
1 **2019-27 (1ST READING): AN ORDINANCE PROVIDING FOR THE ISSUANCE**
2 **AND SALE OF NOT EXCEEDING \$7,000,000 GENERAL OBLIGATION**
3 **BONDS, SERIES 2019, OF THE CITY OF MYRTLE BEACH, SOUTH**
4 **CAROLINA; FIXING THE FORM AND DETAILS OF THE BONDS;**
5 **AUTHORIZING THE CITY MANAGER TO DETERMINE CERTAIN MATTERS**
6 **RELATING TO THE BONDS; PROVIDING FOR THE PAYMENT OF THE**
7 **BONDS AND THE DISPOSITION OF THE PROCEEDS THEREOF; AND OTHER**
8 **MATTERS RELATING THERETO.**

9 **Applicant/Purpose:** City/to issue bonds to finance the acquisition & installation of a
10 replacement of the current financial system—an Enterprise Resource Planning software
11 solution (the “ERP System”).
12

13 **Brief:**

- 14 • As provided in the capital improvement plan, staff has spent the last several
15 months investigating proposals for the purchase & installation of an ERP
16 System. The selection phase of this process should be completed in a few
17 weeks, at which time we will award a contract to the selected bidder.
- 18 • The ERP System will be implemented over the next 12 - 18 months, w/
19 financial systems being the 1st to be replaced & peripheral systems to follow.
- 20 • We expect that this new system will be much more user-friendly & will enable
21 us to set up portals through which citizens may access a greater amount of
22 public information.
23

24 **Issues:**

- 25 • This acquisition should resolve a number of issues that the city has had with its
26 existing legacy system, which dates back to 1995.
- 27 • It is far more current in terms of generally accepted accounting principles for
28 governments, & in terms of the many requirements of the Securities and
29 Exchange Commission & other agencies to whom the city provides information.
- 30 • The system is also designed to be able to provide for increase productivity in
31 producing management information & public information.
32

33 **Public Notification:** Normal meeting notification.
34

35 **Alternatives:** Do not approve. Continue to operate w/ the legacy system for which
36 minimum support is available.
37

38 **Financial Impact:**

- 39 • The expected financial impact is the debt service on a maximum of \$7 million
40 which, in the current market, equates to roughly \$590,000 a year.
- 41 • Based upon the debt management plan, this level of annual debt service can be
42 absorbed now with no impact on the property tax rate for GO debt service.
43

44 **Manager’s Recommendation:** I recommend 1st reading (3-12-19).
45

46 **Attachment(s):** Proposed ordinance.

CITY OF MYRTLE BEACH)	AN ORDINANCE PROVIDING FOR THE
COUNTY OF HORRY)	ISSUANCE AND SALE OF NOT EXCEEDING
STATE OF SOUTH CAROLINA)	\$7,000,000 GENERAL OBLIGATION BONDS,
		SERIES 2019, OF THE CITY OF MYRTLE
		BEACH, SOUTH CAROLINA; FIXING THE
		FORM AND DETAILS OF THE BONDS;
		AUTHORIZING THE CITY MANAGER TO
		DETERMINE CERTAIN MATTERS RELATING
		TO THE BONDS; PROVIDING FOR THE
		PAYMENT OF THE BONDS AND THE
		DISPOSITION OF THE PROCEEDS
		THEREOF; AND OTHER MATTERS
		RELATING THERETO.

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

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

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

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

"Bonds" shall mean the Series 2019 Bonds.

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

"Books of Registry" shall mean the registration books maintained by the Registrar in accordance with Section 7 hereof.

"City" shall mean the City of Myrtle Beach, South Carolina.

"City Manager" shall be the incumbent and acting City Manager of the City, or any successor to his functions, or his designee.

