ORDINANCES 1993

1. 1992-6 – 2/23/93
2. 1992-12 – 2/23/93
3. 1992-19 – 2/23/93
4. 1992-21 – 2/23/93
5. 1993-8 – 5/25/93
6. 1993-7 – 6/22/93
7. 1993-12 – 6/22/93
8. 1993-13 – 8/24/93
9. 1993-20 – 9/21/93
10. 1993-3 – 7/13/93
11. 1993-21 – 9/28/93
12. 1993-18 – 9/28/93
13. 1993-9 – 10/26/93
14. 1993-15 – 10/26/93
15. 1993-22 – 10/26/93
16. 1993-24 – 12/28/93

1993-3

McNAIR & SANFORD, P.A.
DRAFT OF JULY 8, 1993
BLACK-LINED TO REFLECT
CHANGES FROM DRAFT OF
MAY 20, 1993

SERIES 1993 BOND ORDINANCE

AUTHORIZING THE ISSUANCE OF A $7,100,000 WATER AND SEWER SYSTEM REVENUE BOND, SERIES 1993, OF THE CITY OF ISLE OF PALMS, SOUTH CAROLINA; TO PROVIDE FOR THE USE OF THE PROCEEDS; TO PROVIDE FOR THE TERMS AND CONDITIONS UPON WHICH THE BOND WILL BE ISSUED; TO PROVIDE FOR THE REPAYMENT THEREOF AND SECURITY THEREFOR; AND TO PROVIDE FOR OTHER MATTERS IN CONNECTION THEREWITH.

CHAR:2128

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SERIES 1993 BOND ORDINANCE

AUTHORIZING THE ISSUANCE OF A $7,100,000 WATER AND SEWER SYSTEM REVENUE BOND, SERIES 1993, OF THE CITY OF ISLE OF PALMS, SOUTH CAROLINA; TO PROVIDE FOR THE USE OF THE PROCEEDS; TO PROVIDE FOR THE TERMS AND CONDITIONS UPON WHICH THE BOND WILL BE ISSUED; TO PROVIDE FOR THE REPAYMENT THEREOF AND SECURITY THEREFOR; AND TO PROVIDE FOR OTHER MATTERS IN CONNECTION THEREWITH.

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

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 Series 1993 Bond 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:

"Act" means Title 6, Chapter 21, Code of Laws of South Carolina 1976, as amended, and as further amended and continued by Act No. 125 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1977, and all other statutory authorizations authorizing and enabling the City to provide for the issuance of Bonds.

"Additional Bonds" means any additional parity bonds authorized to be issued by the City pursuant to the terms and conditions hereof.

"Authorized Denomination" means $5,000 or any integral multiple thereof.

"Bond" or "Bonds" means any Bond, some of the Bonds or all of the Bonds issued and at any time Outstanding under and pursuant to this Series 1993 Bond Ordinance, including the Series 1991A Bond, the Series 1991B Bond, the Series 1993 Bonds and any Additional Bonds.

"Books of Registry" means the registration books of the City as established and maintained by the City pursuant to Section 3.8 hereof.

"Business Day" means a day which is not a Saturday, Sunday, legal holiday or day on which banking institutions are authorized by law to close in the State of South Carolina or in the jurisdiction where the principal corporate trust office of the Custodian is located.

"City" means the City of Isle of Palms, South Carolina, a municipal corporation organized and existing under the laws of the State of South Carolina, its successors and assigns.

"Clerk" means the Clerk/Treasurer of the City, or in his or her absence, the acting clerk.

"Code" means the Internal Revenue Code of 1986, as amended, and any successor provision of law.

"Consulting Engineer" means any qualified engineer or firm of engineers which shall at any time hereafter be retained by the City as consulting engineer for the System.

"Construction Fund" means the fund by that name created pursuant to Section 4.1 hereof.

"Contingent Fund" means the fund of that name created pursuant to Section 4.1 hereof.

"Council" means the City Council of the City of Isle of Palms, South Carolina, and any successor governing body of the City.

"CPW" means the Commissioners of Public Works of the City of Isle of Palms.

"Custodian" means First Union National Bank of South Carolina, its successors and assigns.

"Debt Service Fund" means the fund of that name created pursuant to Section 4.1 hereof.

"Debt Service Reserve Fund" means the fund of that name created pursuant to Section 4.1 hereof.

"Depreciation Fund" means the fund of that name created pursuant to Section 4.1 hereof.

"Expenses of Operating and Maintaining the System" means the current expenses, paid or accrued, of operation, maintenance and current repair of the System, calculated in accordance with generally accepted accounting principles, and shall include, without limiting the generality of the foregoing, salaries, wages, employee benefits, cost of materials and supplies, cost of utilities, cost of routine repairs, renewals, replacements and

alterations occurring in the usual course of business, the cost of billings and collections, cost of insurance, cost of audits, taxes, if any, and a properly allocable share of CPW 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.

"First Supplemental Ordinance" means the ordinance enacted by the Council on February 18, 1991, authorizing the Series 1991A Bond.

"Fiscal Year" means the period of twelve (12) calendar months, beginning on July 1 of each year and ending on June 30 the following calendar year unless changed by the City to a different twelve month period.

"Funds" means collectively the Gross Revenue Fund, the Debt Service Fund, the Contingent Fund, the Depreciation Fund, the Debt Service Reserve Fund, the Operation and Maintenance Fund and Construction Fund.

"General Account" means the account by that name created in the Construction Fund pursuant to Section 4.1 hereof.

"General Bond Ordinance" means the ordinance enacted by the Council on February 11, 1991, authorizing the issuance of Water and Sewer System Revenue Bonds of the City.

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

"Gross Revenue Fund" means the fund of that name created pursuant to Section 4.1 hereof.

"Holder" or "Bondholder" or "Registered Owner" means the person in whose name a Bond is registered in the books maintained for such purpose.

"Interest Payment Date" means June 1 and December 1 of each year, commencing December 1, 1993.

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

"Mayor" means the mayor of the City or, in his or her absence, the mayor pro tempore of the City.

"Operation and Maintenance Fund" means the fund of that name created pursuant to Section 4.1 hereof.

"Ordinance" means the General Bond Ordinance adopted February 11, 1991, as supplemented by the First Supplemental Ordinance, by Ordinance No. 1991-26, by this ordinance and as from time to time amended or supplemented.

"Ordinance No. 1991-26" means the ordinance enacted by the Council on December 16, 1991, authorizing the Series 1991B Bond.

"Outstanding" when used with respect to any Bond shall have the construction given to such word in Article IX 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 IX.

"Outstanding Bond Ordinances" means the General Bond Ordinance, the First Supplemental Ordinance and Ordinance No. 1991-26.

"Permitted Investments" means, to the extent from time to time permitted by State law:

(a) Direct obligations of, or obligations the timely payment of principal of and interest on which are fully and unconditionally guaranteed by, the United States of America;

(b) Certificates of deposit where the certificates are collaterally secured by securities of the type described in (a) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest; and

(c) Repurchase agreements collateralized by securities described in (a) above.

"Project" means the acquisition of the existing water and sewer system of Wild Dunes Utilities, Inc. together with certain improvements to be constructed and installed therefor.

"Purchaser" means Wild Dunes Utilities, Inc.

"Reserve Fund Requirement" means an amount equal to the least of (i) ten percent (10%) of the proceeds from the sale of the Bonds, (ii) one hundred twenty-five percent (125%) of the average amount of principal of and interest on the Bonds coming due during each Fiscal Year, and (iii) the maximum amount of principal of and interest on the Bonds coming due during any Fiscal Year.

"Revenues" shall mean all moneys, fees, charges, income, rents, receipts and returns of whatever nature and howsoever derived from the ownership and operation of the System.

"Series 1991A Bond" means the City of Isle of Palms, South Carolina Water and Sewer Revenue Bond, Series 1991A, in the principal amount of $1,185,601.88

"Series 1991B Bond" means the City of Isle of Palms, South Carolina, Water and Sewer System Revenue Bond, Series 1991B, in the principal amount of $2,700,000.

"Series 1993 Bond Ordinance" means this ordinance of the City duly adopted on July 13, 1993.

"Series 1993 Bonds" means the City of Isle of Palms, South Carolina, Water and Sewer System Revenue Bond, Series 1993, in the principal amount of $7,100,000 authorized to be issued hereunder.

"System" shall mean the Water and Sewer System of the City including all lands, rights-of-way and easements used in connection therewith, all supplies, tools, equipment, apparatus and appurtenances incident thereto and all enlargements, improvements, extensions, additions, replacements and betterments thereto that may at any time be made, and all interest in any of the foregoing that the City or the CPW may at any time have.

Section 1.2. General Rules of Interpretation.

(a) Articles, Sections, and paragraphs mentioned by number are the respective Articles, Sections, and paragraphs of this Series 1993 Bond Ordinance so numbered.

(b) Except as otherwise expressly provided or unless the context otherwise requires, words importing persons include firms, associations and corporations and the masculine includes the feminine and the neuter.

(c) Words importing the redemption or redeeming or calling for redemption of the Series 1993 Bonds do not include or connote the payment of such Series 1993 Bonds at its stated maturity or the purchase of such Series 1993 Bonds.

(d) Words importing the singular number include the plural number and vice versa.

* * * * *

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, South Carolina, and has by ordinance adopted the Council form of government. The City possesses all general powers granted by the Constitution and Laws of the State of South Carolina to municipal corporations, including the power to possess a water system and a sewer system and the power to establish a Commissioners of Public Works to operate and maintain such system.

B. Heretofore, pursuant to the favorable results of a special election held on November 27, 1990, and in compliance with the applicable constitutional and statutory provisions, including Section 16 of Article VIII of the Constitution of the State of South Carolina, provision was made for the acquisition of a privately owned water and sewer system (the "System")

C. Upon acquisition, the System was initially operated and maintained under the control of Council. Thereafter on May 12, 1992, an election was held and Commissioners of Public Works were elected. On June 23, 1992 pursuant to Ordinance 1992-7, full control and management of the System were transferred to CPW. The System furnishes water and sewer service to certain areas of the City.

D. In order to finance the Cost of acquiring and improving the System, the City has heretofore issued the Series 1991A Bond and the 1991B Bond, payable from the Revenues of the System.

E. The General Bond Ordinance authorizes the City to issue additional bonds on a parity with the Series 1991A Bond and the Series 1991B Bond, provided certain conditions are observed, and further authorizes the City to issue junior lien bonds. Because the System, when acquired, was subject to that certain Amendment to Consent Order 88-32-WS, dated May 16, 1990, requiring the construction of a reverse osmosis facility, the General Bond Ordinance specifically authorized the issuance of a series of parity Bonds thereunder without compliance with the earnings test which would otherwise be required for the issuance of a series of parity bonds under the General Bond Ordinance.

F. It is necessary for the City to issue the Series 1993 Bonds in the principal amount of $7,100,000 the proceeds of which shall be used to defray the cost of the Project.

G. The Series 1993 Bonds will be issued on a parity with the Series 1991A Bond and the Series 1991B Bond inasmuch as the City has established compliance with the earnings tests of the General Bond Ordinance and of Ordinance 1991-26.

H. In order to provide funds for the Project, the City has agreed to sell the Series 1993 Bonds under the circumstances and under the terms and conditions hereafter set forth.

I. The period of usefulness of the City's water and sewer system is indefinite, but in no case is it less than the term of the Series 1993 Bonds.

J. It is necessary and in the best interest of the City to issue the Series 1993 Bonds in accordance with the Series 1993 Bond Ordinance and the Act for the purpose of enabling CPW to defray a portion of the costs of the Project, which Series 1993 Bonds shall at all times be on a parity with the Series 1991A Bond and the Series 1991B Bond.

K. Council does not anticipate the issuance of any other tax-exempt obligations in calendar year 1993 and Council does hereby designate the Series 1993 Bonds as qualified tax exempt obligations within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986.

* * * *

ARTICLE III

ISSUANCE OF BONDS

Section 3.1. Authorization of Series 1993 Bonds.

Pursuant to the General Bond Ordinance, this Series 1993 Bond Ordinance and the Act and in order to defray the costs of the Project, fund the Debt Service Reserve Fund, and pay costs of issuance, there shall be issued a $7,100,000 Water and Sewer System Revenue Bond, Series 1993 (the "Series 1993 Bonds"). The Series 1993 Bonds shall be sold to the Purchaser at the principal amount plus the interest accrued on the Series 1993 Bonds from July 1, 1993 to the date of delivery thereof, plus such other credits and earnings as may be agreed upon between the Purchaser and the City. The Series 1993 Bonds shall be dated July 1, 1993; shall be in fully registered form in Authorized Denominations; and shall bear interest from the date thereof payable on each Interest Payment Date, at the rates of interest and shall be payable in principal installments on December 1 in each of the years and in the principal amounts set forth in Exhibit A hereto.

The Series 1993 Bonds shall bear interest (i) from July 1, 1993 if authenticated prior to December 1, 1993 or (ii) otherwise from the June 1 or December 1 that is, or immediately precedes, the date on which the Series 1993 Bonds are authenticated (unless payment of interest is in default, in which case the Series 1993 Bonds shall bear interest from the date to which interest has been paid, or unless no interest has been paid on the Series 1993 Bonds, in which case the Series 1993 Bonds shall bear interest from July 1, 1993). Interest on the Series 1993 Bonds shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

The Series 1993 Bonds will be substantially in the form attached hereto as Exhibit A 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 this Series 1993 Bond Ordinance.

Section 3.2. Medium of Payment; Payment of Bond.

Both the principal of and interest on the Series 1993 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 the payment of public and private debts. Principal of the Series 1993 Bonds, when due, shall be payable on the presentation and surrender of the Series 1993 Bonds at the principal corporate trust office of the Custodian. Interest on the Series 1993 Bonds shall be payable

to the Holder on each Interest Payment Date in accordance with the written instructions of the Holder filed with the Custodian.

If any principal of or interest on the Series 1993 Bonds is not paid when due and payable (whether at maturity, by acceleration or by call for redemption or otherwise) then the overdue installments of principal and interest, to the extent permitted by law, shall bear interest until paid at the rate borne by the Series 1993 Bonds.

Section 3.3. Redemption of Series 1993 Bonds.

(a) The principal portion of the Series 1993 Bonds maturing on or after December 1, 2004, shall be subject to redemption at the option of the City, in whole on any date or in part on any Interest Payment Date, on or after December 1, 2003, at the redemption prices (expressed as percentages of principal amount) set forth in the table below plus interest accrued to the redemption date:

Redemption Period (Dates Inclusive)	Redemption Prices
December 1, 2003 through November 30, 2004	102%
December 1, 2004 through November 30, 2005	101%
December 1, 2005 and thereafter	100%

(b) Notice of any redemption of any portion of the Series 1993 Bonds shall be given by the Custodian on behalf of the City by mailing a copy of the redemption notice by registered or certified mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the Holders of the Series 1993 Bonds.

(c) All notices of redemption shall state (i) the redemption date, (ii) the redemption price, and (iii) if less than all of the outstanding principal installments of the Series 1993 Bonds are to be redeemed, the identification and the respective principal amount of the Series 1993 Bonds to be redeemed.

Section 3.4. Assignment and Transfer of Series 1993 Bonds by the Purchaser.

The Purchaser may at any time assign and transfer the Series 1993 Bonds in the manner hereinafter noted.

Section 3.5. Registration and Transfer of Series 1993 Bonds.

The Series 1993 Bonds shall at all times be registered as to principal and interest in the name of the Holder on the Books of Registry to be maintained in the office of the Clerk of the City

and each transfer to be valid shall be made on the Books of Registry and similarly noted on the Series 1993 Bonds.

Section 3.6. Mutilated, Lost, Stolen or Destroyed Series 1993 Bonds.

In the event any Series 1993 Bond is mutilated, lost, stolen, or destroyed, the City shall execute and deliver a new Series 1993 Bond of like tenor as that mutilated, lost, stolen, or destroyed, provided that (a) in the case of any such mutilated Series 1993 Bond, such Series 1993 Bond is first surrendered to the City, and (b) in the case of any such lost, stolen, or destroyed Series 1993 Bond, there is first furnished evidence of such loss, theft, or destruction satisfactory to the City. No service charge shall be made for any such transaction, but a charge may be made to cover any actual expense involved.

Section 3.7. Exchange of Series 1993 Bonds.

The Series 1993 Bonds, upon surrender thereof to the City with a written instrument of transfer satisfactory to the City, duly executed by the Registered Owner or his duly authorized attorney, may, at the option of the Registered Owner thereof, be exchanged for a principal amount of Series 1993 Bonds of a denomination equal to the unpaid principal amount of the surrendered Series 1993 Bonds or for an equal aggregate principal amount of the Series 1993 Bonds in any Authorized Denominations.

Section 3.8. Registrar and Transfer Agent of Bond; Books of Registry.

(a) The Clerk of the City will be the registrar and transfer agent for the Series 1993 Bonds and will keep proper registry and transfer records, including a Book of Registry in which she shall register the name and address of the Holder of the Series 1993 Bonds as the same is presented for registration. Upon presentation of the Series 1993 Bonds for registration or transfer, the fact of such registration or transfer shall be noted on the Series 1993 Bonds. No transfer of the Series 1993 Bonds shall be valid unless made on such Book of Registry and noted on the Series 1993 Bonds.

(b) No person shall be entitled to any right or benefit provided in the Series 1993 Bonds unless the name and address of such person is registered with the Clerk of the City and the fact thereof is endorsed by such Clerk upon the Series 1993 Bonds and upon the Books of Registry. The City and its agent may deem and treat such Registered Owner of the Series 1993 Bonds as the absolute owner of the Series 1993 Bonds for the purpose of receiving payment of the principal and interest thereof and for all other purposes whatever. No charge shall be made for registration.

(c) The Books of Registry shall show (i) the date of registration, (ii) the name and address of the person in whose name each Series 1993 Bond is registered, and (iii) the signature of the Clerk. The latest chronological date of registration of the Series 1993 Bonds, as the same shall appear in the Books of Registry, shall be conclusive as to the name and address of the Holder for all purposes.

(d) The Series 1993 Bonds shall be transferable only if presented for transfer by the Holder, in person or by its duly authorized attorney, to the Clerk of the City. The Series 1993 Bonds shall bear an endorsement of transfer thereof to the new owner so as to enable the Clerk to enter the name and address of the new owner upon the Books of Registry.

Section 3.9. Execution of Series 1993 Bonds.

The Series 1993 Bonds shall be executed in the name of the City by the manual or facsimile signature of the Mayor of the City, under the corporate seal of the City, which shall be impressed or reproduced thereon, and attested by the manual or facsimile signature of the Clerk/Treasurer of the City.

Section 3.10. Security for and Tenor of Series 1993 Bonds.

The principal of and interest on the Series 1991A Bond, the Series 1991B Bond, the Series 1993 Bonds and any Additional Bonds shall be payable from the Revenues derived from the operation of the System after paying the Expenses of Operating and Maintaining the System, such Revenues shall be and are hereby irrevocably pledged. The pledge herein made shall, at all times and in all ways, equably and ratably secure the Series 1991A Bond, the Series 1991B Bond, the Series 1993 Bonds and Additional Bonds that at any time hereafter shall be Outstanding. The pledge herein made shall preclude the issuance of bonds secured by a pledge of any of the Revenues from the System, or by a lien on the System, or any portion thereof, prior to the pledge and lien made securing the Series 1991A Bond, the Series 1991B Bond, the Series 1993 Bonds and Additional Bonds.

Section 3.11. Discharge of Obligation.

Payments of principal and interest, whether by prepayment or otherwise, made in respect to the Series 1993 Bonds shall be made to the Holder, and all such payments shall fully discharge the obligation of the City in respect to the Series 1993 Bonds to the extent of the payments so made.

Section 3.12. Bond Constitutes Limited Obligation of the City.

The full faith, credit and taxing powers of the City are not pledged for the payment of the principal and interest on the Series 1993 Bonds, and there shall be on the face of the Series 1993 Bonds a statement plainly worded to that effect and stating that the Series 1993 Bonds do not constitute an indebtedness of the City within any State constitutional provisions or statutory limitation. No recourse shall be had for the payment of the Series 1993 Bonds or interest thereon, or any part thereof, against the several funds of the City, except in the manner and to the extent provided in this Series 1993 Bond Ordinance nor shall the credit or taxing power of the City be deemed to be pledged thereto.

Section 3.13. Authorization for Preparing and Selling Series 1993 Bonds.

The Mayor is hereby authorized and directed to have the Series 1993 Bonds prepared, and the Mayor and Clerk are hereby authorized and directed to execute and attest the Series 1993 Bonds in form and manner provided herein.

Section 3.14. Book-Entry Form Authorized.

If requested by the Purchaser, the Series 1993 Bonds may be issued in book-entry form. In such event the remaining provisions of this Section 3.14 shall apply while such book-entry system is in effect.

The Series 1993 Bonds will be eligible securities for the purposes of the Book-Entry System of transfer maintained by The Depository Trust Company, New York, New York (the "Depository"), and transfers of beneficial ownership of the Series 1993 Bonds shall be made only through the Depository and its Participants in accordance with rules specified by the Depository. Such beneficial ownership must be of a $5,000 principal amount of the Series 1993 Bonds of the same maturity or any integral multiple of $5,000.

The Series 1993 Bonds shall be issued in fully registered form, one Certificate for each of the maturities of the Series 1993 Bonds, in the name of Cede & Co., as the nominee of the Depository. When any principal of, premium, if any, or interest on the Series 1993 Bonds becomes due, the City shall transmit or cause the Custodian to transmit to the Depository an amount equal to such installment of principal, premium, if any, and interest. Such payments will be made to Cede & Co. or other nominee of the Depository as long as it is owner of record on the applicable Record Date. Cede & Co. or other nominee of the Depository shall be considered to be the owner of the Series 1993 Bonds so registered for all purposes of this Series 1993 Bond Ordinance,

including, without limitation, payments as aforesaid and receipt of notices and exercise of rights of Series 1993 Bond owners.

The Custodian shall notify the Depository of any notice of redemption required to be given pursuant to the General Bond Ordinance or this Series 1993 Bond Ordinance not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption.

The Depository is expected to maintain records of the positions of Participants in the Series 1993 Bonds, and the Participants and persons acting through Participants are expected to maintain records of the Beneficial Owners in the Series 1993 Bonds. The City and the Custodian make no assurances that the Depository and its Participants will act in accordance with such rules or expectations on a timely basis, and the City and the Custodian shall have no responsibility for any such maintenance of records or transfer of payments by the Depository to its Participants, or by the Participants or persons acting through Participants to the Beneficial Owners.

If (a) the Depository determines not to continue to act as Depository for the Series 1993 Bonds, or (b) the City has advised the Depository and the Custodian of the City's determination that the Depository is incapable of discharging its duties, the City shall attempt to retain another qualified securities depository to replace the Depository. Upon receipt by the City or the Custodian of the Series 1993 Bonds together with an assignment duly executed by the Depository, the City shall execute and deliver to the successor depository, Series 1993 Bonds of the same principal amount, interest rate and maturity.

If the City is unable to retain a qualified successor to the Depository or the City has determined that it is in the best interest of the City not to continue the Book-Entry System of transfer or that the interest of the Beneficial Owners of the Series 1993 Bonds might be adversely affected if the Book-Entry System of transfer is continued (the City undertakes no obligation to make any investigation to determine the occurrence of any events that would permit it to make any such determination), and has made provision to so notify Beneficial Owners of the Series 1993 Bonds by mailing an appropriate notice to the Depository, upon receipt by the City of the Series 1993 Bonds together with an assignment duly executed by the Depository, the City shall execute, and cause to be authenticated and delivered pursuant to the instructions of the Depository, Series 1993 Bonds in fully registered form, in substantially the form set forth in this Series Resolution, in the denomination of $5,000 or any integral multiple thereof.

* * * * *

ARTICLE IV

ESTABLISHMENT OF FUNDS; DISPOSITION OF REVENUES; INVESTMENTS

Section 4.1. Establishment of Funds.

Effective on the occasion of the delivery of the Series 1993 Bonds and continuing for so long a time as any sum remains due and payable by way of principal of or interest on the Bonds, the following Funds shall be continued or established and maintained, and deposits shall be made therein in the manner required by this Series 1993 Bond Ordinance:

(a) Gross Revenue Fund;

(b) Operation and Maintenance Fund;

(c) Debt Service Fund to be held by the Custodian;

(d) Debt Service Reserve Fund to be held by the Custodian;

(e) Depreciation Fund;

(f) Contingent Fund; and

(g) Construction Fund (consisting of a Capitalized Interest Account and a General Account) to be held by the Custodian.

Section 4.2. Gross Revenue Fund.

The Gross Revenue Fund established by the General Bond Ordinance is hereby continued as long as the Series 1991A Bond, the Series 1991B Bond, the Series 1993 Bonds or any Additional Bonds are Outstanding. The Gross Revenue Fund shall consist of all Revenues that the CPW shall derive, directly or indirectly, from the operation of the System. An account reflecting this fund shall be maintained on the books of the CPW. All Revenues so derived shall be deposited in accordance with and in the manner prescribed by Section 4.8 hereof. Moneys in the Gross Revenue Fund shall be withdrawn by the CPW and made use of only in the manner and in the order specified in Section 4.8 hereof.

Section 4.3. Operation and Maintenance Fund.

The Operation and Maintenance Fund is intended to provide for the payment of all Expenses of Operating and Maintaining the System.

Section 4.4. Debt Service Fund.

There shall be deposited in the Debt Service Fund from the proceeds of the Series 1993 Bonds the accrued interest, if any, received upon the sale of the Series 1993 Bonds.

On or before the 20th day of each month, commencing on the 20th day of the month in which the Series 1993 Bonds are delivered, the CPW shall transfer to the Custodian for deposit in the Debt Service Fund, an amount such that (taking into account all amounts then on deposit therein and in the Capitalized Interest Account of the Construction Fund and available to pay interest on the Series 1993 Bonds), if the same amount is deposited therein on the 20th day of each succeeding month, there will be on deposit therein and in the Capitalized Interest Account of the Construction Fund and available to pay interest on the Series 1993 Bonds an amount equal to the interest payable on the Series 1993 Bonds on the succeeding Interest Payment Date. On or before the 20th day of each month, commencing on the 20th day of the month in which the Series 1993 Bonds are delivered, the CPW shall transfer to the Custodian for deposit in the Debt Service Fund, an amount such that (taking into account all amounts then on deposit therein and available to pay principal of the Series 1993 Bonds), if the same amount is deposited therein on the 20th day of each succeeding month there will be on deposit therein and in the Capitalized Interest Account of the Construction Fund and available to pay interest on the Series 1993 Bonds an amount equal to the principal of the Series 1993 Bonds payable on the succeeding December 1.

The moneys paid into the Debt Service Fund shall be held by the Custodian in trust solely for the purpose of paying the interest on and the retirement of the principal of and premium, if any, on the Series 1993 Bonds and withdrawals from such Fund shall be made by the Custodian in order to transfer such moneys to the Holder of the Series 1993 Bonds on or prior to each Interest Payment Date.

Section 4.5. Debt Service Reserve Fund.

The Debt Service Reserve Fund is intended to ensure the timely payment of the principal of and interest on the Series 1993 Bonds, and to provide for the redemption of the Series 1993 Bonds prior to their stated maturity. Moneys in the Debt Service Reserve Fund shall be used for the following purposes, and for no other:

(a) To prevent a default in the payment of the principal of or interest on the Series 1993 Bonds, by reason of the fact that moneys in the Debt Service Fund are insufficient for such purposes.

(b) To pay for the principal of and interest on the Series 1993 Bonds in the event that all installments on the Series 1993 Bonds be redeemed as a whole.

There shall be deposited in the Debt Service Reserve Fund from the proceeds of the Series 1993 Bonds an amount equal to the Reserve Fund Requirement.

If on the Business Day prior to any Interest Payment Date the amount on deposit in the Debt Service Fund is less than the amount of the principal of and interest on the Series 1993 Bonds due on such Interest Payment Date, the Custodian shall transfer to the Debt Service Fund from the Debt Service Reserve Fund the amount of such deficiency.

Investments of amounts on deposit in the Debt Service Reserve Fund shall be valued by the Custodian on the first day of each calendar quarter at the fair market value thereof. The Custodian shall notify the CPW in writing of the value of such investments within one (1) Business Day after each such valuation.

If at any time the amount on deposit in the Debt Service Reserve Fund is less than the Reserve Fund Requirement, the Custodian shall notify the CPW in writing of the existence and the amount of such deficiency within one Business Day after the occurrence of the withdrawal causing such deficiency or the valuation indicating such deficiency, as the case may be. Upon being notified of a deficiency in the Debt Service Reserve Fund the CPW shall immediately transfer to the Custodian for deposit in the Debt Service Reserve Fund the amount of such deficiency.

If at any time, the amount on deposit in the Debt Service Reserve Fund is determined to exceed the Reserve Fund Requirement, such excess shall be immediately transferred to the Debt Service Fund, and prior to such transfer such excess shall not be invested at a yield in excess of the yield on the Series 1993 Bonds.

Section 4.6. Depreciation Fund.

The Depreciation Fund is intended to build up a reasonable reserve for depreciation of the System. Moneys in this fund shall be used solely for the purpose of restoring depreciated or obsolete items of the System.

Section 4.7. Contingent Fund.

The Contingent Fund is intended to build up a reasonable reserve for improvements, betterments and extensions to the System, other than the expenses which are reasonably necessary to maintain the System in good repair and working order, and to defray the cost of unforeseen contingencies. Moneys in the Depreciation Fund and

in the Contingent Fund may also be used in order to effect the optional redemption of the Series 1993 Bonds.

Section 4.8. Disposition of Revenues.

So long as any Bonds are Outstanding, the moneys in the Gross Revenue Fund shall be applied at the times, in the amounts and for the purposes as provided or permitted by the General Bond Ordinance and this Series 1993 Bond Ordinance, and in the following order of priority:

(1) There shall be deposited each month into the Operation and Maintenance Fund that sum which has been currently determined by the CPW to be the Expenses of Operating and Maintaining the System for the ensuing month.

