
1 **2020-38 (2ND READING):** AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF
2 NOT EXCEEDING \$14,500,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020B,
3 OF THE CITY OF MYRTLE BEACH, SOUTH CAROLINA; FIXING THE FORM AND DETAILS OF
4 THE BONDS; AUTHORIZING THE CITY MANAGER TO DETERMINE CERTAIN MATTERS
5 RELATING TO THE BONDS; PROVIDING FOR THE PAYMENT OF THE BONDS AND THE
6 DISPOSITION OF THE PROCEEDS THEREOF; AND OTHER MATTERS RELATING THERETO.

7 **Applicant/Purpose:** City/to realize debt service savings by refunding several
8 outstanding series of General Obligation (“GO”) Bonds.
9

10 **Brief:**

- 11 • This ordinance authorizes the current refunding of Series 2011B GO Refunding
12 Bonds & Series 2015A Refunding Bonds, (2001 Referendum Bonds).
 - 13 • The amortization schedule for the refunding bonds does not extend beyond the
14 current maturity dates of the refunded bonds.
 - 15 • This ordinance is 1 of 3 refunding issues proposed to reduce debt service costs.
 - 16 • Changes since 1st reading (nothing substantive):
 - 17 ○ Blanks were filled in for debt margin computation.
 - 18 ○ USBank has been confirmed as registrar/paying agent.
- 19

20 **Issues:**

- 21 • The market currently allows for debt service savings w/o extending maturities.
 - 22 • Issuing refunding bonds while we are going to market for new money will save
23 issuance costs.
- 24

25 **Public Notification:** Normal meeting notification.

26
27 **Alternatives:** Do not approve. Forego debt service savings.

28
29 **Financial Impact:** Total debt service savings for these 3 issues are expected to be
30 about \$100,000/year, or about \$685,000 (8.5%) net present value savings.

31
32 **Manager’s Recommendation:**

- 33 • I recommend 1st reading (8-11-2020).
 - 34 • I recommend approval (8-25-2020).
- 35

36 **Attachment(s):** Proposed ordinances.

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STATE OF SOUTH CAROLINA)
COUNTY OF HORRY)
CITY OF MYRTLE BEACH)

AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF NOT EXCEEDING \$14,500,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020B, OF THE CITY OF MYRTLE BEACH, SOUTH CAROLINA; FIXING THE FORM AND DETAILS OF THE BONDS; AUTHORIZING THE CITY MANAGER TO DETERMINE CERTAIN MATTERS RELATING TO THE BONDS; PROVIDING FOR THE PAYMENT OF THE BONDS AND THE DISPOSITION OF THE PROCEEDS THEREOF; AND OTHER MATTERS RELATING THERETO.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MYRTLE BEACH, SOUTH CAROLINA, AS FOLLOWS:

SECTION 1. Definitions. Unless the context shall clearly indicate some other meaning, the terms defined in this Section shall have, for all purposes of this Ordinance, the meanings hereinafter specified, with the definitions equally applicable to both the singular and plural forms and vice versa. The term:

“Authorized Denominations” shall mean \$5,000 or any integral multiple thereof or such other amount as may be determined by the City Manager at the time of sale of the Bonds.

“Beneficial Owner” shall mean any purchaser who acquires beneficial ownership interest in an Initial Bond held by the Depository. In determining any Beneficial Owner the City, the Registrar and the Paying Agent may rely exclusively upon written representations made and information given to the City, the Registrar and the Paying Agent, as the case may be, by the Depository or its Participants with respect to any Bond held by the Depository or its Participants in which a beneficial ownership interest is claimed.

“Bondholders” or the term “Holders” or any similar term shall mean the registered owner or owners of any outstanding Bond or Bonds.

“Bonds” shall mean the General Obligation Refunding Bonds of the City of Myrtle Beach, South Carolina, in the aggregate principal amount of not exceeding \$14,500,000 authorized to be issued pursuant to Section 3 hereof.

“Book-Entry Form” or “Book-Entry System” shall mean with respect to the Bonds, a form or system, as applicable, under which (i) the ownership of beneficial interests in the Bonds may be transferred only through a book-entry and (ii) physical Bond certificates in fully-registered form are registered only in the name of the Depository or its nominees as Holder, with the physical Bond certificates “immobilized” in the custody of the Depository. The book-entry maintained by the Depository is the record that identifies the owners of participatory interests in the Bonds, when subject to the Book-Entry System.

“Books of Registry” shall mean the registration books maintained by the Registrar in accordance with Section 6 hereof.

1 “City” shall mean the City of Myrtle Beach, South Carolina.

2
3 “City Manager” shall be the incumbent and acting City Manager of the City, or any
4 successor to his functions, or his designee.

5
6 “Council” shall mean the City Council of the City of Myrtle Beach, South Carolina.

7
8 “Depository” shall mean any securities Depository that is a “clearing corporation” within
9 the meaning of the New York Uniform Commercial Code and a “clearing agency” registered
10 pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, operating and
11 maintaining, with its Participants or otherwise, a Book-Entry System to record ownership of
12 beneficial interests in the Bonds, and to effect transfers of the Bonds, in Book-Entry Form, and
13 includes and means initially The Depository Trust Company (a limited purpose trust company),
14 New York, New York.

15
16 “Initial Bonds” shall mean Bonds initially issued in Book-Entry Form as provided in Section
17 4 hereof.

