ORDINANCES 1991

Name		Date of Ratification
1991-1	General Bond Ordinance	2/11/91
1991-2	Bond Anticipation Note	2/11/91
1991-4	Limit Placement of Refuse	3/28/91
1991-9	Adopt New FEMA Flood Maps	3/11/91
1991-7	1st Supplemental Bond Ord.	2/18/91
1991-3	Ban off-Premise Signs	5/23/91
~~1991-4~~	~~Limit Placement~~	
1991-8	Amend Applying Conditional Uses	6/27/91
1991-16	Repeal Re Personnel Admin.	4/25/91
1991-13	$700,000 Gen. Obl. Bond	5/23/91
1991-18	Water Dept. Budget	6/27/91
1991-20.E	Prohibit Burning Beach Inlet	6/27/91
1990-18	Protect Sea Turtles	4/25/91

CITY OF ISLE OF PALMS, SC
ORDINANCE NO. 1991-4
Adopted - 3/28/91

AN ORDINANCE TO LIMIT THE PLACEMENT OF REFUSE FOR COLLECTION

WHEREAS, the disposal of refuse for collection by the City Public Works Department is currently regulated in Section 3-2-5 of the City Code; and

WHEREAS, such regulation provides for the deposition of refuse on the public right-of-way pending collection; and

WHEREAS, City Council has received complaints concerning the unsafe, unsanitary and burdensome conditions created when refuse is deposited in front of lots other than the lot from which the refuse was generated; and

WHEREAS, City Council wishes to prevent the recurrence of such adverse situations.

NOW, THEREFORE, BE IT ORDAINED, by the Mayor and Councilmembers of the Isle of Palms, South Carolina, in City Council assembled, that:

Section 1. Purpose. This Ordinance is adopted to limit the placement of refuse for collection by the Isle of Palms Public Works Department.

Section 2. Section 3-2-5 Amended. Existing Section 3-2-5 of the City Code is re-numbered as Section 3-2-5(a), entitled "Refuse Requirements." A new Section 3-2-5(b) is hereby created, to read as follows:

> (b) Placement of refuse. All refuse placed for collection shall be deposited only on the unpaved right-of-way in front of the property from which the refuse was generated.

Section 3. Severability. If any part of this Ordinance is held to be unconstitutional, it shall be construed to have been the legislative intent to pass said Ordinance without such unconstitutional provision, and the remainder of said Ordinance shall be deemed to be valid as if such portion had not been included. If said Ordinance, or any provisions thereof, is held to be inapplicable to any person, group of persons, property, kind of property, circumstances or set of circumstances, such holding shall not affect the applicability thereof to any other persons, property or circumstances.

Section 4. Effective Date. This Ordinance shall be effective upon its ratification by the City Council for the City of Isle of Palms.

PASSED, APPROVED AND ADOPTED BY THE MAYOR AND COUNCIL FOR THE CITY OF ISLE OF PALMS ON THIS 28th DAY OF March, 1991.

Carmen R. Bunch
CARMEN R. BUNCH, MAYOR

Nellie S. McDuffie
NELLIE S. McDUFFIE, CLERK-TREASURER

First Reading: January 24, 1991

Second Reading: February 28, 1991

Third Reading: March 28, 1991

Ratification: March 28, 1991

ORDINANCE 1991-1

CITY OF ISLE OF PALMS, SOUTH CAROLINA

GENERAL BOND ORDINANCE

AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF WATER AND SEWER SYSTEM REVENUE BONDS OF THE CITY OF ISLE OF PALMS, SOUTH CAROLINA; PRESCRIBING THE FORM OF BONDS; LIMITING THE PAYMENT OF THE BONDS SOLELY TO THE REVENUES DERIVED FROM THE OPERATION OF THE SYSTEM AND PLEDGING THE REVENUES TO SUCH PAYMENT; CREATING CERTAIN FUNDS AND PROVIDING FOR PAYMENTS INTO SUCH FUNDS; AND MAKING OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE FOREGOING.

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

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. Unless the context shall clearly indicate some other meaning, the terms defined in this Section shall, for all purposes of this Ordinance and of any ordinance, resolution, certificate, opinion, instrument or other document herein or therein mentioned, have the meanings herein specified, with the definitions to be equally applicable to both the singular and plural forms of any of the terms herein defined and vice versa. The term:

"A Bonds of 1991" shall mean the $1,185,601.88 Water and Sewer System Revenue Bonds, Series 1991 A, dated as of the date of their delivery.

"Act" shall mean, collectively, Title 6, Chapter 21, and Title 6, Chapter 17, Code of Laws of South Carolina, 1976, and all other statutory authorizations, now or hereinafter enacted, authorizing and enabling the City to provide for the issuance of the Bonds.

"Annual Budget" shall mean the annual budget required by Section 7.8 hereof and adopted in conformance therewith.

"Bondholders" or the term "Holders" or any similar term shall mean the registered owner or owners of any Outstanding Bond or Bonds.

"Bond" or "Bonds" shall mean any Bond, some of the Bonds or all of the Bonds issued under and pursuant to Article III hereof.

"Bond Redemption Account" shall mean the account by that name created in the Debt Service Fund.

"Bond Year" shall mean the period from March 1 in any year to and including the last day of February in the following year.

"Books of Registry" shall mean the registration books maintained by the Trustee as bond registrar in accordance with Section 4.3 hereof.

"Capital Improvements Fund" shall mean the fund of that name established pursuant to Section 6.8 of the Ordinance.

"City" shall mean the City of Isle of Palms, South Carolina.

"Construction Fund" shall mean any fund established with and maintained by the Custodian named by ordinance or resolution of the Council, and derived from certain of the proceeds of the sale of the Bonds and intended to defray the cost of all or a portion of any Project and to pay all Costs of Acquisition and Construction in connection therewith, as established in a Supplemental Ordinance authorizing the issuance of any Series of Bonds.

"Consulting Engineer" shall mean the engineer or engineering firm or corporation having a favorable reputation for skill and experience in the construction and operation of water treatment systems or sewage disposal and treatment systems, employed by the City to perform and carry out the duties imposed by this Ordinance, and who or which is not a full-time employee of the City.

"Cost of Acquisition and Construction" shall mean, to the extent permitted by the Act, all costs of acquiring, reconstructing, replacing, extending, repairing, bettering, equipping, developing, embellishing or otherwise improving the System, including the Costs of Issuance and capitalized interest on Bonds. Cost of Acquisition and Construction shall include the payment of amounts due on bond anticipation notes, the proceeds of which were used for Cost of Acquisition and Construction.

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

"Council" shall mean the City Council of the City of Isle of Palms, South Carolina.

"Custodian" shall mean any bank or trust company or national banking association or national association selected by the City as a depositary of moneys or securities held in the Construction Fund, the Revenue Fund, the Capital Improvements Fund, the Operation and Maintenance Fund or the Rebate Fund.

"Debt Service Fund" shall mean the fund of that name established pursuant to Section 6.6 of the Ordinance.

"Debt Service" shall mean, with respect to the Bonds and with respect to any particular Bond Year, the aggregate of the amounts to be paid or set aside (or estimated to be required to be paid or set aside) in the Debt Service Fund in such Bond Year for the payment of the principal of, redemption premium, if any, and interest (to the extent not capitalized) on the Bonds or such Series of Bonds. With respect to Bonds that bear interest at a variable rate, Debt Service shall be calculated based on the rate of interest that such Bonds would bear if such Bonds bore interest at a fixed rate, as certified to the Trustee and the Council by the Financial Advisor.

"Debt Service Reserve Fund" shall mean the fund of that name established pursuant to Section 6.7 of the Ordinance.

"Default" or "Event of Default" shall mean any of those defaults specified in and defined by Article X hereof.

"Expenses of Operating and Maintaining the System" shall mean the current expenses, paid or accrued, of operation, maintenance and current repair of the System, as calculated in accordance with sound accounting practice, and shall include, without limiting the generality of the foregoing, salaries, wages, employee benefits, cost of materials and supplies, cost of routine repairs, renewals, replacements and alterations occurring in the usual course of business, cost of billings and collections, cost of insurance, costs of audits, taxes, if any, and a properly allocable share of City administrative and overhead expenses. Expenses of Operating and Maintaining the System shall not include any allowance for depreciation or renewals or replacements of capital assets of the System.

"Financial Advisor" shall mean the person, firm or corporation having experience in the field of rendering financial advice to governmental bodies, designated as such from time to time by the City.

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

"Government Obligations" shall mean non-callable bonds, notes or direct obligations and general obligations of the United States.

"Interest Account" shall mean the account by that name created in the Debt Service Fund.

"Investment Securities" shall mean any of the following, if and to the extent that the same are at the time legal for investment of funds of the City:

(i) direct obligations of (including obligations issued or held in book entry form on the books of) the Department of Treasury of the United States of America;

(ii) obligations of any of the following federal agencies, which obligations represent full faith and credit of the United States of America, including: Export - Import Bank, Farmers Home Administration, General Services Administration, U. S. Maritime Administration, Small Business Administration, Government National Mortgage Association (GNMA), U. S. Department of Housing & Urban Development (PHA's) and Federal Housing Administration;

(iii) bonds, notes or other evidences of indebtedness rated "AAA" by Standard & Poor's Corporation and "Aaa" by Moody's Investor Services issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with remaining maturities not exceeding three years;

(iv) U. S. dollar denominated deposit accounts, federal funds and banker's acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of "A-1" or "A-1+" by Standard & Poor's and "P-1" by Moody's and maturing no more than 360 days after the date of purchase. Ratings on holding companies are not considered as the rating of the bank;

(v) commercial paper which is rated at the time of purchase in the single highest classification, "A-1+" by Standard & Poor's and "P-1" by Moody's Investor Services and which matures not more than 270 days after the date of purchase;

(vi) investments in a money market fund rated "AAAm" or "AAAm--G" or better by Standard & Poor's Corporation;

(vii) investment agreements approved in writing by AMBAC Indemnity (as defined in the First Supplemental Ordinance) with notice to Standard & Poor's Corporation;

(viii) other form of investments approved in writing by AMBAC Indemnity with notice to Standard & Poor's Corporation; and

(ix) the South Carolina Pooled Investment Fund established pursuant to the provisions of Chapter 6, Title 6, Code of Laws of South Carolina 1976, as amended.

The value of the above investments shall be determined as provided in "Value" below.

"Value", which shall be determined as of the end of each month, means that the value of any investments shall be calculated as follows:

(a) as to investments the bid and asked prices of which are published on a regular basis in The Wall Street Journal (or, if not there, then in The New York Times): the average of the bid and asked prices for such investments so published on or most recently prior to such time of determination;

(b) as to investments the bid and asked prices of which are not published on a regular basis in The Wall Street Journal or The New York Times: the average bid price at such time of determination for such investments by any two nationally recognized government securities dealers (selected by the Trustee in its absolute discretion) at the time making a market in such investments or the bid price published by a nationally recognized pricing service;

(c) as to certificates of deposit and bankers acceptances: the face amount thereof, plus accrued interest; and

(d) as to any investment not specified above: the value thereof established by prior agreement between the City, the Trustee and AMBAC Indemnity.

"Junior Bonds" shall mean either (i) bonds secured by a pledge of Revenues junior and subordinate in all respects to the pledge securing the Bonds or (ii) any other form of indebtedness, including lease purchase obligations secured by sums available in the Revenue Fund after provision has been made for all payments required to be made with respect to the Bonds.

"Maximum Debt Service" shall mean the highest principal and interest requirements on the Bonds then Outstanding during any Bond Year. With respect to Bonds that bear interest at a variable rate, for purposes of determining maximum annual debt service requirements for complying with the rate covenant (Section 7.1) and the test for issuance of additional bonds (Section 3.3(D)), such Bonds shall be assumed to bear interest at a fixed rate equal to the highest variable rate borne over the preceding 24 months by outstanding variable rate debt (issued under the Ordinance) or, if no such variable rate debt is at the time Outstanding under the Ordinance, by variable rate debt for which the interest rate is computed by reference to the appropriate index published in The

Bond Buyer or, if such an index does not exist, to an index comparable to that to be utilized in determining the interest rate for the Bonds then proposed to be issued.

"Net Revenues" shall mean the Revenues of the System after deducting the Expenses of Operating and Maintaining the System.

"Operation and Maintenance Fund" shall mean the fund of that name established pursuant to Section 6.5 of the Ordinance.

"Ordinance" shall mean this ordinance as from time to time amended or supplemented by one or more Supplemental Ordinances.

"Outstanding" when used with respect to any Bond shall have the construction given to such word in Article XII hereof; i.e., a Bond shall not be Outstanding if such Bond is not, or would not be, at the time, deemed to be Outstanding by reason of the operation and effect of said Article XII.

"Paying Agent" shall mean for each series of Bonds the respective paying agent or paying agents appointed pursuant to the proceedings authorizing such Bonds.

"Principal Account" shall mean the account by that name created within the Debt Service Fund.

"Project" shall mean any work, undertaking or project which the City is or may hereafter be authorized to construct or acquire and from which the City has derived or will derive Revenues for which Bonds are issued hereunder and such Project shall constitute a part of the System.

"Rebate Fund" shall mean the fund of that name established pursuant to Section 6.10 of the Ordinance.

"Record Date" shall mean with respect to any Series of Bonds the fifteenth (15th) day (whether or not a business day) of the calendar month immediately preceding an interest payment date or such other day as may be provided in the Supplemental Ordinance authorizing the issuance of such Series of Bonds.

"Reserve Fund Requirement" shall mean the lesser of Maximum Debt Service on the Bonds or an amount equal to 10% of the proceeds of each respective issue or Series of Bonds at the time of their issuance. Variable rate Bonds shall, for purposes of computing the Reserve Fund Requirement, be computed in the same manner as that utilized for determining Maximum Debt Service as defined above.

"Revenue Fund" shall mean the fund of that name established pursuant to Section 6.4 of the Ordinance.

"Revenues" shall mean all receipts, income, revenues, fees and other charges to be levied and collected in connection with, and all other income and receipts of whatever kind or character derived by the City from the operation of the System, including interest earnings and other earnings or investments, computed in accordance with generally accepted accounting practices excluding the proceeds of any grants or debt, contributions in aid of construction, gains or losses on extinguishment of debt, and extraordinary items.

"Securities Depositories" shall mean the Depository Trust Company, 711 Stewart Avenue, Garden City, New York 11530, Fax-(516) 227-4039 or 4190; Midwest Securities Trust Company, Capital Structures-Call Notification, 440 South LaSalle Street, Chicago, Illinois 60605, Fax-(312) 663-2343; Philadelphia Depository Trust Company, Reorganization Division, 1900 Market Street, Philadelphia, Pennsylvania 19103, Attention: Bond Department, Dex-(215) 496-5058; or to such other addresses and/or such other securities depositories as the City may designate.

"Serial Bonds" shall mean Bonds which are not Term Bonds.

"Series" or "Series of Bonds" or "Bonds of Series" shall mean all Bonds designated as being of the same series issued and delivered on original issuance in a simultaneous transaction, and any Bonds thereafter delivered in lieu thereof or in substitution therefor pursuant to the Ordinance.

"Special Facilities" shall mean any future extensions or additions to the System, the revenues and expenses resulting from the operation of which can be segregated from the revenues and expenses of the System and which the City shall designate as such by ordinance.

"State" shall mean the State of South Carolina.

"Supplemental Ordinance" shall mean any ordinance by the City providing for the issuance of Bonds and any ordinance enacted by the Council pursuant to and in compliance with the provisions of Article IX hereof amending or supplementing the provisions of the Ordinance.

"System" shall mean the existing water and sewer system of the Isle of Palms Water Company, to be acquired with proceeds of the first Series of Bonds to be issued hereunder, as the same is now constituted, all properties, real and personal, and matters and things used or useful in the maintenance, operation or functioning thereof, all apparatus and equipment used in connection therewith, and all replacements, enlargements, improvements, extensions,

additions, and betterments that may be made thereto at any time hereafter and any other public utility system (excluding Special Facilities, solid waste facilities and resource recovery facilities) with which the System may hereafter be combined pursuant to ordinance of Council.

"Term Bond" shall mean any Bond designated by the Supplemental Ordinance providing for its issuance as being subject to retirement or redemption from moneys credited to the Bond Redemption Account in the Debt Service Fund as sinking fund installments.

"Test Period" shall mean that period defined in Section 3.3 hereof.

"Trustee" shall mean the bank designated in the supplemental ordinance providing for the initial Series of Bonds, and any successor Trustee appointed in accordance with Section 8.1 hereof.

ARTICLE II

FINDINGS AND DETERMINATIONS

Section 2.1. Findings and Determinations. The Council hereby finds and determines:

A. The City is an incorporated municipality located in Charleston County, State of South Carolina and as such has all powers granted to municipalities by the Constitution and the general law of this State.

B. In the exercise of the powers vested in it by the Constitution and statutes of the State of South Carolina, and proceeding in conformity with the provisions thereof, the City proposes to acquire the existing waterworks system and sewer system of the Isle of Palms Water Company which shall hereafter be designated and known as the Water and Sewer System of the City of Isle of Palms (the "System"). The System shall be operated on the same fiscal year basis as the City, which presently commences on July 1 of each year and ends on June 30 of the following year.

C. The System shall be operated and administered under the direction of the Council, and shall furnish water and sewer service throughout the City and in certain territory adjacent thereto.

D. After due investigation, the period of usefulness of the System is not less than forty (40) years from the date of enactment of this General Bond Ordinance.

E. By the enactment of this General Bond Ordinance, the City intends to provide for the issuance of the revenue bonds at the time and on the terms and conditions set forth in the Ordinance and Supplemental Ordinances hereto.

ARTICLE III

AUTHORIZATION AND ISSUANCE OF BONDS

Section 3.1. Authorization of Bonds. There is hereby authorized to be issued Bonds of the City to be known as "City of Isle of Palms, South Carolina, Water and Sewer System Revenue Bonds", which Bonds may be issued pursuant to the Ordinance and in accordance with the terms, conditions and limitations set forth herein, in Series, in such amounts and from time to time as the City may deem to be necessary or advisable for any corporate purpose of the City for which Bonds may be issued under the Ordinance and the Act.

Section 3.2. General Provisions For Issuance of Bonds. (a) The Bonds shall be issued in Series by means of Supplemental Ordinances enacted by the Council in accordance with the provisions of this Article and Article IX hereof. Each Supplemental Ordinance shall designate the Bonds provided for thereby by an appropriate Series designation and by such further particular designations, if any, as the City deems appropriate, and shall, unless or except as is otherwise set forth herein, also specify: (i) the authorized principal amount of such Series of Bonds; (ii) the purpose or purposes for which the Bonds of such Series are being issued, which shall be one or more of the purposes set forth in Sections 3.3 or 3.4 hereof; (iii) if the Bonds of the Series are being issued for a purpose specified in Section 3.3 hereof, the Project for which such Bonds are being issued; (iv) an estimate of the Costs of Acquisition and Construction for any Project to be financed by such Series of Bonds, and, in the event of the acquisition by purchase or condemnation of any facilities already constructed, a determination of what repairs, replacements, additions and betterments will be necessary in order that such facilities may be effective for their purpose and an estimate of the cost required therefor; (v) the date or dates of the Bonds of the Series; (vi) the maturity date or dates of the Bonds of the Series and the sinking fund installment amounts and due dates for the Term Bonds of the Series, if any; (vii) the interest rate or rates of the Bonds of such Series, or the manner of determining such rate or rates, the initial interest payment date therefor, and the subsequent interest payment dates; (viii) the denominations of, and manner of numbering and lettering, the Bonds of such Series; (ix) the redemption premium or premiums, if any, or the redemption price or prices to be paid upon the redemption of the Bonds of such Series, the period or periods, if any, during which such premiums or prices shall be payable, and the terms and conditions, if any,

of such redemption; (x) the place or places of payment of the Bonds of the Series and interest thereon, and the Paying Agents therefor; (xi) the provisions for the sale or other disposition of the Bonds of the Series and the use, application and investment, if any, of the proceeds of such sale or other disposition, which use, application and investment shall not be inconsistent or in conflict with the provisions hereof; (xii) any other provisions which may be required to be inserted therein by other provisions of the Ordinance; and (xiii) any other necessary or desirable provisions not inconsistent or in conflict with the provisions of the Ordinance.

(b) Bonds of a Series may be executed and delivered to the Trustee by the City and authenticated and delivered by the Trustee to the City or upon its order upon compliance with Section 3.3 or 3.4 hereof.

Section 3.3. Conditions for the Issuance of Bonds under the Ordinance Other than Refunding Bonds.

Anytime and from time to time, one or more Series of Bonds (exclusive of refunding Bonds) may be issued for such purposes as may be permitted by the Act upon compliance with the provisions of Section 3.2 hereof and this Section in such principal amounts as may be determined by the Council for the purpose of paying all or part of the Costs of Acquisition and Construction of one or more Projects authorized to be financed under the Act with Bonds.

Bonds issued upon compliance with this Section and Section 3.2 hereof shall be issued on a parity in all respects inter sese, notwithstanding, that they may be in different form, and bear different dates, interest rates, number, date of issuance or date of execution; and in all such instances, the pledge of Net Revenues made thereunder, and the covenants and remedies hereby granted shall be applicable and available to the Holders of the Bonds.

A. There shall be filed with the City a certificate of the Trustee stating (i) either (a) that no Default exists in the payment of the principal of, premium, if any, or interest on any Bonds or Junior Bonds, and all mandatory sinking fund redemptions, if any, required to have been made shall have been made, or (b) that the application of the proceeds of sale of the Series of Bonds to be issued as required by the Supplemental Ordinance authorizing their issuance will cure any such Default or permit such redemptions; and (ii) either (a) that to the knowledge of the Trustee, the City is not in Default under the terms and provisions of the Ordinance in any manner properly within the purview of the Trustee, or (b) setting forth the circumstances of each such Default known to the Trustee.

B. There shall be filed with the Trustee a certificate of the City Manager or other chief administrative official of the City stating (i) either (a) that no Default exists in the payment of the principal of, premium, if any, or interest on any Bonds or Junior Bonds and all mandatory sinking fund redemptions, if any, required to have been made shall have been made, or (b) that the application of the proceeds of sale of the Series of Bonds to be issued as required by the Supplemental Ordinance authorizing their issuance will cure any such Default or permit such redemptions; and (ii) either (a) that to the best of his knowledge, the City is not in Default in the performance of any other of its covenants and agreements contained in the Ordinance, or (b) setting forth the circumstances of each such Default known to him.

C. If a certificate filed pursuant to part (A) or (B) of this Section should disclose a Default or Defaults hereunder, there shall be filed with the Trustee an opinion of counsel of recognized standing in the field of municipal bond law and satisfactory to the Trustee that, in the case of any Default disclosed in a certificate filed pursuant to part (A) or (B) of this Section, each such Default does not deprive the Bondholders of the security afforded by the Ordinance in any material aspect.

D. For the issuance of Bonds to finance the Cost of Acquisition and Construction, or a portion thereof, of any Projects, there shall be filed with the Trustee a report, based on the most recent audit of the System, from an independent certified public accountant stating that the amount of the Net Revenues of the System for any consecutive twelve (12) month period out of the last twenty-four (24) month period (the "Test Period") is not less than one hundred twenty-five percent (125%) of the Maximum Debt Service for any succeeding Bond Year of Bonds then Outstanding and the Bonds then proposed to be issued, provided the amount of Net Revenues for such Bond Year may be adjusted by adding the following:

(1) in case the rates and charges for the services furnished by the System shall have been revised and such revised rates and charges shall have gone into effect prior to the delivery of the Bonds proposed to be issued, the additional amount of Net Revenues which would have been realized during the Test Period if such rates and charges had been in effect during such Test Period as certified to the Trustee by an independent certified public accountant, and

(2) in case an existing sewer system, existing water system, or any other public utility system is to be acquired and combined or made a part of the System from the proceeds of the Bonds proposed to be issued, the additional amount of Net Revenues which would have been realized during the Test Period if such existing system or systems to be acquired had been a part of the System during such Test Period (which computation

of the additional amount of Net Revenues shall be based upon the method of computing Net Revenues under the Ordinance and approved by the Consulting Engineer);

provided further, that with respect to (i) the initial Series of Bonds issued hereunder to acquire the Water and Sewer Systems of the Isle of Palms Water Company and (ii) the subsequent series of Bonds issued to provide the reverse osmosis treatment system required under that certain Amendment to Consent Order 88-32-WS dated May 16, 1990, the City shall not be required to meet such earnings test but shall be required to comply fully with the rate covenant set forth in Section 7.1 hereof.

E. Such Bonds shall be issued to secure funds to defray the cost of acquiring, improving, extending, enlarging, or repairing the System, some part thereof, including any acquisition of any system which shall be combined with or consolidated into the System pursuant to law; or to refund Bonds, Junior Bonds, or any notes, bonds, or other obligations issued to finance or to aid in financing the acquisition, construction, improvement, enlargement or repair of the System or another enterprise combined with the System.

F. There shall be on deposit in the Debt Service Reserve Fund cash and securities or an insurance policy, surety bond or letter of credit, as provided in Section 6.7 hereof (inclusive of any proceeds of such Bonds to be deposited in the Debt Service Reserve Fund) having an aggregate value not less than the Reserve Fund Requirement with respect to all Bonds to be then Outstanding and the Bonds then proposed to be issued.

Section 3.4. Refunding Bonds. Without complying with the provisions of Section 3.3 hereof except as otherwise provided herein, the City by means of a Supplemental Ordinance adopted in compliance with the provisions of the Act and any other statutory provisions authorizing the issuance of revenue refunding bonds, including advance refunding bonds, may issue hereunder refunding Bonds as follows:

A. Bonds may be issued for the purpose of refunding (including by purchase) at any time within one year prior to maturity or prior to any sinking fund installment due date, the Bonds maturing on such date (or an amount of Bonds subject to redemption from such sinking fund installments not in excess of the amount of Bonds required to be redeemed on such due date) for the payment of which sufficient Revenues are not available. Any Bonds issued for such purpose shall mature (or sinking fund installments therefor shall commence) not earlier than the latest stated maturity of any Bond not then refunded to be Outstanding after such refunding.

B. Bonds may be issued at any time for the purpose of refunding (including by purchase) Bonds, including amounts to pay principal, redemption premium and interest to the date of redemption (or purchase) of the refunded Bonds and the Costs of Issuance; provided that (i) the Debt Service on all Bonds not then to be refunded and such refunding Bonds shall not be greater than would have been the Debt Service of all Bonds not then refunded and the Bonds to be refunded or (ii) the requirements of parts (A),(B),(C),(D) and (F) of Section 3.3 hereof are met with respect to the refunding Series.

Section 3.5. Junior Bonds. The City may at any time issue Junior Bonds in such amount as it may from time to time determine, payable from the Revenues, provided that such Junior Bonds are issued to secure funds to defray the cost of improving, extending, enlarging, or repairing the System, some part thereof, including the acquisition of any system which may be combined with or consolidated into the System pursuant to law, or to refund Bonds, Junior Bonds, or any notes, bonds, or other obligations issued to finance or to aid in financing the acquisition, construction, or improvement of the System, and provided further that the pledge of revenues securing Junior Bonds shall at all times be subordinate and inferior to the pledge securing the Bonds.

Section 3.6. Special Facilities Bonds. The City shall also have the right to issue, from time to time, Special Facilities Bonds to defray the costs of acquiring or constructing Special Facilities subject to the following conditions:

A. The City shall determine that the receipts, income, revenues and other charges to be levied and collected in connection with the Special Facilities shall be at least equal to: (1) the estimated costs of operating and maintaining such Special Facilities; (2) the principal and interest requirements of the Special Facilities Bonds; (3) the amounts to be deposited in any reserve funds; and (4) any other costs and expenses relating to such Special Facilities.

B. The receipts, income, revenues, fees and other charges derived from the operation of the Special Facilities shall be segregated from the Revenues of the System.

C. The debt service payments and other costs and expenses related to such Special Facilities shall not be paid from Revenues of the System.

D. The issuance of Special Facilities Bonds shall not have a detrimental effect on the System or impair the security afforded to the Bondholders.

ARTICLE IV

THE BONDS

Section 4.1. Execution. Unless or except as is otherwise set forth in the Supplemental Ordinance providing for the issuance of a Series of Bonds, the Bonds shall be executed on behalf of the City by the Mayor of the City by his or her manual or facsimile signature and the corporate seal of the City or a facsimile thereof shall be impressed or reproduced thereon and attested by the Clerk-Treasurer of the City by his or her manual or facsimile signature.

In case any officer whose signature or facsimile signature shall appear on the Bonds shall cease to be such officer before the delivery of such Bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, as if he had remained in office until delivery.

Section 4.2. Authentication. Upon compliance with the provisions of Section 3.3, 3.4, 3.5 or 3.6 hereof, and upon the order of the City, the Trustee shall authenticate Bonds authorized to be issued hereunder. Only such Bonds as shall have endorsed thereon a certificate of authentication, substantially in the form set forth in Article XIII, duly executed manually by the Trustee shall be entitled to any right or benefit under the Ordinance. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Trustee, and such executed certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer of the Trustee, but it shall not be necessary that the same person sign the certificate of authentication on all of the Bonds issued hereunder or on all of the Bonds of a particular Series.

Section 4.3. Registration and Transfer of Bonds; Persons Treated as Holders. Each Bond shall be fully registered and transferable only upon the Books of Registry of the City, which shall be kept for that purpose at the principal corporate trust office of the Trustee in Charleston or Columbia, South Carolina, by the registered owner thereof or by his attorney, duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or his duly authorized attorney. Upon the transfer of any Bond, the City shall issue, subject to the provisions of Section 4.6 hereof, in the name of the transferee, a new Bond or Bonds of the same series and of the same aggregate principal amount, interest rate and maturity as the unpaid principal amount of the surrendered Bond.

Any Bondholder requesting any transfer shall pay any tax or other governmental charge required to be paid with respect thereto. As to any Bond, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of or on account of the principal, redemption premium, if any, and interest on any Bond shall be made only to or upon the order of the Holder thereof, or his duly authorized attorney, and neither the City nor the Trustee, shall be affected by any notice to the contrary, but such registration may be changed as herein provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Section 4.4. Form of Bonds; Denominations; Medium of Payment. Unless or except as is otherwise provided in the Supplemental Ordinance authorizing their issuance, the Bonds: (a) shall be in fully registered form without coupons; (b) shall be issued in denominations of $5,000, or any integral multiple thereof, provided that, upon partial redemption of a Bond requiring surrender thereof and the issuance of a new Bond, such new Bond may be in the denomination of the unredeemed balance; and (c) shall be payable with respect to principal, interest, and premium, if any, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

Section 4.5. Numbers, Date, and Payment Provisions. The Bonds shall be numbered and designated in such manner as the City, with the concurrence of the Trustee, shall determine. Each Bond of a Series shall bear interest from the interest payment date immediately preceding the date of its authentication, unless authentication shall be upon an interest payment date, in which case, it shall bear interest from its authentication, or unless authentication shall precede the first interest payment date for such Bond, in which case it shall bear interest from the date of its delivery, or as otherwise provided in the Supplemental Ordinance authorizing its issuance, provided, however, that if the date of authentication of any Bond of any Series is after a Record Date and before the corresponding interest payment date therefor, such Bond shall bear interest from such succeeding interest payment date; notwithstanding the foregoing, if at the time of authentication of any Bond any interest on such Bond is in default, such Bond shall bear interest from the date to which interest on such Bond has been paid or if no interest has been paid, such Bond shall bear interest from the date of delivery thereof.

Section 4.6. Exchange of Bonds. Bonds, upon surrender thereof at the principal corporate trust office of the Trustee in Charleston or Columbia, South Carolina, with a written instrument of transfer satisfactory to the Trustee, duly executed by the Bondholder or his duly authorized attorney, may, at the option of

the Bondholder thereof, and upon payment by such Bondholder of any charges which the Trustee may make as provided in Section 4.7, be exchanged for a principal amount of Bonds of any other authorized denomination equal to the unpaid principal amount of surrendered Bonds.