(2) There shall be set apart the sums needed to discharge the City's obligations with respect to the Series 1991A Bond, the Series 1991B Bond and, concurrently therewith,

(a) The monthly fraction as prescribed by Section 4.4 hereof of the next payment of principal and interest to become due on the Series 1993 Bonds shall be deposited in the Debt Service Fund, plus such further sum, if any, as the City may determine shall be deposited in the Debt Service Reserve Fund established for the Series 1993 Bonds, provided, withdrawals shall also be made in accordance with the provisions of Section 4.5 hereof;

(b) If, in any month, for any reason, the City shall fail to pay all or any part of the money it has herein agreed to pay into the Debt Service Fund or Debt Service Reserve Fund the amount of any such deficiency shall be added to and shall become a part of the amount due and payable into the Debt Service Fund or Debt Service Reserve Fund, in the succeeding month.

(3) There shall be deposited each month into the Depreciation Fund that sum which is one-twelfth (1/12th) of the sum determined by the CPW to be needed for the Depreciation Fund for the then current Fiscal Year; provided that the CPW shall deposit not less than $5,000 therein each month until the balance shall exceed $150,000.

(4) There shall be deposited each month into the Contingent Fund that sum which is one-twelfth (1/12th) of the sum determined by the CPW to be needed for the Contingent Fund for the then current Fiscal Year.

(5) Any Revenues remaining at the end of each Fiscal Year after the foregoing deposits have been made shall be disposed of as the CPW shall determine to be in the interest of the System.

Section 4.9. Construction Fund.

The moneys on deposit in the Construction Fund shall be used and applied to the payment of the cost of the Project and to pay all costs incidental to the issuance and sale of the Series 1993 Bonds, including without limiting the generality of the foregoing, the cost of engineering, legal, financial and accounting expenses, cost of printing and of preparing and issuing the Series 1993 Bonds, and all other items or expenses incidental thereto.

There shall be deposited in the General Account of the Construction Fund the amount remaining from the proceeds of the Series 1993 Bonds after the deposits to the Debt Service Reserve Fund, the Debt Service Fund have been made. On or prior to the tenth (10th) day of each month, the Custodian shall notify the Holder in writing of the dates and amounts of all disbursements from the General Account of the Construction Fund during the preceding calendar month.

Withdrawals from the Construction Fund shall be made by written authorization of the Chairman of the CPW or designee, provided, not more than two (2) withdrawals may be made each month. The CPW hereby authorizes the Custodian to disburse the moneys in the Construction Fund and to pay out the same to the persons entitled thereto in accordance with instructions of the CPW in the form referred to below, only for the purposes set forth herein.

Payments from the General Account of the Construction Fund shall be made by the Custodian only upon receipt of the certificate below described:

A requisition signed by the Chairman of the CPW stating, with respect to each payment:

(i) the amount to be paid;

(ii) the nature and purpose of the obligation for which such payment is requested;

(iii) the person, firm or corporation to whom such obligation is owed or to whom a reimbursable advance has been made;

(iv) that such obligation has been properly incurred and is a proper charge against the Construction Fund and has not been the basis of any previous withdrawal;

(v) that the CPW has not received notice of any mechanic's, materialmen's or other liens or right to liens or other obligations (other than those being contested in good faith) which should be satisfied or discharged before payment of such obligation is made; and

(vi) That such payment does not include any amount which is then entitled to be retained under any holdbacks or retainages provided for in any agreement.

With respect to any such requisition for payment for work, materials or supplies, a certificate signed by the Chairman of CPW certifying that such obligation was incurred for work, material or supplies in connection with the acquisition, construction or installation of the Project and that such work was actually performed in a satisfactory manner and such materials or supplies were actually used in or for such acquisition, construction or installation or delivered to the Project for that purpose in accordance with the approved plans and specifications.

In making any such payment from the Construction Fund the Custodian may rely on such directions, requisitions and certifications delivered to it pursuant to this Section and the Custodian shall not have any liability with respect to making such payments in accordance with such directions, requisitions and certifications for any liability with respect to the proper application thereof by the CPW.

If after the payment in full of all costs of the Project or after adequate provision has been made for such payment any moneys remain in the Construction Fund, such excess shall be paid into the Debt Service Fund and shall be used only for the payment of the principal of and interest on the Series 1993 Bonds.

Section 4.10. Investments.

Amounts on deposit in the Debt Service Fund, the Debt Service Reserve Fund and the Construction Fund shall be invested by the Custodian at the direction of the CPW in Permitted Investments.

At any time that the amount on deposit in the Debt Service Reserve Fund is less than the Reserve Fund Requirement, any earnings on the investment of amounts on deposit in the Debt Service Reserve Fund shall be credited to the Debt Service Reserve Fund and at all other times such earnings shall be credited to the Debt Service Fund. Any earnings on the investments of amounts on deposit in the Debt Service Fund shall be credited to the Debt Service Fund. Any earnings on investments of amounts on deposit in the Capitalized Interest Account of the Construction Fund shall remain in the Capitalized Interest account of the Construction Fund. Any earnings on investments of amounts on deposit in the General Account of the Construction Fund shall be credited to the General Account of the Construction Fund. Any losses resulting from the investment of amounts on deposit in the Debt Service Reserve Fund, the Debt Service Fund and the Construction Fund shall be charged to the fund or account from which such investments are made.

Section 4.11. Custodian's Right to Rely.

The Custodian may conclusively rely upon any investment directions given by the CPW within the limitations set forth herein and shall not be liable or responsible for (a) any diminution in the value of any investments made pursuant to Section 4.10 or for any loss arising from any sale or other disposition thereof or (b) for any violation of any statute or of any other policy or rules or regulations of the Internal Revenue Service with respect to "arbitrage bonds".

Section 4.12. Payment of Expenses.

The CPW shall pay, from time to time upon request, the obligations, costs and expenses incurred by the Custodian in connection with the Series 1993 Bonds.

Section 4.13. Valuation.

(a) Except as provided in Section 4.5 hereof, for the purpose of determining the amount on deposit in any Fund or account, Permitted Investments in which money in such Fund or account is invested shall be valued at the market value of such obligations.

(b) Except as provided in Section 4.5 hereof, the Custodian shall value the Permitted Investments in the Funds and accounts established under this Series 1993 Bond Ordinance on each December 31 and June 30, provided, the Debt Service Reserve Fund shall be valued on the first day of each calendar quarter. In addition, the Permitted Investments shall be valued by the Custodian at any time requested by the CPW on reasonable notice to the Custodian (which period of notice may be waived or reduced by the Custodian); provided, however, that the Custodian shall not be required to value the Permitted Investments more than once in any calendar quarter.

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ARTICLE V

ADDITIONAL BONDS

Section 5.1. Issuance of Additional Bonds.

The City specifically reserves the right to issue Additional Bonds in such amount as it from time to time shall deem necessary and which, if issued in accordance with the provisions hereof, shall be on a parity with the Series 1991A Bond, the Series 1991B Bond, and the Series 1993 Bonds. Such right to issue Additional Bonds shall be conditioned upon full observance of all of the following provisions of this Article:

(a) Such Additional Bonds shall be issued to obtain funds to defray the cost of improving, extending, enlarging or repairing the System or any system into which the System may be combined, or to obtain funds to refund any bonds having any claim to the Revenues of the System;

(b) There shall exist, at the time of the issuance of the Additional Bonds, no default in the payment of the principal and interest of the Series 1991A Bond, the Series 1991B Bond and the Series 1993 Bonds or any Additional Bonds then Outstanding, and, if default in the payment of interest or principal of the Series 1991A Bond, the Series 1991B Bond, and the Series 1993 Bonds or any Additional Bonds then Outstanding shall have occurred such default shall have been remedied at least six (6) months prior thereto;

(c) There is then on deposit in the Debt Service Reserve Fund an amount equal to the Reserve Fund Requirement and in any analogous fund established for any Additional Bonds then Outstanding an amount equal to the sums which would have been deposited therein if each payment required to be deposited in such fund had been paid;

(d) There shall be established by the ordinance authorizing each issue of Additional Bonds a debt service fund for the benefit of such Additional Bonds, which shall operate in a manner similar to the Debt Service Fund;

(e) There shall be established by the ordinance authorizing each issue of Additional Bonds, a debt service reserve fund substantially proportionate in amount and of like nature to the Debt Service Reserve Fund established for the Series 1993 Bonds;

(f) Except in the case of Additional Bonds issued for the purpose of refunding any Bonds, the earnings tests of Section 3.3(D) of the General Bond Ordinance and Section 5.1(f) of Ordinance 1991-26 shall be established as therein provided.

More specifically, and as required by the General Bond Ordinance, Net Revenues of the System (established and adjusted as therein provided) for any consecutive twelve (12) month period out of the last twenty-four (24) month period (the "Test Period") are 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.

In addition, and as required by Section 5.1(f) of Ordinance 1991-26:

(i) The net earnings of the System (which are hereby defined as gross Revenues less the Expenses of Operating and Maintaining the System) for the Fiscal Year immediately preceding the Fiscal Year in which Additional Bonds are to be issued or for any twelve (12) consecutive month period ending not more than 180 days prior to the enactment of the supplemental ordinance authorizing such Additional Bonds (the "Test Period"), adjusted to reflect any rate increases currently adopted and to be in effect prior to or coincident with the issuance of such Additional Bonds, and determined pro forma as though such rate increases had been in continuous effect during such Test Period, shall be not less than one hundred twenty percent (120%) of the combined principal and interest requirements of the current Fiscal Year for all Bonds and Additional Bonds then Outstanding immediately prior to the proposed issuance;

(ii) For each of the five (5) Fiscal Years following the later of the date of the delivery of such Additional Bonds or the period (if any) for which interest is funded from the proceeds of such Additional Bonds, net earnings, as shall have been forecasted by the Consulting Engineer, will be not less than one hundred twenty percent (120%) of the combined principal and interest requirements on all Series 1991A Bond, the Series 1991B Bond, the Series 1993 Bonds and Additional Bonds then proposed to be outstanding in each of such five (5) Fiscal Years; and

(iii) For the purpose of this paragraph (f), in determining "net earnings" the principal of and interest on long term indebtedness and depreciation shall not be taken into account. Both the City and any Holder shall be entitled to rely upon the forecast of the Consulting Engineer made in good faith as to the net earnings of the System, which are based upon historical net earnings certified by the Consulting Engineer.

(g) In the case of Additional Bonds issued for the purpose of refunding any Bonds either:

(i) The combined principal and interest requirements of the refunding Additional Bonds in each succeeding Fiscal Year shall not exceed the annual combined principal and interest requirements

of the refunded bonds in such Fiscal Year until a time subsequent to the last maturity of Bonds then Outstanding and which remain Outstanding following the issuance of such Additional Bonds; or

(ii) The City shall comply with the earnings test prescribed by both subparagraphs (i) and (ii) of paragraph (f) above.

(h) The City covenants and agrees to cause the maximum amounts of the Contingent Fund and the Depreciation Fund to be increased in the proportion that the Additional Bonds then to be issued shall bear to the Series 1993 Bonds; and

(i) The City covenants and agrees that if, under the proceedings authorizing the Additional Bonds, it shall be permitted to optionally redeem bonds of such issue of Additional Bonds, all amounts applied for the optional redemption will be applied to the redemption of the Series 1993 Bonds and to each series of Additional Bonds pro rata based on the proportion of the original principal amount of bonds of each such issue then Outstanding; provided, however, that the City shall at all times have the right, the provisions of this paragraph notwithstanding, to redeem bonds of any issue which may be called without the payment of a redemption premium.

Section 5.2. Junior Bonds.

While the Series 1991A Bond, the Series 1991B Bond, the Series 1993 Bonds or any Additional Bonds are outstanding, the City may at any time issue Junior Bonds, in such amounts as it may from time to time determine, payable from the Revenues of the System, provided that the pledge of Revenues and any lien upon the System granted for the payment of such Junior Bonds shall at all times be subordinate and inferior to the pledge of the Revenues and the lien upon the System securing the payment of the Series 1991A Bond, the Series 1991B Bond, the Series 1993 Bonds and any Additional Bonds; and provided further, that the proceeds thereof are used to effect improvements, extensions or repairs to the System.

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ARTICLE VI

GENERAL COVENANTS

Section 6.1. Rates and Charges.

The City hereby covenants and agrees that it will cause CPW to establish, levy, maintain, revise when necessary and collect the rates and charges for all services furnished by the System, so that such rates and charges shall at all times be sufficient (a) to pay all Expenses of Operating and Maintaining the System and costs of replacement, renewal and repairs of the System, including such expenses as may be necessary to preserve the same in good repair and working order; (b) to establish all reserves required by the Act; (c) to produce at least 125% of the annual principal and interest requirements on the Series 1991A Bond, the Series 1991B Bond, the Series 1993 Bonds, and any Additional Bonds; (d) to create the required reserves therefor and to meet any further obligations of the CPW which are charges, liens, or encumbrances upon the Revenues of the System; and (e) to comply in all respects with the terms of this Series 1993 Bond Ordinance.

In the event of a deficiency in Revenues available to meet the approved budget in any period, the City covenants and agrees that CPW shall revise the schedule of rates and charges for all services furnished by the System in an amount necessary to fund such deficiency, unless the Holders of all Bonds then Outstanding waive such requirement. The ability of Revenues of the System to meet the budget shall be evaluated by the CPW at least quarterly and action required by this paragraph shall be taken within sixty (60) days after the end of the fiscal quarter when any deficit occurs.

Section 6.2. Covenants of City.

The City covenants and agrees for itself and for the CPW, as follows:

(a) Neither the System, nor any part thereof, nor any of the Revenues derived from the System, have been or will be hypothecated or mortgaged or otherwise pledged or encumbered except as contemplated herein;

(b) So long as the Bonds are Outstanding, CPW will not sell, pledge, mortgage, hypothecate, lease or dispose of the System (except that CPW may dispose of obsolete equipment, provided that the proceeds thereof shall be deposited in the Gross Revenue Fund), or any part thereof, or any Revenues therefrom, except in the manner authorized by the provisions of this Series 1993 Bond Ordinance;

(c) CPW will maintain, preserve and keep the System in good repair and working order, and will from time to time, when necessary, make or cause to be made all necessary and proper repairs and replacements, and the business operations of the System shall be conducted in a manner consistent with prudent management, and CPW will, in every respect, perform and comply with any applicable federal, state and local laws and regulations;

(d) CPW will conduct the operation of the System in an economical and efficient manner, and it will receive and consider all recommendations made to it by the administrative officers in control of the System which are designed to ensure prudent and economical operation;

(e) CPW will permit no free service to be rendered or use to be made of the services and facilities of the System, and for the services and facilities of the System used by the City, or by any agency thereof the reasonable cost and value of such services and facilities shall be paid as such services or facilities accrue. The Revenues so received shall be deemed to be Revenues derived from the operation of the System, and shall be accounted for in the same manner as other Revenues from the System;

(f) (i) So long as any Bonds are Outstanding, CPW will at all times keep the properties of the System insured against all hazards customarily insured against by municipal corporations engaged in similar endeavors, to the full insurable value thereof, with a responsible insurance or bonding company or companies authorized and qualified under the laws of the State of South Carolina to assume such risks, and it will pay the cost of such fidelity bonds and such insurance from the funds maintained to pay Expenses of Operating and Maintaining the System.

(ii) All sums received by the CPW from insurance policies may, to the extent necessary, be applied to the repair and replacement of the damaged or destroyed property, but, in the event that such moneys are not used for such purposes, then the same shall be deposited in and become a part of the Gross Revenue Fund.

(iii) All insurance policies shall be open to inspection by the Holders at all reasonable times.

(g) It will cause CPW to permit, at all reasonable times, so long as the Bonds are Outstanding, the Holders to inspect the System and all records and accounts thereof;

(h) It will cause CPW to dispose of all moneys received from the operation of the System in the manner required by this Series 1993 Bond Ordinance;

(i) It will cause CPW to perform all duties with reference to the System required by the Constitution and statutes of the State of South Carolina, local laws and ordinances, federal laws, rules, regulations or requirements in connection with the acquisition, construction and operation of the System, and the provisions of this Series 1993 Bond Ordinance including obtaining any required permits issued by local, State or federal bodies;

(j) It will refrain from claiming or taking the benefit or advantage in any manner whatsoever of any stay or extension law whenever enacted or at any time hereafter in force which may affect in any way the duties of the City in relation to the Bonds, or the lien thereof, or the performance of the covenants of this Series 1993 Bond Ordinance;

(k) It will take or cause to be taken all action, as may be necessary or lawful, to perfect liens on premises served by the System for the amount of all delinquent rates and charges attributable thereto;

(l) It will, to the full extent permitted by law, cause CPW to discontinue the services and facilities of the System to all delinquent users of services of the System and will not restore the services of the System until all delinquent charges for the services of the System have been fully paid;

(m) It will not provide or consent to the provision of any services which would compete with the System;

(n) To the extent authorized by the laws of the State of South Carolina, prospective users of the System shall be required to connect thereto;

(o) It will preserve and protect the security for the Bonds and the rights of the Holders thereof and warrant and defend such rights against all claims and demands of all persons whomsoever;

(p) It will pay and discharge, or cause to be paid or discharged, any and all lawful claims for labor, materials and supplies which, if unpaid, might by law become a lien or charge upon the Revenues or any part thereof prior or superior to the lien of the Bonds or which might impair the security of the Bonds in order to preserve and protect fully the priority and security for the Bonds; and

(q) It will hold, or cause to be held, in trust the Revenues pledged to the payment of the Bonds for the benefit of the Holders of the Bonds and apply such Revenues only as provided by this Series 1993 Bond Ordinance.

Section 6.3. Records of System; Audit.

The City covenants and agrees:

(a) That it will keep or cause to be kept 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, all Revenues derived therefrom, directly or indirectly, and all expenditures which may be made of the Revenues of the System. Such records shall be kept in such fashion as to show:

(i) the number of consumers who may from time to time make use of the System;

(ii) the Revenues derived from the System, segregated into appropriate classifications;

(iii) the Expenses of Operating and Maintaining the System, separated so that expenses for labor, material, and other classifications shall be shown in accordance with generally accepted accounting principles;

(iv) the expenditures made for improvements and enlargements to the System;

(v) the expenditures made to restore depreciated property constituting a part of the System; and

(vi) the rate schedule that may from time to time be in force.

(b) That the Council shall cause the CPW to annually adopt a detailed budget of the estimated expenditures for the operation and maintenance of the System during the succeeding Fiscal Year.

(c) That as soon after the close of each Fiscal Year as possible, it will cause to be made by an independent firm of certified public accountants, of suitable experience and responsibility, to be chosen by the CPW, an audit of the records, books, and accounts pertaining to the System, and to furnish a copy of such audit to the Holders.

(d) That, not later than three (3) months after the close of each Fiscal Year, it will cause to be prepared a balance sheet and an income statement showing, in reasonable detail, the financial condition of the System at the close of such preceding Fiscal Year and the financial operations thereof during such Fiscal Year. The balance sheets and income statement will at all reasonable times

during usual business hours be open to examination and inspection by the Holders, any taxpayer of the City, user of the services furnished by the System, or anyone acting for or on behalf of such persons.

Section 6.4. Tax Exemption of Series 1993 Bonds.

As prescribed by Section 12-1-60 of the Code of Laws of South Carolina, 1976, as amended, the Series 1993 Bonds and the interest thereon shall be exempt from all state, county, municipal, school district and all other taxes or assessments of the State of South Carolina, 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 of the Series 1993 Bonds.

Section 6.5. Tax Matters

The City covenants and agrees as follows:

(a) It will not take any action which will, or fail to take any action which failure will, (i) cause interest on the Series 1993 Bonds to become includable in the gross income of the Holders thereof for federal income tax purposes or (ii) cause interest on the Series 1993 Bonds to become an item of tax preference for purposes of the alternative minimum tax.

(b) All property provided by the net proceeds of the Series 1993 Bonds will be owned by or on behalf of the City in accordance with the rules governing the ownership of property for federal income tax purposes.

(c) Work on the construction and equipping of the Project will proceed with due diligence to completion, which is reasonably expected to occur prior to the date that is three (3) years from the date of delivery of the Series 1993 Bonds.

(d) Any amounts on deposit hereunder constituting gross proceeds of the Series 1993 Bonds (within the meaning of the Code) or otherwise allocated to the Series 1993 Bonds (other than amounts on deposit in the Debt Service Reserve Fund not in excess of the Reserve Fund Requirement and in the Debt Service Fund) will not be invested at a yield in excess of the yield on the Series 1993 Bonds, from and after the date that is three (3) years from the date of issuance of the Series 1993 Bonds or in the case of any amount on deposit in the Debt Service Reserve Fund in excess of the Reserve Fund Requirement from and after the date of issuance of the Series 1993 Bonds.

(e) At least 80% of the net proceeds of the Series 1993 Bonds shall be used for acquisition or construction expenditures with respect to property which is to be owned by or on behalf of the City, within the meaning of Section 148(f)(4)(B)(iv)(IV) of the Code.

(f) The City shall pay all amounts payable to the United States with respect to the Series 1993 Bonds pursuant to Section 148(f) of the Code.

(g) For each investment acquired with the gross proceeds (within the meaning of the Code) of the Series 1993 Bonds or amounts otherwise allocated to the Series 1993 Bonds, the City shall record, or cause to be recorded, its purchase date, its purchase price (reduced by broker's or dealer's commissions or other administrative expenses, which shall also be stated), its fair market value (within the meaning of the Code), accrued interest due on its purchase date, its face amount, its coupon rate, its yield, frequency of its interest payments, its disposition price, accrued interest due on its disposition date and its disposition date. The City shall also record, or cause to be recorded, the date and amount of all expenditures made with such gross proceeds of the Series 1993 Bonds or amounts otherwise allocated thereto.

(h) The City shall notify the Holder in writing of the date, amount and nature of the first disbursement from the General Account of the Construction Fund of more than a de minimis amount to pay costs of the Project. Such notice shall be given to the Holder within five (5) days of the date of such disbursement. The City expects to request such a disbursement within six (6) months from the date of issuance of the Series 1993 Bonds.

(i) The City shall engage an accountant or counsel experienced in matters relating to compliance with Section 148 of the Code to calculate the amounts payable from time to time by the City to the United States with respect to the Series 1993 Bonds under Section 148(f) of the Code.

(j) The City expects to spend or cause to be spent all of the amounts deposited in the Construction Fund, together with all earnings on such amounts, and all earnings from other funds or accounts deposited therein within three (3) years from the date on which the Series 1993 Bonds are issued.

Section 6.6. Condition of City's Obligation; Payment of Principal and Interest.

Each and every covenant herein made, including all covenants made in the various sections of this Article VI, is predicated upon the condition that any obligation for the payment of money incurred by the City shall not create a pecuniary liability of the City or a charge upon its general credit or taxing power, but shall be payable solely from the Revenues which are required to be set apart and transferred to the Debt Service Fund, which Revenues are hereby specifically pledged to the payment thereof in the manner and to the extent in this Series 1993 Bond Ordinance specified and nothing in the Series 1993 Bonds or in this Series 1993 Bond Ordinance shall be considered as pledging any other funds or assets of the City.

The Series 1993 Bonds, together with interest thereon, shall be a limited obligation of the City, payable from the Debt Service Fund and other Funds pledged herein and shall be a valid claim of the respective Holders thereof only against such Funds and the Revenues, which Revenues are hereby pledged and assigned for the equal and ratable payment of the Series 1993 Bonds and shall be used for no other purposes than to pay the principal of and interest on the Series 1993 Bonds, except as may be otherwise expressly authorized in this Series 1993 Bond Ordinance. The Series 1993 Bonds do not now and shall never constitute an indebtedness of the City within the meaning of any state constitutional provision or statutory limitation (other than Article X, Section 14, Paragraph 10 of the South Carolina Constitution authorizing the obligations of political subdivisions payable solely from special sources not involving revenue from any tax or license), and shall never constitute nor give rise to a pecuniary liability of the City or a charge against the general credit or taxing powers of the City.

Section 6.7. Performance of Covenants; Authority of the City.

The City covenants that it will faithfully perform or cause to be performed at all times any and all covenants, undertakings, stipulations and provisions contained in this Series 1993 Bond Ordinance, in the Series 1993 Bonds and in all proceedings pertaining thereto. The City covenants that it is duly authorized under the Constitution and laws of the State of South Carolina, to issue the Series 1993 Bonds authorized hereby, to enact this Series 1993 Bond Ordinance, and to pledge the Revenues hereby pledged in the manner and to the extent herein set forth; that all action on its part for the issuance of the Series 1993 Bonds and the enactment of this Series 1993 Bond Ordinance has been duly and effectively taken, and that the Series 1993 Bonds in the hands of

the Holders thereof is and will be a valid and enforceable obligation of the City according to the import thereof.

Section 6.8. Instruments of Further Assurance.

The City covenants that it will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged and delivered, such ordinances supplemental hereto and such further acts, instruments, and transfers as the Holders may reasonably require for the better assuring, transferring, conveying, pledging, assigning, and confirming to the Holders the Revenues pledged hereby to the payment of the principal of and interest on the Bonds.

* * * *

ARTICLE VII

CUSTODIANS

Section 7.1. Appointment of Custodian.

The City appoints First Union National Bank of South Carolina, which is duly qualified to do business in South Carolina, and whose deposits are insured by the Federal Deposit Insurance Corporation, satisfactory to the City, as Custodian of the Debt Service Fund, the Debt Service Reserve Fund and the Construction Fund established by this Series 1993 Bond Ordinance. All funds held by the Custodian shall be impressed with a trust for the benefit of the persons entitled thereto as provided by the Act and the provisions of this Series 1993 Bond Ordinance. At the time such deposits are made, instructions shall be given requiring compliance with the provisions of this Series 1993 Bond Ordinance.

Section 7.2. Qualifications of Custodians; Acceptance by Custodian.

Each Custodian (or commercial bank affiliate of the Custodian) to be appointed hereunder shall, on the occasion of its appointment, be a member of the Federal Deposit Insurance Corporation and shall remain such a member throughout the period during which it shall act as such Custodian. Each Custodian (or commercial bank affiliate of the Custodian) shall accept its appointment by a written instrument embodying its agreement to remain a member of the Federal Deposit Insurance Corporation.

Section 7.3. Custodians Protected in Relying Upon Resolutions, Etc.

All the Custodians shall at all times be protected in acting upon any notice, ordinance, resolution, request, consent, order, certificate, statement, opinion, bond, coupon or other paper or document believed to be genuine and to have been signed by the proper party or parties. No Custodian shall be under any obligation to perform any act which would involve it in expense, or to institute any suit, or defend the same, 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 gross negligence or default.

Section 7.4. Appointment of Successor Custodians.

Should any Custodian (or commercial bank affiliate of the Custodian) resign, become incapable of acting, or fail to remain a member of the Federal Deposit Insurance Corporation, the City shall

appoint a successor Custodian. Immediately following such appointment, the City shall give written notice of such appointment to the Holders of the Series 1993 Bonds.

* * * * *

ARTICLE VIII

DEFAULTS AND REMEDIES

Section 8.1. Events of Default.

Each of the following events shall constitute an Event of Default hereunder:

(a) Default in the due and punctual payment of any interest on any Bond; or

(b) Default in the due and punctual payment of the principal of or premium, if any, on any Bond whether at the stated maturity thereof, upon proceedings for redemption thereof or upon the maturity thereof by declaration; or

(c) Subject to the provisions of the last paragraph in Section 8.2, default in the performance or observance of any of the covenants, agreements or conditions on the part of the City or the CPW contained in this Series 1993 Bond Ordinance or in the Bonds other than as described in (a) or (b) above; or

(d) Subject to the provisions of the last paragraph of Section 8.2, any warranty, representation or other statement by or on behalf of the City contained in this Series 1993 Bond Ordinance or in any instrument furnished in compliance with or in reference to this Series 1993 Bond Ordinance is false or misleading, when made, in any material respect; or

(e) A petition is filed against the City or the CPW under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction whether now or hereafter in effect and is not dismissed within sixty (60) days after such filing; or

(f) The City or the CPW files a petition in voluntary bankruptcy or seeking relief under any provisions of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction whether now or hereafter in effect, or consents to the filing of any petition against it under such law; or

(g) The City or the CPW is generally not paying its debts as such debts become due, or becomes insolvent or bankrupt or makes an assignment for the benefit of creditors, or a liquidator or trustee of the City or the CPW or any of its property is appointed by court order or takes possession and such order remains in effect or such possession continues for more than sixty (60) days; or

(h) The City, for any reason, shall be rendered incapable of fulfilling its obligations under this Series 1993 Bond Ordinance.

Section 8.2. Remedies.

Upon the occurrence of an Event of Default, the Custodian may, and upon the written request of the Holders of not less than twenty-five percent (25%) in aggregate principal amount of Series 1993 Bonds then Outstanding shall, by notice in writing delivered to the City, declare the principal of all Series 1993 Bonds then Outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable.

Upon the occurrence of an Event of Default, the Custodian shall have the power to proceed with any right or remedy granted by the Constitution and laws of the State, as it may deem best, including any suit, action or special proceeding in equity or at law, for the specific performance of any covenant or agreement contained herein or for the enforcement of any proper legal or equitable remedy as the Custodian shall deem most effectual to protect the rights aforesaid, insofar as such may be authorized by law. The rights herein specified are to be in addition to all other available rights, remedies or powers and shall not exclude any such rights, remedies or powers.

Anything herein to the contrary notwithstanding, the Holders of a majority in aggregate principal amount of Series 1993 Bonds then Outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Custodian, to direct the exercise of remedies and the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions hereof.

The Custodian shall waive any Event of Default hereunder and its consequences and rescind any declaration of maturity of principal of, premium, if any, and interest on the Bonds upon the written request of the Holders of a majority in aggregate principal amount of all Series 1993 Bonds then Outstanding; provided, however, that there shall not be waived any Event of Default pursuant to Section 8.1(a) or (b), unless prior to such waiver or rescission, all arrears of interest, with interest at the rate borne by the Series 1993 Bonds on overdue installments of interest, and all arrears of payments of principal then due (whether at the stated maturity thereof or upon proceedings for redemption) with interest at the rate borne by the Series 1993 Bonds on such arrears, and all expenses of the Custodian in connection with such Event of Default shall have been paid or provided for, and in case of any such waiver or rescission, or in case any proceeding taken by the Custodian on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in

every such case the City, the Custodian and the Holders shall be restored to their former positions and rights hereunder respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default or impair any right consequent thereon.