18
19 “Letter of Representations” shall mean the Letter of Representations executed and
20 delivered by the City to the Depository.

21
22 “Municipal Bond Act” shall mean Title 5, Chapter 21, Article 5 of the Code of Laws of
23 South Carolina 1976, as amended.

24
25 “Ordinance” shall mean this Ordinance.

26
27 “Participant” shall mean any bank, brokerage house or other financial institution for
28 which, from time to time, the Depository effects book-entry transfers and pledges of securities
29 deposited with the Depository.

30
31 “Paying Agent” shall mean the paying agent appointed pursuant to this Ordinance.

32
33 “Record Date” shall have the meaning given such term in Section 7 hereof.

34
35 “Refunded Bonds” shall have the meaning given such term in Section 2(g) hereof.

36
37 “Refunded Bond Ordinances” shall have the meaning given such term in Section 2(g)
38 hereof.

39
40 “Refunding Act” shall mean Title 11, Chapter 15, Article 5 of the Code of Laws of South
41 Carolina 1976, as amended.

42
43 “Registrar” shall mean the registrar appointed pursuant to this Ordinance.

44
45 “State” shall mean the State of South Carolina.

46
47 **SECTION 2. Findings and Determinations.** The Council of the City hereby finds and
48 determines:

49
50 (a) The City is an incorporated municipality located in Horry County, South Carolina,
51 and as such possesses all powers granted to municipalities by the Constitution and laws of the
52 State.

1
2 (b) By virtue of the Municipal Bond Act and the provisions of Section 11-27-40 of the
3 Code of Laws of South Carolina 1976, as amended, the City is empowered to issue general
4 obligation bonds for any corporate and public purpose.
5

6 (c) The Refunding Act provides the procedure for the issuance of general obligation
7 bonds whose proceeds are to be used to pay, in whole or in part, sums due on general obligation
8 bonds previously issued and further provides that any "issuer" (defined therein to include any
9 incorporated city or town) may issue general obligation bonds to such extent as such issuer shall
10 be indebted by way of principal, interest, and redemption premium upon any outstanding
11 general obligation bonds.
12

13 (d) Article X, Section 14 of the Constitution of the State of South Carolina 1895, as
14 amended (the "Constitution"), provides that general obligation debt may be incurred by the
15 governing body of each city of the State of South Carolina for any public and corporate purpose
16 in an amount not exceeding eight percent of the assessed value of all taxable property of such
17 city.
18

19 (e) The Municipal Bond Act requires that an election be held prior to the issuance of
20 general obligation bonds. Title 11, Chapter 27, Code of Laws of South Carolina 1976, as
21 amended, provides that if an election be prescribed by the provisions of the Municipal Bond Act,
22 but is not required by the provisions of Article X of the Constitution, then in every such instance,
23 no election need be held (notwithstanding the requirement therefor) and the remaining
24 provisions of the Municipal Bond Act shall constitute a full and complete authorization to issue
25 bonds in accordance with such remaining provisions.
26

27 (f) The City has previously issued its \$15,800,000 original principal amount General
28 Obligation Refunding Bonds, Series 2011B (the "2011B Bonds") authorized by an ordinance
29 enacted July 12, 2011 (the "2011B Bond Ordinance"). The 2011B Bonds maturing on March 1,
30 2022 and thereafter are subject to redemption prior to maturity, at the option of the City, on
31 and after March 1, 2021, in whole or in part at any time, at a redemption price equal to the
32 principal amount of such 2011B Bonds to be redeemed, plus interest accrued to the redemption
33 date.
34

35 (g) The City has previously issued its \$7,553,000 original principal amount General
36 Obligation Refunding Bonds, Series 2015A (the "2015A Bonds" and together with the 2011B
37 Bonds, the "Refunded Bonds") authorized by an ordinance enacted August 11, 2015 (the "2015A
38 Bond Ordinance" and together with the 2011B Bond Ordinance, the "Refunded Bond
39 Ordinances"). The Series 2015A are subject to redemption prior to maturity, at the option of
40 the City, as a whole or in part, at any time, at a redemption price of 101% of the principal
41 amount thereof if such redemption is prior to September 22, 2025, and a redemption price of
42 100% of the principal amount thereof if on or after September 22, 2025, in each case with the
43 interest accrued on such principal amount to the date fixed for redemption.
44

45 (h) Based on current market conditions and projected savings, the Council finds that
46 it is in the best interest of the City to effect the refunding of the Refunded Bonds because a
47 substantial savings can be achieved through the refunding and redemption of such bonds. The
48 Council recognizes, however, that current market conditions may change and that, as of the
49 date of enactment of this Ordinance, a determination cannot be made as to the amount of such
50 savings, if any, realized through the refunding of the Refunded Bonds, and that certain authority
51 relating to such refunding is delegated to the City Manager through this Ordinance. Because the
52 Refunding Act requires that refunding bonds be sold at public sale there can be no assurance

1 that market conditions at the time of such sale will be similar to the prevailing rates on the date
2 of the enactment of this Ordinance. If the rates of interest on the refunding bonds authorized
3 by this Ordinance, do not result in satisfactory debt service savings, the Council, through the
4 authority delegated to the City Manager, will be empowered to reject bids for the purchase of
5 the refunding bonds.
6