Section 4.7. Regulations with Respect to Exchanges and Transfer. In all cases in which the privilege of exchanging or transferring Bonds is exercised, the City shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of the Ordinance. All Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Trustee. There shall be no charge to the Bondholder for such exchange or transfer of Bonds except that the Trustee may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or transfer. Neither the City nor the Trustee shall be required (a) to exchange or transfer Bonds (i) from the Record Date to the succeeding interest payment date or (ii) for a period of fifteen (15) days following any selection of Bonds to be redeemed or thereafter until after the first publication or mailing of any notice of redemption, or (b) to transfer any Bonds called for redemption.

Section 4.8. Temporary Bonds. Any Series of Bonds may be initially issued in temporary form, exchangeable for definitive Bonds to be delivered as soon as practicable and subject to the agreement of the City and the purchaser. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the City, shall be without coupons, and may contain such reference to any of the provisions of the Ordinance as may be appropriate. Every temporary Bond shall be executed by the City upon the same conditions and in substantially the same manner as the definitive Bonds. If the City issues temporary Bonds, it will execute and furnish definitive Bonds without delay, and thereupon the temporary Bonds shall be surrendered for cancellation at the principal office of the Trustee and the Trustee shall deliver and exchange for such temporary Bonds an equal, aggregate principal amount of definitive Bonds of like aggregate principal amount and in authorized denominations of the same Series, maturity or maturities and interest rate or rates. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under the Ordinance as definitive Bonds under the Ordinance.

Section 4.9. Mutilated, Lost, Stolen or Destroyed 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 Holder, the City shall execute and the Trustee shall authenticate and deliver at the principal office of the Trustee, or send by registered mail to the Holder 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 City and the Trustee evidence or proof satisfactory to the City and the Trustee of the loss, destruction, mutilation, defacement or theft of the original Bond, and of the ownership thereof, and also such security and indemnity as may be required by the laws of the State of South Carolina or such greater amount as may be required by the City and the Trustee. 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 the Ordinance or any Supplemental 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. Neither the City nor the Trustee nor any Paying Agent shall be required to treat both the original Bond and any duplicate Bond as being Outstanding for the purpose of determining the principal amount of Bonds which may be issued hereunder or for the purpose of determining any percentage of Bonds Outstanding hereunder, but both the original and duplicate Bond shall be treated as one and the same.

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

Section 4.10. Bonds Exempt from South Carolina Taxes. As prescribed by Section 12-1-60 of the Code of Laws of South Carolina, 1976, the Bonds and the interest thereon shall be exempt from all State, county, municipal, school district, 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, or transfer taxes. The provisions of this Section shall be deemed a part of the contract inuring to the benefit of all Holders or beneficiaries of the Bonds.

ARTICLE V

REDEMPTION OF BONDS

Section 5.1. Redemption of Bonds. The Bonds of a Series shall be subject to redemption prior to their stated maturities upon such terms and conditions and at such dates and redemption price or prices or premium or premiums as shall be set forth in the Supplemental Ordinance providing for the issuance of such Bonds, and upon the further terms and conditions as are hereinafter set forth.

Section 5.2. Selection of Bonds for Redemption. In the event of the redemption at any time of only part of the Bonds of a Series, the Bonds to be redeemed shall be redeemed in such order as is set forth in the Supplemental Ordinance providing for the issuance of such Bonds. Unless otherwise provided by Supplemental Ordinance, if less than all of the Bonds of like maturity of any Series shall be called for prior redemption, the particular Bonds or portions of Bonds to be redeemed shall be selected at random by the Trustee in such manner as the Trustee in its discretion may deem fair and appropriate; provided, however, that the portion of any Bond of a denomination of more than $5,000 to be redeemed shall be in the principal amount of $5,000 or an integral multiple thereof, and that, in selecting portions of such Bonds for redemption, the Trustee shall treat each such Bond as representing that number of Bonds of $5,000 denomination which is obtained by dividing the principal amount of such Bond by $5,000.

Section 5.3. Notice of Redemption. Unless or except as otherwise provided in the Supplemental Ordinance authorizing their issuance, the provisions of this Section 5.3 apply to each Series of Bonds.

In the event any of the Bonds or portions thereof are called for redemption, the Trustee shall give notice, in the name of the City, of redemption of Bonds by first-class mail, postage prepaid, to the registered owner thereof as shown on the Books of Registry of the City and to such Securities Depositories as the City may designate not less than thirty (30) days and not more than sixty (60) days prior to the date fixed for the redemption thereof. Such notice of redemption shall state: (i) the title of such Bonds to be redeemed, CUSIP numbers, date of issue, the series designation (if any) thereof, the redemption date, the place or places of redemption and the redemption price or redemption premium, if any, payable upon such redemption; (ii) if less than all such Bonds of a particular Series are to be redeemed, the distinctive number of such Bonds to be redeemed; (iii) that the interest on such Bonds designated for redemption in such notice shall cease to accrue from and after such redemption date; and (iv) that on such date there will become due and payable on each such Bond the principal amount thereof to be redeemed at the then

applicable redemption price or redemption premium, if any, and the interest accrued on such principal amount to the redemption date.

Failure duly to give such notice by mailing, or any defect in the notice, to the Holder of any such Bond designated for redemption shall not affect the validity of any proceedings for the redemption of any other Bonds. All Bonds or portions thereof so called for redemption will cease to bear interest on the specified redemption date, provided funds for their redemption are on deposit with the Trustee, and such Bonds shall not be deemed to be Outstanding under the provisions of the Ordinance.

Section 5.4. Partial Redemption of Bond. In the event that only part of the principal sum of a Bond shall be called for redemption or prepaid, payment of the amount to be redeemed or prepaid shall be made only upon surrender of such Bond to the Trustee. Upon surrender of such Bond, the City shall execute and the Trustee shall authenticate and deliver to the Holder thereof, at the principal office of the Trustee, or send to such Holder by registered mail at his request, risk and expense, a new fully executed Bond or Bonds, of authorized principal sums equal in aggregate principal amount to, and of the same Series, maturity and interest rate as, the unredeemed portion of the Bond surrendered.

Section 5.5. Effect of Redemption. If a Bond is subject by its terms to redemption prior to its stated maturity and has been duly called for redemption and notice of the redemption thereof has been duly given as hereinbefore provided and if moneys for the payment of such Bond at the then applicable redemption price or together with the then applicable redemption premium, if any, and the interest to accrue to the redemption date on such Bond are held for the purpose of such payment by the Trustee for the series of Bonds of which such Bond is one, then such Bond so called for redemption shall, on the redemption date designated in such notice, become due and payable, and interest on the Bond so called for redemption shall cease to accrue.

Section 5.6. Cancellation. All Bonds which have been redeemed shall be canceled and either maintained or destroyed by the Trustee and shall not be reissued. A counterpart of the certificate of destruction evidencing such destruction shall be furnished by the Trustee to the City upon the request of the City Manager.

ARTICLE VI

ESTABLISHMENT OF FUNDS; SECURITY FOR AND PAYMENT OF THE BONDS; INVESTMENT OF MONEYS

Section 6.1. Listing of Funds and Accounts. The following are the funds and accounts created and established by the Ordinance:

(i) Revenue Fund to be held by the City.

(ii) Operation and Maintenance Fund to be held by the City.

(iii) Debt Service Fund to be held by the Trustee, including an Interest Account, Bond Redemption Account and Principal Account.

(iv) Debt Service Reserve Fund to be held by the Trustee.

(v) Capital Improvements Fund to be held by the City.

(vi) Rebate Fund to be held by the City.

(vii) Construction Fund to be held by a Custodian designated by resolution or ordinance of the Council.

One or more accounts may, by direction of the City or by the terms of a Supplemental Ordinance, be established with any of the above funds. It is intended by the Ordinance that the funds referred to in this Article (other than the Construction Fund) shall remain in existence for so long a time as any sum remains due and payable by way of principal of and interest on the Bonds, and that deposits and withdrawals therefrom be made in the manner herein prescribed and in the order of priority hereinafter set forth in this Article VI.

Section 6.2. Security for and Payment of the Bonds. The Bonds, together with the interest thereon, shall be payable solely from and secured equally and ratably by a lien upon the Net Revenues of the System. The Revenues shall be and hereby are irrevocably pledged to the payment of the principal of and interest on the Bonds after adequate provision for Expenses of Operating and Maintaining the System. This provision of this Section 6.2 shall not preclude the issuance of Junior Bonds, if such Junior Bonds be issued in conformity with the provisions of Article 3.5 hereof, but the pledge herein made shall preclude the issuance of bonds payable from or secured by a pledge or lien on Revenues superior to that herein made to secure the Bonds.

The Bonds, and the interest thereon, shall not be a debt of the City, nor a charge, lien or encumbrance, legal or equitable, upon any property of the City or upon any income, receipts or revenues of the City other than such of the Net Revenues of the System as are hereby pledged to the payment thereof. No recourse shall be had for the payment of the Bonds, or the interest thereon, or any part thereof, against the general fund of the City, nor shall the credit or taxing powers of the City be deemed to be pledged to the payment of the principal of and interest on the Bonds. The full faith, credit and taxing powers of the City are not pledged to the payment of the principal of and interest on the Bonds.

Section 6.3. Provision for Operation and Maintenance. The City hereby covenants and agrees with the Holders of the Bonds that, so long as any of the Bonds remain Outstanding and unpaid, adequate provision shall be made for the cost of operation and maintenance of the System, and the Revenues derived from the System shall be first used to pay the cost and Expenses of Operating and Maintaining the System.

Other than the Debt Service Fund, the Debt Service Reserve Fund and the Construction Fund, the designation and establishment of the various funds in and by this Ordinance shall not be construed to require the establishment of any completely independent, self-balancing funds as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of the Revenues and assets of the System for certain purposes and to establish certain priorities for application of such Revenues and assets as herein provided.

Other than the Debt Service Fund, the Debt Service Reserve Fund and the Construction Fund, the cash required to be accounted for in each of the foregoing funds established herein may be deposited in a single bank account, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the cash in and deposit therein for the various purposes of such funds as provided herein.

Section 6.4. Revenue Fund. There is hereby established a Revenue Fund to be maintained in trust by the City and into which shall be deposited all Revenues. Moneys in the Revenue Fund shall be made use of only in the manner specified in this Article VI and in the order of priority according to items (ii) through (v) of Section 6.1 hereof. The City may invest moneys held in the Revenue Fund, from time to time, in Investment Securities; provided, however, that the City shall make available to the Trustee funds in the Revenue Fund on the 20th day of each month sufficient to make all transfers required to be made from the Revenue Fund by this Article VI.

So long as the City maintains proper accounting records for receipts and disbursements for the Revenue Fund, the Revenue Fund may be used for the purposes of the Operation and Maintenance Fund.

The covenants and agreements herein set forth to be performed by the City shall be for the equal and proportionate benefit, security and protection of all Holders of the Bonds without preference, priority or distinction as to payment or security or otherwise (except as to maturity) of any of the Bonds for any reason or cause whatsoever, except as expressly provided herein or in the Bonds, and, except as aforesaid, all Bonds shall rank pari passu and shall be secured equally and ratably hereunder without discrimination or preference whatsoever.

Section 6.5. Operation and Maintenance Fund. There is hereby established an Operation and Maintenance Fund to be maintained by the City in order to provide for the payment of all Expenses of Operating and Maintaining the System.

Provision shall be made first for the transfers required to be made into the Operation and Maintenance Fund. There shall be transferred from the Revenue Fund by the City into the Operation and Maintenance Fund, a sum sufficient to provide for the Expenses of Operating and Maintaining the System for the ensuing month in accordance with the Annual Budget. Withdrawals from the Operation and Maintenance Fund shall be made as required by the City from time to time in accordance, as nearly as may be practicable, with the Annual Budget.

So long as the City maintains proper accounting records for receipts and disbursements for the Revenue Fund, the Revenue Fund may be used for the purposes of the Operation and Maintenance Fund.

Section 6.6. Debt Service Fund. There is hereby established a special fund of the City to be designated as "City of Isle of Palms, Water and Sewer System Debt Service Fund" (the "Debt Service Fund"). The Debt Service Fund shall be kept on deposit with the Trustee, and withdrawals therefrom shall be made for the purposes provided in the Ordinance or any Supplemental Ordinance.

The Debt Service Fund is intended to provide for the payment of the principal of, redemption premium, if any, and interest on each Series of Bonds as the same respectively fall due. Payments into this fund shall be made in the manner prescribed by the Ordinance and all moneys in the Debt Service Fund shall be used solely to pay the principal of, redemption premium, if any, and interest on each Series of Bonds, and for no other purpose, and withdrawals therefrom shall be made only to effect payment of the principal of, redemption premium, if any, and interest on each Series of Bonds. Earnings on investments in the Debt Service Fund,

including the accounts therein, shall be transferred by the Trustee to the City for deposit to the Revenue Fund.

Not later than the 20th day of the month following the month in which each Series of Bonds are delivered to the initial purchasers thereof, and not later than the 20th day of each month thereafter, there shall be paid into the Debt Service Fund from the moneys remaining in the Revenue Fund, the amounts hereinafter set forth.

(a) There is hereby created, for the purpose of paying the interest on each Series of Bonds as the same becomes due and payable, an Interest Account in the Debt Service Fund. Not later than the 20th day of the month following the month in which each Series of Bonds are delivered to the initial purchasers thereof, and not later than the 20th day of each month thereafter, the Trustee shall pay into the Debt Service Fund for credit to the Interest Account an amount (until the moneys on deposit therein equal the amount needed) such that, if the same amount is credited to the Interest Account not later than the 20th day of each calendar month preceding the next date upon which an installment of interest falls due on each Series of Bonds, the aggregate of the amounts so paid and credited to the Interest Account would on such date be equal to the installment of interest then falling due on each Series of Bonds then Outstanding. In making any of the credits to the Interest Account required by this paragraph (a), consideration shall be given to and allowance made for accrued interest received upon delivery of each Series of Bonds to the initial purchasers and for any other credits otherwise made to such Account.

(b) There is hereby created, for the purpose of paying the principal of the Serial Bonds as they mature, a Principal Account in the Debt Service Fund. Not later than the 20th day of the twelfth month prior to each date upon which an installment of principal of each Series of Bonds falls due, and on or before the 20th day of each calendar month thereafter, the Trustee shall pay into the Debt Service Fund to the credit of the Principal Account an amount (until the moneys on deposit therein equal the amount needed) such that, if the same amount were credited to the Principal Account on or before the 20th day of each succeeding month thereafter and prior to the next date upon which an installment of principal falls due on each Series of Bonds, the aggregate of the amounts so paid and credited to the Principal Account would on such date be equal to the installment of principal then falling due.

(c) There is hereby created, in order to meet the specified sinking fund installment requirements of Term Bonds and to otherwise retire Bonds prior to maturity, a Bond Redemption Account in the Debt Service Fund. Not later than the 20th day of the twelfth (12th) month prior to the date upon which a sinking

fund installment of Term Bonds of each Series falls due, and on or before the 20th day of each succeeding month thereafter, the Trustee shall pay into the Debt Service Fund to the credit of the Bond Redemption Account an amount such that, if the same amount were so credited to the Bond Redemption Account on the 20th day of each month thereafter and prior to the next date upon which a sinking fund installment falls due on the Term Bonds of such Series, the aggregate of the amount so credited to the Bond Redemption Account for the purpose of retiring the Term Bonds of such Series would on such latter date be equal to the amount (excluding accrued interest) required to redeem the principal amount of such Term Bonds required by the sinking fund installment then falling due on the Term Bonds of such Series. The Trustee shall apply the moneys credited to the Bond Redemption Account as sinking fund installments to the retirement of the Term Bonds of each Series by redemption in accordance with the Supplemental Ordinance providing for the issuance of such Series of Bonds, without further authorization or direction, on each date upon which a sinking fund installment is due with respect to the Term Bonds of such Series. The Trustee shall keep and retain accurate records of application of each deposit of funds under this paragraph. The Trustee shall give notice of all such redemptions in the name and on the behalf of the City in accordance with the provisions of Article V hereof.

(d) If, on the dates when the payments required by paragraphs (a), (b) and (c) of this Section are to be made, the aggregate of (i) the payments required by said paragraphs (a), (b) and (c); (ii) previous monthly payments; and (iii) the remaining payments to be made prior to the succeeding date on which principal or interest, or both, as the case may be, will be due and payable, will be less than the sum required to effect the payment of the succeeding installment of principal or interest, or both, as the case may be, a sum, derived from Revenues of the System, moneys in the Debt Service Reserve Fund or bond insurance payments, if any, equal to such deficiency shall be added to the payment to be made pursuant to said paragraphs (a), (b) and (c).

Moneys in the Debt Service Fund shall be used and applied solely to the payment of the interest on and the retirement of the principal of and redemption premium, if any, on the Bonds and shall be used and applied in accordance with the provisions of this Section and the Ordinance. The moneys paid into the Debt Service Fund shall be held by the Trustee in trust solely for the purpose of paying the interest on and the retirement of the principal of and redemption premium, if any, on the Bonds and withdrawals from said Fund shall be made by the Trustee in order to transfer such moneys to the Paying Agent for the Bonds. Such withdrawals shall be made so that the necessary moneys shall be available to the Paying Agent not later than one (1) business day prior to the day on which principal or interest or both, and redemption premium, if any, as the case may be, are payable on the Bonds.

Section 6.7. Debt Service Reserve Fund. There is hereby established a special fund of the City to be designated as "City of Isle of Palms, Water and Sewer System Debt Service Reserve Fund" (the "Debt Service Reserve Fund"). The Debt Service Reserve Fund shall be kept on deposit with the Trustee, and withdrawals therefrom shall be made for the purposes provided in the Ordinance.

Moneys in the Debt Service Reserve Fund shall be used for the following purposes, and for no other:

(i) To prevent a Default in the payment of the principal of or interest on each Series of Bonds, by reason of the fact that moneys in the Debt Service Fund are insufficient for such purposes.

(ii) To pay the principal of, interest on, and redemption premium, if any, of the Bonds in the event that all Outstanding Bonds be redeemed as a whole.

(iii) To effect partial redemption of the Bonds, provided that such redemption be undertaken in accordance with the provisions of the Ordinance permitting a partial redemption of Bonds and the balance remaining in the Debt Service Reserve Fund following such partial redemption shall not be less than the Reserve Fund Requirement.

(iv) To effect the retirement of Bonds through purchase under the conditions herein prescribed.

Whenever the market value of the cash and securities in the Debt Service Reserve Fund shall exceed the Reserve Fund Requirement, such excess may be used at the direction of the City either (i) to repurchase and retire Bonds at prices not exceeding the call price first to become available or then prevailing or (ii) transferred to the Revenue Fund. Purchases of Bonds shall be effected by the City through the Trustee, and whenever Bonds shall have been purchased pursuant to this authorization, it shall be the duty of the Trustee to cancel and destroy such Bonds and to deliver certificates evidencing such act to the City.

If the aggregate of all amounts deposited or to be deposited into the Debt Service Reserve Fund to meet the Reserve Fund Requirement will exceed the Maximum Debt Service on all Bonds then Outstanding at the time of the issuance of any Series of Bonds, the amount of the Reserve Fund Requirement may be reduced so that such aggregate amount shall equal the Maximum Debt Service on all Bonds then Outstanding.

In lieu of the deposit of moneys into the Debt Service Reserve Fund, the City may cause to be so credited a surety bond or an insurance policy payable to the Trustee for the benefit of the Holders of the Bonds or a letter of credit in an amount which

together with other moneys on deposit in the Debt Service Reserve Fund are equal to the Reserve Fund Requirement on the Bonds. The surety bond, insurance policy or letter of credit shall be payable (upon the giving of notice as required thereunder) on any interest payment date on which moneys will be required to be withdrawn from the Debt Service Reserve Fund and applied to the payment of the principal of or interest on any Bonds and such payments cannot be made by amounts credited to the Debt Service Fund. The insurer providing such surety bond or insurance policy shall be an insurer whose municipal bond insurance policies insuring the payment, when due, of the principal of and interest on municipal bond issues results in such issues being rated in the highest rating category by Moody's Investors Service, or its successors. The letter of credit issuer shall be a bank or trust company which is rated not lower than the second highest rating category by Moody's Investors Service, or its successors, and the letter of credit itself shall be rated in the highest category of either such rating agency. The insurance policy, surety bond or letter of credit must extend for the life of the Bonds and must be unconditional and irrevocable. If a disbursement is made pursuant to a surety bond, an insurance policy or a letter of credit provided pursuant to this paragraph, the City shall be obligated either (i) to reinstate the maximum limits of such surety bond, insurance policy or letter of credit, or (ii) to deposit into the Debt Service Reserve Fund funds in the amount of the disbursement made under such surety bond, insurance policy or letter of credit, or a combination of such alternatives, as shall provide that the amount credited equals the Reserve Fund Requirement on the Bonds within a time period not longer than one (1) year. The Trustee shall receive such opinions, including legal opinions, certificates and other documentation, as the Trustee shall request, prior to receipt of such surety bond, letter of credit or insurance policy by the Trustee.

If the issuer of a surety bond, insurance policy or letter of credit on deposit in the Debt Service Reserve Fund shall cease to have a rating described in the immediately preceding paragraph, the City shall use reasonable efforts to replace such surety bond, insurance policy or letter of credit with one of similar quality or shall deposit Revenues in the Debt Service Reserve Fund in lieu of replacing such surety bond, insurance policy or letter of credit with another.

If the City obtains a surety bond, insurance policy or letter of credit after the deposit of moneys to the Debt Service Reserve Fund, excess moneys shall be transferred to the Construction Fund, or if one does not exist, to the Revenue Fund.

Whenever the aggregate value of cash and securities in the Debt Service Reserve Fund shall be less than the Reserve Fund Requirement, there shall be deposited in the Debt Service Reserve Fund that amount which, together with equal, successive, monthly deposits in the same amount, will restore the value of cash and

securities in the Debt Service Reserve Fund to the Reserve Fund Requirement during the succeeding twelve (12) months.

Investment Securities in the Debt Service Reserve Fund shall mature within five (5) years of the date of investment thereof.

Section 6.8. Capital Improvements Fund. There is hereby established a Capital Improvements Fund. The Capital Improvements Fund shall be maintained by the City.

The City shall deposit from time to time into the Capital Improvements Fund, an amount determined in the Annual Budget prepared for the System. Moneys in the Capital Improvements Fund shall be used solely for the purpose of restoring or replacing depreciated or obsolete properties of the System, paying the cost of improvements, betterments and extensions to the System, other than those necessary to maintain the System in good repair and working order, and for the payment of extraordinary maintenance and repairs, provided, however, if necessary, moneys in the Capital Improvements Fund may be used to fund any deficiency in the Debt Service Fund or Debt Service Reserve Fund and used for any of the purposes for which such Funds were established.

Section 6.9. Application of Remaining Revenues. Any surplus Revenues remaining in the Revenue Fund after the above required payments have been made may be disposed of by the Council as it may determine from time to time to be for any purposes lawful.

Section 6.10. Rebate Fund. There is hereby established a special fund of the City to be held by the City, designated as "City of Isle of Palms, Water and Sewer System Rebate Fund" (the "Rebate Fund"). The Rebate Fund and the amounts deposited therein shall not be subject to a security interest, pledge, assignment, lien or charge in favor of the City or any Holder of a Bond.

The City shall deposit in the Rebate Fund within 60 days after the end of any Bond Year an amount such that the amount held in the Rebate Fund after deposit is equal to cumulative rebate amount. The amount deposited in the Rebate Fund shall be made from the Revenues of the System to the extent moneys are available.

In the event that on the first day of any Bond Year the amount on deposit in the Rebate Fund exceeds the amount necessary, the City shall withdraw such excess amount and deposit it in the Revenue Fund.

The City shall pay to the United States out of amounts in the Rebate Fund, (i) not less frequently than once each five (5) years after the date of original issuance of the Bonds, an amount such that, together with prior amounts paid to the United States,

the total paid to the United States is equal to 90% of the amount due with respect to the Bonds as of the date of such payments, and (ii) not later than thirty (30) days after the date on which all Bonds have been paid in full, all of the amount due as of the date of payment.

Section 6.11. Establishment of Construction Fund. There shall be established a Construction Fund with respect to each Series of Bonds (other than for Bonds issued pursuant to Section 3.4 hereof in the Supplemental Ordinance providing for their issuance, the moneys which shall be used to defray the cost of the Project and to pay any Costs of Acquisition and Construction with respect to the facilities so financed.

Section 6.12. Deposits Into Construction Fund. On the occasion of the delivery of any Series of Bonds, the proceeds therefrom shall be paid into the Construction Fund established for such Series as set forth in a Supplemental Ordinance authorizing their issue.

Section 6.13. Withdrawals from Construction Fund. Withdrawals from the Construction Fund shall not be made except as provided in the Supplemental Ordinance establishing such Construction Fund.

Section 6.14. Investment of Funds. Moneys held for the credit of the Debt Service Fund shall be invested, to the fullest extent practicable and reasonable, in Investment Securities which shall mature prior to the respective dates when the moneys held for the credit of such Fund will be required for the purpose intended. Moneys in any other funds established by the Ordinance shall be invested, to the fullest extent practicable, in Investment Securities, maturing at such times and in such amounts as shall be required to provide moneys to make the payments required to be made from such funds. Investment instructions shall be given to the Trustee by the City Manager or his or her designee.

The Trustee or other depositary shall evaluate on a quarterly basis Investment Securities in the various funds established by this Ordinance and forward such evaluation to the City. If as a result of such evaluation, there is a shortage in the amount or amounts to be deposited in such fund or funds, the City shall replenish such funds to the required levels within twelve (12) months of such shortage.

The value of Investment Securities shall be determined by the Trustee or other depositary at market value.

Except interest earnings in the Construction Fund, and the Rebate Fund all interest earnings when realized shall be deposited or transferred to the Revenue Fund. Expenses of purchase, safekeeping, sale and redemption and all other expenses

attributable to such investments shall be operating expenses of the System.

ARTICLE VII

COVENANTS

Section 7.1. Rates and Charges. The City covenants and agrees to operate the System in an efficient and economical manner and establish, levy, maintain, revise and collect such fees, rates and other charges for the use of the services and facilities furnished by the System as may be necessary or proper, which fees, rates, and other charges, together with other Revenues and other available moneys, shall at all times be at least sufficient after making due and reasonable allowances for contingencies and for a margin of error in estimates to provide an amount not less than (a) the amount required to be deposited into the Operation and Maintenance Fund for the then current Fiscal Year; (b) one hundred twenty-five percent (125%) of the amounts required to be deposited into the Debt Service Fund for the then current Fiscal Year; (c) the amount required to be deposited into the Debt Service Reserve Fund; (d) the amount required to be deposited into the Capital Improvements Fund for the then current Fiscal Year; (e) the amount required to provide for the payment of any Junior Bonds for the then current Fiscal Year; and (f) the amount necessary to comply in all respects with the terms of the Ordinance or any other contract or agreement with the Holder of a Bond.

Section 7.2. To Pay Principal, Premium, and Interest on the Bonds. The City shall punctually pay, or cause to be paid, out of the Net Revenues pledged to such payment in Article VI hereof, the principal of, redemption premium, if any, and the interest on each and every Bond issued under the provisions of the Ordinance, at the place, on the dates and in the manner provided herein.

Section 7.3. Operation of System. The City shall at all times operate the System properly and in an efficient and economical manner and will maintain, preserve and keep the same with the appurtenances and every part and parcel thereof in good repair, working order and condition, and shall from time to time make all necessary and proper repairs and replacements so that at all times the operation of the System may be properly and advantageously conducted.

Section 7.4. Records, Accounts and Audits. The City will keep proper books of records and accounts (separate from all other records and accounts), in which complete and correct entries shall be made of all transactions relating to the System. A complete financial statement of the System shall be prepared within 180 days after the end of each Fiscal Year and shall be prepared in accordance with generally accepted accounting principles and

audited by an independent certified public accountant. The City will cause to be furnished to any Holder of any of the Bonds, who make written request therefor, a copy of such statement. Such records shall be kept in accordance with the standards from time to time prescribed by the Governmental Accounting Standards Board or its successor. The City will cause to be furnished to any Holder of any of the Bonds, who make written request therefor, copies of financial statements certified by an independent certified public accountant. The Trustee shall not be responsible for obtaining audits of the City.

Section 7.5. Sale, Lease or Other Encumbrances. The City will not issue any bonds, notes, certificates or other obligations or evidences of indebtedness other than the Bonds or obligations authorized or permitted hereby secured by a pledge of the Revenues, and it will not create or cause to be created any lien or charge on said Revenues other than the liens and charges created or permitted to be created hereby, and no part of the System will be sold, mortgaged, leased or otherwise disposed of or encumbered; provided, however, the City may from time to time permanently abandon the use of, sell, trade or lease any property forming a part of the System, but only if there shall be filed with the Clerk-Treasurer of the City and the Trustee prior to such abandonment, sale or lease a certificate, signed by the City Manager or Mayor of the City and in the case of (b) below approved by the Consulting Engineer, stating:

(a) that the City is not then in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Ordinance, and

(b) that the Net Revenues for the preceding Fiscal Year, after giving effect to such abandonment, sale or lease and any replacement and after adjustment to reflect the moneys which would have been received if the rate schedule in effect on the date of such certificate had been in effect throughout such Fiscal Year, are not less than one hundred twenty-five percent (125%) of the Debt Service for any Fiscal Year thereafter. Amounts received from any such sale or disposition shall be deposited in the Revenue Fund, to be applied as are other moneys in that fund, provided, however, the certificate referred to herein shall not be required if the Consulting Engineer certifies that such property is no longer necessary or useful or profitable in the operation of the System, or necessary to produce or maintain the Revenues thereof, or which is to be or has been replaced by other property so as not to impair the operation of the System.

Section 7.6. Insurance. The City shall make provision to maintain adequate insurance on the works, plants, facilities and properties comprising the System against the risks, accidents or casualties, of the kinds and in at least the amounts which are usually and customarily carried on similar plants, properties and

systems which are owned and operated by a public or municipal corporation, including without limiting the generality of the foregoing, fire, extended coverage, general liability and workmen's compensation, and also all additional insurance covering such risks as may be deemed necessary or desirable by the City or recommended by a competent independent engineer or other advisor employed for the purpose of making such recommendations. The Trustee shall not be responsible for maintaining such insurance policies or copies thereof.

Section 7.7. No Free Service. The City covenants that no free service will be furnished by the System to the City or to any agency, instrumentality or person. The reasonable costs and value of any services of the System rendered to the City through the operation of the System shall be charged against the City and shall be paid as the service accrues from the current funds and such funds, when so paid, shall be accounted for in the same manner as other Revenues of the System.

Section 7.8. Annual Budget. Prior to the beginning of each Fiscal Year, the City shall prepare an annual budget for the ensuing Fiscal Year which shall set forth in reasonable detail the estimated Revenues and operation and maintenance expenses, payments to the Capital Improvements Fund and other expenditures of the System for such Fiscal Year. Following the end of each fiscal quarter and at such other times as the City shall determine, the City shall review its estimates set forth in the annual budget for such Fiscal Year, and in the event such estimates do not substantially correspond with actual Revenues, operation and maintenance expenses or other requirements, or if there are at any time during any such Fiscal Year extraordinary receipts or payments of unusual costs, the City shall prepare an amended annual budget for the remainder of such Fiscal Year. The City also may at any time adopt an amended annual budget for the remainder of the then current Fiscal Year.

Section 7.9. Consolidation of Political Subdivisions. The City may not combine with one or more political subdivions (as defined under the laws of the State) to form a consolidated or merged political subdivision unless such consolidated or merged political subdivision shall assume in writing the payment of Bonds issued hereunder and the payment of any other obligations of the City incurred under that certain Contract dated January 24, 1991 between the City and the Isle of Palms Water Company.