No Event of Default under Section 8.1(c) or (d) shall exist until actual notice of the occurrence of an event described in Section 8.1(c) or (d) shall be given by registered or certified mail by the Custodian or by the Holders of not less than twenty-five percent (25%) of the aggregate principal amount of Series 1993 Bonds then Outstanding to the City and the City shall have had sixty (60) days after receipt of such notice to correct such occurrence or cause such occurrence to be corrected, and shall not have corrected such occurrence or caused such occurrence to be corrected within such period; provided, however, if such occurrence be such that it cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted by or on behalf of the City within the applicable period and is diligently pursued and such occurrence is corrected within ninety (90) days after the notice described above has been given.

Section 8.3. Application of Moneys. All moneys received by the Custodian pursuant to any right given or action taken under the provisions of this Article VIII shall, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses, liabilities, legal fees and advances incurred or made by the Custodian, be applied as follows:

(i) Unless the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied:

First--To the payment of the Holders entitled thereto of all installments of interest then due on the Bonds, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Holders entitled thereto, without any discrimination or privilege; and

Second--To the payment of the Holders entitled thereto of the unpaid principal of and premium, if any, on any of the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Series 1993 Bond Ordinance), with interest on such Bonds at the rate specified therein from the dates on which they became due and, if the amount available shall not be sufficient to pay in full principal of and premium, if any, on the Bonds, together with such interest, then first to the payment of such interest due on such date and then to the payment ratably, according to the amount of

the principal and premium, if any, due on such date, to the Holders entitled thereto without any discrimination or privilege.

(ii) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal, premium, if any, and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or 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, premium, if any, and interest to the Holders entitled thereto without discrimination or privilege.

* * * * *

ARTICLE IX

DEFEASANCE

Section 9.1. Defeasance. The obligations of the City under this Series 1993 Bond 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 portion of the Series 1993 Bonds and, unless or except as otherwise provided in a supplemental ordinance providing for the issuance of any Additional Bond, such Series 1993 Bonds or Additional Bond shall no longer be deemed to be Outstanding hereunder when:

(a) such Series 1993 Bonds or Additional Bond shall have been purchased by the City and surrendered to the City for cancellation or otherwise surrendered to the City and is canceled or subject to cancellation by the City; or

(b) payment of the principal of, redemption premium, if any, and interest on such Series 1993 Bonds or Additional 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 Custodian in trust and irrevocably setting 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. At such time as the Series 1993 Bonds or Additional Bonds shall no longer be deemed to be Outstanding hereunder, such Series 1993 Bonds or Additional Bond, 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 Series 1993 Bond Ordinance.

Any moneys so deposited with the Custodian 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 Custodian which is not required for the payment of the Bonds or Additional 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 Additional Bonds shall be applied to and used solely for the payment of the particular principal portion of the Series 1993 Bonds or the particular

Additional Bonds with respect to which such moneys and Government Obligations have been so set aside in trust.

* * * * *

ARTICLE X

AMENDING AND SUPPLEMENTING OF ORDINANCE

Section 10.1. Amending and Supplementing of Ordinance Without Consent of Holders of Bonds.

(a) The City, from time to time and at any time and without the consent or concurrence of any Holder of any Bonds Outstanding, may enact an ordinance amendatory hereof or supplemental hereto, (i) for the purpose of providing for the issuance of Additional Bonds pursuant to the provisions of Article V hereof or (ii), if the provisions of such supplemental ordinance shall not materially adversely affect the rights of the Holders of the Bonds then outstanding, for any one or more of the following purposes:

(i) To make any changes or corrections in the Ordinance as to which the City shall have been advised by counsel that the same are verbal corrections or changes or are required for the purpose of curing or correcting any ambiguity or defective or inconsistent provision or omission or mistake or manifest error contained in the Ordinance, or to insert in the Ordinance such provisions clarifying matters or questions arising under the Ordinance as are necessary or desirable;

(ii) To add additional covenants and agreements of the City for the purpose of further securing the payment of the Series 1993 Bonds or Additional Bonds;

(iii) To surrender any right, power or privilege reserved to or conferred upon the City by the terms of the Ordinance;

(iv) To confirm as further assurance any lien, pledge or charge or the subjection to any lien, pledge or charge, created or to be created by the provisions of the Ordinance;

(v) To grant or confer upon the Bondholders any additional right, remedies, powers, authority or security that lawfully may be granted to or conferred upon them, or to grant to or to confer upon the Holders of the Series 1993 Bonds or any Additional Bond any additional rights, duties, remedies, powers, authority or security;

(vi) To modify any of the provisions of the Ordinance in any other respects provided that such modification shall not be effective until after the Series 1993 Bonds or any Additional Bond outstanding at the time such supplemental ordinance is enacted shall cease to be Outstanding, or until the Holders of the Series 1993 Bonds consent thereto pursuant to Section 10.2 of this Article, and any Bonds issued subsequent to any such modification

shall contain a specific reference to the modifications contained in such supplemental ordinance; and

(vii) To make such additions, deletions or modifications as may be necessary to assure compliance with Section 148(f) of the Code relating to required rebate to the United States or otherwise as may be necessary to assure exemption from federal income taxation of interest on the Bonds.

(b) Except for supplemental ordinances providing for the issuance of Additional Bonds pursuant hereto, the City shall not adopt any supplemental ordinance authorized by the foregoing provisions of this Section unless in the opinion of counsel (which opinion may be combined with the opinion required by Section 10.4 of this Article) the adoption of such supplemental ordinance is permitted by the foregoing provisions of this Section and the provisions of such supplemental ordinance do not adversely affect the rights of the Holders of any Bonds then outstanding.

Section 10.2. Amending and Supplementing of Ordinance With Consent of Holders of Bonds.

(a) With the consent of the Holders of not less than a majority in principal amount of the Bonds then Outstanding, the City from time to time and at any time may enact an ordinance amendatory hereof or supplemental hereto for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, the Ordinance, or modifying or amending the rights and obligations of the City under the Ordinance, or modifying or amending in any manner the rights of the Holders of any Bonds Outstanding provided, however, that, without the specific consent of the Holder of each such Bond which would be affected thereby, no supplemental ordinance amending or supplementing the provisions hereof or thereof shall: (i) change the fixed maturity date of any Bonds or the dates for the payment of interest thereon or the terms of the redemption thereof, or reduce the principal amount of any Bonds or the rate of interest thereon or the redemption price (or the redemption premium) payable upon the redemption or prepayment thereof; (ii) reduce the aforesaid percentage of the Bonds, the Holders of which are required to consent to any supplemental ordinance amending or supplementing the provisions of the Ordinance; (iii) give to any Bonds any preference over any other Bond secured hereby; (iv) authorize the creation of any pledge of the Revenues and other moneys pledged hereunder, prior, superior or equal to the pledge of any lien and charge thereon created herein for the payment of Bonds Outstanding; or (v) deprive any Holder of Bonds of the lien on the Revenues afforded by the Ordinance. Nothing in this paragraph contained, however, shall be construed as making necessary the approval of the Holders of the Bonds of the enactment of any supplemental ordinance authorized by the provisions of Section 10.1 of this Article.

(b) It shall not be necessary that the consents of the Holders of Bonds Outstanding approve the particular form of wording of the proposed amendment or supplement or of the supplemental ordinance affecting such amending or supplementing hereof pursuant to this Section. The City shall mail a notice at least once, not more than thirty (30) days after the effective date of such amendment or supplement postage prepaid, to each Holder of Bonds Outstanding then Outstanding at his address, if any, appearing upon the Books of Registry and to the Custodian, but failure to mail copies of such notice to any of the Holders shall not affect the validity of the supplemental ordinance effecting such amendments or supplements or the consents thereto. Nothing in this paragraph contained, however, shall be construed as requiring the giving of notice of any amendment or supplement of the Ordinance authorized by Section 10.1 of this Article. No action or proceeding to set aside or invalidate such supplemental ordinance or any of the proceedings for its enactment shall be instituted or maintained unless such action or proceeding is commenced within sixty (60) days after the mailing of the notice required by this paragraph.

Section 10.3. Notation Upon Bonds; New Bonds Issued Upon Amendments.

Bonds delivered after the effective date of any action taken as provided in this Article may bear a notation as to such action, by endorsement or otherwise and in form approved by the City. In that case, upon demand of the Holder of any Bond outstanding after such effective date and upon the presentation of the Bond for such purpose at the principal office of the Clerk of the City, and at such additional offices, if any, as the City may select and designate for that purpose, a suitable notation shall be made on such Bond. If the City shall so determine, new Bonds, so modified as in the opinion of the City upon the advice of counsel to conform to the amendments or supplements made pursuant to this Article, shall be prepared, executed and delivered, and upon demand of the Holder of any Bond then Outstanding shall be exchanged without cost to such Holder for Bonds then outstanding, upon surrender of such Outstanding Bonds.

Section 10.4. Effectiveness of Supplemental Ordinance.

Upon the enactment (pursuant to this Article and applicable law) by the City of any supplemental ordinance amending or supplementing the provisions of the Ordinance and the delivery to the Custodian of an opinion of bond counsel that such supplemental ordinance is in due form and has been duly enacted in accordance with the provisions hereof and applicable law and that the provisions thereof are valid and binding upon the City, or upon such later date as may be specified in such supplemental ordinance, (a) the Ordinance and the Bonds shall be modified and amended in

accordance with such supplemental ordinance, (b) the respective rights, limitations of rights, obligations, duties and immunities under the Ordinance of the City, the Custodian, and the Holders of the Bonds shall thereafter be determined, exercised and enforced under the Ordinance subject in all respects to such modifications and amendments, and (c) all of the terms and conditions of any such supplemental ordinance shall be a part of the terms and conditions of the Bonds and of the Ordinance for any and all purposes.

Section 10.5. Ordinance Affecting Custodians.

No supplemental ordinance changing, amending or modifying any of the rights, duties and obligations of any Custodian appointed by or pursuant to the provisions of the Ordinance may be enacted by the City or be consented to by the Holders of the Bonds without written consent of such Custodian affected thereby.

* * * * *

ARTICLE XI

MISCELLANEOUS

Section 11.1. Execution of Documents.

The Mayor of the City and Clerk/Treasurer of the City are hereby authorized, empowered and directed to execute in the name of the City and under the seal of the City any and all other documents that may be required by the Purchaser as a condition precedent to the issuance of the Series 1993 Bonds by the City, and the City is hereby authorized and empowered to accept and receive the proceeds of such Series 1993 Bonds.

Section 11.2. Tenor of Obligation.

Every covenant, undertaking, and agreement made on behalf of the City set forth in the Series 1993 Bonds and in this Series 1993 Bond Ordinance is made, undertaken, and agreed to for the proper securing of the payment of the principal of and interest on the Series 1993 Bonds. Each shall be deemed to partake of the obligation of the contract between the City and the Holders, and shall be enforceable accordingly.

Section 11.3. Benefits of Ordinance Limited to the City and Holders of the Series 1993 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 Series 1993 Bonds is intended or should be construed to confer upon or give to any person other than the City and the Holders of the Series 1993 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 and the Holders from time to time of the Series 1993 Bonds as herein and therein provided.

Section 11.4. 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 Holders of the Series 1993 Bonds.

Section 11.5. No Personal Liability.

No recourse shall be had for the enforcement of any obligation, covenant, promise or agreement of the City contained in this Series 1993 Bond Ordinance or the Series 1993 Bonds, against any council 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 this Series 1993 Bond Ordinance and the Series 1993 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 or the CPW, either directly or by reason of any of the obligations, covenants, promises, or agreements entered into between the City and 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 enactment of this Series 1993 Bond Ordinance and the execution of the Series 1993 Bonds, and as a condition of, and as a part of the consideration for, the enactment of this Series 1993 Bond Ordinance and the execution of the Series 1993 Bonds, expressly waived and released. The immunity of members, officers and employees of the City and the CPW under the provisions contained in this Section 11.5 shall survive the completion of the Project and the termination of the Ordinance.

Section 11.6. Effect of Saturdays, Sundays and Legal Holidays.

Whenever the Ordinance requires any action to be taken on a day that is not a Business Day, such action shall be taken on the first Business Day occurring thereafter.

Section 11.7. 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 11.8 Effect of Article and Section Headings and Table of Contents.

The heading 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 11.9. Savings Provision.

If any section, paragraph, clause or provision of this Series 1993 Bond Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of the Ordinance.

Section 11.10. Repealing Clause.

All resolutions, ordinances, or parts thereof inconsistent herewith shall be, and the same are hereby, repealed to the extent of such inconsistencies.

Section 11.11. Effective Date.

This Series 1993 Bond Ordinance shall be effective without the necessity of any publication upon the date on which it receives second reading.

Section 11.12. Codification.

This Series 1993 Bond Ordinance shall be forthwith codified in the Code of Ordinances in the manner required by law and shall be indexed under the general heading "$7,100,000 Water and Sewer System Revenue Bond, Series 1993."

Section 11.13. Designation as Qualified Tax Exempt Obligation.

The City hereby designates the Series 1993 Bonds as qualified tax exempt obligations for purposes of Section 265(b)(3)(B)(i)(III) of the Code.

Section 11.14. Provisions of Series 1993 Bond Ordinance Remain Paramount.

The provisions of this Series 1993 Bond Ordinance are superior to those set forth in City Code Section 4-4-8 to the extent that City Council may require the Commissioners of Public Works to establish such rates and take such actions as may be necessary to comply with this Series 1993 Bond Ordinance and the City's obligations to bondholders hereunder.

* * * *

DONE IN MEETING DULY ASSEMBLED, THIS 13TH DAY OF JULY, 1993.

CITY OF ISLE OF PALMS, SOUTH CAROLINA

_____
Mayor

(SEAL)

ATTEST:

_____
Clerk/Treasurer

APPROVED AS TO FORM:

_____
Attorney for the City

Date of First Reading: February 23, 1993

Date of Second Reading: July 13, 1993

Ratified - July 13, 1993

CHAR:2128

EXHIBIT A

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
CITY OF ISLE OF PALMS
WATER AND SEWER SYSTEM REVENUE BOND
SERIES 1993

ORIGINAL ISSUE DATE	MATURITY DATE	INTEREST RATE
July 1, 1993		

REGISTERED HOLDER: WILD DUNES UTILITIES, INC.

PRINCIPAL AMOUNT: SEVEN MILLION ONE HUNDRED THOUSAND DOLLARS ($7,100,000)

KNOW ALL MEN BY THESE PRESENTS, that THE CITY OF ISLE OF PALMS, SOUTH CAROLINA, a municipal corporation organized and existing under the laws of the State of South Carolina (the "City"), is justly indebted, and for value received, hereby promises to pay to the Registered Holder (named above), or its registered assigns, (unless this Bond be subject to redemption and shall have been duly called for previous redemption and payment of the redemption price shall be made or provided for) solely from the revenues described and pledged to the payment of this Bond, the Principal Amount shown above, and to pay interest thereon at the interest rates per annum both as stated on Schedule A attached hereto from July 1, 1993, payable on December 1, 1993, and semiannually on June 1 and December 1 of each year thereafter. The principal hereof is payable on December 1 in each of the years and in the amounts shown on Schedule A hereto. Both the principal hereof and interest hereon shall be payable in any coin or currency of the United States of America, which is at the time of payment, legal tender for the payment of public and private debts, in the manner herein provided.

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 ANY STATE CONSTITUTIONAL PROVISIONS (OTHER THAN ARTICLE X, SECTION 14, PARAGRAPH 10) OR STATUTORY LIMITATION. THE FULL FAITH, CREDIT AND TAXING POWERS OF THE CITY ARE NOT PLEDGED TO THE PAYMENT OF THIS BOND.

Principal of this Bond, when due, shall be payable on the presentation and surrender of this Bond at the principal corporate trust office of the Custodian. Interest on this Bond shall be payable to the Holder on each Interest Payment Date in accordance with the written instructions of the Holder filed with the

Custodian. This Bond shall at all times be registered as to principal and interest in the name of the Holder on the Books of Registry to be maintained in the Office of the Clerk of the City, and each transfer to be valid shall be made on the Books of Registry and similarly noted on this Bond. The Purchaser may at any time assign and transfer this Bond in the manner hereinabove noted.

Reference is hereby made to further provisions of this Bond set forth on the reverse hereof, which have the same effect as if set forth in this place.

IN WITNESS WHEREOF, the City of Isle of Palms has caused this Bond to be signed in its name by the Mayor of the City, attested by the Clerk/Treasurer of the City, under the Seal of the City to be impressed hereon, and this Bond to be dated as of the 1st day of July, 1993.

CITY OF ISLE OF PALMS, SOUTH CAROLINA

By: [Exhibit]
Mayor

(SEAL)

ATTEST:

[Exhibit]
Clerk/Treasurer

CUSTODIAN'S CERTIFICATE OF AUTHENTICATION

This Bond is the Bond described in the within-mentioned Series 1993 Bond Ordinance of the City of Isle of Palms, South Carolina.

FIRST UNION NATIONAL BANK OF SOUTH CAROLINA, Custodian

By: _____

Dated: _____

Reverse of Bond

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
CITY OF ISLE OF PALMS
WATER AND SEWER SYSTEM REVENUE BOND
SERIES 1993

This Bond is issued pursuant to Title 6, Chapter 21, Code of Laws of South Carolina 1976, as amended (the "Act"), and a Series 1993 Bond Ordinance enacted by the City Council of the City on July 13, 1993 (the "Series 1993 Bond Ordinance"), to provide funds for the cost of acquiring and constructing improvements and extensions to the water and sewer system of the City (the "System"). All capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Series 1993 Bond Ordinance.

The Series 1993 Bond Ordinance contains provisions defining terms, including the properties comprising the System; sets forth the revenues pledged for the payment of the principal of and interest on this Bond and the Bonds of other series which may hereafter be issued on a parity herewith under the Series 1993 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 Series 1993 Bond Ordinance may be altered, modified and amended; sets forth the terms and conditions upon which this Bond is issued and 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 Series 1993 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 Series 1993 Bond Ordinance. Reference is hereby made to the Series 1993 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 Series 1993 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 Series 1993 Bond Ordinance) derived by the City from the System after paying the Expenses of Operating and Maintaining the System (as defined in the Series 1993 Bond Ordinance), on a parity with the pledge and lien of the Revenues securing the Series 1991A Bond and

the Series 1991B Bond (as defined in the Series 1993 Bond Ordinance) of the City, and on a parity with any Additional Bonds (as defined in the Series 1993 Bond Ordinance) hereafter issued under the Series 1993 Bond Ordinance payable from such Revenues on a parity and equally and ratably secured therewith.

The principal portion of this Bond maturing on or after December 1, 2004, shall be subject to redemption at the option of the City, in whole on any date or in part on any Interest Payment Date (as defined in the Series 1993 Bond Ordinance), at any time on or after December 1, 2003, at the redemption prices (expressed as percentages of principal amount) set forth in the table below plus interest accrued to the redemption date.

Redemption Period (Dates Inclusive)	Redemption Prices
December 1, 2003 through November 30, 2004	102%
December 1, 2004 through November 30, 2005	101%
December 1, 2005 and thereafter	100%

Notice of such redemption shall be given at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption by registered or certified mail. Such notice shall be mailed to the address of the Registered Holder as shown on the Books of Registry. The notice shall state (i) the redemption date, (ii) the redemption price and, (iii) if less than all of the outstanding principal installments of this Bond are to be redeemed, the identification and the respective principal amounts to be redeemed. The place of redemption shall be the corporate trust office of the Custodian. Interest on the portion of this Bond so called for redemption shall cease on the redemption date fixed in such notice if sufficient funds are on deposit with the Custodian to pay the redemption price on the date so named. Coincidentally with the payment of the redemption price, the portion of this Bond so called for redemption shall be surrendered for cancellation.

In certain events, on the conditions, in the manner, and with the effect set forth in the Series 1993 Bond Ordinance, all unpaid principal installments of this Bond, together with the interest accrued thereon, may become or may be declared to be due and payable before the stated due dates hereof.

Both the principal of and interest on this Bond are payable solely from the Revenues (as defined in the Series 1993 Bond Ordinance) derived from the operation of the System. The City is not obligated to pay this Bond or the interest hereon, save and except from the Revenues derived from the operation of the System.

The City hereby covenants and agrees that its CPW will continuously operate and maintain the System and establish, levy,

maintain, revise when necessary and collect the rates and charges for all services furnished by the System, so that such rates and charges shall at all times be sufficient (1) to pay all Expenses of Operating and Maintaining the System and costs of replacement, renewal and repairs of the System, including such expenses as may be necessary to preserve the same in good repair and working order; (2) to establish all reserves required by the Act; (3) to produce at least 125% of the annual principal and interest requirements on the Series 1991A Bond and the 1991B Bond (as defined in the Series 1993 Bond Ordinance), this Bond and any Additional Bonds; (4) to create the required reserves therefor and to meet any further obligations of the City or its CPW which are charges, liens or encumbrances upon the Revenues of the System; and (5) to comply in all respects with the terms of the Series 1993 Bond Ordinance.

Pursuant to the Act, there has been created and granted to and in favor of the Holder of this Bond, a statutory lien which is hereby recognized as valid and binding on the System, with the appurtenances and extensions thereto, and the System shall remain subject to such statutory lien until the payment in full of the interest on and principal of this Bond. Upon the happening of any Event of Default (as defined in the Series 1993 Bond Ordinance, all sums then due by way of principal on this Bond may, at the option of the Holder hereof, be declared forthwith due and payable, in the manner and with the effect provided for in said Ordinance.

The principal of and interest on this Bond are exempted from any and all State, county, municipal and other taxation whatsoever under the laws of the State of South Carolina except inheritance, estate and 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 Bond exist, have happened, and have been done and performed in regular and due time, form and manner, and that the amount of this Bond does not exceed any constitutional or statutory limitation thereon; and that provision has been made for the payment of the principal of and interest on this Bond, as provided in the Series 1993 Bond Ordinance.

FORM OF ASSIGNMENT

(A form similar to this but not attached to the within Bond may also be used)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto _____ the within Bond of the _____ and hereby irrevocably constitutes and appoints _____, Attorney to transfer the same on books of the _____ with full power of substitution in the premises.

_____

Dated: _____, 19__.

DATE OF REGISTRATION	NAME OF REGISTERED HOLDER	SIGNATURE CLERK/TREASURER OF CITY

CHAR:2128

SCHEDULE OF PRINCIPAL PAYMENTS AND INTEREST RATES

Isle of Palms, South Carolina
Water and Sewer System Revenue Bonds, Series 1993

DEBT SERVICE SCHEDULE

DATE	PRINCIPAL	COUPON	INTEREST	DEBT SERVICE	FISCAL TOTAL
12/01/1993	-	-	207,083.33	207,083.33	207,083.33
6/01/1994	-	-	248,500.00	248,500.00	-
12/01/1994	175,000.00	7.00000%	248,500.00	423,500.00	672,000.00
6/01/1995	-	-	242,375.00	242,375.00	-
12/01/1995	185,000.00	7.00000%	242,375.00	427,375.00	669,750.00
6/01/1996	-	-	235,900.00	235,900.00	-
12/01/1996	200,000.00	7.00000%	235,900.00	435,900.00	671,800.00
6/01/1997	-	-	228,900.00	228,900.00	-
12/01/1997	210,000.00	7.00000%	228,900.00	438,900.00	667,800.00
6/01/1998	-	-	221,550.00	221,550.00	-
12/01/1998	225,000.00	7.00000%	221,550.00	446,550.00	668,100.00
6/01/1999	-	-	213,675.00	213,675.00	-
12/01/1999	245,000.00	7.00000%	213,675.00	458,675.00	672,350.00
6/01/2000	-	-	205,100.00	205,100.00	-
12/01/2000	260,000.00	7.00000%	205,100.00	465,100.00	670,200.00
6/01/2001	-	-	196,000.00	196,000.00	-
12/01/2001	280,000.00	7.00000%	196,000.00	476,000.00	672,000.00
6/01/2002	-	-	186,200.00	186,200.00	-
12/01/2002	300,000.00	7.00000%	186,200.00	486,200.00	672,400.00
6/01/2003	-	-	175,700.00	175,700.00	-
12/01/2003	320,000.00	7.00000%	175,700.00	495,700.00	671,400.00
6/01/2004	-	-	164,500.00	164,500.00	-
12/01/2004	340,000.00	7.00000%	164,500.00	504,500.00	669,000.00
6/01/2005	-	-	152,600.00	152,600.00	-
12/01/2005	365,000.00	7.00000%	152,600.00	517,600.00	670,200.00
6/01/2006	-	-	139,825.00	139,825.00	-
12/01/2006	390,000.00	7.00000%	139,825.00	529,825.00	669,650.00
6/01/2007	-	-	126,175.00	126,175.00	-
12/01/2007	415,000.00	7.00000%	126,175.00	541,175.00	667,350.00
6/01/2008	-	-	111,650.00	111,650.00	-
12/01/2008	445,000.00	7.00000%	111,650.00	556,650.00	668,300.00
6/01/2009	-	-	96,075.00	96,075.00	-
12/01/2009	480,000.00	7.00000%	96,075.00	576,075.00	672,150.00
6/01/2010	-	-	79,275.00	79,275.00	-
12/01/2010	510,000.00	7.00000%	79,275.00	589,275.00	668,550.00
6/01/2011	-	-	61,425.00	61,425.00	-
12/01/2011	545,000.00	7.00000%	61,425.00	606,425.00	667,850.00
6/01/2012	-	-	42,350.00	42,350.00	-
12/01/2012	585,000.00	7.00000%	42,350.00	627,350.00	669,700.00
6/01/2013	-	-	21,875.00	21,875.00	-
12/01/2013	625,000.00	7.00000%	21,875.00	646,875.00	668,750.00
TOTAL	7,100,000.00	-	6,506,383.33	13,606,383.33	13,606,383.33

Kemper Securities Group, Inc.

FILE = 10P9371
7/ 2/1993 1:10 PM

CHAR:2128

Second Reading Draft
June 22, 1993

ORDINANCE 1993-7

AN ORDINANCE TO AMEND TITLE 5, CHAPTER 4, ZONING, CITY OF ISLES OF PALMS CODE OF ORDINANCES TO ADD DEFINITIONS, MODIFY PROVISIONS FOR APPEALS AND VARIANCES, CHANGE CONDITIONAL USES TO SPECIAL EXCEPTIONS, REVISE HEARING AND AMENDMENT PROCEDURES, ADD A TABLE OF USES, REDEFINE SUBDIVISION, AMEND PLANNING COMMISSION POWERS AND DUTIES, AND MAKE OTHER MINOR CLARIFYING REVISIONS.

WHEREAS, changing conditions necessitate periodic review and update of the Zoning Ordinance;

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the Isle of Palms, South Carolina, in meeting duly assembled, that Title 5, Chapter 4, Zoning, of the Code of Ordinances is amended as follows:

1. Section 5-4-1(a) is amended to read:

(a) The provisions of this chapter are adopted and are to be construed pursuant to S.C. Code Title 6, Chapter 7, §6-7-10, et seq. (1976), as amended. Whenever there is a conflict with the provisions of any other lawful ordinance, regulation or resolution, the more restrictive shall apply.

2. Section 5-4-2 is amended by deleting the definition for "Conditional uses."

3. Section 5-4-2 is amended by adding the following definitions in alphabetical order and renumbering the entire list of definitions accordingly:

(A) Adult Uses. Sexually oriented businesses which are characterized by the exposure, depiction, or description of "specified anatomical areas," or "specified sexual activities," as defined herein, by any method, manner, or device, including but not limited to the following:

(a) A commercial establishment so characterized which regularly features persons who appear in a state of nudity, or live performances, films, motion pictures, video cassettes, slides, or other photographic reproductions;

(b) A commercial establishment so characterized which, as one of its principal business purposes, offers for sale or rental for any form of consideration any one or more of the following: books, magazines,

periodicals, printed matter, photographs, films, motion pictures, video cassettes, video reproductions, slides, or other visual representations; or instruments, devices, or paraphernalia which are designed for use in connection with "specified sexual activities," as defined herein; or

(c) A commercial establishment so characterized which offers sleeping accommodations to the public, escort services, massages, bathing, sauna, steam baths, hydrotherapy, physical culture, nude model studio, sexual encounters or other similar service.

(d) "Specified anatomical areas" means the male genitals in a state of sexual arousal and or the vulva or more intimate parts of the female genitals.

(e) "Specified sexual activities" means and includes the fondling or other erotic touching of human genitals, pubic region, buttocks, anus, or female breasts; sex acts, normal or perverted, actual or simulated, including intercourse, oral copulation, or sodomy; masturbation, actual or simulated; or excretory functions as part of or in connection with any of the foregoing activities.

(B) Drinking place. A business primarily engaged in retail sale of alcoholic beverages, beer or wine, and licensed for on-premises consumption.

(C) Eating place, restaurant. A business engaged primarily and substantially in the preparation and sale of food to customers primarily for consumption on the premises having seating for at least twenty (20) persons, including, but not limited to, an establishment known as a cafe, lunch counter, cafeteria, eating and drinking establishment, or other similar business, but shall not include a fast food eating place or a drinking place for alcoholic beverages. Any facilities for carry-out shall be clearly subordinate to the principal use of providing prepared foods for consumption on the premises.

(D) Eating place, fast food. A business engaged in the retail sale of ready to consume food or beverages for consumption on or off the premises. An eating place or restaurant shall be considered a fast food eating place if: (1) fewer that twenty (20) seats are provided for service of meals; (2) most food items are already prepared or packaged before the customer places an order; and (3) food and beverages are served primarily with disposable containers and tableware. This definition does not include a retail grocery store,

convenience store, delicatessen, or other business selling food or beverages as an accessory use or for off premises preparation and consumption.

4. Section 5-4-2 is amended by adding at the end of the definition for "Mobile home" the following:

"Mobile home" includes a unit commonly known as "house trailer" or "manufactured home" as defined by state law; it does not include a "modular" unit certified under state law.

