

AMENDED AND RESTATED RESOLUTION OF THE BOARD OF DIRECTORS OF SOUTH CAROLINA PUBLIC SERVICE AUTHORITY AUTHORIZING THE ISSUANCE OF REVENUE PROMISSORY NOTES OF THE AUTHORITY; AUTHORIZING THE ISSUANCE OF REVOLVING CREDIT NOTES IN CONNECTION THEREWITH; PRESCRIBING THE FORM OF THE NOTES AND THE REVOLVING CREDIT NOTES; AUTHORIZING THE ISSUANCE OF ALTERNATE VARIABLE RATE FINANCING OBLIGATIONS OF THE AUTHORITY; AND MAKING CERTAIN OTHER COVENANTS AND AGREEMENTS WITH RESPECT THERETO.

BE IT RESOLVED by the Board of Directors of South Carolina Public Service Authority as follows:

SECTION 1.1 Definitions. As used in this Resolution, unless the context shall clearly indicate otherwise, the following terms shall, for all purposes hereof, have the meanings set forth below:

(a) “Alternate Variable Rate Financing Agreement” shall mean any direct loan facility, credit facility, line of credit or similar facility, or any combination of the foregoing, between the Authority and any Bank or Banks.

(b) “Alternate Variable Rate Financing Obligations” shall mean obligations of the Authority created under any Alternate Variable Rate Financing Agreement.

(c) “Authority” shall mean South Carolina Public Service Authority, created and existing pursuant to the provisions of the Enabling Act.

(d) “Authorized Amount” shall have the meaning set forth in Section 2 of this Note Resolution.

(e) “Authorized Officer” or “Authorized Officers” shall mean the President, any Executive Vice President, the Chief Financial Officer, the Treasurer, or any officer or employee of the Authority authorized to perform specific acts or duties hereunder by resolution duly adopted by the Board of Directors of the Authority. For purposes of giving Instructions, “Authorized Officer” or “Authorized Officers” shall also include any officer or representative of the Authority to whom such authority is delegated in writing by a certificate signed by an Authorized Officer listed in the preceding sentence.

(f) “Bank” or “Banks” shall mean, collectively, the bank or banks or other financial institutions party from time to time to any Revolving Credit Agreement or Alternate Variable Rate Financing Agreement.

(g) “Capital Improvement Fund” shall mean the fund by that name continued by Section 5.3 of the Revenue Obligation Resolution.

(h) “Commitment” shall mean (i) with respect to any Revolving Credit Agreement, the obligation of the Bank or Banks party to such Revolving Credit Agreement to make Loans from time to time under such Revolving Credit Agreement, and (ii) with respect to any Alternate Variable Rate Financing Agreement, the obligation of the Bank or Banks party thereto to purchase Notes pursuant to the terms thereof.

(i) “Dealer Agreements” shall mean the Dealer Agreements providing for the purchase and placement of the Notes between the Authority and such Dealers and in such form or forms as shall be approved by an Authorized Officer, as evidenced by the signature of such Authorized Officer on such Dealer Agreements.

(j) “Dealers” shall mean, collectively, the broker-dealers party from time to time to the Dealer Agreements and acting as Dealers thereunder.

(k) “Defeasance Obligations” shall mean (i) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (“Government Obligations”); (ii) certificates which evidence ownership of the rights to payment of the principal of or interest on Government Obligations; (iii) bonds, debentures, notes or participation certificates issued by the Bank for Cooperatives, the Federal Intermediate Credit Bank, the Federal Home Loan Bank System, the Export-Import Bank of the United States, the Federal Land Bank, the Federal National Mortgage Association, the Tennessee Valley Authority, or any other agency or corporation which is or may hereafter be created by or pursuant to an Act of Congress of the United States as an agency or instrumentality of the United States of America; and (iv) obligations of state and local government municipal bond issuers, the provision for the payment of the principal of and interest on which shall have been made by deposit with a trustee or escrow agent of non-callable obligations described in (i), (ii), or (iii) of this definition.

(l) “Enabling Act” shall mean Act No. 887 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1934, codified as Title 58, Chapter 31 of the Code of Laws of South Carolina 1976, as amended, and acts supplementary thereto or amendatory thereof.

(m) “Event of Default” in connection with this Resolution, shall have the meaning given to such term in Section 15 hereof.

(n) “Fiscal Year” shall mean the twelve month period beginning January 1 and ending December 31 or such other consecutive twelve month period determined from time to time by resolution of the Board of Directors of the Authority to be its fiscal year.

(o) “Instructions” shall mean a request, directive or instruction by telephone, telex or other electronic transmission, or in writing from an Authorized Officer to the Issuing and Paying Agent or any Dealer or Dealers.

(p) “Issuing and Paying Agency Agreement” shall mean the Issuing and Paying Agency Agreement relating to the Notes, between the Authority and such Issuing and Paying Agent and in such form as shall be approved by an Authorized Officer, as evidenced by the signature of such Authorized Officer on such Issuing and Paying Agency Agreement.

(q) “Issuing and Paying Agent” shall mean the commercial bank party to the Issuing and Paying Agency Agreement acting as the Issuing and Paying Agent thereunder, and any successor thereto under the Issuing and Paying Agency Agreement.

(r) “Loan” or “Loans” shall mean any loan or loans to the Authority made by any Bank, pursuant to such Bank's Commitment under the Revolving Credit Agreement or Alternate Variable Rate Financing Agreement to which it is a party, (i) to pay the principal amount of maturing Notes, or (ii) to repay advances by the Authority used to pay the principal amount of maturing Notes.

(s) “Master Note” shall mean any commercial paper master note in a form accepted by the Depository Trust Company, or comparable form, by and between the Authority and the Issuing and Paying Agent evidencing the issuance of Notes by the Authority from time to time.

(t) “Maximum Rate” shall mean (i) with respect to the Tax-Exempt Series Notes, 12% per annum, and (ii) with respect to the Taxable Series Notes, 15% per annum.

(u) “Note Resolution” or “Resolution” shall mean this resolution.

(v) “Notes” shall mean the notes authorized, issued and outstanding from time to time pursuant to Section 2 hereof, consisting of Tax-Exempt Series Notes and Taxable Series Notes.

(w) “Operation and Maintenance Expenses” shall have the meaning set forth in the Revenue Obligation Resolution.

(x) “Rating Agencies” shall mean Moody's Investors Service, Inc., Standard & Poor's Ratings Services, a Standard and Poor's Financial Services LLC business, and Fitch, Inc., and any other nationally recognized agency by whom the Notes are rated.

(y) “Revenue Fund” shall mean the fund by that name continued by Section 5.1 of the Revenue Obligation Resolution.

(z) “Revenue Obligation” or “Revenue Obligations” shall mean any bond, note or other obligations, some of the bonds, notes or other obligations or all of the bonds, notes or other obligations at any time outstanding under and pursuant to the Revenue Obligation Resolution.

