



REGULAR AGENDA

OF

JULY 16, 2018



CITY OF NORTH AUGUSTA

AGENDA: REGULAR CITY COUNCIL MEETING

July 16, 2018 – Municipal Center – 100 Georgia Avenue, 3rd Floor – 7:00 P.M.

CITIZEN COMMENTS: Citizens may speak to Mayor and City Council on each item listed on this agenda. Mayor Pettit will call for your comments prior to City Council discussing the matter. **Citizens wishing to address Mayor and City Council are required to submit a Speaker Form to the City Clerk before addressing Mayor and City Council.** Forms are provided on the credenza at the entrance to the Council Chambers. Citizen comments are limited to five minutes.

CITIZEN ASSISTANCE: Individuals needing special assistance or sign interpreter to participate in the meeting, please notify the Administration Department 48 hours prior to the meeting.

1. **CALL TO ORDER:**
2. **INVOCATION AND PLEDGE OF ALLEGIANCE:**
3. **ROLL CALL:**
4. **APPROVAL OF MINUTES:** Regular and study session meeting minutes of July 2, 2018

UNFINISHED BUSINESS

None

NEW BUSINESS

5. **FINANCE:** Ordinance No. 2018-07 – An Ordinance to Provide for the Issuance and Sale of not Exceeding Ten Million Two Hundred Fifty Thousand Dollars Aggregate Principal Amount (\$10,250,000) of General Obligation Bonds of the City of North Augusta, South Carolina; To Order a Referendum on the Question of the Issuance of the Bonds and Condition the Issuance of the Same Thereon; To Provide for the Issuance and Sale of General Obligation Bond Anticipation Notes in Anticipation of the Issuance of Said Bonds; To Prescribe the Purposes to Which the Proceeds of such Borrowing shall be Applied; To Provide for the Payment Thereof; And Other Matters Relating Thereto.
 - A. Ordinance 2018-07, First Reading
 - B. Ordinance 2018-07, Second Reading
6. **PRESENTATIONS/COMMUNICATIONS/RECOGNITION OF VISITORS:**
 - A. Citizen Comments: At this time, citizens may speak to Mayor and City Council regarding matters not listed on the agenda. **Citizens wishing to address Mayor and City Council are required to submit a Speaker Form to the City Clerk before addressing Mayor and City Council.** Forms are provided on the credenza at the entrance to the Council Chambers. Citizen comments are limited to five minutes.
 - B. Council Comments
7. **ADJOURNMENT:**



TO: Mayor and City Council

FROM: B. Todd Glover, City Administrator

DATE: July 13, 2018

SUBJECT: Regular City Council Meeting of July 16, 2018

REGULAR COUNCIL MEETING

ITEM 5.

FINANCE: Ordinance No. 2018-07 – An Ordinance to Provide for the Issuance and Sale of not Exceeding Ten Million Two Hundred Fifty Thousand Dollars Aggregate Principal Amount (\$10,250,000) of General Obligation Bonds of the City of North Augusta, South Carolina; To Order a Referendum on the Question of the Issuance of the Bonds and Condition the Issuance of the Same Thereon; To Provide for the Issuance and Sale of General Obligation Bond Anticipation Notes in Anticipation of the Issuance of Said Bonds; To Prescribe the Purposes to Which the Proceeds of such Borrowing shall be Applied; To Provide for the Payment Thereof; And Other Matters Relating Thereto

A. Ordinance 2018-07, First Reading

An ordinance has been prepared for Council's consideration on first reading to provide for the issuance and sale of not exceeding ten million two hundred fifty thousand dollars aggregate principal amount (\$10,250,000) of general obligation bonds of the City of North Augusta, South Carolina; to order a referendum on the question of the issuance of the bonds and condition the issuance of the same thereon; to provide for the issuance and sale of general obligation bond anticipation notes in anticipation of the issuance of said bonds; to prescribe the purposes to which the proceeds of such borrowing shall be applied; to provide for the payment thereof; and other matters relating thereto.

Please see **ATTACHMENT NO. 5-A** for a copy of the proposed ordinance.

