

TOWN OF BLUFFTON, SOUTH CAROLINA

THIRD SUPPLEMENTAL ORDINANCE NO. _____

A THIRD SUPPLEMENTAL ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF A NOT EXCEEDING \$10,000,000 TAX INCREMENT REVENUE BOND, SERIES 2022, OR SUCH OTHER APPROPRIATE SERIES DESIGNATION, OF THE TOWN OF BLUFFTON, SOUTH CAROLINA; PRESCRIBING THE FORM AND DETAILS OF SUCH BOND; AUTHORIZING THE TOWN MANAGER OF THE TOWN TO DETERMINE CERTAIN MATTERS RELATING TO THE BOND; PROVIDING FOR THE PAYMENT OF THE BOND AND THE DISPOSITION OF THE PROCEEDS THEREOF; AND OTHER MATTERS RELATING THERETO.

BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF BLUFFTON, SOUTH CAROLINA, AS FOLLOWS:

Section 1. Definitions. The terms in this Section 1 and all words and terms defined in Ordinance No. 2005-24 enacted by the Council on November 9, 2005 (the “2005 Ordinance”) shall for all purposes of this Third Supplemental Ordinance have the respective meanings given to them in the 2005 Ordinance and in Section 1 hereof. The following terms as used in this Third Supplemental Ordinance shall, unless the context requires otherwise, have the following meanings:

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

“Interest Payment Date” shall mean June 1 and December 1 of each year, commencing June 1, 2023, or such other dates as determined by the Town Manager (hereinafter defined).

“Paying Agent” shall mean the Town Clerk (hereinafter defined).

“Pledged Revenues” shall mean 50% of the Tax Revenues.

“Principal Payment Date” shall mean June 1 of each year, commencing June 1, 2023, and ending June 1, 2032, or such other dates as determined by the Town Manager (hereinafter defined).

“Projects” shall mean those projects identified in the Revised TIF Plan.

“Purchaser” shall mean the purchaser of the Series 2022 Bond.

“Registrar” shall mean the Town Clerk.

“Revised TIF Plan” shall mean the Revised Tax Increment Financing District For Redevelopment Areas, Bluffton, South Carolina revised July 2022.

“Series 2022 Bond” shall mean the Town of Bluffton, South Carolina, Tax Increment Revenue Bond, Series 2022, in the principal amount of not exceeding \$10,000,000 authorized to be issued hereunder.

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

“Tax Revenues” shall mean the amounts of ad valorem taxes determined in accordance with Section 5.1 of the 2005 Ordinance and collected in each year in the Redevelopment Projects Area which

amounts shall be deposited upon receipt by the Town in the Special Tax Allocation Fund, and shall include the proportionate amount of any increased ad valorem taxes due to the late payment of such taxes.

“Third Supplemental Ordinance” shall mean this Third Supplemental Ordinance.

“TIF Debt Service Account of 2022” shall mean the account of that name established pursuant to Section 7 herein.

“Town Clerk” shall mean the Clerk of the Town.

“Town Manager” shall mean the Manager of the Town.

Section 2. Certain Findings and Determinations. The Council hereby finds and determines:

(a) The Town is an incorporated municipality located in Beaufort County, and as such possesses all powers granted to municipalities by the Constitution and general laws of the State.

(b) Pursuant to Section 5-5-10 of the South Carolina Code, the Town has selected the Council-Manager form of government and is governed by a Council composed of a Mayor and six (6) council members which constitute the governing body of the Town.

(c) Article X, Section 14, of the Constitution of the State of South Carolina, 1895, as amended (the “Constitution”), provides that the General Assembly may authorize by general law that indebtedness for the purpose of redevelopment within incorporated municipalities may be incurred, and that the debt service of such indebtedness be provided from the added increments of tax revenues to result from the redevelopment Projects.

(d) Pursuant to the Act, the governing bodies of the incorporated municipalities of this State are vested with all powers consistent with the Constitution of this State necessary, useful, and desirable to enable them to accomplish redevelopment in areas which are or are threatened to become blighted. Incorporated municipalities are further authorized to issue bonds under the Act to finance a “redevelopment Projects” as defined in the Act.

(e) Pursuant to the 2005 Ordinance, the Town, on December 5, 2005, issued its \$10,000,000 Tax Increment Bond, Series 2005 (the “2005 Bond”) and on February 17, 2006, issued its \$4,000,000 Tax Increment Bond, Series 2006 (the “2006 Bond”).