(aa) “Revenue Obligation Fund” shall mean the fund by that name created under Section 6.1 of the Revenue Obligation Resolution.

(ab) “Revenue Obligation Resolution” shall mean that resolution of the Authority adopted on April 26, 1999 and entitled: RESOLUTION OF THE BOARD OF DIRECTORS OF SOUTH CAROLINA PUBLIC SERVICE AUTHORITY ESTABLISHING THE GENERAL TERMS AND CONDITIONS UPON WHICH ITS REVENUE OBLIGATIONS MAY BE ISSUED FOR CORPORATE PURPOSES OF THE AUTHORITY, as from time to time heretofore and hereafter amended or supplemented.

(ac) “Revenues” shall mean all the revenues, income, profits, tolls, rents, charges and returns of the Authority derived from its ownership or operation of the System, including the

proceeds of any insurance covering business interruption loss relating to the System, but excluding other insurance proceeds and proceeds realized from the sale of properties of the System pursuant to the provisions of Section 8.4 of the Revenue Obligation Resolution and customer deposits.

(ad) “Revolving Credit Agreement” or “Revolving Credit Agreements” shall mean any Revolving Credit Agreement or Revolving Credit Agreements relating to the Notes by and among the Authority and the Bank or Banks party thereto, in such form or forms as shall be approved by an Authorized Officer, as evidenced by the signature of such Authorized Officer on such Revolving Credit Agreement or Revolving Credit Agreements.

(ae) “Revolving Credit Notes” shall mean the revolving credit notes authorized pursuant to Section 10 of this Note Resolution.

(af) “System” shall mean (1) all the property, real, personal and mixed, owned or operated by the Authority for the purpose of acquiring, controlling, storing, preserving, treating, distributing and selling water for navigation, power, irrigation, reclamation, or sale to residential, commercial, agricultural or industrial customers or other governmental entities, and plants, works, structures, facilities and equipment for the generation, manufacture, transmission or distribution of water power and electric power and energy, and of any other forms of power and energy when authorized by the Enabling Act; (2) all replacements, renewals, improvements, additions and extensions thereof or thereto; and (3) all power and energy generating, transmission and distribution properties, real, personal and mixed, at any time owned, constructed, leased, acquired or in process of acquisition by the Authority, and any incidental properties acquired or leased in connection therewith; but shall not include separate projects established by the Authority for any corporate purpose of the Authority other than those projects and purposes described hereinabove in this paragraph (af), and shall not include (i) any facilities for the purpose of providing water for sale to residential, commercial, agricultural or industrial customers or other governmental entities, or (ii) any facilities for the generation of any form of power and energy, or for the transmission and distribution of any form of power and energy, and any incidental properties constructed, acquired or leased in connection therewith, constructed or acquired by the Authority as a separate system, and if constructed or acquired with the proceeds of the sale of bonds or other evidences of indebtedness, which bonds or other evidences of indebtedness are payable solely from the revenues or other income derived from the ownership or operation of such separate utility system, and may be further secured by a junior and subordinate pledge described in Section 2.4 of the Revenue Obligation Resolution, of the Revenues and payable therefrom, but only after the revenues and other income derived from the ownership or operation of such separate utility system and pledged to the payment of such bonds or other indebtedness are so applied in accordance with the proceedings providing for the issuance of such bonds or other indebtedness.

(ag) “Tax-Exempt Series Notes” shall have the meaning set forth in Section 2 of this Note Resolution.

(ah) “Taxable Series Notes” shall have the meaning set forth in Section 2 of this Note Resolution.

(ai) "Termination Date," with respect to each Revolving Credit Agreement, shall have the meaning provided in such Revolving Credit Agreement.

SECTION 1.2. Findings and Determinations. The Authority hereby finds and determines that:

(a) South Carolina Public Service Authority, a body corporate and politic, duly organized and existing under and by virtue of the laws of the State of South Carolina, has been created and organized pursuant to the provisions of the Enabling Act, to carry out the purposes set forth in the Enabling Act.

(b) Pursuant to the provisions of the Enabling Act, the Authority is authorized and empowered, among other things, to build, construct, maintain and operate canals, dams, locks, aqueducts, reservoirs and navigation facilities and to build, acquire, construct and maintain power houses and any and all structures, ways and means necessary, useful or customarily used and employed in the manufacture, generation, distribution and sale of electric power, including power transmission lines, poles, telephone lines, substations, transformers and generally all things used or useful in the manufacture, distribution, purchase and sale of power generated by water, steam or otherwise; to acquire, treat, distribute and sell, subject to the limitations of the Enabling Act, water at wholesale; to acquire, operate and maintain, subject to the limitations of the Enabling Act, facilities for the treatment and distribution of water for industrial, commercial, domestic or agricultural purposes; and to construct, maintain and operate the System, as more fully set out in the Enabling Act.

(c) Pursuant to the provisions of the Enabling Act, the Authority is further authorized and empowered to borrow money and make and issue its negotiable bonds, notes and other evidences of indebtedness, at public or private sale, including refunding and advance refunding bonds, notes and other evidences of indebtedness, and to secure the payment of such obligations by pledge of its revenues; to make such agreements with the purchasers or holders of such bonds, notes or other evidences of indebtedness, or with others in connection therewith as the Authority shall deem advisable; to fix, alter, charge or collect tolls and other charges for the use of the facilities of, or for the services rendered by or for any commodities furnished by, the Authority, at rates to be determined by it, such rates to be at least sufficient to provide payment of all expenses of the Authority, the maintenance and operation of its facilities and properties, the principal of and interest on all its notes, bonds and other evidences of indebtedness and to fulfill the terms and provisions of any agreements made with the purchasers or holders of such bonds, notes or other evidences of indebtedness.

(d) Pursuant to the Enabling Act, the Board of Directors of the Authority adopted on April 26, 1999 the Revenue Obligation Resolution providing for the issuance of the Authority's Revenue Obligations in an unlimited amount secured by a lien upon and pledge of Revenues.

(e) The Authority deems it necessary and advisable and in the financial interest of the Authority that the Authority authorize, issue and sell short term promissory revenue notes for the purposes and in the amount hereinafter set forth.

(f) The Authority deems it necessary and advisable that the Authority authorize any Authorized Officer to enter into one or more Dealer Agreements.

(g) The Authority deems it necessary and advisable that the Authority authorize any Authorized Officer to enter into an Issuing and Paying Agency Agreement.

(h) The Authority deems it necessary and advisable that the Authority, in order to provide for a source of payment of the maturing principal of the Notes, (1) authorize any Authorized Officer to enter into one or more Revolving Credit Agreements with such Bank or Banks as shall be designated by the certificate of such Authorized Officer, and (2) issue its Revolving Credit Notes in an aggregate principal amount not exceeding the aggregate principal amount of Notes authorized hereunder.