7 (i) It is now in the best interest of the City for the Council to provide for the issuance
8 and sale of not exceeding \$14,500,000 general obligation refunding bonds of the City pursuant to
9 the aforesaid provisions of the Constitution and laws of the State of South Carolina in order to
10 effect the refunding of such portion of the Refunded Bonds as the City Manager shall designate
11 for refunding and to call for redemption such Refunded Bonds on such dates as the City Manager
12 shall determine.
13

14 SECTION 3. Authorization and Details of Bonds. Pursuant to the aforesaid provisions of
15 the Constitution and laws of the State of South Carolina, there is hereby authorized to be issued
16 not exceeding \$14,500,000 general obligation refunding bonds of the City to effect a refunding
17 of the Refunded Bonds, in order to (i) provide for the payment of the principal amount thereof
18 and the amount required to pay the redemption premium and interest on such Refunded Bonds
19 to the date fixed for redemption, and (ii) provide for any deposits required in connection with
20 the issuance of the Bonds. The Bonds shall be designated "\$14,500,000 General Obligation
21 Refunding Bonds, Series 2020B, of the City of Myrtle Beach, South Carolina" or otherwise as the
22 City Manager shall determine; provided that if the Bonds are issued in a lesser principal amount
23 or if the City Manager determines to change the designation of the Bonds, the designation shall
24 be modified to reflect such lesser amount or determination.
25

26 Upon the delivery of the Bonds, the proceeds thereof, less any accrued interest and less
27 issuance expenses, shall be deposited with an escrow agent to be selected by the City Manager,
28 and held by it under a written escrow deposit agreement (the "Escrow Deposit Agreement") in a
29 special trust account, or applied directly to the payment of the Refunded Bonds. It shall be the
30 duty of such escrow agent to keep such proceeds invested and reinvested to the extent that it
31 shall be practical in obligations of the United States or any agency thereof and to apply the
32 principal and interest of the trust so established in the manner prescribed in such Escrow Deposit
33 Agreement.
34

35 The Mayor, the City Manager, the Chief Financial Officer, the Financial Management and
36 Reporting Director and the Clerk of the City are hereby authorized and directed for and on
37 behalf of the City to execute such agreements and give such directions as shall be necessary to
38 carry out the provisions of this Ordinance, including the execution and delivery of the Escrow
39 Deposit Agreement. The Escrow Deposit Agreement shall be dated the date of delivery of the
40 Bonds to the initial purchaser(s) thereof.
41

42 The City Manager shall designate the Refunded Bonds to be refunded for redemption in
43 accordance with the Refunded Bond Ordinances.
44

45 The Bonds shall be issued as fully registered Bonds; shall be in such principal amount not
46 exceeding \$14,500,000, as may be determined by the City Manager; shall be dated their date of
47 delivery or such other date as determined by the City Manager; shall be in Authorized
48 Denominations not exceeding the principal amount of the Bonds maturing in each year; shall be
49 initially issued in Book-Entry Form unless the Bonds are issued in a competitive bank placement
50 as provided in Section 15(a) hereof; shall bear interest from their date initially payable March 1,
51 2021 or such other date as the City Manager may determine, and semiannually thereafter on
52 March 1 and September 1 of each year until the Bonds mature, at such rate or rates as may be

1 determined by the City Manager at the time of the sale thereof; and shall mature in successive
2 annual installments (including by mandatory redemption) on March 1 in each of the years and in
3 the principal amounts and be subject to redemption as may be determined by the City Manager;
4 and shall have a final maturity of no later than March 1, 2031.
5

6 Both the principal of and interest on the Bonds shall be payable in any coin or currency of
7 the United States of America which is, at the time of payment, legal tender for public and
8 private debts. U.S. Bank National Association, Columbia, South Carolina, is hereby designated
9 the registrar and paying agent (in such respective capacities, the "Registrar" and "Paying
10 Agent") for the Bonds.
11

12 In the event less than all of the Bonds are to be redeemed, the Bonds shall be redeemed
13 in such order of maturities as shall be determined by the City. If less than all of the Bonds of a
14 maturity are called for redemption, the Bonds of such maturity to be redeemed shall be select
15 by lot by the Registrar. Notice of the redemption thereof, describing the Bond and specifying
16 the redemption date and the redemption price payable upon such redemption, shall be mailed
17 by the Registrar by first-class mail, postage prepaid, to the registered owner thereof not less
18 than thirty (30) days and not more than sixty (60) days prior to the redemption date at the last
19 address appearing upon the books of registry. If Bonds are redeemable and shall have been duly
20 called for redemption and notice of the redemption thereof mailed as aforesaid, and if on or
21 before the date fixed for such redemption, payment thereof shall have been duly made or
22 provided for, interest thereon shall cease to accrue from and after the redemption date thereof.
23

24 SECTION 4. Book-Entry Bonds. If the Bonds are issued in Book-Entry Form, the Initial
25 Bonds will be eligible securities for the purposes of the Book-Entry System of transfer maintained
26 by the Depository, and transfers of beneficial ownership of the Initial Bonds shall be made only
27 through the Depository and its participants in accordance with rules specified by the Depository.
28 Such beneficial ownership must be of Authorized Denominations of the same maturity.
29

