

REQUEST FOR CITY COUNCIL CONSIDERATION

Meeting Date: September 16, 2024

Agenda Item: 6A	Prepared by: Randy Wright, Finance Director
Agenda Section: Unfinished Business: Ordinance: Second Reading	Date: August 21, 2024
Subject: To provide for the issuance of twenty-seven million dollar (\$27,000,000) general obligation bond	Division: Legal

Background:

The current budget provides for the issuance of a General Obligation Bond to provide the necessary funding for the construction of Phase II of the North Myrtle Beach Park and Sports Complex. The amount of the issue will be \$27,000,000.

The Park Improvement Bonds will have a nine (9) year maturity with an annual debt service of approximately \$3,500,000. The debt service will be covered by the current millage rate of 45 mils.

The overall process for issuing the bonds after Council approval will take about 120 days.

Recommended Action:

Approve or deny the ordinance on second reading

Reviewed by Department Head	Reviewed by City Manager	Reviewed by City Attorney

Council Action:

Motion By _____ 2nd By _____ To _____

ORDINANCE NO. 24-33

AN ORDINANCE

TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING TWENTY-SEVEN MILLION DOLLARS (\$27,000,000) GENERAL OBLIGATION BONDS, SERIES 2024, OF THE CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA, FOR THE ISSUANCE OF NOTES IN ANTICIPATION OF SUCH BONDS, TO PRESCRIBE THE PURPOSES FOR WHICH THE PROCEEDS OF SUCH OBLIGATIONS SHALL BE EXPENDED, TO PROVIDE FOR THE PAYMENT THEREOF, AND OTHER MATTERS RELATING THERETO.

September 16, 2024

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EXHIBIT “A” – FORM OF BOND

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EXHIBIT “C” – FORM OF CONTINUING DISCLOSURE CERTIFICATE

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

ARTICLE I

FINDINGS OF FACT

As an incident to the adoption of this Ordinance, and the issuance of the bonds provided for herein, the City Council of the City of North Myrtle Beach (the “City Council”), the governing body of the City of North Myrtle Beach, South Carolina (the “City”), finds that the facts set forth in this Article exist and the statements made with respect thereto are true and correct:

Section 1.01 Recital of Statutory Authorization. By virtue of the provisions of the Municipal Bond Act, §§5-21-210 to 5-21-500, Code of Laws of South Carolina, 1976, as amended, and supplemented by §11-27-40 Code of Laws of South Carolina, 1976, as amended (collectively, the “Enabling Act”), the City is empowered to issue general obligation bonds for any “authorized purpose” as therein defined.

The City Council, after due investigation, has determined that it is in the best interest of the City and its residents that the City undertake the expansion of the City’s Park & Sports Complex located at S.C. Highway 33 and Robert Edge Parkway (the “Project”). The Project will consist of, among other things, new playing facilities for baseball, softball, soccer, lacrosse and other sports, new aquatic facilities, and numerous support facilities. The estimated aggregate cost of the Project is \$36,000,000. The Project constitutes an authorized purpose within the meaning of the Enabling Act. Costs of the Project not met with the proceeds of the indebtedness authorized hereby will be met with presently available funds of the City.

Section 1.02 Recital of Applicable Constitutional Provisions. The assessed value of all taxable property in the City for the year 2023, which is the last completed assessment thereof, amounted to \$503,373,300. Accordingly, the eight percent general obligation debt limit of the City as established by §14 of Article X of the South Carolina Constitution amounts to not less than the sum of \$40,269,864. Chargeable against the City’s debt limit is the sum of \$2,446,951 pledged in support of the City’s Series 2022 Municipal Improvement District Assessment Bond. The City is therefore permitted under §14 of Article X of the South Carolina Constitution to issue the proposed general obligation bonds in order to raise the required sum, not to exceed \$27,000,000, and under the provisions of said §14 of Article X of the South Carolina Constitution and §11-27-40(2), Code of Laws of South Carolina, 1976, as amended, may do so without the necessity of holding an election.

* * * *

ARTICLE II

DEFINITIONS AND CONSTRUCTION

Section 2.01 Definitions. As used in this Ordinance unless the context otherwise requires, the following terms shall have the following respective meanings: “Authorized Investments” mean and include any securities in which municipalities may invest funds pursuant to the Code of Laws of South Carolina.

“**Authorized Officer**” means the City Manager of the City, the Mayor and any other officer or employee of the City Council designated from time to time as an Authorized Officer by resolution of the City Council, and when used with reference to any act or document also means any other person authorized by resolution of the City Council to perform such act or sign such document. During such time as a State of Emergency exists, the Mayor is empowered to designate any officer or employee of the City as an Authorized Officer.

“**BANs**” means bond anticipation notes issued in anticipation of the issuance of the Bonds in accordance with this Ordinance and §§11-17-10 *et seq.*, Code of Laws of South Carolina, 1976, as amended.

“**Bond**” or “**Bonds**” means any of the Bonds of the City authorized by this Ordinance.

“**Bond Counsel**” means Haynsworth Sinkler Boyd, P.A.

“**Bondholder**” or “**Holder**” or “**Holders of Bonds**” or “**Owner**” or similar term means, when used with respect to a Bond or Bonds, any person who shall be registered as the owner of any Bond Outstanding.

“**Bond Payment Date**” means each February 1 and August 1 on which interest on any of the Bonds shall be payable or on which both the Principal Installment and interest shall be payable on any of the Bonds.

“**City**” means the City of North Myrtle Beach, South Carolina.

“**City Council**” means the City Council of the City of North Myrtle Beach, South Carolina, the governing body of the City of North Myrtle Beach or any successor governing body of said City.

“**City Request**” means a written request of the City signed by an Authorized Officer.

“**Code**” means the Internal Revenue Code of 1986, as amended, and the Treasury Regulations applicable thereto.

“**Corporate Trust Office**”, when used with respect to any Paying Agent or Registrar, other than in connection with a Bond issues pursuant to Section 3.20 of this Ordinance, means the office at which its principal corporate trust business shall be administered.

“**Enabling Act**” means the Municipal Bond Act, §§5-21-210 through 5-21-500, inclusive, and §11-27-40, Code of Laws of South Carolina, 1976, as amended,

“**Escrow Agent**” means a financial institution maintaining corporate trust offices appointed by the City to hold funds in connection with the defeasance pursuant to Section 7.01 herein of a Bond issued pursuant to Section 3.20 herein

“**Fiduciary**” means any financial institution appointed to serve as the Paying Agent, the Registrar and their successors and assigns.

“Financial Advisor” means First Tryon Advisors LLC.

“Government Obligations” means and includes direct general obligations of the United States of America or agencies thereof or obligations, the payment of principal or interest on which is fully and unconditionally guaranteed by the United States of America.

“Interest Cost” as to Bonds or bond anticipation notes issued hereunder means net interest cost (NIC) or true interest cost (TIC) for such issue as determined by the City Manager upon advice of the Financial Advisor.

“Ordinance” means this Ordinance as the same may be amended or supplemented from time to time in accordance with the terms hereof.

“Outstanding”, when used in this Ordinance with respect to Bonds, means as of any date, all Bonds theretofore authenticated and delivered pursuant to this Ordinance except:

- (i) any Bond canceled or delivered to the Registrar for cancellation on or before such date;
- (ii) any Bond (or any portion thereof) deemed to have been paid in accordance with the provisions of Section 7.01 hereof; and
- (iii) any Bond in lieu of or in exchange for which another Bond shall have been authenticated and delivered pursuant to Section 3.10 of this Ordinance.

“Paying Agent” means any bank, trust company or national banking association which is authorized to pay the principal or interest on any Bonds and having the duties, responsibilities and rights provided for in this Ordinance, and its successor or successors and any other corporation or association which at any time may be substituted in its place pursuant to this Ordinance. The institution named as Paying Agent may also act as Registrar. As provided in Section 3.20 herein, under the circumstances described therein, the City Clerk of the City shall serve as Paying Agent and Registrar.

“Person” means an individual, a partnership, a corporation, a trust, a trustee, an unincorporated organization, or a government or an agency or political subdivision thereof.

“Principal Installment” means, as of any date of calculation, the principal amount of all Bonds due on a specified date.

“Project” means the project as defined in Section 1.01 hereof.

“Record Date” means the fifteenth day of the month immediately preceding each Bond Payment Date.

“Registrar” means any bank, trust company, or national banking association which is authorized to maintain an accurate list of those who from time to time shall be the Holders of the Bonds and shall effect the exchange and transfer of Bonds in accordance with the provisions of this Ordinance and having the duties, responsibilities, and rights provided for in this Ordinance and its successor or successors and any other corporation or association which at any time may be substituted in its place pursuant to this Ordinance. The institution named as Registrar may also act as Paying Agent. As provided in Section 3.20 herein, under the circumstances described therein, the City Clerk of the City shall serve as Paying Agent and Registrar.

“**Securities Depository**” shall mean The Depository Trust Company, New York, New York, or other recognized securities depository selected by the City, which securities depository maintains a book-entry system in respect of the Bonds, and shall include any substitute for or successor to the securities depository initially acting as Securities Depository.

“**Securities Depository Nominee**” shall mean, as to any Securities Depository, such Securities Depository or the nominee of such Securities Depository in whose name there shall be registered on the registration books maintained by the Registrar the Bond certificates to be delivered to and immobilized at such Securities Depository during the continuation with such Securities Depository of participation in its book-entry system.

“**State of Emergency**” means a period during which a proclamation issued by the Governor of the State pursuant to §1-3-420, Code of Laws of South Carolina, 1976, as amended, or similar State statute remains effective in the City.

Section 2.02 **Construction.** In this Ordinance, unless the context otherwise requires:

(a) Articles and Sections referred to by number shall mean the corresponding Articles and Sections of this Ordinance.

(b) The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms refer to this Ordinance, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before, the date of adoption of this Ordinance.

(c) Words of the masculine gender shall mean and include correlative words of the female and neuter genders, and words importing the singular number shall mean and include the plural number and vice versa.

(d) Any Fiduciary shall be deemed to hold an Authorized Investment in which money is invested pursuant to the provisions of this Ordinance, even though such Authorized Investment is evidenced only by a book entry or similar record of investment.

* * * *

ARTICLE III

ISSUANCE OF BONDS

Section 3.01 **Ordering the Issuance of Bonds.** Pursuant to the provisions of the Enabling Act, and for the purpose of obtaining funds to defray the costs of the Project, there shall be issued not exceeding Twenty-seven Million Dollars (\$27,000,000) of general obligation bonds of the City, the final amount to be determined by the City Manager of the City with the advice of the Financial Advisor and Bond Counsel. The Bonds may be sold and issued as a single issue or from time to time as separate issues or series. The Bonds shall be given such series designation as shall be determined by the City Manager of the City in connection with the publication of the notice of sale of any Bonds as herein provided.

Section 3.02 **Date; Maturity of Bonds.** The Bonds shall be dated as of the first day of the month in which such Bonds are delivered or such other date on or prior to the date of delivery thereof as shall be determined by the City Manager of the City with the advice of the Financial Advisor and Bond Counsel. The Bonds shall mature on the dates and in the principal amounts as shall be determined by the City Manager as shall be necessary to meet the final principal amount of the Bonds determined to be sold pursuant to Section 3.01, provided, however, that the final maturity of the Bonds shall occur not less than five (5) nor more than 15 years from the date of delivery thereof. Except as provided in Section 3.20 (b) of this Ordinance, interest on the Bonds shall be first payable on such February 1 or August 1 as determined by the City Manager, but in no event more than eleven (11) months following the date of issuance of the Bonds, and semiannually thereafter on February 1 and August 1 of each year until payment of the principal thereof.