(f) Pursuant to Ordinance No. 2010-20 duly enacted by the Council on November 9, 2010, the Town, on November 12, 2010, issued its \$11,870,000 Tax Increment Refunding Bond, Series 2010 (the “2010 Bond”), the proceeds of which were used to refund the outstanding 2005 Bond and the 2006 Bond.

(g) Pursuant to Ordinance No. 2014-18 duly enacted by the Council on November 18, 2014 (the “2014 Ordinance”), the Town, on December 1, 2014, issued its \$8,923,000 Tax Increment Refunding Revenue Bond, Series 2014 (the “2014 Bond”), the proceeds of which were used to refund the outstanding 2010 Bond.

(h) This Third Supplemental Ordinance supplements the 2005 Ordinance, constitutes and is a “Supplemental Ordinance” within the meaning of such quoted term as defined and used in the 2005 Ordinance, and is enacted under and pursuant to the 2005 Ordinance.

(i) The Series 2022 Bond constitutes and is an “Additional Bond” as such quoted term is defined and used in the 2005 Ordinance.

(j) The Pledged Revenues pledged under the 2005 Ordinance and this Third Supplemental Ordinance are not encumbered by any pledge thereof other than for payment of the 2014 Bond.

(k) A Debt Service Reserve Fund will not be established or funded in connection with the issuance of the Series 2022 Bond.

(l) The Town proposes to fund the Projects with a portion of the proceeds of the Series 2022 Bond authorized by this Third Supplemental Ordinance and other available funds.

(m) Pursuant to Ordinance No. _____, the Council has approved the Revised TIF Plan. The Projects will be included in the Revised TIF Plan.

(n) The Series 2022 Bond is being issued for the purposes of funding a portion of the Projects and paying Costs of Issuance of the Series 2022 Bond.

(o) Section 8.1 of the 2005 Ordinance provides that to the extent permitted by law, including the Act, and the provisions of the 2005 Ordinance and a Supplemental Ordinance, the Town may from time to time, if not in Default in the payment of principal of and interest on the Bonds then Outstanding and if no other Event of Default has occurred and is continuing, issue Additional Bonds. Such Additional Bonds may be issued for such purposes as may be permitted by the Act upon compliance with the Additional Bonds test.

(p) To the best of the Town’s knowledge and belief, there does not exist an Event of Default, nor does there exist any condition which, after the passage of time or the giving of notice, or both, would constitute such Event of Default.

(q) At the time of the issuance of the Series 2022 Bond, The Town Manager shall certify that the amounts held in Pledged Revenues collected during the year immediately preceding the year in which the Series 2022 Bond is to be issued are not less than 1.20% of the combined annual debt service payments on the 2014 Bond and the Series 2022 Bond.

(r) Pursuant to the 2014 Ordinance, the Town adopted Written Procedures Related to Tax-Exempt Debt.

(s) The Revised TIF Plan will include the Projects.

(t) It is now in the best interest of the Town for the Council to provide for the issuance and sale of the Series 2022 Bond of the Town pursuant to the aforesaid provisions of the Constitution and laws of the State in a principal amount not exceeding \$10,000,000 to provide funds to pay the Redevelopment Projects Costs for the Projects and to pay Costs of Issuance.

(u) The application of a portion of the proceeds of the Series 2022 Bond for the Redevelopment Projects Costs for the Projects and to pay Costs of Issuance is necessary and in the best interest of the Town and will promote the health, safety, morals and welfare of the residents of the Town. The issuance of the Series 2022 Bond and Additional Bonds as may be issued will provide funds to implement the Revised TIF Plan. The Projects constitutes a “redevelopment project” within the meaning of the Act, and the Bond will be issued for corporate purposes and public purposes of the Town.

Section 3. Authorization and Details of Series 2022 Bond.

(a) There is hereby authorized to be issued the Series 2022 Bond designated “Town of Bluffton, South Carolina, Tax Increment Revenue Bond, Series 2022” in the aggregate principal amount of not exceeding \$10,000,000. The Series 2022 Bond shall be for the purposes set forth in Section 2(t) above and shall be issued in the principal amount as determined by the Town Manager pursuant to Section 5 hereof.