30 The Initial Bonds shall be issued in fully-registered form, as a single Bond or one Bond for
31 each maturity of the Bonds, in the name of Cede & Co., as the nominee of the Depository.
32 When any principal of or interest on the Initial Bonds becomes due, the City shall transmit or
33 cause the Paying Agent to transmit to the Depository an amount equal to such installment of
34 principal and interest. Such payments will be made to Cede & Co. or other nominee of the
35 Depository as long as it is owner of record on the applicable Record Date. Cede & Co. or other
36 nominee of the Depository shall be considered to be the owner of the Initial Bonds so registered
37 for all purposes of this Ordinance, including, without limitation, payments as aforesaid and
38 receipt of notices. The Depository shall remit such payments to the Beneficial Owners of the
39 Bonds or their nominees in accordance with its rules and regulations.
40

41 Notices of redemption of the Initial Bonds or any portion thereof shall be sent to the
42 Depository in accordance with the provisions of this Ordinance.
43

44 The Depository is expected to maintain records of the positions of Participants in the
45 Initial Bonds, and the Participants and persons acting through Participants are expected to
46 maintain records of the Beneficial Owners in the Initial Bonds. The City, the Paying Agent and
47 the Registrar make no assurances that the Depository and its Participants will act in accordance
48 with such rules or expectations on a timely basis, and the City, the Paying Agent and the
49 Registrar shall have no responsibility for any such maintenance of records or transfer of
50 payments by the Depository to its Participants, or by the Participants or persons acting through
51 Participants to the Beneficial Owners.
52

1 The City, the Paying Agent and the Registrar may treat the Depository (or its nominee) as
2 the sole and exclusive owner of the Bonds registered in its name for the purpose of payment of
3 the principal of or interest on the Bonds, giving any notice permitted or required to be given to
4 Bondholders under this Ordinance, registering the transfer of Bonds, obtaining any consent or
5 other action to be taken by Bondholders and for all other purposes whatsoever, and shall not be
6 affected by any notice to the contrary. The City, the Paying Agent and the Registrar shall not
7 have any responsibility or obligation to any Participant, any person claiming a beneficial
8 ownership interest in the Bonds under or through the Depository or any Participant, or any other
9 person which is not shown on the Books of Registry of the City maintained by the Registrar as
10 being a Bondholder, with respect to: the accuracy of any records maintained by the Depository
11 or any Participant; the payment by the Depository or any Participant of any amount in respect of
12 the principal of or interest on the Bonds, any notice which is permitted or required to be given
13 to Bondholders thereunder or under the conditions to transfers or exchanges adopted by the City
14 or the Registrar; or any consent given or other action taken by the Depository as a Bondholder.
15

16 SECTION 5. Successor Depository. If the Bonds are issued in Book-Entry Form and (a) the
17 Depository determines not to continue to act as Depository for the Bonds, or (b) the City has
18 advised the Depository of the City's determination that the Depository is incapable of
19 discharging its duties, and any requisite consent of the Depository is obtained, the City shall
20 attempt to retain another qualified securities depository to replace the Depository. Upon
21 receipt by the City or the Registrar of the Initial Bonds together with an assignment duly
22 executed by the Depository, the City shall execute and deliver to the successor Depository,
23 Bonds of the same principal amount, interest rate and maturity. If the City is unable to retain a
24 qualified successor to the Depository, or the City has determined that it is in its best interest not
25 to continue the Book-Entry System of transfer or that interests of the Beneficial Owners of the
26 Bonds might be adversely affected if the Book-Entry System of transfer is continued (the City
27 undertakes no obligation to make any investigation to determine the occurrence of any events
28 that would permit it to make any such determination), and has made provision to so notify
29 Beneficial Owners of the Bonds by mailing an appropriate notice to the Depository, upon receipt
30 by the City of the Initial Bonds together with an assignment duly executed by the Depository, the
31 City shall execute, authenticate and deliver to the Depository Participants Bonds in fully-
32 registered form, in substantially the form set forth in Section 10 of this Ordinance in Authorized
33 Denominations.
34

35 SECTION 6. Registration, Transfer and Exchange of Bonds. The City shall cause Books of
36 Registry to be kept at the offices of the Registrar for the registration and transfer of the Bonds.
37 Upon presentation at its office for such purpose the Registrar shall register or transfer, or cause
38 to be registered or transferred, on such registry books, the Bonds under such reasonable
39 regulations as the Registrar may prescribe.
40

41 Each Bond shall be transferable only upon the Books of Registry of the City, which shall
42 be kept for such purpose at the principal office of the Registrar, by the registered owner thereof
43 in person or by his duly authorized attorney upon surrender thereof together with a written
44 instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his
45 duly authorized attorney. Upon the transfer of any such Bond, the Registrar on behalf of the
46 City shall issue in the name of the transferee a new fully registered Bond or Bonds of the same
47 aggregate principal amount, interest rate and maturity as the surrendered Bond. Any Bond
48 surrendered in exchange for a new registered Bond pursuant to this Section shall be canceled by
49 the Registrar.
50

51 The City, the Registrar and the Paying Agent may deem or treat the person in whose
52 name any fully registered Bond shall be registered upon the Books of Registry as the absolute

1 owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving
2 payment of the principal of and interest on such Bond and for all other purposes and all such
3 payments so made to any such registered owner or upon his order shall be valid and effectual to
4 satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and
5 neither the City nor the Registrar shall be affected by any notice to the contrary. In all cases in
6 which the privilege of transferring Bonds is exercised, the City shall execute and the Registrar
7 shall authenticate and deliver Bonds in accordance with the provisions of this Ordinance.
8 Neither the City nor the Registrar shall be obliged to make any such transfer of Bonds during the
9 fifteen (15) days preceding an interest payment date on such Bonds.