(i) The Authority deems it necessary and advisable that the Authority authorize an Authorized Officer of the Authority (i) to determine the dates of issuance, principal amounts, prices, maturity dates, and interest rates of the Notes issued pursuant to this Resolution, and (ii) to allocate, as a source of payment of the maturing principal of such Notes, the unused Commitment of the applicable Bank in compliance with the requirements of the Revolving Credit Agreement or Alternate Variable Rate Financing Agreement to which such Bank is a party.

(j) The Authority deems it necessary and advisable that the Authority provide for alternate variable rate financing methods and authorize any Authorized Officer of the Authority to enter into Alternate Variable Rate Financing Agreements from time to time, subject to the terms and conditions set forth in this Note Resolution.

SECTION 2. Authorization and Issuance of the Notes. Upon the execution and delivery of the Dealer Agreements, the Issuing and Paying Agency Agreement and one or more Revolving Credit Agreements, the Authority is hereby authorized to borrow and reborrow from time to time, and to issue Notes to evidence such borrowing or reborrowing, for valid corporate purposes of the Authority, including paying at maturity from time to time any outstanding Notes issued hereunder, so long as the aggregate principal amount of the Notes outstanding at any one time does not exceed the Authorized Amount, which Authorized Amount is hereby defined as the lesser of (i) twenty percent (20%) of the aggregate Authority debt (including outstanding Notes, outstanding Revolving Credit Notes (but, in the case of the Revolving Credit Notes, only to the extent of any Loan or Loans outstanding thereunder)) and outstanding Alternate Variable Rate Financing Obligations outstanding as of the last day of the most recent Fiscal Year for which audited financial statements of the Authority are available, or (ii) the aggregate unused Commitment of the Banks under the Revolving Credit Agreements and Alternate Variable Rate Financing Agreements; provided, however, any portion of any Notes to be paid on the day of calculation from the proceeds of such Notes shall not be considered outstanding. Notes which are issued as obligations the interest on which, in the opinion of recognized bond counsel, is excluded from gross income for federal income tax purposes (the "Tax-Exempt Series Notes") are hereby designated "South Carolina Public Service Authority Revenue Notes, Tax-Exempt CP Series." All other Notes (the "Taxable Series Notes") are hereby designated "South Carolina

Public Service Authority Revenue Notes, Taxable CP Series.” Notes of each series may be issued in one or more sub-series as designated by a certificate of an Authorized Officer. The Notes shall be issued without coupon in bearer form or in fully registered form, as set forth in Instructions to the Issuing and Paying Agent, in minimum denominations of \$100,000 or any integral multiple of \$1,000 in excess thereof and shall be dated the date of their issuance. Both Tax-Exempt Series Notes and Taxable Series Notes (i) may be issued in one or more sub-series reflecting the Commitment of any Bank to provide a source of payment of the principal of such sub-series of Notes, and (ii) shall be numbered from 1 upwards, prefixed by a designation to identify the appropriate series and sub-series. Tax-Exempt Series Notes shall bear interest payable at maturity, determined from time to time as provided below. Taxable Series Notes shall be issued on a discount basis or on an interest-bearing basis, determined from time to time as provided below.

The Notes shall be issued at such times, be sold to such purchasers at such prices, bear interest, mature on such dates and otherwise have such terms and conditions as shall be determined by an Authorized Officer and as shall be set forth in the Instructions to the Issuing and Paying Agent pursuant to Section 6 hereof; provided, however, that each Note:

(i) shall mature not more than 270 days from the date of issuance thereof, but in no event after the Termination Date, including any extensions thereof, and

(ii) shall bear interest at a rate (or, in the case of discounted Taxable Series Notes, effective interest rate) not in excess of the Maximum Rate calculated on the basis of a 365-day year (or, in the case of Taxable Series Notes, a 360-day year).

The principal of and interest on the Notes shall be payable in immediately available funds at the principal office of the Issuing and Paying Agent.

**SECTION 3. Execution of Notes, Authentication.** The Notes shall be executed on behalf of the Authority with the manual or facsimile signature of the Chairman or a Vice Chairman of the Board of Directors, and a facsimile of the corporate seal of the Authority shall be imprinted on each of the Notes attested with the manual or facsimile signature of the Corporate Secretary, an Assistant Corporate Secretary or Treasurer thereof. In case any officer whose signature or facsimile thereof shall appear on any Note shall cease to be such officer before the delivery of such Note, such signature or such facsimile signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until the delivery of such Note.

No Note shall be valid or obligatory for any purpose or entitled to any benefits under this Resolution unless and until it shall have been countersigned with the manual signature of an authorized representative or officer of the Issuing and Paying Agent, and the manual signature of an authorized representative or officer of the Issuing and Paying Agent upon any such Note shall be conclusive evidence that such Note has been issued and delivered pursuant to the provisions of this Resolution.

**SECTION 4. Book-Entry System: Recording and Transfer of Ownership of Notes.** The Notes may be issued in book-entry form. The Depository Trust Company, New York, New York

("DTC") will act as securities depository for any Notes issued in book-entry form, and the ownership of one fully registered Note for each maturity, each in the aggregate principal amount of all Notes having such maturity, will be registered in the name of Cede & Co., as nominee for DTC.

Purchases of Notes under the book-entry system may be made only through brokers and dealers who are, or act through, DTC participants ("Direct Participants") in accordance with rules specified by DTC. Each Direct Participant will receive a credit balance in the records of DTC in the amount of such Direct Participant's ownership interest in any such Notes. The ownership interest of each actual purchaser of a Note issued in book-entry form (the "Beneficial Owner") will be recorded through the records of the Direct Participant or persons acting through Direct Participants (the "Indirect Participants"). Transfers of ownership interests in the Notes issued in book-entry form will be accomplished only by book entries made by DTC and, in turn, by Direct Participants or Indirect Participants who act on behalf of the Beneficial Owners. Beneficial Owners of the Notes will not receive nor have the right to receive physical delivery of Notes, and will not be or be considered to be holders thereof under this Note Resolution, except as specifically provided in the event the book-entry system is discontinued.

So long as Cede & Co., as nominee of DTC, is the registered owner of any Notes issued in book-entry form, references in this Note Resolution to the holders or registered owners of such Notes shall mean Cede & Co. and shall not mean the Beneficial Owners. The Authority and the Issuing and Paying Agent may treat DTC (or its nominee) as the sole and exclusive owner of the Notes registered in its name for the purpose of payment of the principal of or interest on such Notes, giving any notice permitted or required to be given to holders of Notes under this Note Resolution, registering the transfer of Notes, obtaining any consent or other action to be taken by holders of Notes and for all other purposes whatsoever, and shall not be affected by any notice to the contrary. The Authority and the Issuing and Paying Agent shall not have any responsibility or obligation to any Direct Participant or Indirect Participant or any person claiming a beneficial ownership interest in such Notes under or through DTC or any Direct Participant or Indirect Participant, with respect to the accuracy of any records maintained by DTC or any Direct Participant or Indirect Participant; the payment by DTC or any Direct Participant or Indirect Participant of any amount in respect of the principal of or interest on such Notes; any notice which is permitted or required to be given to holders of Notes thereunder or under the conditions to transfers or exchanges adopted by the Authority; or any consent given or other action taken by DTC as a holder of Notes.