(b) The Series 2022 Bond shall be issued as a fully registered bond; shall be dated as of the date of its initial delivery or such other date as the Town Manager determines; shall be in a denomination of the entire principal amount of the issue; shall bear interest from its date payable on each Interest Payment Date; and shall mature in successive annual installments payable on the Principal Payment Dates. Interest on the Series 2022 Bond shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

(c) The Series 2022 Bond is a special obligation of the Town payable solely from, and secured by a pledge of the Pledged Revenues. The full faith, credit and taxing powers of the Town are not pledged for the payment of the Series 2022 Bond and the interest thereon.

(d) With the consent of the Purchaser, and notwithstanding any contrary provision contained in the 2005 Ordinance, the Series 2022 Bond may be sold or transferred only to who execute an investment letter delivered to the Town, in form satisfactory to the Town containing certain representations, warranties and covenants as to the suitability of such purchasers to purchase and hold the Series 2022 Bond. Such restriction shall be set forth on the face of the Series 2022 Bond and shall be complied with by each transferee of the Series 2022 Bond.

(e) The Series 2022 Bond shall be in substantially the form set forth in Exhibit A attached hereto, with such necessary or appropriate variations, omissions and insertions as are incidental to the issuance of the Series 2022 Bond or as are otherwise permitted or required by law or by the Ordinance, including this Third Supplemental Ordinance. The Series 2022 Bond shall be executed in the name and on behalf of the Town by the manual or facsimile signatures of the Mayor (or in his absence, the Mayor Pro Tempore) and Clerk of the Town.

Section 4. Authorization to Fund Projects and Proceeds of the Series 2022 Bond.

(a) There is hereby approved and authorized the funding of the Projects. The funding of the Projects shall be effected with a portion of the proceeds of the Series 2022 Bond.

(b) Upon the delivery of the Series 2022 Bond, the principal proceeds thereof, less Cost of Issuance, shall be paid directly to the Town.

Section 5. Authorization of Town Manager.

(a) The Council hereby authorizes and directs the Town Manager to: (i) determine the original issue date of the Series 2022 Bond; (ii) determine the principal amount of the Series 2022 Bond, if less than the authorized amount; (iii) determine the principal repayment schedule and Principal Payment Dates for the Series 2022 Bond, if different from the dates provided for herein; (iv) determine the Interest Payment Dates, if different from the dates provided for herein; (v) determine the optional redemption date and terms of redemption for the Series 2022 Bond; (vi) cause the preparation of, approve the form of and cause the dissemination of a request for proposals to potential purchasers of the Series 2022 Bond, if necessary; (vii) accept the bid in the best interest of the Town for the purchase of the Bond; and (viii) whether the Series 2022 Bond should be designated as a “qualified tax-exempt obligations” as defined in Section 265 of the Code and (ix) take such actions as may be necessary to carry out the purposes of this Third Supplemental Ordinance

(b) The Town Manager is empowered to include any additional provisions in the Series 2022 Bond as requested by the Purchaser thereof in accordance with its proposal to purchase the Series 2022 Bond.

(c) If it is determined and recommended by the Town's financial advisor and bond counsel that the Series 2022 Bond should be issued as a publicly-traded transaction, the Town Manager is authorized to cause the preparation of the documents needed for such a transaction, including but not limited to a preliminary official statement.

Section 6. Establishment of TIF Debt Service Account of 2022. In accordance with Section 5.3 of the 2005 Ordinance, the TIF Debt Service Account of 2022 is hereby directed to be established for the Series 2022 Bond on the date of original delivery of the Series 2022 Bond for the benefit of the Holder thereof. In addition, there is hereby directed to be established within the TIF Debt Service Account of 2022 an Interest Sub-Account and a Principal Sub-Account for the payment of interest and principal, respectively, on the Series 2022 Bond as the same become due and payable. The payments from the Pledged Revenues shall be made at the times set forth in Section 5.4(b) of the 2005 Ordinance. After provision for Debt Service payments has been made and so long as there is no Default or failure to make any Debt Service payment required hereunder, the Town may transfer from the Special Tax Allocation Fund any amount of Tax Revenue not needed for Debt Service payments into either the TIF Capital Projects Account, the Town's General Fund or such other fund or account authorized by the 2005 Ordinance.

Section 7. Establishment of TIF Project Fund. There is hereby created the "Town of Bluffton, Tax Increment Financing Projects Fund" (the "TIF Project Fund") to be maintained on behalf of the Town. The moneys on deposit in the TIF Project Fund shall be used and applied to the payment of the Costs of Issuance and the Redevelopment Projects Costs for the Projects, including without limitation the payment of engineering, legal and all other expenses incidental to the Redevelopment Projects and the issuance of the Series 2022 Bond.