10
11 SECTION 7. Record Date. The City hereby establishes a record date (each a “Record
12 Date”) for the payment of interest or for the giving of notice of any proposed redemption of
13 Bonds, and such Record Date shall be fifteen (15) days (whether or not a business day) preceding
14 an interest payment date on such Bond or, in the case of any proposed redemption of Bonds,
15 such Record Date shall be the day (whether or not a business day) prior to the mailing of notice
16 of redemption of Bonds.

17
18 SECTION 8. Mutilation, Loss, Theft or Destruction of Bonds. In case any Bond shall at any
19 time become mutilated in whole or in part, or be lost, stolen or destroyed, or be so defaced as
20 to impair the value thereof to the owner, the City shall execute and the Registrar shall
21 authenticate and deliver at the principal office of the Registrar, or send by registered mail to
22 the owner thereof at his request, risk and expense a new Bond of the same interest rate and
23 maturity and of like tenor and effect in exchange or substitution for and upon the surrender for
24 cancellation of such defaced, mutilated or partly destroyed Bond, or in lieu of or in substitution
25 for such lost, stolen or destroyed Bond. In any such event the applicant for the issuance of a
26 substitute Bond shall furnish the City and the Registrar evidence or proof satisfactory to the City
27 and the Registrar of the loss, destruction, mutilation, defacement or theft of the original Bond,
28 and of the ownership thereof, and also such security and indemnity as may be required by the
29 laws of the State of South Carolina or such greater amount as may be required by the City and
30 the Registrar. Any duplicate Bond issued under the provisions of this Section in exchange and
31 substitution for any defaced, mutilated or partly destroyed Bond or in substitution for any
32 allegedly lost, stolen or wholly destroyed Bond shall be entitled to the identical benefits under
33 this Ordinance as was the original Bond in lieu of which such duplicate Bond is issued, and shall
34 be entitled to equal and proportionate benefits with all the other Bonds issued hereunder.

35
36 All expenses necessary for the providing of any duplicate Bond shall be borne by the
37 applicant therefor.

38
39 SECTION 9. Execution of Bonds. The Bonds shall be executed in the name of the City
40 with the manual or facsimile signature of the Mayor of the City attested by the manual or
41 facsimile signature of the Clerk of the City under a facsimile of the seal of the City which shall
42 be impressed, imprinted or reproduced thereon. The Bonds shall not be valid or become
43 obligatory for any purpose unless there shall have been endorsed thereon a certificate of
44 authentication. Each Bond shall bear a certificate of authentication manually executed by the
45 Registrar in substantially the form set forth herein.

1 SECTION 10. Form of Bonds. The Bonds shall be in substantially the following form:

2 (FORM OF BOND)

3 UNITED STATES OF AMERICA
4 STATE OF SOUTH CAROLINA
5 CITY OF MYRTLE BEACH
6 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020[B]

7
8
9 No. R-

10 INTEREST RATE MATURITY DATE ORIGINAL ISSUE DATE CUSIP
11

12 REGISTERED HOLDER:

13 PRINCIPAL AMOUNT: _____ DOLLARS (\$_____)
14
15

16
17 KNOW ALL MEN BY THESE PRESENTS, that the City of Myrtle Beach, South Carolina (the
18 “City”), is justly indebted and, for value received, hereby promises to pay to the registered
19 holder named above, or registered assigns, the principal amount shown above on the maturity
20 date shown above, upon presentation and surrender of this Bond at the principal office of U.S.
21 Bank National Association, St. Paul, Minnesota (the “Paying Agent”), and to pay interest on such
22 principal sum from the date hereof at the interest rate per annum shown above until this Bond
23 matures. Interest on this Bond is initially payable on March 1, 2021 and semiannually thereafter
24 on March 1 and September 1 of each year until this Bond matures or is earlier redeemed and
25 shall be payable by check or draft mailed to the person in whose name this Bond is registered on
26 the registration books of the City maintained by the registrar, presently U.S. Bank National
27 Association, St. Paul, Minnesota (the “Registrar”), at the close of business on the fifteenth (15th)
28 day (whether or not a business day) preceding each semiannual interest payment date. The
29 principal and interest on this Bond are payable in any coin or currency of the United States of
30 America which is, at the time of payment, legal tender for public and private debts; provided,
31 however, that interest on this fully registered Bond shall be paid by check or draft as set forth
32 above.