Principal and interest payments on any Notes issued in book-entry form will be made to DTC or its nominee, Cede & Co., as registered owner of such Notes. Payments by Direct Participants and Indirect Participants to Beneficial Owners of such Notes will be the responsibility of such Direct Participant or Indirect Participant and not of DTC, the Issuing and Paying Agent or the Authority.

Neither the Authority nor the Issuing and Paying Agent will have any responsibility or obligation to any Direct Participant or Indirect Participant, or the persons for whom they act as nominees, with respect to payments actually made to DTC or its nominee, Cede & Co., as registered owner of the Notes issued in book-entry form, or with respect to the providing of

notice for the Direct Participants, the Indirect Participants, or the Beneficial Owners of the Notes issued in book-entry form.

For every transfer and exchange of a beneficial ownership interest in Notes issued in book-entry form, a Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

DTC may determine to discontinue providing its service with respect to Notes issued in book-entry form at any time by giving notice to the Authority and discharging its responsibilities with respect thereto under applicable law. In addition, if the Authority determines that continuation of the system of book-entry-only transfers through DTC (or a successor securities depository) is not in the best interests of the Beneficial Owners of Notes issued in book-entry form or the Authority, the Authority may thereupon terminate the services of DTC with respect to such Notes. If for any such reason the system of book-entry-only transfers through DTC is discontinued, Notes will be delivered as described in Sections 2 and 6 of this Note Resolution in the names of Beneficial Owners or Direct Participants; provided, however, that in the case of any such discontinuance, the Authority may within 90 days thereafter appoint a substitute securities depository which, in the Authority's opinion, is willing and able to undertake the functions of DTC upon reasonable and customary terms.

SECTION 5. Form of Notes. Each series or sub-series of Notes shall be evidenced by a separate Master Note entered into between the Authority and the Issuing and Paying Agent. The Notes and Corporate Secretary's Certificate shall be in substantially the following forms:

[FORM OF NOTE]

SOUTH CAROLINA PUBLIC SERVICE AUTHORITY  
SOUTH CAROLINA  
Revenue Notes, [Tax-Exempt] [Taxable]  
CP Series [\_\_\_\_]

No. \_\_\_\_\_

Moncks Corner, South Carolina  
\_\_\_\_\_, 20\_\_

South Carolina Public Service Authority, a body corporate and politic duly organized and existing under the laws of the State of South Carolina (the "Authority"), hereby promises to pay, but solely from the Revenues of its System hereinafter referred to, upon presentation and surrender hereof, to the order of [Bearer] [Registered Owner] on \_\_\_\_\_, \_\_\_\_\_, the principal sum of \$\_\_\_\_\_, [together with interest on such principal sum calculated on the basis of a [365-day] [360-day] year at the rate of \_\_\_% per annum,] at the principal office of [Issuing and Paying Agent], in the City of New York, State of New York.

This Note is one of an authorized issue of South Carolina Public Service Authority Revenue Notes, consisting of Tax-Exempt CP Series Notes and Taxable CP Series Notes (collectively, the "Notes") issued pursuant to and in full compliance with the Constitution and laws of the State of South Carolina, including Sections 58-31-10 to 58-31-450, Code of Laws of South Carolina

1976, as amended, and a resolution duly adopted by the Board of Directors of the Authority on August 23, 2010 (as amended from time to time, the "Note Resolution"). Reference to the above mentioned Note Resolution is hereby made for a description of the Notes of the issue of which this Note is one; definitions of terms; the funds applicable to the payment of the Notes; the covenants and agreements of the Authority, including the conditions for and upon which may be issued other obligations of the Authority payable prior to or on a parity with the Notes; the provisions by which the obligations of the Authority under the Note Resolution and the lien upon and pledge of the Revenues may be discharged as to this Note by depositing with the Issuing and Paying Agent, in trust under the Note Resolution, moneys and certain securities sufficient for the payment of this Note and the interest hereon; and the other terms and conditions upon which this Note is issued. The principal of and interest on this Note shall be payable without distinction as to series or sub-series from the Revenues, to the extent set forth in the next sentence, from the proceeds of renewals or refunding notes, bonds, the Revolving Credit Notes, other evidences of indebtedness of the Authority, or any other moneys of the Authority lawfully available therefor. The payment of the principal of and interest on this Note is a special obligation of the Authority, payable from and secured by a pledge of the Revenues and moneys in the Revenue Fund junior, subordinate and inferior only to the lien and charge on the Revenues and the moneys in the Revenue Fund:

(i) for the payments required to be made from the Revenues and the moneys in the Revenue Fund by the Revenue Obligation Resolution into the Revenue Obligation Fund, and the accounts therein; and

(ii) for the amount, if any, required to be retained in the Revenue Fund which the Authority determines to be required to pay Operation and Maintenance Expenses from time to time;

but which lien or charge, in any event, shall be senior and paramount to the payments into the Capital Improvement Fund required to be made by the Revenue Obligation Resolution.

Each of the capitalized terms set forth hereinabove and not defined herein is used in this Note as defined in the Note Resolution.

This Note shall not be deemed to constitute an obligation of the State of South Carolina or any political subdivision thereof, and neither the State of South Carolina nor any of its political subdivisions shall be liable hereon.

It is hereby certified and recited that any and all acts, conditions and things required to exist, to happen and to be performed precedent to or in the issuance of this Note, exist, have happened and have been performed in due time, form and manner, as required by the Constitution and laws of the State of South Carolina and the Note Resolution.

THIS NOTE IS ONE OF THE  
[APPLICABLE SERIES] OF NOTES  
DESCRIBED IN THE WITHIN-  
MENTIONED NOTE RESOLUTION

SOUTH CAROLINA PUBLIC  
SERVICE AUTHORITY

By:

[SUB-SERIES DESIGNATION]

Chairman/Vice Chairman, Board of  
Directors

ISSUING AND PAYING AGENT

Attest:

Corporate Secretary / Assistant  
Corporate Secretary/Treasurer

By:

Authorized Officer

(SEAL)

THIS NOTE IS NOT VALID UNLESS  
COUNTERSIGNED BY THE ISSUING AND PAYING AGENT  
[FORM OF CORPORATE SECRETARY'S CERTIFICATE]

#### CERTIFICATE

IT IS HEREBY CERTIFIED that the following is a true and correct copy of the approving opinion of Haynsworth Sinkler Boyd, P.A., Attorneys and Counselors at Law, Charleston, South Carolina, approving the issue of Notes of which the within Note is one, the original of which opinion is on file in the principal office of South Carolina Public Service Authority.