Withdrawals from the TIF Project Fund shall be made in the manner withdrawals from other funds of the Town are made.

Moneys on deposit in the TIF Project Fund shall be invested in Permitted Investments pursuant to Section 9 hereof.

Section 9. Investment of Moneys Held by the Town.

(a) Moneys in all funds and accounts created hereunder may be invested by the Town in Permitted Investments; provided, that the maturity date or the date on which such Permitted Investments may be redeemed at the option of the holder thereof shall coincide as nearly as practicable with (but in no event shall be later than) the date or dates in which moneys in the funds or accounts for which the investments were made will be required for the purposes thereof.

(b) Amounts credited to a fund or account may be invested, together with amounts credited to one or more other funds or accounts, in the same Permitted Investments; provided, that (i) each such investment complies in all respects with the provisions of subsection (a) of this Section as they apply to each fund or account for which the joint investment is made, and (ii) the Town maintains separate records for each fund and account and such investments are accurately reflected therein.

(c) Except as otherwise specifically provided herein, in computing the amount in any fund or account, Permitted Investments purchased as an investment of moneys therein (taking into account straight line amortizations and accretions of premiums and discounts) shall be valued at the current

market value thereof, or at the redemption price thereof, if then redeemable at the option of the holder, in either event inclusive of accrued interest.

(d) The Town may rely on an opinion of counsel that any investment constitutes a Permitted Investment as defined in this Ordinance.

Section 10. Maintenance of Separate Funds and Accounts. The funds and accounts required to be established herein may be kept as separate and distinct accounts or may be combined.

Section 11. Payment of the Series 2022 Bond. The Series 2022 Bond is secured by a pledge of the Pledged Revenues including moneys in the Special Tax Allocation Fund referred to and subject to the limitations set forth in the 2005 Ordinance and shall be subject to no prior liens or encumbrances other than as provided under the 2005 Ordinance and this Third Supplemental Ordinance. The Town may, but is not obligated, to use any other legally available funds to make payments on the Series 2022 Bond. Both the principal of and interest on the Series 2022 Bond are payable at the designated office of the Paying Agent without presentation and surrender of the Series 2022 Bond in any coin or currency of the United States of America which is, at the time of payment, legal tender for public and private debts; provided, however, the Purchaser shall surrender the Series 2022 Bond to the Town on or within a reasonable time after their final maturity or earlier redemption.

Section 12. Disposition of Proceeds of Series 2022 Bond. The proceeds of the sale of the Series 2022 Bond shall be deposited into the TIF Project Fund, after paying Costs of Issuance.

Section 13. Exemption from State Taxes. Both the principal of and interest on the Series 2022 Bond shall be exempt, in accordance with the provisions of Section 12-2-50 of the South Carolina Code from all State, county, municipal, school district and all other taxes or assessments, except estate or other transfer taxes, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise.

Section 14. Federal Tax Covenants. The Town hereby covenants and agrees with the Purchaser or subsequent Holders of the Series 2022 Bond that it will not take any action which will, or fail to take any action which failure will, cause interest on such Series 2022 Bond to become includable in the gross income of the Purchaser or subsequent Bondholders thereof for federal income tax purposes pursuant to the provisions of the Code and regulations promulgated thereunder in effect on the date of original issue of the Series 2022 Bond and that no use of the proceeds of the Series 2022 Bond shall be made which, if such use had been reasonably expected on the date of issue of the Series 2022 Bond would have caused the Series 2022 Bond to be “arbitrage bonds,” as defined in the Code; and to that end the Town shall:

- (a) comply with the applicable provisions of Section 103 and Sections 141 through 150 of the Code and any regulations promulgated thereunder so long as the Series 2022 Bond is Outstanding;
- (b) establish such funds, make such calculations and pay such amounts, in the manner and at the times required in order to comply with the requirements of the Code relating to required rebates of certain amounts to the United States; and
- (c) make such reports of such information at the times and places required by the Code.