5. Chapter 9, Article B, Board of Adjustment is amended by changing the state law reference to S.C. Code §6-7-740 (1976), and by adding a new sentence at the beginning of Section 1-9-21 as follows:

There is hereby established a Zoning Board of Adjustment pursuant to S.C. Code §6-7-740 (1976) with powers and duties as therein specified.

6. Section 5-4-5 is amended to read:

Sec. 5-4-5 Appeals, Variances and Special Exceptions.

(a) Appeals. Appeals to the Zoning Board of Adjustment may be taken from any order or decision of the Zoning Administrator by any person aggrieved or by any officer, department, or board of the City. Unless otherwise provided by rules of the Board, an appeal shall be made by written application setting forth the grounds and filed with the Zoning Administrator within thirty (30) days after the order or decision appealed from. The Zoning Administrator shall forthwith transmit to the Board the record upon which the action appealed from was taken. The Board shall fix a time for hearing the appeal, and give public notice thereof, and written notice to the parties in interest. Any party may appear in person or by agent or by attorney. The Board shall adopt rules of procedure for conduct of hearings. The decision of the Board shall be in writing, with findings of fact and conclusions of law separately stated, and shall be served upon the real parties in interest personally or by mail and filed as a permanent Board record.

(b) Variances. Pursuant to S.C. Code §6-7-740

(1976), as amended, the Board of Adjustment may authorize upon written application filed with the Zoning Administrator in specific cases a variance from the terms of the ordinance which is not contrary to the public interest where, owing to special condition, a literal enforcement of the provisions of the ordinance will result in unnecessary hardship, so that the spirit of the ordinance shall be observed, public safety and welfare secured, and substantial justice done.* The application shall contain information addressing each of the statutory conditions, all of which must be met. Such variance may be granted in an individual case of unnecessary hardship upon a finding by the Board that all of the following requirements are met:

(1) There are extraordinary and exceptional conditions pertaining to the particular piece of property in question because of its size, shape, or topography, and

(2) The application of the ordinance or resolution of this particular piece of property would create an unnecessary hardship, and

(3) Such conditions are peculiar to the particular piece of property involved, and

(4) Relief, if granted, would not cause substantial detriment to the public good or impair the purposes and intent of the ordinance or the comprehensive plan; provided, however, that

(5) No variance may be granted for a use of land or building or structure that is prohibited in a given district by ordinance.

In granting a variance, the Board of Adjustment may attach to it such conditions regarding the location, character, or other features of the proposed building, structure, or use as the Board may consider advisable to protect established property values in the surrounding area, or to promote the public health, safety, or general welfare.

(c) Special Exceptions. Upon written application filed with the Zoning Administrator, the Board of Adjustment may grant as a special exception any use specified as a special exception in the district regulations. In addition to the conditions required by district regulations, the Board shall apply the

*Fees set by City Council pursuant to Sec. 5-4-82 must be paid by the applicant at the time fo submission of an application for a variance.

following standards in granting special exceptions:

(1) Adequate provision shall be made for setbacks, fences, buffer or planting strips to protect adjacent properties from adverse impact of the proposed use, such as noise, vibration, dust, glare, odor, traffic congestion and similar factors.

(2) Vehicular traffic and pedestrian movement on adjacent roads must not be hindered or endangered.

(3) Off-street parking and loading areas and the entrances and exits for the use must be adequate in terms of location, number, design and construction to serve the use without adverse impact on adjacent properties.

(4) The proposed use must not adversely affect the level of property values, the general character or general welfare of the nearby areas.

7. Section 5-4-11(a) is amended by adding at the end thereof:

Zoning text and map amendments may be initiated by individual members of City Council, a majority of the Planning Commission, or the Zoning Administrator.

8. Section 5-4-11(b) is amended by adding at the end thereof:

The public hearing shall be conducted by City Council unless by resolution of City Council in a specific case the Planning Commission is designated as the hearing body pursuant to S.C. Code §6-7-730. The Planning Commission may attend a public hearing held by City Council.

9. Section 5-4-11 is amended by adding (c) as follows:

(c) All proposed zoning amendments shall be forwarded immediately by the Zoning Administrator to the Planning Commission for review and recommendation. The Planning Commission shall make its recommendations to City Council in writing within thirty (30) days from the date

of referral. Failure to so report shall be deemed a recommendation of approval of the amendment.

10. Section 5-4-15 is repealed. This Section number is reserved.

11. Section 5-4-16(a) is amended to read:

(a) The Zoning Administrator is authorized to issue a permit for temporary uses as follows:

12. Section 5-4-16(c) and Section 5-4-16(d) are repealed.

13. Section 5-4-22 is amended as follows:

Subsection (2) is amended by deleting:

b. customary home occupations.

The caption of Subsection (3) is amended to read:

(3) Permitted special exceptions.

Subsection (3) is amended by adding:

g. Customary home occupations meeting conditions in Section 5-4-34.

Subsection (4)d is amended to read:

d. Lot frontage: 60 feet on a public or private street; 30 feet on a public or private cul-de-sac. Vehicle access to the lot from a public or private street shall be provided within the required lot frontage.

14. Section 5-4-23 is amended as follows:

The caption of Subsection (3) is amended to read:

(3) Permitted special exceptions.

Subsection (4)d is amended to read:

d. Lot frontage: 50 feet on a public or private street; 30 feet on a public or private cul-de-sac. Vehicle access to the lot from a public or private street shall be provided within the required lot frontage.

15. Section 5-4-25 is amended as follows:

The Section is renumbered as Section 5-4-24.

Subsection (1) is amended to read:

(1) Purpose.

a. To provide for residential uses or commercial uses which operate during normal business hours and are compatible with residential neighborhoods by limiting square footage, lot coverage and hours of operation.

b. To prevent unwarranted encroachments of retail uses.

Subsection (2) is amended to read:

(2) Permitted uses. See Section 5-4-27.

Subsection (3)d is amended to read:

d. Lot frontage: 20 feet on a public or private street. Vehicle access to the lot from a public or private street shall be provided within the required lot frontage.

16. Section 5-4-26 is amended as follows:

The Section is renumbered as Section 5-4-25.

Subsection (1) is amended to read:

(1) Purpose.

a. To encourage the development of a less densely constructed, economically healthy business environment with family-oriented businesses directed primarily to island residents in buildings designed and sited to accommodate automobile and pedestrian traffic.

b. To discourage uses which are inherent generators of noise, vibration, glare, dust and odor or are offensive to the health, safety and morals of a residential, family-oriented community.

Subsection (2) is amended to read:

(2) Permitted uses. See Section 5-4-27.

Subsection (3) is deleted, and remaining subsections are renumbered consecutively.

Subsection (4)d is amended to read:

d. Lot frontage: 20 feet on a public or private street. Vehicle access to the lot from a public or private street shall be provided within the required lot frontage.

17. Section 5-4-27 is amended as follows:

The Section is renumbered as Section 5-4-26.

Subsection (1) is amended to read:

(1) Purpose.

a. To encourage the development of a densely constructed, economically healthy business environment with family-oriented businesses directed primarily to island residents and beach goers in buildings designed and sited to primarily accommodate the pedestrian traffic of the front beach commercial area..

b. To discourage uses which are inherent generators of noise, vibration, glare, dust and odor or are offensive to the health, safety and morals of a residential, family-oriented community.

Subsection (2) is amended to read:

(2) Permitted uses. See Section 5-4-27.

Subsection (3) is deleted, and remaining subsections are renumbered consecutively.

Subsection (4)b is amended to read:

b. Lot frontage: 15 feet on a public or private street. Vehicle access to the lot from a public or private street, if provided, shall be located within the required lot frontage.

18. A new Section 5-4-27 is added to read as follows:

Section 5-4-27 Table of permitted uses in commercial districts.

(1) General application. Uses permitted in the LC, GC-1, and GC-2 districts shall be as set forth in Table B-1, and as modified by special provisions, exceptions and conditions contained elsewhere herein.

a. Symbols used in Table B-1 are as follows:

a. Symbols used in Table B-1 are as follows: "x" means the indicated use is permitted. "e" means the indicated use is permitted as a special exception if granted by the Zoning Board of Adjustment pursuant to Section 5-4-5.

b. Any use not listed in Table B-1 as permitted in a district is expressly prohibited.

c. A section number following the use category in Table B-1 means that the use is allowed but must meet the requirements of the referenced section.

d. The Zoning Administrator may utilize the Standard Industrial Classification Manual (SIC) to determine the appropriate classification of land use.

(2) Adult uses. Adult uses, as defined in Section 5-4-2, are expressly prohibited within the City, except as a special exception in the GC-2 district subject to Section 5-4-5, and the following conditions: The property on which the adult use is located must be at least one thousand (1,000) feet from property on which a school, church, or park is located or property which is zoned for residential uses.

(3) Drive-through service windows. Drive-through service windows are permitted only in GC-1 as a special exception subject to Section 5-4-5 upon a finding by the Zoning Board of Adjustment that the facility provides adequate space for the stacking of vehicles based upon the number of drive-through vehicles anticipated during the peak 15-minute period, the service time involved in processing customers' orders, and the window time necessary to complete the transaction. Drive-through service window facilities, or uses thereof, existing on June 22, 1993 and located in the GC-1 district, shall not be altered or enlarged without approval of a special exception subject to Section 5-4-5 and the criteria listed within this paragraph.

(4) Hours of operation. Within the LC district, any use which conducts regular business operations between the hours of 8:00 p.m. and 7:00 a.m. is permitted only as a special exception subject to Section 5-4-5.

(5) Outdoor sale or rental. Outdoor sale or rental of personal property conducted in connection with any business is permitted in commercial districts only by special exception subject to Section 5-4-5. No sale or rental shall be conducted on beaches, public streets or public property without a permit for use of public property issued by City Council.

(6) Telephone communication, electric, gas, sanitary or other utility service facilities. Utility service facilities may be permitted as special exceptions subject to Section 5-4-5 upon a finding by the Zoning Board of Adjustment that the facilities will be adequately screened from public rights-of-way and adjacent properties by landscaping, plants, walls, screens, or fencing, or combination thereof.

(7) Eating places, fast food. Fast food eating establishments may be permitted subject to Section 5-4-5 in zoning districts indicated in Table B-1 as special exceptions.

(8) Tourist homes. Tourist homes providing no more than six (6) bedrooms for guests may be permitted within the GC-1 district as special exceptions subject to Section 5-4-5.

(9) Rooming and boarding houses. Rooming and boarding houses providing no more than six (6) bedrooms for guests may be permitted within the GC-1 district as special exceptions subject to Section 5-4-5.

(10) Parking lots. Automobile parking as an accessory use to a licensed business may be permitted as a special exception within the GC-2 district subject to Section 5-4-5 upon a finding by the Zoning Board of Adjustment that the lot on which the parking is to be provided contains at least 120 feet of frontage on a public street.

TABLE B-1

TABLE OF PERMITTED USES IN COMMERCIAL DISTRICTS

Legend: x - permitted use in the district indicated
e - special exception by Zoning Board of Adjustment

SIC code - PRINCIPAL USES	LC	GC-1	GC-2
DIVISION A. AGRICULTURE.			
7. Agriculture services.			
74. Veterinary services		e	
78. Landscape & horticulture			
781. Landscape planning	x	x	x
782. Lawn & garden services		x	
83. Ornamental shrub & tree services		x	
DIVISION C. CONSTRUCTION.			
15. Building construction - general contractors & operative builders			
151. Office only		x	
17. Construction - special trade contractors			
171. Office only		x	
DIVISION E. TRANSPORTATION, COMMUNICATIONS, ELECTRIC, GAS & SANITARY SERVICE.			
41. Local & suburban transit, interurban highway passenger transportation, & related service facilities		x	
43. U.S. Postal Service		x	
44. Water Transportation			
4493. Marinas, wetslip sections		e	
47. Transportation Services			
472. Arrangement of passenger transportation		x	x
48. Communication			
481. Telephone communications	e	e	e
49. Electric, Gas & Sanitary Services [See §5-4-27(6)]			

SIC code - PRINCIPAL USES	LC	GC-1	GC-2
491. Electric substations	e	e	e
492. Gas production & distribution	e	e	e
493. Combination utilities	e	e	e
494. Water supply	e	e	e
495. Sanitary services	e	e	e
DIVISION G. RETAIL TRADE. [See §5-4-27(5)]			
52. Building Materials, Hardware, Garden Supply			
523. Paint, glass, wallpaper		x	x
525. Hardware stores		x	x
526. Nurseries, lawn & garden supply stores		x	x
53. General Merchandise Stores.			
531. Department stores		x	x
533. Variety stores		x	x
539. Miscellaneous general merchandise stores		x	x
54. Food Stores.			
541. Grocery stores		x	x
542. Meat and fish (seafood) markets, including freezer provisions		x	x
543. Fruit & vegetable markets		x	x
546. Retail bakeries		x	x
549. Miscellaneous food stores		x	x
55. Automotive Stores, Gasoline Service Stations, Boat Dealers.			
553. Auto & home supply stores		e	
554. Gasoline service stations & boat fuel docks		e	

SIC code - PRINCIPAL USES	LC	GC-1	GC-2
555. Boat dealers		x	
56. Apparel & Accessory Stores		x	x
57. Home Furniture, Furnishings & Equipment Stores		x	x
58. Eating and Drinking Places. [See §5-4-27(2)]			
5812. Eating places (except fast food)		x	x
5813. Drinking places (alcoholic beverages)			x
5814. Fast food eating places [See §5-4-27(3) & (7)]		e	e
59. Miscellaneous Retail			
591. Drug & proprietary stores		x	x
592. Liquor stores		x	x
593. Used merchandise stores		x	x
594. Miscellaneous shopping goods stores		x	x
596. Nonstore Retailers			
5961. Mail order houses		x	x
5962. Automatic merchandising machine operators		x	x
598. Fuel & ice dealers		x	
599. Retail Stores			
5992. Florists		x	x
5993. Tobacco stores & stands		x	x
5994. News dealers & stands		x	x
5995. Optical goods stores		x	x
5996. Bait & tackle stores		x	x

SIC code - PRINCIPAL USES	LC	GC-1	GC-2
5999. Miscellaneous retail stores [See §5-4-5(2)]		x	x
DIVISION H. FINANCE, INSURANCE, & REAL ESTATE [SIC GROUPS 60-67] 60. Depository institutions		x	x
61. Nondepository credit institutions		x	x
62. Security and commodity brokers, dealers, exchanges, and services	x	x	x
63. Insurance carriers		x	x
64. Insurance agents, brokers, and service	x	x	x
65. Real estate	x	x	x
67. Holding and other investment offices		x	x
DIVISION I. SERVICES. 70. Hotels & Other Lodging Places 701. Hotels & motels (except tourist homes)		x	x
7011. Tourist homes [See §5-4-27(8)]		e	x
702. Rooming & boarding homes [See §5-4-27(9)]		e	x
704. Organization hotel & lodging house, membership			x
72. Personal Services. 721. Laundry & cleaning services 7211. Power laundries		x	x
7212. Garment pressing & agents		x	x
7215. Coin operated laundries		x	x
7216. Dry cleaning plants, except rug cleaning		x	x
722. Photographic studios		x	x

SIC code - PRINCIPAL USES	LC	GC-1	GC-2
724. Barber shops		x	x
725. Shoe repair shops		x	x
729. Misc. personal services, except spas & massage parlors [See §5-4-27(2)]	x	x	x
7291. Tax return preparation services	x	x	x
73. Business services. 7311. Advertising agencies		x	x
732. Consumer credit reporting	x	x	x
7334. Photocopying & duplicating		x	x
7335. Commercial photography		x	x
7336. Commercial art & graphics		x	x
7342. Disinfecting & pest control		e	
7349. Building cleaning/maintenance		x	
737. Computer & data processing		x	x
75 Automotive Repair, Service & Garage 751. Automotive rental w/out driver		x	
752. Automobile parking 7521. Parking as a primary use surface lot only		e	
7522. Parking as an accessory use to a licensed business, surface lot only [See §5-4-27(10)]	x	x	e
753. Automotive repair shops		e	
7542. Car washes		e	
7549. Automotive services, except repair		e	
76 Miscellaneous Repair Services 762. Electrical repair shops		x	

SIC code - PRINCIPAL USES	LC	GC-1	GC-2
763. Watch, clock & jewelry repair		x	x
78. Motion Pictures [See §5-4-27(2)]			
781. Motion picture production		x	x
7832. Motion picture theaters, except drive-ins		x	x
784. Video tape rental		x	x
79. Amusement & Recreation Services [See §5-4-27(2)]			
791. Dance studios		x	x
792. Theatrical producers, bands, orchestras & entertainers		x	x
7991. Physical fitness facilities		x	x
7992. Public golf courses	e	x	x
7993. Coin-operated amusements		x	x
80. Health Services			
801. Physician offices & clinics	x	x	x
802. Dentist offices & clinics	x	x	x
804. Offices and clinics of other health practitioners	x	x	x
805. Nursing & personal care		x	
81. Legal Services	x	x	x
82. Educational Services.			
821. Elementary & secondary schools	e	x	
822. Colleges & professional schools		x	
823. Libraries		x	x
83. Social Services.			
835. Child day care services		x	
84. Museums & Art Galleries			
841. Museums & art galleries		x	x

SIC code - PRINCIPAL USES	LC	GC-1	GC-2
86. Membership Organizations 861. Business associations		x	x
862. Professional membership		x	x
863. Labor unions & organizations		x	x
864. Civic, social & fraternal		x	x
865. Political organizations		x	x
866. Religious organizations	e	x	x
87. Engineering, Accounting & Related. 871. Engineering, architectural & surveying services	x	x	x
872. Accounting, auditing & bookkeeping services	x	x	x
874. Management & public relations	x	x	x
88. Private Households. 8811. Dwellings, detached single family only	x	x	x
DIVISION J. PUBLIC ADMINISTRATION. 91. Municipal & Government Facilities. 911. Municipal administrative offices	e	e	e
912. Municipal council facilities	e	e	e
919. Municipal, county & state agencies & facilities	e	e	e
921. Municipal & magistrate courts	e	e	e
922. Municipal police & fire facilities	e	e	e
923. Public parks & recreation facilities	e	e	e

19. Section 5-4-28 is amended as follows:

Subsection (6) is amended to read:

6. Lot frontage: 40 feet on a public or private street. Vehicle access to the lot from a public or private street shall be provided within the required frontage.

20. Section 5-4-31 is amended by deleting subsection (b)(4).

21. Section 5-4-32 is amended by deleting subsection (b)(4).

22. Section 5-4-34 Home Occupations is amended by changing the first sentence to read:

A home occupation may be established in a dwelling unit in any residential zoning district as a special exception granted by the Zoning Board of Adjustment upon a finding that the following conditions are met:
There shall be no fee charged for a home occupation application.

23. Section 5-4-71(2) is amended to read:

(2) Subdivision defined: Subdivision means any division of a tract or parcel of land into two or more lots, building sites, or other divisions for the purpose, whether immediate or future, of sale, lease, or building development, and includes re-subdivision which would involve the further division or relocation of lot lines of any lot or lots within a subdivision previously made and approved or recorded according to law; or, the alteration of any streets or the establishment of any new streets within any subdivision previously made and approved or recorded according to law, and includes combinations of lots of record. However, the following exceptions are included within this definition only for the purpose of requiring that the Planning Commission be informed and have a record of the subdivisions:

(a) the combination or recombination of portions of previously platted lots where the total number of lots is not increased and the resultant lots are equal to the standards of this chapter;

(b) the division of land into parcels of five acres or more where no new street is involved; and

(c) the combination or recombination of entire lots of record where no new street or change in existing streets is involved.

Plats of these exceptions shall be received as information by the Planning Commission which shall indicate that fact on the plats.

24. Section 5-4-74(e) is amended by deleting subsections (2), (3), (4), (5), and (6), and by adding the following new subsections:

(2) Fees set by City Council pursuant to Sec. 5-4-82 must be paid by the applicant at the time of submission of a proposed preliminary plat.

(3) The Planning Commission shall take action to approve, disapprove, or approve with specified conditions the preliminary plat within sixty (60) days after receipt of a complete application and all required information. Failure to act within sixty (60) days, unless extended by agreement, shall deemed to constitute approval and a certificate to that effect shall be issued by the Planning Commission on demand.

(4) A record of all actions on all plats with the grounds for approval or disapproval and any conditions attached to the action must be maintained by the Planning Commission as a public record.

25. Section 5-4-74(f) is amended by changing all references to city council to read: Planning Commission.

26. Section 5-4-75(f) is amended by changing all references to city council to read: Planning Commission.

27. Section 5-4-76(e) is amended by deleting subsections (2), (3), (4), (5), (6), and (8), adding new subsections (2), (3), (4), and (5) as follows, and renumbering remaining subsections accordingly:

(2) The Planning Commission may request additional information or documentation to make an application complete and eligible for review.

(3) The Planning Commission shall take action to approve, disapprove, or approve with specified conditions the final plat within sixty (60) days after receipt of a complete application and all required information. Failure to act within sixty (60) days,

unless extended by agreement, shall be deemed to constitute approval and a certificate to that effect shall be issued by the Planning Commission on demand.

(4) A record of all actions on all plats with the grounds for approval or disapproval and any conditions attached to the action must be maintained by the Planning Commission as a public record.

(5) When the Planning Commission approves a final plat after all requirements of these regulations are met, it shall cause its action, including any conditions, to be noted on the face of the original drawing which is to be recorded.

28. Section 5-4-79(1), second paragraph is amended to read:

The amount of the bond shall be set by City Council (bond holder) upon recommendation of the Planning Commission, and shall be not less than 125% of the projected cost of the improvements, with a minimum of $2,000.00, if completed two (2) years after the date of the bond.

29. Section 5-4-81, first paragraph, third line, is amended by changing the reference to "zoning board of adjustment" to read: "Planning Commission."

30. Effective date. This ordinance shall be effective upon its ratification.

PASSED, APPROVED AND ADOPTED BY THE MAYOR AND COUNCIL FOR THE CITY OF ISLE OF PALMS ON THIS 22nd DAY OF June, 1993.

Carmen R. Bunch, Mayor

Nellie S. McDuffie, Clerk/Treasurer

First Reading: 4/27/93
Public Hearing: 5/12/93
Second Reading: 6/22/93
Third reading: waived
Ratification: 6/22/93

ORDINANCE 1993-8

AN ORDINANCE TO AMEND SECTION 3-2-5 OF THE ISLE OF PALMS CITY CODE OF ORDINANCES

WHEREAS, the South Carolina Solid Waste Policy and Management Act of 1991 bans all yard waste (leaves and grass clippings) from solid waste landfills as of May 27, 1993; and

WHEREAS, the South Carolina Department of Health and Environmental Control has promulgated regulation for collectors of solid waste and the disposal of solid waste by operators of landfills; and

WHEREAS, the Charleston County Public Works Department will implement regulatory changes effective May 27, 1993; and

WHEREAS, existing municipal ordinances dealing with garbage and trash collection do not conform to requirements of the South Carolina Solid Waste Policy and Management Act of 1991;

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the Isle of Palms, South Carolina, in meeting duly assembled, that Section 3-2-5 of the Code of Ordinances is amended as follows:

Section 1. Section 3-2-5, Tree Trimmings, Leaves, Paper Boxes, etc. is hereby repealed in its entirety and in its place and stead is substituted to read as follows:

Section 3-2-5 Trash Collection

(a) No hazardous waste identified by the South Carolina Department of Health and Environmental Control shall be collected by the City. The identification of hazardous waste may vary or change and will not require individual identification in the City Code.

(b) No tires, batteries or auto parts of any kind will be collected by the City. Disposal shall be the responsibility of the owner or individual in possession of the same.

(c) Leaves and grass clippings. All leaves and grass clippings shall be placed at the curb in bags or containers for collection. No household garbage or other materials may be placed with leaves or grass clippings. No mixed materials will be collected by the City. Home composting of leaves and grass clippings is encouraged.

(d) Logs, limbs, brush, and like materials shall be placed at the curb in the following manner:

(1) Length of material shall not exceed four (4) feet.

(2) Diameter of material shall not exceed four (4) inches.

(3) The City will not collect materials as listed above generated by contractors, landscapers, etc.

(4) When placed at the curbside for collection, materials shall not be placed on top of water meters or adjacent to fire hydrants.

(5) No garbage may be mixed with the items listed above for collection.

(e) Building materials, furniture or other trash shall be placed at the curb for collection in the following manner:

(1) Any single collection day will be limited to the equivalent of 90 gallons in volume for any type of acceptable building materials.

(2) No hazardous materials shall be collected by the City, although the City will attempt to notify the public as to the nature and type of hazardous materials it shall be the responsibility of the property owner to provide for proper disposal of such materials.

(3) No shingles shall be collected by the City.

(4) No building materials generated by a contractor shall be collected by the City.

(5) Items within this category shall be separated at the curb for collection. Any materials in these categories that are mixed together shall not be collected by the City.

(6) No garbage may be mixed with the above listed items for collection.

(f) Collection days shall be identified by the City. Every effort will be made to notify all residents of collection days or changes in collection days or practices.

Section 2. 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 ben 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 3. Effective Date. This ordinance shall be effective upon its ratification by the City Council of the City of Isle of Palms

PASSED, APPROVED AND ADOPTED BY THE MAYOR AND CITY COUNCIL FOR THE CITY OF ISLE OF PALMS ON THIS 25th DAY OF May, 1993.

Carmen R. Bunch, Mayor

Nellie S. McDuffie, Clerk-Treasurer

First Reading: 4/27/93
Second Reading: 5/5/93
Third Reading: 5/25/93
Ratification: 5/25/93

CITY OF ISLE OF PALMS, SC
ORDINANCE NO. 1993-9
Revised Second Reading Draft -10/26/93

AN ORDINANCE TO REGULATE ALARM SYSTEMS AND BUSINESSES AND TO PROVIDE PENALTIES FOR FALSE ALARMS

WHEREAS, City Council wishes to set forth specific regulations governing alarm systems and businesses within the City; and

WHEREAS, City Council further wishes to amend Section 9-5-3 of the City Code to provide more fully for appropriate penalties for false alarms; and

WHEREAS, such provisions will help protect the health, safety and welfare of the City's residents and visitors, and will further reduce the City's cost of responding to false alarms through the creation of an administrative framework for alarm systems and businesses and the imposition of penalties; and

WHEREAS, City Council is authorized to enact such provisions pursuant to Sections 5-7-30 et seq., South Carolina Code of Laws, 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 regulate alarm systems and businesses and to provide for penalties for false alarms.

Section 2. Regulation of Alarm Systems & Businesses

A new Chapter 4 is added to Title 7 of the City Code, to read as follows:

CHAPTER 4

Regulation of Alarm Systems and Businesses

Sec. 7-4-1 Definitions

For the purpose of this chapter, the following terms, phrases, words and their derivations shall have the meanings given herein:

(a) Alarm Business shall mean the business or occupation by any individual, partnership, corporation or other entity of: selling, leasing, maintaining, servicing, repairing, altering, replacing, moving or installing any alarm system or causing to be sold, leased, maintained, serviced, repaired, altered, replaced, moved or installed any alarm system in or on any building, structure, or facility or dwelling.

(b) Alarm System shall mean any assembly of equipment, mechanical or electrical, arranged or designated to signal the occurrence of an illegal entry, fire, need for medical assistance, or other activity or hazard requiring urgent attention within a building, home, structure or facility and to which the City police department or fire department is expected to respond, including all automatic dialing systems.

Alarm systems shall not include individual smoke detectors in private dwellings which are not connected to an automatic dialing system or external alarm. Alarm systems shall not include audible alarms affixed to automobiles.

(c) Alarm User shall mean any person, firm, partnership, association, corporation, company or organization of any kind in control of any building, structure or facility where an alarm system is maintained.

(d) Automatic Dialing System shall mean any alarm system or device which automatically sends over regular telephone lines, by direct connection or otherwise, a prerecorded voice message or coded signal indicating the existence of the emergency situation that the alarm system or device is designated to detect.

(e) False Alarm shall mean an alarm which is sounded or otherwise expressed when there is no apparent triggering event requiring urgent response, including the activation or notification of an alarm system through mechanical failure, malfunction, improper installation, or the negligence of the owner or lessee of an alarm system, or his employees or agents, or the conducting of a test and/or drill without prior notification to the City.

False alarms shall not include alarms caused by power failure, hurricanes, earthquakes or other natural disasters, or those alarms activated on the City's police or fire department's control board and indicated as line trouble.

(f) Local Alarm shall mean those alarms which activate an audible signal within the proximity of the premises only.

Sec. 7-4-2 Alarm Businesses Regulated

No person or entity shall engage in, conduct or carry on an alarm business within the City except in compliance with this Ordinance, and all other applicable State laws and City ordinances.

Sec. 7-4-3 Registration Required

Each alarm business owner and operator is required to register with the City police department the name, address and telephone number of each new subscriber within the City prior to the activation of a new alarm system, or upon notification that an existing alarm system has been sold or transferred to another subscriber.

Whenever any change occurs relating to the written information required by this chapter, the applicant or permittee shall give written notice thereof to the police department within ten (10) days following such change.

Sec. 7-4-4 Specific Alarm Regulations

(a) The alarm user shall at all times maintain the alarm system in a state of good repair. The user shall repair any malfunctioning alarm system within 12 hours of discovery of a problem and will notify the police department when the malfunction has been remedied.

(b) All alarm businesses shall have qualified repair and maintenance personnel available for call by the police department 24 hours a day, every day of the year. All alarm businesses shall have personnel available to respond at the request of the police department to any alarm location within 30 minutes of notification.

(c) All alarm users shall provide the City police department with a list of specific personnel available to respond to alarms. Such list shall be updated quarterly.

(d) In the event an alarm system cannot be de-activated in a timely manner, such alarm business/user shall be required to provide personnel for surveillance to said business until such time as the alarm is de-activated (audible alarm) and/or business is safely secured.

(e) All alarm users shall notify the City police department immediately prior to testing the alarm system or performing maintenance on the system. Further, the user shall re-notify the

police department immediately upon completion of testing or maintenance work.

(f) All new alarm systems other than fire alarms shall have reset capability to reset within 15 minutes. An alarm system cut-off shall be installed to override all malfunctioning reset systems. All audible alarms may not emit a sound similar to an emergency vehicle. The users of existing alarm systems will have one year from the adoption of this ordinance to convert such systems to comply with the provisions herein.