ARTICLE VIII

TRUSTEE, CUSTODIANS

Section 8.1. Trustee. In the supplemental ordinance providing for the issuance of the initial Series of Bonds, Council shall designate the Trustee.

Prior to the delivery of the initial Series of Bonds, the Trustee shall signify its acceptance of the powers, duties and obligations conferred and imposed upon it by the Ordinance by executing and delivering to the City a written instrument of acceptance.

The Trustee shall (a) prior to the occurrence of an Event of Default as set forth in Article X hereof, and after the curing of all Events of Default which may have occurred, perform such duties and obligations as are specifically set forth in the Ordinance, and no implied covenants or obligations shall be read into the Ordinance against the Trustee, and (b) during the existence of any Event of Default (which has not been cured or waived) exercise the rights and powers vested in it by the Ordinance and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

No provisions of the Ordinance shall be construed to relieve the Trustee from liability for its own negligence, intentionally wrongful action or failure to act.

At all times, (1) the Trustee shall not be liable for any error of judgment made in good faith by an officer or employee of the Trustee unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts; (2) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than a majority (or such lesser percentage as is specifically required or permitted by this Ordinance) in the aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting a proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under the Ordinance; (3) in the administration of the trusts of this Ordinance, the Trustee may execute any of the trusts or powers hereof directly or through its agents or attorneys. The Trustee may consult with counsel and the opinion or advice of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel.

The Trustee may rely upon the authenticity of, and the truth of the statements and the correctness of the opinions

expressed in, and shall be protected in acting upon any notice, resolution, request, consent order, certificate, report, opinion, note, or other paper or document furnished to it pursuant to any provision of this Ordinance, believed by it to be genuine and to have been signed and presented by the proper party.

The Trustee shall not be required to take notice or be deemed to have notice or actual knowledge of any event of default specified in Article X hereof other than a payment default unless the Trustee shall receive from the City or the Holder of any Bond written notice stating that an Event of Default hereunder has occurred and specifying the same, and, in the absence of such notice, the Trustee may conclusively assume that there is no such Event of Default.

The Trustee shall be entitled to payment of and reimbursement by the City for reasonable fees for its services rendered hereunder and all advances and counsel fees reasonably and necessarily made or incurred by the Trustee in connection with such services.

The Trustee shall not, in any event, be required to take, defend, or appear in any legal action or proceeding hereunder or to exercise any of the trusts or powers hereof unless it shall first be adequately indemnified to its satisfaction against the costs, expenses, and liabilities which may be incurred thereby. Every provision of the Ordinance relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions hereof.

Section 8.2. Resignation of Trustee. The Trustee may resign at any time by giving 30 days written notice to the City and by giving notice to the Holders of the Bonds by publication of such resignation. Such notice shall be published at least once in a financial journal of general circulation published on each business day in each calendar week in the City of New York, New York. No resignation will become effective until a successor Trustee has been appointed and accepts such appointment as provided below. Upon receiving notice of resignation, the City shall promptly appoint such successor Trustee by an instrument in writing executed by order of its Council. In the event a successor Trustee has not been appointed within 60 days of the date notice of resignation is given, the Trustee, at the City's expense, may apply to any court of competent jurisdiction for the appointment of a successor Trustee to act until such time as a successor is appointed as provided in this Section.

The Holders of a majority in aggregate principal amount of the Bonds at the time outstanding may, upon 30 days written notice to the Trustee and the City, remove the Trustee and appoint a successor Trustee by instrument or instruments in writing signed by such Holders of the Bonds.

Unless otherwise ordered by a court or regulatory body having competent jurisdiction, or unless required by law, any successor Trustee shall, if there is such an institution willing, qualified and able to accept the trust upon reasonable or customary terms, be (i) a bank, or a wholly owned subsidiary of a bank holding company, having a combined capital, surplus and undivided profits of at least $50,000,000, or (ii) a trust company having at least $100,000,000 of trust assets under management and a combined capital, surplus and undivided profits of at least $50,000,000 and, in each case, being qualified to do, and doing, trust business in the State.

Any successor Trustee appointed as provided in this section, shall execute, acknowledge and deliver to the City and its predecessor Trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts, duties and obligations of its predecessor of the trust hereunder. Upon the request of any such successor Trustee, the City shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and duties. Upon acceptance of appointment by a successor Trustee, the City shall notify the registered owner of each Bond then Outstanding by first-class mail, postage prepaid.

The predecessor Trustee shall execute any and all documents necessary or appropriate to convey all interest it may have to the successor Trustee. The predecessor Trustee shall promptly transfer all funds to the successor Trustee and deliver all records relating to the trust or copies thereof and communicate all material information it may have obtained concerning the trust to the successor Trustee.

Any corporation or association into which the Trustee may be merged or with which it may be consolidated, or any corporation or association resulting from any merger, or any corporation or association succeeding to the business of the Trustee, shall be the successor of the Trustee hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto.

Each, every and all funds and accounts held by the Trustee shall be impressed with a trust for the benefit of the Holders of the Bonds, under the provisions of this Ordinance and of the Act.

Section 8.3. Removal of Trustee. Upon 30 days' written notice, the City, at its sole discretion, may remove the Trustee for cause. The removal of the Trustee under Section 8.3 hereof

shall not be effective until a successor Trustee has been appointed and has accepted the duties of Trustee.

Section 8.4. Custodians. The Revenue Fund, the Operation and Maintenance Fund, the Capital Improvements Fund, the Rebate Fund, the Construction Fund or any one or more of such funds, shall at the option of the City be held by a bank, a trust company, a national banking association or a national association as Custodian under the Ordinance or a Supplemental Ordinance.

Section 8.5. Duties and Obligations of Custodians. The recitals of fact made in the Ordinance and in the Bonds shall be taken as statements of the City, and no Custodian shall be deemed to have made any representation as to the correctness of the same. Nor shall any Custodian be deemed to have made any representation whatsoever as to the validity or sufficiency of the Ordinance or of the Bonds issued hereunder. Nor shall any Custodian be under any responsibility or duty with respect to the issuance of the Bonds or the application of the proceeds thereof, except to the extent provided for herein. Nor shall any Custodian be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in response to the Ordinance, or to the Bonds issued hereunder, or to advance any of its own moneys, unless properly indemnified to its satisfaction. Nor shall any Custodian be liable in connection with the performance of its duties hereunder, except for its own negligence or default.

Section 8.6. Custodians Protected in Relying upon Resolutions, etc. All Custodians shall at all times be protected in acting upon any notice, resolution, request, consent, order, certificate, statement, opinion, bond, or other paper or document believed to be genuine and to have been signed by the proper party or parties.

ARTICLE IX

AMENDMENTS OR SUPPLEMENTS TO THE ORDINANCE

Section 9.1. Amendments or Supplements to the Ordinance. The City shall not amend the Ordinance except in accordance with the provisions of this Article.

A. The City may, from time to time and without the consent of any Holder of the Bonds enact an ordinance amendatory hereof or supplemental thereto (1) for the purpose of providing for the issuance of Bonds pursuant to the provisions of Article III hereof, or (2) (a) making any amendments or modifications hereto which may be required to permit the Ordinance to be qualified under the Trust Indenture Act of 1939, as amended; (b) making any modification or amendment to this Ordinance not inconsistent

herewith required for the correction of language or to cure any ambiguity or defective provisions, omission, mistake or manifest error herein contained; (c) making any amendments or supplements hereto to grant to or confer upon the Bondholders additional rights, remedies, power and authority, or to grant to or confer upon any Bondholders committee or trustee for the Bondholders any additional rights, power or authority; or (d) to add to the security of the Holders of the Bonds.

B. From time to time the Holders of sixty-six and two-thirds percent (66-2/3%) in principal amount of the Bonds then Outstanding, by an instrument or instruments in writing signed by such Holders and filed with the City and the Trustee, shall have power to assent to and authorize any modification or amendment to the provisions of the Ordinance that may be proposed by the City or of the rights and obligations of the City and of the Holders of Bonds issued hereunder; and any action herein authorized to be taken with the assent and authority given as aforesaid of the Holders of sixty-six and two-thirds percent (66-2/3%) in principal amount of the Bonds at the time Outstanding shall be effective and binding upon all of the Holders of Bonds issued hereunder; and any action herein authorized to be taken with the assent and authority given as aforesaid of the Holders of sixty-six and two-thirds percent (66-2/3%) in principal amount of the Bonds at the time Outstanding shall be effective and binding upon all of the Holders of Bonds Outstanding and upon the City as fully as though such action were specifically and expressly authorized by the terms of the Ordinance; provided always, that without the consent of the Holder of each Bond affected thereby, no such modification shall be made which will (1) extend the time of payment of principal of or the interest on any Bond, or reduce the principal amount thereof or the rate of interest thereon or the premium payable upon the redemption thereof, or (2) give to any Bond or Bonds any preference over any other Bond or Bonds, or (3) authorize the creation of any pledge prior to or, except as provided herein for the issuance of Series of Bonds, on a parity with the pledge afforded by the Ordinance, or (4) reduce the percentage in principal amount of the Bonds required to assent to or authorize any such modification to the Ordinance. For the purpose of computations required by this paragraph, Bonds directly or indirectly owned or controlled by the City shall be disregarded.

Any modification or amendment or supplement to the provisions of this Ordinance or of any Supplemental Ordinance supplemental hereto shall be set forth in an ordinance to be enacted by the City.

ARTICLE X

EVENTS OF DEFAULT

Section 10.1. Events of Default. With respect to the Bonds, the following shall constitute "Events of Default":

A. If payment of the principal of any Bond, whether at maturity or by proceedings for redemption, by declaration as provided in Article XI hereof, or otherwise, is not made by the City after the same has become due and payable; or

B. If payment of any installment of interest on any Bond is not made by the City as the same becomes due and payable; or

C. If the City shall fail or refuse to comply with the essential provisions of the Act, or shall fail in the due and punctual performance of any of the covenants, conditions, agreements and provisions contained in the Bonds or in this Ordinance or in any ordinance supplemental hereto on the part of the City to be performed, and such failure continues for thirty (30) days after written notice specifying such failure and requiring the same to be remedied has been given to the City by the Trustee, the Bond Insurer, or the Holders of not less than twenty percent (20%) in principal amount of the Bonds then Outstanding or any trustee or committee therefor; or

D. If any proceedings are instituted, with the consent or acquiescence of the City, for the purpose of effecting a composition between the City and its creditors and if the claim of such creditors is in any circumstance payable from any of the Revenues or any other moneys pledged and charged in this Ordinance or any ordinance supplemental hereto for the payment of the Bonds, or any such proceedings are instituted for the purpose of adjusting the claims of such creditors, pursuant to any Federal or State statute now or hereafter enacted; or

E. If an order or decree is entered (1) with the consent or acquiescence of the City, appointing a receiver or receivers of the System or any of the facilities thereof; or (2) without the consent or acquiescence of the City, appointing a receiver or receivers of the System or any of the facilities thereof and if, in either case, such order or decree having been entered is not vacated or discharged or stayed on appeal within sixty (60) days after the entry thereof; or

F. If, under the provisions of any law for the relief or aid of debtors, any court of competent jurisdiction assumes custody or control of the System or any of the facilities thereof, and such custody or control is not terminated within ninety (90) days from the date of assumption of such custody or control; or

G. If the City is for any reason rendered incapable of fulfilling its obligations hereunder in any material respect.

Subject to the provisions, limitations and conditions of Sections 11.1 and 11.2 of Article XI hereof, insofar as the remedies provided in said provisions are concerned, nothing in Section 11.3 of Article XI hereof or in this Article, and particularly nothing in paragraph C of this Article, shall prohibit or limit, or be construed as prohibiting or limiting any Holder of a Bond from enforcing the duties of the City, or any of the officers thereof, under any provisions of the Ordinance (including, without limiting the generality of the foregoing, the duties imposed by or referred to in Section 11.3 of Article XI hereof) by mandamus or other appropriate suit, action or proceeding in any court of competent jurisdiction, even though the failure of the City or any of the officers thereof to perform any such duty may not then constitute an "Event of Default" as defined in this Article.

ARTICLE XI

REMEDIES UPON EVENT OF DEFAULT

Section 11.1. Declaration of Principal and Interest as Due. Upon the occurrence of an Event of Default, and at any time thereafter while such Event of Default continues, then and in each and every case the Trustee in its own name and as trustee of an express trust, on behalf and for the benefit and protection of the Holders of all Outstanding Bonds, may proceed, and upon the written request of the Holders of not less than twenty-five percent (25%) in principal amount of the Bonds then Outstanding, shall proceed to declare the principal of all Bonds then Outstanding, together with all accrued and unpaid interest thereon, if not already due, to be due and payable immediately, and upon any such declaration the same shall become and be due and payable immediately, anything contained in the Ordinance or any Supplemental Ordinance hereto or in any of the Bonds to the contrary notwithstanding. This provision is also subject, however, to the condition that, if at any time after the principal of the Bonds, together with the accrued and unpaid interest thereon and other moneys secured hereby, have been so declared due and payable and before any further action has been taken (other than the making of the above declaration), the principal amount of all Bonds which have matured either according to the maturity date or dates otherwise specified therein (except as a result of such declaration) and all arrears of interest upon all Bonds, except interest accrued but not yet due on said Bonds, have been paid or caused to be paid, and all other Events of Default, if any, which have occurred have been remedied, cured or secured, then and in each and every such case the Holders of twenty-five percent (25%) in principal amount of the Bonds then Outstanding, by notice in writing delivered to the Trustee and the

City, may waive such Default and its consequences and rescind and annul such declaration. No such waiver or rescission or annulment shall extend to or affect any subsequent default or impair or exhaust any right or power related to such subsequent Default.

Section 11.2 Appointment of a Receiver. Upon the occurrence of an Event of Default described in paragraphs A and B of Article X hereof, and at any time thereafter while such default continues, any court of competent jurisdiction may appoint a receiver; provided, however, if application is made by the Trustee or the Holders of not less than twenty-five percent (25%) in principal amount of the Bonds then Outstanding or any trustee therefor, such court shall appoint a receiver. Any receiver so appointed shall (a) enter into and upon and take possession of the System, to the exclusion of the City if such court so directs; (b) have, hold, use, operate, manage and control the System as such receiver may deem best; and (c) exercise all rights and powers of the City with respect to the System as the City itself may do. In addition, the receiver shall (a) maintain, restore and insure the System and from time to time make all necessary and proper repairs to the System as such receiver may deem expedient; (b) establish, levy, maintain and collect such fees, tolls, rentals and other charges in connection with the System as such receiver may deem necessary or proper and reasonable; and (c) collect and receive all revenues, deposit such revenues in a separate account and apply such revenues so collected and received in such manner as the court shall direct.

Notwithstanding anything contained in this Ordinance or the Act, such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of whatever kind or character of the City and useful to the System.

Section 11.3. Suits at Law or in Equity and Mandamus. In case any one or more of the Events of Default shall happen and be continuing, then and in every such case, but subject to the provisions, limitations and conditions of Sections 11.1 and 11.2 of this Article so far as the remedies provided in said provisions are concerned, the Holder of any Bond at the time Outstanding, or Trustee therefor, may, for the equal benefit and protection of all Holders of the Bonds similarly situated,

(a) by mandamus or other suit, action or proceedings at law or in the equity, enforce such Bondholder's right against the City and require and compel the City to perform and carry out its duties and obligations under the Act and this Ordinance, and to perform and carry out its covenants and agreements with the Bondholders;

(b) by action or suit in equity require the City to account as if such City were the trustee of an express trust;

(c) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders; or

(d) bring suit upon the Bonds.

Section 11.4. Remedies Not Exclusive; Effect of Waiver of Default; Effect of Abandonment of Proceedings or Adverse Determination. The Holders from time to time of the Bonds shall be entitled to all the remedies and benefits of the Ordinance as are and as shall be provided by law, and, subject to the provisions of Sections 11.1 and 11.2 of this Article, nothing herein shall be construed to limit the rights or remedies of any such Holders under any applicable statute that may now exist or be enacted thereafter. No remedy conferred by the Act and this Article upon any Holder of any Bond is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred by the Act and this Article or by any other law now or hereafter existing. Every substantive right and remedy conferred upon the Holders of the Bonds may be enforced and exercised from time to time and as often as may be deemed expedient.

No waiver of any default or breach of duty or contract by any Holder of any Bond shall extend to or affect any subsequent default or breach of duty or contract, or shall impair any rights or remedies thereon. No delay or omission of any Holder of a Bond to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein.

In case any suit, action or proceeding to enforce any right or exercise any remedy shall be brought or taken and then discontinued or abandoned, or shall be determined adversely to Holders of the Bonds then and in every such case, the City and such Holders shall be restored to their former positions and rights and remedies as if no suit, action or proceeding had been brought or taken.

Section 11.5. Restrictions on Bondholder's Action.

1. No Holder of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provision of this Ordinance or the execution of any trust under this Ordinance or for any remedy under the Ordinance unless such Holder shall have previously given to the Trustee written notice of the happening of an Event of Default and the Holders of at least twenty-five percent (25%) in principal amount of the Bonds then Outstanding shall have filed a written request with the Trustee and shall have offered the Trustee reasonable opportunity, either to exercise the powers granted in

the Ordinance or by the laws of the State or to institute such action, suit or proceeding in its own name, and unless such Holders shall have offered to the Trustee adequate security and indemnity against the costs, fees (including reasonable attorneys' fees), expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused to comply with such request for a period of 60 days after receipt by it of such notice, request an offer of indemnity, it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the pledge created by the Ordinance, or to enforce any right under the Ordinance, except in the manner therein provided; and that all proceedings at law or in equity to enforce any provision of the Ordinance shall be instituted, had and maintained in the manner provided in this Ordinance and for the equal benefit of all Holders of the Outstanding Bonds.

2. Nothing in the Ordinance or in the Bonds contained shall affect or impair the obligation of the City, which is absolute and unconditional, to pay at the respective dates of maturity and places therein expressed the principal of (and redemption premium, if any) and interest on the Bonds to the respective Holders thereof, or affect or impair the right of action, which is also absolute and unconditional, of any Holder to enforce such payment of his Bond.

Section 11.6. Application of Revenues and Other Moneys After Default. During the continuance of an Event of Default, all moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses and advances incurred or made by the Trustee with respect thereto, be deposited in the Debt Service Fund, and all amounts held by the Trustee hereunder shall be applied as follows:

(a) Unless the principal of all Outstanding Bonds shall have become or have been declared due and payable:

First: To the payment to the persons entitled thereto of all installments of interest then due on the Bonds in the order of maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon to the person entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal amounts or redemption premium, if any, of any Bonds which shall have become due (other than Bonds previously called for redemption in accordance with the

provisions hereof), whether at maturity or by call for redemption, in the order of their due dates, and if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the principal amounts or redemption premium, if any, due on such date, to the persons entitled thereto, without any discrimination or preference.

(b) If the principal amounts of all Outstanding Bonds shall have become or have been declared due and payable, to the payment of the principal amounts and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal amounts and interest, to the persons entitled thereto without any discrimination or preference.

(c) If the principal amounts of all Outstanding Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article, then, subject to the provisions of paragraph (b) of this Section in the event that the principal amounts of all Outstanding Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of paragraph (a) of this Section.

Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, such moneys shall be applied by it at such times, and from time to time, as the Trustee shall determine, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such moneys, it shall fix the date (which shall be a Bond payment date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the principal amounts to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Holder of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement of any partial payment or for cancellation if fully paid.

Whenever all Bonds and interest thereon have been paid under the provisions of this Section and all expenses and charges of the Trustee have been paid, any balance remaining shall be paid to the person entitled to receive the same; if no other person shall be entitled thereto, then the balance shall be paid to the City or as a court of competent jurisdiction may direct.

ARTICLE XII

DEFEASANCE

Section 12.1 Defeasance. The obligations of the City under the Ordinance and the liens, pledges, charges, trusts and the covenants and agreements of the City herein made or provided for, shall be fully discharged and satisfied as to any Bond and, unless or except as otherwise provided in the Supplemental Ordinance providing for the issuance of any Series of Bonds, such Bond or Series of Bonds shall no longer be deemed to be Outstanding hereunder when:

(a) such Bond or Series of Bonds shall have been purchased by the City and surrendered to the City for cancellation or otherwise surrendered to the City or the Trustee, and is canceled or subject to cancellation by the City or Trustee, or

(b) payment of the principal of, redemption premium, if any, and interest on such Bond or Series of Bonds, either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for by irrevocably depositing with the Trustee in trust and irrevocably set aside exclusively for such payment, (1) moneys sufficient to make such payment, or (2) Government Obligations maturing as to principal and interest in such amounts and at such times as will ensure the availability of sufficient moneys to make such payment, and all necessary and proper fees, compensation and expenses of the Paying Agent. At such time as a Bond or Series of Bonds shall no longer be deemed to be Outstanding hereunder, as aforesaid, such Bond or Series of 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.

Any moneys so deposited with the Trustee as provided in this Article may at the direction of the City also be invested and reinvested in Government Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from all Government Obligations in the hands of such Trustee which is not required for the payment of the Bonds or Series of Bonds and interest thereon with respect to which such moneys shall have been so deposited, shall be treated as Revenues of the System.

Notwithstanding any provision hereof which may be contrary to the provisions of this Article, all moneys or Government Obligations set aside and held in trust pursuant to the provisions of this Article for the payment of Bonds or Series of Bonds shall be applied to and used solely for the payment of the particular Bonds or Series of Bonds with respect to which such moneys and Government Obligations have been so set aside in trust.

Any provision hereof to the contrary notwithstanding, if moneys or Government Obligations have been deposited or set aside with the Trustee pursuant to this Article for the payment of the Bonds and such Bonds shall not have in fact been actually paid in full, no amendment to the provisions of this Article shall be made without the consent of the Bondholder of each Bond or Series of Bonds affected thereby.

ARTICLE XIII

FORM OF BONDS

Section 13.1. Form of Bonds. Except or unless as may otherwise be provided in the Supplemental Ordinance providing for their issuance, the Bonds, Trustee's Certificate of Authentication, registration provisions and assignment provisions, shall be in substantially the forms set forth in this Section, with necessary or appropriate variations, omissions and insertions as are incidental to their Series, numbers, denominations, maturities, interest rate or rates, paying agencies, registration provisions, redemption provisions and other details thereof and their form or as are otherwise permitted or required by law or by the Ordinance.

(FORM OF BOND)

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
CITY OF ISLE OF PALMS
WATER AND SEWER SYSTEM REVENUE BOND
SERIES ____

ORIGINAL ISSUE DATE	MATURITY DATE	INTEREST RATE	CUSIP
		%	

REGISTERED HOLDER:

PRINCIPAL AMOUNT: DOLLARS

The City of Isle of Palms, South Carolina (the "City"), is justly indebted and, for value received, hereby promises to pay to the Registered Holder (named above), or registered assigns, but solely from the revenues hereinafter mentioned and not otherwise, the Principal Amount shown above on the Maturity Date shown above (unless the within Bond shall be subject to prior redemption and

shall have been duly called for previous redemption and payment of redemption price made or provided for), upon presentation and surrender of this Bond at the principal office of the _____, in _____, South Carolina (the "Paying Agent"), and to pay interest, but solely from the revenues hereinafter mentioned and not otherwise, on such principal amount from the date hereof at the Interest Rate per annum shown above until the City's obligation with respect to the payment of such principal sum shall be discharged. Interest on this Bond is payable semiannually on _____ 1 and _____ 1 of each year commencing _____ 1, ____, until this Bond matures, and shall be payable by check or draft mailed to the person in whose name this Bond is registered on the registration books of the City maintained by the _____, in _____, South Carolina, as registrar (the "Trustee") at the close of business on the fifteenth (15th) day of the calendar month preceding each semiannual interest payment date. The principal, redemption premium, if any, and interest on this Bond are payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for public and private debts; provided, however, that interest on this fully registered Bond shall be paid by check or draft as set forth above.

The terms and provisions of this Bond are continued on the reverse side hereof and such continued terms and provisions shall for all purposes have the same effect as though fully set forth at this place.

Under the laws of the State of South Carolina, the principal of and interest on this Bond are exempt from any and all State, City, municipal and other taxation whatsoever under the laws of the State of South Carolina, except for inheritance, estate or transfer taxes.

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and statutes of the State of South Carolina to exist, to happen and to be performed precedent to and in the issuance of this Bond, do exist, have happened and have been performed in due time, form and manner as required by law; that the series of which this Bond is a part does not exceed any constitutional or statutory limitation of indebtedness; and that provision has been made for the payment of the principal of and interest on this Bond and the series of which it is a part, as provided in the Bond Ordinance (hereinafter defined).

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

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

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

CITY OF ISLE OF PALMS,
SOUTH CAROLINA

By: (Exhibit)
Mayor

(SEAL)

ATTEST:

(Exhibit)
Clerk-Treasurer

(REVERSE SIDE OF BOND)

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
CITY OF ISLE OF PALMS
WATER AND SEWER SYSTEM REVENUE BOND
SERIES ____

This Bond is one of an authorized series of Bonds of the aggregate principal amount of _____ Dollars ($_____) of like date of original issue, tenor and effect, except as to number, date of maturity, principal amount, registered holder, redemption provisions and rate of interest, issued by the City for the purpose of making certain improvements, enlargements and extensions to the City's water and sewer system (the "System"). This Bond and the series of Bonds of which it is one are authorized to be issued and are issued under, pursuant to and in full compliance with the Constitution and statutes of the State of South Carolina, including particularly Title 6, Chapter 21, of the Code of Laws of South Carolina, 1976, as amended (collectively the "Act"). This Bond and the series of Bonds of which it is one are also authorized to be issued and are issued under and pursuant to a General Bond Ordinance and a First Supplemental Ordinance of the City Council of the City duly enacted on _____, ____ (collectively, the "Bond Ordinance"), under the Act which Bond Ordinance has been duly codified and indexed as prescribed by law.

The Bond Ordinance contains provisions defining terms, including the properties comprising the System; sets forth the revenues pledged for the payment of the principal of and interest on this Bond and the Bonds of other series herewith which may hereafter be issued on a parity herewith under the Bond Ordinance; sets forth the nature, extent and manner of enforcement of the security of this Bond and of such pledge, and the rights and remedies of the holder hereof with respect thereto; sets forth the terms and conditions upon which and the extent to which the Bond Ordinance may be altered, modified and amended; sets forth the terms and conditions upon which this Bond is issued upon which other bonds may be hereinafter issued payable as to principal, premium, if any, and interest on a parity with this Bond and equally and ratably secured herewith; sets forth the rights, duties and obligations of the City thereunder; and sets forth the terms and conditions upon which the pledge made in the Bond Ordinance for the security of this Bond and upon which the covenants, agreements and other obligations of the City made therein may be discharged at or prior to the maturity or redemption of this Bond with provisions for the payment thereof in the manner set forth in the Bond Ordinance. Reference is hereby made to the Bond Ordinance to all of the provisions of which any holder of this Bond by the acceptance hereof thereby assents. The provisions of the Act and the Bond Ordinance shall be a contract with the holder of this Bond.

This Bond and the series of Bonds of which it is one and the interest thereon are special obligations of the City payable solely from, and secured equally and ratably by a pledge of and lien upon, the Revenues (as defined in the Bond Ordinance) derived by the City from the System after adequate provision for operation and maintenance expenses (defined in the Bond Ordinance as Net Revenues), and on a parity with any Series of Bonds (as defined in the Bond Ordinance) hereafter issued under the Bond Ordinance payable from such Net Revenues on a parity and equally and ratably secured therewith.

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

Period During Which Redeemed (both dates inclusive)	Redemption Prices

provided, however, that the City further reserves the right to redeem the Bonds of the series of which this Bond is one maturing on _____ 1, ____, prior to the maturity thereof, in part by lot on any interest payment date (but in any event on each _____ 1) on or after _____ 1, ____, from amounts credited to the Bond Redemption Account in the Debt Service Fund (as provided for in the Bond Ordinance) as sinking fund installments, upon payment of the principal amount of such Bonds to be redeemed, together with interest accrued thereon to the date fixed for redemption; provided, further, that the City further reserves the right to redeem the Bonds of the series of which this Bond is one maturing on or after _____ 1, _____, prior to the maturity thereof, in part by lot on any interest payment date (but in any event on each _____ 1) on or after _____ 1, _____, from amounts credited to the Bond Redemption Account in the Debt Service Fund (as provided for in the Bond Ordinance) as sinking fund installments, upon payment of the principal amount of such Bonds to be redeemed, together with interest accrued thereon to the date fixed for redemption.

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

The Bonds maturing in the year ____ shall be retired by sinking fund installments which shall be accumulated in the Bond Redemption Account in the Debt Service Fund in amounts sufficient to redeem on _____ 1 of each year, at a redemption price equal to the principal amount of the Bond or Bonds to be redeemed, together with interest accrued thereon to the date fixed for redemption, the principal amount of such Bonds specified for each of the years shown below:

Year	Principal Amount

The Bonds maturing in the year _____ shall be retired by sinking fund installments which shall be accumulated in the Bond each year, at a redemption price equal to the principal amount of the Bond or Bonds to be redeemed, together with interest accrued thereon to the date fixed for redemption, the principal amount of such Bonds specified for each of the years shown below:

Year	Principal Amount

This Bond is transferable, as provided in the Bond Ordinance, only upon the books of the City kept for that purpose at the principal office of the Registrar by the registered owner in person or by his duly authorized attorney upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney. Thereupon a new fully registered Bond or Bonds of the same aggregate principal amount, rate of interest and

maturity shall be issued to the transferee in exchange therefor as provided in the Ordinance. The City, the Registrar and the Paying Agent may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal or redemption premium, if any, hereof and interest due hereon and for all other purposes.

To the extent and in the manner permitted by the terms of the Bond Ordinance, the provisions of this Bond or of the Bond Ordinance, or any ordinance amendatory thereof or supplemental thereto, may be amended or modified by the City with the written consent of the holders of at least sixty-six and two-thirds percent (66-2/3%) in principal amount of the Bonds then outstanding under the Bond Ordinance (including the Bond of the series of which this Bond is one); provided, that no such amendment or modification shall permit a change in the date of maturity of any installment of principal hereof or date of optional or mandatory redemption of any Bond or the date of payment of interest thereon or a reduction in the principal amount or redemption price thereof or rate of interest thereon without the consent of the holder of each such Bond affected thereby, or shall reduce the percentage of the principal amount of Bonds, the consent of the holders of which is required by the Bond Ordinance to effect such an amendment or modification.

(FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION)

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

_____ BANK, Trustee

Dated:_____ By:_____
Authorized Officer

ARTICLE XIV

MISCELLANEOUS

Section 14.1. Benefits of Ordinance Limited to the City, the Trustee and Holders of the Bonds. With the exception of rights or benefits herein expressly conferred, nothing expressed or mentioned in or to be implied from the Ordinance or the Bonds is intended or should be construed to confer upon or give to any person other than the City, the Trustee and the Holders of the Bonds, any legal or equitable right, remedy or claim under or by

reason of or in respect to the Ordinance or any covenant, condition, stipulation, promise, agreement or provision herein contained. The Ordinance and all of the covenants, conditions, stipulations, promises, agreements and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the City, the Trustee and the Holders from time to time of the Bonds as herein and therein provided.

Section 14.2. Ordinance Binding Upon Successors or Assigns of the City. All the terms, provisions, conditions, covenants, warranties and agreements contained in the Ordinance shall be binding upon the successors and assigns of the City and shall inure to the benefit of the Trustee, its successors or substitutes in trust and assigns, and the Holders of the Bonds.