1
2 "Council" shall mean the City Council of the City of Myrtle Beach, South Carolina.
3

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

12 "Initial Bonds" shall mean Bonds initially issued in Book-Entry Form as provided in Section
13 4 hereof.
14

15 "Letter of Representations" shall mean the Letter of Representations executed and
16 delivered by the City to the Depository.
17

18 "Municipal Bond Act" shall mean Title 5, Chapter 21, Article 5, Code of Laws of South
19 Carolina 1976, as amended.
20

21 "Ordinance" shall mean this Ordinance.
22

23 "Participant" shall mean any bank, brokerage house or other financial institution for which,
24 from time to time, the Depository effects book-entry transfers and pledges of securities deposited
25 with the Depository.
26

27 "Paying Agent" shall mean the paying agent appointed pursuant to this Ordinance.
28

29 "Record Date" shall have the meaning given such term in Section 8 hereof.
30

31 "Registrar" shall mean the registrar appointed pursuant to this Ordinance.
32

33 "Series 2019 Bonds" shall mean the General Obligation Bonds, Series 2019, of the City of
34 Myrtle Beach, South Carolina, in the aggregate principal amount of not exceeding \$7,000,000
35 authorized to be issued pursuant to Section 3 hereof.
36

37 "State" shall mean the State of South Carolina.
38

39 SECTION 2. Findings and Determinations. The Council of the City hereby finds and
40 determines:
41

42 (a) The City is an incorporated municipality located in Horry County, South Carolina,
43 and as such possesses all powers granted to municipalities by the Constitution and laws of the
44 State.
45

46 (b) Article X, Section 14 of the Constitution of the State of South Carolina 1895, as
47 amended (the "Constitution"), provides that general obligation debt may be incurred by the
48 governing body of each city of the State of South Carolina for any public and corporate purpose in
49 an amount not exceeding eight percent of the assessed value of all taxable property of such city.
50

51 (c) Pursuant to the Municipal Bond Act, the municipal council of any municipality may
52 issue general obligation bonds of such municipality for any corporate purpose of such municipality
53 to any amount not exceeding the constitutional debt limit applicable.

1
2 (d) The Municipal Bond Act requires that an election be held prior to the issuance of
3 general obligation bonds. Title 11, Chapter 27, Code of Laws of South Carolina 1976, as
4 amended, provides that if an election be prescribed by the provisions of the Municipal Bond Act,
5 but is not required by the provisions of Article X of the Constitution, then in every such instance, no
6 election need be held (notwithstanding the requirement therefor) and the remaining provisions of
7 the Municipal Bond Act shall constitute a full and complete authorization to issue bonds in
8 accordance with such remaining provisions.
9

10 (e) The assessed value of all taxable property in the City for 2018, as established by
11 the last completed assessment thereof, excluding the values of exempt merchants' inventories, is
12 \$_____. Eight percent of such sum is \$_____. As of the date hereof, the outstanding
13 general obligation debt of the City subject to the limitation imposed by Article X, Section 14(7) of
14 the Constitution is \$_____, representing the outstanding principal balances of the City's
15 \$4,030,000 original principal amount General Obligation Bonds, Series 2012A; the City's
16 \$7,560,000 original principal amount General Obligation Bonds (Federally Taxable), Series 2012B;
17 the City's \$1,560,000 original principal amount General Obligation Refunding Bonds, Series
18 2015B; and the City's \$8,349,000 original principal amount General Obligation Refunding Bonds,
19 Series 2015C.
20

21 Thus, the City may incur \$_____ of general obligation debt within its applicable
22 constitutional debt limitation.
23

24 (f) The City intends to use the proceeds of the Bonds for (i) the acquisition,
25 implementation, integration and installation of Enterprise Resource Planning (ERP) software for
26 use by the City, to include all necessary professional services, capital equipment, software, initial
27 subscription and maintenance agreements, and other incidental items required to establish the fully
28 functional software, and (ii) such other projects and improvements as may be identified by the City
29 and for such other purposes permitted under the Municipal Bond Act and this Ordinance (the
30 "Project").
31

32 (g) It is now in the best interest of the City for the Council to provide for the issuance
33 and sale of not exceeding \$7,000,000 general obligation bonds of the City pursuant to the
34 aforesaid provisions of the Constitution and laws of the State of South Carolina for the purposes
35 set forth in Section 2(f) above.
36