Section 15. Designation as Bank Qualified Tax-Exempt Obligation. The Town covenants that, in accordance with the applicable provisions of the Code, the Series 2022 Bond is designated as a “qualified tax-exempt obligations” as defined in Section 265 of the Code. The Town and all subordinate entities thereof do not anticipate issuing more than \$10,000,000 in tax-exempt bonds or other tax-exempt obligations in calendar

year 2022 other than private activity bonds (other than private activity bonds which are “qualified 501(c)(3) bonds” as defined in the Code). The Town represents that the sum of all tax-exempt obligations (other than such private activity bonds) issued by the Town and all subordinate entities thereof during calendar year 2022 is not reasonably expected to exceed \$10,000,000.

Section 16. Filings with Central Repository. In compliance with Section 11-1-85 of the South Carolina Code (“Section 11-1-85”) the Town covenants, so long as and to the extent required pursuant to Section 11-1-85, that it will file or cause to be filed with a central repository for availability in the secondary bond market when requested: (a) a copy of an annual independent audit of the Town within thirty (30) days of the Town’s receipt thereof; and (b) event-specific information within thirty (30) days of the Town’s receipt of the audit affecting more than five percent (5%) of Tax Revenues or the Town’s tax base.

The only remedy for failure by the Town to comply with the covenant of this paragraph shall be an action for specific performance of this covenant; and failure to comply shall not constitute a default or an “Event of Default” under the 2005 Ordinance or this Third Supplemental Ordinance. The Town specifically reserves the right to amend or delete this covenant to reflect any change in Section 11-1-85 without the consent of any Bondholder.

Section 17. Further Actions. The Mayor, Mayor Pro-Tempore, Town Manager, Assistant Town Manager, Town Attorney, and all other officers and employees of the Town are hereby authorized and directed to take any and all such further actions as shall be deemed necessary or desirable in order to effectuate the issuance of the Series 2022 Bond, and to carry out the intentions of this Third Supplemental Ordinance. The Council hereby retains Burr & Forman LLP, as bond counsel and Compass Municipal Advisors, LLC as financial advisor in connection with the issuance of the Series 2022 Bond. The Town Manager is authorized to execute such contracts, documents or engagement letters as may be necessary and appropriate to effectuate these engagements.

Section 18. Section Headings. The headings and titles of the several sections hereof shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of this Third Supplemental Ordinance.

Section 19. Repeal of Inconsistent Ordinances and Resolutions. All ordinances and resolutions of the Town, and any part of any ordinance or resolution, inconsistent with this Third Supplemental Ordinance are hereby repealed to the extent of such inconsistency.

Section 20. Effective Date. This Third Supplemental Ordinance shall become effective upon its enactment.

DONE, RATIFIED AND ENACTED this ____ day of _____, 2022.

TOWN OF BLUFFTON, SOUTH CAROLINA

By: _____
Mayor

(SEAL)

ATTEST:

Clerk

First Reading:

Final Reading:

EXHIBIT A

(FORM OF BOND)

TRANSFER RESTRICTED

THIS BOND MAY BE SOLD OR TRANSFERRED IN WHOLE OR IN PART ONLY TO A PURCHASER OR TRANSFEREE CONSTITUTING A QUALIFIED INVESTOR (AS SUCH TERM IS DEFINED IN THE HEREAFTER DEFINED THIRD SUPPLEMENTAL ORDINANCE UNDER WHICH THIS BOND IS ISSUED), AND ONLY UPON SUCH QUALIFIED INVESTOR DELIVERING TO THE TOWN AN INVESTMENT LETTER IN THE FORM REQUIRED UNDER THE THIRD SUPPLEMENTAL ORDINANCE.

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
TOWN OF BLUFFTON
TAX INCREMENT REVENUE BOND
SERIES 2022

Registered Holder:

Principal Amount:

KNOW ALL MEN BY THESE PRESENTS, that the Town of Bluffton, South Carolina (the “Town”), is justly indebted and, for value received, hereby promises to pay to the Registered Holder named above, or registered assigns, but solely from the special sources hereinafter mentioned and not otherwise, the principal amount shown above on the maturity date shown above (unless this bond shall be subject to prior redemption and shall have been duly called for previous redemption and payment of redemption price made or provided for), upon presentation and surrender of this bond at the principal office of Clerk of the Town as paying agent (the “Paying Agent”) and to pay interest, but solely from the special sources hereinafter mentioned and not otherwise, on such principal amount from the date hereof at the rate of ____% per annum payable on June 1, 2023, and semi-annually thereafter until maturity. This bond is payable in annual principal installments on June 1 in each of the years and in the principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
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The principal and interest on this bond are payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for public and private debts; provided, however, that interest on this fully registered bond shall be paid by check or draft or otherwise as set forth above.