(g) Each automatic dialing alarm system programmed to ring in the City police department must be directed to a number furnished by the police department, which will be provided upon application for the alarm permit for such system.

Sec. 7-4-5 Alarm Permits Required

(a) No person or entity shall install or use an alarm system within the City of Isle of Palms without first applying for and receiving an alarm permit in accordance with the provisions of this chapter. Each system and each location shall require a permit. The alarm user shall be responsible for obtaining permit(s) and ensuring full compliance with this section.

(b) There is a $10.00 annual fee for an alarm system permit. City Council may change this fee by resolution.

(c) Alarm permits shall expire on December 31 of each year. For alarm systems existing as of the enactment of this chapter, each alarm user must secure a permit no later than December 31, 1993, which permit shall expire on December 31, 1994. Applications for renewals of permits shall be processed in the same manner as applications for the initial permit.

(d) Applications for an alarm permit shall be filed with the City police department on forms provided by the department. The application shall be signed and verified by the applicant and shall contain such information as the department may require, and must include the name, address and telephone number of a person or company who will render service or repairs during any hour of the day or night. Permits provided for in this chapter shall be issued by the police department and shall be non-transferable.

(e) The alarm user/permittee shall supply on his or her application for permit the names, addresses and phone numbers of at least two (2) persons to call in the event of an emergency. If

the user/permittee has arranged for a service contract, emergency telephone numbers of the service company shall be supplied.

The alarm user/permittee is responsible for updating the information provided to the police department.

(f) Upon receiving an application from any person for an alarm permit, the chief of police or his authorized representative shall cause a timely investigation to be made of the system to be installed to determine if the system complies with the requirements of this section and all applicable laws and ordinances. All systems must be designed for the express purpose of detecting intrusion, fire or protecting personal health and must be federal or State of South Carolina approved. The permit shall be denied if the alarm system does not comply with standards adopted pursuant to this section, or if the applicant has knowingly made any false, misleading or fraudulent statement of a material fact in the application for permit.

Sec. 7-4-6 Enforcement & Penalties

(a) Failure to apply or re-apply for a permit as required by this chapter shall constitute a misdemeanor, and shall be punishable as set forth in Chapter 1-3-66 of the City Code.

(b) Failure to maintain an alarm system in compliance with this chapter, or to otherwise comply with the requirements herein, shall constitute grounds for the suspension or revocation of an alarm permit. The procedures as set forth in Section 7-1-22(c) of the City Code shall be used in enforcing the City's right to suspend or revoke an alarm permit. Any continued use of an alarm system after a permit for said system is suspended or revoked shall constitute a misdemeanor and shall be punishable as set forth in Chapter 1-3-66 of the City Code.

(c) For those entities or activities that are required by fire code, State statute, or otherwise, to have an active alarm system in operation, the City will notify the appropriate agency or agencies about the pending discontinuance of the alarm system prior to the suspension or revocation of such an alarm system.

(d) The United States Government, the State of South Carolina, counties, municipal corporations, departments thereof and other governmental entities are exempt from all fees and penalties required by this chapter, provided that the governmental entity must be the owner of the alarm system. In the event the

governmental entity contracts with or otherwise arranges with a person, business, or non-governmental entity for an alarm system, all fees and costs shall be required from the said person, business or non-governmental entity.

Section 3. Penalties for False Alarms

Section 9-5-3(c) of the City Code is amended, and a new Section 9-5-3(d) is created, to read as follows:

(c) The unintentional making of a false alarm shall be a misdemeanor, and punishable as follows:

1. The alarm user/permittee shall receive a written warning for the first false alarm.

2. The alarm user/permittee shall be fined for each false alarm beginning with the second confirmed false alarm. The amount of such fine shall be twenty-five dollars ($25.00) for the second false alarm and one hundred dollars ($100.00) for each additional false alarm from any one building or facility.

Notification of making a false alarm and imposition of the penalty therefor shall be made within ten (10) days from the date of the false alarm.

(d) In determining whether an alarm is a false alarm, all relevant circumstances shall be considered. For example, a careful check will be made for signs of attempts to break in, such as scratches around windows. Extenuating circumstances, such as severe weather conditions, will constitute grounds to exempt the alarm user/permittee from penalties.

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 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 26th DAY OF October, 1993.

Carmen R. Bunch
CARMEN R. BUNCH, MAYOR

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

First Reading: 8/27/93
Second Reading: 10/26/93
Third Reading: Waived
Ratification: 10/26/93

Second Reading Draft
June 22, 1993

ORDINANCE 1993-12

AN ORDINANCE TO RAISE REVENUE AND ADOPT A BUDGET FOR THE CITY OF ISLE OF PALMS, SOUTH CAROLINA, FOR THE FISCAL YEAR BEGINNING JULY 1, 1993, AND ENDING JUNE 30, 1994.

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

NOW, THEREFORE, BE IT ORDAINED by the Mayor and City Council of the City of Isle of palms, South Carolina, in council duly 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 portions thereof.

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

PASSED, APPROVED AND ADOPTED BY THE MAYOR AND COUNCIL OF THE CITY OF ISLE OF PALMS ON THIS 22 DAY OF June, 1993.

Carmen R. Bunch

Carmen R. Bunch, Mayor

Nellie S. McDuffie

Nellie S. McDuffie, Clerk-Treasurer

First Reading: 5/25/93
Public Hearing: 6/22/93
Second Reading: 6/22/93
Ratification: 6/22/93

City of Isle of Palms
South Carolina

Fiscal Year Operating Budget
July 1, 1993 - June 30, 1994

General Fund
Accommodations Tax Fund

Highlights of the Fiscal Year 1993-94
Operating Budget for
The City Of Isle of Palms

In General- affecting all departments

◆**Property taxes expected to be reduced by 5.5%**

◆Cost of living increases for all employees of **3%**

◆Step increases of **3.5%** for classified employees

◆Estimated **12%** increase in Workmans Comp premiums

◆Group health insurance premium increase **4.75%**

◆Tort liability and property insurance premium increase estimated at **25%+**

◆Electric service to increase by **9%**

Mayor and Council

◆Group health insurance for elected officials ends 12/31/93

◆Mayor's Special Fund increased by $1,000

General Government

◆Professional wage and salary study to be performed for first time

◆Contingency fund of **$20,000** established to implement wage & salary study

◆Increase in parking lot payments over last year of **10.5%** or $18,812

◆New heavy-duty pickup truck for use by city mechanic

◆Install skirting around bottom of City Hall/Police Station

◆First time expense for elevator maintenance contract

◆Appropriation of **$10,000** to make generator improvements at City Hall/Coastal Retreat Center

Finance Department

◆Acquire additional lateral file cabinet

Police Narcotics Department

◆Reassign drug enforcement officer to Police Department

Police Department

◆DARE grant offsets **75%** or $26,682 of DARE officer's salary & expenses

◆Budget includes (1) new police car with equipment

◆Acquire (3) additional radar units and (4) in-patrol car video cameras

Fire Department

◆Acquire new mid-size 4 x 4 vehicle

Public Works Department

◆Replace old vehicle with new pick-up truck

◆Debt service of **$42,027** to lease-purchase $184,500 of new sanitation equipment

◆First-time budget amount for recycling of waste oil, filters, antifreeze & hydraulic fluid

◆Replace radios in garbage trucks **$4,500**

◆Computer software for fuel management system **$2,500**

◆Replace 78" flail mower **$2,100**

◆**Budget provides $10,000 match for ISTEA funds development of bike path**

Building Department

◆New typewriter, laser printer, and power supplies for computers

◆Repaint exterior of building; replace some carpet

◆Acquire conference room furniture to accommodate meetings in this building

Legal and Judicial

◆Increase line item for legal services **$5,600** to $57,600

Parking Lot Department

◆**$1,000** budgeted to install bicycle racks in the parking lots

GENERAL FUND BUDGET
July 1, 1993 -- June 30, 1994

REVENUES

ITEM		BUDGETED	5/31/93 COLLECTED YTD	ESTIMATE
ACCT. NO.	Account Name	FY 1992-93	FY 1992-93	FY 1993-94
1031004001	Property Taxes	1,569,266	1,734,933	1,644,500
1031004002	Local Option Sales Tax	165,000	196,122	215,000
1032104006	Business License Fees	285,000	297,433	295,000
1032104007	Insurance License Fees	100,000	101,122	101,000
1032104008	Public Utilities Fees	155,000	38,921	163,000
1032104009	Building Permits & Fees	90,000	133,129	125,000
1032104010	Animal License Fees	500	288	300
1032104011	Vehicle ID Fees	0	43	50
1033004031	Narcotics Grant Revenue	0	0	0
1033004032	Narcotics Seizures	10,000	10,000	10,000
1033004033	D.A.R.E. Grant Income	36,451	31,460	26,682
1033004034	D.E.A. Overtime Reimbursement	0	1,854	0
1034004075	Court Generated Revenue	80,000	61,473	80,000
1034504106	Intergovernmental Transfers	30,000	27,500	30,000
1034504111	Grant Income	0	4,644	0
1034504115	State Shared Funds	71,132	67,757	71,132
1034504116	P.R.C. Contribution/Restrooms	0	6,450	23,909
1045004501	Miscellaneous Revenue	6,758	14,358	6,000
1035004502	Parking Lot Revenue	45,000	45,663	55,000
1035004503	Plat Application Fees	1,000	675	1,000
1035004504	Sale of Assets	10,000	3,859	10,000
1035004505	Interest Income	17,000	22,492	20,000
1035004506	Recreation Instructor's Income	24,000	31,946	34,000
1035004507	Recreation Program Income	36,000	56,235	58,000
1035004508	Recycling Cans/Paper	0	509	500
1035004509	Kennel Revenues	250	198	200
1035004510	Donations to D.A.R.E. Program	0	744	500
1035004511	Transfer From Accom. Tax Fund	33,000	34,420	34,700
1034504513	Tax Anticipation Note	0	500,000	0
1034504514	Parking Meter Revenue	22,686	79,452	100,000
	TOTAL GENERAL FUND REVENUES	**$2,788,045**	**$3,503,680**	**$3,105,473**

EXPENDITURES

5/31/93

ACCT. NO.	MAYOR & COUNCIL ACCOUNT NAME	GEN. FUND BUDGETED FY 1992-93	GEN. FUND EXPENDED YTD FY 1992-93	GEN. FUND ESTIMATE FY 1993-94
1040105001	Mayor & Council Salaries	10,800	10,405	10,800
1040105004	Fica Expense	826	789	826
1040105005	Retirement Expense	740	483	740
1040105006	Group Health Insurance	19,116	10,240	5,555
1040105007	Workman's Compensation	0	0	0
1040205015	Meetings & Seminars	1,000	1,468	1,000
1040205016	Vehicle Fuel & Oil	200	0	200
1040205017	Vehicle Maintenance	500	146	500
1040205021	Telephone/ Cable	0	0	800
1040205053	Blanket Bond	100	0	100
1040205062	Insurance	4,339	3,815	4,682
1040205087	Council Special Fund	0	0	0
1040205088	Mayor's Special Fund	2,000	2,203	3,000
	TOTAL	**$39,621**	**$29,549**	**$28,203**

ACCT. NO.	GENERAL GOVERNMENT ACCOUNT NAME	GEN. FUND BUDGETED FY 1992-93	GEN. FUND EXPENDED YTD FY 1992-93	GEN. FUND ESTIMATE FY 1993-94
1041105001	Salaries-Supervisor	46,262	43,461	47,802
1041105002	Salaries-Employees	50,138	46,875	52,945
1041105003	Salaries-Part Time	0	0	0
1041105004	Fica Expense	7,375	6,822	7,707
1041105005	Retirement Expense	6,603	6,137	6,901
1041105006	Group Health Insurance	6,372	5,815	6,665
1041105007	Workman's Compensation	4,960	5,188	5,700
1041105008	Unemployment Compensation	0	53	0
1041205009	Debt Service- Principal	100,000	603,044	25,000
1041205010	Printing & Office Supplies	5,000	5,078	5,600
1041205011	Debt Service- Interest	74,178	61,377	136,015
1041205014	Memberships & Dues	1,890	2,857	2,545
1041205015	Meetings & Seminars	500	504	500
1041205016	Vehicle Fuel & Oil	1,500	469	1,000
1041205017	Vehicle Maintenance	750	604	750
1041205020	Electricity & Gas	2,500	3,078	3,747
1041205021	Telephone/ Cable	5,650	3,647	5,500
1041205022	Water & Sewer	1,300	625	800
1041205026	Maintenance/Service Contracts	2,450	2,580	6,470
1041205027	Machinery/Equipment Repair	500	683	1,000
1041205041	Uniforms	400	290	400
1041205044	Cleaning/ Sanitary Supplies	500	131	500
1041205053	Blanket Bond	100	104	100
1041205061	Advertising	4,000	2,733	4,000
1041205062	Insurance	3,303	4,825	5,724
1041205063	Rents & Leases	2,945	2,273	2,300
1041205065	Professional Services	18,375	14,588	24,551
1041205068	Election Expenses	0	10	1,500
1041205071	Special Department Expenses	0	0	0
1041205072	Vehicle ID Expense	0	0	0
1041205073	Recycling Expenses	0	123	0
1041205079	Miscellaneous Expenses	1,500	4,567	2,000
1041205081	Contingency Wage Adjustments	0	0	20,000
1041205085	Capital Outlay	0	373	28,750
	TOTAL	**$349,051**	**$828,914**	**$406,472**

ACCT. NO.	FINANCE DEPARTMENT ACCOUNT NAME	GEN. FUND BUDGETED FY 1992-93	GEN. FUND EXPENDED YTD FY 1992-93	GEN. FUND ESTIMATE FY 1993-94
1042105001	Salaries- Supervisor	30,512	28,085	31,532
1042105002	Salaries- Employees	0	0	0
1042105003	Salaries-Part Time	0	0	0
1042105004	Fica Expense	2,334	2101	2,412
1042105005	Retirement Expense	2,090	1924	2,160
1042105006	Group Health Insurance	2,124	1947	2,222
1042105007	Workman's Compensation	0	0	0
1042105008	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	450	450	500
1042205062	Insurance	121	89	111
1042205064	Employee Training	0	0	0
1042205079	Miscellaneous Expenses	0	0	3,000
1042205085	Capital Outlay	0	0	700
	TOTAL	**$37,631**	**$34,596**	**$42,637**

ACCT. NO.	POLICE NARCOTICS UNIT ACCOUNT NAME	GEN. FUND BUDGETED FY 1992-93	GEN. FUND EXPENDED YTD FY 1992-93	GEN. FUND ESTIMATE FY 1993-94
1043105002	Salaries- Employees	47,170	54,233	28,990
1043105004	Fica Expense	3,609	4,119	2,218
1043105005	Retirement Expense	5,047	6,001	3,102
1043105006	Group Health Insurance	4,248	4,159	2,222
1043105062	Insurance	0	0	0
	TOTAL	**$60,074**	**$68,512**	**$36,532**

ACCT. NO.	POLICE DEPARTMENT ACCOUNT NAME	GEN. FUND BUDGETED FY 1992-93	GEN. FUND EXPENDED YTD FY 1992-93	GEN. FUND ESTIMATE FY 1993-94
1044105001	Salaries- Supervisor	41,000	37,862	42,230
1044105002	Salaries- Employees	459,464	403,226	509,398
1044105003	Salaries- Part Time	10,157	11,568	11,840
1044105004	Fica Expense	39,063	32,716	43,105
1044105005	Retirement Expense	54,636	43,774	60,291
1044105006	Group Health Insurance	47,068	38,843	51,101
1044105007	Workman's Compensation	15,500	14,262	15,977
1044105008	Unemployment Compensation	0	0	1,000
1044205010	Printing & Office Supplies	8,800	7,001	7,300
1044205014	Memberships & Dues	800	457	800
1044205015	Meetings & Seminars	1,769	1,160	2,625
1044205016	Vehicle Fuel & Oil	21,914	20,626	24,950
1044205017	Vehicle Maintenance	14,000	14,976	17,000
1044205020	Electricity & Gas	2,500	3,036	3,747
1044205021	Telephone/ Cable	9,900	10,715	11,700
1044205022	Water & Sewer	1,000	475	800
1044205026	Maintenance/Service Contracts	4,500	2,434	4,500
1042205027	Machinery/Equipment Repair	4,200	3,480	4,200
1044205031	Small Hand Tools	0	0	0
1044205041	Uniforms	10,000	8,044	15,000
1044205044	Cleaning/ Sanitary Supplies	1,000	373	1,000
1044205049	Medical & Lab Supplies	2,500	2,268	3,300
1044205053	Blanket Bond	100	104	100
1044205062	Insurance	19,200	20,812	23,950
1042205063	Rents & Leases	7,586	5,918	6,950
1044205064	Employee Training	4,500	3,688	7,000
1044205071	Special Department Expenses	2,000	1,553	2,000
1044205074	DARE Program Expenses	2,000	4,353	2,000
1044205079	Miscellaneous Expenses	1,800	1,804	1,800
1044205081	Canine Kennel Expenses	500	63	500
1042205085	Capital Outlay	39,749	43,383	32,990
	TOTAL	**$827,206**	**$738,974**	**$909,154**

ACCT. NO.	FIRE DEPARTMENT ACCOUNT NAME	GEN. FUND BUDGETED FY 1992-93	GEN. FUND EXPENDED YTD FY 1992-93	GEN. FUND ESTIMATE FY 1993-94
1045105001	Salaries- Supervisor	0	528	28,258
1045105002	Salaries- Employees	392,396	382,137	368,866
1045105003	Salaries- Part Time	7,280	6,458	11,130
1045105004	Fica Expense	30,575	28,554	31,231
1045105005	Retirement Expense	42,765	41,043	43,683
1045105006	Group Health Insurance	38,232	33,094	39,992
1045105007	Workman's Compensation	12,570	17,758	21,305
1045105008	Unemployment Compensation	0	0	1,000
1045205010	Printing & Office Supplies	2,000	2,187	2,800
1045205014	Memberships & Dues	800	288	200
1045205015	Meetings & Seminars	0	432	1,500
1045205016	Vehicle Fuel & Oil	6,000	4,684	6,000
1045205017	Vehicle Maintenance	10,000	14,965	15,000
1045205020	Electricity & Gas	6,940	6,606	7,055
1045205021	Telephone/ Cable	3,400	3,324	3,400
1045205022	Water & Sewer	1,300	1,083	1,500
1045205026	Maintenance/Service Contracts	3,000	1,847	3,000
1045205027	Machinery/Equipment Repair	5,000	4,888	5,000
1045205031	Small Hand Tools	300	398	500
1045205041	Uniforms	6,000	4,764	7,500
1045205044	Cleaning/ Sanitary Supplies	2,000	1,709	2,000
1045205049	Medical & Lab Supplies	5,000	4,972	6,000
1045205053	Blanket Bond	100	104	100
1045205062	Insurance	13,000	10,306	11,598
1045205063	Rents and Leases	2,300	1,899	2,300
1045205064	Employee Training	4,500	3,566	6,000
1045205065	Professional Services	800	1,186	4,500
1045205079	Miscellaneous Expenses	1,000	2,756	1,500
1045205080	Volunteer Fire Points	3,000	2,995	3,000
1045205085	Capital Outlay	11,350	9,625	27,250
	TOTAL	**$611,609**	**$594,156**	**$663,169**

ACCT. NO.	PUBLIC WORKS DEPARTMENT ACCOUNT NAME	GEN. FUND BUDGETED FY 1992-93	GEN. FUND EXPENDED YTD FY 1992-93	GEN. FUND ESTIMATE FY 1993-94
1046105001	Salaries- Supervisor	32,420	28,793	33,297
1046105002	Salaries- Employees	178,088	155,484	188,414
1046105003	Salaries- Part Time	14,917	7,954	14,917
1046105004	Fica Expense	17,245	13,873	18,102
1046105005	Retirement Expense	15,442	12,702	16,209
1046105006	Group Health Insurance	31,860	29,532	33,327
1046105007	Workman's Compensation	20,060	17,076	19,122
1046105008	Unemployment Compensation	1,000	2,666	2,000
1046205009	Debt Service- Principal	0	0	36,900
1046205010	Printing & Office Supplies	1,000	541	0
1046205011	Debt Service- Interest	0	0	5,127
1046205016	Vehicle Fuel & Oil	24,000	16,541	24,000
1046205017	Vehicle Maintenance	30,000	22,884	20,000
1046205020	Electricity & Gas	28,000	24,655	28,350
1046205021	Telephone/ Cable	1,425	1,198	1,450
1046205022	Water & Sewer	1,200	475	600
1046205026	Maintenance/Service Contracts	500	284	630
1046205027	Machinery/Equipment Repair	750	551	1,000
1046205031	Small Hand Tools	3,000	830	3,000
1046205041	Uniforms	5,000	3,990	5,000
1046205044	Cleaning/ Sanitary Supplies	900	717	900
1046205049	Medical & Lab Supplies	500	347	500
1046205054	Street Signs	2,500	1,738	2,000
1046205062	Insurance	14,750	14,782	17,137
1046205063	Rents & Leases	500	0	500
1046205065	Professional Services	0	0	300
1046205067	Contracted Services	1,500	899	2,500
1046205071	Special Depart. Expenses	0	0	500
1046205073	Recycling Expense	0	0	0
1046205079	Miscellaneous Expenses	500	745	500
1046205085	Capital Outlay	22,100	3,418	29,100
1046205086	Reimburse Drain Pipe	0	0	0
	TOTAL	**$449,157**	**$362,675**	**$505,382**

ACCT. NO.	BUILDING/PLANNING ACCOUNT NAME	GEN. FUND BUDGETED FY 1992-93	GEN. FUND EXPENDED YTD FY 1992-93	GEN. FUND ESTIMATE FY 1993-94
1047105001	Salaries- Supervisor	34,512	32,622	35,547
1047105002	Salaries- Employees	42,429	40,792	45,185
1047105003	Salaries- Part Time	0	1,857	4,935
1047105004	Fica Expense	5,886	5,661	6,554
1047105005	Retirement Expense	5,270	5,053	5,868
1047105006	Group Health Insurance	7,392	6,103	6,665
1047105007	Workman's Compensation	680	777	870
1047105008	Unemployment Compensation	1,000	0	1,000
1047205010	Printing & Office Supplies	2,500	2,128	3,000
1047205014	Memberships & Dues	125	70	125
1047205015	Meetings & Seminars	1,000	358	1,000
1047205016	Vehicle Fuel & Oil	2,000	1,419	2,000
1047205017	Vehicle Maintenance	1,000	413	1,000
1047205020	Electricity & Gas	2,000	1,605	2,100
1047205021	Telephone/ Cable	3,100	1,964	2,500
1047205022	Water & Sewer	1,200	400	750
1047205026	Maintenance/Service Contracts	750	219	2,750
1047205027	Machinery/Equipment Repair	150	71	150
1047205041	Uniforms	0	611	750
1047205044	Clean/Sanitation Supplies	1000	90	500
1047205053	Blanket Bond	100	104	105
1047205062	Insurance	1,500	2,541	2,946
1047205063	Rents and Leases	3,400	1,868	1,700
1047205064	Employee Training	0	0	450
1047205065	Professional Services	4,935	5,148	5,650
1047205079	Miscellaneous Expenses	250	42	250
1047205085	Capital Outlay	0	0	4,470
	TOTAL	**$122,179**	**$111,916**	**$138,820**

ACCT. NO.	RECREATION DEPARTMENT ACCOUNT NAME	GEN. FUND BUDGETED FY 1992-93	GEN. FUND EXPENDED YTD FY 1992-93	GEN. FUND ESTIMATE FY 1993-94
1048105001	Salaries- Supervisor	21,829	20,160	23,840
1048105002	Salaries- Employees	46,167	43,238	48,654
1048105003	Salaries- Part Time	500	169	500
1048105004	Fica Expense	5,240	4,877	5,584
1048105005	Retirement Expense	4,692	4,355	5,000
1048105006	Group Health Insurance	8,496	7,786	8,887
1048105007	Workman's Compensation	2,600	2,210	2,475
1048105008	Unemployment Compensation	0	0	1,000
1048205010	Printing & Office Supplies	2,100	2,528	2,500
1048205014	Memberships & Dues	600	690	800
1048205015	Meetings & Seminars	500	522	1,000
1048205016	Vehicle Fuel & Oil	1,500	1,709	1,800
1048205017	Vehicle Maintenance	500	193	500
1048205020	Electricity & Gas	6,500	6,891	8,300
1048205021	Telephone/ Cable	2,150	1,872	2,250
1048205022	Water & Sewer	900	739	1,200
1048205026	Maintenance/Service Contracts	2,200	2,991	2,200
1048205027	Machinery/Equipment Repair	500	458	600
1048205031	Small Hand Tools	100	110	200
1048205041	Uniforms	0	0	200
1048205044	Cleaning/ Sanitary Supplies	1,500	940	1,300
1048205049	Medical & Lab Supplies	100	285	350
1048205053	Blanket Bond	100	104	105
1048205062	Insurance	2,000	1,710	2,050
1048205063	Rents & Leases	0	0	0
1048205064	Employee Training	100	0	200
1048205071	Special Department Expenses	8,000	10,145	11,450
1048205079	Miscellaneous Expenses	100	0	200
1048205085	Capital Outlay	2,450	7,003	17,300
	SUB-TOTAL	**$121,424**	**$121,685**	**$150,445**

	REC. INSTRUCTION EXPENSE	GEN. FUND BUDGETED FY 1992-93	GEN. FUND EXPENDED YTD FY 1992-93	GEN. FUND ESTIMATE FY 1993-94
1048305088	Four Yr Old Playgroup	0	2,890	2,900
1048305090	Crafts	0	703	0
1048305091	Gymnastics	2,800	2,252	1,800
1048305092	Special Activities	400	240	1,000
1048305093	Day Camp	8,500	7,582	9,000
1048305094	Dancing	0	41	400
1048305095	Karate	9,000	13,878	14,500
1048305096	Aerobics	8,000	4,154	5,200
1048305097	Adult Sports	15,000	16,618	17,000
1048305098	Youth Sports	10,000	19,830	16,000
1048305099	Tennis	1,800	595	700
	SUB-TOTAL	**$55,500**	**$68,783**	**$68,500**
	TOTAL	**$176,924**	**$190,468**	**$218,945**

ACCT. NO.	JUDICIAL & LEGAL ACCOUNT NAME	GEN. FUND BUDGETED FY 1992-93	GEN. FUND EXPENDED YTD FY 1992-93	GEN. FUND ESTIMATE FY 1993-94
1049105002	Salaries- Employees	17,036	16,461	20,340
1049105003	Salaries- Part Time	0	0	0
1049105004	Fica Expense	1,303	1,238	1,556
1049105005	Retirement Expense	1,167	1,128	1,393
1049105006	Group Health Insurance	2,124	1,947	2,222
1049205008	Unemployment Insurance	0	0	0
1049205010	Printing & Office Supplies	1,200	1,546	1,500
1049205015	Meetings & Seminars	150	223	250
1049205021	Telephone/ Cable	1,000	751	1,200
1049205053	Blanket Bond	370	374	400
1049205062	Insurance	0	323	360
1049205063	Rents and Leases	0	0	0
1049205065	Professional Services	52,000	52,787	57,600
1049205085	Capital Outlay	0	0	450
	TOTAL	**$76,350**	**$76,778**	**$87,271**

ACCT. NO.	PARKING LOT DEPART. ACCOUNT NAME	GEN. FUND BUDGETED FY 1992-93	GEN. FUND EXPENDED YTD FY 1992-93	GEN. FUND ESTIMATE FY 1993-94
1050105003	Salaries- Part Time	13,800	10,328	13,800
1050105004	Fica Expense	1,056	790	1,056
1050105005	Retirement Expense	0	0	0
1050105007	Workman's Compensation	0	0	0
1050105008	Unemployment Compensation	0	0	0
1050105020	Electric & Gas	0	0	100
1050205062	Insurance	0	0	0
1050205063	Rents & Leases	100	0	0
1050205065	Professional Services	0	0	0
1050205071	Special Department Expenses	600	833	1,000
1050205085	Capital Outlay	0	4,135	1,500
	TOTAL	**$15,556**	**$16,086**	**$17,456**

ACCT. NO.	PUBLIC RESTROOM DEPT. ACCOUNT NAME	GEN. FUND BUDGETED FY 1992-93	GEN. FUND EXPENDED YTD FY 1992-93	GEN. FUND ESTIMATE FY 1993-94
1056205020	Electric & Gas	0	367	420
1056205022	Water & Sewer	0	2,584	5,450
1056205026	Maintenance/Service Contracts	0	310	750
1056205027	Machinery/Equipment Repair	0	71	0
1056205031	Small Hand Tools	0	0	0
1056205062	Insurance	0	0	789
1056205044	Cleaning/Sanitary Supplies	0	12	1,500
1056205067	Contracted Services	0	7,220	14,400
1056205071	Special Dept. Expenses	0	1,216	600
1056205079	Miscellaneous Expenses	0	-91	0
	TOTAL	**$0**	**$11,689**	**$23,909**

ACCT. NO.	PARKING METER DEPT. ACCOUNT NAME	GEN. FUND BUDGETED FY 1992-93	GEN. FUND EXPENDED YTD FY 1992-93	GEN. FUND ESTIMATE FY 1993-94
1057105003	Salaries- Part Time	0	0	8,523
1057105004	Fica Expense	0	0	652
1057105005	Retirement Expense	0	0	0
1057205009	Debt Service- Principal	17,954	14,189	15,557
1057205010	Printing & Office Supplies	0	229	250
1057205011	Debt Service- Interest	1,732	2,216	849
1057205026	Maintenance & Service Contracts	0	0	0
1057205027	Machinery & Equipment Repair	300	739	1,000
1057205062	Insurance	0	308	691
1057205065	Professional Services	0	0	0
1057205079	Miscellaneous Expenses	500	379	0
1057205085	Capital Outlay	2,200	3,676	0
	TOTAL	**$22,686**	**$21,736**	**$27,522**
GEN FUND	**TOTAL EXPENDITURES**	**$2,788,044**	**$3,086,050**	**$3,105,473**