SOUTH CAROLINA PUBLIC.  
SERVICE AUTHORITY

By:

Corporate Secretary

SECTION 6. Delivery of Notes. Prior to the countersigning, issuance and delivery by the Issuing and Paying Agent of any Notes under this Resolution, the Issuing and Paying Agent shall have received (i) Instructions from an Authorized Officer of the Authority to countersign, issue and deliver such Notes, and (ii) a written certificate in which an Authorized Officer of the Authority shall represent that:

(a) all action on the part of the Authority necessary for the valid issuance of the Notes then to be issued has been taken; all actions on the part of the Authority necessary for the execution, delivery and performance of this Resolution have been duly and properly taken; all provisions of South Carolina and Federal law necessary for the valid issuance of, and, in the case of Tax-Exempt Series Notes, to provide for the exclusion from gross income for Federal income tax purposes of the interest on, the Notes then to be issued have been complied with; and such Notes in the hands of the holders and owners thereof will be valid obligations of the Authority enforceable in accordance with their terms and, in the case of Tax-Exempt Series Notes, the interest on which is excludable from gross income for Federal income tax purposes;

(b) the warranties and representations set forth in Section 12 hereof are true and correct as of the time of such issuance;

(c) with respect to any series or sub-series of Notes, no Event of Default described in Section 15(b) hereof shall have occurred with respect to the Revolving Credit Agreement supporting such series or sub-series of Notes;

(d) no Event of Default hereunder has occurred;

(e) the aggregate principal amount of Notes outstanding pursuant to this Resolution (including the Notes then to be issued) does not exceed the Authorized Amount; and

(f) the proceeds of the Notes then being issued are to be used (1) for valid corporate purposes of the Authority or (2) to refund or pay outstanding Loans and Notes, the original proceeds of which were used for such purposes.

The Instructions shall request the Issuing and Paying Agent to countersign and deliver such Notes to the purchasers thereof, and shall set forth and approve on behalf of the Authority:

- (i) the principal amount of Notes then being issued (or, in the case of discounted Taxable Series Notes, the stated principal amounts at maturity),
- (ii) the rate or rates of interest the Notes will bear (or, in the case of discounted Taxable Series Notes, the discount rate at which such Taxable Series Notes will be issued), provided that no such rate shall exceed the Maximum Rate,
- (iii) the dollar amount of interest on the Notes,
- (iv) the date of issuance of the Notes and maturity date thereof,
- (v) the series and sub-series designation for such notes, and
- (vi) the Bank or Banks whose Commitment provides a source of payment for the maturing principal of such Notes.

Upon compliance with the provisions set forth in Section 2 hereof, any Authorized Officer of the Authority is hereby authorized and directed to authorize the issuance, by the Issuing and Paying Agent, of the Notes for sale to such purchasers from time to time at such times, in such principal amounts, in such series or sub-series, at such rates of interest (which may be fixed or variable or subject to conversion from a variable rate to a fixed rate) or, in the case of discounted Taxable Series Notes, on such discounted basis, and maturing on such dates, with the payment of the maturing principal thereof being supported by the Commitment of the applicable Bank or Banks whose Revolving Credit Agreement or Alternate Variable Rate Financing Agreement supports such series or sub-series, as an Authorized Officer shall deem appropriate, subject to the limitations set forth in this Resolution and the Revolving Credit Agreements and Alternate Variable Rate Financing Agreements, and to issue Instructions for such purpose. In the event Notes are issued through DTC or any successor securities depository, the Issuing and Paying Agent is hereby authorized (1) to execute by manual signature the Master Note and deliver the same to DTC or any successor securities depository upon the order of an Authorized

Officer and (2) to proceed with the issuance of additional obligations under the Master Note in such amounts, at such times and pursuant to such terms as the Authorized Officer shall specify, subject to the limitations set forth in this Resolution.

SECTION 7. Mutilated, Lost, Stolen or Destroyed Notes. In the event any Note is mutilated, lost, stolen or destroyed, the Issuing and Paying Agent, upon written direction of an Authorized Officer of the Authority, may authenticate a new Note of like series, sub-series, date, maturity, interest rate, and principal amount as the mutilated, lost, stolen or destroyed Note; provided that, in the case of such mutilated Note, such mutilated Note shall first be surrendered to the Issuing and Paying Agent and in the case of such lost, stolen or destroyed Note, there shall first be furnished to the Authority and Issuing and Paying Agent evidence of such loss, theft or destruction satisfactory to the Authority and Issuing and Paying Agent together with indemnity satisfactory to the Authority and Issuing and Paying Agent. In the event any such Note shall have matured, instead of issuing a duplicate Note, the Authority may pay the same without surrender thereof. The Authority may charge the holder of such mutilated Note or owner of such lost, stolen or destroyed Note the Authority's reasonable fees and expenses in connection with such destruction, mutilation, loss or theft.

SECTION 8. Use of Note Proceeds. All Note proceeds shall be credited by the Issuing and Paying Agent to the Note Account (and to any applicable sub-accounts created therein) maintained for the Authority on the books of the Issuing and Paying Agent pursuant to the Issuing and Paying Agency Agreement, or, upon Instructions of an Authorized Officer of the Authority, wired to or for the account of the Authority and applied to lawfully authorized purposes. Until so applied such proceeds may, and at the direction of an Authorized Officer of the Authority shall, be invested in any lawful investment.

SECTION 9. Payment of the Notes, Security. The Notes shall be payable without distinction as to series from the Revenues, to the extent set forth in the next paragraph, from the proceeds of renewals or refunding notes, bonds, the Revolving Credit Notes, Alternate Variable Rate Financing Agreements, other evidences of indebtedness of the Authority, or any other moneys of the Authority lawfully available therefor.

The Notes, Alternate Variable Rate Financing Agreements and the Revolving Credit Notes shall constitute, and shall be expressed to be, special obligations of the Authority, and shall be payable from and secured by a lien and charge on the Revenues and the moneys in the Revenue Fund junior, subordinate and inferior only to the lien and charge on the Revenues and the moneys in the Revenue Fund:

- (i) for the payments required to be made from the Revenues and the moneys in the Revenue Fund by the Revenue Obligation Resolution into the Revenue Obligation Fund, and the accounts therein; and
- (ii) for the amount, if any, required to be retained in the Revenue Fund which the Authority determines to be required to pay Operation and Maintenance Expenses from time to time;

but which lien or charge, in any event, shall be senior and paramount to the payments into the Capital Improvement Fund required to be made by the Revenue Obligation Resolution.

Neither the Notes nor the Revolving Credit Notes shall be deemed to constitute obligations of the State of South Carolina or any political subdivision thereof, and neither the State of South Carolina nor any of its political subdivisions shall be liable thereon.