Section 3.03 **Interest Rates; Payment of Interest.** The Bonds shall bear such rate or rates of interest as shall at the sale of such Bonds reflect the lowest Interest Cost to the City calculated in the manner, and subject to the conditions, prescribed in the Notice of Sale attached hereto as Exhibit "B." The Bonds shall be authenticated on such dates as they shall, in each case, be delivered. The Bonds shall bear interest from the February 1 or the August 1 to which interest has been paid next preceding the authentication date thereof, unless the authentication date thereof is a February 1 or an August 1, in which case, from such authentication date, or from the February 1 or the August 1 to which interest has last been paid, or if dated prior to the first Bond Payment Date, then from the original issue date of such Bonds. The interest to be paid on any February 1 or August 1 shall be paid to the Person in whose name such Bond is registered at the close of business on the Record Date next preceding such February 1 or August 1.

Section 3.04 **Book-Entry System.**

(a) Except as provided in Section 3.20 herein, the Bonds will initially be issued under the DTC Book-Entry-Only System in fully registered form, registered in the name of Cede & Co. as the registered owner and securities depository nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as initial securities depository for the Bonds. Notwithstanding anything to the contrary herein, so long as the Bonds are being held under a book-entry system of a securities depository, transfers of beneficial ownership of the Bonds will be effected pursuant to rules and procedures established by such securities depository. DTC and any successor securities depositories are hereinafter referred to as the "Securities Depository." Cede & Co. and successor securities depository nominees are hereinafter referred to as the "Securities Depository Nominee."

(b) Notwithstanding any other provision of this Ordinance, as long as a book-entry system is in effect for the Bonds, the Securities Depository Nominee will be recognized as the holder of the Bonds for the purposes of (i) paying the principal, interest and redemption premium, if any, on such Bonds, (ii) if Bonds are to be redeemed in part, selecting the portions of such Bonds to be redeemed, (iii) giving any

notice permitted or required to be given to Bondholders under this ordinance, (iv) registering the transfer of Bonds, and (v) requesting any consent or other action to be taken by the holders of such Bonds, and for all other purposes whatsoever, and the City shall not be affected by any notice to the contrary.

(c) The City shall not have any responsibility or obligation to any participant, any beneficial owner or any other person claiming a beneficial ownership in any Bonds which are registered to a Securities Depository Nominee under or through the Securities Depository with respect to any action taken by the Securities Depository as holder of such Bonds.

(d) The City shall pay all principal, redemption premium, if any, and interest on Bonds issued under a book-entry system only to the Securities Depository or the Securities Depository Nominee, as the case may be, for such Bonds, and all such payments shall be valid and effectual to fully satisfy and discharge the obligations with respect to the principal, redemption premium, if any, and interest on such Bonds.

(e) In the event that the City determines that it is in the best interest of the City to discontinue the book-entry system of transfer for the Bonds, or that the interests of the beneficial owners of the Bonds may be adversely affected if the book-entry system is continued, then the City shall notify the Securities Depository of such determination. In such event, the Registrar and Paying Agent shall authenticate, register and deliver physical certificates for the Bonds in exchange for the Bonds registered in the name of the Securities Depository Nominee.

(f) In the event that the Securities Depository for the Bonds discontinues providing its services, the City shall either engage the services of another Securities Depository or arrange with a Registrar and Paying Agent for the delivery of physical certificates in the manner described in (e) above.

(g) In connection with any notice or other communication to be provided to the holders of Bonds by the City or by the Registrar and Paying Agent with respect to any consent or other action to be taken by the holders of Bonds, the City or the Registrar and Paying Agent, as the case may be, shall establish a record date for such consent or other action and give the Securities Depository Nominee notice of such record date not less than 15 days in advance of such record date to the extent possible.

(h) At the closing of the Bonds and the delivery of the same to the purchaser thereof through the facilities of DTC, the Paying Agent and Registrar may maintain custody of Bond certificates on behalf of DTC in accordance with DTC's "FAST Closing" procedures.

(i) For as long as the Bonds are being held under a book-entry system of a securities depository, the City shall remit to the Paying Agent and Registrar by 1:00 p.m. New York time on each Bond Payment Date funds for all principal and interest payments due thereupon, or at such earlier time as required by the Paying Agent and Registrar to guarantee that DTC or successor Securities Depository will receive payment in same-day funds by 2:30 p.m. New York time on such Bond Payment Date. In addition, an automated payment details receipt shall be provided by the Paying Agent by 12:00 noon New York time of each Bond Payment Date for interest payments and by 2:30 p.m. New York time for redemption and corporate action payments.

Section 3.05 Medium of Payment; Form and Denomination of Bonds; Place of Payment of Principal.

(a) The Bonds shall be payable as to Principal Installment and interest at the rates per annum determined in the manner prescribed by Section 5.01 hereof (on the basis of a 360-day year of twelve 30-day months) in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

(b) The Bonds shall be issued in the form of fully registered Bonds. The Bonds shall be issued in the denomination of \$5,000 or any whole multiple thereof, not exceeding the principal amount of the Bonds maturing in such year. The Bonds shall be numbered from 1 upwards in such fashion as to maintain a proper record thereof.

(c) The Principal Installment of all Bonds shall be payable at the Corporate Trust Office of the Paying Agent and payment of the interest on each Bond shall be made by the Paying Agent to the Person appearing on each Record Date on the registration books of the City, which books shall be held by the Registrar as provided in Section 3.09 hereof, as the registered owner thereof, by check or draft mailed to such registered owner at his address as it appears on such registration books in sufficient time to reach such registered owner on the Bond Payment Date. Payment of the Principal Installment of all Bonds shall be made upon the presentation and surrender for cancellation of such Bonds as the same shall become due and payable.

Section 3.06 Agreement to Maintain Registrar and Paying Agent. As long as any of the Bonds remain Outstanding there shall be a Registrar and a Paying Agent each of which maintains Corporate Trust Offices where (i) the Bonds may be presented for registration of transfers and exchanges, (ii) notices and demands to or upon the City in respect of the Bonds may be served, and (iii) the Bonds may be presented for payment, exchange and transfer. An institution so chosen may exercise both the functions of the Paying Agent and the Registrar for the Bonds.

Section 3.07 Execution and Authentication.

(a) The Bonds shall be executed in the name and on behalf of the City by the signature of an Authorized Officer, with its corporate seal impressed, imprinted or otherwise reproduced thereon, and attested by the signature of the Clerk to City Council or other Authorized Officer (other than the officer executing such Bonds). The signatures of the Authorized Officers and/or the Clerk to City Council may be manual or facsimile signatures. Bonds bearing the signature of any Person who shall have been such an Authorized Officer at the time such Bonds were so executed shall bind the City notwithstanding the fact that he or she may have ceased to be such Authorized Officer prior to the authentication and delivery of such Bonds or was not such Authorized Officer at the date of the authentication and delivery of the Bonds.

(b) No Bond shall be valid or obligatory for any purpose or shall be entitled to any right or benefit hereunder unless there shall be endorsed on such Bond a certificate of authentication in the form set forth in this Ordinance, duly executed by the manual signature of the Registrar and such certificate of authentication upon any Bond executed on behalf of the City shall be conclusive evidence that the Bond so authenticated has been duly issued hereunder and that the Holder thereof is entitled to the benefit of the terms and provisions of this Ordinance.

Section 3.08 Exchange of Bonds. Bonds, upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered Holder or his duly authorized attorney, may, at the option of the registered Holder thereof, be exchanged for an equal aggregate principal amount of Bonds in authorized denominations of the same series, redemption provisions, interest rate and maturity. So long as any of the Bonds remain Outstanding, the City shall make all necessary provisions to permit the exchange of Bonds at the Corporate Trust Office of the Registrar.

Section 3.09 Transferability and Registry. All Bonds shall at all times, when the same are Outstanding, be payable, both as to Principal Installment and interest to a Person, and shall be transferable, only in accordance with the provisions for registration and transfer contained in the Ordinance and in the Bonds. So long as any of the Bonds remain Outstanding, the City shall maintain and keep, at the office of the Registrar, books for the registration and transfer of Bonds, and, upon presentation thereof for such

purpose at the Corporate Trust Office of the Registrar, the City shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it or the Registrar may prescribe, any Bond, except that under no circumstances shall any Bond be registered or transferred to bearer. So long as any of the Bonds remain Outstanding, the City shall make all necessary provisions to permit the transfer of Bonds at the Corporate Trust Office of the Registrar.

Section 3.10 Transfer of Bonds. Each Bond shall be transferable only upon the books of the City, which shall be kept for such purpose at the Corporate Trust Office of the Registrar which shall be maintained for such purpose by the Registrar, upon presentation and surrender thereof by the Holder of such Bond in person or by his attorney duly authorized in writing, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered Holder or his duly authorized attorney. Upon surrender for transfer of any such Bond, the City shall execute and the Registrar shall authenticate and deliver, in the name of the Person who is the transferee, one or more new Bonds of the same series, redemption provisions, aggregate principal amount and maturity and rate of interest as the surrendered Bond. All action taken by the Registrar pursuant to this Section shall be deemed to be the action of the City.

Section 3.11 Regulations with Respect to Exchanges and Transfers. All Bonds surrendered in any exchanges or transfers shall forthwith be cancelled by the Registrar. For each such exchange or transfer of Bonds, the City or the Registrar may make a charge sufficient to reimburse it or them for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the Holder requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The City shall not be obligated to (i) issue, exchange or transfer any Bond during the 15 days next preceding any Bond Payment Date, (ii) issue, exchange or transfer any Bond during a period beginning at the opening of business 15 days next preceding any selection of Bonds to be redeemed and ending at the close of business on the date of the mailing of notice of such redemption, or (iii) transfer or exchange any Bonds called or being called for redemption in whole or in part.

Section 3.12 Mutilated, Destroyed, Lost and Stolen Bonds.

(a) If any mutilated Bond is surrendered to the Registrar and the Registrar or the City receive evidence to their satisfaction of the destruction, loss or theft of any Bond, and there is delivered to the Registrar, or the City such security or indemnity as may be required by them to save each of them harmless, then, in the absence of notice that such Bond has been acquired by a bona fide purchaser, the City shall execute, and upon City request, the Registrar shall authenticate and deliver, in exchange for any such mutilated Bond or in lieu of any such destroyed, lost or stolen Bond, a new Bond of like tenor, redemption provisions and principal amount, bearing a number unlike that of a Bond contemporaneously Outstanding. The Registrar shall thereupon cancel any such mutilated Bond so surrendered. In case any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the City in its discretion may, instead of issuing a new Bond, pay such Bond.

(b) Upon the issuance of any new Bond under this Section 3.12, the City may require the payment of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto and any other expenses, including counsel fees or other fees, of the City or the Registrar connected therewith.

(c) Each new Bond issued pursuant to this Section in lieu of any destroyed, lost or stolen Bond, shall constitute an additional contractual obligation of the City, whether or not the destroyed, lost or stolen Bond shall at any time be enforceable by anyone, and shall be entitled to all the benefits hereof equally and proportionately with any and all other Bonds duly issued pursuant to this Ordinance. All Bonds shall be

held and owed upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds and shall preclude (to the extent lawful) all other rights or remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds or securities.

