause to be filed with a central repository for availability in the secondary bond market when requested: (a) a copy of an annual independent audit of the County within thirty (30) days of the County's receipt thereof; and (b) within thirty (30) days of the occurrence thereof, event specific information of an event which adversely affects more than five (5%) percent of the tax revenues of the County or the County's tax base.

SECTION 17. Continuing Disclosure. In compliance with the Securities and Exchange Commission Rule 15c2-12 (the “Rule”) the County covenants and agrees for the benefit of the holders from time to time of the Notes to execute and deliver prior to closing, and to thereafter comply with the terms of a Disclosure Dissemination Agent Agreement in substantially the form appearing as Exhibit C attached to this Ordinance. In the event of a failure of the County to comply with any of the provisions of the Disclosure Dissemination Agent Agreement, an event of default under this Ordinance shall not be deemed to have occurred. In such event, the sole remedy of any bondholder or beneficial owner shall be an action to compel performance by this Ordinance.

SECTION 18. Deposit and Use of Proceeds. The proceeds derived from the sale of the Notes shall be deposited with the Treasurer of the County in a special fund to the credit of the County, separate and distinct from all other funds, and shall be expended from time to time and made use of by the County Council as follows:

(a) Any premium shall be placed in the sinking fund established pursuant to Section 4-15-150 of the S.C. Code; and

(b) The balance of the proceeds shall be applied for the purposes set forth in this Ordinance including defraying the costs and expenses of issuing the Notes.

SECTION 19. Notice of Public Hearing. The County Council hereby ratifies and approves the publication of a notice of public hearing regarding the Notes and this Ordinance, such notice in substantially the form attached hereto as Exhibit D, having been published in The Island Packet and The Beaufort Gazette, newspapers of general circulation in the County, not less than 15 days prior to the date of such public hearing.

SECTION 20. Initiative and Referendum. The County Council hereby delegates to the County Administrator and/or his lawfully-authorized designee the authority to determine whether the Notice prescribed under the provisions of Section 5 of Title 11, Chapter 27 of the S.C. Code relating to the initiative and referendum provisions contained in Title 4, Chapter 9, Article 13 of the S.C. Code shall be given with respect to this Ordinance. If said Notice is given, the County Administrator and/or his lawfully-authorized designee are authorized to cause such Notice to be published in a newspaper of general circulation in the County, in substantially the form attached hereto as Exhibit E.

SECTION 21. Reimbursement of Certain Expenditures. The County Council hereby declares that this Ordinance shall constitute its declaration of official intent pursuant to Treasury Regulation § 1.150-2 to reimburse the County from the proceeds of the Notes for expenditures with respect to the Project (the "Expenditures"). The County anticipates incurring Expenditures with respect to the capital improvements prior to the issuance by the County of the Notes for such purposes. 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 the Project was placed in service, but in no event more than three (3) years after the original Expenditures. The Expenditures are incurred solely to acquire, construct or rehabilitate property having a reasonably expected economic life of at least one (1) year. The source of funds for the Expenditures with respect to the Project will be the County's general reserve funds or other legally-available funds.

SECTION 22. Tax Covenants. With respect to the tax-exempt bond anticipation notes only, the County hereby covenants and agrees with the Holders of the Notes that it will not take any action which will, or fail to take any action which failure will, cause interest on the Notes to become includable in the gross income of the Noteholders for federal income tax purposes pursuant to the provisions of the Internal Revenue Code of 1986, as amended (the "IRC") and regulations promulgated thereunder in effect on the date of original issuance of the Notes. The County further covenants and agrees with the holders of the Notes that no use of the proceeds of the Notes shall be made which, if such use had been reasonably expected on the date of issue of the Notes would have caused the Notes to be "arbitrage bonds," as defined in Section 148 of the IRC, and to that end the County hereby shall:

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

SECTION 23. Miscellaneous. The County Council hereby authorizes the County Administrator, Chair of the County Council, the Clerk to the County Council and County Attorney to execute such documents and instruments as necessary to effect the issuance of the Notes. The County Council hereby retains McNair Law Firm, P.A., as bond counsel and Hilltop Securities, as financial advisor, in connection with the issuance of the Notes. The County Administrator is further authorized to execute

such contracts, documents or engagement letters as may be necessary and appropriate to effectuate these engagements.