ACCOMMODATIONS TAX FUND
REVENUES

ACCT. NO.	ITEM	5/31/93 COLLECTED FY 1992-93	ESTIMATED FY 1993-94
5034504105	**Acc. Tax Revenue**	180,471	218,715
	Transfer to General Fund	-34,420	-25,000
	Add. 5% Trans to Gen Fund	0	-9,685.75
5035004501	**Miscellaneous Income**		0
503504505	**Interest Income**	6,311	2,500
	Tourism Related & Promotion Revenue	**$152,362**	**$186,529**

ACCOMMODATIONS TAX TOURISM RELATED FUND
EXPENDITURES

	GENERAL GOVERNMENT	BUDGETED FY 1992-93	EXPENDED FY 1992-93	ESTIMATED FY 1993-94
5041205009	Debt Service- Principal	0	0	100,000
5041205011	Debt Service- Interest	54,500	104,765	23,000
5041205079	Miscellaneous Expenses	0	7,324	5,415
5041205085	Capital Outlay	0	0	0
5041205090	Tourism Promotion Expense	0	56,684	58,114
	DEPARTMENT TOTAL	**$54,500**	**$168,773**	**$186,529**

REVENUES	
GENERAL FUND	**$3,105,473**
ACCOMMODATIONS TAX FUND	**$186,529**
TOTAL	**$3,292,002**
EXPENDITURES	
GENERAL FUND	**$3,105,473**
ACCOMMODATIONS TAX FUND	**$186,529**
TOTAL	**$3,292,002**

6/22/93

Significant Expenditures In FY '93-'94 Budget

PERSONNEL AND ASSOCIATED COSTS	**$2,106,226**
OPERATION OF VEHICLES (Gas and Repairs)	**$114,000**
UTILITIES (Electricity, Water, Gas, Phones)	**$85,749**
INSURANCE (Tort, Auto, Property)	**$68,558**
DEBT SERVICE (Parking Lot, '91 G. O. Bonds)	**$261,015**
CAPITAL OUTLAY (Equipment)	**$142,510**
PROFESSIONAL SERVICES (Attorneys, Auditors, Consultants)	**$92,301**
UNIFORMS	**$28,100**
OTHER OPERATIONS EXPENSES	**$207,014**
TOTAL	**$3,105,473**

Note for Acct. No. 1031004001
Before re-assessment a mill is estimated to be worth $32,222; can reduce millage from 54 to estimated 52 mills

Note for Acct. No. 1031004002
Accounts for possible loss of revenue due to incorporation of James Island ; can assume some growth in this revenue because of higher sales

Note for Acct. No. 1032104006
Anticpated growth offset by loss of Wild Dunes Utilities license fee of $26,512

Note for Acct. No. 1032104008
SCE @ G =$125,000

Storer Cable TV= $10,000
Southern Bell= $2,275/month, possibly increasing due to new accounts est.$28,000

Note for Acct. No. 1034004075
Court revenues have declined, loss of one police officer contributes that amt. = as much as $15,000; sentencing by judge often results in guilty, one day in jail-- fine suspended; est that this change in sentencing may mean $16,000 lost in cash fines, fines only cover court assessments

Note for Acct. No. 1034504106
Sullivan's Island pays City $2,500 / month for dispatch

Note for Acct. No. 1040105006
Prior action of council (June 23, 1992) it was decided that health insurance would end for council members on December 31, 1993. Therefore only 6 months of coverage is budgeted for the 5 members of council currently insured. $185.15 x 6 x 5= $5,555

Note for Acct. No. 1040205062
Tort liability 9 @ $455

Auto insurance $531.30 liability; $56 Comp & Coll

Note for Acct. No. 1041105006
Group health for 3 employees=6,665

Note for Acct. No. 1041105007
Gen Gov $4685.60 + 12% increase?
Plus annual audit adjustment on previous premiums paid of around 10%
Total to increase to $5,700

Note for Acct. No. 1041205009
2/1/94 1991 Series G.O. Bonds $25,000

Note for Acct. No. 1041205011
8/1/93 Interest payment 1987 series $26,075
(balance of payment from Acc Tax Fund)
2/1/94 Interest payment 1987 series $49,075

8/1/93 Interest payment 1991 series $24,432.50
2/1/94 Interest payment 1991 series $24,432.50

Tax anticipation note $12,000

Note for Acct. No. 1041205014

Municipal Assoc of SC	$1700
Sam's Club	70
Charleston Co. Substance Abuse	
Employee Assistance Program	$500
SC City/County Managers Ass	55
First Union Bank Card (Visa)	20
DHEC UST annual permit fee	200
	$2545

Note for Acct. No. 1042205079
Bank service charges

Note for Acct. No. 1042205085
Lateral file cabinet $700

Note for Acct. No. 1044205010
$400 of this line item for DARE; reimbursed at 75%

Note for Acct. No. 1044205015
$1,475 included in this total for DARE; 75% of the $1,475 will be reimbursed by grant ($1,106)

Note for Acct. No. 1044205020
See General Govt for other 1/2

Note for Acct. No. 1044205021
Southern Bell thru 4/30/93, annualized to $5,066
Cellular One (5, Police- 1, Narc) $2760
First Page (6) $1272
Dial Page (2) $228.00
AT&T (maintenance on Merlin) $1272
also expected increase in long distance

Note for Acct. No. 1044205022
See Water & Sewer General Govt.

Note for Acct. No. 1044205026
Service contract on Lanier @ $1,750
Service contracts on 5 computers @$100 =$500
Typewriters 2@ $100 = $200

1/2 cost to clean new building @$125 x 12=1,500

Note for Acct. No. 1044205063
NCIC terminal $428.42/month= $5141
1/2 copier @ 150= $1800

Note for Acct. No. 1044205074
$1,500 of these expenses will be reimbursed by DARE grant

Note for Acct. No. 1044205085
(1) Patrol vehicle @ $18,406
(3) radar units @ $2078
(4) video cameras @$1800

DARE grant expenses (75% reimbursable)
Binding machine $400
Walkie-Talkie $600
Label maker $150

Note for Acct. No. 1045105001
Current salary for supervisor $27,435

Note for Acct. No. 1045205085
$2,500 for air compressor, balance from prior year (5,000)
$17,000 mid-size 4x4
1,200 (1) 800mhz walkie-talkie
1,000 NFPA misc. required equip.
1,500 smoke machine for training

1,800 HAZ-MAT equipment
500 small photcopier, Station 2
325 (1) floating dock strainer
250 (1) RPM counter
525 (1) pair clothes washer & dryer
650 Public address equip. for stations

Note for Acct. No. 1046105002
Historically, this account is always under spent by at least $10,000 due to less than full employment due to absences, periods of unemployment

Note for Acct. No. 1046205009
$184,500 @ 4.5% for 5 years

(1) 30 yard packer $29,500
(1) tandem axle chassis $42,000
(2) 20 yard packers $52,000
(1) wheeled trash loader $50,000
(1) 18 ft dump body (existing chassis) $11,000

Note for Acct. No. 1046205017
This account reduced $10,000 in accordance with Public Works recommendation to acquire new equipment

Note for Acct. No. 1046205026
pest control $15/month
welding bottle leases $200
Fuel system software maintenance $250/yr

Note for Acct. No. 1046205054
This account reduced by $500 because of historical spending

Note for Acct. No. 1046205065
Survey for shed site

Note for Acct. No. 1046205067
Contracted debris removal $1500

Waste oil & filters recycling $1000
Hydraulic fluid
Antifreeze

Note for Acct. No. 1046205071
Litter can bags $500

Note for Acct. No. 1046205085
(1) Pickup truck @ $10,000
Fuel system hardware/software $2,500
(6) Motorola VHF mobile radios @$750 = $4,500
(1) 78" flail mower (replacement) $2100

*$10,000 for ISTEA MATCH

Note for Acct. No. 1047205026
Repaint Building Dept. office exterior $1,000
Replace carpet in conference room $1,500

Note for Acct. No. 1047205065
Pt-time Planning consultant

Note for Acct. No. 1047205085
Typewriter $500
Computer laser printer $1,200
Uninterruptable power supplies $1,200

Larger conference table $700
Conference chairs (5) @ $250=$1250
Video camera $700

Note for Acct. No. 1049205065
General representation $42,000
Labor lawyer-$2,500
Computer Programmer; Compudocket- $1,500
Chas. Co. (Jeanette Harper) $550/month-$6,600
Prosecutor for criminal cases $5,000

Note for Acct. No. 1049205085
File cabinet for citations

Note for Acct. No. 1050205085
(1) cash register $500
$ 1, 000 for bicycle racks

Note for Acct. No. 5041205011
Balance of payment being paid under General Fund

Note for Acct. No. 5041205079
Contributions to civic events as recommended by the Acc Tax Committee

CITY OF ISLE OF PALMS
ORDINANCE 1993-13

AN ORDINANCE AMENDING THE BUSINESS LICENSE ORDINANCE PROVISIONS FOR INSURANCE COMPANIES AND BROKERS

BE IT ORDAINED, by the Mayor and City Council of the City of Isle of Palms, South Carolina, that, Title 7, Chapter 1, the Business License Ordinance is amended by changing the provisions for insurance companies and brokers to read as follows:

SECTION 1. Section 7-1-8(a) Amended

Section 7-1-8(a) of the City Code is amended by adding the following provisions:

License fees for insurance companies and brokers shall be as follows:

SIC CODE

63 - Insurance Companies: On gross premiums collected through offices or agents located in the municipality, whenever the risk is located, or collected on policies written on property or risks located in the municipality, wherever the premiums are collected.

Gross premiums shall include new and renewal business without deductions for any dividend, credit, return premiums or deposit.

Solicitation for insurance, receiving or transmitting an application or policy, examination of a risk, collection or transmitting of a premium, adjusting a claim, delivering a benefit, or doing any act in connection with a policy or claim shall constitute doing business within the municipality whether or not an office is maintained therein. A premium collected on property or a risk located within the municipality shall be deemed to have been collected within the municipality.

631-632 - Life, Health and Accident ..... 0.75% of Gross Premiums
[Declining rates shall not apply.]

633-635 - Fire and Casualty ..... 2% of Gross Premiums
[Declining rates shall not apply.]

6411 - Brokers for Fire & Casualty Insurers - non-admitted: On gross premiums collected on policies of companies not licensed in South Carolina, the broker shall pay annually, to the Municipal Association of South Carolina with a copy of the report required by the Insurance Commission showing location of the risks insured ..... 2% of Gross Premiums
[Premiums for non-admitted business are not included in broker's gross commissions for other business. Declining rates shall not apply.]

SECTION 2. Section 7-1-10 Amended

Section 7-1-10 of the City Code is amended by adding the following paragraph:

Any prior exemptions in the business license ordinance for income from business in interstate commerce are hereby repealed. Gross income from interstate commerce shall be included in the gross income for every business subject to a business license tax.

SECTION 3. Section 7-1-13 Amended.

Section 7-1-13 of the City Code is amended by adding the following paragraph:

Notwithstanding any other provisions of this ordinance, license taxes for insurance companies and brokers for non-admitted insurers shall be payable on or before May 31 in each year without penalty. The penalty for delinquent payments shall be 5% of the tax due per month, or portion thereof, after the due date until paid.

SECTION 4. Section 7-1-17 Amended.

A new Section 7-1-17(c) is added to the City Code to read as follows:

(c) Pursuant to SC Code Ann. Section 5-7-300, the Agreement with the Municipal Association of South Carolina for collection of current and delinquent license taxes from insurance companies and brokers for non-admitted insurers in the form attached hereto is approved, and the mayor is authorized to execute it.

SECTION 5. Conflict Provisions Repealed.

All ordinances in conflict with this ordinance are hereby repealed.

SECTION 5. Separability.

Each separate provision of this ordinance shall be deemed independent of all other provisions, and if any provision be declared invalid, all other provisions shall remain valid and enforceable.

SECTION 6. Effective Date.

This ordinance shall be effective upon its ratification by the City Council of the City of Isle of Palms.

PASSED, APPROVED AND ADOPTED BY THE MAYOR AND CITY COUNCIL FOR THE CITY OF ISLE OF PALMS ON THIS 24th DAY OF August, 1993.

Carmen R. Bunch

Carmen R. Bunch, Mayor

Nellie S. McDuffie

Nellie S. McDuffie, Clerk-Treasurer

First Reading:	6/22/93
Second Reading:	8/24/93
Third Reading:	waived
Ratification:	8/24/93

AGREEMENT
FOR COLLECTION OF ALL BUSINESS LICENSE TAXES FROM INSURANCE COMPANIES AND BROKERS FOR NON-ADMITTED INSURANCE COMPANIES

WHEREAS, the MUNICIPAL ASSOCIATION OF SOUTH CAROLINA has developed a program for statewide collection of all current and delinquent business license taxes due from insurance companies licensed in this state, and is continuing a program for collection of business license taxes from brokers for non-admitted surplus lines insurers insuring risks in this state, in which some municipalities participate; and

WHEREAS, participating municipalities have adopted uniform rates and delinquent penalties for insurers and brokers, and a uniform due date of May 31 for such license taxes; and

WHEREAS, municipalities are authorized to contract for assistance in collection of business license taxes pursuant to SC Code Ann. §5-7-300; now therefore,

WITNESSETH

THIS AGREEMENT is made between the MUNICIPAL ASSOCIATION OF SOUTH CAROLINA (MASC) and the CITY OF ISLE OF PALMS (Municipality).

It is agreed between the parties as follows:

1. MASC will make the necessary investigations, develop a database for the Municipality, establish procedures for determining the amount of business license taxes due, communicate with insurance companies and brokers subject to the taxes, collect all current and delinquent business license taxes due from insurers and from brokers on an annual basis.

2. MASC will bear all expenses incurred in connection with the services rendered.

3. MASC will deposit all funds received in an appropriate account for which accurate records will be maintained. Taxes collected for the Municipality, less the service charge herein agreed to, will be disbursed to the Municipality on a monthly basis.

4. MASC is hereby designated as the exclusive agent of the Municipality for assessment and collection of the said business license taxes and penalties utilizing all procedures and actions authorized by ordinance or State law, and such procedures and actions may be invoked in the name of the Municipality without further approval by the Municipality.

5. MASC will notify all insurance companies licensed in the State of this agreement and the requirement that all business license taxes be paid to MASC>

6. The Municipality acknowledges that it is an essential element of the programs for all such taxes to be paid to MASC, and no such taxes will be accepted, waived or compromised by the Municipality directly from or with an insurer or broker. All communications from insurance companies and brokers will be sent to MASC. Payments accepted by the Municipality will be included in the computation of compensation to MASC.

7. The Municipality shall provide MASC with a report on the collection of insurance company license taxes for the last full year prior to this agreement.

8. The Municipality agrees that MASC shall retain four percent (4%) of all funds collected for the Municipality pursuant to this agreement, together with any

interest earned on funds held on deposit prior to disbursement, as compensation for the services rendered.

9. The Municipality represents that this Agreement has been approved by ordinance duly adopted pursuant to SC Code Ann. §5-7-300.

10. This Agreement is effective until December 31, 1998, and shall continue from year to year thereafter until terminated by either party upon 90 days notice in writing given prior to December 31.

MUNICIPAL ASSOCIATION OF SOUTH CAROLINA

By _____
Howard E. Duvall, Jr., Executive Director

CITY OF ISLE OF PALMS

By Carmen R Bunch
Carmen R. Bunch, Mayor

DATE: August 24, 1993

Third Reading Draft
April 26, 1993

ADOPTING ORDINANCE 1993-14

AN ORDINANCE ADOPTING AND ENACTING A NEW CODE OF ORDINANCES OF THE CITY OF ISLE OF PALMS, SOUTH CAROLINA; ESTABLISHING THE SAME; PROVIDING FOR THE REPEAL OF CERTAIN ORDINANCES NOT INCLUDED THEREIN, EXCEPT AS HEREIN EXPRESSLY PROVIDED; PROVIDING FOR THE MANNER OF AMENDING SUCH CODE OF ORDINANCES; PROVIDING A PENALTY FOR THE VIOLATION THEREOF; AND PROVIDING WHEN THIS ORDINANCE SHALL BECOME EFFECTIVE.

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF ISLE OF PALMS, SOUTH CAROLINA, AND IT IS HEREBY ORDAINED BY AUTHORITY OF THE COUNCIL:

Section 1. The code of ordinances, consisting of titles 1 through 9, each inclusive, is hereby adopted and enacted as the "Code of Ordinances of the City of Isle of Palms, South Carolina", and shall be treated and considered as a new and original comprehensive ordinance which shall supersede all other general and permanent ordinances of the city passed on or before April 26, 1994, to the extent provided in Section 2 hereof.

Section 2. All provisions of the code shall be in full force and effect from and after April 26, 1994, and all ordinances of a general and permanent nature of the city, enacted on final passage on or before April 26, 1994, and not included in the code or recognized and continued in force by reference therein are hereby repealed from and after April 26, 1994, except as hereinafter provided no resolution of the city, not specifically mentioned, is hereby repealed.

Section 3. (a) The repeal provided for in Section 2 hereof shall not affect the following:

(1) Any offense or act committed or done or any penalty or forfeiture incurred or any contract or right established or accruing before the effective date of this ordinance;

(2) Any ordinance or resolution promising or guaranteeing the payment of money for the city, or authorizing the issuance of any bonds of the city or any evidence of the city's indebtedness, or any contract or obligations assumed by the city;

(3) The administrative ordinances or resolutions of the city not in conflict or inconsistent with the provisions of the code;

(4) Any ordinance or resolution fixing salaries of officers or employees of the city;

(5) Any appropriation ordinance or resolution;

(6) Any right or franchise granted by the mayor and council to any person, firm or corporation;

(7) Any ordinance or resolution dedicating, naming, establishing, locating, relocating, opening, closing, paving, widening, vacating, etc., any street or public way in the city;

(8) Any ordinance or resolution establishing and prescribing the street grades of any streets in the city;

(9) Any ordinance or resolution providing for local improvements or assessing taxes therefor;

(10) Any ordinance or resolution dedicating or accepting any plat or subdivision in the city, or providing regulations for the same;

(11) Any ordinance annexing property to the city;

(12) Any zoning ordinance of the city or amendments thereto;

(13) Any ordinance or resolution regulating the erection, alteration, repair, demolition, moving or removal of buildings or other structures;

(14) Ordinances or resolutions prescribing traffic regulations for specific locations, prescribing through streets, parking limitations, parking prohibitions, one-way traffic, limitations on loads of vehicles or loading zones, not inconsistent with the code;

(15) Any ordinance or resolution fixing utility rates and charges;

(16) Any ordinance enacted after April 26, 1994.

(b) Nor shall the repeal be construed to revive any ordinance or part of an ordinance that has been repealed by a subsequent ordinance which is repealed by this ordinance.

Section 4. Whenever in the code an act is prohibited, or is made or declared to be unlawful or an offense or a misdemeanor by the mayor and council, or whenever in the code the doing of any act is required or the failure to do any act is declared to be unlawful by the mayor and council, and no specific penalty is provided therefor, the violation of any provisions of the code shall be punished by a fine of not more than $500, or imprisonment for a term not exceeding 30 days, or both, as provided in Section 1-3-66 of the code.

Section 5. Any and all additions and amendments to the code when passed in any form as to indicate the intention of the mayor and council to make the same a part thereof shall be deemed to be incorporated in the code so that reference to the "Code of Ordinances of the City of Isle of Palms, South Carolina," shall be understood and intended to include such additions and amendments.

Section 6. In case of the amendment by the mayor and council of any section of the code for which a penalty is not provided, the general penalty as provided in Section 1-3-66 of the code shall apply to the section as amended; or in case the amendment contains provisions for which a penalty, other than the aforementioned general penalty is provided in another section in the same chapter, the penalty so provided in the other section shall be held to relate to the section so amended, unless the penalty is specifically repealed therein.

Section 7. A copy of the code shall be kept on file in the office of the clerk-treasurer, preserved in loose-leaf form, or in some other form as the clerk-treasurer may consider most expedient. It shall be the express duty of the clerk-treasurer, or someone authorized by the clerk-treasurer, to insert in their designated places all amendments, ordinances or resolutions which indicate the intention of the mayor and council to make the same a part of the code when the same have been printed or reprinted in page form, and to extract from the code all provisions which may be repealed from time to time by the mayor and council. This copy of the code shall be available for all persons desiring to examine it.

Section 8. It shall be unlawful for any person to change or alter by additions or deletions, any part or portion of the code, or to insert or delete pages or portions thereof, or to alter or tamper with the code in any manner

whatsoever which will cause the law of the city to be misrepresented thereby. Any person violating this section shall be punished as provided in section 1-3-66 of the Code of Ordinances of the City of Isle of Palms, and in Section 4 of this ordinance.

Section 9. All ordinances or parts of ordinances in conflict herewith are, to the extent of the conflict, hereby repealed.

Section 10. This ordinance shall become effective immediately upon its ratification by City Council.

PASSED, APPROVED AND ADOPTED BY THE MAYOR AND COUNCIL ON THIS 26th DAY OF April, 1994.

ATTEST:

Carmen R. Bunch, Mayor

Nellie S. McDuffie
Clerk-Treasurer

Carol L. Allen, Council Member

Andrea H. Awkerman, Council Member

Charles L. Campbell, Council Member

Edgar E. Fellabom, Council Member

David E. Matthews, Council Member

C. Michael Sottile, Council Member

Dryden G. Taylor, Council Member

N. Alford Wilson, Jr., Council Member

Third Reading Draft
April 26, 1993

First Reading:	7/27/93
Second Reading:	8/24/93
Third Reading:	4/26/94
Ratification:	4/26/94

Third Reading Draft
October 26, 1993

ORDINANCE 1993-15

AN ORDINANCE TO AMEND VARIOUS SECTIONS OF THE ISLE OF PALMS CITY CODE OF ORDINANCES DEALING WITH CRIMINAL FINES AND PENALTIES

WHEREAS, by act of the 1993 General Assembly, Section 14-25-65 of the South Carolina Code of Laws of 1976, as amended, has been changed by the legislature to provide for the municipal court to impose fines of not more than Five Hundred Dollars ($500); and

WHEREAS, Section 5-7-260 of the South Carolina Code of Laws of 1976, as amended, requires that municipal ordinances must be amended by ordinance;

NOW, THEREFORE, BE IT ORDAINED, by the Mayor and Council Members of the Isle of Palms, South Carolina, in City Council assembled, that the following sections of the Isle of Palms Code of Ordinances are amended so as to change all references to criminal fine of $200 to a fine "of not more than $500, or imprisonment for a term not exceeding 30 days, or both".

Section 1. The following amendments shall be made:

1. Section 1-3-66, General penalty; continuing violations. The end of the first sentence of this section shall be amended to read as follows: "...shall be punished by a fine of not more than $500 or imprisonment for a term not exceeding 30 days, or both, in the discretion of the judge of the city court."

2. Section 2-2-12, Penalties.

(a) Paragraph (3) shall be amended to read as follows: "$50 per day, following the third citation of violation, with a maximum of $500."

(b) Paragraph (4) shall be amended to read as follows: "$500 per day, following each subsequent citation of violation, until violation is rectified."

3. Section 4-2-7, Penalties. The last sentence in this paragraph shall be amended to read as follows: "Any person, firm or corporation violating any provision of this chapter or failing to comply with any orders issued pursuant hereto shall be punished as provided in Section 1-3-66 of this code."

4. Section 4-3-6, Penalties and enforcement. Paragraph (a) shall be amended to read as follows: "Any person violating this

ordinance shall, upon conviction, by punished as provided in Section 1-3-66 of this code."

5. Section 5-2-13, Penalties for violation. The second sentence shall be amended to read as follows: "Any person who violates this chapter or fails to comply with any of its requirements shall, upon conviction thereof, be punished as provided in Section 1-3-66 of this code, and in addition shall pay all costs and expenses involved in the case."

6. Section 5-3-25, Enforcement and penalties. The last sentence in this paragraph shall be amended to read as follows: "In addition, each day in which a hard erosion control device in violation of this article is under construction, in place, and/or being removed, shall constitute a separate violation of this article, and shall be punishable as provided in Section 1-3-66 of this code."

7. Section 5-4-7, Penalties. The first sentence of subparagraph (b) shall be amended to read as follows: "Any person violating any of the provisions of this chapter shall be deemed guilty of a misdemeanor and shall for each violation upon conviction thereof be punished as provided in Section 1-3-66 of this code."

8. Section 5-4-67, Penalties for unlawful removal of trees. The first sentence of subparagraph (1) shall be amended to read as follows: "Violation of this article shall be a misdemeaner, and shall be punished as provided in Section 1-3-66 of this code."

9. Section 6-1-33, Notices; citations; penalties; liens. Subparagraph (e) shall be amended to read as follows: "In the event that criminal sanctions are invoked hereunder, violation of any section of this article shall be punishable as provided in Section 1-3-66 of this code."

10. Section 6-2-15, Running at large prohibited; vicious dogs; penalties. The first sentence of Subsection (c)(2)(13) is amended to read as follows: "Whoever violates any provision of this subsection shall be guilty of a misdemeanor and may be punished as provided in Section 1-3-66 of this code."

11. Section 7-3-50, Fines and penalties. The first sentence of this section shall be amended to read as follows: "Any person who violates the provisions of this chapter upon conviction shall be guilty of a misdemeanor and shall be punished as provided in Section 1-3-66 of this code."

Third Reading Draft
October 26, 1993

Section 2 . Separability. Each separate provision of this ordinance shall be deemed independent of all other provisions, and if any provision be declared invalid, all other provisions shall remain valid and enforceable.

Section 3. Effective Date. This ordinance shall be effective upon its ratification by the City Council of the City of Isle of Palms.

PASSED, APPROVED AND ADOPTED BY THE MAYOR AND CITY COUNCIL FOR THE CITY OF ISLE OF PALMS ON THIS 26th DAY OF October, 1993.

Carmen R. Bunch

Carmen R. Bunch, Mayor

Nellie S. McDuffie

Nellie S. McDuffie, Clerk-Treasurer

First Reading:	7/27/93
Public Hearing:	10/13/93
Second Reading:	8/24/93
Third Reading:	10/26/93
Ratification:	10/26/93

CITY OF ISLE OF PALMS
ORDINANCE NO. 1993-18

AN ORDINANCE TO AMEND CHAPTER 4, ZONING, OF THE CODE OF THE CITY OF ISLE OF PALMS TO MODIFY ZONING REQUIREMENTS FOR AMENDING THE ZONINGORDINANCE.

WHEREAS, City Council desires to modify the City of Isle of Palms' zoning requirements for amending the zoning ordinance; and

WHEREAS, the City is authorized to adopt and amend zoning regulations under 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.

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 City's zoning requirements for amending the zoning ordinance.

Section 2. Section 5-4-11 Amended. Existing Section 5-4-11 is hereby amended by by deleting paragraph (b) in its entirety and substituting in its place and stead the following:

"(b) Notice of the public hearing on proposed changes in zoning districts and/or regulations shall be accomplished by publication of a display advertisement in the Saturday edition of the Charleston Post & Courier not less than 15 days prior to the date of the hearing. The notice shall summarize the proposed change and state the time and place of the public hearing. In addition, notice of each hearing with a display advertisement shall be placed in the Moultrie News prior to the date of the hearing. When a proposed zoning amendment affects the district classification of property, such notice shall include a general description of the property or properties to be rezoned. The property or properties to be rezoned shall also be posted with a sign indicating that a petition to rezone has been received and the time and place of the public hearing to consider the request."

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 September, 1993.

Carmen R. Bunch

CARMEN R. BUNCH, MAYOR

Nellie S. McDuffie

NELLIE S. McDUFFIE, CLERK-TREASURER

First Reading:	7/27/93
Public Hearing:	9/8/93
Second Reading:	9/28/93
Third Reading:	9/28/93
Ratification:	9/28/93

ORDINANCE 1993-20

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, 1993, AND ENDING JUNE 30, 1994.

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

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

SECTION 1. A tax to cover the period from July 1, 1993, to June 30, 1994, 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 $36.40 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 thirty six and one quarter (36.4) 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 reasons, 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

Carmen R. Bunch, Mayor

ATTEST:

Nellie S. McDuffie

Nellie S. McDuffie, Clerk-Treasurer

First Reading: September 15, 1993

Second Reading: September 28, 1993

Ratification: September 28, 1993

AN ORDINANCE 1993-21

AMENDING THE SERIES 1993 BOND ORDINANCE BY MAKING PROVISION FOR MUNICIPAL BOND INSURANCE FOR THE SERIES 1993 BONDS

WHEREAS, by Ordinance effective February 11, 1991, (the General Bond Ordinance) the City of Isle of Palms has made provision for the issuance of Water and Sewer System Revenue Bonds of the City of Isle of Palms, South Carolina; and

WHEREAS, under the terms of the General Bond Ordinance, such Water and Sewer System Revenue Bonds of the City are to be issued under ordinances declared to be supplemental thereto; and

WHEREAS, on July 13, 1993, the City Council of the City adopted a Series 1993 Bond Ordinance entitled "SERIES 1993 BOND ORDINANCE AUTHORIZING THE ISSUANCE OF $7,100,000 WATER AND SEWER SYSTEM REVENUE BOND, SERIES 1993, OF THE CITY OF ISLE OF PALMS, SOUTH CAROLINA; TO PROVIDE FOR THE USE OF THE PROCEEDS; TO PROVIDE FOR THE TERMS AND CONDITIONS UPON WHICH THE BOND WILL BE ISSUED; TO PROVIDE FOR THE PAYMENT THEREOF AND SECURITY THEREFOR; AND TO PROVIDE FOR OTHER MATTERS IN CONNECTION THEREWITH"; and

WHEREAS, the Series 1993 Bond was sold under the terms of a Bond Purchase Agreement dated July 15, 1993 to Wild Dunes Utilities, Inc. (the Purchaser); and

WHEREAS, under the terms of the Bond Purchase Agreement, the Purchaser represented that the Series 1993 Bond was being purchased for investment; however, the Purchaser was given the right to sell or transfer any or all of its interest in the Series 1993 Bond under the conditions set forth in the Bond Purchase Agreement; and

WHEREAS, the obligation of the Purchaser to purchase the Series 1993 Bond was subject to the following condition in the Bond Purchase Agreement:

> "6. At our request, the City will cooperate with us to obtain a municipal bond insurance policy issued by a company satisfactory to us (the "Insurer") in the amount to guarantee the payment of all principal and interest on the Series 1993 Bonds. All costs associated with any such policy will be paid by us. During the period while any such policy is in effect, the City will provide the Insurer such financial information regarding the System as the Insurer may reasonably request."; and

WHEREAS, the Purchaser has now requested that the City cooperate with it in obtaining a policy of municipal bond insurance under the terms of that certain municipal bond insurance commitment

dated July 26, 1993, with stated expiration of September 30, 1993, issued by Financial Security Assurance Inc.; and

WHEREAS, the City Council is now minded to fulfill its obligation as stated in the Series 1993 Bond Purchase Agreement and adopts this Ordinance in order to comply with the conditions thereof.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Isle of Palms in meeting duly assembled:

The Series 1993 Bond Ordinance is hereby amended by adding a Section 12 as follows:

"SECTION 12"
MUNICIPAL BOND INSURANCE POLICY

Notwithstanding any other provision of this Series 1993 Bond Ordinance, during such time as the municipal bond insurance policy to be issued by Financial Security Assurance Inc. under the terms of that certain Municipal Bond Insurance Commitment dated July 26, 1993, with stated expiration at September 30, 1993 (the Commitment) is in effect, the provisions of such Commitment and policy, Exhibits E and F of which are hereby incorporated by reference in this Series 1993 Bond Ordinance, the same as if set forth herein in full, shall control all of the provisions hereof. A copy of said Exhibits E (Qualified Investments) and F (Ordinance Requirements) are attached hereto as Exhibit A."