Section 3.13 Holder As Owner of Bond. The City, the Registrar and any Paying Agent may treat the Holder of any Bond as the absolute owner thereof, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the Principal Installment, redemption premium, if any, of and interest on such Bond and for all other purposes, and payment of the Principal Installment, redemption premium, if any, and interest shall be made only to, or upon the order of, such Holder. All payments to such Holder shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the City nor any Paying Agent shall be affected by any notice to the contrary.

Section 3.14 Cancellation of Bonds. The Registrar shall destroy all Bonds surrendered to it for cancellation and shall deliver a certificate to that effect to the City. No such Bonds shall be deemed Outstanding under this Ordinance and no Bonds shall be issued in lieu thereof.

Section 3.15 Payments Due on Saturdays, Sundays and Holidays. In any case where the Bond Payment Date shall be a Saturday or Sunday or shall be, at the place designated for payment, a legal holiday or a day on which banking institutions are authorized by law to close, then payment of interest on or Principal Installment of the Bonds need not be made on such date but may be made on the next succeeding business day not a Saturday, Sunday or a legal holiday or a day upon which banking institutions are authorized by law to close, with the same force and effect as if made on the Bond Payment Date and no interest shall accrue for the period after such date.

Section 3.16 Tax Exemption in South Carolina. Both the Principal Installment and interest on said Bonds shall be exempt from all State, county, municipal, City, and all other taxes or assessments of the State of South Carolina, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate and transfer taxes, but the interest on the Bonds may be includable for certain franchise fees or taxes.

Section 3.17 Conditions Relating To Naming Of Interest Rates. The Bonds shall bear such rate or rates of interest as shall at the sale of such Bonds reflect the lowest Interest Cost to the City, at a price of not less than par, but:

- (a) all Bonds of the same maturity shall bear the same rate of interest;
- (b) no rate of interest named shall be more than two per centum (2%) higher than the lowest rate of interest named;
- (c) each interest rate named shall be a multiple of one eighth (1/8th) or one twentieth (1/20th) of one per centum (1%); and
- (d) any premium offered must be paid in cash as a part of the purchase price.

The Mayor is authorized to impose upon the naming of interest rates in addition to or different from those as stated above in this Section 3.17, but in any event not inconsistent with Section 3.17(a) and Section 3.17(d).

Section 3.18 **Order of Tax Levy to Pay Principal and Interest of Bonds; Sinking Fund.** For the payment of the principal of and interest on the Bonds as the same becomes due and for the creation of such sinking fund as may be necessary therefor, the full faith, credit and taxing power of the City shall be irrevocably pledged, and there annually shall be levied and collected by the City, a tax without limit as to rate or amount on all taxable property in the City sufficient to pay the principal of and interest on the Bonds until the Bonds are no longer Outstanding. The sinking fund so established shall be held by the City.

Section 3.19 **Form of Bonds.** The form of the Bonds, and registration provisions to be endorsed thereon shall be substantially as set forth in Exhibit "A" attached hereto and made a part of this Ordinance.

Section 3.20 **Bonds Sold as Single Instrument.** Notwithstanding any provision of this Ordinance to the contrary, the Bonds authorized hereby, if so determined by the City Manager upon advice of the Financial Advisor and Bond Counsel, may be issued in the form of a single Bond. In the event the Bond is issued as a single Bond, the following shall apply:

(a) The dated date of the Bond shall be the date of its delivery, and the Bond shall bear interest from such date;

(b) The City Manager may require that the Bond bear a single, fixed rate of interest and may also provide that the Bond be payable by way of annual installments of principal and interest due on either February 1 or the anniversary date of the issuance of the Bond, or (ii) annual installments of principal due on February 1 and semi-annual interest payments due on February 1 and August 1, provided, however, that interest payments shall commence not more than 11 months from the date of issuance of the Bond, principal payments shall commence within five (5) years of the issuance of the Bond, and the final maturity of the Bond shall not occur not less than five (5) nor more than 15 years from the dated date thereof, all as determined by the City Manager.

(c) The form of the Bonds as set forth in Exhibit "A" hereto, and the Notice of Sale as set forth in Exhibit "B" hereto shall be appropriately modified, and the City shall not be obligated to deliver a Continuing Disclosure Certificate as provided in Exhibit "C" hereto.

(d) Any fees required by the purchaser of the Bond to be paid by the City shall be treated as interest in determining Interest Cost.

(e) The City Clerk of the City shall serve as Registrar/Paying Agent for the Bond, provided that the City Clerk shall not be deemed to be a Fiduciary within the meaning of Article VIII herein, and all references to "Corporate Trust Office" shall be deemed to mean the Administrative Office of the City Clerk.

(f) If so determined by the City Manager, the Bond shall not be issued in book-entry-only form, and, in lieu thereof, shall be registered directly in the name of the Holder as directed by the purchaser thereof.

(g) An official statement shall not be prepared in connection with the sale of the Bond, and the delivery of the Bond shall be conditioned upon the delivery by the purchaser thereof at closing of a certificate in form satisfactory to Bond Counsel regarding the suitability of the purchaser and restrictions on transfer of the Bond.

(h) No bid for the purchase of a Bond which requires an adjustment in the interest rate applicable thereto in the event of acts or omissions of the City which negatively impact the tax-exempt status of interest on the Bond shall be accepted unless the interest rate as may be so adjusted is set forth in

the Bond. No bid for the purchase of a Bond which requires an adjustment in the interest rate applicable thereto in the event of a change in federal or state law shall be accepted.

(i) The City, if requested by the purchaser of a Bond, may covenant and agree with such purchaser to provide the holder of the Bond, for so long as the same remains Outstanding, with a copy of its audited financial statements within 240 days of the close of each fiscal year; provided, that the only remedy for enforcement of this covenant shall be an action for mandamus in the Court of Common Pleas for Horry County, South Carolina. This covenant, if applicable, shall be documented on behalf of the City by inclusion of the same in the Bond.

Section 3.21 Bond Anticipation Notes.

The City Manager may determine to issue one or more series BANs in accordance with this Section 3.21. The aggregate principal amount of BANs issued hereunder shall not exceed ninety percent (90%) of the amount of the Bonds anticipated to be issued pursuant to this Ordinance. The form of the BANs, and registration provisions to be endorsed thereon shall be substantially as set forth in Exhibit "B" attached hereto and made a part of this Ordinance.

(a) The BANs shall be dated and bear interest from the date of delivery thereof, payable upon the stated maturity thereof and shall mature on such date as selected by the City Manager, with such privilege of prepayment, if any, as determined by the City Manager. Unless issued pursuant to Section 3.21(q) herein, the BANs may be issued in denominations of \$5,000 and integral multiples thereof. The City Clerk shall serve as the Registrar/Paying Agent for the BANs (the "BAN Registrar/Paying Agent") and shall fulfill all functions of the BAN Registrar/Paying Agent enumerated herein.

(b) The BANs shall be initially issued under the DTC Book-Entry-Only System in the form of a single fully registered bond anticipation note, registered in the name of Cede & Co. as the registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the BANs.

(c) Transfers of beneficial ownership of the BANs will be effected pursuant to rules and procedures established by such securities depository. The initial securities depository for the BANs will be DTC. DTC and any successor securities depositories are hereinafter referred to as the "Securities Depository." The BANs shall be registered in the name of Cede & Co., as the initial securities depository nominee for the BANs. Cede & Co. and successor securities depository nominees are hereinafter referred to as the "Securities Depository Nominee."

(d) As long as a book-entry system is in effect for the BANs, the Securities Depository Nominee will be recognized as the holder of the BANs for the purposes of (a) paying the principal and interest on the BANs at the maturity thereof, (b) giving any notice permitted or required to be given to beneficial owners of the BANs under this Ordinance, (c) registering the transfer of beneficial ownership of the BANs, and (d) requesting any consent or other action to be taken by the holders of the BANs, and for all other purposes whatsoever, and the City shall not be affected by any notice to the contrary.

(e) The City shall not have any responsibility or obligation to any participant, any beneficial owner or any other person claiming a beneficial ownership in the BANs when registered to a Securities Depository Nominee under or through the Securities Depository with respect to any action taken by the Securities Depository as holder of the BANs.

(f) Both the principal of and interest on the BANs shall be payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for public and private debts.

(g) Bids for the purchase of the BANs shall be solicited pursuant to a preliminary offering memorandum with an accompanying notice of sale in form satisfactory to the City Manager. Bids may be submitted in person and by electronic bidding system and facsimile transmission. The City Manager is authorized to award the BANs to the bidder offering to purchase the BANs at the lowest Interest Cost to the City.

(h) No good faith check shall be required as a condition of submitting a proposal for the purchase of BANs.

(i) The City shall cause books (herein referred to as the "registry books") to be kept at the offices of the BAN Registrar/Paying Agent, for the registration and transfer of the BANs. Upon presentation at its office for such purpose the BAN Registrar/Paying Agent shall register or transfer, or cause to be registered or transferred, on such registry books, the BANs under such reasonable regulations as the BAN Registrar/Paying Agent may prescribe.

(j) Each BAN shall be transferable only upon the registry books of the City, which shall be kept for such purpose at the principal office of the BAN Registrar/Paying Agent, by the registered owner thereof in person or by his duly authorized attorney upon surrender thereof together with a written instrument of transfer satisfactory to the BAN Registrar/Paying Agent duly executed by the registered owner or his duly authorized attorney. Upon the transfer of any such BAN the BAN Registrar/Paying Agent on behalf of the City shall issue in the name of the transferee a new fully registered BAN or BANs, of the same aggregate principal amount, interest rate and maturity as the surrendered BAN. Any BAN surrendered in exchange for a new registered BAN pursuant to this Section shall be cancelled by the BAN Registrar/Paying Agent.

(k) The City and the BAN Registrar/Paying Agent may deem or treat the person in whose name any fully registered BAN shall be registered upon the registry books as the absolute owner of such BAN, whether such BAN shall be overdue or not, for the purpose of receiving payment of the principal of and interest on such BAN and for all other purposes and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such BAN to the extent of the sum or sums so paid, and neither the City nor the BAN Registrar/Paying Agent shall be affected by any notice to the contrary. In all cases in which the privilege of transferring BANs is exercised, the City shall execute and the BAN Registrar/Paying Agent shall authenticate and deliver BANs in accordance with the provisions of this Ordinance. Neither the City nor the BAN Registrar/Paying Agent shall be obliged to make any such transfer of BANs during the period beginning on the day after the fifteenth calendar day preceding the maturity date thereof.

(l) In the event any BAN is mutilated, lost, stolen or destroyed, the City may execute a new BAN of like date and denomination as that mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated BAN, such mutilated BAN shall first be surrendered to the City, and in the case of any lost, stolen or destroyed BAN, there shall be first furnished to the City evidence of such loss, theft or destruction satisfactory to the City, together with indemnity satisfactory to it; provided that, in the case of a holder which is a bank or insurance company, the agreement of such bank or insurance company to indemnify shall be sufficient. In the event any such BAN shall have matured, instead of issuing a duplicate BAN, the City may pay the same without surrender thereof. The City may charge the holder of such BAN with its reasonable fees and expenses in this connection.

(m) For the payment of the principal of and interest on the BANs as the same shall fall due, the full faith, credit, resources and taxing power of the City shall be pledged. In addition, thereto, so much of the principal proceeds of the Bonds when issued shall and is hereby directed to be applied, to the extent necessary, to the payment of the BANs; and, further, the City covenants and irrevocably pledges to effect

the issuance of the Bonds or, in the alternative, to refund or renew outstanding BANs in order that the proceeds thereof will be sufficient to provide for the retirement of any BANs issued pursuant hereto.