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

Enacted this ____ day of _____, 2017.

BEAUFORT COUNTY, SOUTH CAROLINA

Chair, County Council

(SEAL)

ATTEST:

Clerk, County Council

First Reading:

Second Reading:

Public Hearing:

Third and Final Reading:

FORM OF NOTE

UNITED STATES OF AMERICA
 STATE OF SOUTH CAROLINA
 BEAUFORT COUNTY
 GENERAL OBLIGATION BOND ANTICIPATION NOTE
 SERIES 2017

No. R-

<u>INTEREST</u>	<u>MATURITY</u>	<u>ORIGINAL</u>	
<u>RATE</u>	<u>DATE</u>	<u>ISSUE DATE</u>	<u>CUSIP</u>

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

KNOW ALL MEN BY THESE PRESENTS that Beaufort County, South Carolina (the "County") hereby acknowledges itself indebted, and for value received promises to pay to the registered owner hereof, the principal sum of _____ Dollars (\$_____) at the principal office of _____, in the City of _____, State of _____ on the ___ day of _____, 20___, and to pay interest (calculated on the basis of a 360-day year of twelve 30-day months) on said principal sum from the date hereof, at the rate of _____%, payable upon the maturity of this note. This note is not subject to prepayment prior to its maturity.

Both the principal of and interest on this note are payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for the payment of public and private debts.

This note represents a series of general obligation bond anticipation notes (the "Notes"), issued by the County, pursuant to the authorization of Title 11, Chapter 17, Code of Laws of South Carolina 1976, as amended, in anticipation of the receipt of the proceeds to be derived from the general obligation bonds of the County to be issued pursuant to and in accordance with the provisions of the Constitution and laws of the State of South Carolina (the "State") including Article X, Section 15 of the Constitution of the State of South Carolina, 1895, as amended; Title 11, Chapter 27, Code of Laws of South Carolina, 1976, as amended; Title 59, Chapter 71, Code of Laws of South Carolina, 1976, as amended, the successful results of a referendum; and an ordinance duly enacted by County Council on _____, 20___ (the "Ordinance").

The full faith, credit and taxing power of the County and the proceeds to be derived from the sale of bonds are pledged for the payment of the principal of and interest on the Notes.

The Notes are being issued by means of a book-entry system with no physical distribution of certificates to be made except as provided in the Ordinance. One certificate registered in the name of the Securities Depository Nominee is being issued and is required to be deposited with the Securities Depository. The book-entry system will evidence positions held in the Notes by the Securities

Depository's participants, beneficial ownership of the Notes in the principal amount of \$5,000 or any multiple thereof being evidenced in the records of such Participants. Transfers of ownership shall be effected on the records of the Securities Depository on the records of the Securities Depository and its participants pursuant to rules and procedures established by the Securities Depository and its Participants.

Regions Bank, Atlanta, Georgia, as Registrar/Paying Agent will recognize the Securities Depository Nominee, while the registered owner of the Notes, as the owner of the Notes for all purposes, including payments of principal of and redemption premium, if any, and interest on the Notes, notices and voting. Transfer of principal and interest payments to Participants of the Securities Depository will be the responsibility of the Securities Depository, and transfer of principal, redemption premium, if any, and interest payments to beneficial owners of the Notes by Participants of the Securities Depository will be the responsibility of such participants and other nominees of such beneficial owners. The County and Registrar/Paying Agent will not be responsible or liable for such transfers of payment or for maintaining, supervision or reviewing the records maintained by the Securities Depository, the Securities Depository Nominee, its Participants or persons acting through such Participants. While the Securities Depository Nominee is the owner of the Notes, notwithstanding the provision hereinabove contained, payments of principal of, redemption premium, if any, and interest on the Notes shall be made in accordance with existing arrangements between the Registrar/Paying Agent or its successors under the Resolution and the Securities Depository.