33
34 This Bond shall not be entitled to any benefit under the Ordinance of the City authorizing
35 the Bonds, nor become valid or obligatory for any purpose, until the Certificate of
36 Authentication hereon shall have been duly executed by the Registrar.
37

38 For the payment hereof, both principal and interest, as they respectively mature, and for
39 the creation of a sinking fund to aid in the retirement and payment thereof the full faith, credit
40 and taxing power of the City are irrevocably pledged, and there shall be levied and collected,
41 annually upon all taxable property in the City an *ad valorem* tax, without limitation as to rate or
42 amount, sufficient for such purposes.
43

44 This Bond is one of a series of Bonds of like date of original issue, tenor and effect,
45 except as to number, denomination, date of maturity, redemption provisions, date of
46 authentication and rate of interest, aggregating _____ Dollars (\$_____) issued
47 pursuant to and in accordance with the Constitution and laws of the State of South Carolina (the
48 “State”), including Article X, Section 14 of the Constitution of the State of South Carolina 1895,
49 as amended; Title 11, Chapter 15, Article 5, Code of Laws of South Carolina 1976, as amended;

1 Title 11, Chapter 27, Code of Laws of South Carolina 1976, as amended; and an ordinance duly
2 enacted on August 25, 2020 by the City Council.
3

4 [The Bonds maturing on March 1, 20__, and thereafter shall be subject to redemption
5 prior to maturity, at the option of the City, on and after March 1, 20__, in whole or in part at
6 any time, upon notice as hereinafter provided, at a redemption price equal to the principal
7 amount of such Bonds to be so redeemed, plus interest accrued to the redemption date.]
8

9 [Add optional term bond provisions, if applicable.]
10

11 [In the event less than all of the Bonds are to be redeemed, the Bonds shall be redeemed
12 in such order of maturities as shall be determined by the City. If less than all of the Bonds of a
13 maturity are called for redemption, the Bonds of such maturity to be redeemed shall be select
14 by lot by the Registrar. Notice of the redemption thereof, describing the Bond and specifying
15 the redemption date and the redemption price payable upon such redemption, shall be mailed
16 by the Registrar by first-class mail, postage prepaid, to the registered owner thereof not less
17 than thirty (30) days and not more than sixty (60) days prior to the redemption date at the last
18 address appearing upon the books of registry. If Bonds are redeemable and shall have been duly
19 called for redemption and notice of the redemption thereof mailed as aforesaid, and if on or
20 before the date fixed for such redemption, payment thereof shall have been duly made or
21 provided for, interest thereon shall cease to accrue from and after the redemption date
22 thereof.]
23

24 This Bond is transferable as provided in the Ordinance, only upon the books of the City
25 kept for that purpose at the principal office of the Registrar by the registered holder in person or
26 by his duly authorized attorney upon surrender of this Bond together with a written instrument
27 of transfer satisfactory to the Registrar duly executed by the registered holder or his duly
28 authorized attorney. Thereupon a new fully registered Bond or Bonds of the same aggregate
29 principal amount, interest rate, and maturity shall be issued to the transferee in exchange
30 therefor as provided in the Ordinance. The City, the Registrar and the Paying Agent may deem
31 and treat the person in whose name this Bond is registered as the absolute owner hereof for the
32 purpose of receiving payment of or on account of the principal hereof and interest due hereon
33 and for all other purposes.
34

35 Under the laws of the State, this Bond and the interest hereon are exempt from all State,
36 County, municipal, City and all other taxes or assessments, except estate or other transfer
37 taxes, direct or indirect, general or special, whether imposed for the purpose of general revenue
38 or otherwise.
39

40 It is hereby certified and recited that all acts, conditions and things required by the
41 Constitution and laws of the State to exist, to happen and to be performed precedent to or in
42 the issuance of this Bond exist, have happened and have been performed in regular and due
43 time, form and manner as required by law, and that the amount of this Bond, together with all
44 other indebtedness of the City does not exceed the applicable limitation of indebtedness under
45 the laws of the State and that provision has been made for the levy and collection annually upon
46 all taxable property in the City an *ad valorem* tax, without limitation as to rate or amount,
47 sufficient to pay the principal of and interest on this Bond as the same shall respectively mature
48 and to create a sinking fund to aid in the retirement and payment thereof.
49
50
51

1 IN WITNESS WHEREOF, CITY OF MYRTLE BEACH, SOUTH CAROLINA, has caused this Bond
2 to be signed with the manual or facsimile signature of the Mayor of the City, attested by the
3 manual or facsimile signature of the Clerk of the City and the seal of the City impressed,
4 imprinted or reproduced hereon.

5
6 CITY OF MYRTLE BEACH, SOUTH CAROLINA

7 (SEAL)

8
9 ATTEST:

Mayor

10
11 _____
12 Clerk

13 [FORM OF REGISTRAR'S CERTIFICATE OF AUTHENTICATION]

14
15
16 Date of Authentication:

17
18 This Bond is one of the bonds described in the within-mentioned Ordinance of the City of
19 Myrtle Beach, South Carolina.

20
21 U.S. BANK NATIONAL ASSOCIATION, as Registrar

22
23
24 By: _____
25 Authorized Officer

26
27
28 The following abbreviations, when used in the inscription on the face of this Bond, shall
29 be construed as though they were written out in full according to applicable laws or regulations.

30
31 TEN COM - as tenants in common

UNIF GIFT MIN ACT -

32
33 TEN ENT - as tenants by the
34 entireties

(Cust) Custodian (Minor)

35
36 JT TEN - as joint tenants with
37 right of survivorship
38 and not as tenants in
39 common

under Uniform Gifts to
Minors Act _____
(State)

40
41 Additional abbreviations may also be used though not in above list.
42

(FORM OF ASSIGNMENT)

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

Dated: _____

Signature Guaranteed

(Authorized Officer)

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

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

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

IT IS HEREBY CERTIFIED that the following is a true and correct copy of the final legal opinion (except for date and letterhead) of Pope Flynn, LLC, Charleston, South Carolina, approving the issue of bonds of which the within bond is one, the original of which opinion was manually executed, dated and issued as of the date of delivery of and payment for the bonds, and a copy of which is on file with the City of Myrtle Beach, South Carolina.