Section 14.3. No Personal Liability. No recourse shall be had for the enforcement of any obligation, covenant, promise or agreement of the City contained in this Ordinance or the Bonds, against any member of the City, any officer or employee, as such, in his or her individual capacity, past, present or future, of the City, either directly or through the City, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, it being expressly agreed and understood that the Ordinance and the Bonds are solely corporate obligations, and that no personal liability whatsoever shall attach to, or be incurred by, any member, officer or employee as such past, present or future, of the City, either directly or by reason of any of the obligations, covenants, promises, or agreements entered into between the City and the Trustee or the Bondholder or to be implied therefrom as being supplemental hereto or thereto, and that all personal liability of that character against every such member, officer and employee is, by the adoption of this Ordinance and the execution of the Bonds, and as a condition of, and as a part of the consideration for, the adoption of the Ordinance and the execution of the Bonds, expressly waived and released. The immunity of members, officers and employees of the City under the provisions contained in this Section 14.3 shall survive the completion of the Project and the termination of the Ordinance.

Section 14.4. Effect of Saturdays, Sundays and Legal Holidays. Whenever the Ordinance requires any action to be taken on a Saturday, Sunday, legal holiday or bank holiday in the State of South Carolina, such action shall be taken on the first business day occurring thereafter. Whenever in the Ordinance the time within which any action is required to be taken or within which any right will lapse or expire shall terminate on a Saturday, Sunday, legal holiday or bank holiday, in the State of South Carolina, such time shall continue to run until midnight on the succeeding business day.

Section 14.5. Partial Invalidity. If any one or more of the covenants or agreements or portions thereof provided in the Ordinance on the part of the City or the Trustee or any Paying Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, then such covenant or covenants, or such agreement or agreements, or such portions thereof, shall be deemed severable from the remaining covenants and agreements and portions thereof provided in the Ordinance and the invalidity thereof shall in no way affect the validity of the other provisions of the Ordinance or of the Bonds, but the Holders of the Bonds shall retain all the rights and benefits accorded to them hereunder and under any applicable provisions of law.

If any provisions of the Ordinance shall be held or deemed to be or shall, in fact, be inoperative or unenforceable or invalid as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because of conflicts with any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable or invalid in any other case or circumstance, or of rendering any other provision or provisions herein contained inoperative or unenforceable or invalid to any extent whatever.

Section 14.6. Law and Place of Enforcement of the Ordinance. The Ordinance shall be construed and interpreted in accordance with the laws of the State of South Carolina and all suits and actions arising out of the Ordinance shall be instituted in a court of competent jurisdiction in said State.

Section 14.7. Effect of Article and Section Headings and Table of Contents. The headings or titles of the several Articles and Sections hereof, and any table of contents appended hereto or to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of the Ordinance.

Section 14.8. Repeal of Inconsistent Ordinances and Resolutions. All ordinances and resolutions of the City, and any part of any ordinance or resolution, inconsistent with the Ordinance are hereby repealed to the extent of such inconsistency.

Section 14.9. Effectiveness of this Ordinance. This Ordinance shall become effective upon its enactment; provided, however, that it shall not be necessary for the City to establish the funds and accounts created in Article VI hereof prior to the issuance of any Bonds.

Section 14.10. Notices. All notices, certificates, or other communications hereunder or under the Ordinance shall be sufficiently given and shall be deemed given when mailed by

registered mail, postage prepaid, or given when dispatched by telegram addressed as follows:

If to the City:

City of Isle of Palms
Attention: City Manager
1301 Palm Boulevard
P. O. Drawer Q
Isle of Palms, South Carolina 29451

If to the Trustee:

_____ Bank
Attention: Trust Department

_____, South Carolina 29___

The City and the Trustee may, by notice given to the other parties, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 14.11. Codification. This Ordinance shall be forthwith codified in the Code of City Ordinances in the manner required by law and the name shall be indexed under the general heading "General Bond Ordinance Water and Sewer System Revenue Bonds."

Enacted by City Council of the City of Isle of Palms, South Carolina, this 11th day of February, 1991.

CITY COUNCIL OF THE CITY OF ISLE OF PALMS, SOUTH CAROLINA.

By _____
Mayor

Attest:

_____
Clerk-Treasurer

SEAL:

First Reading: January 2, 1991
Second Reading: January 31, 1991
Third Reading: February 11, 1991
Ratification: February 11, 1991

STATE OF SOUTH CAROLINA)
)
CITY OF ISLE OF PALMS)

CERTIFIED COPY OF
ORDINANCE NO. 1991-2

I, the undersigned being duly qualified and acting Clerk-Treasurer of the City of Isle of Palms, South Carolina (the "City"), do hereby certify that attached hereto is a copy of Ordinance No. 1991-2 authorizing the issuance of a $475,000 Water and Sewer System Revenue Bond Anticipation Note, 1991 of the City enacted by the City Council at a meeting duly called and held on February 11, 1991, at which a quorum was present and acting throughout, which Ordinance has been compared by me with the original thereof; that such copy is a true, correct and complete copy thereof; and that such ordinance has been duly enacted, including the required number of readings, and has not been modified, amended or repealed and is in full force and effect on and as of the date hereof in the form attached hereto.

In witness whereof, I have hereunto set my hand this 11th day of February, 1991.

Clerk-Treasurer, City of Isle of Palms, South Carolina

(SEAL)

ORDINANCE NO. 1991-2

AUTHORIZING THE ISSUANCE OF A WATER AND SEWER SYSTEM REVENUE BOND ANTICIPATION NOTE, 1991, IN THE PRINCIPAL AMOUNT OF $475,000 FOR THE PURPOSE OF DEFRAYING A PORTION OF THE COST OF ACQUIRING AND OPERATING THE WATER AND SEWER FACILITIES OF THE ISLE OF PALMS WATER COMPANY; AND OTHER MATTERS RELATING THERETO.

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

Section 1. The City Council (the "Council") of the City of Isle of Palms, South Carolina (the "City"), hereby finds and determines:

(a) By Ordinance No. 1990-17, a referendum was duly held on Tuesday, November 27, 1990, on the following questions:

1. Shall the City of Isle of Palms be authorized to provide public water and public sewer service, as permitted under State law? Yes _____ No _____

2. Shall the City of Isle of Palms purchase the water and sewer service facilities of the Isle of Palms Water Company? Yes _____ No _____

Notice of such referendum was duly published on September 26, 1990, and again on October 24, 1990.

(b) By a vote of 487 to 102, the voters approved the referendum question authorizing the City of Isle of Palms to provide public water and sewer service.

(c) By a vote of 478 to 133, the voters approved the referendum question authorizing purchase by the City of Isle of Palms of the water and sewer service facilities of the Isle of Palms Water Company.

(d) The City has concluded negotiations with the Isle of Palms Water Company and will, by separate ordinance, authorize the issuance of long-term revenue bonds to effect such acquisition.

(e) Prior to the issuance of such revenue bonds, it is necessary that the City issue a Bond Anticipation Note in order to defray certain of the costs of acquiring and operating such facilities. Such Bond Anticipation Note (the "1991 BAN") will be issued pursuant to Title 11, Chapter 17 of the Code of Laws of South Carolina 1976, as amended (the "Code").

Section 2. There is hereby authorized to be issued for the purpose of defraying a portion of the cost of acquiring and

operating the water and sewer facilities of the Isle of Palms Water Company, a $475,000 water and sewer system revenue bond anticipation note of the City to be designated "$475,000 Water and Sewer System Revenue Bond Anticipation Note, 1991, of the City of Isle of Palms, South Carolina" (the "1991 BAN"). Requests for proposals shall be solicited from South Carolina National Bank, NCNB National Bank of South Carolina, Citizens and Southern National Bank, First Union National Bank and National Bank of South Carolina. The 1991 BAN shall be awarded to the bidder offering the lowest net interest cost to the City. The 1991 BAN shall be in fully registered form; shall be dated as of the date of its delivery; shall be in the denomination of $475,000; shall not be subject to redemption prior to its stated maturity; shall mature not later than one (1) year from the date of its delivery; shall bear interest from the date thereof at the rate stated in the winning bid; and shall be payable to the winning bidder in Charleston, South Carolina.

Section 3. The City Administrator is hereby authorized to award the 1991 BAN to the bank offering the lowest net interest cost to the City.

Section 4. The proceeds of the 1991 BAN shall be used to defray a portion of the cost of acquiring and operating the water and sewer facilities of the Isle of Palms Water Company.

Section 5. The 1991 BAN shall be in substantially the following form:

(FORM OF BOND ANTICIPATION NOTE)

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
CITY OF ISLE OF PALMS
WATER AND SEWER SYSTEM REVENUE BOND
ANTICIPATION NOTE, SERIES 1991

$475,000

KNOW ALL MEN BY THESE PRESENTS, the City of Isle of Palms, South Carolina (the "City"), is justly indebted and, for value received, hereby promises to pay upon the order of _____ _____ Bank, in Charleston, South Carolina (the "Bank"), or its registered assigns, the principal sum of Four Hundred Seventy-Five Thousand Dollars ($475,000) on February ___, 1992, and to pay interest on said principal sum from the date of this Note at the rate of _____ percent (____%) per annum payable at maturity of this Note. Both principal of and interest on this Note are payable at the principal office of the Bank, in Charleston, South Carolina, 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.

This Note shall not be subject to redemption prior to maturity.

This Note is issued pursuant to and in accordance with the Constitution and laws of the State of South Carolina, including Title 11, Chapter 17, Code of Laws of South Carolina, 1976, as amended, and Ordinance No. 1991-2, duly adopted by the City Council on February 11, 1991, in anticipation of the issuance of water and sewer system revenue bonds to be issued by the City pursuant to a General Bond Ordinance enacted by the City on or before the date of delivery of this Note, and is payable, both as to principal and interest, from the proceeds of the aforesaid revenue bonds and from the revenues derived by the City from the operation of the water and sewer system when acquired.

This Note is a special obligation of the City and there is hereby pledged to the payment of the principal hereof and interest heron the proceeds of the revenue bonds and the aforesaid revenues. The City at its option may also utilize any other funds available therefor for the payment of the principal and interest on this Note. The full faith, credit and taxing powers of the City shall not be pledged to the payment of the principal of and interest on this Note.

This Note and the interest heron are exempt from all State, county, municipal, school district, and all other taxes or assessments, direct or indirect, general or special, and whether imposed for the purpose of general revenue or otherwise, except inheritance, estate or transfer taxes.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and laws of the State of South Carolina to exist, to happen and to be performed precedent to or in the issuance of this Note exist, have happened and have been performed in regular and due time, form and manner as required by law.

IN WITNESS WHEREOF, THE CITY OF ISLE OF PALMS, SOUTH CAROLINA, has caused this Note to be signed with the manual signature of the Mayor, attested by the manual signature of the Clerk-Treasurer of the City under the seal of the City and this Note to be dated the _____ day of February, 1991.

CITY OF ISLE OF PALMS, SOUTH CAROLINA

(SEAL)

By: (Exhibit)
Mayor

ATTEST:

By: (Exhibit)
Clerk-Treasurer

Section 6. The Council hereby ratifies, confirms and approves the action taken by the City Administrator with respect to the sale of the 1991 BAN to the Bank.

Section 7. The Council hereby authorizes the Mayor, Clerk-Treasurer, City Administrator and City Attorney to execute such documents and instruments as may be necessary to effect the issuance of the 1991 BAN.

Section 8. The Council hereby designates the 1991 BAN as a "qualified tax-exempt obligation" as defined in Section 265 of the Internal Revenue Code of 1986, as amended.

Section 9. All orders, resolutions, ordinances and parts thereof, procedural or otherwise, in conflict herewith or the proceedings authorizing the issuance of the 1991 BAN 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 10. This Ordinance shall forthwith be codified in the Code of City Ordinances in the manner prescribed by law.

Adopted this 11th day of February, 1991.

CITY OF ISLE OF PALMS, SOUTH CAROLINA

Carmen R. Bunch
Mayor

(SEAL)

ATTEST:

Clerk-Treasurer

Date of First Reading: January 2, 1991
Date of Second Reading: February 11, 1991
Date of Ratification: February 11, 1991

Approved:

City Attorney

CITY OF ISLE OF PALMS, SOUTH CAROLINA
ORDINANCE 1991-7
FIRST SUPPLEMENTAL ORDINANCE

A FIRST SUPPLEMENTAL ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF A CITY OF ISLE OF PALMS, SOUTH CAROLINA, WATER AND SEWER SYSTEM REVENUE BOND, SERIES 1991A, IN THE PRINCIPAL AMOUNT OF $1,185,601.88 AND OTHER MATTERS RELATING THERETO.

BE IT ORDAINED by the City Council of the City of Isle of Palms, South Carolina (the "City"):

Section 1. Definitions. The terms in this Section 1 and all words and terms defined in the General Bond Ordinance enacted by the Council on January 31, 1991 (said Ordinance as from time to time amended or supplemented by Supplemental Ordinances being defined in said Ordinance as the "Ordinance") (except as herein otherwise expressly provided or unless the context otherwise requires), shall for all purposes of this Supplemental Ordinance have the respective meanings given to them in the Ordinance and in Section 1.

"Project" shall mean the acquisition of the existing water and sewer system of the Isle of Palms Water Company.

"Series 1991A Bond" shall mean the City of Isle of Palms, South Carolina, Water and Sewer System Revenue Bond, Series 1991A, in the principal amount of $1,185,601.88 authorized to be issued hereunder.

Section 2. Authorization of Series 1991A Bond, Maturities, Interest Rates and Payment Provisions. (a) There is hereby authorized to be issued a Series of Bonds designated "City of Isle of Palms, South Carolina, Water and Sewer System Revenue Bonds, Series 1991A (the "Series 1991A Bond"), in the principal amount of $1,185,601.88 for the purpose of defraying the Cost of Acquisition of the Project. The Series 1991A Bond shall mature and bear interest at the rate of 9% per annum as provided in the Bond Amortization Schedule set forth and incorporated herein as Exhibit A.

(b) The Series 1991A Bond shall originally be dated as of the date of its delivery, to be evidenced by the Certificate of Delivery endorsed thereon, and shall be issued as a fully registered Bond payable to the Isle of Palms Water Company.

(c) Principal of the Series 1991A Bond shall be payable at the principal corporate trust office of the Trustee, in the City of Charlotte, North Carolina. Interest on the Series 1991A Bond shall be payable August 20, 1991, and semiannually thereafter on

February 20 and August 20 of each year, in each case to the Holder as of the immediately preceding Record Date, such interest to be paid by the Trustee by check or draft mailed to each Holder at the address as it appears on the Books of Registry maintained at the principal corporate trust office of the Trustee, in the City of Charlotte, North Carolina.

(d) The Series 1991A Bond, the Certificate of Authentication thereon and the assignment provisions pertaining thereto shall be in substantially the form set forth in the General Bond Ordinance, with such necessary or appropriate variations, omissions and insertions as are incidental to the series, numbers, denominations, maturities, interest rate or rates, redemption provisions, the purpose of issuance and other details thereof or as are otherwise permitted or required by law or by the Ordinance, including this Supplemental Ordinance.

Section 3. No Redemption. The Series 1991A Bond shall not be subject to redemption prior to maturity.

Section 4. Certain Findings and Determinations. The City hereby finds and determines:

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

(b) The Series 1991A Bond constitutes and is a "Bond" within the meaning of the quoted word as defined and used in the Ordinance.

(c) The Revenues pledged under the Ordinance are not encumbered by any lien and charge thereon or pledge thereof, other than the lien and charge thereon and pledge thereof created by the General Bond Ordinance and by this First Supplemental Ordinance for payment and security of the Bonds.

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

(e) The period of usefulness of the System is in excess of forty (40) years.

Section 5. Designation of Trustee of Debt Service Fund and Debt Service Reserve Fund and Designation of Paying Agent. The Council hereby designates the First Union National Bank as Trustee of the Debt Service Fund and the Debt Service Reserve Fund. The Council hereby further designates the First Union National Bank as Paying Agent for the Series 1991A Bond.

Section 6. Sale and Issuance of Series 1991A Bond. (a) The City hereby finds and determines that the Purchase Contract dated January 24, 1991 submitted by The Isle of Palms Water Company (the "Purchaser") for the purchase of the Series 1991A Bond is fair and reasonable and in the best interest of the City; that the Series 1991A Bond shall be sold to the Purchaser at a purchase price of $1,185,601.88 and upon the terms and conditions set forth in said Purchase Contract and upon the basis of the representations therein set forth, and that all conditions precedent to or concurrent with the acceptance of the Purchase Contract by the City have been met. The City hereby accepts the Purchase Contract and authorizes and directs the Mayor of the City to execute the Purchase Contract, in substantially the form of Exhibit B attached hereto, and deliver the same to the Purchaser.

(b) A copy of this Supplemental Ordinance shall be filed with the minutes of this meeting.

(c) The City hereby authorizes and directs the City Administrator to carry out or cause to be carried out all obligations of the City under the aforesaid Purchase Contract and to perform such other actions as he shall consider necessary or advisable in connection with the issuance, sale and delivery of the Series 1991A Bond.

(d) Such persons as the City Administrator shall designate may exercise the foregoing powers and duties of the City Administrator in lieu thereof.

(e) The City hereby authorizes the use of the Ordinance (including this Supplemental Ordinance) and the information contained therein in connection with the sale of the Series 1991A Bond to the Purchaser.

Section 7. Payment of Purchase Price. The Series 1991A Bond shall be delivered, together with the sum of $127,000, in payment of the purchase price of the Project. Such delivery shall occur on February 20, 1991 or on such later date as shall be mutually agreed upon by the City Administrator and the Purchaser.

Section 8. Estimate of Cost of Required Additions and Betterments. Pursuant to that certain Amendment to Consent Order 88-32-WS dated May 16, 1990, the City, as successor to the Isle of Palms Water Company, will be required to provide a reverse osmosis or other treatment system. The present estimated cost of such system is $1,700,000.

Section 9. Parties Interested Herein. Nothing in this Supplemental Ordinance or the Ordinance expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the City, the Trustee, the Paying Agent, if any, and the registered owner of the Series 1991A Bond,

any right, remedy or claim under or by reason of this Supplemental Ordinance or the Ordinance or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Supplemental Ordinance or the Ordinance contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Trustee, the Paying Agent, if any, and the registered owner of the Series 1991A Bond.

Section 10. Bonds Designated Qualified Tax-Exempt Obligations. The City covenants that, in accordance with the provisions of the Internal Revenue Code of 1986 (the "Code"), the Series 1991A Bond is designated as a "qualified tax-exempt obligation" as defined in the Code. The City and all subordinate entities thereof do not anticipate to issue more than $10,000,000 in tax-exempt bonds or other tax-exempt obligations in 1991 other than private activity bonds except for qualified 501(c)(3) bonds. The City represents that the sum of all tax-exempt obligations (other than private activity bonds) issued by the City and all subordinate entities thereof during calendar year 1991 is not reasonably expected to exceed $10,000,000.

Section 11. Further Actions. The Mayor, City Administrator, Clerk/Treasurer and City Attorney are hereby authorized and directed to take any and all such further actions as shall be deemed necessary or desirable in order to effectuate issuance of the Series 1991A Bond pursuant to the Purchase Contract and to carry out the intentions of this Supplemental Ordinance.

Section 12. Section Headings. The headings and titles of the several sections hereof shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of this Supplemental Ordinance.

Section 13. Notices. All notices, certificates or other communications hereunder or under the Ordinance shall be sufficiently given and shall be deemed given when mailed by registered mail, postage prepaid, or given when dispatched by telegram addressed as follows:

If to the City:

City of Isle of Palms
Attention: City Administrator
1301 Palm Boulevard
P. O. Drawer Q
Isle of Palms, SC 29451

If to the Trustee:

First Union National Bank
Attention:

Charlotte, NC

The City, the Trustee and any Custodian and may, by notice given to the other parties, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 14. Effective Date. This Supplemental Ordinance shall become effective upon second reading.

Enacted by the City Council of the City of Isle of Palms, South Carolina, this 18th day of February, 1991.

CITY OF ISLE OF PALMS, SOUTH CAROLINA

By: Carmen R. Bunch
Mayor

(SEAL)

Attest:
Nellie B. McDuffie
Clerk

Date of First Reading: February 11, 1991

Date of Second Reading: February 18, 1991

EXHIBIT A

BOND AMORTIZATION SCHEDULE

EXHIBIT B

PURCHASE CONTRACT

EXHIBIT C

(FORM OF BOND)

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
CITY OF ISLE OF PALMS
WATER AND SEWER SYSTEM REVENUE BOND
SERIES 1991A

ORIGINAL ISSUE DATE	MATURITY DATE	INTEREST RATE
February 20, 1991	February 20, 2011	9%

REGISTERED HOLDER: ISLE OF PALMS WATER COMPANY

PRINCIPAL AMOUNT: ONE MILLION ONE HUNDRED EIGHTY-FIVE THOUSAND SIX HUNDRED ONE AND 88/100 DOLLARS ($1,185,601.88)

The City of Isle of Palms, South Carolina (the "City"), is justly indebted and, for value received, hereby promises to pay to the Registered Holder (named above), or registered assigns, but solely from the revenues hereinafter mentioned and not otherwise, the Principal Amount shown above in accordance with the amortization schedule attached hereto and incorporated herein, with final payment being made upon presentation and surrender of this Bond at the principal office of First Union National Bank, in Charlotte, North Carolina (the "Paying Agent"), and to pay interest, but solely from the revenues hereinafter mentioned and not otherwise, on such principal amount from the date hereof at the Interest Rate per annum shown above until the City's obligation with respect to the payment of such principal sum shall be discharged. Interest on this Bond is payable semiannually on February 20 and August 20 of each year commencing August 20, 1991, until this Bond matures, and shall be payable by check or draft mailed to the person in whose name this Bond is registered on the registration books of the City maintained by First Union National Bank, in Charlotte, North Carolina, as registrar (the "Trustee") at the close of business on the fifteenth (15th) day of the calendar month preceding each semiannual interest payment date. The principal and interest on this Bond are payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for public and private debts; provided, however, that interest on this fully registered Bond shall be paid by check or draft as set forth above.

The terms and provisions of this Bond are continued on the reverse side hereof and such continued terms and provisions

shall for all purposes have the same effect as though fully set forth at this place.

Under the laws of the State of South Carolina, the principal of and interest on this Bond are exempt from any and all State, City, municipal and other taxation whatsoever under the laws of the State of South Carolina, except for inheritance, estate or transfer taxes.

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and statutes of the State of South Carolina to exist, to happen and to be performed precedent to and in the issuance of this Bond, do exist, have happened and have been performed in due time, form and manner as required by law; that the series of which this Bond is a part does not exceed any constitutional or statutory limitation of indebtedness; and that provision has been made for the payment of the principal of and interest on this Bond and the series of which it is a part, as provided in the Bond Ordinance (hereinafter defined).

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

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

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

CITY OF ISLE OF PALMS,
SOUTH CAROLINA

By: (Exhibit)
Mayor

(SEAL)

ATTEST:

(Exhibit)
Clerk-Treasurer

(REVERSE SIDE OF BOND)

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
CITY OF ISLE OF PALMS
WATER AND SEWER SYSTEM REVENUE BOND
SERIES 1991A

This Bond constitutes an authorized series of Bonds in the principal amount of One Million One Hundred Eighty-Five Thousand Six Hundred One and 88/100 Dollars ($1,185,601.88) issued by the City for the purpose of acquiring the water and sewer system (the "System") of the Isle of Palms Water Company. This Bond is authorized to be issued and is issued under, pursuant to and in full compliance with the Constitution and statutes of the State of South Carolina, including particularly Title 6, Chapter 21, of the Code of Laws of South Carolina, 1976, as amended (collectively the "Act"). This Bond is also authorized to be issued and are issued under and pursuant to a General Bond Ordinance and a First Supplemental Ordinance of the City Council of the City duly enacted on February 18, 1991 (collectively, the "Bond Ordinance"), under the Act which Bond Ordinance has been duly codified and indexed as prescribed by law.

The Bond Ordinance contains provisions defining terms, including the properties comprising the System; sets forth the revenues pledged for the payment of the principal of and interest on this Bond and the Bonds of other series herewith which may hereafter be issued on a parity herewith under the Bond Ordinance; sets forth the nature, extent and manner of enforcement of the security of this Bond and of such pledge, and the rights and

remedies of the holder hereof with respect thereto; sets forth the terms and conditions upon which and the extent to which the Bond Ordinance may be altered, modified and amended; sets forth the terms and conditions upon which this Bond is issued upon which other bonds may be hereinafter issued payable as to principal, premium, if any, and interest on a parity with this Bond and equally and ratably secured herewith; sets forth the rights, duties and obligations of the City thereunder; and sets forth the terms and conditions upon which the pledge made in the Bond Ordinance for the security of this Bond and upon which the covenants, agreements and other obligations of the City made therein may be discharged at or prior to the maturity of this Bond with provisions for the payment thereof in the manner set forth in the Bond Ordinance. Reference is hereby made to the Bond Ordinance to all of the provisions of which any holder of this Bond by the acceptance hereof thereby assents. The provisions of the Act and the Bond Ordinance shall be a contract with the holder of this Bond.

This Bond and the interest thereon are special obligations of the City payable solely from, and secured equally and ratably by a pledge of and lien upon, the Revenues (as defined in the Bond Ordinance) derived by the City from the System after adequate provision for operation and maintenance expenses (defined in the Bond Ordinance as Net Revenues), and on a parity with any Series of Bonds (as defined in the Bond Ordinance) hereafter issued under the Bond Ordinance payable from such Net Revenues on a parity and equally and ratably secured therewith.

The Bond is not subject to redemption prior to maturity.

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

To the extent and in the manner permitted by the terms of the Bond Ordinance, the provisions of this Bond or of the Bond Ordinance, or any ordinance amendatory thereof or supplemental thereto, may be amended or modified by the City with the written consent of the requisite percentage of holders of Bonds outstanding under the Bond Ordinance; provided, that no such amendment or modification shall permit a change in the date of maturity of any

installment of principal hereof or the date of payment of interest thereon or a reduction in the principal amount thereof or rate of interest thereon without the consent of the holder of this Bond, or shall reduce the percentage of the principal amount of Bonds, the consent of the holders of which is required by the Bond Ordinance to effect such an amendment or modification.

(FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION)

This Bond is the Bond described in the within-mentioned Ordinance of City of Isle of Palms, South Carolina.

FIRST UNION NATIONAL BANK, Trustee

Dated:_____

By:_____
Authorized Officer

CITY OF ISLE OF PALMS
ORDINANCE NO 1991-12
RATIFICATION - JULY 25, 1991

AN ORDINANCE TO ADOPT REGULATIONS CONCERNING THE USE OF WATER BY CUSTOMERS OF THE CITY OF ISLE OF PALMS WATER AND SEWER DEPARTMENT DURING TIMES OF MODERATE, SEVERE OR EXTREME DROUGHT

WHEREAS, Section 49-23-70 of the South Carolina Code of Laws, 1976 as amended, authorizes the South Carolina Water Resources Commission to adopt and enforce regulations relating to conservation of water in the event of drought conditions; and

WHEREAS, the City of Isle of Palms is required under said regulations to adopt a drought response ordinance.

NOW, THEREFORE, BE IT ORDAINED, by the Mayor and Council Members of the City of Isle of Palms, South Carolina, in City Council assembled, that:

Section 1. Purpose. This ordinance is adopted to establish regulations concerning the use of water by customers of the City of Isle of Palms Water & Sewer Department during times of moderate, severe, or extreme drought.

Section 2. TITLE 4, Chapter 3

Section 4-3-1 Definitions

For the purposes of this Ordinance, the following definitions shall apply:

(a) Aesthetic water use: water use for ornamental or decorative purposes such as fountains, reflecting pools and waterfalls.

(b) Commercial and industrial water use: water use integral to the production of goods and/or services by any establishment having profit as their primary aim.

(c) Conservation: reduction in water use to prevent depletion or waste of the resource.

(d) Customer: any person, company, or organization using water supplied by the City of Isle of Palms Water & Sewer Department.

(e) Domestic water use: water use for personal needs or for household purposes such as drinking, bathing, heating, cooking, sanitation, or for cleaning a residence, business, industry, or institution.

(f) Drought Alert Phases:

1. Moderate Drought: when the Palmer Index reaches the -1.50 to -12.99 range and moderate drought conditions have been verified by best available information, and conditions indicate this situation is expected to persist.

2. Severe Drought: when the Palmer Index reaches the -3.00 to -2.99 range and severe drought conditions have been verified by best available information.

3. Extreme Drought: when the Palmer Index falls below -4.00 and extreme drought conditions have been verified by best available information.

(g) Essential water use: water used specifically for fire fighting, maintaining instream flow requirements, and to satisfy federal, state, or local public health and safety requirements. All other uses are deemed non-essential.

(h) Even numbered addresses: street addresses ending in the numbers 0, 2, 4, 6, 8, and rural routes A through M.

(i) Institutional water uses: water used by government, public and private educational institutions, public medians and rights of way, churches and places of worship, water utilities, and any lands, buildings, and organizations within the public domain.

(j) Landscape water use: water used to maintain gardens, trees, lawns, shrubs, flowers, athletic fields, rights of ways and medians.

(k) Odd numbered addresses: street addresses ending in the numbers 1, 3, 5, 7, 9 and rural routes N through Z, and addresses that have names of the property as the legal address.

(l) Palmer Index: a measure of the severity of a drought or a wet spell in an area. Dry conditions are associated with negative values, wet conditions with positive values, and normal conditions have a value of zero.

(m) Water shortage: Lack of adequate available water to meet normal demands due to lower than normal precipitation, reduced stream flows or soil moisture, and/or lowering the potentiometric surface in wells which causes water supplies to be less than usual.

Section 4-3-2 Response to Moderate Drought Alert:

If conditions indicate that a moderate drought condition is present in this jurisdiction, and is expected to persist, the City Administrator, or assignee acting in his absence, shall notify by publication of notice, a copy of which shall be posted at City Hall and the Business Office of the Water and Sewer Department, and a copy of which shall be forwarded the day of the notice to the South Carolina Water Resources Commission Drought Information Center, customers within the water system encouraging them to voluntarily limit their use of water. The City Administrator shall further contact all non-residential customers and urge them to eliminate any non-essential water use.

Section 4-3-3 Response to Severe Drought Alert:

If conditions indicate that a severe drought condition is present in this jurisdiction, and is expected to persist, the City Administrator, or assignee acting in his absence, shall notify by publication of notice, a copy of which shall be posted at City Hall and the Business Office of the Water and Sewer Department, and a copy of which shall be forwarded the day of the notice to the South Carolina Water Resources Commission Drought Information Center, customers that the following uses of water are prohibited:

(a) Aesthetic water use;

(b) New recreational facilities that require filling, such as swimming pools, water slides and other water related activities, and maintenance of existing recreational facilities such as swimming pools, and other water related activities;

(c) Sprinklers and other remote broadcast devices and water runoff in landscape design and maintenance;

(d) Low volume hand-held watering for landscape purposes, except on Wednesday and Saturday for odd numbered addresses and Thursday and Sunday for even numbered addresses;

(e) Flushing and/or cleaning of asphalt or concrete surfaces;

(f) Washing of automobiles, trucks, bicycles, motorcycles, motorbikes, boats, trailers, mobile homes, airplanes, or other such vehicles or structures;

(g) No applications for new or expanded service shall be granted. Subsequent to the date of this Ordinance, all correspondence regarding water availability, pipeline extension agreements and applications requesting service, shall make reference to conditions relating to water shortages.

Section 4-3-4 Response to Extreme Drought Alert:

If conditions indicate that an extreme drought condition is present in this jurisdiction, and is expected to persist, the City Administrator, or assignee acting in his absence, shall notify by publication of notice, a copy of which shall be posted at City Hall and the Business Office of the Water and Sewer Department, and a copy of which shall be forwarded the day of the notice to the South Carolina Water Resources Commission Drought Information Center, customers that the following additional restrictions shall apply:

(a) All commercial or industrial users shall reduce consumption levels to the minimum levels necessary to maintain health and safety;

(b) Residential customers shall be limited to seventy-five (75) gallons per person per day, and a mixture of three hundred (300) gallons per household per day;

(c) The Water & Sewer Department shall monitor water use and if necessary shall request City Council to authorize water rationing if necessary to preserve the public health and safety;

(d) Agricultural users shall implement water conservation techniques and restrict the use of water for irrigation to the hours between 7:00 p.m. Eastern Standard Time to 7:00 a.m. Eastern Standard Time. Any agricultural use which results in water runoff shall be prohibited.