(n) The City Council hereby authorizes the Finance Director of the City to prepare, or cause to be prepared, a Preliminary Offering Memorandum to be distributed physically or electronically to prospective purchasers of the BANs together with the Notice of Sale. The Finance Director is authorized to designate the Preliminary Offering Memorandum as “near final” for purposes of Rule 15c2-12 of the Securities Exchange Commission. The Finance Director is further authorized to complete or cause the completion of the final form of the Offering Memorandum upon the sale of the BANs and to provide the same to the purchaser of the BANs. Upon advice of counsel, the foregoing offering memoranda need not be prepared and circulated in connection with the issuance of BANs.

(o) The proceeds derived from the sale of the BANs issued pursuant to this Ordinance shall be paid to the City. Pending the use of proceeds of the BANs, the same shall be invested and reinvested, in Authorized Investments. The proceeds of the BANs and all earnings from the investment thereof shall be applied to defray the cost of the Project or to pay costs of issuance associated with the BANs.

(p) The City Council hereby authorizes the Mayor, Mayor Pro Tempore, the City Manager and the City Clerk to execute any and all such documents and instruments as may be necessary to effect the issuance of the BANs.

(q) In lieu of the issuance of BANs in book-entry-only form, the City Manager may elect to sell one or more issues of BANs, each in the form of a single note payable to a single financial institution. In such event, requests for proposals for the purchase of the BANs shall be solicited from at least three (3) institutions selected by the City Manager. A BAN issued pursuant to this paragraph (q) may be awarded to the institution offering the lowest single fixed rate of interest therefor, at a price of not less than par, adjusted for any cash premium and any fees required by the purchaser, running from the date of delivery of the Note to the maturity date thereof, unless all bids are rejected. A BAN sold pursuant to this Section 3.21(q) shall not be subject to paragraphs (b), (c), (d), (e), (g) and (n) of this Section 3.21

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ARTICLE IV

PURCHASE OF BONDS; REDEMPTION

Section 4.01 Bonds Subject to Redemption. All Bonds maturing subsequent to February 1, 2035, if any, shall be subject to redemption at the option of the City in whole or in part at any time on and after February 1, 2035, at a redemption price equal to the par amount of Bonds to be redeemed. In the event less than all of the Bonds are to be redeemed, the Bonds shall be redeemed in such order of maturities as shall be determined by the City. The City Manager is hereby authorized, upon advice of the Financial Advisor and Bond Counsel, to provide for redemption of the Bonds beginning on a date earlier or later than February 1, 2035, and at a redemption price or prices greater than par, but not more than 102% thereof. In the event the Bonds are sold as a single Bond pursuant to the provisions of Section 3.20 herein, the City Manager and the Purchaser of the Bond may negotiate procedures for redemption differing from those required by the remaining Sections of this Article IV.

Section 4.02 City's Election to Redeem. In the event that the City shall, in accordance with the provisions of Section 4.01, elect to redeem Bonds, it shall give notice to the Registrar and Paying Agent, of each optional redemption. Each such notice shall specify the date fixed for redemption and the Bonds which are to be redeemed. Such notice shall be given at least sixty (60) days prior to the date fixed for redemption or such lesser number of days as shall be acceptable to the Registrar.

Section 4.03 Notice of Redemption.

(a) When any Bonds are to be redeemed, the Registrar shall give notice of the redemption of the Bonds in the name of the City specifying (i) the Bonds and maturities to be redeemed; (ii) the redemption date; (iii) the redemption price; (iv) the numbers and other distinguishing marks of the Bonds to be redeemed unless all of the Bonds Outstanding are to be redeemed; (v) the place or places where amounts due upon such redemption will be payable; and (vi) in the case of Bonds to be redeemed in part only, the respective portions of the principal thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the redemption price thereof, together with interest accrued to the redemption date, and that, from and after such date, interest thereon shall cease to accrue. The Registrar shall mail by registered mail a copy of such notice, postage prepaid, not less than thirty (30) days before the redemption date to the registered Holders of all Bonds or portions of Bonds which are to be redeemed at their addresses which appear upon the registration books, but failure to so mail any such notice to any of such Holders shall not affect the validity of the proceedings for the redemption of Bonds held by Holders to whom written notice has been mailed. The obligation of the Registrar to give the notice required by this Section 4.03 shall not be conditioned upon the prior payment to the Paying Agent of money or the delivery to the Paying Agent of Authorized Investments or Government Obligations sufficient to pay the redemption price of the Bonds to which such notice relates or the interest thereon to the redemption date.

(b) Notice of redemption having been given as provided in subsection (a) hereof, the Bonds or portions thereof so to be redeemed shall, on the date fixed for redemption, become due and payable at the redemption price specified therein plus accrued interest to the redemption date, and upon presentation and surrender thereof at the place specified in such notice, such Bonds or portions thereof shall be paid at the redemption price, plus accrued interest to the redemption date. On and after the redemption date (unless the City shall default in the payment of the redemption price and accrued interest), such Bonds shall cease to bear interest, and such Bonds shall no longer be considered as Outstanding hereunder. If money sufficient to pay the redemption price and accrued interest has not been made available by the City to the Paying Agent on the redemption date, such Bonds shall continue to bear interest until paid at the same rate as they would have borne, had they not been called for redemption, until the same shall have been paid.

Section 4.04 Selection by Registrar of Bonds to Be Redeemed.

(a) If less than all of the Bonds of like maturity are to be redeemed, the particular Bonds or portions of Bonds to be redeemed shall be selected, not less than forty-five (45) days prior to the date fixed for redemption, by the Registrar by lot.

(b) In making such selection, the Registrar shall treat each Bond to be redeemed as representing that number of Bonds of the lowest authorized denomination as is obtained by dividing the principal amount of such Bond by such denomination. If any Bond is to be redeemed in part, the portion to be so redeemed shall be in a principal amount of an authorized denomination. For so long as the Bonds are held in book-entry-only form, the selection of Bonds to be redeemed hereunder shall be in accordance with the rules of the Securities Depository

(c) The Registrar shall promptly notify the City in writing of the Bonds so selected for redemption.

Section 4.05 Deposit of Redemption Price. On or before any date fixed for redemption of any Bonds, cash and/or a principal amount of non-callable Government Obligations maturing or redeemable at the option of the Holder thereof not later than the date fixed for redemption which, together with income to be earned on such Government Obligations prior to such date fixed for redemption, will be sufficient to provide cash to pay the redemption price of and accrued interest on all Bonds or portions thereof which are to be redeemed on such date, shall be deposited with the Paying Agent unless such amount shall have been previously deposited with the Paying Agent.

Section 4.06 Partial Redemption of Bonds. In the event part but not all of a Bond Outstanding shall be selected for redemption, upon presentation and surrender of such Bond by the Holder thereof or his attorney duly authorized in writing (with, if the City or the Paying Agent so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the City and the Registrar duly executed by, the Holder thereof or his attorney duly authorized in writing) to the Registrar, the City shall execute and the Registrar shall authenticate and deliver to or upon the order of such Holder, without charge therefor, for the unredeemed portion of the principal amount of the Bond so surrendered, a Bond or Bonds of any authorized denomination of like tenor. Bonds so presented and surrendered shall be canceled in accordance with Section 3.14 hereof.

Section 4.07 Purchases of Bonds Outstanding. Purchases of Bonds Outstanding may be made by the City at any time with money available to it from any source. Upon any such purchase the City shall deliver such Bonds to the Registrar for cancellation.

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ARTICLE V

SALE OF BONDS; APPROVAL OF OFFICIAL STATEMENT

Section 5.01 **Determination of Time to Receive Bids – Form of Notice of Sale.** The Bonds may be sold at public sale at a price of not less than par and accrued interest, if any, to the date of delivery. Bids for the Bonds shall be received until such time and on such date to be selected by the City Manager of the City. The Bonds shall be advertised for sale in *The Bond Buyer* or in a newspaper of general circulation in the State, and which advertisement shall appear at least once, not less than seven (7) days before the date set for said sale. The form of the Official Notice of Sale shall be substantially as set forth in Exhibit “B” attached hereto and the conditions of sale of the Bonds shall be as set forth in the Official Notice of Sale, which Official Notice of Sale shall be included in the Preliminary Official Statement. A summary notice of sale may be published in lieu of the Official Notice of Sale.

Section 5.02 **Award of Bonds; Authorization to Name Registrar and Paying Agent.** Unless all bids are rejected, the award of the Bonds shall be made by the City Manager of the City or Finance Director of the City following the receipt of bids as provided in this Ordinance, provided, however, that no award of the Bonds shall be made in the event the Interest Cost applicable thereto exceeds 6.500% unless such award be first approved by resolution of the City Council duly adopted. The City Manager of the City and Finance Director of the City are each authorized to name the Registrar and Paying Agent of the Bonds, except as provided in Section 3.20(e).

Section 5.03 **Approval of Official Statement.** Subject to Section 3.20(g) herein, the Finance Director is hereby authorized to deem a preliminary Official Statement to be “final” within the meaning of Rule 15(c)(2)(12) of the United States Securities and Exchange Commission as of its date, and the City Council hereby authorizes the distribution of such preliminary Official Statement, when so deemed final, to prospective bidders; such distribution may be made via electronic information dissemination service. City Council further authorizes and approves the distribution and delivery of a final Official Statement by the successful bidder in connection with the reoffering and sale of the Bonds by the successful bidder.

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ARTICLE VI

DISPOSITION OF PROCEEDS

Section 6.01 Disposition of Proceeds Including Temporary Investments. The proceeds derived from the sale of the Bonds issued pursuant to this Ordinance shall be deposited in a Bond Account Fund for the City, and shall be expended and made use of as follows:

(a) any accrued interest shall be applied to the payment of the first installment of interest to become due on such Bonds;

(b) any premium shall deposited in the sinking fund established pursuant to Section 3.18 and applied to debt service on the Bonds;

(c) the remaining proceeds shall be expended and made use of by the City Council to defray the cost of issuing the Bonds and to defray the costs of the Project. Pending the use of Bond proceeds, the same shall be invested and reinvested in Authorized Investments. All earnings from such investments shall be applied, at the direction of the City Council, either (1) to defray the cost of the undertakings for which the Bonds are issued and if not required for this purpose, then (2) to pay the first maturing installments of interest on the Bonds; and

(d) if any balance remains, it shall be expended on capital projects of the City as shall be authorized by ordinance supplemental hereto or held in a special fund and used to effect the retirement of the Bonds authorized by this Ordinance.

Proceeds derived from the sale of BANs issued pursuant to this Ordinance shall be paid to the City and shall be expended and made use of by the Council to defray the cost of the Project as described in Section 1.01 hereof and the costs of issuance of the BANs.

(e) Pending the use of BAN proceeds, the same shall be invested and reinvested in Authorized Investments. All earnings from such investments determined by the Council to be not necessary to defray the cost of the Improvements or costs of issuance of the BANs shall be applied to the interest due on the BANs; and

(f) if any balance remains at the maturity of the BANs, such amounts shall, at the option of the City Administrator, be applied to the discharge of the BAN or shall be deemed to be proceeds of the Bonds issued to discharge such BAN, in which case the provisions of this Section 6.01 shall apply thereto.

Neither the purchaser nor any Holder of the Bonds or BANs shall be liable for the proper application of the proceeds thereof.