July 16, 2018

B. Ordinance 2018-07, Second Reading

Pending Council's passage of the ordinance on first reading, it is submitted for Council's consideration on second reading.

ATTACHMENT 5-A

ORDINANCE NO. 2018-07

TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING TEN MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS AGGREGATE PRINCIPAL AMOUNT (\$10,250,000) OF GENERAL OBLIGATION BONDS OF THE CITY OF NORTH AUGUSTA, SOUTH CAROLINA; TO ORDER A REFERENDUM ON THE QUESTION OF THE ISSUANCE OF THE BONDS AND CONDITION THE ISSUANCE OF THE SAME THEREON; TO PROVIDE FOR THE ISSUANCE AND SALE OF GENERAL OBLIGATION BOND ANTICIPATION NOTES IN ANTICIPATION OF THE ISSUANCE OF SAID BONDS; TO PRESCRIBE THE PURPOSES TO WHICH THE PROCEEDS OF SUCH BORROWING SHALL BE APPLIED; TO PROVIDE FOR THE PAYMENT THEREOF; AND OTHER MATTERS RELATING THERETO.

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Enacted _____, 2018

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- Exhibit A – Form of Bond**
- Exhibit B – Form of Bond Anticipation Note**
- Exhibit C – Form of Ballot**
- Exhibit D – Form of Notice of Referendum**

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

ARTICLE I

FINDINGS OF FACT

Section 1.01 Findings and Recitals

As an incident to the enactment of this ordinance (this "**Ordinance**") and the issuance of the Bond (as hereinafter defined), the City Council of the City of North Augusta (the "**City Council**"), the governing body of the City of North Augusta, South Carolina (the "**City**"), finds that the facts set forth in this Article exist and the statements made with respect thereto are in all respects true and correct.

1. The City is an incorporated municipality of the State of South Carolina (the "**State**"), located in Aiken County, South Carolina (the "**County**"), and as such possesses all general powers granted to municipalities by the Constitution and laws of the State.

2. By virtue of Chapter 21, Title 5 and the provisions of Section 11-27-40 of the Code of Laws of South Carolina 1976, as amended (together, the "**Enabling Act**"), the City is empowered to issue general obligation bonds for any corporate and public purpose.

3. The City Council, after due investigation and deliberation, has determined that it is necessary to issue general obligation debt in an amount not exceeding \$10,250,000 of the City (the "**Bond**") to defray (i) the costs incurred in connection with all or a portion of the designing, developing, and constructing of a new Department of Public Safety headquarters and related fire apparatus (the "**Project**"); and (2) issuance costs thereof. It is presently estimated that the costs of the portion of the Project to be financed from the proceeds of the Bond, together with the costs of issuance of the Bond, will not be in excess of \$10,250,000.

4. The Project constitutes a corporate and public purpose within the meaning of the Enabling Act.

5. Section 14 of Article X of the Constitution of the State of South Carolina ("**Section 14 of Article X**") provides that subsequent to November 30, 1977, the municipalities of the State may issue bonded indebtedness in an amount not exceeding 8% of the assessed value of all taxable property therein (the "**Debt Limit**"), unless approved at referendum. Bonded indebtedness approved at referendum may be incurred without regard to the City's Debt Limit. The City intends to condition the issuance of the Bond upon the approval of the electors of the City at a referendum to be held November 6, 2018 (the "**Bond Referendum**"), and accordingly the principal amount of the Bond will not count against the Debt Limit if and when issued.

6. On the same date as the Bond Referendum, the County intends to hold a referendum on the reimposition of a capital project sales tax (the "**CPST Referendum**") pursuant to Title 4, Chapter 10, Article 3 of the Code of Laws of South Carolina 1976, as amended (the "**Capital Project Sales Tax Act**"). The Project is one of the capital projects included by the commission created pursuant to the Capital Project Sales Tax Act on the ballot to be considered

at the CPST Referendum. Should the CPST Referendum result favorably to the reimposition of the 1% capital project sales tax within the County, the City would anticipate receiving \$11,500,000 to defray the costs of the Project over the course of 7 years.