This note and the interest hereon are exempt from all State, county, municipal, and all other taxes or assessments of the State, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate and transfer taxes but the interest on this note may be included for certain franchise fees or taxes.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and laws of the State to exist, to happen, or to be performed precedent to or in the issuance of this note, do exist, have happened, and have been performed in regular and due time, form and manner, and the amount of this note, and the issue of which this note is one, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, BEAUFORT COUNTY, SOUTH CAROLINA, has caused this Note to be signed with the signature of the Chair of the County Council, attested by the signature of the Clerk to the County Council and the seal of the County impressed, imprinted, or reproduced hereon.

BEAUFORT COUNTY, SOUTH CAROLINA

(SEAL)

Chair, County Council

ATTEST:

Clerk to County Council

[FORM OF REGISTRAR/PAYING AGENT'S CERTIFICATE OF AUTHENTICATION]

Date of Authentication:

This note is one of the Notes described in the within mentioned Ordinance of Beaufort County, South Carolina.

[REGISTRAR/PAYING AGENT] as Registrar/Paying Agent

By: _____
Authorized Officer

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

TEN COM - as tenants in common

UNIF GIFT MIN ACT -

TEN ENT - as tenants by the
entireties

_____ Custodian _____
(Cust) (Minor)

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

under Uniform Gifts to Minors
Act _____
(state)

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

(FORM OF ASSIGNMENT)

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

(Name and Address of Transferee)

_____ the within Note and
does hereby irrevocably constitute and appoint _____
attorney to transfer the within Note on the books kept for registration thereof, with full power of
substitution in the premises.

Dated: _____

Signature Guaranteed

(Authorized Officer)

Signature must be guaranteed by
a participant in the Securities Transfer
Agent Medallions Program (STAMP)

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

FORM OF NOTICE OF SALE

OFFICIAL NOTICE OF SALE

\$ _____ GENERAL OBLIGATION BOND ANTICIPATION NOTES, SERIES 2017
OF BEAUFORT COUNTY, SOUTH CAROLINA

Sealed, facsimile and electronic bids for the purchase of all but not part of the above notes (the "Notes") will be received by Beaufort County, South Carolina (the "County"), in the case of sealed and facsimile bids, at the offices of the County Administrator, 100 Ribaut Road, Beaufort, South Carolina, and in the case of electronic bids, via PARITY (as explained below) until _____ (Eastern Time) on _____, _____, 2017.

BID SUBMISSION: Sealed bids must be submitted on bid forms furnished by the County. Sealed bids shall be enclosed in a sealed envelope marked on the outside "Proposal for the Purchase of the County of Beaufort County, South Carolina, \$ _____ General Obligation Bond Anticipation Notes, Series 2017." Electronic proposals must be submitted through i-Deal's Parity Electronic Bid Submission System ("Parity"). No electronic bids from any other providers of electronic bidding services will be accepted. Information about the electronic bidding services of Parity may be obtained from i-Deal, 1359 Broadway, 2nd Floor, New York, New York 10018, Customer Support, telephone (212) 849-5021. The County, McNair Law Firm, P.A. and _____ shall not be responsible for any failure, misdirection or error in the means of transmission selected by any bidder.

GOOD FAITH DEPOSIT: No good faith deposit will be required.

NOTE DETAILS: The Notes will be issued in book-entry form in the denomination of \$5,000 or any integral multiple thereof. The Notes will be dated as of _____, 20____, the expected date of delivery, and due on _____, 20____. Interest, calculated on the basis of a 360-day year of twelve 30-day months, will be payable at maturity on _____, 20____.

REDEMPTION PROVISIONS: The Notes are not subject to optional redemption prior to maturity.

RATINGS: Moody's and S&P ratings have been applied for.