Section 4-3-5 Variances:

Customers not capable of immediate water use reduction or curtailment, shall commence gradual reduction of water use within twenty-four (24) hours of the proclamation that water use restrictions are in effect, and shall apply for a variance within three (3) days after such restrictions become effective. Requests for variance shall be filed with the Water & Sewer Department and shall contain the following:

(a) Name and address of the petitioner(s);

(b) Purpose of water use;

(c) Specific provision from which the petitioner is requesting relief;

(d) Detailed statement as to how the curtailment declaration adversely affects the petitioner;

(e) Description of the relief desired;

(f) Period of time for which the variance is sought;

(g) Economic value of the water use;

(h) Damage or harm to the petitioner or others if petitioner complies with this Ordinance;

(i) Restrictions with which the petitioner is expected to comply and the compliance date;

(j) Steps the petitioner is taking to meet the restrictions from which variance is sought and the expected date of compliance;

(k) Other pertinent information.

The variance shall not be granted unless the petitioner can show one or more of the following conditions exist:

(a) Compliance with this Ordinance cannot be technically accomplished during the duration of the water shortage;

(b) Alternative methods can be implemented which will achieve the same level of reduction in water use.

No variance shall be retroactive or otherwise justify any violation of this Ordinance occurring prior to the issuance of the variance. Any variances granted shall include a timetable for compliance.

Section 4-3-6 Penalties and Enforcement:

(a) Any person violating this Ordinance shall, upon conviction, be subject to a fine not exceeding Two Hundred Dollars ($200.00) per violation.

(b) All employees of the City of Isle of Palms are hereby charged with the enforcement of this Ordinance, and are granted all powers allowed by law to fulfill this duty.

Section 3. Severability. In any part of this Ordinance is held to be unconstitutional, it shall be construed to have been the legislative intent to pass said Ordinance without such unconstitutional provision, and the remainder of said Ordinance shall be deemed to be valid as if such portion had not been included. If said Ordinance, or any provisions thereof, is held to be inapplicable to any person, group of persons, property, kind of property, circumstances or set of circumstances, such holding shall not affect the applicability thereof to any other persons, property or circumstances.

Section 4. Effective Date. The Ordinance shall be effective upon its ratification by the City Council for the City of Isle of Palms.

PASSED, APPROVED AND ADOPTED BY THE MAYOR AND COUNCIL FOR THE CITY OF ISLE OF PALMS, SOUTH CAROLINA, ON THIS 25TH DAY OF JULY, 1991.

Carmen R. Bunch

Carmen R. Bunch, Mayor

Nellie S. McDuffie

Nellie S. McDuffie, Clerk-Treasurer

First Reading:	3/11/91
Second Reading:	6/27/91
Third Reading:	7/25/91
Ratification:	7/25/91

CITY OF ISLE OF PALMS, SC
EMERGENCY ORDINANCE NO. 1991-20.E
Adopted 6/27/91

AN EMERGENCY ORDINANCE TO PROHIBIT SWIMMING AND WADING IN THE WATERS AT BREACH INLET

WHEREAS, City Council finds that the waters at Breach Inlet contain dangerous currents that render this area hazardous and unsuitable for swimming and wading; and

WHEREAS, City Council recognizes the long history of drownings associated with use of the waters at Breach Inlet, and further recognizes the City's efforts over a period of years to prevent such tragic incidents from occurring; and

WHEREAS, on June 12, 1991, the Governor signed Bill S.237, thereby giving to coastal municipalities criminal jurisdiction over waters of adjoining inlets; and

WHEREAS, such authorization extends the criminal jurisdiction of the City over Breach Inlet, to the mid-point between the City and the Town of Sullivan's Island; and

WHEREAS, City Council wishes to make immediate use of such authorization to protect the public from the dangers associated with the waters at Breach Inlet; and

WHEREAS, City Council is authorized by Section 5-7-250(d), South Carolina Code of Laws, 1976, as amended, to adopt emergency ordinances affecting the public's life, health and safety.

NOW, THEREFORE, BE IT ORDAINED, by the Mayor and Councilmembers of the Isle of Palms, South Carolina, in City Council assembled, that:

Section 1. Purpose.

This Emergency Ordinance is adopted to protect the public from the dangers associated with the waters at Breach Inlet.

Section 2. New Section 9-3-3 Created.

A new Section 9-3-3 is added to the City Code, to read as follows:

Sec. 9-3-3 Swimming and Wading at Breach Inlet

It shall be unlawful for any person to swim or wade in the waters at Breach Inlet.

Section 3. Severability.

If any part of this Ordinance is held to be unconstitutional, it shall be construed to have been the legislative intent to pass said Ordinance without such unconstitutional provision, and the remainder of said Ordinance shall be deemed to be valid as if such portion had not been included. If said Ordinance, or any provisions thereof, is held to be inapplicable to any person, group of persons, property, kind of property, circumstances or set of circumstances, such holding shall not affect the applicability thereof to any other persons, property or circumstances.

Section 4. Effective Date.

This Ordinance shall be effective upon adoption by the City Council for the City of Isle of Palms, and shall remain in effect for a period of sixty (60) days, unless sooner superseded by adoption of a permanent ordinance.

PASSED, APPROVED AND ADOPTED BY THE MAYOR AND COUNCIL FOR THE CITY OF ISLE OF PALMS ON THIS 27th DAY OF JUNE, 1991.

Carmen R. Bunch
CARMEN R. BUNCH, MAYOR

Nellie S. McDuffie
NELLIE S. McDUFFIE, CLERK-TREASURER

ORDINANCE 1991-17

AN ORDINANCE TO RAISE REVENUE BY ESTABLISHING A TAX MILLAGE RATE FOR THE CITY OF ISLE OF PALMS, SOUTH CAROLINA, FOR THE FISCAL YEAR BEGINNING JULY 1, 1991, AND ENDING JUNE 30, 1992.

WHEREAS, Subsection 3, of Section 5-7-260 of the South Carolina Code of Laws of 1976, as amended, requires that a City Council shall act by ordinance to levy taxes pursuant to public notice; and

WHEREAS, the Isle of Palms City Council has acted by separate ordinance to adopt the Fiscal Year Operating Budget for the period July 1, 1991, to June 30, 1992;

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council Members of the City of Isle of Palms, South Carolina, in Council assembled, that the following provisions are hereby adopted and enacted:

SECTION 1. A tax to cover the period from July 1, 1991, to June 30, 1992, both inclusive for the sums and in the manner hereinafter mentioned, is and shall be levied, collected and paid into the treasury of the City of Isle of Palms for the use and service thereof; i.e., a tax of $50.50 on every thousand dollars ($1,000) in assessed value of real estate and personal property of every description owned and used in the City of Isle of Palms, South Carolina, except such as is exempt from taxation under the Constitution and laws of the State of South Carolina, is and shall be levied and paid into the City treasury for the credit to the City of Isle of Palms for the corporate purposes, permanent improvements, current expenses and the payment of interest and retirement of outstanding bonds and debts of the City of Isle of Palms, making a total levy not to exceed fifty and one-half(50.5) mills for tax purposes. Such tax is levied on such property as is assessed by the Charleston County Tax Assessor for County and State purposes.

SECTION 2. By mutual agreement between the City of Isle of Palms and Charleston County, the County will bill and collect the taxes enumerated herein, and pay the same over to the treasurer of the City of Isle of Palms in the manner prescribed by both parties.

SECTION 3. The billing dates, the penalty dates and the amount of the penalty which shall be levied by delinquent taxes shall be the same as those adopted by Charleston County Council.

SECTION 4. Delinquent property taxes shall be collected by Charleston County in a manner as prescribed by State Law.

SECTION 5. If, for any reason, any sentence, clause or provision of this ordinance shall be declared invalid, such shall not affect the remaining provisions thereof.

SECTION 6. This ordinance shall become effective immediately upon its ratification by City Council.

APPROVED:

Carmen R. Bunch, Mayor

ATTEST:

Nellie S. McDuffie, Clerk-Treasurer

First Reading: 10/31/91

Second Reading: 11/26/91

Ratification: 11/26/91

CITY OF ISLE OF PALMS, SC
ORDINANCE NO. 1990-18
Second Reading Draft - 4/25/91

AN ORDINANCE TO PROTECT SEA TURTLES BY RESTRICTING OUTDOOR LIGHTING IN BEACH AREAS.

WHEREAS, the City of Isle of Palms' beaches serve as nesting habitat for sea turtles; and

WHEREAS, coastal development threatens the survival of sea turtles because the artificial light causes disorientation in young hatchlings and nesting adults; and

WHEREAS, the sea turtle is an essential member of the food chain and has been identified as a threatened and endangered species; and

WHEREAS, the protection of sea turtle hatchlings is of significant public interest; and

WHEREAS, this Ordinance is necessary to protect the natural reproductive cycle of the sea turtle during the nesting and hatching season which runs from May 1 through October 31 of each year; and

WHEREAS, South Carolina Electric and Gas Company has promoted the restriction of outdoor lighting to protect sea turtle nesting and hatchlings.

NOW, THEREFORE, BE IT ORDAINED, by the Mayor and Council Members of the Isle of Palms, South Carolina, in City Council assembled, that:

Section 1. Purpose. This Ordinance is adopted to protect the threatened and endangered sea turtles which nest along the beaches of the City of Isle of Palms by safeguarding the hatchlings from sources of artificial light.

Section 2. New Section Created. A new Title 5, Chapter 5, is added to the City Code to read as follows:

Section 5-5-1. Definitions. For the purpose of this Section, the following terms shall have the meaning set forth in this Section:

A. Artificial Light. Any source of light emanating from a man-made device, including but not limited to incandescent, mercury vapor, metal halide, or sodium lamps, flashlights, spotlights, street lights, vehicular lights, construction or security lights.

B. Floodlight. Reflector type light fixture which is attached directly to a building and which is unshielded.

C. Low Profile Luminary. Light fixture set on a base which raises the source of the light no higher than forty-eight (48) inches off the ground, and designed in such a way that light is directed downward from a hooded light source.

D. New Development. Shall include new construction and remodeling of existing structures when such remodeling includes alteration of exterior lighting.

E. Existing Development. Any structure for which a building permit has been issued by the City of Isle of Palms Building Department prior to the effective date of this Ordinance.

F. Person. Any individual, firm, association, joint venture, partnership, estate, trust, syndicate, fiduciary, corporation, group or unit, or federal, state, county of municipal government.

G. Pole Lighting. Light fixture set on a base or pole which raises the source of the light higher than forty-eight (48) inches off the ground.

Section 5-5-2. New Development. No artificial light shall illuminate any area of the beach. To meet this intent, building and electrical plans for construction of single-family or multi-family dwellings, commercial or other structures, including electrical plans associated with parking lots, dune walkovers or other outdoor lighting for real property if lighting associated with such construction or development can be seen from the beach, shall be in compliance with the following:

A. Floodlights shall be prohibited. Wall mounted light fixtures shall be fitted with hoods so that no light illuminates the beach.

B. Pole lighting shall be shielded in such a way that the point sources of light will not be visible from the beach. Outdoor lighting shall be held to the minimum necessary for security and convenience.

C. Low profile luminaries shall be used in parking lots and such lighting shall be positioned so that no light illuminates the beach.

D. Dune crosswalks shall utilize low profile shielded luminaries which shall be turned off from 10:00 p.m. to sunrise during the period of May 1 to October 31 of each year.

E. Temporary security lights at construction sites shall not be mounted more than fifteen (15) feet above the ground. Illumination from the lights shall not spread beyond the boundary

of the property being developed and in no case shall those lights illuminate the beach.

Section 5-5-3. Existing Development The provisions of Section 5-5-2 shall not apply to existing development.

Section 5-5-4. Use of Lighting for Both New and Existing Development. It is the policy of the City of Isle of Palms for both new and existing development that no artificial light shall illuminate any area of the beach. To meet this intent, lighting of structures which can be seen from the beach shall be in compliance with the following within six (6) months of the effective date of this ordinance.

A. Lights illuminating buildings or associate grounds for decorative or recreational purposes shall be shielded or screened such that they are not visible from the beach, or turned off from 10:00 p.m. to sunrise during the period of May 1 to October 31 of each year.

B. Lights illuminating dune crosswalks of any area oceanward of the dune line shall be turned off from 10:00 p.m. to sunrise during the period of May 1 to October 31 of each year.

C. Security lighting shall be permitted throughout the night so long as low profile luminaries are used and screened in such a way that those lights do not illuminate the beach.

Section 5-5-5. Publicly Owned Lighting. Street lights and lighting at parks and other publicly owned beach access areas shall be subject to the following:

A. Street lights shall be located so that most of their illumination will be directed away from the beach. These lights shall be equipped with low pressure sodium bulbs and shades or shields that will prevent backlighting and render them not visible from the beach.

B. Lights at parks or other public beach access points shall be shielded or shaded or shall not be utilized during the period of May 1 to october 31 of each year.

Section 5-5-6. Enforcement and Penalty. This Section shall be enforced in accordance with the provisions of Section 1-3-66 of the City Code.

Section 3. Severability. If any part of this Ordinance is held to be unconstitutional, it shall be construed to have been the legislative intent to pass said Ordinance without such unconstitutional provision, and the remainder of said Ordinance shall be deemed to be valid as if such portion had not been included. If said Ordinance, or any provisions thereof, is held to be inapplicable to any person, group of persons, property, kind of property, circumstances or set of circumstances, such holding shall

not affect the applicability thereof to any other persons, property or circumstances.

Section 4. Effective Date. This Ordinance shall be effective upon ratification by the City Council of the City of Isle of Palms.

PASSED, APPROVED AND ADOPTED BY THE MAYOR AND COUNCIL FOR THE CITY OF ISLE OF PALMS ON THIS 25th DAY OF April, 1991.

Carmen R. Bunch

Carmen R. Bunch, Mayor

Nellie S. McDuffie

Nellie S. McDuffie, Clerk-Treasurer

First Reading: September 27, 1990

Second Reading: 4/25/91

Third Reading: waived

Ratification: 4/25/91

CITY OF ISLE OF PALMS, SC
ORDINANCE NO. 1991-3

AN ORDINANCE TO BAN OFF-PREMISES SIGNS

WHEREAS, City Code Section 5-4-124(c) allows for limited off-premises signs under specified conditions; and

WHEREAS, City Council finds that the proliferation of off-premises signs will adversely affect the aesthetic and residential characteristics of the City; and

WHEREAS, City Council further finds that existing businesses possess adequate opportunity for advertisement through the use of on-premise signs, informational signs provided by the City and promotional materials prepared under the auspices of the City and the Trident Chamber of Commerce with the use of accommodations tax funds; and

WHEREAS, City Council wishes to afford the owners of the few existing off-premises signs within the City with the opportunity to amortize their investments in said signs; and

WHEREAS, City Council is authorized to amend its zoning regulations pursuant to Sections 5-23-10, et seq., and 6-7-710, et seq., South Carolina Code of Laws, 1976, as amended; and

WHEREAS, a properly noticed public hearing has been held on this ordinance as proposed.

NOW, THEREFORE, BE IT ORDAINED, by the Mayor and Council Members of the Isle of Palms, South Carolina, in City Council assembled, that:

Section 1. Purpose. This Ordinance is adopted to ban off-premise signs within the City of Isle of Palms.

Section 2. Section 5-4-121 Definitions, Amended.

a. The following definition shall be added to Section 5-4-121:

Off-premise sign. A sign or billboard which directs attention to a business, commodity, service or event that is conducted, sold or offered at a location other than the premises on which the sign is located.

b. The existing definition of "On-premise sign" in Section 5-4-121(b) is amended to read as follows:

On-premise sign. A sign which directs attention to a business, commodity, service or event that is conducted, sold or offered on the premises on which the sign is located.

Section 3. Section 5-4-124 Sign regulations by zoning district. Amended. Section 5-4-124(a) of the City Code is amended by inserting the following:

(5) Residential subdivisions may have one sign at the entrance identifying only the subdivision, not exceeding twenty-eight (28) square feet in total area and not more than seven (7) feet high.

Section 4. Section 5-4-124 Sign regulations by zoning district. Amended. Section 5-4-124(c) of the City Code is amended to read as follows:

(c). Off-premise signs. Except as set forth hereinbelow, as of the effective date of this Ordinance, off-premise signs shall not be allowed within the City of Isle of Palms:

(1) The City of Isle of Palms may erect off-premise to provide information about, or direction to areas and activities within or outside the City.

(2) All off-premise signs existing with the City as of the effective date of this Ordinance which do not conform to the provisions of this Ordinance shall be removed within one and one-half (1-1/2) years of said effective date.

Section 5. Severability. If any part of this Ordinance is held to be unconstitutional, it shall be construed to have been the legislative intent to pass said Ordinance without such unconstitutional provision, and the remainder of said Ordinance shall be deemed to be valid as if such portion had not been included. If said Ordinance, or any provisions thereof, is held to be inapplicable to any person, group of persons, property, kind of property, circumstances or set of circumstances, such holding shall not affect the applicability thereof to any other persons, property or circumstances.

Section 6. Effective Date. This Ordinance shall be effective upon its ratification by the City Council for the City of Isle of Palms.

PASSED, APPROVED AND ADOPTED BY THE MAYOR AND COUNCIL FOR THE CITY OF ISLE OF PALMS ON THIS 23RD DAY OF MAY, 1991.

Carmen R Bunch

CARMEN R. BUNCH, MAYOR

Nellie S. McDuffie

NELLIE S. MCDUFFIE, CLERK-TREASURER

First Reading:	1/24/91
Second Reading:	2/28/91
Public Hearing:	3/13/91
Third Reading:	5/23/91
Ratification:	5/23/91

CITY OF ISLE OF PALMS, SC
ORDINANCE NO. 1991-5
Third Reading Draft - 7/25/91

AN ORDINANCE TO PROHIBIT THE DEPOSITION OF MATERIALS

WHEREAS, City Code Section 3-1-8 currently prohibits the drainage or deposition of grease, oil and similar materials onto City streets; and

WHEREAS, City Council believes such prohibition should be extended to the marshes and other areas within the jurisdiction of the City.

NOW, THEREFORE, BE IT ORDAINED, by the Mayor and Councilmembers of the Isle of Palms, South Carolina, in City Council assembled, that:

Section 1. Purpose. This Ordinance is adopted to prohibit the deposition of grease, oil and similar materials into the marsh, ocean or land within the City.

Section 2. Section 3-1-8 Amended. Section 3-1-8 of the City Code is hereby amended to read as follows:

> Section 3-1-8. It shall be unlawful for any person to drain, deposit or discharge grease, oil, gasoline, animal waste, washing machine wastewater or other deleterious substances upon any street, ditch or ground, or into the ocean or marsh.

Section 3. Severability. If any part of this Ordinance is held to be unconstitutional, it shall be construed to have been the legislative intent to pass said Ordinance without such unconstitutional provision, and the remainder of said Ordinance shall be deemed to be valid as if such portion had not been included. If said Ordinance, or any provisions thereof, is held to be inapplicable to any person, group of persons, property, kind of property, circumstances or set of circumstances, such holding shall not affect the applicability thereof to any other persons, property or circumstances.

Section 4. Effective Date. This Ordinance shall be effective upon its ratification by the City Council for the City of Isle of Palms.

PASSED, APPROVED AND ADOPTED BY THE MAYOR AND COUNCIL FOR THE CITY OF ISLE OF PALMS ON THIS 25th DAY OF July, 1991.

Carmen R. Bunch
CARMEN R. BUNCH, MAYOR

Nellie S. McDuffie
NELLIE S. McDUFFIE, CLERK-TREASURER

First Reading: 1/24/91

Second Reading: 2/28/91

Third Reading: 7/25/91

Ratification: 7/25/91

CITY OF ISLE OF PALMS, SC
ORDINANCE NO. 1991-8

THIRD READING DRAFT - 6/27/91

AN ORDINANCE TO AMEND THE PROCESS FOR APPROVING CONDITIONAL USES

WHEREAS, Section 5-4-15 of the Isle of Palms City Code provides a procedure by which the Planning Commission may approve conditional zoning uses pursuant to specified criteria; and

WHEREAS, City Council believes that the Planning Commission should review and make recommendations concerning the approval of conditional uses, and that the decision to approve should be made by City Council; and

WHEREAS, City Council is authorized to amend the City's zoning ordinance pursuant to Sections 6-7-710 et seq., South Carolina Code of Laws, 1976, as amended; and

WHEREAS, a properly noticed public hearing has been held on this ordinance as proposed.

NOW, THEREFORE, BE IT ORDAINED, by the Mayor and Councilmembers of the Isle of Palms, South Carolina, in City Council assembled, that:

Section 1. Purpose. This Ordinance is adopted to amend the process for approving conditional uses under the City's zoning ordinance.

Section 2. Section 5-4-15 Amended. Section 5-4-15 of the City Code is amended as follows:

(a) The first sentence of subsection (a) is revised to read as follows:

> Conditional uses, as defined by this chapter, may be permitted by City Council, provided that:

(b) Three new sentences are added to the beginning of subsection (b), to read as follows:

> An applicant for conditional use shall file his application with the City Administrator, who shall forward the application to the Planning Commission. The Planning Commission shall review the application, make a record of its recommendation regarding approval, and

forward its recommendation to City Council. If the application is submitted fifteen or more days prior to the next regularly scheduled Planning Commission meeting, the Commission shall review the application at its next regular meeting; if submitted less than fifteen days prior to the next Commission meeting, the Commission shall review the application no later than its following regular meeting.

(c) The following sentence is added at the end of subsection (b), to read as follows:

Written notice of both Planning Commission and City Council meetings shall be provided to the owners of abutting properties when review of a conditional use application is listed as an agenda item.

(d) In subsection (c), the word "commission" is deleted and replaced by the words "City Council".

Section 3. Severability. If any part of this Ordinance is held to be unconstitutional, it shall be construed to have been the legislative intent to pass said Ordinance without such unconstitutional provision, and the remainder of said Ordinance shall be deemed to be valid as if such portion had not been included. If said Ordinance, or any provisions thereof, is held to be inapplicable to any person, group of persons, property, kind of property, circumstances or set of circumstances, such holding shall not affect the applicability thereof to any other persons, property or circumstances.

Section 4. Effective Date. This Ordinance shall be effective upon its ratification by the City Council for the City of Isle of Palms.

PASSED, APPROVED AND ADOPTED BY THE MAYOR AND COUNCIL FOR THE CITY OF ISLE OF PALMS ON THIS 27th DAY OF June, 1991.

Carmen R. Bunch
CARMEN R. BUNCH, MAYOR

Nellie S. McDuffie
NELLIE S. McDUFFIE, CLERK-TREASURER

First Reading: 2/28/91

Public Hearing: 6/12/91

Second Reading: 5/23/91

Third Reading: 6/27/91

Ratification: 6/27/91

CITY OF ISLE OF PALMS, SC
ORDINANCE NO. 1991-9
Second Reading Draft - 3/11/91

AN ORDINANCE TO ADOPT THE NEW FEMA FLOOD MAPS AND MAKE TEXTUAL CLARIFICATIONS TO THE CITY'S FLOOD ORDINANCE

WHEREAS, the City of Isle of Palms has adopted the current FEMA flood hazard maps in Section 5-2-7 of the City Code; and

WHEREAS, FEMA has prepared a new set of flood maps, which will supersede the existing maps and will be effective as of March 18, 1991; and

WHEREAS, City Council wishes to adopt said new flood maps for the City of Isle of Palms, to be effective as of March 18, 1991; and

WHEREAS, FEMA has requested the City to make textual modifications in its flood ordinance, in order to clarify the provisions of City Code Section 5-2-19.

NOW, THEREFORE, BE IT ORDAINED, by the Mayor and Councilmembers of the Isle of Palms, South Carolina, in City Council assembled, that:

Section 1. Purpose. This Ordinance is adopted to adopt the new FEMA flood hazard maps.

Section 2. Section 5-2-7 Amended. Section 5-2-7 of the City Code is amended by deleting the date "October 17, 1986" and replacing it with the date "March 18, 1991".

Section 3. Section 5-2-19(5) Amended. Section 5-2-19(5) of the City Code is amended as follows:

In subsections (A), (B) and (C), the initial phrase "All buildings or structures" is changed to read "New construction and substantial improvements".

Section 4. Section 5-2-19(5)(d) Amended. Section 5-2-19-(5)(d) of the City Code is amended to read as follows:

(d) All pile and column foundations and structures attached thereto shall be anchored to resist flotation, collapse, and lateral movement due to the effect of wind and water loads acting simultaneously on all building components. Water loading values

shall equal or exceed the base flood. Wind loading values shall equal or exceed the base flood. Wind loading values shall be in accordance with Standard Building Code, Current Edition.

Section 5. Severability. If any part of this Ordinance is held to be unconstitutional, it shall be construed to have been the legislative intent to pass said Ordinance without such unconstitutional provision, and the remainder of said Ordinance shall be deemed to be valid as if such portion had not been included. If said Ordinance, or any provisions thereof, is held to be inapplicable to any person, group of persons, property, kind of property, circumstances or set of circumstances, such holding shall not affect the applicability thereof to any other persons, property or circumstances.

Section 4. Effective Date. This Ordinance shall be effective as of March 18, 1991.

PASSED, APPROVED AND ADOPTED BY THE MAYOR AND COUNCIL FOR THE CITY OF ISLE OF PALMS ON THIS 11th DAY OF March, 1991.

Carmen R. Bunch
CARMEN R. BUNCH, MAYOR

Nellie S. McDuffie
NELLIE S. McDUFFIE, CLERK-TREASURER

First Reading: 2/28/91

Second Reading: 3/11/91

Ratification: 3/11/91

CITY OF ISLE OF PALMS, SC
ORDINANCE NO. 1991-10
Adopted - 4/25/91

AN ORDINANCE TO REPEAL PROVISIONS REGARDING PERSONNEL ADMINISTRATION

WHEREAS, in 1989, the City of Isle of Palms adopted a personnel manual which sets forth the parameters and limitations of employment with the City; and

WHEREAS, City Council finds that the provisions of said personnel manual may conflict with some provisions of Title I, Chapter 6 of the City Code, most of which were adopted in 1979; and

WHEREAS, City Council is advised that the rights of the City and its employees are best protected through the continued use of its personnel manual, and the elimination of potentially conflicting provisions of the City Code.

NOW, THEREFORE, BE IT ORDAINED, by the Mayor and Councilmembers of the Isle of Palms, South Carolina, in City Council assembled, that:

Section 1. Purpose. This Ordinance is adopted to repeal provisions of the City Code regarding personnel administration.

Section 2. Sections Repealed. The following sections of the City Code are hereby repealed:

Sec. 1-6-1	Sec. 1-6-8
1-6-2	1-6-9
1-6-3	1-6-10
1-6-4	1-6-11
1-6-5	1-6-12
1-6-6	1-6-13
1-6-7	

Section 3. Severability. If any part of this Ordinance is held to be unconstitutional, it shall be construed to have been the legislative intent to pass said Ordinance without such unconstitutional provision, and the remainder of said Ordinance shall be deemed to be valid as if such portion had not been included. If said Ordinance, or any provisions thereof, is held to be inapplicable to any person, group of persons, property, kind of property, circumstances or set of circumstances, such holding

shall not affect the applicability thereof to any other persons, property or circumstances.

Section 4. Effective Date. This Ordinance shall be effective upon its ratification by the City Council for the City of Isle of Palms.

PASSED, APPROVED AND ADOPTED BY THE MAYOR AND COUNCIL FOR THE CITY OF ISLE OF PALMS ON THIS 25th DAY OF April, 1991.

Carmen R. Bunch
CARMEN R. BUNCH, MAYOR

Nellie S. McDuffie
NELLIE S. McDUFFIE, CLERK-TREASURER

First Reading: 2/28/91

Second Reading: 3/28/91

Third Reading: 4/25/91

Ratification: 4/25/91

ORDINANCE NO. 1991-13

AUTHORIZING THE ISSUANCE AND SALE OF $700,000 GENERAL OBLIGATION BONDS, SERIES 1991, OF THE CITY OF ISLE OF PALMS, SOUTH CAROLINA, FOR VARIOUS PUBLIC BUILDING PURPOSES; FIXING THE FORM AND DETAILS OF THE BONDS; AUTHORIZING THE MAYOR TO PRESCRIBE 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 CITY COUNCIL OF THE CITY OF ISLE OF PALMS, SOUTH CAROLINA, AS FOLLOWS:

Section 1. The City Council (the "Council") of the City of Isle of Palms, South Carolina (the "City"), hereby finds and determines:

(a) Pursuant to Title 5, Code of Laws of South Carolina, 1976, as amended (the "Code"), the Council constitutes the governing body of the City.

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

(c) Pursuant to Title 5, Chapter 21, Article 5, Code of Laws of South Carolina, 1976, as amended (the "Municipal Bond Act"), the municipal council of any municipality may issue general obligation bonds of such municipality for any corporate purpose of such municipality to any amount not exceeding the constitutional debt limit applicable.

(d) The Municipal Bond Act requires that an election be held prior to the issuance of general obligation bonds. Act No. 125 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1977 ("Act No. 125") provides that if an election be prescribed by the provisions of the Municipal Bond Act, but is not required by the provisions of Article X, then in every such instance no election need be held (notwithstanding the requirement therefor) and the remaining provisions of the Municipal Bond Act shall constitute a full and complete authorization to issue bonds in accordance with such remaining provisions.

(e) The Council has been advised that a number of capital improvements must be undertaken including, without limitation, a new municipal building for the police and building department (the "Project"). The issuance of general obligation

bonds authorized by this Ordinance for the Project is necessary for the proper functioning of City government. The Bonds will be issued for corporate purposes and public purposes of the City.

(f) The assessed value of all the taxable property in the City, as established by the last completed assessment thereof, is $31,469,850. Eight percent of such sum is $2,517,588. As of the date hereof, the outstanding bonded and general obligation debt of the City subject to the 8% limit is $1,525,000. Thus, the City can incur $700,000 of general obligation indebtedness within its constitutional debt limitation.

(g) It is now in the best interest of the City for the Council to provide for the issuance and sale of $700,000 general obligation bonds authorized by this Ordinance for the purpose of undertaking the Project.

Section 2. Pursuant to the aforesaid provisions of the Constitution, the Municipal Bond Act and Act No. 125, there is hereby authorized to be issued general obligation bonds of the City in the principal amount of $700,000 to be designated "$700,000 General Obligation Bonds, Series 1991, City of Isle of Palms, South Carolina" (the "Bonds"), for the purpose set forth in Section 1(e) hereof including any financial and legal fees relating thereto and other incidental costs of issuing the Bonds.

The Bonds shall be issued as fully registered Bonds; shall be dated as of the first day of the month in which they are delivered 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 numbered from R-1 upward; shall bear interest from their date payable semiannually on February 1 and August 1 of each year, commencing February 1, 1992 (at which time interest for eight months will be due), at such rate or rates as may be determined by the Council at the time of sale thereof; and shall mature serially in successive annual installments, in numerical order, on February 1 of each of the years and in the principal amounts as follows:

YEAR	PRINCIPAL AMOUNT	YEAR	PRINCIPAL AMOUNT
1993	$25,000	2000	$45,000
1994	25,000	2001	50,000
1995	35,000	2002	50,000
1996	35,000	2003	50,000
1997	35,000	2004	80,000
1998	45,000	2005	85,000
1999	45,000	2006	95,000

The Bonds maturing on or prior to February 1, 2001, shall not be subject to redemption prior to their stated maturities. The

Bonds maturing on or after February 1, 2002, shall be subject to redemption at the option of the City on or after February 1, 2001, as a whole at any time, or in part from time to time on any interest payment date, in inverse order of maturity and by lot within a maturity, at the redemption prices with respect to each Bond, expressed as a percentage of the principal amount of the Bond to be redeemed, set forth below, together with the interest accrued thereon to the date fixed for redemption:

Period During Which Redeemed (both dates inclusive)	Redemption Price
February 1, 2001 to January 31, 2002	102%
February 1, 2002 to January 31, 2003	101%
February 1, 2003 and thereafter	100%

If less than all the Bonds of any maturity are called for redemption, the Bonds of such maturity to be redeemed shall be selected by lot by the Registrar. In the event the Bonds or any portion thereof, shall be called for redemption, notice of the redemption, describing the Bonds to be redeemed, specifying the redemption date and the redemption price payable on such redemption, shall be mailed by first-class mail, postage prepaid, to the registered owner thereof as shown on the registry books of the City kept by the Registrar not less than thirty (30) days and not more than sixty (60) days prior to the redemption date. If the Bonds or any portion thereof shall have been duly called for redemption and notice of the redemption mailed as aforesaid, and if on or before the date fixed for redemption, payment thereof shall be duly made or provided for, interest on the Bonds to be redeemed shall cease to accrue from and after the redemption date specified in such notice.