37 SECTION 3. Authorization and Details of Bonds. Pursuant to the aforesaid provisions of
38 the Constitution and laws of the State of South Carolina, there is hereby authorized to be issued
39 not exceeding \$7,000,000 general obligation bonds of the City (the "Bonds") to obtain funds for the
40 purpose of funding the Project as set forth in Section 2(f) above, including any engineering,
41 architectural, financial and legal fees relating thereto and other incidental costs of issuing the
42 Bonds. The Bonds shall be designated "\$7,000,000 General Obligation Bonds, Series 2019, of the
43 City of Myrtle Beach, South Carolina"; provided that if the Bonds are issued in a lesser principal
44 amount, the designation shall be modified to reflect such lesser amount.
45

46 The Mayor, the City Manager, the Chief Financial Officer, the Financial Management and
47 Reporting Director and the Clerk of the City are hereby authorized and directed for and on behalf
48 of the City to execute such agreements and give such directions as shall be necessary to carry out
49 the provisions of this Ordinance.
50

51 The Bonds shall be issued as fully registered Bonds; shall be in such principal amount not
52 exceeding \$7,000,000, as may be determined by the City Manager; shall be dated their date of
53 delivery or such other date as determined by the City Manager; shall be in the denomination of

1 \$5,000 or any integral multiple thereof not exceeding the principal amount of the Bonds maturing in
2 each year; shall be initially issued in Book-Entry Form unless the Bonds are issued in a competitive
3 bank placement as provided in Section 15(a) hereof; shall bear interest from their date initially
4 payable March 1, 2020 or such other date as the City Manager may determine, and semiannually
5 thereafter on March 1 and September 1 of each year until the Bonds mature, at such rate or rates
6 as may be determined by the City Manager at the time of the sale thereof; and shall mature in
7 successive annual installments (including by mandatory redemption) on March 1 in each of the
8 years and in the principal amounts and be subject to redemption as may be determined by the City
9 Manager; and shall have a final maturity of no later than March 1, 2034.

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

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

28
29 SECTION 4. Book-Entry Bonds. If the Bonds are issued in Book-Entry Form, the Initial
30 Bonds will be eligible securities for the purposes of the Book-Entry System of transfer maintained
31 by the Depository, and transfers of beneficial ownership of the Initial Bonds shall be made only
32 through the Depository and its participants in accordance with rules specified by the Depository.
33 Such beneficial ownership must be of \$5,000 principal amount of Bonds of the same maturity or
34 any integral multiple of \$5,000.

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

46
47 Notices of redemption of the Initial Bonds or any portion thereof shall be sent to the
48 Depository in accordance with the provisions of this Ordinance.

49
50 The Depository is expected to maintain records of the positions of Participants in the Initial
51 Bonds, and the Participants and persons acting through Participants are expected to maintain
52 records of the Beneficial Owners in the Initial Bonds. The City, the Paying Agent and the Registrar
53 make no assurances that the Depository and its Participants will act in accordance with such rules

1 or expectations on a timely basis, and the City, the Paying Agent and the Registrar shall have no
2 responsibility for any such maintenance of records or transfer of payments by the Depository to its
3 Participants, or by the Participants or persons acting through Participants to the Beneficial Owners.
4

5 The City, the Paying Agent and the Registrar may treat the Depository (or its nominee) as
6 the sole and exclusive owner of the Bonds registered in its name for the purpose of payment of the
7 principal of or interest on the Bonds, giving any notice permitted or required to be given to
8 Bondholders under this Ordinance, registering the transfer of Bonds, obtaining any consent or
9 other action to be taken by Bondholders and for all other purposes whatsoever, and shall not be
10 affected by any notice to the contrary. The City, the Paying Agent and the Registrar shall not have
11 any responsibility or obligation to any Participant, any person claiming a beneficial ownership
12 interest in the Bonds under or through the Depository or any Participant, or any other person which
13 is not shown on the Books of Registry of the City maintained by the Registrar as being a
14 Bondholder, with respect to: the accuracy of any records maintained by the Depository or any
15 Participant; the payment by the Depository or any Participant of any amount in respect of the
16 principal of or interest on the Bonds, any notice which is permitted or required to be given to
17 Bondholders thereunder or under the conditions to transfers or exchanges adopted by the City or
18 the Registrar; or any consent given or other action taken by the Depository as a Bondholder.
19