CITY OF MYRTLE BEACH, SOUTH CAROLINA

By: _____
Clerk

SECTION 11. Security for Bonds. The full faith, credit and taxing power of the City are hereby irrevocably pledged for the payment of the principal of and interest on the Bonds as they respectively mature and for the creation of a sinking fund to aid in the retirement and payment thereof and there shall be levied and collected annually upon all taxable property in the City an *ad valorem* tax, without limitation as to rate or amount, sufficient for such purposes.

The appropriate official of the City shall be notified as to the delivery of and payment for the Bonds and is hereby directed to levy and collect annually upon all taxable property in the City an *ad valorem* tax, without limitation as to rate or amount, sufficient for such purpose.

1 **SECTION 12. Defeasance.** The obligations of the City under this Ordinance and the
2 pledges, covenants and agreements of the City herein made or provided for, shall be fully
3 discharged and satisfied as to any portion of the Bonds, and such Bond or Bonds shall no longer
4 be deemed to be outstanding hereunder when:

5
6 (a) such Bond or Bonds shall have been purchased by the City and surrendered to the
7 City for cancellation or otherwise surrendered to the City or the Paying Agent and is canceled or
8 subject to cancellation by the City or the Paying Agent; or

9
10 (b) payment of the principal of and interest on such Bonds either (i) shall have been
11 made or caused to be made in accordance with the terms thereof, or (ii) shall have been
12 provided for by irrevocably depositing with the Paying Agent in trust and irrevocably set aside
13 exclusively for such payment, (1) moneys sufficient to make such payment, or (2) Government
14 Obligations (hereinafter defined) maturing as to principal and interest in such amounts and at
15 such times as will ensure the availability of sufficient moneys to make such payment and all
16 necessary and proper fees, compensation and expenses of the Paying Agent. At such time as the
17 Bonds shall no longer be deemed to be outstanding hereunder, such Bonds shall cease to draw
18 interest and, except for the purposes of any such payment from such moneys or Government
19 Obligations as set forth in (ii) above, shall no longer be secured by or entitled to the benefits of
20 this Ordinance.

21
22 “Government Obligations” shall mean any of the following:

23
24 (a) non-callable, direct obligations of, or obligations the principal of and interest on
25 which are unconditionally guaranteed by, the United States of America, including
26 obligations issued or held in book entry form on the books of the Department of
27 the Treasury of the United States; and

28
29 (b) non-callable, U. S. Treasury Securities - State and Local Government Series
30 (“SLGS”).

31
32 **SECTION 13. Exemption from State Taxes.** Both the principal of and interest on the
33 Bonds shall be exempt, in accordance with the provisions of Section 12-2-50 of the Code of Laws
34 of South Carolina 1976, as amended, from all State, County, municipal, City and all other taxes
35 or assessments, except estate or other transfer taxes, direct or indirect, general or special,
36 whether imposed for the purpose of general revenue or otherwise.

37
38 **SECTION 14. Sale and Award of Bonds.** The Bonds shall be sold at a date and time
39 certain after public notice thereof at not less than par and accrued interest to the date of
40 delivery. Bids shall be received at such time and date and in such manner as determined by the
41 City Manager. Unless all bids are rejected, the award of the Bonds may be made by the City
42 Manager to the bidder offering the most advantageous terms to the City, provided the true
43 interest cost of the Bonds does not exceed 5.0% per annum, with the basis of such award to be
44 set forth in the official notice of sale used in connection with the sale of the Bonds (the “Official
45 Notice of Sale”). In lieu of publishing the Official Notice of Sale in its entirety to notice the sale,
46 the City Manager may elect to publish an abbreviated form of such notice (the “Summary Notice
47 of Sale”) and provide the Official Notice of Sale to those parties who request the same pursuant
48 to the instructions provided in the Summary Notice of Sale.

49
50 **SECTION 15. Manner of Public Sale.** Not less than seven (7) days following the
51 publication of either the Official Notice of Sale or Summary Notice of Sale in a newspaper of
52 general circulation in the State, and/or, if deemed appropriate by the City Manager, in a

1 financial publication published in the City of New York, New York, the Bonds may be sold
2 pursuant to either of the following methods as determined by the City Manager:

- 3
- 4 (a) *Competitive Direct Placement.* The Bonds may be sold to an institution or
5 institutions as a means of making a commercial loan. In such case, the Council
6 authorizes the City Manager to distribute the Official Notice of Sale to
7 prospective purchasers of the Bonds and award the Bonds on the basis of the
8 terms and conditions contained therein. The Bonds may, if so determined by the
9 City Manager, be issued as a single Bond, without CUSIP identification. The
10 purchaser of the Bonds shall execute an investor letter to the City acknowledging
11 its purchase of the Bonds as a means of making a commercial loan.
- 12
- 13 (b) *Competitive Public Offering.* The Bonds may be sold in the public capital markets
14 to an underwriter for the purpose of reselling such Bonds. In such case, the
15 Council hereby authorizes the City Manager to prepare, or cause to be prepared,
16 a Preliminary Official Statement and distribute the Preliminary Official
17 Statement and the Official Notice of Sale to prospective purchasers of the Bonds.
18 The Council authorizes the City Manager to designate the Preliminary Official
19 Statement as “final” for purposes of Rule 15c2-12 of the United States Securities
20 and Exchange Commission. The City Manager is further authorized to see to the
21 completion of, and execute and deliver in the name and on behalf of the City,
22 the final Official Statement upon the sale of the Bonds so that it may be provided
23 to the Purchaser.
- 24