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ARTICLE VII

DEFEASANCE OF BONDS

Section 7.01 Discharge of Ordinance – Where and How Bonds Are Deemed to Have Been Paid and Defeased.

(a) If all of the Bonds issued pursuant to this Ordinance and all interest thereon shall have been paid and discharged, then the obligations of the City under this Ordinance and all other rights granted hereby shall cease and determine. The Bonds shall be deemed to have been paid and discharged within the meaning of this Article under any of the following circumstances, viz:

(i) If the Paying Agent shall hold, at the stated maturities of the Bonds, in trust and irrevocably appropriated thereto, sufficient moneys for the payment of the Principal Installment and interest thereof; or

(ii) If default in the payment of the principal of the Bonds or the interest thereon shall have occurred on any Bond Payment Date, and thereafter tender of payment shall have been made, and at such time as the Paying Agent shall hold in trust and irrevocably appropriated thereto sufficient moneys for the payment thereof to the date of the tender of payment; or

(iii) If the City shall have deposited with the Paying Agent, in an irrevocable trust, either moneys in an amount which shall be sufficient, or direct general obligations of the United States of America, which are not subject to redemption by the issuer prior to the date of maturity thereof, as the case may be, the principal of and interest on which, when due, and without reinvestment thereof, will provide moneys, which, together with the moneys, if any, deposited with the Paying Agent at the same time, shall be sufficient to pay, when due, the principal, interest and redemption premium, if any, due and to become due on the Bonds on and prior to the maturity date or dates of the Bonds; or, if the City shall elect to redeem the Bonds prior to their stated maturities, and shall have irrevocably bound and obligated itself to give notice of redemption thereof in the manner provided in the form of the Bonds herein, on and prior to the redemption date or dates of the Bonds, as the case may be; or

(iv) If there shall have been deposited with the Paying Agent either moneys in an amount which shall be sufficient, or Government Obligations, the principal of and interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same time, shall be sufficient to pay, when due, the principal, redemption premium, if any, and interest due and to become due on the Bonds on the maturity thereof.

(b) In addition to the above requirements of paragraphs (i), (ii), (iii), and (iv), in order for this Ordinance to be discharged, all other fees, expenses and charges of the Paying Agent have been paid in full at that time.

(c) Notwithstanding the satisfaction and discharge of this Ordinance, the Paying Agent shall continue to be obligated to hold in trust any moneys or investments then held by the Paying Agent for the payment of the principal of, redemption premium, if any, and interest on, the Bonds, to pay to the owners of Bonds the funds so held by the Paying Agent as and when payment becomes due.

(d) Any release under this Section shall be without prejudice to the rights of the Paying Agent to be paid reasonable compensation for all services rendered under this Ordinance and all reasonable

expenses, charges, and other disbursements and those of their respective attorneys, agents, and employees, incurred on and about the performance of the powers and duties under this Ordinance.

(e) Any moneys which at any time shall be deposited with the Paying Agent by or on behalf of the City for the purpose of paying and discharging any Bonds shall be and are hereby assigned, transferred, and set over to the Paying Agent in trust for the respective holders of the Bonds, and the moneys shall be and are hereby irrevocably appropriated to the payment and discharge thereof. If, through lapse of time or otherwise, the holders of such Bonds shall no longer be entitled to enforce payment of their obligations, then, in that event, it shall be the duty of the Paying Agent to transfer the funds to the City.

(f) The City covenants and agrees that any moneys which it shall deposit with the Paying Agent shall be deemed to be deposited in accordance with, and subject to, the applicable provisions of this Section, and whenever it shall have elected to redeem Bonds, it will irrevocably bind and obligate itself to give notice of redemption thereof, and will further authorize and empower the Registrar to cause notice of redemption to be given in its name and on its behalf.

(g) In the event a Bond is issued pursuant to Section 3.20 herein, then all references to “Registrar” and “Paying Agent” herein (except with respect to Section 7.01(a)(i)) shall be deemed to refer to an Escrow Agent.

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ARTICLE VIII

CONCERNING THE FIDUCIARIES

Section 8.01 Fiduciary; Appointment and Acceptance of Duties. A financial institution chosen pursuant to Section 5.02 hereof to act as Paying Agent and Registrar hereunder, if any, shall accept the duties and trusts imposed upon it by this Ordinance and shall agree in writing to perform such trusts but only upon the terms and conditions set forth in this Article VIII. Similarly, each financial institution appointed as a successor Registrar or as a successor Paying Agent shall signify its acceptance of the duties and trusts imposed by this Ordinance by a written acceptance.

Section 8.02 Responsibilities of Fiduciaries. The recitals of fact herein and in the Bonds contained shall be taken as the statements of the City and no Fiduciary assumes any responsibility for the correctness of the same except in respect of the authentication certificate of the Registrar endorsed on the Bonds. No Fiduciary makes any representations as to the validity or sufficiency of this Ordinance or of any Bonds or as to the security afforded by this Ordinance, and no Fiduciary shall incur any liability in respect thereof. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect hereof or to advance any of its own moneys, unless indemnified to its reasonable satisfaction. No Fiduciary shall be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct.

Section 8.03 Evidence on Which Fiduciaries May Act.

(a) Each Fiduciary, upon receipt of any notice, resolution, request, consent order, certificate, report, opinion, bond, or other paper or document furnished to it pursuant to any provision of this Ordinance, shall examine such instrument to determine whether it conforms to the requirements of this Ordinance and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with counsel, who may or may not be of counsel to the City, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Ordinance in good faith and in accordance therewith.

(b) Whenever any Fiduciary shall deem it necessary or desirable that a matter to be proved or established prior to taking or suffering any action under this Ordinance, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an Authorized Officer, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Ordinance upon the faith thereof; but in its discretion the Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to such fact or matter as it may deem reasonable.

(c) Except as otherwise expressly provided in this Ordinance any request, order, notice or other direction required or permitted to be furnished pursuant to any provision thereof by the City to any Fiduciary shall be sufficiently executed if executed in the name of the City by an Authorized Officer.

Section 8.04 Compensation. The City shall pay to each Fiduciary from time to time reasonable compensation based on the then standard fee schedule of the Fiduciary for all services rendered under this Ordinance, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents, and employees, incurred in and about the performance of their powers and duties under this Ordinance; provided, however, that any specific agreement between the City and a Fiduciary

with respect to the compensation of such Fiduciary shall control the compensation to be paid to such Fiduciary. Subject to the provisions of Section 8.02 hereof, the City further agrees to indemnify and save each Fiduciary harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder and which are not due to its negligence or willful misconduct.

Section 8.05 Certain Permitted Acts. Any Fiduciary may become the owner or underwriter of any Bonds, notes or other obligations of the City or conduct any banking activities with respect to the City, with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as depository for, and permit any of its officers or directors to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Ordinance.

Section 8.06 Resignation of Any Fiduciary. Any Fiduciary may at any time resign and be discharged of the duties and obligations created by this Ordinance by giving not less than sixty (60) days written notice to the City and not less than thirty (30) days written notice to the Holders of the Bonds as established by the books of registration prior to the next succeeding Bond Payment Date and such resignation shall take effect upon the date specified in such notice unless previously a successor shall have been appointed by the City pursuant to Section 8.08 hereof in which event such resignation shall take effect immediately on the appointment of such successor. In no event, however, shall such a resignation take effect until a successor has been appointed.

Section 8.07 Removal of Fiduciary. Any Fiduciary may be removed at any time by an instrument or concurrent instruments in writing, filed with the City and such Fiduciary, and signed by the Bondholders representing a majority in principal amount of the Bonds then Outstanding or their attorneys in fact duly authorized, excluding any Bonds held by or for the account of the City.

Section 8.08 Appointment of Successor Fiduciaries. In case any Fiduciary hereunder shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor shall be appointed by the City. Every such Fiduciary appointed pursuant to the provisions of this Section shall be a trust company or bank organized under the laws of the United States of America or any state thereof and which is in good standing, within or outside the State of South Carolina, having a stockholders' equity of not less than \$50,000,000 if there be such an institution willing, qualified and able to accept the trusts upon reasonable and customary terms.

If in a proper case no appointment of a successor Fiduciary shall be made by the City pursuant to the foregoing provisions of this Section within forty-five (45) days after any Fiduciary shall have given to the City written notice as provided in Section 8.06 hereof or after a vacancy in the office of such Fiduciary shall have occurred by reason of its removal or inability to act, the former Fiduciary or any Bondholder may apply to any court of competent jurisdiction to appoint a successor. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor.

Section 8.09 Transfer of Rights and Property to Successor. Any successor Fiduciary appointed under this Ordinance shall execute, acknowledge and deliver to its predecessor, and also to the City, an instrument accepting such appointment, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Fiduciary, with like effect as if originally named in such capacity; but the Fiduciary ceasing to act shall nevertheless, on the written request of the City, or of the successor, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the right, title and interest of the predecessor Fiduciary in and to any property held by it under this Ordinance, and shall pay over, assign and deliver to the successor Fiduciary any money or other property

subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the City be required by such successor Fiduciary for more fully and certainly vesting in and confirming to such successor any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the City. Any such successor Fiduciary shall promptly notify the Paying Agent and depositaries, if any, of its appointment as Fiduciary.

Section 8.10 Merger or Consolidation. Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it may be party or any company to which any Fiduciary may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, and shall be authorized by law to perform all the duties imposed upon it by this Ordinance, shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act.

Section 8.11 Adoption of Authentication. In case any of the Bonds contemplated to be issued under this Ordinance shall have been authenticated but not delivered, any successor Registrar may adopt the certificate of authentication of any predecessor Registrar so authenticating such Bonds and deliver such Bonds so authenticated. In case any such Bonds shall not have been authenticated, any successor Registrar may authenticate such Bonds in the name of the predecessor Registrar or in the name of the successor Registrar, and in all such cases such certificate shall be of full force and effect.

* * * *

ARTICLE IX

MISCELLANEOUS

Section 9.01 Failure to Present Bonds. Anything in this Ordinance to the contrary notwithstanding, any money held by the Paying Agent in trust for the payment and discharge of any of the Bonds, or the interest thereon, which remains unclaimed for such period of time, after the date when such Bonds have become due and payable, that the Holder thereof shall no longer be able to enforce the payment thereof, the Paying Agent shall at the written request of the City pay such money to the City as its absolute property and free from trust, and the Paying Agent shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the City for the payment of such Bonds; provided, however, the Paying Agent shall forward to the City all moneys which remain unclaimed during a period five (5) years from a Bond Payment Date, provided, however, that before being required to make any such payment to the City, the Paying Agent, at the expense of the City, may conduct such investigations as may in the opinion of the Paying Agent be necessary to locate the Holders of those who would take if the Holder shall have died.

Section 9.02 Tax and Securities Laws Covenants. City Council hereby covenants and agrees that it will comply with the requirements of the Code, compliance with which is required in order that interest on the Bonds be and remain excludable from the gross income of the Holders for Federal income tax purposes, and an Authorized Officer shall execute such certification as may be advised by Bond Counsel and required by the Code to further document the City's intentions and reasonable expectations in connection therewith. City Council further covenants to file Internal Revenue Service form 8038-G at the time and in the place required therefor under the Code.

Section 9.03 Ability to Meet Arbitrage Requirement; Private Activity Limitations.

Careful consideration has been given to the time in which the expenditure of the proceeds of the Bonds will be made, and it has been ascertained that all of the money received from the proceeds of the Bonds will be expended within the limitations imposed by the Internal Revenue Code of 1986 as amended (the "Code"); accordingly the City Council will be able to certify upon reasonable grounds that the Bonds herein provided for are not "arbitrage bonds" within the meaning of §148 of the Code.