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. Within twenty-four (24) hours after the receipt of bids, the successful bidder, if any, for the Bonds may, subject to the approval of the Mayor, designate the registrar and paying agent (the "Registrar/Paying Agent") for the Bonds. The Registrar/Paying Agent shall be a bank, trust company, depository or transfer agent organized under the laws of the State of South Carolina or the laws of the United States of America and located either within or without the State of South Carolina. In the event the successful bidder fails to designate any such Registrar/Paying Agent within twenty-four (24) hours after the receipt of bids, or the Mayor does not approve the Registrar/Paying Agent designated by the successful bidder, the Registrar/Paying Agent shall be designated by the Mayor.

Section 3. The City shall cause its 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 City, which shall be kept for such purposes 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 City 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 City 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, interest and redemption premium, if any, 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 City nor the Registrar/Paying Agent shall be affected by any notice to the contrary.

Section 4. In all cases in which the privilege of transferring Bonds is exercised, the City shall execute and the Registrar/Paying Agent shall authenticate and deliver Bonds in accordance with the provisions of this Ordinance. Neither the City nor the Registrar/Paying Agent shall be obligated to make any such transfer of Bonds (a) during the fifteen (15) days preceding an interest payment date on such Bonds, (b) during the fifteen (15) days preceding the giving of notice of any proposed redemption of Bonds, or (c) with respect to any particular Bond, after such Bond has been called for redemption. The City may, by written notice to the Registrar/Paying Agent, establish 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 not more than fifteen (15) days next preceding an interest payment date on such Bond or in the case of any proposed redemption of Bonds, such record date shall not be more than fifteen (15) days prior to the giving of notice of redemption of Bonds.

Section 5. 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 City shall execute and the Registrar/Paying Agent shall authenticate and deliver at the principal office of the Registrar/Paying Agent, 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 City and the Registrar/Paying Agent evidence or proof satisfactory to the City and the Registrar/Paying Agent 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 City and the Registrar/Paying Agent. 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 6. The Bonds shall be executed in the name of the City with the manual or facsimile signature of the Mayor of the City attested by the manual or facsimile signature of the Clerk/Treasurer of the City under a manual or facsimile of the seal of the City which shall be impressed, imprinted or reproduced thereon. 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/Paying Agent in substantially the form set forth herein.

Section 7. The Bonds and the certificate of authentication shall be in substantially the following forms:

(FORM OF BONDS)

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
THE CITY OF ISLE OF PALMS
GENERAL OBLIGATION BOND, SERIES 1991

No. R-

INTEREST RATE	MATURITY DATE	ORIGINAL ISSUE DATE	CUSIP
%			

Registered Holder:

Principal Amount: Dollars

KNOW ALL MEN BY THESE PRESENTS, that the City of Isle of Palms, South Carolina (the "City"), is justly indebted and, for value received, hereby promises to pay to the registered holder named above, or registered assigns, the principal amount shown above on the maturity date specified above (unless the within Bond shall be subject to prior redemption and shall have been duly called for previous redemption and payment of the redemption price made or provided for), upon presentation and surrender of this Bond at the principal office of _____, in the City of _____, State of _____ (the "Paying Agent"), and to pay interest on such principal amount from the date hereof at the interest rate per annum specified above until the City's obligation with respect to the payment of such principal amount shall be discharged. Interest on this Bond is payable February 1, 1992 (at which time interest for eight months shall be due), and semiannually thereafter on August 1 and February 1 of each year until this Bond matures, and shall be payable by check or draft mailed to the person in whose name this Bond is registered on the registration books of the City maintained by the registrar, presently _____, in _____ (the "Registrar"), at the close of business on the fifteenth (15th) day of the calendar month next preceding each semiannual interest payment date. The principal and interest on this Bond are payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for public and private debts; provided, however, that interest on this fully registered Bond shall be paid by check or draft as set forth above.

This Bond shall not be entitled to any benefit under the Ordinance (hereinafter defined), nor become valid or obligatory for

any purpose, until the certificate of authentication hereon shall have been duly executed by the Registrar.

The terms and provisions of this Bond are continued on the reverse side hereof and such continued terms and provisions shall for all purposes have the same effect as though fully set forth at this place.

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

IN WITNESS WHEREOF, THE CITY OF ISLE OF PALMS, SOUTH CAROLINA, has caused this Bond to be signed with the facsimile signature of the Mayor of the City and attested by the facsimile signature of the Clerk/Treasurer of the City and the seal of the City impressed, imprinted or reproduced hereon.

THE CITY OF ISLE OF PALMS,
SOUTH CAROLINA

By: _____
Mayor

(SEAL)

ATTEST:

_____
Clerk/Treasurer

[FORM OF REGISTRAR'S CERTIFICATE OF AUTHENTICATION]

Date of Authentication:

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

_____
as Registrar

_____
Authorized Officer

(REVERSE SIDE OF BOND)

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
THE CITY OF ISLE OF PALMS
GENERAL OBLIGATION BOND, SERIES 1991

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 City are irrevocably pledged and provision has been made to levy and collect, in the same manner as other City taxes are levied and collected, a tax, without limit, on all taxable property in the City sufficient to pay the principal and interest of this Bond as the Bonds respectively mature and to create such sinking fund as may be necessary therefor.

This Bond is one of an issue of Bonds of like date of original issue, tenor and effect, except as to number, date of maturity, rate of interest, series designation and redemption provisions, aggregating Seven Hundred Thousand Dollars ($700,000), issued pursuant to and in accordance with the Constitution and laws of the State of South Carolina, including Article X, Section 14, of the Constitution of the State of South Carolina, 1895, as amended; Title 5, Chapter 21, Article 5, Code of Laws of South Carolina, 1976, as amended; Act No. 125 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1977; and Ordinance No. 1991-13 duly adopted and effective on May 23, 1991 (the "Ordinance"), by the City Council and a related Resolution duly adopted by the City.

The Bonds maturing on or prior to February 1, 2001, shall not be subject to redemption prior to their stated maturities. The Bonds maturing on or after February 1, 2002, shall be subject to redemption at the option of the City on or after February 1, 2001,

as a whole at any time, or in part from time to time on any interest payment date, in inverse order of maturity and by lot within a maturity, at the redemption prices with respect to each Bond, expressed as a percentage of the principal amount of the Bond to be redeemed, set forth below, together with the interest accrued thereon to the date fixed for redemption:

Period During Which Redeemed (both dates inclusive)	Redemption Price
February 1, 2001 to January 31, 2002	102%
February 1, 2002 to January 31, 2003	101%
February 1, 2003 and thereafter	100%

If less than all the Bonds of any maturity are called for redemption, the Bonds of such maturity to be redeemed shall be selected by lot by the Registrar. In the event this Bond is redeemable as aforesaid, and shall be called for redemption, notice of the redemption hereof, describing the Bond and specifying the redemption date and the redemption price payable upon such redemption shall be mailed by the Registrar by first-class mail, postage prepaid, to the registered owner thereof not less than thirty (30) days and not more than sixty (60) days prior to the redemption date at their last address appearing upon the registration books of the City. If the Bond be redeemable and shall have been duly called for redemption and notice of the redemption mailed as aforesaid, and if on or before the date fixed for such redemption, payment hereof shall be duly made or provided for, interest hereon shall cease to accrue from and after the redemption date hereof.

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

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

The following abbreviations, when used in the inscription of the face of the written 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.
TEN ENT -	As tenants by the entireties	ACT. _____ (Cust. _____)
JT TEN -	As joint tenants with right of survivorship and not as tenants in common	Custodian _____ (Minor) under Uniform Gifts to Minors Act _____ (State)

Additional abbreviations may also be used though not in a 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)

_____
(Bank, Trust Company, or Firm)

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

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

> "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., Attorneys & Counselors at Law, Charleston, 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 City Council of the City of Isle of Palms, South Carolina.
>
> THE CITY OF ISLE OF PALMS,
> SOUTH CAROLINA
>
> By:_____
> Clerk/Treasurer

Section 8. The full faith, credit and taxing power of the City are hereby irrevocably pledged for the payment of the principal and interest of the Bonds as they respectively mature, and for the creation of a sinking fund as may be necessary therefor. There shall be levied and collected annually, in the same manner as other taxes are levied and collected, a tax, without limit, on all taxable property in the City 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.

The Council shall give the Auditor and Treasurer of Charleston County 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 City, a tax, without limit, 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 9. Both the principal of and interest on the Bonds shall be exempt, in accordance with the provisions of Section 12-1-60 of the Code, from all State, county, municipal, school district, and all other taxes or assessments, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate or transfer taxes.

Section 10. The Bonds shall be offered for public sale on the date and at the time designated by the Mayor. A Notice of

Sale shall be published in a newspaper of general circulation in the State of South Carolina not less than ten (10) days prior to the date set for such sale.

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

NOTICE OF SALE

$700,000 GENERAL OBLIGATION BONDS,
SERIES 1991, OF THE CITY OF ISLE OF PALMS,
STATE OF SOUTH CAROLINA

Time and Place of Sale: NOTICE IS HEREBY GIVEN that sealed proposals addressed to the undersigned will be received by or on behalf of the City Council of the City of Isle of Palms, South Carolina (the "City"), in City Council Chambers, Isle of Palms City Hall, 1301 Palm Boulevard, Isle of Palms, South Carolina, until 12:00 Noon, South Carolina time, on Tuesday, June 11, 1991, at which time said proposals will be publicly opened for the purchase of Seven Hundred Thousand Dollars ($700,000) General Obligation Bonds, Series 1991, of the City of Isle of Palms, South Carolina (the "Bonds").

Bonds: The Bonds will be issued in fully registered form registered as to principal and interest; will be dated June 1, 1991, will be in denominations of $5,000 or any integral multiple thereof not exceeding the principal amount of Bonds maturing each year; will be numbered from R-1 upward; and will mature serially in successive annual installments, in numerical order, on February 1 in each of the years and in the principal amounts, as follows:

YEAR	PRINCIPAL AMOUNT	YEAR	PRINCIPAL AMOUNT
1993	$25,000	2000	$45,000
1994	25,000	2001	50,000
1995	35,000	2002	50,000
1996	35,000	2003	50,000
1997	35,000	2004	80,000
1998	45,000	2005	85,000
1999	45,000	2006	95,000

The Bonds will bear interest payable on February 1, 1992, and semiannually on August 1 and February 1 of each year thereafter until they mature.

The Bonds maturing on or prior to February 1, 2001, shall not be subject to redemption prior to their stated maturities. The Bonds maturing on or after February 1, 2002, shall be subject to redemption at the option of the City on or after February 1, 2001, as a whole at any time, or in part from time to time on any

interest payment date, in inverse order of maturity and by lot within a maturity, at the redemption prices with respect to each Bond, expressed as a percentage of the principal amount of the Bond to be redeemed, set forth below, together with the interest accrued thereon to the date fixed for redemption:

Period During Which Redeemed (both dates inclusive)	Redemption Price
February 1, 2001 to January 31, 2002	102%
February 1, 2002 to January 31, 2003	101%
February 1, 2003 and thereafter	100%

If less than all the Bonds of any maturity are called for redemption, the Bonds of such maturity to be redeemed shall be selected by lot by the Registrar. In the event the Bonds or any portion thereof, shall be called for redemption, notice of the redemption, describing the Bonds to be redeemed, specifying the redemption date and the redemption price payable on such redemption, shall be mailed by first-class mail, postage prepaid, to the registered owner thereof as shown on the registry books of the City kept by the Registrar not less than thirty (30) days and not more than sixty (60) days prior to the redemption date. If the Bonds or any portion thereof shall have been duly called for redemption and notice of the redemption thereof mailed as aforesaid, and if on or before the date fixed for redemption, payment thereof shall be duly made or provided for, interest on the Bonds to be redeemed shall cease to accrue from and after the redemption date specified in such notice.

Registrar/Paying Agent: Within twenty-four (24) hours after the receipt of bids, the successful bidder, if any, for the Bonds may, subject to the approval of the Mayor, designate the registrar and paying agent (the "Registrar/Paying Agent") of the Bonds. The Registrar/Paying Agent shall be a bank, trust company, depository or transfer agent organized under the laws of the State of South Carolina or the laws of the United States of America and located either within or without the State of South Carolina. The Registrar/Paying Agent shall register and transfer the Bonds on registry books kept on behalf of the City. Interest on the Bonds shall be payable by check or draft mailed to the registered owner thereof by the Registrar/Paying Agent. In the event the successful bidder fails to designate the Registrar/Paying Agent within twenty-four (24) hours after receipt of bids, or the Mayor does not approve of the Registrar/Paying Agent designated by the successful bidder, the Bonds shall be payable and registered at the principal office of a bank, trust company, depository or transfer agent located in the State of South Carolina to be designated by the Mayor.

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 of 1% with no greater difference than two percent (2%) between the highest and lowest rates of interest named by a bidder. Bidders are not limited as to the number of rates of interest named, but the rate of interest on each separate maturity must be the same single rate for all Bonds of that maturity from their date to the date of such maturity date. A bid for less than all the Bonds or a bid at a price less than par, will not be considered. In addition to the bid price, the successful bidder must pay accrued interest from the date of the Bonds to the date of full payment of the purchase price. Provided that the net interest cost is less than 7.5%, the Mayor is hereby authorized to award the Bonds to the bidder or bidders offering to purchase the Bonds at the lowest net interest cost to the City, such interest cost to be determined by computing the total dollar interest cost from the date of the Bonds to the respective maturity dates and deducting therefrom the amount of the premium offered, if any, over and above the principal amount. The Council reserves the right to reject any and all bids or to waive irregularities in any bid. Bids will be accepted or rejected no later than 4:00 p.m., South Carolina time, on the date of the sale.

Good Faith Check: Each proposal shall be accompanied by a certified check or cashier's check drawn upon an incorporated bank or trust company in the amount of $14,000 payable unconditionally to the Clerk/Treasurer of the City of Isle of Palms. The check of the successful bidder shall be applied as part payment for the Bonds or to secure the City for any loss due to the failure of such bidder to comply with the terms of his bid. Checks of unsuccessful bidders will be returned promptly. No interest will be allowed on the good faith check.

Bid Form: Each proposal should be enclosed in a sealed envelope marked "Proposal for $700,000, General Obligation Bonds, Series 1991, the City of Isle of Palms, South Carolina," and should be directed to the Mayor of the City of Isle of Palms at the address in the first paragraph hereof.

Purpose: The Bonds are issued for various public building purposes and for other corporate purposes of the City.

Security: The Bonds shall constitute binding general obligations of the City and the full faith, credit and taxing power of the City are irrevocably pledged for the payment of the Bonds. There shall be levied and collected annually, in the same manner as other city taxes are levied and collected, a tax, without limit, on all taxable property in the City, to pay the principal and interest of the Bonds as they respectively mature and to create such sinking fund as may be necessary therefor.

Legal Opinion: The Council shall furnish upon delivery of the Bonds the final approving opinion of McNair Law Firm, P.A., Attorneys and Counselors at Law, Charleston, South Carolina, which

opinion shall be printed on the back of each Bond, together with the usual closing documents, including a certificate that no litigation is pending affecting the Bonds.

Delivery: The Bonds will be delivered within thirty (30) days of the date of sale, in Charleston, South Carolina; Columbia, South Carolina; Atlanta, Georgia; or Charlotte, North Carolina. The balance of the purchase price then due, including the amount of accrued interest, must be then paid in Federal funds or other immediately available funds. The cost of printing the Bonds will be borne by the City.

Bondholder's Names: The successful bidder for the Bonds must deliver to the Registrar/Paying Agent, not later than five (5) business days prior to the date of delivery of the Bonds, the names and addresses of the registered owners of the Bonds and the denominations in which the Bonds of each maturity are to be issued. If the successful bidder fails to submit to the Registrar/Paying Agent such names, addresses and denominations by the aforesaid time, one Bond will be issued for each maturity date in the full amount maturing on such date, and the Bonds will be registered in the name of the successful bidder.

CUSIP Numbers: It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with the terms of its proposal. No CUSIP identification number shall be deemed to be a part of any Bond or a part of the contract evidenced thereby and no liability shall hereafter attach to the City or any of its officers or agents because of or on account of such numbers or any use made thereof. All expenses in relation to the printing of CUSIP identification numbers on the Bonds shall be paid for by the City; provided, however, that the CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the successful bidder.

Additional Information: Persons seeking information should communicate with Mark M. Williams, City Administrator, the City of Isle of Palms, P.O. Drawer Q, Isle of Palms, South Carolina 29451, telephone (803) 886-6428.

s/ Mark M. Williams
City Administrator of the City of
Isle of Palms, South Carolina

Section 11. The proceeds derived from the sale of the Bonds shall be paid to the Clerk/Treasurer of the City of Isle of

Palms to be deposited in a special fund to the credit of the City, separate and distinct from all other funds, and shall be expended from time to time and made use of by the Council as follows:

(a) Any premium shall be placed in the sinking fund established pursuant to the Municipal Bond Act;

(b) Accrued interest, if any, shall be applied to the payment of the first installment of interest to become due on the Bonds; and

(c) The balance of the proceeds shall be applied upon warrant or order of the Council for the Project as set forth in this Ordinance and to defray the costs and expenses of issuing the Bonds.

Section 12. The Council hereby ratifies and approves the publication of the notice of public hearing regarding the Bonds and this Ordinance, such notice being published at least 14 days prior to April 25, 1991, in The News & Courier.

Section 13. The Council hereby delegates to the Mayor the authority to determine whether the Notice prescribed under the provisions of Section 5 of Act No. 125, relating to the initiative and referendum provisions contained in Title 4, Chapter 9, of the Code shall be given with respect to the Ordinance. If said Notice is given, the Mayor is authorized to prescribe the form of the Notice and cause such Notice to be published in a newspaper of general circulation in the City.

Section 14. The City hereby 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 the United States Internal Revenue Code of 1986 (the "Code"); and to that end the City hereby shall:

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

(b) make such reports of such information at the times and places required by the Code; and

(c) take such other action as may be required in order that the Bonds and the use of the proceeds thereof comply with the provisions of the Code.

Section 15. The City hereby authorizes the Mayor of the City, the Clerk/Treasurer of the City, the City Administrator, and

the City Attorney to execute such documents and instruments as necessary to effect the issuance of the Bonds.

Section 16. 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 17. The City hereby designates the Bonds as qualified tax exempt obligations within the meaning of Section 265(b)(3)(B) of the Code.

Section 18. This Ordinance shall forthwith be codified in the Code of City Ordinances in the manner prescribed by law.

THE CITY OF ISLE OF PALMS,
SOUTH CAROLINA

By: Carmen R. Bunch
Mayor

(SEAL)

ATTEST:

Nancie S. McDuffie
Clerk/Treasurer

First Reading:	March 28, 1991
Public Hearing:	April 25, 1991
Second Reading:	April 25, 1991
Third Reading:	May 23, 1991
Ratification:	May 23, 1991

CITY OF ISLE OF PALMS, SC
ORDINANCE 1991-18
Second Reading Draft - 6/27/91

AN ORDINANCE TO ESTABLISH CUSTOMER CHARGES, RAISE REVENUES, MAKE APPROPRIATIONS, ADOPT A CURRENT EXPENSE (OPERATING) BUDGET AND CAPITAL BUDGET AND PROGRAM FOR THE ISLE OF PALMS WATER AND SEWER DEPARTMENT FOR FISCAL YEAR BEGINNING JULY 1, 1991 AND ENDING JUNE 30, 1992

WHEREAS, Section 5-31-670 of the South Carolina Code of Laws of 1976, as amended, authorizes the City to furnish water to persons for reasonable compensation and to charge a minimum and reasonable sewerage charge for maintenance or construction of such system within such City; and

WHEREAS, the Isle of Palms City Council has established an operating budget for the said fiscal year and has determined a schedule of rates necessary to insure operation of the utility;

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and Council Members of the City of Isle of Palms, South Carolina, in Council assembled, that the following provisions are hereby adopted and enacted:

SECTION 1. Budget and Estimated Revenue. The prepared budget and estimated revenue for the payment of same is hereby adopted and made a part hereof as if fully incorporated herein and a copy thereof is attached hereto.

SECTION 2. Normal Service Charges and Rates. The following customer charges, rates, and fees to raise the estimated revenue to support the appropriations noted in Section 1 are hereby adopted:

WATER

Meter Size	Service	Monthly Basic Facilities Charge	$ per 1000 gallons
n/a	Residential	$15.00	$1.50
	Irrigation	$10.00	0 first 5000; $2.00 over 5000
3/4"	Commercial	$15.00	$1.50
1"	Commercial	$25.50	$1.50
1.5"	Commercial	$49.50	$1.50
2"	Commercial	$79.50	$1.50
3"	Commercial	$156.00	$1.50
4"	Commercial	$250.50	$1.50

SEWER

Meter Size	Service	Monthly Basic Facilities Charge	$ per 1000 gallons
n/a	Residential	$20.00	$1.50
3/4"	Commercial	$20.00	$1.50
1"	Commercial	$30.50	$1.50
1.5"	Commercial	$54.50	$1.50
2"	Commercial	$84.50	$1.50
3"	Commercial	$161.00	$1.50
4"	Commercial	$255.50	$1.50

Sewer charges are based on water consumption.

ADDITIONAL CHARGES

Disconnect service at owner's request.....$30.00
Disconnect service for non-payment.....$50.00

Water meter re-read - original reading correct.....$20.00
Water meter re-read - original reading incorrect..... -0-

Returned check charge.....$20.00

Cross connection inspection.....$50.00

Backflow preventor test.....fee based on meter size $25/inch

Delinquent payments...1.5% of delinquent amount per month on unpaid balance

Tap-In Fees for Water:
5/8" or 3/4" meter.....$525.00
1" meter.....$650.00
1.5" meter.....$800.00
Larger than 1.5" meter.....$800.00 plus cost
For any meter serving more than one unit, $400.00 per unit plus cost.

Tap-In Fees for Sewer:
Per Unit.....$700.00

ADDITIONAL POLICIES

Utility bills will be considered past due if payment is not received within 22 days after due date.

Water service will be terminated and disconnect fee assessed when unpaid balance and delinquent fees are not paid within 37 days of due date.

Owners of rental properties will be responsible for payment of water bills.

Multiple uses on a single meter will generate additional monthly Basic Facility Charges. Each identifiable separate use will be charged a monthly Basic Facility Charge.

SECTION 3. If, for any reason, any sentence, clause or provision of this ordinance shall be declared invalid, such shall not affect the remaining provisions thereof.

SECTION 4. Severability. If any part of this ordinance is held to be unconstitutional, it shall be construed to have been the legislative intent to pass such ordinance without such unconstitutional provision, and the remainder of said ordinance shall be deemed to be valid as if such provision had not been included. If said ordinance, or any provisions thereof, shall be held to be inapplicable to any person, group of persons, property, kind of property, circumstances or set of circumstances, such holding shall not affect the applicability thereof to any other person, property or circumstance.

SECTION 5. This ordinance shall become effective immediately upon its ratification by City Council.

APPROVED:

Carmen R. Bunch

Carmen R. Bunch, Mayor

ATTEST:

Nellie S. McDuffie

Nellie S. McDuffie, Clerk-Treasurer

First Reading: 6/17/91
Second Reading: 6/27/91
Public Hearing:
Third Reading: 6/27/91 waived
Ratification: 6/27/91

ENTERPRISE FUND BUDGET
WATER & SEWER DEPARTMENT
July 1,1991 -- June 30, 1992

		REVENUES	5/31/90 REVENUES	
	ITEM	BUDGETED	COLLECTED YTD	ESTIMATE
ACCT. NO.	ACCOUNT NAME	FY 1990-91	FY 1990-91	FY 1991-92
6036004601	Residential Sale of Water	0	0	640,627
6036004602	Residential Sale of Sewer	0	0	176,397
6036004603	Commercial Sale of Water	0	0	36,519
6036004604	Commercial Sale of Sewer	0	0	22,595
6036004605	Water Tap Fees	0	0	4,000
6036004606	Sewer Tap Fees	0	0	6,000
6036004607	New Customer Charges	0	0	5,350
6035004501	Miscellaneous Revenue	0	0	0
	Sub-total	0	0	891,488
	Non-Operating Revenue			
6037004505	Interest Revenue			25,000
6037004901	Operating Transfer In			0
	Sub-total			25,000
	TOTAL			**$916,488**

ACCT. NO.	WATER & SEWER DEPT. ACCOUNT NAME	ENT. FUND BUDGETED FY 1990-91	ENT. FUND EXPENDED YTD FY 1990-91	ENT. FUND ESTIMATE FY 1991-92
	Payroll and Personnel			
6060105001	Salaries-Supervisor			36,358
6060105002	Salaries-Employees			150,585
6060105003	Salaries-Part Time			13,520
6060105004	Fica Expense			15,335
6060105005	Retirement Expense			13,732
6060105006	Group Health Insurance			12,240
6060105007	Workman's Compensation			8,750
6060105008	Unemployment Compensation			1,000
	Sub-total			**251,520**
	Operating Expenses			
6060205014	Memberships & Dues			800
6060205015	Meetings & Seminars			1,200
6060205049	Medical & Lab			11,500
6060205053	Blanket Bond			500
6060205062	Insurance			3,000
6060205064	Employee Training			2,500
6060205065	Professional Services			39,000
6060205067	Contracted Services			51,000
6060205071	Special Dept. Expenses			0
6060205079	Miscellaneous			5,000
	Sub-total			**114,500**
	Capital Outlay			
6060405085	Capital Outlay			**12,000**
	Supplies			
6060455010	Printing and Office Supplies			10,000
6060455016	Vehicle Fuel & Oil			13,000
6060455041	Uniforms			2,500
6060455044	Water & Sewer Supplies			18,000
	Sub-total			**43,500**
	Heat,Light & Power			
6060505020	Electricity & Gas			48,000
6060505021	Telephone/Cable			6,000
6060505022	Water & Sewer			0
	Sub-total			**54,000**

	Repairs & Maintenance	
6060605017	Vehicle Maintenance	3,000
6060605026	Maintenance & Service Contracts	5,000
6060605027	Machinery & Equipment Repair	10,000
6060605031	Small Hand Tools	1,000
	Sub-total	**19,000**
	Rent	
6060705063	Rents & Leases	**500**
	Depreciation	
6060805501	Depreciation	**50,000**
	Advertising	
6060905061	Advertising	**2,500**
	Non-Operating Expenses	
6060205009	Debt Service- Principal	13,296
6060205011	Debt Service- Interest	228,039
6060955013	Debt Service- Service Charges	2,500
6060955901	Operating Transfers Out	0
6027003226	Capital Reserve	125,133
	Sub-total	**368,968**
	TOTAL	**$916,488**

WATER & SEWER DEPARTMENT
CAPITAL PROJECTS BUDGET

Priority	Item	Completion Date	Estimated Cost
1	Safety Equipment		
	Scott Air Paks @ $1,500/ chlorine installation	Dec 31, 1991	4,500
	Chlorine Patch kit (2) @ $700/kit		1,400
2	WWTP Improvements	Dec 31, 1991	
	-(1)standby power 70KW gen sets	Dec 31, 1992	35,000
	-replace catwalks & railing	Dec 31, 1991	25,000
	-sand blasting & painting	Dec 31, 1991	35,000
	-replace V-notch weir	Dec 31, 1991	250
	-rehabilitate chlorine chamber	Dec 31, 1991	3,500
	-install effluent flow meter	Dec 31, 1991	3,000
	-install grit chamber/bar screen	Dec 31, 1991	10,000
	-install de-chlorination equipment	Dec 31, 1991	25,000
	-relocate sludge drying beds	Feb 28, 1992	90,000
3	BAN rollover to long-term debt	Mar 1, 1992	496,850
4	Reverse Osmosis or EDR & associated		
	water distribution improvements	May 30, 1992	1,600,000
	-eliminate bottleneck		3,450
	-12" water line to tank		7,000
5	Back-up fire flow pump; well #1	Dec 31, 1993	8,500
	Bond issue costs	7% @ 30 yrs	79,560
	Bonded Debt Service reserve fund		224,000
	(includes contingency)		0
	Total for fiscal year 1991-92		**$2,652,010**
6	Renovation of office building	May 31, 1993	15,000
	10% contingency		1,500
	Total for fiscal year 1992-93		**$16,500**
7	Water line improvements	Dec 31, 1995	350,000
	-15,000' of 12" WL; Palm Blvd. (21st-53rd)		
	-8,000' of 8" WL between Waterway & Palm(even streets)		
	21st to 41st Avenues		
8	Sewer line infiltration & inflow inspection	Dec 31, 1995	10,000
	10% contingency		36,000
	Total for fiscal year 1995-96		**$396,000**

9	Pipe overflow from well #2 to storm drain	Dec 31, 1996	2,500
10	Elevated 150,000 gal. storage tank for N end of island	Dec 31, 1996	375,000
	10% contingency		37,750
	Total for fiscal year 1996-97		**$415,250**
11	WWTP expansion and collection system	Dec 31, 2001	14,000,000
	10% contingency		1,400,000
			$15,400,000
	Total of all capital improvements		**$18,879,760**

CITY OF ISLE OF PALMS, SC
ORDINANCE NO. 1991-20
Third Reading Draft - 8/28/91

AN ORDINANCE TO PROHIBIT SWIMMING AND WADING IN THE WATERS AT BREACH INLET

WHEREAS, City Council finds that the waters at Breach Inlet contain dangerous currents that render this area hazardous and unsuitable for swimming and wading; and

WHEREAS, City Council recognizes the long history of drownings associated with use of the waters at Breach Inlet, and further recognizes the City's efforts over a period of years to prevent such tragic incidents from occurring; and

WHEREAS, on June 12, 1991, the Governor signed Bill S.237, thereby giving to coastal municipalities criminal jurisdiction over waters of adjoining inlets; and

WHEREAS, such authorization extends the criminal jurisdiction of the City over Breach Inlet, to the mid-point between the City and the Town of Sullivan's Island; and

WHEREAS, City Council wishes to make immediate use of such authorization to protect the public from the dangers associated with the waters at Breach Inlet; and

WHEREAS, City Council is authorized by Section 5-7-30, South Carolina Code of Laws, 1976, as amended, to adopt ordinances to protect the public's health, safety and welfare.

NOW, THEREFORE, BE IT ORDAINED, by the Mayor and Councilmembers of the Isle of Palms, South Carolina, in City Council assembled, that:

Section 1. Purpose.

This Ordinance is adopted to protect the public from the dangers associated with the waters at Breach Inlet.

Section 2. New Section 9-3-3 Created.

A new Section 9-3-3 is added to the City Code, to read as follows:

Sec. 9-3-3 Swimming and Wading at Breach Inlet

It shall be unlawful for any person to swim or wade in the waters at Breach Inlet.

Section 3. Severability. If any part of this Ordinance is held to be unconstitutional, it shall be construed to have been the legislative intent to pass said Ordinance without such unconstitutional provision, and the remainder of said Ordinance shall be deemed to be valid as if such portion had not been included. If said Ordinance, or any provisions thereof, is held to be inapplicable to any person, group of persons, property, kind of property, circumstances or set of circumstances, such holding shall not affect the applicability thereof to any other persons, property or circumstances.