This bond shall not be entitled to any benefit under the Ordinances, nor become valid or obligatory for any purpose, until the certificate of authentication hereon shall have been duly executed by the Registrar.

This bond is issued pursuant to and in accordance with Article X, Section 14, of the Constitution of the State of South Carolina, 1895, as Revised; Title 31, Chapter 6, Code of Laws of South Carolina 1976, as Revised (the "TIF Act"); Title 5, Chapter 37, Code of Laws of South Carolina 1976, as amended (and together with the TIF Act, the "Act"), Ordinance No. 2005-22 duly enacted on October 12, 2005, Ordinance No. _____ duly enacted on _____, 2022; Ordinance No. 2005-24 enacted on November 9, 2005; and Third Supplemental Ordinance No. _____ duly enacted on _____, 2022 (collectively, the "Ordinances"), by the Council of the Town.

This bond and the interest hereon are special obligations of the Town payable solely from, and secured by a pledge of the Pledged Revenues (as such term is defined in the Ordinances), including moneys in a Special Tax Allocation Fund created pursuant to the Act and such other funds established under the Ordinances, which may also be pledged by the Town to secure additional bonds issued pursuant to the Act. **THE FULL FAITH, CREDIT AND TAXING POWERS OF THE TOWN ARE NOT PLEDGED FOR THE PAYMENT OF THIS BOND AND THE INTEREST HEREON.**

This bond is on a parity with the 2014 Bond (as defined in the Ordinances). Additional Bonds (as defined in the Ordinances) on a parity with this bond may hereafter be issued under terms and conditions set forth in the Ordinances. Such Additional Bonds shall be equally and ratably secured with the pledge of the Pledged Revenues.

The Ordinances contain provisions defining terms; sets forth the moneys, funds and 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 Ordinances; 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 this bond is issued and upon which other bonds may be hereafter 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 Town thereunder; and sets forth the terms and conditions upon which the pledge made in the Ordinances for the security of this bond and upon which the covenants, agreements and other obligations of the Town made therein may be Revised or discharged at or prior to the maturity or redemption of this bond with provision for the payment thereof in the manner set forth in the Ordinances. Reference is hereby made to the Ordinances, 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 Ordinances shall be a contract with the holder of this bond.

[At the option of the Town, this bond is subject to prepayment in full at any time without penalty.]

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

Under the laws of the State of South Carolina (the "State"), this bond and the income herefrom are exempt from all State, county, municipal, school district and all other taxes or assessments, except estate or other transfer taxes, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of the State to exist, to happen and to be performed precedent to or in the issuance of this bond exist, have happened and have been performed in regular and due time, form and manner as required by law; that the bond does not exceed any constitutional or statutory limitation of indebtedness; and that provision has been made for the payment of the principal of and interest on this bond, as provided in the Ordinances.

IN WITNESS WHEREOF, THE TOWN OF BLUFFTON, SOUTH CAROLINA, has caused this bond to be signed with the facsimile signature of the Mayor of the Town, attested by the facsimile signature of the Clerk of the Town, and the seal of the Town impressed, imprinted or reproduced hereon.

TOWN OF BLUFFTON, SOUTH CAROLINA

By: _____
Mayor

(SEAL)

ATTEST:

By: _____
Clerk

REGISTRAR'S CERTIFICATE OF REGISTRATION

Date of Registration:

This bond is the bond described in the within mentioned Ordinance of the Town of Bluffton, South Carolina.

Town of Bluffton, South Carolina, as Registrar

Clerk

ASSIGNMENT

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

Dated: _____

Signature Guaranteed

(Authorized Officer)

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

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

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

TEN COM – as tenants in common

UNIF GIFT MIN ACT –

TEN ENT – as tenants by the entireties

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

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

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

CERTIFICATE

IT IS HEREBY CERTIFIED that the following is a true and correct copy of the final legal opinion (except for date and letterhead) of the Burr & Forman LLP, Columbia, South Carolina, approving the issue of bonds of which the within bond is one, the original of which opinion was manually executed, dated and issued as of the date of delivery of and payment for the bonds, and a copy of which is on file with the Town Council of the Town of Bluffton, South Carolina.

TOWN OF BLUFFTON, SOUTH CAROLINA

By: _____
Clerk