The City Council hereby covenants to comply with all of the restrictions and requirements of the Code as its provisions are applicable to the bonds authorized herein in order that such Bonds shall be and remain exempt from federal income taxation. Without limiting the generality of the foregoing, the City Council specifically covenants that:

(a) All property provided by the net proceeds of the Bonds will be owned by the City in accordance with the rules governing the ownership of property for federal income tax purposes.

(b) The City shall not permit the proceeds of the Bonds or any facility financed with the proceeds of the Bonds to be used in any manner that would result in (a) ten percent (10%) or more of such proceeds being considered as having been used directly or indirectly in any trade or business carried on by any natural person or in any activity carried on by a person other than a natural person other than a governmental unit as provided in §141(b) of the Code, or (b) five percent (5%) or more of such proceeds being considered as having been used directly or indirectly to make or finance loans to any person other than a governmental unit as provided in §141(c) of the Code.

(c) The City is not a party to nor will it enter into any contracts with any person for the use or management of any facility provided with the proceeds of the Bonds that do not conform to the guidelines

set forth in Revenue Procedure 2017-13, as modified by the Code or subsequent pronouncements by the Internal Revenue Service, or the City obtains the opinion of nationally recognized bond counsel that such arrangement will not adversely affect the tax exemption of the Bonds.

(d) The City will not sell or lease the Project or any property provided by the Bonds to any person unless it obtains the opinion of nationally recognized bond counsel that such lease or sale will not affect the tax exemption of the Bonds.

(e) The Bonds will not be federally guaranteed within the meaning of §149(b) of the Code. The City is not a party to any leases or sales or service contracts with any federal government agency with respect to the Project and will not enter into any such leases or contracts unless it obtains the opinion of nationally recognized bond counsel that such action will not affect the tax exemption of the Bonds.

The City Manager is authorized, upon advice of Bond Counsel and the Financial Advisor, to cause the Bonds or some portion thereof to be issued as taxable obligations, in which case the foregoing covenants shall be inapplicable to the Bonds so issued. In the event BANs are issued pursuant to Section 3.21 herein, the foregoing covenants with respect to Bonds shall apply with equal force to such BANs.

Section 9.04 Continuing Disclosure.

(a) In accordance with Act No. 442 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, 1994, the City represents and covenants that it will file with www.emma.msrb.org upon request, a copy of its annual independent audit within thirty (30) days of its receipt and acceptance and event-specific information, within thirty (30) days of an event adversely affecting more than five percent (5%) of its revenues or five percent (5%) of its tax base.

(b) City Council hereby covenants and agrees, subject to Section 3.20(g) herein, that it will comply with the requirements of (i) Rule 15c2-12 promulgated by the Securities and Exchange Commission. In this regard, the City Manager of the City is hereby authorized to execute and deliver on behalf of the City a Continuing Disclosure Certificate in substantially the form of Exhibit “C” hereto, with such changes as may be approved by the City Manager of the City, his approval to be evidenced by his execution thereof.

Section 9.05 Severability of Invalid Provisions. If any one or more of the covenants or agreements provided in this Ordinance should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this Ordinance.

Section 9.06 Successors. Whenever in this Ordinance the City is named or referred to, it shall be deemed to include any entity, which may succeed to the principal functions and powers of the City, and all the covenants and agreements contained in this Ordinance or by or on behalf of the City shall bind and inure to the benefit of said successor whether so expressed or not.

Section 9.07 Ordinance to Constitute Contract. In consideration of the purchase and acceptance of the Bonds by those who shall purchase and hold the same from time to time, the provisions of this Ordinance shall be deemed to be and shall constitute a contract between the City and the Holders from time to time of the Bonds, and such provisions are covenants and agreements with such Holders which the City hereby determined to be necessary and desirable for the security and payment thereof. The pledge hereof and the provisions, covenants, and agreements herein set forth to be performed on behalf of the City shall be for the equal benefit, protection, and security of the Holders of any and all of the Bonds, all of which shall be of equal rank without preference, priority or distinction of any Bonds over any other Bonds.

Section 9.08 Filing of Copies of Ordinance. Copies of this Ordinance shall be filed in the offices of the City Council, the office of the Clerk of Court for Horry County (as a part of the Transcript of Proceedings) and at the offices of each of the Paying Agent and Registrar.

Section 9.09 Further Action by Officers of City. The proper officers of the City are fully authorized and empowered to take the actions required to implement the provisions of this Ordinance and to furnish such certificates and other proofs as may be required of them.

Section 9.10 Effective Date of Ordinance. This Bond Ordinance shall take effect upon its final reading and shall be forthwith codified in the Code of City Ordinances and indexed under the general heading “Bond Issue – Not Exceeding \$27,000,000 General Obligation Bonds, Series 2024, of the City of North Myrtle Beach, South Carolina.”

DONE IN MEETING DULY ASSEMBLED, this ____ day of _____, 2024.

(SEAL)

Mayor Marilyn Hatley
City of North Myrtle Beach

Attest:

Allison K. Galbreath, City Clerk
City of North Myrtle Beach

(FORM OF BOND)

**UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
CITY OF NORTH MYRTLE BEACH
GENERAL OBLIGATION BOND, SERIES 2024**

No. _____

INTEREST RATE MATURITY DATE ORIGINAL ISSUE DATE [CUSIP]
_____, 2024

Registered Holder: _____

Principal Amount: _____ DOLLARS

THE CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA (the "City"), acknowledges itself indebted and for value received hereby promises to pay, solely as hereinafter provided, to the Registered Holder (named above) or registered assigns, the Principal Amount set forth above on the Maturity Date stated above, unless this Bond be subject to redemption and shall have been redeemed prior thereto as hereinafter provided, upon presentation and surrender of this Bond at the [Corporate Trust] Office of _____ in the City of _____, State of _____ (the "Registrar/Paying Agent"), and to pay interest on such Principal Amount as hereinafter provided at the annual Interest Rate stated above (calculated on the basis of a 360 day year of twelve (12) months of 30 days each), until the obligation of the City with respect to the payment of such Principal Amount shall be discharged.

This Bond shall bear interest from the [February 1 or the August 1] to which interest has been paid next preceding the authentication date thereof, unless the authentication date thereof is a [February 1 or an August 1], in which case, from such authentication date, or from the February 1 or the August 1 to which interest has last been paid, or if dated prior to [First Interest Payment Date], then from the original issue date of such Bonds. Interest on this Bond is payable on [February 1 and August 1] of each year beginning [First Interest Payment Date]. The interest so payable on any [February 1 or August 1] shall be payable to the person in whose name this Bond is registered at the close of business on the Record Date next preceding such [February 1 or August 1].

Interest hereon shall be payable by check or draft mailed at the times provided herein from the office of the Registrar/Paying Agent to the person in whose name this Bond is registered at the address shown on the registration books. The principal of and interest on this Bond are payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts; provided, however, that payment of the interest on this Bond shall be effected by check or draft as set forth above.

This Bond is [one of an issue of the Bonds] issued in the [aggregate] principal amount of _____ (\$ _____) of like tenor, except as to number, rate of interest, date of maturity and redemption provisions,) issued pursuant to and in accordance with the Constitution and Statutes of the State

of South Carolina, including particularly the provisions §§5-21-210 to 5-21-500, Code of Laws of South Carolina, 1976, as amended, and supplemented by §11-27-40 Code of Laws of South Carolina, 1976, as amended (the “Enabling Act”), and an Ordinance duly adopted by the City Council of the City on _____, 2024 (the “Ordinance”).

Certain capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Ordinance. Certified copies of the Ordinance are on file in the office of the Registrar, in the office of the Paying Agent and in the office of the Clerk of Court of Horry County, South Carolina.

For the prompt payment hereof, both principal and interest, as the same shall become due, the full faith, credit and taxing power of the City are irrevocably pledged.

This Bond and the interest hereon are exempt from all State, county, municipal, City, and all other taxes or assessments imposed within the State of South Carolina, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate and transfer taxes, but the interest hereon may be includable for franchise fees and taxes.

[The Bonds are issuable only as fully registered Bonds without coupons in the denomination of \$5,000 or any multiple thereof not exceeding the principal amount of the Bonds maturing in such year.]

[All Bonds maturing subsequent to February 1, 2035, shall be subject to redemption at the option of the City in whole or in part at any time on and after February 1, 2035, at a redemption price equal to the par amount of Bonds to be redeemed. In the event less than all of the Bonds are to be redeemed, the Bonds shall be redeemed in such order of maturities as shall be determined by the City and by lot within a maturity.]

[When any Bonds are to be redeemed, the Registrar shall give notice of the redemption of the Bonds in the name of the City specifying (i) the Bonds and maturities to be redeemed; (ii) the redemption date; (iii) the redemption price; (iv) the numbers and other distinguishing marks of the Bonds to be redeemed unless all of the Bonds Outstanding are to be redeemed; (v) the place or places where amounts due upon such redemption will be payable; and (vi) in the case of Bonds to be redeemed in part only, the respective portions of the principal thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the redemption price thereof, together with interest accrued to the redemption date, and that, from and after such date, interest thereon shall cease to accrue. The Registrar shall mail by registered mail a copy of such notice, postage prepaid, not less than thirty (30) days before the redemption date to the registered Holders of all Bonds or portions of Bonds which are to be redeemed at their addresses which appear upon the registration books, but failure to so mail any such notice to any of such Holders shall not affect the validity of the proceedings for the redemption of Bonds held by Holders to whom written notice has been mailed. Interest on the Bonds to be redeemed shall cease to accrue from and after the redemption date specified in such notice, unless the City defaults in making due provision for the payment of the redemption price thereof.]

[The Bonds are being issued by means of a book-entry system with no physical distribution of Bond certificates to be made except as provided in the Ordinance. One Bond certificate with respect to each date on which the Bonds are stated to mature, registered in the name of the Securities Depository Nominee (as defined in the Ordinance), is being issued and required to be deposited with the Securities Depository and immobilized in its custody. The book-entry system will evidence positions held in the Bonds by the Securities Depository’s Participants, beneficial ownership of the Bonds in the principal amount of \$5,000 or any multiple thereof being evidenced in the records of such Participants. Transfers of ownership shall be effected on the records of the Securities Depository and its Participants pursuant to rules and procedures established by the Securities Depository and its Participants. The City, the Registrar and the Paying Agent will recognize the Securities Depository Nominee, while the registered owner of this Bond, as the owner

of this Bond for all purposes, including payments of principal of, redemption premium, if any, and interest on, this Bond, notices and voting. Transfer of principal, redemption premium, if any, and interest to Participants of the Securities Depository will be the responsibility of the Securities Depository, and transfer, redemption premium, if any, of principal and interest to beneficial owners of the Bonds by Participants of the Securities Depository will be the responsibility of such Participants and other nominees of such beneficial owners. The City will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository Nominee, its Participants or persons acting through such Participants. While the Securities Depository Nominee is the owner of this Bond, notwithstanding the provision hereinabove contained, payments of principal of, redemption premium, if any, and interest on this Bond shall be made in accordance with existing arrangements between the Paying Agent or its successors under the Ordinance and the Securities Depository.]