The Notes, the Alternate Variable Rate Financing Agreements and the Revolving Credit Notes shall be payable on a parity with each other, and no priority shall be established among the Notes or the Revolving Credit Notes by reason of their date of issuance or otherwise.

Notwithstanding Section 5.1 of the Revenue Obligation Resolution, the Revenue Fund shall be maintained so long as any Notes, Alternate Variable Rate Financing Agreements or Revolving Credit Notes or any Commitments are outstanding or any amounts are owed to any Bank pursuant to the Revolving Credit Agreements or Alternate Variable Rate Financing Agreements.

SECTION 10. Revolving Credit Agreements; Revolving Credit Notes; Alternate Variable Rate Financing Agreements; Alternate Variable Rate Financing Obligations.

(a) The Authorized Officers of the Authority are hereby authorized to issue from time to time, for the purpose of paying the principal of the Notes at maturity, Revolving Credit Notes, subject to and in accordance with the terms of this Resolution and the applicable Revolving Credit Agreements. The Revolving Credit Notes shall be in the form, shall bear interest, shall mature and shall otherwise have the terms and conditions set forth in the Revolving Credit Notes and the applicable Revolving Credit Agreements. The Revolving Credit Notes shall be executed on behalf of the Authority with the manual or facsimile signature of the Chairman or a Vice Chairman of the Board of Directors, and a facsimile of the Corporate seal of the Authority shall be imprinted thereon attested with the manual or facsimile signature of the Corporate Secretary, an Assistant Corporate Secretary or Treasurer thereof.

(b) The Authorized Officers of the Authority are hereby authorized to enter from time to time, for the purpose of obtaining funds or credit lines for any corporate purpose, into Alternate Variable Rate Financing Agreements subject to and in accordance with the terms of this Resolution. Alternate Variable Rate Financing Obligations evidencing the Authority's obligations under any such Alternate Variable Rate Financing Agreement may be secured by a pledge of any lien upon the Revenues on a parity with that securing the Notes and Revolving Credit Notes. Alternate Variable Rate Financing Obligations shall be in such form and principal amount, bear interest at such rates payable on such dates, mature on such dates, be executed in such form and manner, and contain such other terms and conditions as shall be set forth in the applicable Alternate Variable Rate Financing Agreement, provided that the aggregate amount of Alternate Variable Rate Financing Obligations and Notes outstanding at any one time shall not exceed twenty percent (20%) of the aggregate Authority debt (including outstanding Notes, outstanding Revolving Credit Notes (but, in the case of the Revolving Credit Notes, only to the extent of any Loan or Loans outstanding thereunder) and outstanding Alternate Variable Rate

Financing Obligations) outstanding as of the last day of the most recent Fiscal Year for which audited financial statements of the Authority are available.

SECTION 11. Execution of Agreements; Loans.

(a) Each Authorized Officer of the Authority is hereby authorized to execute from time to time one or more Dealer Agreements, Issuing and Paying Agency Agreements, Revolving Credit Agreements, and Alternate Variable Rate Financing Agreements in substantially such forms as such Authorized Officer may approve, such approval to be conclusively evidenced by the execution by such Authorized Officer of any such Dealer Agreement, Issuing and Paying Agency Agreement, Revolving Credit Agreement, or Alternate Variable Rate Financing Agreement. The Corporate Secretary or an Assistant Corporate Secretary of the Authority is hereby authorized to cause the seal of the Authority to be affixed to such agreements and to attest the same, and any Authorized Officer is hereby authorized to deliver the executed agreements on behalf of the Authority.

(b) Each Authorized Officer of the Authority is hereby authorized and directed to obtain Loans to the Authority pursuant to any Revolving Credit Agreement and Revolving Credit Note from time to time at such times and in such amounts as he or she shall deem appropriate, subject to the limitations set forth in this Note Resolution and the applicable Revolving Credit Agreement, and to execute and deliver from time to time such certificates as may be required for such purposes.

SECTION 12. Certain Warranties, Representations and Covenants of the Authority. So long as any of the Notes or the Revolving Credit Notes are outstanding:

(a) The Authority shall establish, maintain and collect rents, tolls, rates and other charges for power and energy and all other services, facilities and commodities sold, furnished, or supplied through the facilities of the System which shall be adequate to provide the Authority with Revenues sufficient to pay the principal of, premium, if any, and interest on the Revenue Obligations, the Notes, the Revolving Credit Notes and Alternate Variable Rate Financing Obligations, as and when the same shall become due and payable; to make when due all payments which the Authority is obligated to make into the Revenue Obligation Fund and into the Capital Improvement Fund pursuant to the Revenue Obligation Resolution, and to make when due all other payments which the Authority is obligated to make pursuant to the Revenue Obligation Resolution and this Note Resolution; to pay all proper Operation and Maintenance Expenses and all necessary repairs, replacements and renewals thereof, and all taxes, assessments or other governmental charges lawfully imposed on the Authority or the Revenues thereof, or payments in lieu thereof; and to pay any and all amounts which the Authority may now be and hereafter become obligated to pay from the Revenues of the System by law or contract.

(b) The Authority shall comply with all the terms, covenants, conditions and provisions of the Revenue Obligation Resolution, this Note Resolution, the Dealer Agreements, the Issuing and Paying Agency Agreement, the Revolving Credit Agreements and the Alternate Variable Rate Financing Agreements.

(c) The Authority reserves the right to issue Revenue Obligations without limit pursuant to the Revenue Obligation Resolution, but subject to the limitations set forth in the Revenue Obligation Resolution. In addition, the Authority reserves the right to issue without limit additional obligations of the Authority (collectively, the “Additional Senior Lien Obligations”) payable from and secured by a pledge of and lien or charge upon the Revenues senior to that securing the Notes, the Revolving Credit Notes, and the Alternate Variable Rate Financing Obligations, pursuant to the authorization of any resolution or resolutions authorizing the issuance of such Additional Senior Lien Obligations.

(d) If any of the Notes, Revolving Credit Notes, Alternate Variable Rate Financing Obligations or any obligations issued pursuant to Section 12(h), infra, remain unpaid after the same shall become due and payable at maturity or otherwise, the Authority shall appropriate monthly for payment of interest on and principal of such Notes, Revolving Credit Notes, Alternate Variable Rate Financing Obligations and obligations issued pursuant to Section 12(h), infra, which are unpaid, all Revenues of the System remaining after providing for the payments required to be made under Section 9 subparagraphs (i) and (ii) of this Resolution. The amounts so appropriated shall be applied first to the payment, pro rata, of the interest accrued on the unpaid principal of the Notes, the Revolving Credit Notes, the Alternate Variable Rate Financing Obligations and the evidences of indebtedness issued pursuant to Section 12(h), infra, and the balance shall then be applied to the payment pro rata, of the principal of all such Notes, Revolving Credit Notes, Alternate Variable Rate Financing Obligations and evidences of indebtedness which are due and payable.

