

(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)

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

(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

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

(“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 pe

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 by NotD.POO

but which lien or charge, in any event, shall be senior and paramount to the payments into

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 in

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