20 SECTION 5. Successor Depository. If the Bonds are issued in Book-Entry Form and (a) the
21 Depository determines not to continue to act as Depository for the Bonds, or (b) the City has
22 advised the Depository of the City's determination that the Depository is incapable of discharging
23 its duties, and any requisite consent of the Depository is obtained, the City shall attempt to retain
24 another qualified securities depository to replace the Depository. Upon receipt by the City or the
25 Registrar of the Initial Bonds together with an assignment duly executed by the Depository, the City
26 shall execute and deliver to the successor Depository, Bonds of the same principal amount,
27 interest rate and maturity. If the City is unable to retain a qualified successor to the Depository, or
28 the City has determined that it is in its best interest not to continue the Book-Entry System of
29 transfer or that interests of the Beneficial Owners of the Bonds might be adversely affected if the
30 Book-Entry System of transfer is continued (the City undertakes no obligation to make any
31 investigation to determine the occurrence of any events that would permit it to make any such
32 determination), and has made provision to so notify Beneficial Owners of the Bonds by mailing an
33 appropriate notice to the Depository, upon receipt by the City of the Initial Bonds together with an
34 assignment duly executed by the Depository, the City shall execute, authenticate and deliver to the
35 Depository Participants Bonds in fully-registered form, in substantially the form set forth in Section
36 10 of this Ordinance in denominations of \$5,000 or any integral multiple thereof.
37

38 SECTION 6. Registration, Transfer and Exchange of Bonds. The City shall cause Books
39 of Registry to be kept at the offices of the Registrar for the registration and transfer of the Bonds.
40 Upon presentation at its office for such purpose the Registrar shall register or transfer, or cause to
41 be registered or transferred, on such registry books, the Bonds under such reasonable regulations
42 as the Registrar may prescribe.
43

44 Each Bond shall be transferable only upon the Books of Registry of the City, which shall be
45 kept for such purpose at the principal office of the Registrar, by the registered owner thereof in
46 person or by his duly authorized attorney upon surrender thereof together with a written instrument
47 of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized
48 attorney. Upon the transfer of any such Bond, the Registrar on behalf of the City shall issue in the
49 name of the transferee a new fully registered Bond or Bonds of the same aggregate principal
50 amount, interest rate and maturity as the surrendered Bond. Any Bond surrendered in exchange
51 for a new registered Bond pursuant to this Section shall be canceled by the Registrar.
52

1 The City, the Registrar and the Paying Agent may deem or treat the person in whose name
2 any fully registered Bond shall be registered upon the Books of Registry as the absolute owner of
3 such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of the
4 principal of and interest on such Bond and for all other purposes and all such payments so made to
5 any such registered owner or upon his order shall be valid and effectual to satisfy and discharge
6 the liability upon such Bond to the extent of the sum or sums so paid, and neither the City nor the
7 Registrar shall be affected by any notice to the contrary. In all cases in which the privilege of
8 transferring Bonds is exercised, the City shall execute and the Registrar shall authenticate and
9 deliver Bonds in accordance with the provisions of this Ordinance. Neither the City nor the
10 Registrar shall be obliged to make any such transfer of Bonds during the fifteen (15) days
11 preceding an interest payment date on such Bonds.
12

13 SECTION 7. Record Date. The City hereby establishes a record date (each a "Record
14 Date") for the payment of interest or for the giving of notice of any proposed redemption of Bonds,
15 and such Record Date shall be fifteen (15) days (whether or not a business day) preceding an
16 interest payment date on such Bond or, in the case of any proposed redemption of Bonds, such
17 Record Date shall be the day (whether or not a business day) prior to the mailing of notice of
18 redemption of Bonds.
19