25 SECTION 16. Certain Delegations. The Council, in addition to the authority delegated
26 elsewhere in this Ordinance, hereby expressly delegates to the City Manager the authority, with
27 respect to the Bonds, to determine: (a) the date of sale, the date of issuance, the Authorized
28 Denominations (if other than \$5,000 or any integral multiple thereof), the maturity schedule,
29 the principal and interest payment dates, the portion of the Refunded Bonds to be refunded,
30 and the final principal amount with respect to the Bonds; (b) whether the Bonds shall be subject
31 to redemption; (c) the method of computing interest in connection with the award of the Bonds;
32 (d) whether to create and distribute preliminary and final Official Statements in connection with
33 the issuance of any Series of Bonds; and (e) such other matters regarding the Bonds as are
34 necessary or appropriate. The Council may, by resolution, authorize the City Manager to alter
35 any of the conditions or provisions specified above or elsewhere herein.

36

37 The City Manager is hereby authorized and directed to conduct the sale of the Bonds
38 pursuant to the provisions of Section 15 hereof. The Council hereby expressly delegates to the
39 City Manager the authority to award the sale of any Bonds in accordance with the Official Notice
40 of Sale contemplated in Section 15 hereof.

41

42 SECTION 17. Continuing Disclosure. The City hereby covenants and agrees that it will
43 comply with and carry out all of the provisions of any continuing disclosure certificate or
44 agreement, executed by the City Manager or the Chief Financial Officer and dated the date of
45 delivery of the Bonds, which will meet the requirements, as applicable, of Rule 15c2-12
46 promulgated by the United States Securities and Exchange Commission.

47

48 SECTION 18. Filings with Central Repository. In compliance with Section 11-1-85 of the
49 Code of Laws of South Carolina 1976, as amended, the City covenants that it will file or cause to
50 be filed with a central repository for further availability in the secondary bond market when
51 requested: (a) a copy of the annual audit of the City within thirty (30) days of the City's receipt
52 thereof; and (b) within thirty (30) days of the occurrence thereof, relevant information of an

1 event which, in the opinion of the City, adversely affects more than five percent (5%) of the
2 City's revenue or its tax base.

3
4 SECTION 19. Deposit, Appropriation and Use of Proceeds. The proceeds derived from
5 the sale of the Bonds shall be deposited in special funds, separate and distinct from all other
6 funds, and applied solely to the purpose for which the Bonds are issued except that the accrued
7 interest, if any, shall be used to discharge in part the first interest to become due on the Bonds,
8 such proceeds being hereby appropriated for such purposes. If any surplus remains it shall be
9 deposited in the sinking fund to be established for the payment of the Bonds.

10
11 SECTION 20. Tax Covenants. The City hereby covenants and agrees with the holders of
12 the Bonds that no use of the proceeds of the Bonds shall be made which, if such use had been
13 reasonably expected on the date of issue of the Bonds would have caused the Bonds to be
14 "arbitrage bonds", as defined in Section 148 of the Internal Revenue Code of 1986, as amended
15 (the "Code"), and to that end the City agrees to:

16
17 (a) comply with the applicable provisions of Section 103 and Sections 141 through 150
18 of the Code and any regulations promulgated thereunder so long as the Bonds are outstanding;

19
20 (b) establish such funds, make such calculations and pay such amounts, in the
21 manner and at the times required in order to comply with the requirements of the Code relating
22 to required rebates of certain amounts to the United States; and

23
24 (c) make such reports of such information at the time and places required by the
25 Code.

26
27 The City further covenants that it shall not take any action which will, or fail to take any
28 action which failure will, cause interest on the Bonds to become includible in the gross income
29 of the Bondholders for federal income tax purposes pursuant to the provisions of the Code and
30 the regulations promulgated thereunder in effect on the date of original issuance of the Bonds.

31
32 SECTION 21. Miscellaneous. The Council hereby authorizes the Mayor, the City Manager,
33 the Clerk of the City, the Chief Financial Officer, the Financial Management and Reporting
34 Director and the City Attorney to execute such documents and instruments as may be necessary
35 to effect the issuance of the Bonds.

36
37 All rules, regulations, resolutions and parts thereof, procedural or otherwise, in conflict
38 herewith or the proceedings authorizing the issuance of the Bonds are, to the extent of such
39 conflict, hereby repealed and this Ordinance shall take effect and be in full force from and after
40 its enactment.

41
42 This Ordinance shall be forthwith codified in the Code of City Ordinances in the manner
43 required by law.

44
45
46
47 [Signature page to follow]
48

1 ENACTED by the City Council of the City of Myrtle Beach, South Carolina, this 25th day of
2 August 2020.
3
4
5

6
7 Mayor, City of Myrtle Beach, South Carolina
8

9 (SEAL)

10
11 ATTEST:
12
13

14
15 Clerk, City Council of the City
16 of Myrtle Beach, South Carolina
17

18 Date of First Reading: August 11, 2020

19 Date of Second Reading: August 25, 2020
20