INTEREST RATES: Bidders must specify the fixed rate of interest the Notes shall bear according to the following restrictions: (a) the interest rate may not exceed six percent (6%) and (b) the interest rate specified must be a multiple of 1/100th of one percent.

REGISTRAR/PAYING AGENT: Regions Bank, Atlanta, Georgia has been designated as registrar/paying agent (the "Registrar/Paying Agent") for the Notes.

BASIS OF AWARD: The Notes will be awarded to the responsive bidder whose bid results in the lowest NET INTEREST COST (the "NIC") to the County. The NIC will be calculated as the total interest from _____, 20__ to _____, 20__, minus any premium. If two or more bids provide for the same lowest NIC, the County shall award the bid to the bidder whose bid is in the best interest of the County to be determined by the County in its sole discretion, and such determination shall be final. Any bid for less than par will be rejected. The County reserves the right to reject any and all bids and to waive informalities in any or all bids.

In order to calculate the yield on the Notes for federal tax law purposes and as a condition precedent to the award of the Notes, the successful bidder will be required to disclose to the County the price (or yield to maturity) at which the Notes will be reoffered to the public.

The Notes will be awarded or all bids will be rejected by no later than __:__ P.M. (Eastern Time) on the day bids are opened, _____, 20__

SECURITY: The full faith, credit and taxing power of the County and the proceeds derived from the sale of bonds are pledged to the payment of the principal of and interest on the Notes.

AUTHORIZATION: The Notes are being issued pursuant to Article X, Section 15 of the Constitution of the State of South Carolina, Title 11, Chapter 17, Code of Laws of South Carolina, 1976, as amended, and Ordinance No. 2017/____ duly enacted by the County Council of the County on _____, 2017.

INTEREST AND PRINCIPAL PAYMENTS: Payment of principal of and interest on the Notes will be made directly by the Registrar/Paying Agent to Cede & Co., as the registered owner of the Notes and nominee for The Depository Trust Company ("DTC"), on _____, 20__, in immediately available funds.

CUSIP NUMBERS: It is anticipated that CUSIP numbers will be printed on the Notes, but neither the failure to print such numbers on the Notes nor any error with respect thereto shall constitute cause for failure or refusal by the successful bidder to accept delivery of and pay for the Notes.

DELIVERY AND PAYMENT: Delivery of the properly executed Notes is expected to be made through DTC on or about _____, 20__. Payment for the Notes shall be made in immediately available funds.

OFFICIAL STATEMENT: The Preliminary Official Statement, dated _____, 20__, has been deemed final by the County for purposes of paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") but is subject to revision, amendment and completion in a final Official Statement as provided in the Rule. Within seven (7) business days of the bid opening date, the County will deliver the final Official Statement to the successful bidder in sufficient quantity to comply with the Rule.

LEGAL OPINION AND CLOSING CERTIFICATES: The County will furnish upon delivery of the Notes: a Receipt for the Notes; a Signature and No-Litigation Certificate; a Rule 15c2-12 Certificate; a Federal Tax Certificate, and the approving opinion of McNair Law Firm, P.A., Columbia, South Carolina, as Bond Counsel, all without cost to the purchasers.

INFORMATION FROM PURCHASER: At or before delivery, the purchaser of the Notes shall provide a certificate to the County in a form acceptable to Bond Counsel stating the information necessary to enable the County to determine the issue price of the Notes as defined in Section 1273 or 1274 of the Internal Revenue Code of 1986, as amended.