20 SECTION 8. Mutilation, Loss, Theft or Destruction of Bonds. In case any Bond shall at
21 any time become mutilated in whole or in part, or be lost, stolen or destroyed, or be so defaced as
22 to impair the value thereof to the owner, the City shall execute and the Registrar shall authenticate
23 and deliver at the principal office of the Registrar, or send by registered mail to the owner thereof at
24 his request, risk and expense a new Bond of the same interest rate and maturity and of like tenor
25 and effect in exchange or substitution for and upon the surrender for cancellation of such defaced,
26 mutilated or partly destroyed Bond, or in lieu of or in substitution for such lost, stolen or destroyed
27 Bond. In any such event the applicant for the issuance of a substitute Bond shall furnish the City
28 and the Registrar evidence or proof satisfactory to the City and the Registrar of the loss,
29 destruction, mutilation, defacement or theft of the original Bond, and of the ownership thereof, and
30 also such security and indemnity as may be required by the laws of the State of South Carolina or
31 such greater amount as may be required by the City and the Registrar. Any duplicate Bond issued
32 under the provisions of this Section in exchange and substitution for any defaced, mutilated or
33 partly destroyed Bond or in substitution for any allegedly lost, stolen or wholly destroyed Bond shall
34 be entitled to the identical benefits under this Ordinance as was the original Bond in lieu of which
35 such duplicate Bond is issued, and shall be entitled to equal and proportionate benefits with all the
36 other Bonds issued hereunder.
37

38 All expenses necessary for the providing of any duplicate Bond shall be borne by the
39 applicant therefor.
40

41 SECTION 9. Execution of Bonds. The Bonds shall be executed in the name of the City
42 with the manual or facsimile signature of the Mayor of the City attested by the manual or facsimile
43 signature of the Clerk of the City under a facsimile of the seal of the City which shall be impressed,
44 imprinted or reproduced thereon. The Bonds shall not be valid or become obligatory for any
45 purpose unless there shall have been endorsed thereon a certificate of authentication. Each Bond
46 shall bear a certificate of authentication manually executed by the Registrar in substantially the
47 form set forth herein.
48

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

50
51 (FORM OF BOND)

52 UNITED STATES OF AMERICA
53

STATE OF SOUTH CAROLINA
CITY OF MYRTLE BEACH
GENERAL OBLIGATION BOND, SERIES 2019

No. R-

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>ORIGINAL ISSUE DATE</u>	<u>CUSIP</u>
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REGISTERED HOLDER:

PRINCIPAL AMOUNT: DOLLARS

KNOW ALL MEN BY THESE PRESENTS, that the City of Myrtle Beach, South Carolina (the "City"), is justly indebted and, for value received, hereby promises to pay to the registered holder named above, or registered assigns, the principal amount shown above on the maturity date shown above, upon presentation and surrender of this Bond at the principal office of [U.S. Bank National Association, in Columbia, South Carolina] (the "Paying Agent"), and to pay interest on such principal sum from the date hereof at the interest rate per annum shown above until this Bond matures. Interest on this Bond is initially payable on March 1, 2020 and semiannually thereafter on March 1 and September 1 of each year until this Bond matures or is earlier redeemed and shall be payable by check or draft mailed to the person in whose name this Bond is registered on the registration books of the City maintained by the registrar, presently [U.S. Bank National Association, in Columbia, South Carolina] (the "Registrar"), at the close of business on the fifteenth (15th) day (whether or not a business day) preceding each semiannual interest payment date. The principal and interest on this Bond are 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; provided, however, that interest on this fully registered Bond shall be paid by check or draft as set forth above.

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

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

This Bond is one of a series of Bonds of like date of original issue, tenor and effect, except as to number, denomination, date of maturity, redemption provisions, date of authentication and rate of interest, aggregating _____ Dollars (\$_____) issued pursuant to and in accordance with the Constitution and laws of the State of South Carolina (the "State"), including Article X, Section 14 of the Constitution of the State of South Carolina 1895, as amended; Title 5, Chapter 21, Code of Laws of South Carolina 1976, as amended; Title 11, Chapter 27, Code of Laws of South Carolina 1976, as amended; and an ordinance duly enacted on _____, 2019 by the City Council.

[The Bonds maturing on March 1, 20__, and thereafter shall be subject to redemption prior to maturity, at the option of the City, on and after March 1, 20__, in whole or in part at any time,

1 upon notice as hereinafter provided, at a redemption price equal to the principal amount of such
2 Bonds to be so redeemed, plus interest accrued to the redemption date.]

3
4 [Add optional term bond provisions, if applicable.]