Section 4. Effective Date. This Ordinance shall be effective upon its ratification by the City Council for the City of Isle of Palms.

PASSED, APPROVED AND ADOPTED BY THE MAYOR AND COUNCIL FOR THE CITY OF ISLE OF PALMS ON THIS 28th DAY OF August, 1991.

Carmen R. Bunch, Mayor

Nellie S. McDuffie, Clerk-Treasurer

First Reading: 6/27/91
Second Reading: 7/25/91
Third Reading: 8/28/91
Ratification: 8/28/91

CITY OF ISLE OF PALMS, SC
ORDINANCE 1991-16
Second Reading Draft - 7/11/91

AN ORDINANCE TO ADOPT A BUDGET FOR THE CITY OF ISLE OF PALMS, SOUTH CAROLINA, FOR THE FISCAL YEAR BEGINNING JULY 1, 1991, AND ENDING JUNE 30, 1992

WHEREAS, Subsection 3 of Section 5-7-260 of the S. C. Code of Laws, 1976, as amended, requires that a municipal Council shall act by ordinance to adopt a budget pursuant to public notice.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council Members of the City of Isle of Palms, South Carolina, in Council assembled, that the following provisions are hereby adopted and enacted:

SECTION 1. The prepared budget and estimated revenue for the payment of the same is hereby adopted and made a part hereof as if fully incorporated herein and a copy thereof is attached hereto.

SECTION 2. The City Administrator shall administer the budget and may authorize the transfer of appropriated funds within departments as necessary to achieve the goals of the budget as established by City Council.

SECTION 3. If, for any reason, any sentence, clause or provision of this ordinance shall be declared invalid, such shall not affect the remaining provisions thereof.

SECTION 4. This ordinance shall become effective immediately upon its ratification by City Council.

APPROVED:

Carmen R. Bunch

Carmen R. Bunch, Mayor

ATTEST:

Nellie S. McDuffie

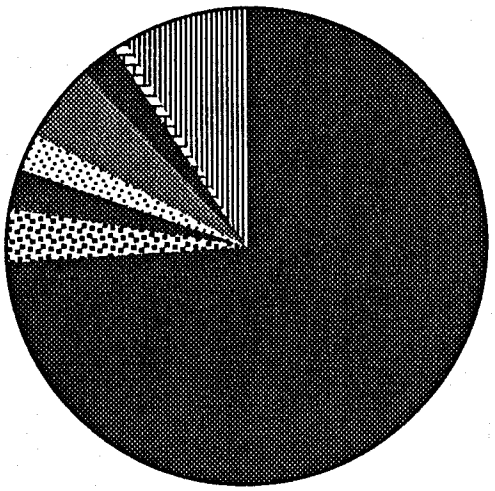
Nellie S. McDuffie, Clerk-Treasurer

First Reading:	6/6/91
Public Hearing:	6/19/91
Second Reading:	7/11/91
Ratification:	7/16/91

City of Isle of Palms, S. C.
Operating Budget for the Fiscal Year
July 1, 1991 -- June 30, 1992

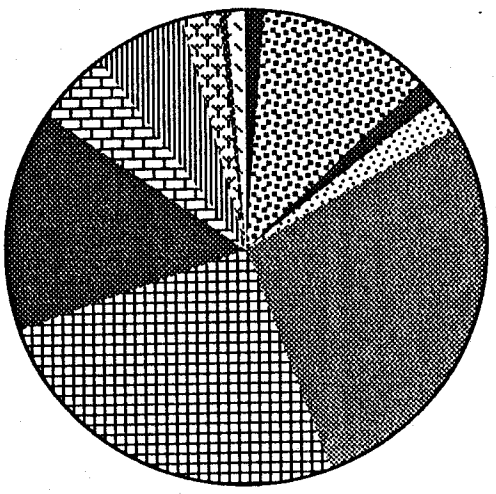
Adopted by City Council July 11, 1991

Significant Expenditures in FY '91- '92



Personnel	74.0%
Operation of Vehicles	3.7%
Utilities	2.9%
Insurance	2.3%
Debt Service	5.3%
Capital Outlay	0.2%
Professional Services	2.5%
Uniforms	0.8%
Other Operating Expenses	8.3%

Expenditures by Department



Mayor & Council	1.3%
General Government	11.8%
Finance Department	1.4%
Police Narcotics	2.3%
Police Department	27.7%
Fire Department	25.1%
Public Works Department	15.1%
Building/Planning	5.1%
Recreation	6.0%
Judicial & Legal	2.6%
Parking Lot Department	0.5%
Hurricane Related Expenses	1.1%

GENERAL FUND BUDGET

July 1, 1991 -- June 30, 1992

REVENUES

ACCT. NO.	ITEM ACCOUNT NAME	BUDGETED FY 1990-91	5/30/91 REVENUES COLLECTED YTD FY 1990-91	ESTIMATE FY 1991-92
1031004001	Property Taxes	1,063,596	1,114,358	1,517,649
1032104006	Business License Fees	280,000	220,484	225,000
1032104007	Insurance License Fees	90,000	97,309	98,000
1032104008	Public Utilities Fees	125,000	41,248	140,000
1032104009	Building Permit Fees	180,000	115,131	130,000
1032104010	Animal License Fees	300	273	300
1032104011	Vehicle ID Fees	10,000	249	0
1033004031	Narcotics Grant Revenue	37,205	19,469	0
1033004032	Narcotics Seizures	40,000	0	59,116
1034004075	Court Generated Revenue	110,000	55,738	110,000
1034504100	Beer & Wine Rebate	24,780	24,542	24,780
1034504101	Liquor Tax Rebate	17,140	15,901	17,140
1034504102	Bank Tax Rebate	210	254	210
1034504103	Motor Transport Rebate	4,980	3,066	4,980
1034504104	Income Tax Rebate	19,270	17,718	19,270
1034504105	Accommodations Tax Rebate	0	0	0
1034504106	Intergovernmental Transfers	24,000	21,925	30,000
1034504107	Intergovernmental Transfers-Narc.	0	0	0
1034504108	Broker's Premium Tax	1,590	1,842	1,590
1034504109	Disaster Relief- State	281,082	211,934	25,000
1034504110	Disaster Relief-Insurance	0	23,626	0
1034504111	Grant Income	0	30,383	0
1034504112	Gasoline Tax Rebate	12,000	16,624	13,000
1035004501	Miscellaenous Revenue	12,009	12,658	10,000
1035004502	Parking Lot Revenue	45,000	22,547	45,000
1035004503	Plat Application Fees	1,000	820	1,000
1035004504	Sale of Assets	50,500	54,522	15,000
1035004505	Interest Income	53,000	17,949	30,000
1035004506	Recreation Instructor's Income	22,300	20,187	17,000
1035004507	Recreation Program Income	13,150	27,669	26,900
1035004508	Recycling Revenue- Cans & Paper	250	2,828	4,000
1035004509	Kennel Donations	0	3,310	0
1035004510	Donations to Dare Program	0	634	2,000
1035004511	Transfer Fm Accom. Tax Fund	25,000	0	25,000
1034504113	Oper. Transfer Capital Projects	260,252	150,000	28,000
	TOTAL GENERAL FUND REVENUES	**$2,803,614**	**$2,345,198**	**$2,619,935**

EXPENDITURES

MAYOR & COUNCIL

ACCT. NO.	ACCOUNT NAME	GEN. FUND BUDGETED FY 1990-91	5/31/91 GEN. FUND EXPENDED YTD FY 1990-91	GEN. FUND ESTIMATE FY 1991-92
1040105001	Mayor & Council Salaries	10,800	10,500	10,800
1040105004	Fica Expense	826	793	826
1040105005	Retirement Expense	740	534	740
1040105006	Group Health Insurance	12,421	10,700	18,360
1040105007	Workman's Compensation	0	0	0
1040205015	Meetings & Seminars	500	0	0
1040205016	Vehicle Fuel & Oil	1,200	0	200
1040205017	Vehicle Maintenance	500	0	500
1040205053	Blanket Bond	100	80	100
1040205062	Insurance	2,317	1,369	1,546
1040205087	Council Special Fund	1,500	485	0
1040205088	Mayor's Special Fund	2,500	1,727	2,000
	TOTAL	**$33,404**	**$26,188**	**$35,072**

ACCT. NO.	GENERAL GOVERNMENT ACCOUNT NAME	GEN. FUND BUDGETED FY 1990-91	GEN. FUND EXPENDED YTD FY 1990-91	GEN. FUND ESTIMATE FY 1991-92
1041105001	Salaries-Supervisor	38,220	37,718	44,704
1041105002	Salaries-Employees	56,181	55,098	47,281
1041105003	Salaries-Part Time	0	467	0
1041105004	Fica Expense	7,222	7,199	7,037
1041105005	Retirement Expense	6,466	6,404	6,301
1041105006	Group Health Insurance	6,187	6,042	6,120
1041105007	Workman's Compensation	3,862	3,382	4,566
1041105008	Unemployment Compensation	500	0	0
1041205009	Debt Service- Principal	45,000	45,000	50,000
1041205010	Printing & Office Supplies	7,850	5,382	6,000
1041205011	Debt Service- Interest	56,088	56,088	88,242
1041205014	Memberships & Dues	2,247	1,433	1,890
1041205015	Meetings & Seminars	250	668	0
1041205016	Vehicle Fuel & Oil	1,200	1,125	2,000
1041205017	Vehicle Maintenance	500	503	750
1041205020	Electricity & Gas	2,000	1,486	2,100
1041205021	Telephone/ Cable	6,720	4,716	5,650
1041205022	Water & Sewer	300	359	750
1041205026	Maintenance/Service Contracts	4,080	4,243	2,000
1041205027	Machinery/Equipment Repair	500	135	300
1041205041	Uniforms	250	266	400
1041205044	Cleaning/ Sanitary Supplies	200	189	200
1041205053	Blanket Bond	100	80	100
1041205061	Advertising	2,400	5,051	4,000
1041205062	Insurance	4,925	2,074	2,106
1041205063	Rents & Leases	5,200	3,205	4,600
1041205064	Employee Training	0	0	0
1041205065	Professional Services	12,400	47,190	18,950
1041205068	Election Expenses	1,200	1,219	2,500
1041205071	Special Department Expenses	0	0	0
1041205072	Vehicle ID Expense	0	518	0
1041205079	Miscellaneous Expenses	1,500	6,083	1,500
1041205085	Capital Outlay	0	5,741	0
	TOTAL	**$273,548**	**$309,064**	**$310,047**

ACCT. NO.	FINANCE DEPARTMENT ACCOUNT NAME	GEN. FUND BUDGETED FY 1990-91	GEN. FUND EXPENDED YTD FY 1990-91	GEN. FUND ESTIMATE FY 1991-92
1042105001	Salaries- Supervisor	26,378	24,854	30,176
1042105002	Salaries- Employees	0	0	0
1042105003	Salaries-Part Time	0	0	0
1042105004	Fica Expense	2,018	1885	2,308
1042105005	Retirement Expense	1,807	1715	2,067
1042105006	Group Health Insurance	1,547	1589	2,040
1042105007	Workman's Compensation	0	0	0
104215008	Unemployment Compensation	0	0	0
1042205010	Printing & Office Supplies	0	0	0
1042205015	Meetings & Seminars	0	0	0
1042205020	Electricity & Gas	0	0	0
1042205021	Telephone/ Cable	0	0	0
1042205022	Water & Sewer	0	0	0
1042205026	Maintenance/Service Contracts	0	0	0
1042205053	Blanket Bond	575	450	450
1042205062	Insurance	448	396	436
1042205064	Employee Training	0	0	0
1042205079	Miscellaneous Expenses	100	0	100
1042205085	Capital Outlay	0	0	0
	TOTAL	**$32,873**	**$30,889**	**$37,577**

ACCT. NO.	POLICE NARCOTICS UNIT ACCOUNT NAME	GEN. FUND BUDGETED FY 1990-91	GEN. FUND EXPENDED YTD FY 1990-91	GEN. FUND ESTIMATE FY 1991-92
1043105002	Salaries- Employees	46,850	38,929	45,575
1043105004	Fica Expense	3,584	2,852	3,486
1043105005	Retirement Expense	3,209	4,177	3,122
1043105006	Group Health Insurance	3,094	3,202	4,080
1043205010	Printing & Office Supplies	0	0	0
1043205016	Vehicle Fuel & Oil	0	22	0
1043205017	Vehicle Maintenance	0	91	0
1043205021	Telephone & Cable	3,000	1,547	0
1043205041	Uniforms	1,000	800	0
1043205049	Medical & Lab Supplies	200	0	0
1043205062	Insurance	4,402	3,168	2,853
1043205063	Rents & Leases	0	89	0
1043205071	Special Department Expenses	0	0	0
1043205079	Miscellaneous Expenses	0	0	0
1043205080	Drug Buys	2,000	0	0
1043205085	Capital Outlay	22,460	22,086	0
	TOTAL	**$89,799**	**$76,963**	**$59,116**

ACCT. NO.	POLICE DEPARTMENT ACCOUNT NAME	GEN. FUND BUDGETED FY 1990-91	GEN. FUND EXPENDED YTD FY 1990-91	GEN. FUND ESTIMATE FY 1991-92
1044105001	Salaries- Supervisor	33,800	30,940	35,152
1044105002	Salaries- Employees	434,358	384,473	415,553
1044105003	Salaries- Part Time	11,155	13,465	6,797
1044105004	Fica Expense	36,667	32,395	34,999
1044105005	Retirement Expense	51,286	41,211	48,953
1044105006	Group Health Insurance	34,030	33,639	43,180
1044105007	Workman's Compensation	12,069	10,568	14,217
1044105008	Unemployment Compensation	1,000	0	1,000
1044205010	Printing & Office Supplies	6,500	7,297	6,500
1044205014	Memberships & Dues	650	440	800
1044205015	Meetings & Seminars	500	261	700
1044205016	Vehicle Fuel & Oil	27,205	27,695	25,114
1044205017	Vehicle Maintenance	9,200	12,463	11,000
1044205020	Electricity & Gas	4,000	2,397	5,000
1044205021	Telephone/ Cable	9,000	10,185	9,000
1044205022	Water & Sewer	600	300	1,000
1044205026	Maintenance/Service Contracts	2,500	2,823	3,000
1042205027	Machinery/Equipment Repair	4,200	3,567	4,200
1044205031	Small Hand Tools	200	8	0
1044205041	Uniforms	9,000	7,059	10,000
1044205044	Cleaning/ Sanitary Supplies	600	408	3,000
1044205049	Medical & Lab Supplies	1,000	1,087	2,500
1044205053	Blanket Bond	100	80	100
1044205062	Insurance	26,000	20,524	22,218
1042205063	Rents & Leases	8,500	6,861	7,800
1044205064	Employee Training	3,500	4,851	4,000
1044205071	Special Department Expenses	2,500	2,773	2,000
1044205074	DARE Program Expenses	0	1,177	2,000
1044205079	Miscellaneous Expenses	2,200	985	1,800
1044205081	Canine Kennel Expenses	3,500	0	500
1042205085	Capital Outlay	3,700	4,892	2,945
	TOTAL	**$739,520**	**$664,824**	**$725,028**

ACCT. NO.	FIRE DEPARTMENT ACCOUNT NAME	GEN. FUND BUDGETED FY 1990-91	GEN. FUND EXPENDED YTD FY 1990-91	GEN. FUND ESTIMATE FY 1991-92
1045105001	Salaries- Supervisor	33,000	30,240	34,320
1045105002	Salaries- Employees	411,098	360,716	399,023
1045105003	Salaries- Part Time	9,325	3,801	7,030
1045105004	Fica Expense	34,687	29,163	33,689
1045105005	Retirement Expense	48,516	42,261	47,120
1045105006	Group Health Insurance	32,483	33,442	42,840
1045105007	Workman's Compensation	9,787	8,570	11,571
1045105008	Unemployment Compensation	500	0	500
1045205010	Printing & Office Supplies	900	2,303	1,773
1045205014	Memberships & Dues	500	380	800
1045205015	Meetings & Seminars	600	425	1,200
1045205016	Vehicle Fuel & Oil	4,000	6,973	5,000
1045205017	Vehicle Maintenance	10,000	9,966	8,000
1045205020	Electricity & Gas	4,000	2,497	3,500
1045205021	Telephone/ Cable	4,000	5,009	5,700
1045205022	Water & Sewer	350	168	1,200
1045205026	Maintenance/Service Contracts	3,500	4,084	5,500
1045205027	Machinery/Equipment Repair	5,000	6,169	5,000
1045205031	Small Hand Tools	250	717	750
1045205041	Uniforms	5,880	3,604	6,000
1045205044	Cleaning/ Sanitary Supplies	1,000	1,843	2,000
1045205049	Medical & Lab Supplies	4,000	534	9,500
1045205053	Blanket Bond	100	120	100
1045205062	Insurance	18,343	12,125	12,979
1045205063	Rents and Leases	1,920	1,693	1,920
1045205064	Employee Training	2,000	1,839	4,500
1045205065	Professional Services	900	0	800
1045205079	Miscellaneous Expenses	4,000	3,222	4,000
1045205085	Capital Outlay	2,700	2,426	0
	TOTAL	**$653,339**	**$574,290**	**$656,314**

ACCT. NO.	PUBLIC WORKS DEPART. ACCOUNT NAME	GEN. FUND BUDGETED FY 1990-91	GEN. FUND EXPENDED YTD FY 1990-91	GEN. FUND ESTIMATE FY 1991-92
1046105001	Salaries- Supervisor	30,033	27,609	31,324
1046105002	Salaries- Employees	172,406	142,671	170,276
1046105003	Salaries- Part Time	13,708	6,059	14,400
1046105004	Fica Expense	16,535	13,102	16,524
1046105005	Retirement Expense	14,806	12,041	14,796
1046105006	Group Health Insurance	23,202	24,417	30,600
1046105007	Workman's Compensation	15,624	13,682	17,472
1046105008	Unemployment Compensation	1,500	0	1,000
1046205010	Printing & Office Supplies	300	506	500
1046205016	Vehicle Fuel & Oil	16,000	17,823	19,000
1046205017	Vehicle Maintenance	24,000	28,711	21,000
1046205020	Electricity & Gas	25,000	20,664	23,000
1046205021	Telephone/ Cable	1,000	730	1,200
1046205022	Water & Sewer	250	0	1,000
1046205026	Maintenance/Service Contracts	1,000	157	500
1046205027	Machinery/Equipment Repair	1,000	668	750
1046205031	Small Hand Tools	750	626	650
1046205041	Uniforms	6,000	3,414	5,000
1046205044	Cleaning/ Sanitary Supplies	2,000	414	1,000
1046205049	Medical & Lab Supplies	200	187	500
1046205054	Street Signs	2,500	1,224	2,000
1046205062	Insurance	18,398	15,624	17,218
1046205063	Rents & Leases	1,500	0	500
1046205065	Professional Services	0	0	0
1046205067	Contracted Services	2,500	262	1,500
1046205068	Election Expenses	0	46	0
1046205073	Recycling Expense	0	1,428	2,000
1046205079	Miscellaneous Expenses	500	912	500
1046205085	Capital Outlay	0	2,046	2,000
	TOTAL	**$390,712**	**$335,023**	**$396,210**

ACCT. NO.	BUILDING/PLANNING ACCOUNT NAME	GEN. FUND BUDGETED FY 1990-91	GEN. FUND EXPENDED YTD FY 1990-91	GEN. FUND ESTIMATE FY 1991-92
1047105001	Salaries- Supervisor	32,063	29,360	33,345
1047105002	Salaries- Employees	87,566	71,087	47,989
1047105003	Salaries- Part Time	4,700	4,308	4,935
1047105004	Fica Expense	9,511	7,944	6,600
1047105005	Retirement Expense	8,517	7,233	5,909
1047105006	Group Health Insurance	9,281	8,863	6,120
1047105007	Workman's Compensation	526	461	622
1047105008	Unemployment Compensation	0	0	1,000
1047205010	Printing & Office Supplies	3,300	2,872	2,500
1047205014	Memberships & Dues	100	110	125
1047205015	Meetings & Seminars	500	858	1,000
1047205016	Vehicle Fuel & Oil	4,000	2,439	3,000
1047205017	Vehicle Maintenance	1,000	504	1,000
1047205020	Electricity & Gas	4,000	1,477	3,000
1047205021	Telephone/ Cable	5,800	4,538	4,600
1047205022	Water & Sewer	1,000	0	1,200
1047205026	Maintenance/Service Contracts	750	147	750
1047205027	Machinery/Equipment Repair	150	0	150
1047205044	Clean/Sanitation Supplies	250	320	1,800
1047205053	Blanket Bond	100	80	100
1047205062	Insurance	3,282	2,447	2,349
1047205063	Rents and Leases	3,360	3,061	3,360
1047205064	Employee Training	1,000	0	500
1047205065	Professional Services	2,000	30	1,000
1047205079	Miscellaneous Expenses	250	0	250
1047205085	Capital Outlay	0	659	0
	TOTAL	**$183,006**	**$148,798**	**$133,204**

ACCT. NO.	RECREATION DEPART. ACCOUNT NAME	GEN. FUND BUDGETED FY 1990-91	GEN. FUND EXPENDED YTD FY 1990-91	GEN. FUND ESTIMATE FY 1991-92
1048105001	Salaries- Supervisor	20,280	18,564	21,091
1048105002	Salaries- Employees	40,896	38,104	44,606
1048105003	Salaries- Part Time	0	0	0
1048105004	Fica Expense	4,680	4,329	5,026
1048105005	Retirement Expense	4,191	3,911	4,500
1048105006	Group Health Insurance	6,187	6,357	8,160
1048105007	Workman's Compensation	2,018	1,768	2,386
1048105008	Unemployment Compensation	250	0	250
1048205010	Printing & Office Supplies	1,500	1,297	2,500
1048205014	Memberships & Dues	1,700	461	2,000
1048205015	Meetings & Seminars	300	250	500
1048205016	Vehicle Fuel & Oil	750	1,072	1,000
1048205017	Vehicle Maintenance	500	57	500
1048205020	Electricity & Gas	6,000	5,204	6,000
1048205021	Telephone/ Cable	1,200	1,890	2,280
1048205022	Water & Sewer	500	437	500
1048205026	Maintenance/Service Contracts	1,500	1,928	1,700
1048205027	Machinery/Equipment Repair	800	544	800
1048205031	Small Hand Tools	75	96	100
1048205041	Uniforms	400	380	200
1048205044	Cleaning/ Sanitary Supplies	1,000	1,340	1,500
1048205049	Medical & Lab Supplies	200	0	100
1048205053	Blanket Bond	100	80	100
1048205062	Insurance	2,471	1,449	1,509
1048205063	Rents & Leases	2,400	2,121	2,400
1048205064	Employee Training	200	236	400
1048205071	Special Department Expenses	17,000	25,424	8,470
1048205079	Miscellaneous Expenses	200	142	100
1048205085	Capital Outlay	0	11,551	0
	SUB-TOTAL	**$117,298**	**$128,992**	**$118,678**

	REC. INSTRUCTION EXPENSES	GEN. FUND BUDGETED FY 1990-91	GEN. FUND EXPENDED YTD FY 1990-91	GEN. FUND ESTIMATE FY 1991-92
1048305090	Crafts	1,500	1,250	1,200
1048305091	Gymnastics	1,500	2,692	2,300
1048305092	Mother's Morning Out	0	0	0
1048305093	Day Camp	4,200	3,553	6,000
1048305094	Dancing	1,125	1,179	1,200
1048305095	Karate	8,250	6,437	7,500
1048305096	Aerobics	600	0	600
1048305097	Adult Sports	0	0	11,000
1048305098	Youth Sports	0	0	8,500
1048305099	Tennis	600	861	1,000
	SUB-TOTAL	**$17,775**	**$15,972**	**$39,300**
	TOTAL	**$135,073**	**$144,964**	**$157,978**

ACCT. NO.	JUDICIAL & LEGAL ACCOUNT NAME	GEN. FUND BUDGETED FY 1990-91	GEN. FUND EXPENDED YTD FY 1990-91	GEN. FUND ESTIMATE FY 1991-92
1049105002	Salaries- Employees	15,470	6,530	17,447
1049105003	Salaries- Part Time	4,000	667	0
1049105004	Fica Expense	1,489	557	1,335
1049105005	Retirement Expense	1,334	500	1,195
1049105006	Group Health Insurance	1,547	649	2,040
1049205008	Unemployment Insurance	0	0	0
1049205010	Printing & Office Supplies	1,000	1,879	1000
1049205021	Telephone/ Cable	900	816	900
1049205053	Blanket Bond	100	80	100
1049205062	Insurance	490	0	0
1049205063	Rents and Leases	1,000	825	300
1049205065	Professional Services	35,000	62,904	43,600
1049205085	Capital Outlay	0	515	0
	TOTAL	$62,330	$75,922	$67,917

ACCT. NO.	PARKING LOT DEPART. ACCOUNT NAME	GEN. FUND BUDGETED FY 1990-91	GEN. FUND EXPENDED YTD FY 1990-91	GEN. FUND ESTIMATE FY 1991-92
1050105003	Salaries- Part Time	11,400	3,003	12,400
1050105004	Fica Expense	872	244	949
1050105005	Retirement Expense	0	14	0
1050105007	Workman's Compensation	0	0	0
1050105008	Unemployment Compensation	0	0	0
1050205062	Insurance	0	0	0
1050205063	Rents & Leases	200	0	0
1050205065	Professional Services	0	0	0
1050205071	Special Department Expenses	1,000	32	318
1050205085	Capital Outlay	0	0	0
	TOTAL	**$13,472**	**$3,293**	**$13,667**

ACCT. NO.	HURRICANE RELATED EXP. ACCOUNT NAME	GEN. FUND BUDGETED FY 1990-91	GEN. FUND EXPENDED YTD FY 1990-91	GEN. FUND ESTIMATE FY 1991-92
1055105003	Salaries- Part Time	0	0	0
1055105004	Fica Expense	0	0	0
1055105007	Workman's Compensation	0	0	0
1055205010	Printing /Office Supplies	0	0	0
1055205016	Vehicle Fuel & Oil	0	0	0
1055205017	Vehicle Maintenance	0	11,401	0
1055205021	Telephone and Cable	0	0	0
1055205026	Maintenance/Service Contracts	4,000	139,343	0
1055205027	Machinery/Equipment Repairs	0	0	0
1055205031	Small Hand Tools	0	0	0
1055205041	Uniforms	0	0	0
1055205054	Street Signs	0	0	0
1055205063	Rents and Leases	111,456	84,346	27,806
1055205067	Contracted Expenses	81,082	15,200	0
1055205071	Special Dept. Expenses	0	0	0
1055205079	Miscellaneous Expenses	0	2,427	0
1055205085	Capital Outlay	0	39,678	0
		$196,538	$292,395	$27,806
	GEN FUND TOTAL EXPENDITURES	**$2,803,614**	**$2,682,613**	**$2,619,935**

FY 1990-1991 BUDGET
ACCOMMODATIONS TAX FUND
REVENUES

ACCT. NO.	ITEM	BUDGETED FY 1990-91	4/30/91 COLLECTED FY 1990-91	ESTIMATED FY 1991-92	
5034504105	Acc. Tax Revenue	95,000	46,802	95,000	
	Transfer to General Fund	-25,000	0	-25,000	
	Minus 25% Restricted Fund	-17,500	-11,701	-17,500	
503504505	Interest Income	3,587	4,174	2,000	
	TOTAL REVENUES	$56,087	$39,275	$54,500	-2.83%

FY 1990-91 BUDGET
ACCOMMODATIONS TAX FUND
EXPENDITURES

		5/31/91 BUDGETED FY 1990-91	EXPENDED YTD FY 1990-91	ESTIMATE FY 1991-92
	GENERAL GOVERNMENT			
5041205009	Debt Service- Principal	56,087	0	0
5041205011	Debt Service- Interest	0	0	54,500
5041205079	Miscellaneous Expenses	0	6,742	0
5041205085	Capital Outlay	0	58,722	0
5041205090	Tourism Promotion Expense	17,500	50,000	0
	DEPARTMENT TOTAL	$73,587	$115,464	$54,500
	POLICE DEPARTMENT			
5044205010	Printing & Office Supplies			
5044205016	Vehicle Fuel & Oil	10,000	0	
5044205017	Vehicle Maintenance	5,000	0	
5044205021	Telephone/ Cable	0	0	
5044205026	Maintenance/ Service Contracts	0	0	
5044205027	Machinery/ Equipment Repair	0	0	
5044205041	Uniforms	6,000	0	
5044205062	Insurance	0	0	
5044205063	Rents & Leases	2,000	0	
5044205079	Miscellaneous Expenses	0	0	
5044205085	Capital Outlay	0	0	0
	DEPARTMENT TOTAL	$23,000	$0	$0

	FIRE DEPARTMENT	BUDGETED FY 1990-91	EXPENDED YTD FY 1990-91	ESTIMATE FY 1991-92
5045205010	Printing & Office Supplies	0	0	0
5045205016	Vehicle Fuel & Oil	2,000	0	0
5045205017	Vehicle Maintenance	6,500	0	0
5045205021	Telephone/ Cable	2,000	0	0
5045205026	Maintenance/ Service Contracts	2,500	0	0
5045205027	Machinery/ Equipment Repairs	3,000	0	0
5045205041	Uniforms	3,700	0	0
5045205062	Insurance	3,300	0	0
5045205079	Miscellaneous Expenses	0	0	0
5045205085	Capital Outlay	0	0	0
	DEPARTMENT TOTAL	$23,000	$0	$0

5/31/90

	PUBLIC WORKS DEPARTMENT	BUDGETED FY 1990-91	EXPENDED YTD FY 1990-91	ESTIMATE FY 1991-92
5046205010	Printing & Office Supplies	0	0	0
5046205016	Vehicle Fuel & Oil	10,000	0	0
5046205017	Vehicle Maintenance	10,000	0	0
5046205026	Maintenance/ Service Contracts	0	0	0
5046205027	Machinery/ Equipment Repairs	0	0	0
5046205041	Uniforms	3,013	0	0
5046205079	Miscellaneous Expenses	0	0	0
5046205085	Capital Outlay	0	0	0
	DEPARTMENT TOTAL	$23,013	$0	$0

ACCOMMODATIONS TAX FUND TOTAL		$142,600	$115,464	$54,500	-61.78%

TOTAL REVENUES--ALL FUNDS

GENERAL FUND	$2,619,935
ACCOMMODATIONS TAX FUND	$54,500
TOTAL	$2,674,435

TOTAL EXPENDITURES--ALL FUNDS

GENERAL FUND	$2,619,935
ACCOMMODATIONS TAX FUND	$54,500
TOTAL	$2,674,435

SIGNIFCANT EXPENSES IN FY 1991-92 GENERAL FUND BUDGET

PERSONNEL AND ASSOCIATED COSTS		$1,939,829
OPERATION OF VEHICLES (Gas and Repairs)		$97,364
UTILITIES (Electricity, Water, Gas, Phones)		$76,680
INSURANCE (Tort, Auto, Property)		$60,361
DEBT SERVICE (Parking Lot, '91 G. O. Bonds)		$138,242
CAPITAL OUTLAY (Equipment)		$4,945
PROFESSIONAL SERVICES (Attorneys, Auditors, Consultants)		$64,350
UNIFORMS		$21,600
OTHER OPERATIONS EXPENSES		$216,564
	TOTAL	$2,619,935

