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1 2020-39 (2<sup>ND</sup> READING): AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF  
2 NOT EXCEEDING \$7,200,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020C,  
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.

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

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10 **Brief:**

- 11 • This ordinance authorizes the current refunding of Series 2015C GO Refunding  
12 Bonds, which refunded the Series 2008A bonds (under 8% debt limit).
- 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 1<sup>st</sup> 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.

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

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

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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.

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32 **Manager’s Recommendation:**

- 33 • I recommend 1<sup>st</sup> reading (8-11-2020).
- 34 • I recommend approval (8-25-2020).

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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 \$7,200,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020C, 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 \$7,200,000 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.

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

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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.

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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.

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

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

36  
37           “Refunded Bond Ordinance” shall have the meaning given such term in Section 2(f)  
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.

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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 \$8,349,000 original principal amount General  
28 Obligation Refunding Bonds, Series 2015C (the "Refunded Bonds") authorized by an ordinance  
29 enacted August 11, 2015 (the "Refunded Bond Ordinance"). The Refunded Bonds are subject to  
30 redemption prior to maturity, at the option of the City, as a whole or in part at any time, at a  
31 redemption price of 101% of the principal amount thereof if such redemption is prior to  
32 September 22, 2025, and a redemption price of 100% of the principal amount thereof if on or  
33 after September 22, 2025, together with the interest accrued on such principal amount to the  
34 date fixed for redemption.  
35

36 (g) The assessed value of all taxable property in the City for 2019, as established by  
37 the assessment thereof, excluding the values of exempt merchants' inventories, is \$428,984,130.  
38 Eight percent (8%) of such sum is \$34,318,730. As of the date hereof, the outstanding general  
39 obligation debt of the City subject to the limitation imposed by Article X, Section 14(7)(a) of the  
40 Constitution is \$23,756,000, which includes the outstanding principal balance of the Refunded  
41 Bonds. Upon defeasance or refunding of the Refunded Bonds, the City may incur not exceeding  
42 \$17,406,730 of general obligation debt within its applicable constitutional debt limitation.  
43

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

1 of the enactment of this Ordinance. If the rates of interest on the refunding bonds authorized  
2 by this Ordinance, do not result in satisfactory debt service savings, the Council, through the  
3 authority delegated to the City Manager, will be empowered to reject bids for the purchase of  
4 the refunding bonds.

5  
6 (i) It is now in the best interest of the City for the Council to provide for the issuance  
7 and sale of not exceeding \$7,200,000 general obligation refunding bonds of the City pursuant to  
8 the aforesaid provisions of the Constitution and laws of the State of South Carolina in order to  
9 effect the refunding of the Refunded Bonds and to call for redemption such Refunded Bonds on  
10 such date as the City Manager shall determine.

11  
12 SECTION 3. Authorization and Details of Bonds. Pursuant to the aforesaid provisions of  
13 the Constitution and laws of the State of South Carolina, there is hereby authorized to be issued  
14 not exceeding \$7,200,000 general obligation refunding bonds of the City to effect a refunding of  
15 the Refunded Bonds, in order to (i) provide for the payment of the principal amount thereof and  
16 the amount required to pay the redemption premium and interest on such Refunded Bonds to  
17 the date fixed for redemption, and (ii) provide for any deposits required in connection with the  
18 issuance of the Bonds. The Bonds shall be designated "\$7,200,000 General Obligation Refunding  
19 Bonds, Series 2020C, of the City of Myrtle Beach, South Carolina" or otherwise as the City  
20 Manager shall determine; provided that if the Bonds are issued in a lesser principal amount or if  
21 the City Manager determines to change the designation of the Bonds, the designation shall be  
22 modified to reflect such lesser amount or determination.