ADDITIONAL INFORMATION: The Preliminary Official Statement, Official Notice of Sale and Official Bid Form of the County with respect to the Notes are available via the internet at <http://www.idealprospectus.com> and will be furnished to any person interested in bidding for the Notes upon request to Francenia B. Heizer, McNair Law Firm, P. A., Post Office Box 11390, Columbia, South Carolina 29211, attention: Francenia B. Heizer, Esquire, telephone (803) 799-9800, e-mail: fheizer@mcnair.net. The Preliminary Official Statement shall be reviewed by bidders prior to submitting a bid. Bidders may not rely on this Official Notice of Sale as to the complete information concerning the Notes. For additional information, please contact the County's Bond Counsel, Francenia B. Heizer, Esquire, McNair Law Firm, P. A., Post Office Box 11390, Columbia, South Carolina 29211, telephone (803) 799-9800, e-mail: fheizer@mcnair.net

_____, 2017

FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the “Disclosure Agreement”), dated as of _____, 2017, is executed and delivered by Beaufort County, South Carolina (the “Issuer”) and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the “Disclosure Dissemination Agent” or “DAC”) for the benefit of the Holders (hereinafter defined) of the Notes (hereinafter defined) and in order to provide certain continuing disclosure with respect to the Notes 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 (the “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 (the “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 (hereinafter defined). 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 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 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.

“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 Notes and the 9-digit CUSIP numbers for all Notes to which the document applies.

“Disclosure Representative” means the Finance Director, or his or her 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 Notes (including persons holding Notes through nominees, depositories or other intermediaries) or (b) treated as the owner of any Notes 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.

“Notes” means the notes as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

“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.

“Obligated Person” means any person, including the Issuer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Notes (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on Exhibit A.

“Official Statement” means that Official Statement prepared by the Issuer in connection with the Notes, as listed on Appendix A.

“Trustee” means the institution, if any, identified as such in the document under which the Notes were issued.

“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, together with a copy for the Trustee, 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 the next February 1 after the end of each fiscal year of the Issuer, commencing with the fiscal year ending June 30, 2017. 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 that a Failure to File Event 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, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy for the Trustee, 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) with the MSRB;
- (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB;
- (iv) upon 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:
 - “Principal and interest payment delinquencies;”
 - “Non-Payment related defaults, if material;”
 - “Unscheduled draws on debt service reserves reflecting financial difficulties;”
 - “Unscheduled draws on credit enhancements reflecting financial difficulties;”
 - “Substitution of credit or liquidity providers, or their failure to perform;”
 - “Adverse tax opinions, IRS notices or events affecting the tax status of the security;”
 - “Modifications to rights of securities holders, if material;”
 - “Bond calls, if material;”
 - “Defeasances;”
 - “Release, substitution, or sale of property securing repayment of the securities, if material;”
 - “Rating changes;”
 - “Tender offers;”
 - “Bankruptcy, insolvency, receivership or similar event of the obligated person;”
 - “Merger, consolidation, or acquisition of the obligated person, if material;” and
 - “Appointment of a successor or additional trustee, or the change of name of a trustee, if material;”
- (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) (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) upon 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 upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, Trustee (if any) and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Any Information received by the Disclosure Dissemination Agent before 6:00 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. Content of Annual Reports.

(a) Each Annual Report shall contain Annual Financial Information with respect to the Issuer, including the information provided in the Official Statement as follows:

- (i) 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 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.
- (ii) Financial and operating data for the fiscal year then ended, to the extent such information is not included in the Issuer’s audited financial statements filed pursuant to clause (1) above, which shall be generally consistent with the tabular information (or other information, as otherwise noted below) contained in the Official Statement under the following headings: “THE NOTES—Security;” “DEBT STRUCTURE—Outstanding Indebtedness;” and “CERTAIN FISCAL MATTERS—Assessed Value of Taxable Property in the County,” “—Estimated True Value of All Taxable Property in the County,” “—Tax Rates,” “—Tax Collections for Last Five Years,” and “—Ten Largest Taxpayers.”

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.

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Issuer is an “obligated person” (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the MSRB Internet Website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer will clearly identify each such document so incorporated by reference.

Any annual financial information containing modified operating data or financial information 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 Notes constitutes a Notice Event:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, 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 Notes, or other material events affecting the tax status of the Notes;
- (vii) Modifications to rights of Note holders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Notes, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

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 Obligated Person 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 Obligated Person, 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 Obligated Person.

- (xiii) 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
- (xiv) 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