DONE IN MEETING DULY ASSEMBLED this 28th day of September, 1993.

CITY OF ISLE OF PALMS, SOUTH CAROLINA

Carmen R. Bunch
Mayor

Attest:

Nancy S. McDuffie
Clerk/Treasurer

First Reading: September 15, 1993

Second Reading: September 28, 1993

CHAR:25839

EXHIBIT E

QUALIFIED INVESTMENTS

Repurchase agreements:

A. With any domestic bank the long term debt of which is rated 'AA' or better by S&P (so long as an opinion is rendered that the repurchase agreement is a "repurchase agreement" as defined in the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA") and that such bank is subject to FIRREA), or any foreign bank the long term debt of which is rated at least 'AA' by S&P and 'Aaa' by Moody's, or 'AAA' by S&P and at least 'Aa' by Moody's; provided the term of such repurchase agreement is for one year or less.

B. With (1) any broker-dealer with "retail customers" which has, or the parent company of which has, long-term debt rated at least 'AA' by S&P and 'Aa' by Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation (SIPC); or (2) any other entity approved by Financial Security, provided that:

a. The market value of the collateral is maintained (i) for United States Treasury Securities at the levels shown below under "Collateral Levels for United States Treasury Obligations" and (ii) for other collateral, at levels acceptable to Financial Security;

b. Failure to maintain the requisite collateral percentage will require the Issuer or the Trustee to liquidate the collateral.

c. The Issuer, the Trustee or a third party acting solely as agent therefor (the "Holder of the Collateral") has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor's books);

d. The repurchase agreement shall state and an opinion of counsel shall be rendered that the trustee has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

e. The transferor represents that the collateral is free and clear of any third-party liens or claims;

f. An opinion is rendered that the repurchase agreement is a "repurchase agreement" as defined in the United States Bankruptcy Code;

g. There is or will be a written agreement governing every repurchase transaction;

h. The Issuer and the Trustee represents that it has no knowledge of any fraud involved in the repurchase transaction; and

i. The Issuer and the Trustee receives the opinion of counsel (which opinion shall be addressed to the Issuer and the Bond Insurer) that such repurchase agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms.

Collateral Levels For United States Treasury Obligations

	Remaining maturity				
	1 year or less	5 years or less	10 years or less	15 years or less	30 years or less
Frequency of valuation					
Daily.....	102	105	106	108	114
Weekly.....	103	111	112	114	120
Monthly.....	105	117	120	125	133
Quarterly.....	107	120	130	133	140

Valuation Requirements:

(1) On each valuation date the Issuer, the Trustee, or the custodian who shall confirm to the Issuer and the Trustee, shall value the market value (exclusive of accrued interest) of the collateral, which market value will be an amount equal to the requisite collateral percentage times the principal amount of the investment and unpaid accrued interest thereon that is being secured;

(2) In the event the collateral level is below its collateral percentage on a valuation date, such percentage shall be restored within the following restoration periods: one business day for daily valuations, two business days for weekly and monthly valuations, and one month for quarterly valuations. [The use of different restoration periods affect the requisite collateral percentage.];

(3) The Ordinance must require the Issuer or the Trustee to terminate the repurchase agreement or investment agreement, as appropriate, upon a failure to maintain the requisite collateral percentage after the restoration period and, if not paid by the counterparty in federal funds against transfer of the collateral, liquidate the collateral.

EXHIBIT F

Ordinance Requirements

The Ordinance shall incorporate the following requirements either in one section or article entitled "Provisions Relating to Bond Insurance" (or the like), the provisions of which section or article shall be stated in the Ordinance to govern, notwithstanding anything to the contrary set forth in the Ordinance, or individually in the appropriate sections:

(a) A definition of "Bond Insurance Policy" shall read as follows: "the municipal bond insurance policy issued by the Bond Insurer guaranteeing the scheduled payment of principal of and interest on the Bonds".

(b) A definition of "Bond Insurer" shall read as follows: "Financial Security Assurance Inc., a New York stock insurance company, or any successor thereto".

(c) Notice of the optional or extraordinary redemption of Bonds, other than any notice that refers to Bonds that are to be redeemed from proceeds of a refunding bond issue or from amounts to be provided by the Bond Insurer in its discretion, may be given only if sufficient funds have been deposited with the Trustee to pay the applicable redemption price of the Bonds to be redeemed.

(d) Repurchase Agreements shall only be Permitted Investments if they meet the requirements set forth in Exhibit E. Investments (other than Repurchase Agreements) purchased with funds on deposit in the Debt Service Reserve Fund shall have an average aggregate weighted term to maturity not greater than five years.

The prior written consent of the Bond Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Debt Service Reserve Fund.

(e) In the event the maturity of the Bonds is accelerated, the Bond Insurer may elect, in its sole discretion, to pay accelerated principal and interest accrued or accreted, as applicable, on such principal to the date of acceleration (to the extent unpaid by the Issuer) and the Trustee shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the Bond Insurer's obligations under the Policy shall be fully discharged.

(f) The Bond Insurer shall be deemed to be the sole holder of the Bonds insured by it for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the Bonds insured by it are entitled to take pursuant to Article (pertaining to defaults and remedies), Article (pertaining to amendments and supplements to the Ordinance or other Related Documents) and Article (pertaining to the Trustee) of the Indenture.

The Bond Insurer shall have the exclusive right to control remedies.

(g) No provision of the Ordinance expressly recognizing or granting rights in or to the Bond Insurer shall be modified without the consent of the Bond Insurer.

No amendment or supplement to the Ordinance which does not require the consent of Bondholders on the basis that it is not to the detriment of, or does not adversely affect, Bondholders may become effective except upon obtaining the prior written consent of the Bond Insurer.

(h) Copies of any modification or amendment to the Ordinance shall be sent to Standard & Poor's Corporation and Moody's Investors Service, Inc. at least 15 days prior to the effective date thereof.

(i) Rights of the Bond Insurer to direct or consent to Issuer, Trustee or Bondholder actions under the Ordinance shall be suspended during any period in which the Bond Insurer is in default in its payment obligations under the Bond Insurance Policy (except to the extent of amounts previously paid by the Bond Insurer and due and owing to the Bond Insurer) and shall be of no force or effect in the event the Bond Insurance Policy is no longer in effect or the Bond Insurer asserts that the Bond Insurance Policy is not in effect or the Bond Insurer shall have provided written notice that it waives such rights.

(j) In determining whether a payment default has occurred, no effect shall be given to payments made under the Bond Insurance Policy.

(k) No grace period for a covenant default shall exceed 30 days, nor be extended for more than 60 days, without the prior written consent of the Bond Insurer.

(l) The Bond Insurer shall, to the extent it makes any payment of principal of or interest on the Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy.

(m) The Bond Insurer shall have the right to advance any payment required to be made by the Issuer in order to prevent an event of default under this Ordinance and the Trustee shall be required to accept such advance. The Issuer shall be required to reimburse the Bond Insurer for any such advance .

(n) The rights granted under this Ordinance to the Bond Insurer to request, consent to or direct any action are rights granted to the Bond Insurer in consideration of its issuance of the Bond Insurance Policy. Any exercise by the Bond Insurer of such rights is merely an exercise of the Bond Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit or on behalf of the Bondholders nor does such action evidence any position of the Bond Insurer, positive or negative, as to whether Bondholder consent is required in addition to consent of the Bond Insurer.

(o) In the event of an advance refunding (i) the Issuer shall cause to be delivered, on the deposit date and upon any reinvestment of the defeasance amount, a report of an independent firm of nationally recognized certified public accountants ("Accountant") verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity date ("Verification"), (ii) the escrow agreement shall provide that no (A) substitution of a Government Obligation shall be permitted except with another Government Obligation and upon delivery of a new Verification and (B) reinvestment of a Government Obligation shall be permitted except as contemplated by the original Verification or upon delivery of a new Verification, and (iii) there shall be delivered an opinion of nationally recognized bond counsel to the effect that the Bonds are no longer "Outstanding" under the Ordinance; each Verification and defeasance opinion shall be addressed to the Issuer, the Trustee and the Bond Insurer.

(p) Amounts paid by the Bond Insurer under the Bond Insurance Policy shall not be deemed paid for purposes of the Ordinance and shall remain Outstanding and continue to be due and owing until paid by the Issuer in accordance with the Ordinance. The Ordinance shall not be discharged unless all amounts due or to become due to the Bond Insurer have been paid in full.

(q) The notice address of the Bond Insurer is: Financial Security Assurance Inc., 350 Park Avenue, New York, New York 10022-6022, Attention: Managing Director - Surveillance.

(r) The Bond Insurer shall be included as a third party beneficiary to the Ordinance.

(s) The Bond Insurer shall be provided with the following information:

(i) Annual audited financial statements within 120 days after the end of the Issuer's fiscal year and the Issuer's annual budget within 30 days after the approval thereof;

(ii) upon delivery of the annual audited financial statements of the Issuer, a certificate of the chief financial officer of the Issuer stating that, to the best of such individual's knowledge following reasonable inquiry, no Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) has occurred, or if an Event of Default has occurred, specifying the nature thereof and, if the Issuer has a right to cure pursuant to Section __, stating in reasonable detail the steps, if any, being taken by the Issuer to cure such Event of Default;

(iii) disclosure document, if any, prepared in connection with the issuance of additional debt of the Issuer, whether or not it is on a parity with the insured issue, within 30 days after the bond sale;

(iv) Notice of any draw upon, or deficiency due to market fluctuation in the amount on deposit in, the Debt Service Reserve Fund within two Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the Debt Service Reserve Fund Requirement and (ii) withdrawals in connection with a refunding of Bonds;

(v) Notice of any failure of the Issuer to make any required deposit into debt service funds within two Business Days of knowledge thereof; notice of any other default known to the Trustee within five Business Days after knowledge thereof;

(vi) Notice of the redemption of any of the Bonds, including the principal amount, maturities and CUSIP numbers thereof;

(vii) Notice of the resignation or removal of the Trustee, Paying Agent and Bond Registrar and the appointment of, and acceptance of duties by, any successor thereto;

(viii) A full original transcript of all proceedings relating to the execution of any amendment or supplement to the Ordinance;

(ix) All reports, notices and correspondence to be delivered under the terms of the Ordinance; and

(x) Such additional information as Financial Security from time to time may reasonably request.

(t) Business interruption insurance for one year's operating expenses and property and casualty insurance, in each event from an insurer rated at least "A" by Standard & Poor's Corporation, shall be maintained in respect of the System at all times, subject to the following sentence. The Issuer may maintain its current business interruption and property and casualty insurance with South Carolina Insurance Reserve Fund ("SCIRF") so long as the Issuer covenants to replace such SCIRF insurance with similar insurance commercially available on reasonable terms from an insurance company whose claims paying ability is rated at least "A" by Standard & Poor's Corporation if at any time:

(i) The "Surplus as regards policyholders" (as defined by the Annual Statement of SCIRF, page 3, line 26) declines to less than $60,000,000, or

(ii) The ratio of "Loss" and Loss "adjustment expenses" reserves (as defined by the Annual Statement of SCIRF, page 3, lines 1 and 2) divided by "Surplus as regards policyholders" exceeds 2.5.

(u) The Ordinance shall contain the following provisions:

Claims Upon the Policy and Payments by and to the Bond Insurer.

(A) If, on the third Business Day prior to the related scheduled interest payment date or principal payment date or the date to which Bond maturity has been accelerated ("Payment Date") there is not on deposit with the Trustee, after making all transfers and deposits required under this Ordinance, moneys sufficient to pay the principal of and interest on the Bonds due on such Payment Date, the Trustee shall give notice to the Bond Insurer and to its designated agent (if any) (the "Insurer's Fiscal Agent") by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Bonds due on such Payment Date, the Trustee shall make a claim under the Bond Insurance Policy and give notice to the Bond Insurer and the Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the

allocation of such deficiency between the amount required to pay interest on the Bonds and the amount required to pay principal of the Bonds, confirmed in writing to the Bond Insurer and the Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second Business Day.

(B) At the time of the execution and delivery of this Ordinance, and for the purposes of this Ordinance, the Trustee shall establish a separate special purpose trust account for the benefit of Bondholders referred to herein as the "Policy Payments Account" and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the Bond Insurance Policy in trust on behalf of Bondholders and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to Bondholders in the same manner as principal and interest payments are to be made with respect to the Bonds under the sections hereof regarding payment of Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. However, the amount of any payment of principal of or interest on the Bonds to be paid from the Policy Payments Account shall be noted as provided in (D) below.

Funds held in the Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee.

In the event the Bonds are subject to mandatory sinking fund redemption, upon receipt of the moneys due, affected Bondholders shall surrender their Bonds to the Trustee who shall authenticate and deliver to such Bondholder a new Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond surrendered, and upon maturity or other advancement of maturity and receipt of the moneys due, Bondholders shall surrender their Bonds for cancellation. The Trustee shall designate any portion of payment of principal on Bonds paid by the Bond Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Bonds registered to the then current Bondholder, whether DTC or its nominee or otherwise, and shall issue a replacement Bond to the Bond Insurer, registered in the name of Financial Security Assurance

Inc., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Bond shall have no effect on the amount of principal or interest payable by the Issuer on any Bond or the subrogation rights of the Bond Insurer.

(C) Any funds remaining in the Policy Payments Account following a Payment Date shall promptly be remitted to the Bond Insurer except for funds held for the payment of Bonds pursuant to Section [unclaimed funds] hereof.

(D) The Trustee shall keep a complete and accurate record of all funds deposited by the Bond Insurer into the Policy Payments Account and the allocation of such funds to payment of interest on and principal paid in respect of any Bond. The Bond Insurer shall have the right to inspect such records at reasonable times upon one Business Day's prior notice to the Trustee.

(E) Subject to and conditioned upon payment of any interest or principal with respect to the Bonds by or on behalf of the Bond Insurer, each Bondholder, by its purchase of Bonds, hereby assigns to the Bond Insurer, but only to the extent of all payments made by the Bond Insurer, all rights to the payment of interest or principal on the Bonds, including, without limitation, any amounts due to the Bondholders in respect of securities law violations arising from the offer and sale of the Bonds, which are then due for payment. The foregoing assignment is in addition to, and not in limitation of, rights of subrogation otherwise available to the Bond Insurer in respect of such payments. The Trustee shall take such action and deliver such instruments as may be reasonably requested or required by the Bond Insurer to effectuate the purpose or provisions of this clause (E).

(F) The Trustee shall promptly notify the Bond Insurer of either of the following as to which it has actual knowledge: (i) the commencement of any proceeding by or against the Issuer commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding") and (ii) the making of any claim in connection with any Insolvency "Preference Claim") of any payment of principal of, or interest on, the Bonds.

Each Bondholder, by its purchase of Bonds, and the Trustee hereby agrees that the Bond Insurer may at any time during the continuation of an Insolvency Proceeding direct all matters relating to such Insolvency Proceeding, including, without limitation, (i) all matters relating to any Preference Claim, (ii) the direction of any appeal of any order relating to any Preference Claim and (iii) the posting of any surety, supersedeas or performance bond pending any such appeal. In addition, and without limitation of the foregoing, the Bond Insurer shall be subrogated to the rights of the Trustee and each Bondholder in any Insolvency Proceeding to the extent it is subrogated pursuant to the Bond Insurance Policy, including, without limitation, any rights of any party to an adversary proceeding action with respect to any court order issued in connection with any such Insolvency Proceeding.

(G) The Issuer hereby agrees to pay or reimburse the Bond Insurer any and all charges, fees, costs and expenses which the Bond Insurer may reasonably pay or incur, including, but not limited to, fees and expenses of attorneys, accountants, consultants and auditors and reasonable costs of investigations, in connection with (i) any accounts established to facilitate payments under the Bond Insurance Policy, (ii) the administration, enforcement, defense or preservation of any rights in respect of the Ordinance including defending, monitoring or participating in any litigation or proceeding (including any bankruptcy proceeding in respect of the Issuer or any affiliate thereof) relating to the Ordinance, any party to the Ordinance or the transaction contemplated by the Ordinance (the "Transaction"), (iii) the pursuit of any remedies under the Ordinance, or (iv) any amendment, waiver or other action with respect to, or related to, the Ordinance whether or not executed or completed; costs and expenses shall include a reasonable allocation of compensation and overhead attributable to time of employees of the Bond Insurer spent in connection with the actions described in clauses (ii) - (iv) above; and the Bond Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Ordinance.

(H) In addition to any and all rights of reimbursement, subrogation and any other rights pursuant hereto or under law or in equity, the Issuer agrees to pay or reimburse the Bond Insurer any and all charges, fees, costs, claims, losses, liabilities (including penalties), judgments, demands, damages, and expenses which the Bond Insurer or its officers, directors, shareholders, employees, agents and each Person, if any, who controls the Bond Insurer within the

meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act may reasonably pay or incur, including, but not limited to, fees and expenses of attorneys, accountants, consultants and auditors and reasonable costs of investigations, of any nature in connection with, in respect of or relating to the transactions contemplated by the Ordinance by reason of:

(i) any omission or action (other than of or by the Bond Insurer) in connection with the offering, issuance, sale, remarketing or delivery of the Bonds;

(ii) the negligence, bad faith, willful misconduct, misfeasance, malfeasance or theft committed by any director, officer, employee or agent of the Issuer in connection with any transaction arising from or relating to the Ordinance;

(iii) the violation by the Issuer of any law, rule or regulation, or any judgment, order or decree applicable to it;

(iv) the breach by the Issuer of any representation, warranty or covenant under the Ordinance or the occurrence, in respect of the Issuer, under the Ordinance of any "event of default" or any event which, with the giving of notice or lapse of time or both, would constitute any "event of default"; or

(v) any untrue statement or alleged untrue statement of a material fact contained in any Official Statement or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such claims arise out of or are based upon any untrue statement or omission in information included in an Official Statement and furnished by the Bond Insurer in writing expressly for use therein.

(l) The Issuer shall pay to the Bond Insurer interest on any and all amounts as are paid under the Bond Insurance Policy and as are otherwise due to the Bond Insurer from the date paid by the Bond Insurer until payment thereof in full at the Late Payment Rate. "Late Payment Rate" shall mean a per annum rate equal to the lower of (i) three percent above the interest rate that Morgan Guaranty Trust Company of New York ("Morgan") publicly announces from time to time as its prime lending rate ("Prime Rate"), such interest rate to change on the effective date of each

change in the announced Prime Rate and (ii) the maximum interest rate permitted to be paid by the Issuer under applicable law; provided that with respect to payments paid to and received by the Bond Insurer pursuant to its subrogation rights under the Ordinance the amount of the Bonds interest rate shall be subtracted from the Late Payment Rate. In the event Morgan ceases to announce its Prime Rate, the Prime Rate shall be the prime rate of such national bank as the Bond Insurer shall designate.

(J) Payments required to be made to the Bond Insurer shall be payable solely from the Trust Estate.

(K) The Bond Insurer shall be entitled to pay principal or interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Bond Insurance Policy) and any amounts due on the Bonds as a result of acceleration of the maturity thereof in accordance with this Ordinance, whether or not the Bond Insurer has received a Notice (as defined in the Bond Insurance Policy) of Nonpayment or a claim upon the Bond Insurance Policy.

FINANCIAL SECURITY ASSURANCE

MUNICIPAL BOND INSURANCE COMMITMENT

Issuer: City of Isle of Palms, South Carolina

Bonds Insured: Not to Exceed $7,100,000 in aggregate principal amount of Water and Sewer System Revenue Bonds, Series 1993

Date of Commitment: September 21, 1993 Expiration Date: November 30, 1993*

Premium: The greater of $135,000 or .85% of total debt service on the Bonds Insured**

Commitment Fee: $10,000

FINANCIAL SECURITY ASSURANCE INC. ("Financial Security") hereby commits to issue its Municipal Bond Insurance Policy (the "Policy"), in the form attached hereto as Exhibit A, in respect of whole maturities of the above-described debt obligations (the "Bonds"), subject to the terms and conditions set forth in this Commitment or added hereto. All terms used herein and not otherwise defined shall have the meanings ascribed to them in the document setting forth the security for and authorizing the issuance of the Bonds (the "Ordinance").

To keep this Commitment in effect after the Expiration Date set forth above, a request for renewal must be submitted to Financial Security prior to such Expiration Date. Financial Security reserves the right to refuse wholly or in part to grant a renewal.

THE MUNICIPAL BOND INSURANCE POLICY SHALL BE ISSUED IF THE FOLLOWING CONDITIONS ARE SATISFIED:

1. The documents to be executed and delivered in connection with the issuance and sale of the Bonds shall not contain any untrue or misleading statement of a material fact and shall not fail to state a material fact necessary in order to make the information contained therein not misleading (other than information provided by Financial Security).

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* Subject to written acceptance of this Commitment being returned to Financial Security by September 30, 1993.

** Net of the amount of Bond proceeds deposited with the Bond Trustee at closing exclusively for the payment of accrued and capitalized interest and invested in accordance with Paragraph 6 hereof. The premium is payable to Financial Security in accordance with Condition 5(c) hereof.

2. No event shall occur which would permit the purchaser of the Bonds, otherwise required under the terms of the bond purchase agreement, not to be required to purchase the Bonds on the date scheduled for the issuance and delivery thereof.

3. There shall be no material change in or affecting the Bonds (including, without limitation, the security for the Bonds) or the financing documents relating to the Bonds including, but not limited to, the Ordinance (collectively the "Related Documents") or the transactions contemplated by the Related Documents (the "Transaction") from the descriptions or forms thereof approved by Financial Security.

4. The Bonds shall contain no reference to Financial Security, the Policy or the insurance evidenced thereby except as may be approved by Financial Security.

5. Financial Security shall be provided with:

   (a) Executed copies of all Related Documents, the disclosure document relating to the Bonds and the various legal opinions delivered in connection with the issuance and sale of the Bonds (which shall be addressed to Financial Security), including, without limitation, the approving opinion of McNair & Sanford, P.A. or such other law firm as shall be acceptable to Financial Security ("Bond Counsel") which opinion shall include only such qualifications as shall be acceptable to Financial Security and shall include a statement to the effect that the interest on the Bonds is exempt from federal income taxation under the Internal Revenue Code of 1986 except for any alternative minimum tax which may be imposed upon interest on the Bonds.

   Each of the Related Documents shall be in form and substance acceptable to Financial Security and shall include Financial Security's standard document requirements as attached hereto. Copies of all drafts of the Related Documents prepared subsequent to the date of the Commitment (blacklined to reflect all revisions from previously reviewed drafts) shall be furnished to Financial Security for review and approval. Final drafts of all Related Documents shall be provided to Financial Security at least three (3) business days prior to the date of issuance of the Policy (the "Closing Date"), unless Financial Security shall agree to some shorter period.

   (b) Opinions of Bond Counsel or such other counsel as shall be acceptable to Financial Security shall be provided to Financial Security (i) in form and substance acceptable to Financial Security, (ii) containing only such qualifications as shall be acceptable to Financial Security, and (iii) as to such matters as Financial Security shall deem necessary, including

Financial Security's standard opinion requirements as attached hereto. Each such opinion shall either be addressed to Financial Security or shall be accompanied by a letter from Bond Counsel or other approved counsel addressed to Financial Security to the effect that Financial Security may rely on such opinion as fully as if such opinion were addressed to Financial Security. Final drafts of opinions shall be provided to Financial Security at least three (3) business days prior to the date of issuance of the Policy (the "Closing Date"), unless Financial Security shall agree to some shorter period.

(c) Evidence of wire transfer in federal funds of an amount equal to the insurance premium amd commitment fee, unless alternative arrangements for the payment of such amount acceptable to Financial Security have been made prior to the delivery date of the Bonds. Standard & Poor's Corporation ("S&P") and Moody's Investors Service Inc. ("Moody's") will bill the Issuer or purchaser, as applicable, separately for their respective fees relating to the Bonds Insured. The Issuer should make such payment directly to S&P and Moody's. Payment of such amounts is not a condition to release of the Policy by Financial Security.

6. In order to deduct the amount deposited for payment for accrued and capitalized interest from debt service for purposes of calculating the Premium, the amount so deducted shall be required to be deposited on the Closing Date in a fund or account ("Fund") held in trust for Bondholders. The Ordinance shall provide that monies in the Fund may be applied solely to pay debt service on the Series 1993 Bonds and that monies representing capitalized interest may be invested only in (i) cash or (ii) direct obligations of the United States of America or any combination thereof.

7. The Bonds shall bear a Statement of Insurance in the form provided by Financial Security. BOND PROOFS SHALL HAVE BEEN APPROVED BY FINANCIAL SECURITY PRIOR TO PRINTING.

8. The disclosure document relating to the Bonds shall contain only such references to Financial Security or otherwise as Financial Security shall supply or approve. FINANCIAL SECURITY SHALL BE PROVIDED WITH A FINAL DRAFT OF SUCH DISCLOSURE DOCUMENT FOR ITS SIGN OFF THEREON AT LEAST TWO BUSINESS DAYS PRIOR TO THE FINALIZATION THEREOF. FINANCIAL SECURITY SHALL BE PROVIDED WITH FIFTEEN PRINTED (IF APPLICABLE) COPIES OF THE FINAL DISCLOSURE DOCUMENT.

9. The amortization schedule for, and final maturity date of, the Bonds shall be acceptable to Financial Security.

10. Promptly after the closing of the Bonds, Financial Security shall receive five completed sets of executed documents (one original and four photocopies), copies of which we will deliver to Moody's Investors Service and Standard & Poor's Corporation.

Authorized Officer

To keep this commitment in effect to the Expiration Date set forth on the first page, Financial Security must receive a duplicate of this Commitment executed by an appropriate officer of City of Isle of Palms, South Carolina by September 30, 1993.

The undersigned agrees that if the Bonds shall have the benefit of credit enhancement, such credit enhancement shall be provided by Financial Security in accordance with the terms of this Commitment. The undersigned further acknowledges and agrees that execution of the respective Related Documents to which it is a party constitutes an express instruction by the undersigned to legal counsel to deliver to Financial Security the opinions required by paragraph 5 (such instruction and opinion delivery requirements being a condition precedent to Financial Security's obligation to issue the Policy hereunder).

Accepted as of SEPT. 28, 1993 by the City of Isle of Palms, South Carolina.

BY: James R. Bunch

TITLE: MAYOR

EXHIBIT A



FINANCIAL SECURITY ASSURANCE®

MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No.:

Effective Date:

BONDS:

Premium:

FINANCIAL SECURITY ASSURANCE INC. ("Financial Security"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of Financial Security, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which Financial Security shall have received Notice of Nonpayment, Financial Security will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by Financial Security, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in Financial Security. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by Financial Security is incomplete, it shall be deemed not to have been received by Financial Security for purposes of the preceding sentence and Financial Security shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, Financial Security shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by Financial Security hereunder. Payment by Financial Security to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of Financial Security under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless Financial Security shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest.

SPECIMEN

Policy No.

"Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to Financial Security which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

Financial Security may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to Financial Security pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to Financial Security and shall not be deemed received until received by both and (b) all payments required to be made by Financial Security under this Policy may be made directly by Financial Security or by the Insurer's Fiscal Agent on behalf of Financial Security. The Insurer's Fiscal Agent is the agent of Financial Security only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of Financial Security to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, Financial Security agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to Financial Security to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of Financial Security, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be cancelled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, FINANCIAL SECURITY ASSURANCE INC. has caused this Policy to be executed on its behalf by its Authorized Officer.

FINANCIAL SECURITY ASSURANCE INC.

By_____
Authorized Officer

SPECIMEN

A subsidiary of Financial Security Assurance Holdings Ltd.
350 Park Avenue, New York, N.Y. 10022-6022 (212) 826-0100

EXHIBIT B

OPINION REQUIREMENTS

Financial Security shall be provided with opinions of Bond Counsel or such other counsel as shall be acceptable to Financial Security (i) in form and substance acceptable to Financial Security, (ii) containing only such qualifications as shall be acceptable to Financial Security, and (iii) addressed to Financial Security, to the effect that:

(a) each of the Related Documents is a legal, valid and binding obligation of the parties thereto, has been duly authorized, executed and delivered and is enforceable in accordance with its terms,

(b) there does not exist any action, suit, proceeding or investigation pending, or to the best of such counsel's knowledge, threatened which if adversely determined, could (i) materially adversely affect (t) the financial position of the Issuer, (w) the ability of the Issuer to perform its obligations under the Related Documents, (x) the security for the Bonds, or (y) the transactions contemplated by the Related Documents or (ii) impair the ability of the Issuer to maintain and operate the System,

(c) the Bondholders enjoy a first lien upon and security interest in the Ordinance funds and accounts (other than any rebate funds) and all investment earnings thereon and the Net Revenues (the "Trust Estate"), all documents and financing statements in the form necessary to perfect such interests have been duly recorded or filed in all appropriate offices and no further or subsequent recording or filing is necessary (other than continuation statements) to preserve, perfect or maintain such interests and such security interests have been perfected in accordance with State law [Note: if the U.C.C. does not apply, an opinion should be rendered, in lieu of the financing statement and perfection opinion above, to the effect that the U.C.C. does not apply to this lien on the Trust Estate and all actions have been taken as required under State law to insure the priority, validity and enforceability of the lien on the Trust Estate], the Related Documents,

(d) under the laws of the State neither the Trustee nor Financial Security is precluded pursuant to any sovereign immunity laws or similar laws from bringing proceedings to enforce the Issuer's obligations under the Related Documents,

(e) the transactions contemplated by the Related Documents are authorized under the Act [to be defined as the relevant bond act or similar statutory authority] and other relevant provisions of South Carolina law, and

(f) as to such matters as Financial Security shall reasonably require.