23  
24 Upon the delivery of the Bonds, the proceeds thereof, less any accrued interest and less  
25 issuance expenses, shall be deposited with an escrow agent to be selected by the City Manager,  
26 and held by it under a written escrow deposit agreement (the "Escrow Deposit Agreement") in a  
27 special trust account, or applied directly to the payment of the Refunded Bonds. It shall be the  
28 duty of such escrow agent to keep such proceeds invested and reinvested to the extent that it  
29 shall be practical in obligations of the United States or any agency thereof and to apply the  
30 principal and interest of the trust so established in the manner prescribed in such Escrow Deposit  
31 Agreement.

32  
33 The Mayor, the City Manager, the Chief Financial Officer, the Financial Management and  
34 Reporting Director and the Clerk of the City are hereby authorized and directed for and on  
35 behalf of the City to execute such agreements and give such directions as shall be necessary to  
36 carry out the provisions of this Ordinance, including the execution and delivery of the Escrow  
37 Deposit Agreement. The Escrow Deposit Agreement shall be dated the date of delivery of the  
38 Bonds to the initial purchaser(s) thereof.

39  
40 The City Manager shall designate the Refunded Bonds for redemption in accordance with  
41 the Refunded Bond Ordinance.

42  
43 The Bonds shall be issued as fully registered Bonds; shall be in such principal amount not  
44 exceeding \$7,200,000, as may be determined by the City Manager; shall be dated their date of  
45 delivery or such other date as determined by the City Manager; shall be in the Authorized  
46 Denominations not exceeding the principal amount of the Bonds maturing in each year; shall be  
47 initially issued in Book-Entry Form unless the Bonds are issued in a competitive bank placement  
48 as provided in Section 15(a) hereof; shall bear interest from their date initially payable March 1,  
49 2021 or such other date as the City Manager may determine, and semiannually thereafter on  
50 March 1 and September 1 of each year until the Bonds mature, at such rate or rates as may be  
51 determined by the City Manager at the time of the sale thereof; and shall mature in successive  
52 annual installments (including by mandatory redemption) on March 1 in each of the years and in

1 the principal amounts and be subject to redemption as may be determined by the City Manager;  
2 and shall have a final maturity of no later than March 1, 2031.  
3

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

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

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

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

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

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

51 The City, the Paying Agent and the Registrar may treat the Depository (or its nominee) as  
52 the sole and exclusive owner of the Bonds registered in its name for the purpose of payment of

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

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

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

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

49 The City, the Registrar and the Paying Agent may deem or treat the person in whose  
50 name any fully registered Bond shall be registered upon the Books of Registry as the absolute  
51 owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving  
52 payment of the principal of and interest on such Bond and for all other purposes and all such

1 payments so made to any such registered owner or upon his order shall be valid and effectual to  
2 satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and  
3 neither the City nor the Registrar shall be affected by any notice to the contrary. In all cases in  
4 which the privilege of transferring Bonds is exercised, the City shall execute and the Registrar  
5 shall authenticate and deliver Bonds in accordance with the provisions of this Ordinance.  
6 Neither the City nor the Registrar shall be obliged to make any such transfer of Bonds during the  
7 fifteen (15) days preceding an interest payment date on such Bonds.  
8

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

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

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

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





1 as amended; Title 11, Chapter 27, Code of Laws of South Carolina 1976, as amended; and an  
2 ordinance duly 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

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  
43

(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, and the final principal amount with respect to the  
30 Bonds; (b) whether the Bonds shall be subject to redemption; (c) the method of computing  
31 interest in connection with the award of the Bonds; (d) whether to create and distribute  
32 preliminary and final Official Statements in connection with the issuance of any Series of Bonds;  
33 and (e) such other matters regarding the Bonds as are necessary or appropriate. The Council  
34 may, by resolution, authorize the City Manager to alter any of the conditions or provisions  
35 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 Clerk, City Council of the City  
15 of Myrtle Beach, South Carolina

16  
17  
18 Date of First Reading: August 11, 2020

19 Date of Second Reading: August 25, 2020

20