ENTERPRISE FUND BUDGET
WATER & SEWER DEPARTMENT
July 1,1991 -- June 30, 1992

ITEM		REVENUES BUDGETED	5/31/90 REVENUES COLLECTED YTD	ESTIMATE
ACCT. NO.	ACCOUNT NAME	FY 1990-91	FY 1990-91	FY 1991-92
6036004601	Residential Sale of Water	0	0	640,627
6036004602	Residential Sale of Sewer	0	0	176,397
6036004603	Commercial Sale of Water	0	0	36,519
6036004604	Commercial Sale of Sewer	0	0	22,595
6036004605	Water Tap Fees	0	0	4,000
6036004606	Sewer Tap Fees	0	0	6,000
6036004607	New Customer Charges	0	0	5,350
6035004501	Miscellaneous Revenue	0	0	0
	Sub-total	0	0	891,488
	Non-Operating Revenue			
6037004505	Interest Revenue			25,000
6037004901	Operating Transfer In			0
	Sub-total			25,000
	TOTAL			**$916,488**

EXPENDITURES

ACCT. NO.	WATER & SEWER DEPT. ACCOUNT NAME	ENT. FUND BUDGETED FY 1990-91	ENT. FUND EXPENDED YTD FY 1990-91	ENT. FUND ESTIMATE FY 1991-92
	Payroll and Personnel			
6060105001	Salaries-Supervisor			36,358
6060105002	Salaries-Employees			150,585
6060105003	Salaries-Part Time			13,520
6060105004	Fica Expense			15,335
6060105005	Retirement Expense			13,732
6060105006	Group Health Insurance			12,240
6060105007	Workman's Compensation			8,750
6060105008	Unemployment Compensation			1,000
	Sub-total			**251,520**
	Operating Expenses			
6060205014	Memberships & Dues			800
6060205015	Meetings & Seminars			1,200
6060205049	Medical & Lab			11,500
6060205053	Blanket Bond			500
6060205062	Insurance			3,000
6060205064	Employee Training			2,500
6060205065	Professional Services			39,000
6060205067	Contracted Services			51,000
6060205071	Special Dept. Expenses			0
6060205079	Miscellaneous			5,000
	Sub-total			**114,500**
	Capital Outlay			
6060405085	Capital Outlay			**12,000**
	Supplies			
6060455010	Printing and Office Supplies			10,000
6060455016	Vehicle Fuel & Oil			13,000
6060455041	Uniforms			2,500
6060455044	Water & Sewer Supplies			18,000
	Sub-total			**43,500**
	Heat,Light & Power			
6060505020	Electricity & Gas			48,000
6060505021	Telephone/Cable			6,000
6060505022	Water & Sewer			0
	Sub-total			**54,000**

	Repairs & Maintenance	
6060605017	Vehicle Maintenance	3,000
6060605026	Maintenance & Service Contracts	5,000
6060605027	Machinery & Equipment Repair	10,000
6060605031	Small Hand Tools	1,000
	Sub-total	**19,000**
	Rent	
6060705063	Rents & Leases	**500**
	Depreciation	
6060805501	Depreciation	**50,000**
	Advertising	
6060905061	Advertising	**2,500**
	Non-Operating Expenses	
6060205009	Debt Service- Principal	13,296
6060205011	Debt Service- Interest	228,039
6060955013	Debt Service- Service Charges	2,500
6060955901	Operating Transfers Out	0
6027003226	Capital Reserve	125,133
	Sub-total	**368,968**
	TOTAL	**$916,488**

WATER & SEWER DEPARTMENT
CAPITAL PROJECTS BUDGET

Priority	Item	Completion Date	Estimated Cost
1	Safety Equipment		
	Scott Air Paks @ $1,500/ chlorine installation	Dec 31, 1991	4,500
	Chlorine Patch kit (2) @ $700/kit		1,400
2	WWTP Improvements	Dec 31, 1991	
	-(1)standby power 70KW gen sets	Dec 31, 1992	35,000
	-replace catwalks & railing	Dec 31, 1991	25,000
	-sand blasting & painting	Dec 31, 1991	35,000
	-replace V-notch weir	Dec 31, 1991	250
	-rehabilitate chlorine chamber	Dec 31, 1991	3,500
	-install effluent flow meter	Dec 31, 1991	3,000
	-install grit chamber/bar screen	Dec 31, 1991	10,000
	-install de-chlorination equipment	Dec 31, 1991	25,000
	-relocate sludge drying beds	Feb 28, 1992	90,000
3	BAN rollover to long-term debt	Mar 1, 1992	496,850
4	Reverse Osmosis or EDR & associated		
	water distribution improvements	May 30, 1992	1,600,000
	-eliminate bottleneck		3,450
	-12" water line to tank		7,000
5	Back-up fire flow pump; well #1	Dec 31, 1993	8,500
	Bond issue costs	7% @ 30 yrs	79,560
	Bonded Debt Service reserve fund		224,000
	(includes contingency)		0
	Total for fiscal year 1991-92		**$2,652,010**
6	Renovation of office building	May 31, 1993	15,000
	10% contingency		1,500
	Total for fiscal year 1992-93		**$16,500**
7	Water line improvements	Dec 31, 1995	350,000
	-15,000' of 12" WL; Palm Blvd. (21st-53rd)		
	-8,000' of 8" WL between Waterway & Palm(even streets)		
	21st to 41st Avenues		
8	Sewer line infiltration & inflow inspection	Dec 31, 1995	10,000
	10% contingency		36,000
	Total for fiscal year 1995-96		**$396,000**

9	Pipe overflow from well #2 to storm drain	Dec 31, 1996	2,500
10	Elevated 150,000 gal. storage tank for N end of island	Dec 31, 1996	375,000
	10% contingency		37,750
	Total for fiscal year 1996-97		**$415,250**
11	WWTP expansion and collection system	Dec 31, 2001	14,000,000
	10% contingency		1,400,000
			$15,400,000
	Total of all capital improvements		**$18,879,760**

Note for cell H78:
Parking lot principal due 2/1/92 $50,000

Note for cell H80:

Parking lot interest due 2/1/92 $54,231.25
'91 G.O. Bond interest 2/1/92 $34,010

Note for cell H81:
Municipal Ass $1,400
Sam's Club 90
Chas Co Substance
Abuse $400

Note for cell H86:
Southern Bell $300 avg/month
60 avg/month

Telecom USA $ 61 avg/month

Cell One $ 50 /month (estimate)

Note for cell H87:
Bills higher after rate increase and tapping in City Hall to sewer

Note for cell H95:
1/2 copier $202/month
Postage meter $130/month
IOP Exchange club $600 per 1/2 year

round to $4,600

Note for cell H97:
Audit $15,000
Bond Trustee Fees $1950
Computer programming $2000

Note for cell H98:
Commssion PW election $1200
Council election $1300

Note for cell F205:
Amt in error due to receipt of three insurance checks for damages to fire trucks being credited to this acct. These amounts of $13,312 1,318 and $6,344 will be credited to Disaster Relief-Insurance

Note for cell H256:
(1) LAWNMOWER $500
RCP pipe for Chas. C. PW to repair drain in Wildwood
$1.500

Note for cell H263:
DANA HALEY 6 MOS OF SALARY

Note for cell H276:
LEASED PHONE EQUIP OF $120/MONTH WILL BE REPLACED WITH PURCHASED EQUIP FROM CAPITAL PROJECTS FUND

Note for cell H280:
ALLOWS $600 FOR SUPPLIES AND BALANCE FOR SOME CONTRACTED CLEANING OF CORRIDORS-- STAFF WILL CLEAN OFFICE AREAS

Note for cell H308:
SOUTHERN BELL AVG $175/MONTH
TELECOM $15/MONTH

Note for cell H357:
Rent of IOP Exchange Club @ $25/session; 2 sessions per month for 6 months

Note for cell H358:
Legal fees Dreyfoos- $33,000
Labor lawyer-$2,500
Computer Programmer; Compudocket- $1,500
Chas. Co. (Jeanette Harper) $550/month-$6,600

Note for cell H394:
Vehicle lease/purchase- pays out in Oct. & Nov.
--$4,027.13 /month thru Oct.; then $732.80 in Nov.

Trailers:
Police (3) months @ 1085.70

Fire (5) months @ 1357.65

BI (3) months @ 1039.59

Note for cell H563:
DHEC $3000 PER YEAR

MONTHLY WATER & SEWER ANALYSES
$750/MONTH

Note for cell H567:
Legal fees $6,000
Audit fees $8,000
Engineering fees $15,000

Note for cell H568:
Relocation/replacement of 1300' water main on Palm Blvd in front of shopping center

Replace 6" Cast iron water from JC Long to Ocean to 7th Ave with 8"PVC $13,000

Note for cell H573:
Small pick-up truck $10,000
Lawnmower $2,000

Note for cell H578:
Sewer solvents, degreasers, deorderizers, chlorine gas, salt for water softener, hand cleaner, lubricants, granulated chlorine

Note for cell H595:
Ditch witch

Note for cell H601:
2/20/92 Beach Co BOND $13,295.83
8/1/91 RO Bond principal deferred to following year

Note for cell H602:
8/20/91 Beach Co. BOND $53,352.08

2/20/92 Beach Co. BOND $53,352.08

3/1/92 R.O. Bond interest $121,334

CITY OF ISLE OF PALMS, SC
EMERGENCY ORDINANCE NO. 1991-19.E
Adopted - 7/25/91

AN EMERGENCY ORDINANCE TO BAN THE USE OF JET SKIS

WHEREAS, City Council finds that the operation of jet skis within the waters of the City of Isle of Palms has endangered the health, safety and welfare of residents and visitors using these waters for swimming, boating, fishing and other recreational purposes; and

WHEREAS, City Council further finds that jet skis continue to be operated recklessly and in close proximity to other recreational uses; and

WHEREAS, City Council further finds that the operation of jet skis has resulted in serious physical injury to individuals using the waters of the City of Isle of Palms for recreational purposes; and

WHEREAS, City Council wishes to eliminate this hazard to public health, safety and welfare; and

WHEREAS, City Council further finds that the limitations placed on the operation of jet skis in Ordinance No. 1988-20, adopted September 14, 1988, and codified in Sections 7-3-6 and 7-3-7 of the City Code, have failed to safeguard the recreating public from the hazards associated with the use of jet skis; and

WHEREAS, City Council believes it has a responsibility to the City's residents and visitors to protect them from the proven and unwarranted danger resulting from the use of jet skis within the City; and

WHEREAS, City Council is authorized to adopt emergency ordinances to protect the public life, health and safety pursuant to Section 5-7-250(d), South Carolina Code of Laws, 1976, as amended.

NOW, THEREFORE, BE IT ORDAINED, by the Mayor and Councilmembers of the Isle of Palms, South Carolina, in City Council assembled, that:

Section 1. Purpose. This Ordinance is adopted to protect the health, safety and welfare of persons using the waters of the City of Isle of Palms for recreational purposes.

Section 2. Section 7-3-6 Amended.

a. Section 7-3-6(b) of the City Code is revised to read as follows:

(b) No person shall launch or operate a jet ski, or similar type of water craft, within the jurisdiction of the City of Isle of Palms, except in case of emergency or by City Police Officers in enforcing the City Code.

Section 3. Section 7-3-7 Amended.

a. In the heading to Section 7-3-7, the words "and jet skis" are deleted.

b. In subsections (a), (b) and (c), the words "or jet skis" are deleted every time they occur.

Section 4. Severability. If any part of this Ordinance is held to be unconstitutional, it shall be construed to have been the legislative intent to pass said Ordinance without such unconstitutional provision, and the remainder of said Ordinance shall be deemed to be valid as if such portion had not been included. If said Ordinance, or any provisions thereof, is held to be inapplicable to any person, group of persons, property, kind of property,

circumstances or set of circumstances, such holding shall not affect the applicability thereof to any other persons, property or circumstances.

Section 5. Effective Date. This Ordinance shall be effective upon its adoption for the City Council for the City of Isle of Palms, and shall remain in effect for a period of sixty (60) days, unless sooner superseded by adoption of a permanent ordinance.

PASSED, APPROVED AND ADOPTED BY THE MAYOR AND CITY COUNCIL FOR THE CITY OF ISLE OF PALMS ON THIS 25th DAY OF July, 1991.

Carmen R. Bunch, Mayor

Nellie S. McDuffie, Clerk-Treasurer

CITY OF ISLE OF PALMS
RESOLUTION

July 25, 1991

WHEREAS, in response to the destruction caused by Hurricane Hugo, City Council adopted Ordinance No. 1989-11 on March 14, 1990, to allow the temporary use of mobile homes and trailers pursuant to detailed and limiting standards; and

WHEREAS, new Section 5-4-16(c)(1) and 5-4-16(d)(1) of the City Code, created by said Ordinance, permit such temporary use of mobile homes and trailers until June 30, 1990, unless extended by resolution by City Council; and

WHEREAS, by Resolution of June 28, 1990, City Council extended such deadline until September 28, 1990; and

WHEREAS, by Resolution of September 27, 1990, City Council extended such deadline until June 1, 1991; and

WHEREAS, City Council finds that a number of residents and businesses are continuing to use mobile homes and trailers pending reconstruction of their homes and businesses; and

WHEREAS, City Council finds that the limited continuation of the use of mobile homes and trailers by residents and businesses during the process of rebuilding will not violate the spirit of City Ordinances, provided that such mobile homes and trailers comply with all applicable requirements of the City flood ordinance and any state/county regulations regarding tie-down of such facility.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Isle of Palms, in Council duly assembled,

1. That pursuant to Section 5-4-16(c)(1) of the City Code, bond fide homeowners/City residents who are in the process of rebuilding a house which was damaged by Hurricane Hugo may continue to occupy travel trailers for residential purposes until February 1, 1992.

2. That pursuant to Section 5-4-16(c)(1) of the City Code, bona fide homeowners/City residents who are in the process of rebuilding a house which was damaged by Hurricane Hugo may continue to occupy mobile homes for residential purposes until February 1, 1992, provided that such mobile homes comply with all requirements of the City flood ordinance (City Code Section 5-2-1, et seq.).

3. That pursuant to Section 5-4-16(d)(1) of the City Code, the temporary commercial use of mobile homes and trailers in the City's commercial zoning districts may continue until February 1, 1992, provided that such mobile homes and trailers comply with all requirements of the City flood ordinance (City Code Section 5-2-1, et seq.).

RESOLVED this 25th day of July, 1991.

Carmen R. Bunch, Mayor

ATTEST:

Nellie S. McDuffie, Clerk-Treasurer

ORDINANCE NO. 1991-24

AUTHORIZING THE ISSUANCE OF $630,000 AGGREGATE PRINCIPAL AMOUNT OF TAX ANTICIPATION NOTES, 1991, OF THE CITY OF ISLE OF PALMS, SOUTH CAROLINA; PROVIDING FOR THE PAYMENT OF THE NOTES AND THE DISPOSITION OF THE PROCEEDS THEREOF; PROVIDING FOR THE FORM OF THE NOTES AND AUTHORIZING THE SALE THEREOF; AND OTHER MATTERS RELATING THERETO.

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

Section 1. The City Council (the "Council") of the City of Isle of Palms, South Carolina (the "Issuer"), hereby finds and determines:

(a) Pursuant to Section 5-5-10, Code of Laws of South Carolina, 1976, as amended (the "Code"), and the results of a referendum held in accordance therewith, the Council form of government was adopted and the Council constitutes the governing body of the City.

(b) Article X, Section 14, of the Constitution of the State of South Carolina, 1895, as amended (the "Constitution"), authorizes municipalities to incur general obligation debt in anticipation of the collection of ad valorem taxes or license fees under such terms and conditions as the General Assembly may prescribe by general law.

(c) Act No. 125 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1977 (codified as Section 11-27-40 of the Code), authorizes and empowers municipalities to incur general obligation debt in anticipation of the collection of ad valorem taxes or licenses (tax anticipation notes). Tax anticipation notes shall be expressed to mature not later than ninety (90) days from the date as of which such taxes or license fees shall be paid without penalty.

(d) The City, by Ordinance 1991-16 (the "Budget Ordinance"), effective for the fiscal year beginning July 1, 1991 and ending June 30, 1992, has authorized general fund expenditures of the City in the amount of $2,619,935 for said fiscal year.

(e) Notices for the collection of ad valorem taxes on real property will be mailed to the respective taxpayers of the City, by the Charleston County Treasurer, on or about October 1, 1991, and such taxes are payable without penalty before January 15, 1992.

(f) The City Administrator of the City has advised the Council that funds for general City purposes will be insufficient to meet operational expenditures of the City from September 1, 1991, to January 31, 1992.

(g) The cost of conducting the operations of the City must be met prior to the last respective date on which payment of the aforesaid ad valorem taxes are payable without penalty.

(h) No previous moneys have been borrowed by the City in anticipation of the collection of ad valorem taxes levied for fiscal year 1991-92, and no pledge of the proceeds of such ad valorem taxes has heretofore been made.

Section 2. Pursuant to the aforesaid provisions of the Constitution and laws of the State of South Carolina, there is hereby authorized to be issued $630,000 aggregate principal amount of tax anticipation notes (the "Notes") in anticipation of the collection of ad valorem taxes heretofore levied pursuant to the Budget Ordinance for the fiscal year beginning July 1, 1991, and ending June 30, 1992. Council expects an actual cash flow deficit of approximately $630,000 as reflected in the attached Exhibit A.

The Notes shall be in bearer or registered form at the option of the successful purchaser thereof; shall be dated as of September 25, 1991, or such other date not later than September 30, 1991; shall be in the denomination of $15,000 or any integral multiple thereof; shall be numbered from 1 or R-1 upward; shall mature on April 15, 1992; shall bear interest from their date at a rate of interest approved by subsequent resolution of the City; provided, however, that the Mayor is authorized to accept on behalf of the Council the lowest rate if such rate does not exceed 7.0% per annum; and shall not be subject to redemption prior to maturity.

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 at the office of the successful purchaser of the Notes.

The Notes shall be executed in the name of the City with the manual or facsimile signature of the Mayor of the City and attested by the manual or facsimile signature of the Clerk/Treasurer of the City Council directed to authenticate the Notes. In the absence or incapacity of either or both such persons, the person and persons authorized to act in their stead are authorized to execute and authenticate the Notes.

Section 3. The Mayor is hereby authorized to solicit proposals for the purchase of the Notes.

Section 4. If requested by the purchaser, the Notes may be registered in the name of the successful purchaser thereof, as the registered owner on registry books to be kept for that purpose, in the offices of a registrar to be named by the successful purchaser and such registration shall be noted on the registration attached to the Notes, after which no transfer of such Notes shall be effective unless made on such books by the registered owner in person, or its duly authorized legal representative and similarly noted on the Notes.

Section 5. The City covenants that it has not issued, nor will it cause to be issued, any other notes or certificates of indebtedness of any type in anticipation of the collection of the ad valorem taxes pledged to the payment of the Notes, except the Notes authorized by this Ordinance; provided, however, the City may issue notes or other certificates of indebtedness junior, inferior and subordinate in all respects to the pledge herein made to secure the Notes. The Notes will be junior and inferior to the Notes authorized by this Ordinance.

Section 6. The proceeds derived from the sale of the Notes shall be deposited with the Treasurer of the City and shall be expended in the manner and for the purposes which the ad valorem taxes heretofore levied by the City are to be expended.

Section 7. For the payment of the principal of and interest on the Notes as the same respectively mature, there are hereby pledged (a) collection of the ad valorem taxes levied by the Budget Ordinance; and (b) the full faith, credit and taxing power of the City.

Section 8. Both the principal of and interest on the Notes shall be exempt, in accordance with the provisions of Section 12-1-60 of the South Carolina Code, from all State, county, municipal, school district, and all other taxes or assessments, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate or transfer taxes.

Section 9. The City covenants that no use of the proceeds of the sale 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 the United States Internal Revenue Code of 1986, as amended (the "Code"); and to that end the City hereby shall:

(a) establish such funds, make such calculations and pay such amounts, in the manner and at the times required in

order to comply with the requirements of the Code relating to required rebates of certain amounts to the United States;

(b) make such reports of such information at the times and places required by the Code; and

(c) take such other action as may be required in order that the Notes and the use of the proceeds thereof comply with the provisions of the Code.

Section 10. The Council ratifies all actions heretofore taken by the Mayor in connection with the sale of the Notes.

Section 11. The Council hereby authorizes the Mayor and the Clerk/Treasurer of the City (or in their absence or incapacity, anyone authorized to act in their stead) to execute such documents and instruments as necessary to effect the issuance of the Notes.

Section 12. All orders, resolutions, ordinances 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 passage and approval.

Section 13. This Ordinance shall forthwith be codified in the Code of City Ordinances in the manner prescribed by law.

CITY OF ISLE OF PALMS,
SOUTH CAROLINA

By: James R. Swain
Mayor

(SEAL)

ATTEST:

Nellie S. McDuffie
Clerk/ Treasurer

First Reading: 8/22/91
Second Reading: 8/28/91
Third Reading: waived
Ratification: 8/28/91

EXHIBIT A

PROJECTED REVENUES AND EXPENSES
FOR REMAINDER OF CALENDAR YEAR 1991

Month	Revenues	Expenses
September	$ 43,888	$199,951
October	54,698	201,451
November	38,388	201,101
December	38,388	199,118
	$175,362	$801,621

CITY OF ISLE OF PALMS, SC
ORDINANCE 1991-25

AN ORDINANCE TO CHANGE THE REGULAR MEETING DATE OF CITY COUNCIL

WHEREAS, Ordinance 1990-6 of the City Code provides that regular meetings of City Council shall be held the fourth Thursday of each month; and

WHEREAS, City Council desires to move its regular monthly meetings to the fourth Tuesday of each month; and

WHEREAS, City Council is authorized to set its regular monthly meeting dates and amend City Code Section 1-3-1 pursuant to the authority granted inn Sections 5-7-250 and 5-7-260, South Carolina Code of Laws, 1976, as amended.

NOW, THEREFORE, BE IT ORDAINED, by the Mayor and Council Members of the Isle of Palms, South Carolina, in City Council assembled, that:

Section 1. Purpose

This ordinance is adopted to change the regular meeting date of City Council.

Section 2. Section 1-3-1 Amended

Section 1-3-1 of the City Code is amended to read as follows:

Sec. 1-3-1 Regular Meetings.

The regular meeting of City Council shall be held the fourth Tuesday of each month; provided that when such Tuesday shall fall on a legal holiday, the meeting for such month shall be held the following Tuesday. Council shall announce and publish the place where regular meetings shall be held. Each regular meeting shall be called to order at 7:00 p.m. Council may by resolution change the date, place or time of any regular monthly meeting, provided that such change is published and posted.

Section 3. Severability. If any part of this ordinance is held to be unconstitutional, it shall be construed to have been the legislative intent to pass said ordinance without such unconstitutional provision, and the remainder of said ordinance shall be deemed to be valid as if such portion had not been included. If said ordinance, or any provisions thereof, is held to be inapplicable to any person, group of persons, property, kind of property, circumstances or set of circumstances, such holding shall not affect the applicability thereof to any other persons, property or circumstances.

Section 4. Effective Date. This ordinance shall be effective upon its ratification by the City Council for the City of Isle of Palms, South Carolina.

PASSED, APPROVED AND ADOPTED BY THE MAYOR AND COUNCIL FOR THE CITY OF ISLE OF PALMS ON THIS 26th DAY OF SEPTEMBER, 1991.

Carmen R. Bunch, Mayor

Nellie S. McDuffie, Clerk-Treasurer

First Reading: 8/28/91
Second Reading: 9/26/91
Third Reading: waived
Ratification: 9/26/91

CITY OF ISLE OF PALMS
ORDINANCE NO 1991-12
RATIFICATION - JULY 25, 1991

AN ORDINANCE TO ADOPT REGULATIONS CONCERNING THE USE OF WATER BY CUSTOMERS OF THE CITY OF ISLE OF PALMS WATER AND SEWER DEPARTMENT DURING TIMES OF MODERATE, SEVERE OR EXTREME DROUGHT

WHEREAS, Section 49-23-70 of the South Carolina Code of Laws, 1976 as amended, authorizes the South Carolina Water Resources Commission to adopt and enforce regulations relating to conservation of water in the event of drought conditions; and

WHEREAS, the City of Isle of Palms is required under said regulations to adopt a drought response ordinance.

NOW, THEREFORE, BE IT ORDAINED, by the Mayor and Council Members of the City of Isle of Palms, South Carolina, in City Council assembled, that:

Section 1. Purpose. This ordinance is adopted to establish regulations concerning the use of water by customers of the City of Isle of Palms Water & Sewer Department during times of moderate, severe, or extreme drought.

Section 2. TITLE 4, Chapter 3

Section 4-3-1 Definitions

For the purposes of this Ordinance, the following definitions shall apply:

(a) Aesthetic water use: water use for ornamental or decorative purposes such as fountains, reflecting pools and waterfalls.

(b) Commercial and industrial water use: water use integral to the production of goods and/or services by any establishment having profit as their primary aim.

(c) Conservation: reduction in water use to prevent depletion or waste of the resource.

(d) Customer: any person, company, or organization using water supplied by the City of Isle of Palms Water & Sewer Department.

(e) Domestic water use: water use for personal needs or for household purposes such as drinking, bathing, heating, cooking, sanitation, or for cleaning a residence, business, industry, or institution.

(f) Drought Alert Phases:

1. Moderate Drought: when the Palmer Index reaches the -1.50 to -12.99 range and moderate drought conditions have been verified by best available information, and conditions indicate this situation is expected to persist.

2. Severe Drought: when the Palmer Index reaches the -3.00 to -2.99 range and severe drought conditions have been verified by best available information.

3. Extreme Drought: when the Palmer Index falls below -4.00 and extreme drought conditions have been verified by best available information.

(g) Essential water use: water used specifically for fire fighting, maintaining instream flow requirements, and to satisfy federal, state, or local public health and safety requirements. All other uses are deemed non-essential.

(h) Even numbered addresses: street addresses ending in the numbers 0, 2, 4, 6, 8, and rural routes A through M.

(i) Institutional water uses: water used by government, public and private educational institutions, public medians and rights of way, churches and places of worship, water utilities, and any lands, buildings, and organizations within the public domain.

(j) Landscape water use: water used to maintain gardens, trees, lawns, shrubs, flowers, athletic fields, rights of ways and medians.

(k) Odd numbered addresses: street addresses ending in the numbers 1, 3, 5, 7, 9 and rural routes N through Z, and addresses that have names of the property as the legal address.

(l) Palmer Index: a measure of the severity of a drought or a wet spell in an area. Dry conditions are associated with negative values, wet conditions with positive values, and normal conditions have a value of zero.

(m) Water shortage: Lack of adequate available water to meet normal demands due to lower than normal precipitation, reduced stream flows or soil moisture, and/or lowering the potentiometric surface in wells which causes water supplies to be less than usual.

Section 4-3-2 Response to Moderate Drought Alert:

If conditions indicate that a moderate drought condition is present in this jurisdiction, and is expected to persist, the City Administrator, or assignee acting in his absence, shall notify by publication of notice, a copy of which shall be posted at City Hall and the Business Office of the Water and Sewer Department, and a copy of which shall be forwarded the day of the notice to the South Carolina Water Resources Commission Drought Information Center, customers within the water system encouraging them to voluntarily limit their use of water. The City Administrator shall further contact all non-residential customers and urge them to eliminate any non-essential water use.

Section 4-3-3 Response to Severe Drought Alert:

If conditions indicate that a severe drought condition is present in this jurisdiction, and is expected to persist, the City Administrator, or assignee acting in his absence, shall notify by publication of notice, a copy of which shall be posted at City Hall and the Business Office of the Water and Sewer Department, and a copy of which shall be forwarded the day of the notice to the South Carolina Water Resources Commission Drought Information Center, customers that the following uses of water are prohibited:

(a) Aesthetic water use;

(b) New recreational facilities that require filling, such as swimming pools, water slides and other water related activities, and maintenance of existing recreational facilities such as swimming pools, and other water related activities;

(c) Sprinklers and other remote broadcast devices and water runoff in landscape design and maintenance;

(d) Low volume hand-held watering for landscape purposes, except on Wednesday and Saturday for odd numbered addresses and Thursday and Sunday for even numbered addresses;

(e) Flushing and/or cleaning of asphalt or concrete surfaces;

(f) Washing of automobiles, trucks, bicycles, motorcycles, motorbikes, boats, trailers, mobile homes, airplanes, or other such vehicles or structures;

(g) No applications for new or expanded service shall be granted. Subsequent to the date of this Ordinance, all correspondence regarding water availability, pipeline extension agreements and applications requesting service, shall make reference to conditions relating to water shortages.

Section 4-3-4 Response to Extreme Drought Alert:

If conditions indicate that an extreme drought condition is present in this jurisdiction, and is expected to persist, the City Administrator, or assignee acting in his absence, shall notify by publication of notice, a copy of which shall be posted at City Hall and the Business Office of the Water and Sewer Department, and a copy of which shall be forwarded the day of the notice to the South Carolina Water Resources Commission Drought Information Center, customers that the following additional restrictions shall apply:

(a) All commercial or industrial users shall reduce consumption levels to the minimum levels necessary to maintain health and safety;

(b) Residential customers shall be limited to seventy-five (75) gallons per person per day, and a mixture of three hundred (300) gallons per household per day;

(c) The Water & Sewer Department shall monitor water use and if necessary shall request City Council to authorize water rationing if necessary to preserve the public health and safety;

(d) Agricultural users shall implement water conservation techniques and restrict the use of water for irrigation to the hours between 7:00 p.m. Eastern Standard Time to 7:00 a.m. Eastern Standard Time. Any agricultural use which results in water runoff shall be prohibited.

Section 4-3-5 Variances:

Customers not capable of immediate water use reduction or curtailment, shall commence gradual reduction of water use within twenty-four (24) hours of the proclamation that water use restrictions are in effect, and shall apply for a variance within three (3) days after such restrictions become effective. Requests for variance shall be filed with the Water & Sewer Department and shall contain the following:

(a) Name and address of the petitioner(s);

(b) Purpose of water use;

(c) Specific provision from which the petitioner is requesting relief;

(d) Detailed statement as to how the curtailment declaration adversely affects the petitioner;

(e) Description of the relief desired;

(f) Period of time for which the variance is sought;

(g) Economic value of the water use;

(h) Damage or harm to the petitioner or others if petitioner complies with this Ordinance;

(i) Restrictions with which the petitioner is expected to comply and the compliance date;

(j) Steps the petitioner is taking to meet the restrictions from which variance is sought and the expected date of compliance;

(k) Other pertinent information.

The variance shall not be granted unless the petitioner can show one or more of the following conditions exist:

(a) Compliance with this Ordinance cannot be technically accomplished during the duration of the water shortage;

(b) Alternative methods can be implemented which will achieve the same level of reduction in water use.

No variance shall be retroactive or otherwise justify any violation of this Ordinance occurring prior to the issuance of the variance. Any variances granted shall include a timetable for compliance.

Section 4-3-6 Penalties and Enforcement:

(a) Any person violating this Ordinance shall, upon conviction, be subject to a fine not exceeding Two Hundred Dollars ($200.00) per violation.

(b) All employees of the City of Isle of Palms are hereby charged with the enforcement of this Ordinance, and are granted all powers allowed by law to fulfill this duty.

Section 3. Severability. In any part of this Ordinance is held to be unconstitutional, it shall be construed to have been the legislative intent to pass said Ordinance without such unconstitutional provision, and the remainder of said Ordinance shall be deemed to be valid as if such portion had not been included. If said Ordinance, or any provisions thereof, is held to be inapplicable to any person, group of persons, property, kind of property, circumstances or set of circumstances, such holding shall not affect the applicability thereof to any other persons, property or circumstances.

Section 4. Effective Date. The Ordinance shall be effective upon its ratification by the City Council for the City of Isle of Palms.

PASSED, APPROVED AND ADOPTED BY THE MAYOR AND COUNCIL FOR THE CITY OF ISLE OF PALMS, SOUTH CAROLINA, ON THIS 25TH DAY OF JULY, 1991.

Carmen R. Bunch, Mayor

Nellie S. McDuffie, Clerk-Treasurer

First Reading:	3/11/91
Second Reading:	6/27/91
Third Reading:	7/25/91
Ratification:	7/25/91