This Bond is transferable, as provided in the Ordinance, only upon the registration books kept for that purpose at the (Corporate Trust Office) of the Registrar by the Registered Holder in person or by his duly authorized attorney, upon (i) surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Holder or his duly authorized attorney and (ii) payment of the charges, if any, prescribed in the Ordinance. Thereupon a new fully registered Bond or Bonds of like maturity, redemption provisions and interest rate and in a like aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Ordinance. The City, the Paying Agent and the Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal and interest due hereon and for all other purposes.

For every exchange or transfer of the Bonds, the City, the Paying Agent, or the Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer.

It is hereby certified and recited that all conditions, acts and things required by the Constitution and Statutes of the State of South Carolina to exist, be performed or happen precedent to or in the issuance of this Bond, exist, have been performed and have happened, that the amount of this Bond, together with all other indebtedness of the City, does not exceed any limit prescribed by such Constitution or Statutes, and that provision has been made for the allocation, on an annual basis, of sufficient tax revenues to provide for the punctual payment of the principal of and interest on this Bond and the issue of Bonds of which this Bond is one.

This Bond shall not be valid or obligatory for any purpose until the Certificate of Authentication hereon shall have been duly executed by the Registrar.

IN WITNESS WHEREOF, the City of North Myrtle Beach, South Carolina, has caused this Bond to be signed in its name by the manual signature of the Mayor of the City and its corporate seal to be hereon reproduced and attested to by the manual signature of the Clerk to City Council.

**CITY OF NORTH MYRTLE BEACH,
SOUTH CAROLINA**

(SEAL)

By: _____
Mayor Marilyn Hatley
City of North Myrtle Beach

Attest:

Allison K. Galbreath, Clerk to City Council
City of North Myrtle Beach

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the issue described in the within mentioned Ordinance.

REGISTRAR

By: _____
Authorized Officer

Authentication Date: _____, 2024

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

TEN COM - as tenants in common

UNIF GIFT MIN ACT -

TEN ENT - as tenants by the entireties

_____ Custodian _____
(Cust) (Minor)

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

under Uniform Gifts to Minors Act _____
(state)

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

(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)

(Signature must be guaranteed by a participant in the Securities Transfer Agent Medallions Program (STAMP))

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

OFFICIAL NOTICE OF SALE

**[\$[AMOUNT]]*
GENERAL OBLIGATION BONDS, SERIES 2024
OF THE CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA**

SEALED PROPOSALS, addressed to the undersigned, will be received by the City Council of the City of North Myrtle Beach, the governing body of the City of North Myrtle Beach, South Carolina (the “City”), until [] (local time) on _____, _____, 2024 at which time said proposals will be publicly opened in the office of Haynsworth Sinkler Boyd, P.A., Bond Counsel, 1201 Main Street, Suite 2200, Columbia, South Carolina for the purchase of \$[AMOUNT] GENERAL OBLIGATION BONDS, SERIES 2024, OF THE CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA (the “Bonds”).

Details of the Bonds: [The Bonds will be issued initially under the DTC book-entry-only system in the form of single, fully registered bonds in the aggregate principal amount maturing in each year, registered in the name of Cede & Co., as the registered owner and nominee of The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Bonds.] The Bonds will be dated as of [], 2024; will be numbered from R-1 upward; and will mature serially in successive annual installments on February 1 in each of the years and in the principal amounts as follows:

<u>February 1</u> <u>of the Year</u>	<u>Principal</u> <u>Amount</u>	<u>February 1</u> <u>of the Year</u>	<u>Principal</u> <u>Amount</u>
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[Bond Issued Pursuant to Sec. 3.20 May Have Annual Payment Schedule]

SAID BONDS will bear interest from _____, 2024, at a rate or rates to be named by the bidder, payable on [February 1 and August 1] of each year (the “Bond Payment Dates”) commencing [August 1, 2024.]

[In the event that the City does not receive bids from at least three Underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds, the City shall so advise the winning bidder. The City may determine to treat (i) the first price at which 10% of the Bonds (the “10% test”) is sold to the Public as the issue price of the Bonds and/or (ii) the initial offering price to the Public as of the sale date of the Bonds as the issue price (the “hold-the-offering-price rule”). The winning bidder shall advise the City if the Bonds satisfy the 10% test as of the date and time of the award of the Bonds. The City shall promptly advise the winning bidder, at or before the time of award of the Bonds, whether the Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule. Bids will not be subject to cancellation in the event that the City determines to apply the hold-the-offering-price rule to the Bonds. Bidders should prepare their bids on the assumption that the Bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of the Bonds.]

[Registrar and Paying Agent: _____ shall serve as Registrar and Paying Agent for the Bonds. So long as the Bonds remain outstanding in book-entry form with DTC, all payments of principal and interest with respect to the Bonds shall be through the facilities of DTC.]

[Redemption Provisions: All Bonds maturing subsequent to February 1, 2035, shall be subject to redemption at the option of the City in whole or in part at any time on and after February 1, 2035, at a redemption price equal to par. In the event less than all of the Bonds are to be redeemed, the Bonds shall be redeemed in such order of maturities as shall be determined by the City and by lot within a maturity.]

Bid Requirements: [Bidders shall specify the rate or rates of interest per annum which the Bonds are to bear, to be expressed in multiples of 1/20th or 1/8th of 1% with no greater difference than 2% between the highest and lowest rates of interest named by a bidder.] Bidders are not limited as to the number of rates of interest named, but the rate of interest on each separate maturity must be the same single rate for the Bonds of that maturity from their date to such maturity date. A bid for less than all the Bonds or a bid at a price less than par will not be considered. [In addition to the bid price, the successful bidder must pay accrued interest from the date of the Bonds to the date of full payment of the purchase price.] Any premium offered must be paid as part of the purchase price of the Bonds at the delivery thereof.

Award of Bonds: The Bonds will be awarded to the bidder or bidders offering to purchase the Bonds at the lowest net interest cost/true interest cost (NIC/TIC) to the City from the date of delivery of the bonds without regard to accrued interest. The City reserves the right to reject any and all bids or to waive irregularities in any bid. Bids will be accepted or rejected no later than 4:00 p.m., South Carolina time, on the date of the sale.

Adjustment of Par Amount of Bonds: The principal amount of the Bonds is subject to adjustment, both before and after the receipt and opening of sealed bids for their purchase; provided that in no event shall the principal amount of the Bonds, either in the aggregate or as to any single maturity, be reduced or increased by more than 20% following the sale of the Bonds. Changes to be made prior to the sale will be published on an electronic dissemination service not later than 9:30 a.m. E(S)(D)T on the date of sale. [The aggregate principal amount of the Bonds is subject to adjustment after the receipt and opening of sealed bids for their purchase in order to yield bond proceeds, net of underwriters' discount, of \$ _____.]

An adjustment in the principal amount of the Bonds made following the receipt of bids therefor shall be made within twenty-four (24) hours of the award of the Bonds. In order to calculate the yield on the Bonds for federal tax law purposes and as a condition precedent to the award thereof, bidders must disclose to the City in connection with their bids the price (or yield to maturity) at which each maturity of the Bonds will be reoffered to the public.

In the event of any adjustment in the principal amount of the Bonds as described herein, no rebidding or recalculation of the proposals submitted will be required or permitted. The Bonds, adjusted as to principal amount, will bear interest at the same rate and must have the same reoffering yield as specified by the successful bidder therefor in its bid for the purchase of such Bonds. Nevertheless, the award of Bonds will be made to the bidder whose proposal produces the lowest net/true interest cost without taking into account any reduction in principal amount pursuant to this paragraph.

Bid Submission: All bids for the purchase of the Bonds must be submitted to the City through the BiDCOMP/Parity Electronic Bid Submission System ("PARITY"), except as provided in the following paragraph. No other form of bid or provider of electronic bidding services will be accepted. Such bids are to be publicly opened and read at such time and place on said day. The time as maintained by PARITY shall constitute the official time with respect to all bids submitted. Bids must be received by the City before the time stated above, and the City shall not be responsible for any delay, failure, misdirection or error in the means of transmission selected by any bidder. The City is not liable for any costs incurred in the preparation, delivery, acceptance or rejection of any bid.

If any provisions of this Official Notice of Sale conflict with information provided by *PARITY* as the approved provider of electronic bidding services, this Official Notice of Sale shall control. Further

information about *PARITY* may be obtained from IPREO, Municipal Services, telephone (212) 849-5023, or munis@ipreo.com.

[Municipal Bond Insurance: If a bidder for the Bonds desires to have the Bonds insured, the bidder shall specify in its bid whether bond insurance will be purchased and the premium of such bond insurance must be paid at or prior to closing by the successful bidder.]

Purpose: The Bonds are issued for the purposes of defraying the costs of designing and constructing facilities for recreational use and paying costs of issuance of the Bonds.

Security: The Bonds shall constitute binding general obligations of the City and the full faith, credit, and taxing power of the City are irrevocably pledged for the payment of the Bonds. There shall be levied and collected annually in the same manner as City taxes are levied and collected, a tax, without limit as to rate or amount, on all taxable property in the City sufficient to pay the principal of and interest on the Bonds as they respectively mature and to create such sinking fund as may be necessary therefor.

[Official Statement: The Preliminary Official Statement dated ____, 2024 has been deemed final by the City for purposes of paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”) but is subject to revision, amendment and completion in a final Official Statement as provided in the Rule. The Preliminary Official Statement may be accessed via the Internet at www.i-dealprospectus.com. The City will furnish the successful bidder with a sufficient number of copies of the final Official Statement in order to allow the bidder to comply with the Rule, without charge, within seven working days of the acceptance of a bid for the Bonds.]

[Continuing Disclosure: In order to assist bidders in complying with SEC Rule 15c2-12, the City will undertake, pursuant to the bond ordinance authorizing the issuance of the Bonds and a Continuing Disclosure Certificate, to file an annual report containing certain financial information and operating data, and, in addition, to provide notice of certain material events. A description of this undertaking is set forth in the preliminary Official Statement and will also be set forth in the final Official Statement.]

Legal Opinion: The City shall furnish upon delivery of the Bonds the final approving opinion of Haynsworth Sinkler Boyd, P.A., Bond Counsel, Columbia, South Carolina, together with the usual closing documents, including a certificate that no litigation is pending affecting the Bonds.

Delivery: The Bonds will be delivered on or about _____, 2024, [through the facilities of DTC] at the expense of the City, or at such other place as may be agreed upon with the purchasers at the expense of the purchaser. The purchase price then due (including the amount of accrued interest, if any) must be paid in Federal funds or other immediately available funds. The cost of preparing the Bonds will be borne by the City.

[CUSIP Numbers: It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with the terms of its proposal. All expenses in relation to the printing of CUSIP identification numbers on the Bonds shall be paid for by the City; provided, however, that the CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the successful bidder.]

Certificate as to Issue Price: The City expects and intends that the bid for the Bonds will satisfy the competitive sale requirements under provisions of Treasury Regulation §1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds), including, among other things, receipt of bids for the Bonds from at least three underwriters, who have established industry reputations for

underwriting new issuances of municipal bonds (a “Qualified Competitive Bid”). The City will advise the Purchaser of the Bonds as promptly as possible after the bids are opened whether the bid constitutes a Qualified Competitive Bid, or, in the alternative, a bid that fails to satisfy such requirements (a “Nonqualified Competitive Bid”). It is noted that procedures for a Nonqualified Competitive Bid may require the winning bidder of the Bonds and, if applicable, other underwriters of the Bonds, to hold the initial offering prices for certain maturities of the Bonds for up to five business days after the sale date, as further specified in the form of such certification.