5
6 [In the event less than all of the Bonds are to be redeemed, the Bonds shall be redeemed
7 in such order of maturities as shall be determined by the City. If less than all of the Bonds of a
8 maturity are called for redemption, the Bonds of such maturity to be redeemed shall be select by lot
9 by the Registrar. Notice of the redemption thereof, describing the Bond and specifying the
10 redemption date and the redemption price payable upon such redemption, shall be mailed by the
11 Registrar by first-class mail, postage prepaid, to the registered owner thereof not less than thirty
12 (30) days and not more than sixty (60) days prior to the redemption date at the last address
13 appearing upon the books of registry. If Bonds are redeemable and shall have been duly called for
14 redemption and notice of the redemption thereof mailed as aforesaid, and if on or before the date
15 fixed for such redemption, payment thereof shall have been duly made or provided for, interest
16 thereon shall cease to accrue from and after the redemption date thereof.]

17
18 This Bond is transferable as provided in the Ordinance, only upon the books of the City
19 kept for that purpose at the principal office of the Registrar by the registered holder in person or by
20 his duly authorized attorney upon surrender of this Bond together with a written instrument of
21 transfer satisfactory to the Registrar duly executed by the registered holder or his duly authorized
22 attorney. Thereupon a new fully registered Bond or Bonds of the same aggregate principal
23 amount, interest rate, and maturity shall be issued to the transferee in exchange therefor as
24 provided in the Ordinance. The City, the Registrar and the Paying Agent may deem and treat the
25 person in whose name this Bond is registered as the absolute owner hereof for the purpose of
26 receiving payment of or on account of the principal hereof and interest due hereon and for all other
27 purposes.

28
29 Under the laws of the State, this Bond and the interest hereon are exempt from all State,
30 County, municipal, City and all other taxes or assessments, except estate or other transfer taxes,
31 direct or indirect, general or special, whether imposed for the purpose of general revenue or
32 otherwise.

33
34 It is hereby certified and recited that all acts, conditions and things required by the
35 Constitution and laws of the State to exist, to happen and to be performed precedent to or in the
36 issuance of this Bond exist, have happened and have been performed in regular and due time,
37 form and manner as required by law, and that the amount of this Bond, together with all other
38 indebtedness of the City does not exceed the applicable limitation of indebtedness under the laws
39 of the State and that provision has been made for the levy and collection annually upon all taxable
40 property in the City an *ad valorem* tax, without limitation as to rate or amount, sufficient to pay the
41 principal of and interest on this Bond as the same shall respectively mature and to create a sinking
42 fund to aid in the retirement and payment thereof.

43
44 IN WITNESS WHEREOF, CITY OF MYRTLE BEACH, SOUTH CAROLINA, has caused
45 this Bond to be signed with the manual or facsimile signature of the Mayor of the City, attested by
46 the manual or facsimile signature of the Clerk of the City and the seal of the City impressed,
47 imprinted or reproduced hereon.

48
49 CITY OF MYRTLE BEACH, SOUTH CAROLINA

50 (SEAL)

51
52 ATTEST:

53 Mayor

1
2 Clerk _____

3
4 [FORM OF REGISTRAR'S CERTIFICATE OF AUTHENTICATION]

5
6 Date of Authentication:

7
8 This Bond is one of the bonds described in the within-mentioned Ordinance of the City of
9 Myrtle Beach, South Carolina.

10
11 _____, as Registrar

12
13
14 By: _____
15 Authorized Officer

16
17
18 The following abbreviations, when used in the inscription on the face of this Bond, shall be
19 construed as though they were written out in full according to applicable laws or regulations.

20
21 TEN COM - as tenants in common

UNIF GIFT MIN ACT -

22
23 TEN ENT - as tenants by the
24 entireties

_____ Custodian _____
(Cust) (Minor)

25
26 JT TEN - as joint tenants with
27 right of survivorship
28 and not as tenants in
29 common

under Uniform Gifts to
Minors Act _____
(State)

30
31 Additional abbreviations may also be used though not in above list.

32
33 (FORM OF ASSIGNMENT)

34
35 FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto
36 _____ (Name and Address of Transferee)
37 _____ the within Bond and does hereby irrevocably constitute and
38 appoint _____ attorney to transfer the within Bond on the books kept
39 for registration thereof, with full power of substitution in the premises.