7. The City finds that the prudent stewardship of the City's limited financial resources, historically low interest rates for municipal bonds, construction cost escalation, and the health, safety and welfare of its residents strongly suggest that the Project should be financed as expeditiously as possible through the issuance of the Bond.

8. Section 4-10-310 of the Capital Project Sales Tax Act provides that "the revenues collected pursuant to this article may be used to defray debt service on bonds issued to pay for projects authorized in this article."

9. The City Council has determined to issue general obligation debt of the City in an amount not to exceed \$10,250,000 to finance certain costs of the Project as described above and the costs of issuance thereof, provided that such authorization shall be conditioned on both a favorable Bond Referendum and a favorable CPST Referendum as evidenced by the declaration of the result of the County Council of Aiken County, South Carolina pursuant to Section 4-10-330(F) of the Capital Project Sales Tax Act.

[End of Article I]

ARTICLE II

DEFINITIONS AND AUTHORITY

Section 2.01 Definitions

As used in this Ordinance, unless the context shall otherwise require, the following terms shall have the following respective meanings:

“*Authorized Investments*” means any securities which are now or hereafter authorized legal investments for municipalities pursuant to the South Carolina Code.

“*Authorized Officer*” means the Mayor, City Administrator, or the Finance Director and any other officer or employee 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.

“*BAN Act*” means Title 11, Chapter 17 of the South Carolina Code.

“*Bond*” or “*Bonds*” means any of the Bonds of the City, not exceeding \$10,250,000 in aggregate principal amount, issued in one or more Series in accordance with the provisions of this Ordinance.

“*Bondholder*” or “*Holder*” or “*Holder of Bond*” or “*Owner*” or similar term means, when used with respect to the Bond means any person who shall be registered as the owner of the Bond Outstanding as shown on the registration books of the City maintained by the Registrar.

“*Bond Payment*” means the periodic payments of principal of, interest on and redemption premium, if any, on the Bond.

“*Bond Payment Date*” means each date on which a Bond Payment shall be payable.

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

“*City Administrator*” means the City Administrator of the City and includes any interim City Administrator or other official acting in such capacity.

“*City Council*” means the City Council of the City of North Augusta, the governing body of the City or any successor governing body.

“*Clerk*” means the City Clerk of the City.

“*Code*” means the Internal Revenue Code of 1986, as amended.

“*Enabling Act*” means Title 5, Chapter 21 and the provisions of Section 11-27-40 of the South Carolina Code.

“Fiduciary” means a third party institution, which shall be any bank, trust company, or national banking association which is authorized to provide corporate trust services.

“Finance Director” means the finance director of the City and includes any interim City Finance Director or other official acting in such capacity.

“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.

“Mayor” means the Mayor of the City, or in his absence the Mayor Pro Tempore.

“Ordinance” shall mean this ordinance of the City Council authorizing the issuance of the Bond.

“Original Issue Date” shall mean the date of delivery of the Bond to the initial purchaser thereof.

“Outstanding”, when used in this Ordinance with respect to the Bond, means as of any date, the Bond theretofore delivered pursuant to this Ordinance except:

- (a) the Bond if cancelled or delivered to the Registrar for cancellation on or before such date;
- (b) the Bond if deemed to have been paid in accordance with the provisions of Section 7.01 hereof; and
- (c) the Bond if in lieu of or in exchange for which another Bond shall have been authenticated and delivered pursuant to Section 3.05 hereof.

“Paying Agent” means any bank, trust company or national banking association which is authorized to pay the principal installments of or interest on any Bond and has 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 entity named as Paying Agent may also act as Registrar. Notwithstanding the above definition of Paying Agent, if the Bond is delivered in physical form, the Paying Agent may be the City.

“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.

“Record Date” means either (1) the 15th day of the month in the month immediately preceding each Bond Payment Date for Bond Payment Date falling on the 1st day of a month or (2) the 1st day of the month for Bond Payment Dates falling on the 15th day of such month.