(e) The Authority shall make available for inspection by the holder of any Note, Revolving Credit Note, or Alternate Variable Rate Financing Obligation a copy of the audit reports prepared pursuant to the Revenue Obligation Resolution.

(f) The Authority shall keep in effect insurance in the amounts and according to the terms of the Revenue Obligation Resolution. Any proceeds of insurance shall be applied in accordance with the Revenue Obligation Resolution.

(g) The Authority shall not amend the Revenue Obligation Resolution in any manner materially adverse to the interests of the holders of the Notes, the Revolving Credit Notes or the Alternate Variable Rate Financing Obligations.

(h) Except for the issuance of Revenue Obligations and the incurring of Additional Senior Lien Obligations as described in Section 12(c), supra, which the Authority expressly reserves the right to issue from time to time, the Authority shall not hereafter create any indebtedness, or issue any bonds, notes or other evidences of indebtedness, payable as to principal or interest from, or secured by a lien, pledge or charge on, the Revenues of the System prior to or on a parity with the Notes, the Revolving Credit Notes, or the Alternate Variable Rate Financing Obligations except that additional evidences of indebtedness of the Authority payable from such Revenues on a parity with the payment therefrom of the Notes, the Revolving Credit Notes or the Alternate Variable Rate Financing Obligations and secured as to such payment by a lien, pledge and charge on such Revenues of equal rank with the lien, pledge and charge thereon

created hereby for the payment of the Notes, the Revolving Credit Notes or the Alternate Variable Rate Financing Obligations may be issued if:

(i) There is, at the time of the issuance of such additional evidences of indebtedness, no default in the payment of the principal of or interest on the Revenue Obligations, Notes, Revolving Credit Notes, Alternate Variable Rate Financing Obligations, Additional Senior Lien Obligations, or on any obligation evidencing indebtedness theretofore issued pursuant to this section, and all payments required by the Revenue Obligation Resolution shall have been duly made; or

(ii) The evidences of indebtedness are issued for the purpose of refunding the Notes, Alternate Variable Rate Financing Obligations or then outstanding additional evidences of indebtedness issued pursuant to this Section 12(h).

(i) The Authority covenants, represents and warrants that it will not use, or permit to be used, any of the property acquired out of, or the costs of which were reimbursed from, Note proceeds in such manner as would result in the loss of the exclusion from gross income for federal income tax purposes of interest on any Tax-Exempt Series Note (or Alternate Variable Rate Financing Obligation issued as a tax-exempt obligation) otherwise afforded under Section 103(a) of the Internal Revenue Code of 1986, as amended (the "Code").

(j) The Authority covenants that no use of the proceeds of the sale of the Notes shall be made which, if such use had been reasonably expected on the date of issue of such Notes, would have caused any Tax-Exempt Series Notes to be "arbitrage bonds," as defined in Sections 103(b) and 148 of the Code, and to that end the Authority shall comply with the applicable regulations of the Treasury Department under Sections 103(b) and 148 of the Code throughout the term of the Notes.

SECTION 13. Certain Provisions of the Revenue Obligation Resolution Applicable to the Notes and Alternate Variable Rate Financing Obligations. All of the provisions of the Revenue Obligation Resolution relating to the collection and application of the Revenues of the System, the maintenance and operation of the System, insurance, audits, and all other covenants, terms and conditions contained in Articles V and VIII of the Revenue Obligation Resolution for the benefit and security of the holders of the Revenue Obligations, (i) shall continue in effect so long as any of the Notes, Revolving Credit Notes, Commitments or Alternate Variable Rate Financing Obligations are outstanding; (ii) subject to the prior and superior rights of the holders of the Revenue Obligations and Additional Senior Lien Obligations (if any), shall inure to the benefit and security of the holders from time to time of the Notes, the Revolving Credit Notes, the Alternate Variable Rate Financing Obligations and the Banks; and (iii) except for the special provisions therein contained for the creation and maintaining of special funds and accounts for payment of the principal of and interest on the Revenue Obligations, are hereby made a part of this Note Resolution for the benefit and security of the holders of the Notes, the Revolving Credit Notes, the Alternate Variable Rate Financing Obligations and the Banks as if fully set forth herein.

SECTION 14. Separate System Bonds; Take or Pay Contracts. The rights reserved by the Authority under Section 2.6 of the Revenue Obligation Resolution, with regard to separate system bonds, and under Section 2.7 of the Revenue Obligation Resolution, with regard to take or pay contracts, are hereby restated and affirmed.

SECTION 15. Events of Default; Remedies. So long as any of the Notes, Revolving Credit Notes or Alternate Variable Rate Financing Obligations are outstanding, each of the obligations, duties, limitations and restraints imposed upon the Authority by this Resolution shall be deemed to be a covenant between the Authority and every holder of the Notes, Revolving Credit Notes, and Alternate Variable Rate Financing Obligations and this Resolution and every provision, representation, warranty and covenant herein shall constitute a contract of the Authority with the holders of the Notes, Revolving Credit Notes and Alternate Variable Rate Financing Obligations.

If any of the following events occur, it is hereby defined as and declared to be and constitutes an “Event of Default”:

(a) Default in the due and punctual payment of any interest on or principal of any Note as the same shall become due and payable; or

(b) Any Bank shall deliver notice of the occurrence of an event of default under any Revolving Credit Agreement or Alternate Variable Rate Financing Agreement to which such Bank is a party; or

(c) The Authority shall violate or fail to perform any of its covenants or agreements contained in this Resolution for 30 days; or

(d) An event of default shall have occurred under the Revenue Obligation Resolution, which default shall have resulted in the principal amount of any Revenue Obligation becoming due and payable prior to its stated maturity or which event of default shall have been a default in the payment of principal when due and payable of any Revenue Obligation; or

(e) A default shall have occurred in respect of any bond, debenture, note or other evidence of indebtedness of the Authority, or in respect of any obligations of the Authority under any financing lease, whether now outstanding or existing or issued or otherwise undertaken hereafter, or under any indenture, lease or other agreement or instrument under which any such bond, debenture, note or other evidence of indebtedness or any such lease obligation has been or may be issued or by which any of the foregoing is or may be governed or evidenced, which default shall have resulted in the principal amount of such bond, debenture, note or other evidence of indebtedness or lease obligation becoming due and payable prior to its stated maturity or which default shall have been a default in the payment of principal when due and payable; or

(f) A decree or order by a court having jurisdiction in the premises shall have been entered judging the Authority as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization or arrangement of the Authority under the Federal bankruptcy laws or any

similar applicable Federal or South Carolina law, and such decree or order shall have continued undischarged or unstayed for a period of 40 days; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of the Authority or any of its property, or for the winding-up or liquidation of the Authority or any of its property, shall have been undischarged and unstayed for a period of 60 days; or

(g) The Authority shall institute proceedings to be adjudicated a voluntary bankrupt, or shall consent to the filing of a bankruptcy proceeding against it, or shall file a petition or answer or consent seeking reorganization or arrangement under the Federal bankruptcy laws or any similar applicable Federal or South Carolina law, or shall consent to the filing of any such petition, or shall consent to the appointment of a receiver, liquidator, trustee or assignee in bankruptcy or insolvency of the Authority or of any of its property, or shall make an assignment for the benefit of creditors, or shall admit in writing its insolvency or inability to pay its debts generally as they become due, or any action shall be taken by the Authority in furtherance of any of the foregoing aforesaid purposes.