40
41 Dated: _____

42
43
44 Signature Guaranteed _____

(Authorized Officer)

45
46
47 Notice: Signature(s) must be
48 guaranteed by an institution
49 which is a participant in the
50 Securities Transfer Agents
51 Medallion Program ("STAMP")
52 or similar program.

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

1
2 A copy of the final approving legal opinion to be rendered shall be attached to or printed on
3 the back of each Bond and preceding the same a certificate shall appear, which shall be signed on
4 behalf of the City with a manual or facsimile signature of the Clerk of the City. Said certificate shall
5 be in substantially the following form:

6
7 IT IS HEREBY CERTIFIED that the following is a true and
8 correct copy of the final legal opinion (except for date and
9 letterhead) of Pope Flynn, LLC, Charleston, South Carolina,
10 approving the issue of bonds of which the within bond is one, the
11 original of which opinion was manually executed, dated and issued
12 as of the date of delivery of and payment for the bonds, and a copy
13 of which is on file with the City of Myrtle Beach, South Carolina.

14
15 CITY OF MYRTLE BEACH, SOUTH CAROLINA

16
17 By: _____
18 Clerk
19

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

25
26 The appropriate official of the City shall be notified as to the delivery of and payment for the
27 Bonds and is hereby directed to levy and collect annually upon all taxable property in the City an *ad*
28 *valorem* tax, without limitation as to rate or amount, sufficient for such purpose.

29
30 SECTION 12. Defeasance. The obligations of the City under this Ordinance and the
31 pledges, covenants and agreements of the City herein made or provided for, shall be fully
32 discharged and satisfied as to any portion of the Bonds, and such Bond or Bonds shall no longer
33 be deemed to be outstanding hereunder when:

34
35 (a) such Bond or Bonds shall have been purchased by the City and surrendered to the City
36 for cancellation or otherwise surrendered to the City or the Paying Agent and is canceled or subject
37 to cancellation by the City or the Paying Agent; or

38
39 (b) payment of the principal of and interest on such Bonds either (i) shall have been made
40 or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for by
41 irrevocably depositing with the Paying Agent in trust and irrevocably set aside exclusively for such
42 payment, (1) moneys sufficient to make such payment, or (2) Government Obligations (hereinafter
43 defined) maturing as to principal and interest in such amounts and at such times as will ensure the
44 availability of sufficient moneys to make such payment and all necessary and proper fees,
45 compensation and expenses of the Paying Agent. At such time as the Bonds shall no longer be
46 deemed to be outstanding hereunder, such Bonds shall cease to draw interest and, except for the
47 purposes of any such payment from such moneys or Government Obligations as set forth in (ii)
48 above, shall no longer be secured by or entitled to the benefits of this Ordinance.

49
50 "Government Obligations" shall mean any of the following:

51
52 (a) non-callable, direct obligations of, or obligations the principal of and interest on
53 which are unconditionally guaranteed by, the United States of America, including

obligations issued or held in book entry form on the books of the Department of the Treasury of the United States; and

- (b) non-callable, U. S. Treasury Securities - State and Local Government Series ("SLGS").

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

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

SECTION 15. Manner of Public Sale. Not less than seven (7) days following the publication of either the Official Notice of Sale or Summary Notice of Sale in a newspaper of general circulation in the State, and/or, if deemed appropriate by the City Manager, in a financial publication published in the City of New York, New York, the Bonds may be sold pursuant to either of the following methods as determined by the City Manager:

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

SECTION 16. Certain Delegations. The Council, in addition to the authority delegated elsewhere in this Ordinance, hereby expressly delegates to the City Manager the authority, with respect to the Bonds, to determine: (a) the date of sale, the date of issuance, the maturity

1 schedule, the principal and interest payment dates, and the final principal amount with respect to
2 the Bonds; (b) whether the Bonds shall be subject to redemption; (c) the method of computing
3 interest in connection with the award of the Bonds; (d) whether the Bonds will be designated as
4 "qualified tax-exempt obligations" pursuant to the Code; (e) whether to create and distribute
5 preliminary and final Official Statements in connection with the issuance of any Series of Bonds;
6 and (f) such other matters regarding the Bonds as are necessary or appropriate. The Council may,
7 by resolution, authorize the City Manager to alter any of the conditions or provisions specified
8 above or elsewhere herein.
9