The Purchaser of the Bonds must deliver to the City at closing an “issue price” or similar certificate setting forth the reasonably expected initial reoffering price to the public of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, if the bid constitutes a Qualified Competitive Bid, or as Exhibit B, if the bid constitutes a Nonqualified Competitive Bid, with such modifications as may be appropriate or necessary, in the reasonable judgement of the Purchaser, the City, and Bond Counsel.

Additional Information: Persons seeking information should communicate with Mr. Randy J. Wright, Finance Director, City of North Myrtle Beach, 1015 2nd Avenue South, North Myrtle Beach, South Carolina 29582, telephone (843) 280-5576, David Cheatwood, First Tryon Advisors LLC, Financial Advisor to the City, 6101 Carnegie Blvd, Charlotte, NC 28209 telephone (704) 926-2447, email dcheatwood@firsttryon.com, or Theodore B. DuBose, Esquire, Bond Counsel, Haynsworth Sinkler Boyd, P.A., 1201 Main Street, Suite 2200, Columbia, South Carolina 29201, telephone (803) 779-3080, email tdubose@hsblawfirm.com.

This Notice is given to evidence the City’s intent to receive bids for and award the Bonds on the date stated above. Such sale may be postponed prior to the time bids are to be received and as published on Thomson Municipal Market Monitor, Bloomberg, or other electronic information service. If canceled, the sale may be thereafter rescheduled within 60 days of the date of the publication of the Official Notice of Sale, and notice of such rescheduled date of sale will be posted at least 48 hours prior to the time for receipt of bids on Thomson Municipal Market Monitor, Bloomberg, i-dealprospectus.com or other electronic information service.

Mayor, City of North Myrtle Beach, South Carolina

FORM OF ISSUE PRICE CERTIFICATE

FOR QUALIFIED COMPETITIVE BID

CERTIFICATE AS TO ISSUE PRICE

§ _____
CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA
GENERAL OBLIGATION BONDS, SERIES 202__

The undersigned, a duly authorized officer of _____, as the purchaser (the “Purchaser”) of the above-captioned obligations (the “Bonds”) issued by the City of North Myrtle Beach, South Carolina (the “City”), represents and certifies, to establish the “issue price” of the Bonds within the meaning of §148 of the Internal Revenue Code of 1986, as amended (the “Code”), and certain other matters, that:

1. Reasonably Expected Initial Offering Price.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Purchaser are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Purchaser in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by the Purchaser to purchase the Bonds.

(b) The Purchaser was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Purchaser constituted a firm offer to purchase the Bonds.

(d) The Purchaser has an established industry reputation for underwriting new issuances of municipal bonds.

2. Defined Terms.

(a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2024.

(d) *Underwriter* as used herein means (i) any person that agrees pursuant to a written contract with the City (or with the lead Underwriter to form a syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public

(including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically §§103 and 148 of the Code and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the City with respect to certain of the representations set forth in the Tax and Arbitrage Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Haynsworth Sinkler Boyd, P.A., Bond Counsel to the City, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the City from time to time relating to the Bonds.

Signed this ____ day of _____, 2024.

[PURCHASER]

By: _____

Name: _____

Title: _____

Schedule A

Expected Offering Prices

Schedule B

Copy of Winning Bid

EXHIBIT B

**FORM OF ISSUE PRICE CERTIFICATE
FOR NONQUALIFIED COMPETITIVE BID**

CERTIFICATE AS TO ISSUE PRICE

§ _____
CITY OF NORTH MYRTLE BEACH, SOUTH CAROLINA
GENERAL OBLIGATION BONDS, SERIES 202__

The undersigned, a duly authorized officer of _____, as the purchaser (the “Purchaser”) of the above-captioned obligations (the “Bonds”), issued by the City of North Myrtle Beach, South Carolina (the “City”) represents and certifies, to establish the “issue price” of the Bonds within the meaning of § 148 of the Internal Revenue Code of 1986, as amended (the “Code”), and certain other matters, that:

1. Sale of the General Rule Maturities.

As of the date of this Certificate, for each Maturity of the General Rule Maturities, the first price at which 10% of such Maturity was sold by the Purchaser to the Public is the respective price listed in Schedule A.

2. Initial Offering Price of the Hold-the-Offering-Price Maturities.

(a) The Purchaser offered the Hold-the-Offering Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this Certificate as Schedule B.

(b) As set forth in the Official Notice of Sale, the Purchaser has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to the foregoing, no Underwriter has offered or sold any Maturity of the Hold-the-Offering Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. Defined Terms.

(a) “General Rule Maturities” means those Maturities of the Bonds shown in Schedule A hereto as the “General Rule Maturities.”

(b) “Hold-the-Offering-Price Maturities” means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(c) “Holding Period” means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the Purchaser has sold at least 10% of such Hold-the-Offering-Price Maturity

to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) “Issuer” means the City of North Myrtle Beach, South Carolina.

(e) “Maturity” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(f) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than a Purchaser or a related party to the Purchaser. The term “related party” for purposes of this Certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) “Sale Date” means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2024.

(h) “Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser’s interpretation of any laws, including specifically §§103 and 148 of the Code and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the City with respect to certain of the representations set forth in the Tax and Arbitrage Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Haynsworth Sinkler Boyd, P.A., Bond Counsel to the City in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the City from time to time relating to the Bonds.

Signed this ____ day of _____, 2024.

[PURCHASER]

By: _____

Name: _____

Title: _____

Schedule A

Sale Prices of the General Rule Maturities

Initial Offering Prices of the Hold-the-Offering-Price Maturities

Schedule B

Pricing Wire or Equivalent Co

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the City of North Augusta, South Carolina (the “Issuer”) in connection with the issuance of \$[Amount] General Obligation Bonds, Series 2024, of the City of North Myrtle Beach, South Carolina (the “Bonds”). The Bonds are being issued pursuant to an Ordinance dated _____, 2024 (the “Ordinance”). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Bondholders and in order to assist the Participating Underwriters in complying with the United States Securities and Exchange Commission Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Ordinance, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Bondholder” or “Holder” shall mean the registered owner of a Bond and any Beneficial Owner thereof.

“Dissemination Agent” shall mean the Issuer or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“Financial Obligation” shall mean (i) a debt obligation; (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee or either (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“National Repository” shall mean the Electronic Municipal Market Access system maintained by the Municipal Securities Rulemaking Board, or any successor thereto approved by the United States Securities and Exchange Commission.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Repository” shall mean each National Repository and each State Depository, if any.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State Depository” shall mean any public or private depository or entity designated by the State as a state depository for the purpose of the Rule. As of the date of this Agreement, there is no State Depository established in South Carolina.

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than February 1 of each year, commencing February 1, 2025, provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than fifteen (15) business days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent, if other than the Issuer. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report.

(b) If the Issuer is unable to provide to the Repositories an Annual Report by the date required in subsection (a), the Issuer shall send a notice to the Municipal Securities Rulemaking Board and to the State Depository, if any, in substantially the form attached as Appendix I.

(c) The Dissemination Agent shall:

- (i) determine each year prior to the date for providing the Annual Report the name and address of each National Depository and each State Depository, if any; and,
- (ii) if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the Repositories to which it was provided.

SECTION 4. Content of Annual Reports. The Annual Report shall include the Issuer’s complete audited financial statements prepared in accordance with generally accepted accounting principles. If the Issuer’s audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available. In addition, thereto, the Annual Report shall contain or incorporate by reference the following:

- (a) Most recently finalized assessed valuation of taxable property in the City;
- (b) Tax levy and collections for prior Fiscal Year;
- (c) Ten Largest Taxpayers for prior Fiscal Year; and
- (d) Summary of General Fund Budget for then-current Fiscal Year.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Issuer shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Significant Events.

(a) Unless otherwise required by the Securities and Exchange Commission pursuant to the provisions of this Section 5, the Issuer shall give or cause to be given, to the Repositories, notice of the occurrence of any of the following events with respect to the Bonds, within ten (10) business days of the occurrence thereof:

- (i) Principal and interest payment delinquencies;
- (ii) Non-Payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, IRS notices or events affecting the tax status of the security;
- (vii) Modifications to rights of securities holders, if material;
- (viii) Bond calls, if material;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the securities, if material;
- (xi) Rating changes;
- (xii) Tender offers;
- (xiii) Bankruptcy, insolvency, receivership or similar event of the obligated person;
- (xiv) Merger, consolidation, or acquisition of the obligated person, if material;
- (xv) Appointment of a successor or additional trustee, or the change of name of a trustee, if material;
- (xvi) Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
- (xvii) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

(b) Pursuant to the provisions of this Section 5, the Issuer shall give or cause to be given notice of the occurrence of any of the following events with respect to the Bonds, if material:

- (i) Occurrence of any event of default under the Resolution (other than as described in clause (a)(i) above);
- (ii) Amendment to the Resolution or this Disclosure Undertaking modifying the rights of the Beneficial Owners of the Bonds;
- (iii) Giving of a notice of optional or unscheduled redemption of any Bonds;
- (iv) The release, substitution or sale of any property hereafter leased, mortgaged or pledged by the Issuer securing repayment of the Bonds;
- (v) Consummation of a merger, consolidation or acquisition involving an obligate person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such action, other than pursuant to its terms;
- (vi) Appointment of a successor or additional trustee, or the change of name of a trustee; or

(c) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event in subsection (b) above, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the Issuer determines that a Listed Event in subsection (b) above would be material under applicable federal securities laws, or upon the occurrence of any Listed Event in subsection (a) above, the Issuer shall file a notice of the Listed Event in a timely manner, not in excess of ten business days of such occurrence, with each Repository and the State Depository, if any.

SECTION 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the defeasance or payment in full of all of the Bonds.

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be the Issuer.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(a), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

**CITY OF NORTH MYRTLE BEACH,
SOUTH CAROLINA**

By: _____

Date: September 16, 2024

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of North Myrtle Beach, South Carolina

Name of Bond Issue: \$27,000,000 General Obligation Bonds, Series 2024

Date of Issuance: _____, 2024

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 9.05 of an Ordinance dated September 16, 2024. The Issuer anticipates that the Annual Report will be filed by _____.

CITY OF NORTH MYRTLE BEACH,
SOUTH CAROLINA

By: _____

STATE OF SOUTH CAROLINA

COUNTY OF HORRY

I, the undersigned, Clerk to City Council of the City of North Myrtle Beach, South Carolina (“City Council”), **DO HEREBY CERTIFY:**

That the foregoing constitutes a true, correct and verbatim copy of a Bond Ordinance adopted by the City Council of the City (the “City Council”), on September 16, 2024. The Bond Ordinance was read at two public meetings of the City Council on two separate days, August 19, 2024, and September 16, 2024. An interval of at least six days occurred between each reading of the Bond Ordinance. At each such meeting, a quorum of the City Council was present and remained present throughout the meeting.

The meetings held on August 19, 2024, and September 16, 2024, were regular meetings of the City Council, for which notice had been previously given pursuant to and in conformity with Chapter 4, Title 30 of the Code of Laws of South Carolina 1976, as amended (the Freedom of Information Act).

The original of the Bond Ordinance is duly entered in the permanent records of the City, in my custody as Clerk.

The Bond Ordinance is now of full force and effect, and has not been modified, amended or repealed.

IN WITNESS WHEREOF, I have hereunto set my Hand and the Seal of the City, this 16th day of September, 2024.

(SEAL)

Allison K. Galbreath, City Clerk
City of North Myrtle Beach, South Carolina

First reading: _____ 8.19.2024 _____

Second reading: _____ 9.16.2024 _____

Ordinance: _____ 24-33 _____