Any holder of a Note may by mandamus or other appropriate action or proceeding at law or in equity in any court of competent jurisdiction, including appointment of a receiver who may enter upon and take possession of the business and properties of the Authority, enforce and compel performance of this Resolution and every provision and covenant hereof, including without limiting the generality of the foregoing, the enforcement of the performance of all obligations and duties required to be done or performed by the Authority by this Resolution and the applicable laws of the State of South Carolina, including, without limitation, the making and collecting of sufficient rates, rentals, fees or charges for the use and service of the System and the segregation of the Revenues derived from such rates, rentals, fees and charges and the application thereof as provided in the Revenue Obligation Resolution and this Resolution. No delay or omission of any holder of any Note to exercise any right, power or remedy accruing upon any Event of Default or upon any failure to perform any of the covenants or agreements of the Authority contained in this Resolution or the Notes shall impair any such right, power or remedy, nor shall such delay or omission be construed as a waiver of any such Event of Default or in acquiescence in any such failure, and every right, power and remedy given by this Resolution to the holders of the Notes may be executed from time to time and as often as may be deemed expedient by such holders.

Upon the occurrence of an Event of Default any holder of a Note may by an instrument or instruments in writing filed with the Authority appoint a trustee to protect and enforce the rights of such holder; provided, however, that the holders of a majority in principal amount of the Notes outstanding shall, by instrument or instruments in writing delivered to such trustee, have the right to direct and control any and all action taken or to be taken by such trustee.

**SECTION 16. Custody of Notes.** All Notes surrendered to the Issuing and Paying Agent upon the maturity thereof and the payment of the principal thereof and interest thereon shall be cancelled by the Issuing and Paying Agent and forthwith returned pursuant to the Issuing and Paying Agency Agreement.

SECTION 17. General Authorization. The Authorized Officers are hereby authorized to do and perform from time to time any and all things consistent with this Resolution necessary or appropriate to carry the same into effect.

SECTION 18. Discharge of Authority's Obligations Hereunder and of Liens, Pledges and Charges Created Hereby. The Authority's obligations under this Resolution and the liens, pledges, charges, covenants and agreements of the Authority herein made or provided for, shall be fully discharged and satisfied as to any Note and such Note shall no longer be deemed to be outstanding hereunder, if such Note shall have been purchased and cancelled by the Authority, or as to any Note not theretofore purchased and cancelled, when payment of the principal of such Note, plus interest thereon to the due date thereof, (a) shall have been made or caused to be made in accordance with the terms thereof, or (b) shall have been provided by irrevocably depositing with the Issuing and Paying Agent therefor in trust and irrevocably appropriated solely for such payment, (i) moneys sufficient to make such payment or (ii) Defeasance Obligations maturing as to principal and interest in such amounts and at such times as will insure the availability of sufficient moneys to make such payment, and such Note shall cease to draw interest from the due date thereof and, except for the purposes of such payment, shall no longer be secured by or entitled to the benefits of this Resolution; provided that, as to any deposit under clause (b) above, all necessary and proper fees, compensation and expenses of the Issuing and Paying Agent pertaining to the Note with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Issuing and Paying Agent. Any moneys deposited with the Issuing and Paying Agent for such Note as provided in this Section may at the direction of the Authority also be invested and reinvested in Defeasance Obligations maturing in the amounts and at the times as hereinbefore set forth, and all income from all investments made pursuant to this Section which is not required for the payment of such Note and interest thereon with respect to which such moneys or securities shall have been so deposited, shall be paid to the Authority and deposited in the Revenue Fund as and when realized and collected.

Any moneys held by the Issuing and Paying Agent or by any other paying agent for the payment of any Note for two years after the date of maturity of such Note shall, upon the written request of the Authority, be paid into the Revenue Fund.

SECTION 19. Resolution to Constitute Contract. In consideration of the purchase and acceptance of any and all of the Notes, Revolving Credit Notes and Alternate Variable Rate Financing Obligations authorized to be issued hereunder by those who shall hold the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the Authority and each of the holders from time to time of the Notes, Revolving Credit Notes and Alternate Variable Rate Financing Obligations; and the covenants and agreements herein set forth to be performed on behalf of the Authority shall be for the benefit and protection of the holders of any and all of the Notes, Revolving Credit Notes and Alternate Variable Rate Financing Obligations.

SECTION 20. Amendments to This Resolution. Amendments to this Resolution which are required for the correction of language or to cure any ambiguity or defective or inconsistent provision, omission or mistake or manifest error herein contained, may be made by the Authority, and such amendment shall become effective upon the effective date of such

amendment, without the consent of the holders of the Notes, Revolving Credit Notes and Alternate Variable Rate Financing Obligations. Other amendments to this Resolution may be made without the consent of the holders of the Notes, Revolving Credit Notes and Alternate Variable Rate Financing Obligations except as otherwise provided in a Revolving Credit Agreement or Alternate Variable Rate Financing Agreement; provided, however that the rights of the holders of the Notes, Revolving Credit Notes and Alternate Variable Rate Financing Obligations outstanding on the effective date of the amendment shall not be affected thereby; provided further, that the rights of the holders of any Note, Revolving Credit Note or Alternate Variable Rate Financing Obligation issued subsequent to the effective date of such amendment shall be affected by such amendment. Any modification of the provisions of this Resolution or of any resolution supplemental hereto made as aforesaid shall be set forth in a supplemental resolution to be adopted by the Board of Directors of the Authority.

SECTION 21. Disclosure. In accordance with Section 11-1-85 of the Code of Laws of South Carolina 1976 as amended, the Authority covenants, if requested, to file with a central repository for availability in the secondary bond market:

- (i) an annual independent audit, within thirty days of the Authority's receipt of the audit, and
- (ii) event specific information, within thirty days of an event adversely affecting more than five percent of the revenues of the Authority.

SECTION 22. Severability. If any section, paragraph, clause or provision of this Resolution shall be held invalid or unenforceable for any reason, the invalidity of unenforceability of each section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

SECTION 23. Headings of Sections. The headings of the Sections of this Resolution are for convenience of reference only, and shall not affect the meaning, construction or interpretation of this Resolution.

SECTION 24. Effectiveness of This Resolution. This Resolution shall be in full force and effect from and after its passage as provided by law.