10 The City Manager is hereby authorized and directed to conduct the sale of the Bonds
11 pursuant to the provisions of Section 15 hereof. The Council hereby expressly delegates to the City
12 Manager the authority to award the sale of any Bonds in accordance with the Official Notice of Sale
13 contemplated in Section 15 hereof.
14

15 SECTION 17. Continuing Disclosure. The City hereby covenants and agrees that it will
16 comply with and carry out all of the provisions of any continuing disclosure certificate or agreement,
17 executed by the City Manager or the Chief Financial Officer and dated the date of delivery of the
18 Bonds, which will meet the requirements, as applicable, of Rule 15c2-12 promulgated by the
19 United States Securities and Exchange Commission.
20

21 SECTION 18. Filings with Central Repository. In compliance with Section 11-1-85 of the
22 Code of Laws of South Carolina 1976, as amended, the City covenants that it will file or cause to
23 be filed with a central repository for further availability in the secondary bond market when
24 requested: (a) a copy of the annual audit of the City within thirty (30) days of the City's receipt
25 thereof; and (b) within thirty (30) days of the occurrence thereof, relevant information of an event
26 which, in the opinion of the City, adversely affects more than five percent (5%) of the City's revenue
27 or its tax base.
28

29 SECTION 19. Deposit, Appropriation and Use of Proceeds. The proceeds derived from
30 the sale of the Bonds shall be deposited in special funds, separate and distinct from all other funds,
31 and applied solely to the purpose for which the Bonds are issued except that the premium, if any,
32 shall be placed in the sinking fund established pursuant to the Municipal Bond Act and the accrued
33 interest, if any, shall be used to discharge in part the first interest to become due on the Bonds,
34 such proceeds being hereby appropriated for such purposes. If any surplus remains it shall be
35 deposited in the sinking fund to be established for the payment of the Bonds.
36

37 SECTION 20. Tax Covenants. The City hereby covenants and agrees with the holders of
38 the Bonds that no use of the proceeds of the Bonds shall be made which, if such use had been
39 reasonably expected on the date of issue of the Bonds would have caused the Bonds to be
40 "arbitrage bonds", as defined in Section 148 of the Internal Revenue Code of 1986, as amended
41 (the "Code"), and to that end the City agrees to:
42

43 (a) comply with the applicable provisions of Section 103 and Sections 141 through 150
44 of the Code and any regulations promulgated thereunder so long as the Bonds are outstanding;
45

46 (b) establish such funds, make such calculations and pay such amounts, in the manner
47 and at the times required in order to comply with the requirements of the Code relating to required
48 rebates of certain amounts to the United States; and
49

50 (c) make such reports of such information at the time and places required by the Code.
51

52 The City further covenants that it shall not take any action which will, or fail to take any
53 action which failure will, cause interest on the Bonds to become includible in the gross income of

1 the Bondholders for federal income tax purposes pursuant to the provisions of the Code and the
2 regulations promulgated thereunder in effect on the date of original issuance of the Bonds.
3

4 SECTION 21. Miscellaneous. The Council hereby authorizes the Mayor, the City
5 Manager, the Clerk of the City, the Chief Financial Officer, the Financial Management and
6 Reporting Director and the City Attorney to execute such documents and instruments as may be
7 necessary to effect the issuance of the Bonds.
8

9 All rules, regulations, resolutions and parts thereof, procedural or otherwise, in conflict
10 herewith or the proceedings authorizing the issuance of the Bonds are, to the extent of such
11 conflict, hereby repealed and this Ordinance shall take effect and be in full force from and after its
12 enactment.
13

14 This Ordinance shall be forthwith codified in the Code of City Ordinances in the manner
15 required by law.
16
17
18

19 [Remainder of page intentionally left blank.]
20

ENACTED by the City Council of the City of Myrtle Beach, South Carolina, this 26th day of March 2019.

Mayor, City of Myrtle Beach, South Carolina

(SEAL)

ATTEST:

**Clerk, City Council of the City
of Myrtle Beach, South Carolina**

Date of First Reading: March 12, 2019

Date of Second Reading: March 26, 2019