EXHIBIT C

STATEMENT OF INSURANCE

Financial Security Assurance Inc. ("Financial Security"), New York, New York, has delivered its municipal bond insurance policy with respect to the scheduled payments due of principal of and interest on this Bond to , or its successor, as paying agent for the Bonds (the "Paying Agent"). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from Financial Security or the Paying Agent.

EXHIBIT D

(Disclosure Language)

Bond Insurance Policy

Concurrently with the issuance of the Series 1993 Bonds, Financial Security Assurance Inc. ("Financial Security") will issue its Municipal Bond Insurance Policy for the Series 1993 Bonds (the "Policy"). The Policy unconditionally guarantees the payment of that portion of the principal of and interest on the Series 1993 Bonds that has become due for payment, but shall be unpaid by reason of nonpayment by the City. On the later of the day on which such principal and interest is due or on the business day next following the business day on which Financial Security shall have received notice by telephone or telecopy, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner of Series 1993 Bonds, the Trustee or the Paying Agent (as defined in the Policy), of the nonpayment of such amount by the City, Financial Security will disburse such amount due on any Series 1993 Bonds to the Trustee or the Paying Agent, for the benefit of the Owners or, at the election of Financial Security, directly to each Owner, in either case upon receipt by Financial Security in form reasonably satisfactory to it of (a) evidence of the Owner's right to receive payment of the principal and interest that is due for payment and (b) evidence, including any appropriate instruments of assignment, that all of such Owner's rights to payment of such principal and interest shall be vested in Financial Security. The term "nonpayment" in respect of a Series 1993 Bond includes any payment of principal or interest that is insured by Financial Security made to an Owner of a Series 1993 Bond that has been recovered from such Owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction.

The Policy is non-cancelable and the premium will be fully paid at the time of delivery of the Series 1993 Bonds. The Policy covers failure to pay principal of the Series 1993 Bonds on their respective stated maturity dates, or dates on which the same shall have been duly called for mandatory sinking fund redemption, and not on any other date on which the Series 1993 Bonds may have been called for redemption, acceleration or other advancement of maturity, unless Financial Security shall elect, in its sole discretion, to pay such principal due upon acceleration together with any interest accrued to the date of acceleration, and covers the failure to pay an installment of interest on the stated date for its payment. Payment by Financial Security of principal due upon acceleration and interest accrued to the accelerated maturity date (to the extent unpaid by the City) shall fully discharge Financial Security's obligations under the Policy.

Financial Security may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of the Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (i) copies of all notices required to be delivered to Financial Security pursuant to the Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to Financial Security and shall not be deemed received until received by both and (ii) all payments required to be made by Financial Security under the Policy may be made directly by Financial Security or by the Insurer's Fiscal Agent on behalf of Financial Security. The Insurer's Fiscal Agent is the agent of Financial Security only and the Insurer's Fiscal Agent shall in no event be liable to Owners of the Series 1993 Bonds for any acts of the Insurer's Fiscal Agent or any failure of Financial Security to deposit or cause to be deposited sufficient funds to make payments due under the Policy.

Under the Policy, Financial Security will, to the extent permitted by applicable law, waive, only for the benefit of the Owners of Series 1993 Bonds, all rights and defenses that might otherwise have been available to Financial Security to avoid payment of its obligations under the Policy in accordance with its terms.

THE POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

Financial Security Assurance Inc.

Financial Security is domiciled in the State of New York and is subject to regulation by the State of New York Insurance Department. As of June 30, 1993, the total policyholders' surplus and contingency reserves and the total unearned premium reserve, respectively, of Financial Security and its consolidated subsidiaries were, in accordance with statutory accounting principles, approximately $490,647,000 and $231,714,000 and the total shareholders' equity and the total unearned premium reserve, respectively, of Financial Security and its consolidated subsidiaries were, in accordance with generally accepted accounting principles, approximately $644,081,000 and $209,930,000. Copies of Financial Security's financial statements may be obtained by writing to Financial Security at 350 Park Avenue, New York, New York 10022, Attention: Communications Department. Financial Security's telephone number is (212) 826-0100.

Financial Security's claims-paying ability is rated "Aaa" by Moody's Investors Service, Inc. and "AAA" by Standard & Poor's Corporation. Such ratings reflect only the views of the respective rating agencies, are not recommendations to buy, sell or hold securities and are subject to revision or withdrawal at any time by such rating agencies.

The Policy does not protect investors against changes in market value of the Series 1993 Bonds. The market value of the Series 1993 Bonds may be impaired as a result of changes in prevailing interest rates, changes in applicable ratings or other causes.

Financial Security makes no representation regarding the Series 1993 Bonds or the advisability of investing in the Series 1993 Bonds. Financial Security makes no representation regarding any information provided by the City or any other person to any purchaser of the Series 1993 Bonds, nor has it participated in the preparation thereof, except that Financial Security has provided to the City the information presented under this caption for inclusion in this document.

EXHIBIT E

QUALIFIED INVESTMENTS

Repurchase agreements:

A. With any domestic bank the long term debt of which is rated 'AA' or better by S&P (so long as an opinion is rendered that the repurchase agreement is a "repurchase agreement" as defined in the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA") and that such bank is subject to FIRREA), or any foreign bank the long term debt of which is rated at least 'AA' by S&P and 'Aaa' by Moody's, or 'AAA' by S&P and at least 'Aa' by Moody's; provided the term of such repurchase agreement is for one year or less.

B. With (1) any broker-dealer with "retail customers" which has, or the parent company of which has, long-term debt rated at least 'AA' by S&P and 'Aa' by Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation (SIPC); or (2) any other entity approved by Financial Security, provided that:

a. The market value of the collateral is maintained (i) for United States Treasury Securities at the levels shown below under "Collateral Levels for United States Treasury Obligations" and (ii) for other collateral, at levels acceptable to Financial Security;

b. Failure to maintain the requisite collateral percentage will require the Issuer or the Trustee to liquidate the collateral.

c. The Issuer, the Trustee or a third party acting solely as agent therefor (the "Holder of the Collateral") has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor's books);

d. The repurchase agreement shall state and an opinion of counsel shall be rendered that the trustee has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

e. The transferor represents that the collateral is free and clear of any third-party liens or claims;

f. An opinion is rendered that the repurchase agreement is a "repurchase agreement" as defined in the United States Bankruptcy Code;

g. There is or will be a written agreement governing every repurchase transaction;

h. The Issuer and the Trustee represents that it has no knowledge of any fraud involved in the repurchase transaction; and

i. The Issuer and the Trustee receives the opinion of counsel (which opinion shall be addressed to the Issuer and the Bond Insurer) that such repurchase agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms.

Collateral Levels For United States Treasury Obligations

	Remaining maturity				
	1 year or less	5 years or less	10 years or less	15 years or less	30 years or less
Frequency of valuation					
Daily.....	102	105	106	108	114
Weekly.....	103	111	112	114	120
Monthly.....	105	117	120	125	133
Quarterly.....	107	120	130	133	140

Valuation Requirements:

(1) On each valuation date the Issuer, the Trustee, or the custodian who shall confirm to the Issuer and the Trustee, shall value the market value (exclusive of accrued interest) of the collateral, which market value will be an amount equal to the requisite collateral percentage times the principal amount of the investment and unpaid accrued interest thereon that is being secured;

(2) In the event the collateral level is below its collateral percentage on a valuation date, such percentage shall be restored within the following restoration periods: one business day for daily valuations, two business days for weekly and monthly valuations, and one month for quarterly valuations. [The use of different restoration periods affect the requisite collateral percentage.];

(3) The Ordinance must require the Issuer or the Trustee to terminate the repurchase agreement or investment agreement, as appropriate, upon a failure to maintain the requisite collateral percentage after the restoration period and, if not paid by the counterparty in federal funds against transfer of the collateral, liquidate the collateral.

EXHIBIT F

Ordinance Requirements

The Ordinance shall incorporate the following requirements either in one section or article entitled "Provisions Relating to Bond Insurance" (or the like), the provisions of which section or article shall be stated in the Ordinance to govern, notwithstanding anything to the contrary set forth in the Ordinance, or individually in the appropriate sections:

(a) A definition of "Bond Insurance Policy" shall read as follows: "the municipal bond insurance policy issued by the Bond Insurer guaranteeing the scheduled payment of principal of and interest on the Bonds".

(b) A definition of "Bond Insurer" shall read as follows: "Financial Security Assurance Inc., a New York stock insurance company, or any successor thereto".

(c) Notice of the optional or extraordinary redemption of Bonds, other than any notice that refers to Bonds that are to be redeemed from proceeds of a refunding bond issue or from amounts to be provided by the Bond Insurer in its discretion, may be given only if sufficient funds have been deposited with the Trustee to pay the applicable redemption price of the Bonds to be redeemed.

(d) Repurchase Agreements shall only be Permitted Investments if they meet the requirements set forth in Exhibit E. Investments (other than Repurchase Agreements) purchased with funds on deposit in the Debt Service Reserve Fund shall have an average aggregate weighted term to maturity not greater than five years.

The prior written consent of the Bond Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Debt Service Reserve Fund.

(e) In the event the maturity of the Bonds is accelerated, the Bond Insurer may elect, in its sole discretion, to pay accelerated principal and interest accrued or accreted, as applicable, on such principal to the date of acceleration (to the extent unpaid by the Issuer) and the Trustee shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the Bond Insurer's obligations under the Policy shall be fully discharged.

(f) The Bond Insurer shall be deemed to be the sole holder of the Bonds insured by it for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the Bonds insured by it are entitled to take pursuant to Article (pertaining to defaults and remedies), Article (pertaining to amendments and supplements to the Ordinance or other Related Documents) and Article (pertaining to the Trustee) of the Indenture.

The Bond Insurer shall have the exclusive right to control remedies.

(g) No provision of the Ordinance expressly recognizing or granting rights in or to the Bond Insurer shall be modified without the consent of the Bond Insurer.

No amendment or supplement to the Ordinance which does not require the consent of Bondholders on the basis that it is not to the detriment of, or does not adversely affect, Bondholders may become effective except upon obtaining the prior written consent of the Bond Insurer.

(h) Copies of any modification or amendment to the Ordinance shall be sent to Standard & Poor's Corporation and Moody's Investors Service, Inc. at least 15 days prior to the effective date thereof.

(i) Rights of the Bond Insurer to direct or consent to Issuer, Trustee or Bondholder actions under the Ordinance shall be suspended during any period in which the Bond Insurer is in default in its payment obligations under the Bond Insurance Policy (except to the extent of amounts previously paid by the Bond Insurer and due and owing to the Bond Insurer) and shall be of no force or effect in the event the Bond Insurance Policy is no longer in effect or the Bond Insurer asserts that the Bond Insurance Policy is not in effect or the Bond Insurer shall have provided written notice that it waives such rights.

(j) In determining whether a payment default has occurred, no effect shall be given to payments made under the Bond Insurance Policy.

(k) No grace period for a covenant default shall exceed 30 days, nor be extended for more than 60 days, without the prior written consent of the Bond Insurer.

(l) The Bond Insurer shall, to the extent it makes any payment of principal of or interest on the Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy.

(m) The Bond Insurer shall have the right to advance any payment required to be made by the Issuer in order to prevent an event of default under this Ordinance and the Trustee shall be required to accept such advance. The Issuer shall be required to reimburse the Bond Insurer for any such advance .

(n) The rights granted under this Ordinance to the Bond Insurer to request, consent to or direct any action are rights granted to the Bond Insurer in consideration of its issuance of the Bond Insurance Policy. Any exercise by the Bond Insurer of such rights is merely an exercise of the Bond Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit or on behalf of the Bondholders nor does such action evidence any position of the Bond Insurer, positive or negative, as to whether Bondholder consent is required in addition to consent of the Bond Insurer.

(o) In the event of an advance refunding (i) the Issuer shall cause to be delivered, on the deposit date and upon any reinvestment of the defeasance amount, a report of an independent firm of nationally recognized certified public accountants ("Accountant") verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity date ("Verification"), (ii) the escrow agreement shall provide that no (A) substitution of a Government Obligation shall be permitted except with another Government Obligation and upon delivery of a new Verification and (B) reinvestment of a Government Obligation shall be permitted except as contemplated by the original Verification or upon delivery of a new Verification, and (iii) there shall be delivered an opinion of nationally recognized bond counsel to the effect that the Bonds are no longer "Outstanding" under the Ordinance; each Verification and defeasance opinion shall be addressed to the Issuer, the Trustee and the Bond Insurer.

(p) Amounts paid by the Bond Insurer under the Bond Insurance Policy shall not be deemed paid for purposes of the Ordinance and shall remain Outstanding and continue to be due and owing until paid by the Issuer in accordance with the Ordinance. The Ordinance shall not be discharged unless all amounts due or to become due to the Bond Insurer have been paid in full.

(q) The notice address of the Bond Insurer is: Financial Security Assurance Inc., 350 Park Avenue, New York, New York 10022-6022, Attention: Managing Director - Surveillance.

(r) The Bond Insurer shall be included as a third party beneficiary to the Ordinance.

(s) The Bond Insurer shall be provided with the following information:

(i) Annual audited financial statements within 120 days after the end of the Issuer's fiscal year and the Issuer's annual budget within 30 days after the approval thereof;

(ii) upon delivery of the annual audited financial statements of the Issuer, a certificate of the chief financial officer of the Issuer stating that, to the best of such individual's knowledge following reasonable inquiry, no Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) has occurred, or if an Event of Default has occurred, specifying the nature thereof and, if the Issuer has a right to cure pursuant to Section __, stating in reasonable detail the steps, if any, being taken by the Issuer to cure such Event of Default;

(iii) disclosure document, if any, prepared in connection with the issuance of additional debt of the Issuer, whether or not it is on a parity with the insured issue, within 30 days after the bond sale;

(iv) Notice of any draw upon, or deficiency due to market fluctuation in the amount on deposit in, the Debt Service Reserve Fund within two Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the Debt Service Reserve Fund Requirement and (ii) withdrawals in connection with a refunding of Bonds;

(v) Notice of any failure of the Issuer to make any required deposit into debt service funds within two Business Days of knowledge thereof; notice of any other default known to the Trustee within five Business Days after knowledge thereof;

(vi) Notice of the redemption of any of the Bonds, including the principal amount, maturities and CUSIP numbers thereof;

(vii) Notice of the resignation or removal of the Trustee, Paying Agent and Bond Registrar and the appointment of, and acceptance of duties by, any successor thereto;

(viii) A full original transcript of all proceedings relating to the execution of any amendment or supplement to the Ordinance;

(ix) All reports, notices and correspondence to be delivered under the terms of the Ordinance; and

(x) Such additional information as Financial Security from time to time may reasonably request.

(t) Business interruption insurance for one year's operating expenses and property and casualty insurance, in each event from an insurer rated at least "A" by Standard & Poor's Corporation, shall be maintained in respect of the System at all times, subject to the following sentence. The Issuer may maintain its current business interruption and property and casualty insurance with South Carolina Insurance Reserve Fund ("SCIRF") so long as the Issuer covenants to replace such SCIRF insurance with similar insurance commercially available on reasonable terms from an insurance company whose claims paying ability is rated at least "A" by Standard & Poor's Corporation if at any time:

(i) The "Surplus as regards policyholders" (as defined by the Annual Statement of SCIRF, page 3, line 26) declines to less than $60,000,000, or

(ii) The ratio of "Loss" and Loss "adjustment expenses" reserves (as defined by the Annual Statement of SCIRF, page 3, lines 1 and 2) divided by "Surplus as regards policyholders" exceeds 2.5.

(u) The Ordinance shall contain the following provisions:

Claims Upon the Policy and Payments by and to the Bond Insurer.

(A) If, on the third Business Day prior to the related scheduled interest payment date or principal payment date or the date to which Bond maturity has been accelerated ("Payment Date") there is not on deposit with the Trustee, after making all transfers and deposits required under this Ordinance, moneys sufficient to pay the principal of and interest on the Bonds due on such Payment Date, the Trustee shall give notice to the Bond Insurer and to its designated agent (if any) (the "Insurer's Fiscal Agent") by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Bonds due on such Payment Date, the Trustee shall make a claim under the Bond Insurance Policy and give notice to the Bond Insurer and the Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the

allocation of such deficiency between the amount required to pay interest on the Bonds and the amount required to pay principal of the Bonds, confirmed in writing to the Bond Insurer and the Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second Business Day.

(B) At the time of the execution and delivery of this Ordinance, and for the purposes of this Ordinance, the Trustee shall establish a separate special purpose trust account for the benefit of Bondholders referred to herein as the "Policy Payments Account" and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the Bond Insurance Policy in trust on behalf of Bondholders and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to Bondholders in the same manner as principal and interest payments are to be made with respect to the Bonds under the sections hereof regarding payment of Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. However, the amount of any payment of principal of or interest on the Bonds to be paid from the Policy Payments Account shall be noted as provided in (D) below.

Funds held in the Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee.

In the event the Bonds are subject to mandatory sinking fund redemption, upon receipt of the moneys due, affected Bondholders shall surrender their Bonds to the Trustee who shall authenticate and deliver to such Bondholder a new Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond surrendered, and upon maturity or other advancement of maturity and receipt of the moneys due, Bondholders shall surrender their Bonds for cancellation. The Trustee shall designate any portion of payment of principal on Bonds paid by the Bond Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Bonds registered to the then current Bondholder, whether DTC or its nominee or otherwise, and shall issue a replacement Bond to the Bond Insurer, registered in the name of Financial Security Assurance

Inc., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Bond shall have no effect on the amount of principal or interest payable by the Issuer on any Bond or the subrogation rights of the Bond Insurer.

(C) Any funds remaining in the Policy Payments Account following a Payment Date shall promptly be remitted to the Bond Insurer except for funds held for the payment of Bonds pursuant to Section [unclaimed funds] hereof.

(D) The Trustee shall keep a complete and accurate record of all funds deposited by the Bond Insurer into the Policy Payments Account and the allocation of such funds to payment of interest on and principal paid in respect of any Bond. The Bond Insurer shall have the right to inspect such records at reasonable times upon one Business Day's prior notice to the Trustee.

(E) Subject to and conditioned upon payment of any interest or principal with respect to the Bonds by or on behalf of the Bond Insurer, each Bondholder, by its purchase of Bonds, hereby assigns to the Bond Insurer, but only to the extent of all payments made by the Bond Insurer, all rights to the payment of interest or principal on the Bonds, including, without limitation, any amounts due to the Bondholders in respect of securities law violations arising from the offer and sale of the Bonds, which are then due for payment. The foregoing assignment is in addition to, and not in limitation of, rights of subrogation otherwise available to the Bond Insurer in respect of such payments. The Trustee shall take such action and deliver such instruments as may be reasonably requested or required by the Bond Insurer to effectuate the purpose or provisions of this clause (E).

(F) The Trustee shall promptly notify the Bond Insurer of either of the following as to which it has actual knowledge: (i) the commencement of any proceeding by or against the Issuer commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding") and (ii) the making of any claim in connection with any Insolvency "Preference Claim") of any payment of principal of, or interest on, the Bonds.

Each Bondholder, by its purchase of Bonds, and the Trustee hereby agrees that the Bond Insurer may at any time during the continuation of an Insolvency Proceeding direct all matters relating to such Insolvency Proceeding, including, without limitation, (i) all matters relating to any Preference Claim, (ii) the direction of any appeal of any order relating to any Preference Claim and (iii) the posting of any surety, supersedeas or performance bond pending any such appeal. In addition, and without limitation of the foregoing, the Bond Insurer shall be subrogated to the rights of the Trustee and each Bondholder in any Insolvency Proceeding to the extent it is subrogated pursuant to the Bond Insurance Policy, including, without limitation, any rights of any party to an adversary proceeding action with respect to any court order issued in connection with any such Insolvency Proceeding.

(G) The Issuer hereby agrees to pay or reimburse the Bond Insurer any and all charges, fees, costs and expenses which the Bond Insurer may reasonably pay or incur, including, but not limited to, fees and expenses of attorneys, accountants, consultants and auditors and reasonable costs of investigations, in connection with (i) any accounts established to facilitate payments under the Bond Insurance Policy, (ii) the administration, enforcement, defense or preservation of any rights in respect of the Ordinance including defending, monitoring or participating in any litigation or proceeding (including any bankruptcy proceeding in respect of the Issuer or any affiliate thereof) relating to the Ordinance, any party to the Ordinance or the transaction contemplated by the Ordinance (the "Transaction"), (iii) the pursuit of any remedies under the Ordinance, or (iv) any amendment, waiver or other action with respect to, or related to, the Ordinance whether or not executed or completed; costs and expenses shall include a reasonable allocation of compensation and overhead attributable to time of employees of the Bond Insurer spent in connection with the actions described in clauses (ii) - (iv) above; and the Bond Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Ordinance.

(H) In addition to any and all rights of reimbursement, subrogation and any other rights pursuant hereto or under law or in equity, the Issuer agrees to pay or reimburse the Bond Insurer any and all charges, fees, costs, claims, losses, liabilities (including penalties), judgments, demands, damages, and expenses which the Bond Insurer or its officers, directors, shareholders, employees, agents and each Person, if any, who controls the Bond Insurer within the

meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act may reasonably pay or incur, including, but not limited to, fees and expenses of attorneys, accountants, consultants and auditors and reasonable costs of investigations, of any nature in connection with, in respect of or relating to the transactions contemplated by the Ordinance by reason of:

(i) any omission or action (other than of or by the Bond Insurer) in connection with the offering, issuance, sale, remarketing or delivery of the Bonds;

(ii) the negligence, bad faith, willful misconduct, misfeasance, malfeasance or theft committed by any director, officer, employee or agent of the Issuer in connection with any transaction arising from or relating to the Ordinance;

(iii) the violation by the Issuer of any law, rule or regulation, or any judgment, order or decree applicable to it;

(iv) the breach by the Issuer of any representation, warranty or covenant under the Ordinance or the occurrence, in respect of the Issuer, under the Ordinance of any "event of default" or any event which, with the giving of notice or lapse of time or both, would constitute any "event of default"; or

(v) any untrue statement or alleged untrue statement of a material fact contained in any Official Statement or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such claims arise out of or are based upon any untrue statement or omission in information included in an Official Statement and furnished by the Bond Insurer in writing expressly for use therein.

(l) The Issuer shall pay to the Bond Insurer interest on any and all amounts as are paid under the Bond Insurance Policy and as are otherwise due to the Bond Insurer from the date paid by the Bond Insurer until payment thereof in full at the Late Payment Rate. "Late Payment Rate" shall mean a per annum rate equal to the lower of (i) three percent above the interest rate that Morgan Guaranty Trust Company of New York ("Morgan") publicly announces from time to time as its prime lending rate ("Prime Rate"), such interest rate to change on the effective date of each

change in the announced Prime Rate and (ii) the maximum interest rate permitted to be paid by the Issuer under applicable law; provided that with respect to payments paid to and received by the Bond Insurer pursuant to its subrogation rights under the Ordinance the amount of the Bonds interest rate shall be subtracted from the Late Payment Rate. In the event Morgan ceases to announce its Prime Rate, the Prime Rate shall be the prime rate of such national bank as the Bond Insurer shall designate.

(J) Payments required to be made to the Bond Insurer shall be payable solely from the Trust Estate.

(K) The Bond Insurer shall be entitled to pay principal or interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Bond Insurance Policy) and any amounts due on the Bonds as a result of acceleration of the maturity thereof in accordance with this Ordinance, whether or not the Bond Insurer has received a Notice (as defined in the Bond Insurance Policy) of Nonpayment or a claim upon the Bond Insurance Policy.

CITY OF ISLE OF PALMS, SC
ORDINANCE NO. 1993-22
Second Reading Draft - 10/26/93

AN ORDINANCE TO AMEND THE PROCEDURES FOR ENACTING ORDINANCES

WHEREAS, City Council finds that confusion has resulted from the lack of detailed procedures relating to the introduction of new ordinances; and

WHEREAS, City Council wishes to prevent the recurrence of such problems; and

WHEREAS, City Council is empowered to amend its rules of procedures and ordinances pursuant to Sections 5-7-30 et seq. and 5-11-10 et seq., 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 revise the procedures for enacting ordinances.

Section 2. City Code Amended.

Section 1-3-53(a) of the City Code is revised to read as follows:

> (a) City laws to be in the form of ordinances. All laws passed by the city council shall be in the form of ordinances, which shall receive three (3) readings. There shall be a minimum of six (6) days between the first and second readings. All bills for introduction at first reading must be submitted to the City Clerk for placement on the agenda and distribution to City Council members no less than five (5) days prior to any regular or special City Council meeting.

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 26th DAY OF October, 1993.

Carmen R. Bunch
CARMEN R. BUNCH, MAYOR

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

First Reading: 9/28/93
Second Reading: 10/26/93
Third Reading: waived
Ratification: 10/26/93

3rd Reading Draft
January 25, 1994

CITY OF ISLE OF PALMS
ORDINANCE 1993-23

AN ORDINANCE TO AMEND THE CITY'S ZONING REQUIREMENTS RELATING TO SIGNS WITHIN THE ISLE OF PALMS

WHEREAS, Ordinance 1992-1, adopted by the Isle of Palms City Council on July 20, 1992, substantially amended existing regulations providing zoning requirements on signs within the Isle of Palms; and

WHEREAS, City Council desires to modify the existing requirements relating to signs in order to promote the orderly growth and development of the City; and

WHEREAS, the City is authorized to adopt and amend zoning regulations under Section 6-7-710, et seq., and 5-23-10, 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 duly assembled that:

Section 1. Purpose. This ordinance is adopted to amend City zoning requirements relating to signs as adopted by Ordinance 1992-1.

Section 2. Section 5-4-122(b)(2). Section 5-4-122(b)(2) is amended to read as follows:

(2) Directional, warning or information signs **installed by** the City of Isle of Palms or any agency of the State of South Carolina.

Section 3. Section 5-4-123(b)(3). Section 5-4-123(b)(3) is amended to read as follows:

(3) Directional sign. A sign **installed by** the City of Isle of Palms or any agency of the State of South Carolina that provides information about, or directions to areas and activities within or outside the City of Isle of Palms.

Section 4. Severability. Each separate provision of this ordinance shall be deemed independent of all other provisions, and if any provision be declared invalid, all other provisions shall remain valid and enforceable.

3rd Reading Draft
January 25, 1994

Section 5. Effective Date. This ordinance shall be effective upon its ratification by the City Council of the City of Isle of Palms.

PASSED, APPROVED AND ADOPTED BY THE MAYOR AND CITY COUNCIL FOR THE CITY OF ISLE OF PALMS ON THIS 25th DAY OF January, 1994.

Carmen R. Bunch, Mayor

Nellie S. McDuffie, Clerk-Treasurer

First Reading:	September 28, 1993
Public Hearing:	December 8, 1993
Second Reading:	December 28, 1993
Third Reading:	January 25, 1994
Ratification:	January 25, 1994

2nd Reading Draft
December 28, 1993

ORDINANCE 1993-24

AN ORDINANCE PROHIBITING DUMPING AND DEPOSITING MATERIAL IN THE WATERWAYS, CREEKS, AND DITCHES OF THE CITY OF ISLE OF PALMS

WHEREAS, the City of Isle of Palms has previously adopted an ordinance prohibiting the throwing of litter and other materials on streets, sidewalks and other public places; and

WHEREAS, the City of Isle of Palms wants to further prohibit littering or dumping of garbage, refuse, or other materials within its waterways, creeks, and ditches to further protect its drainage system.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Isle of Palms that:

Section 1: Title 3, Chapter 1, Article A, is hereby amended by adding a new Section 3-1-11 to read as follows:

Sec. 3-1-11 Dumping prohibited in waterways and ditches.

(a) No person shall throw or place any refuse, paper, trash, glass, nails, tacks, wire, bottles, cans, yard trash, concrete, earthen fill, garbage, containers or litter or other debris in any ditch, creek, stream, river, or retention basin that regularly or periodically carries surface water runoff.

(b) Any person who deposits any of the above referenced items in any ditch, creek, stream, river or retention basin that regularly or periodically carries surface water runoff shall remove such items or cause such items to be removed therefrom immediately.

(c) A violation of the foregoing shall be punishable as provided in Section 1-3-66 of this code.

(d) If deposited debris is not removed by the violator, the City of Isle of Palms is authorized to enter onto and upon private property as necessary to effect removal of debris.

(e) The City of Isle of Palms is authorized to enter onto and upon private property to perform routine maintenance of all ditches, streams, rivers, or retention basins so as to effect the removal of any debris deposited for which no individual bears responsibility.

Section 2. Separability. Each separate provision of this ordinance shall be deemed independent of all other provisions, and if any provision be declared invalid, all other provisions shall

remain valid and enforceable.

Section 3. Effective Date. This ordinance shall be effective upon its ratification by the City Council of the City of Isle of Palms.

PASSED, APPROVED AND ADOPTED BY THE MAYOR AND CITY COUNCIL FOR THE CITY OF ISLE OF PALMS ON THIS 28th DAY OF DECEMBER, 1993.

Carmen R. Bunch

Carmen R. Bunch, Mayor

Nellie S. McDuffie

Nellie S. McDuffie, Clerk-Treasurer

First Reading: November 23, 1993
Public Hearing: _____
Second Reading: December 28, 1993
Third Reading: waived
Ratification: December 28, 1993