“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 holder of the Bond and shall effect the exchange and transfer of the Bond 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. Notwithstanding the above definition of Registrar, if the Bond is delivered in physical form, the Registrar may be the City, acting through the Clerk.

“*Securities Depository*” shall mean The Depository Trust Company, New York, New York, or another 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. Cede & Co. shall serve as the initial Securities Depository Nominee hereunder.

“*Series*” means an issuance of Bonds authenticated and delivered on original issuance in a simultaneous transaction, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds.

“*South Carolina Code*” means the Code of Laws of South Carolina 1976, as amended.

Section 2.02 Construction

In this Ordinance, unless the context otherwise requires:

1. Articles and Sections referred to by number shall mean the corresponding Articles and Sections of this Ordinance.
2. 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.
3. 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.
4. 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.

[End of Article II]

ARTICLE III
ISSUANCE OF BOND

Section 3.01 Ordering the Issuance of the Bond

Subject to the conditions set forth in this Ordinance, 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 by the City a general obligation bond in the principal amount of not exceeding Ten Million Two Hundred Fifty Thousand Dollars (\$10,250,000) designated “General Obligation Bond, Series 2018 of the City of North Augusta, South Carolina” (the “*Bond*” or “*Bonds*”) or such other designation as determined appropriate by an Authorized Officer. The Bonds shall bear a Series designation as determined by an Authorized Officer, but in all cases shall include the calendar year of the issuance thereof. An Authorized Officer is hereby authorized to determine the principal amount of the Bond and other items related to the sale and marketability of the Bond. As determined by an Authorized Officer, the Bond may be sold in multiple Series bearing any such designation as appropriate.

Section 3.02 Maturity Schedule of the Bond

The Bond shall be dated as of the date of its delivery and shall bear interest from its dated date. The principal amount, term, rate of interest (not to exceed 6%) and payment details of the Bond shall be determined by an Authorized Officer, provided, however, that in no event shall the principal amount of the Bond exceed \$10,250,000. Bond Payments on the Bond shall be scheduled to occur no less frequently than annually, and may be scheduled more frequently if so determined by an Authorized Officer.

The Bond shall be dated and authenticated as of the Original Issue Date, unless an Authorized Officer and purchaser of the Bond agree otherwise.

Section 3.03 Medium of Payment; Form and Denomination of the Bond; Place of Payment

(a) The Bond shall be payable as to principal and interest on the basis of a 360-day year, consisting of twelve (12) thirty (30) day months each, 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) As determined by an Authorized Officer, the Bond shall be issued either (i) in the form of one (1) fully registered bond in the name of the purchaser, or (ii) under a book-entry-only system, registered in the name of Cede & Co. as the registered owner and nominee of The Depository Trust Company, New York, New York (“*DTC*”), which in such instance will act as Securities Depository.

If the Bond is issued in book-entry form, the Bond Payments 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 as the registered owner thereof on each Record Date on the registration books of the Registrar (the “*Registry Books*”), which Registry Books shall be held by the Registrar, by check or draft mailed to such registered owner at its

address as it appears on such Registry 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.

If the Bond is issued in the form of one (1) fully registered bond in the name of the purchaser, then the City shall serve as Paying Agent for the Bond, and the Bond Payments 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 City as Registrar, as provided in Section 3.06 hereof, as the registered owner thereof, by check or draft mailed from the City to such registered owner at his or her address as it appears on such registration books in sufficient time to reach such registered owner on the Bond Payment Dates. Payment of the final Bond Payment shall be made when the same is due and payable upon the presentation and surrender for cancellation of the Bond at the administrative office of the City, or upon such other condition or indicia of satisfaction as may be mutually agreed-upon by the City and the purchaser of the Bond.

Section 3.04 Execution

The Bond shall be executed in the name of and on behalf of the City by the manual or facsimile signature of an Authorized Officer, with its corporate seal impressed, imprinted or otherwise reproduced thereon, and attested by the manual signature of its Clerk or other Authorized Officer (other than the officer or officers executing the Bond). The Bond may bear the manual signature of any person who shall have been such an Authorized Officer authorized to sign the Bond at the time such Bond was so executed, and shall bind the City notwithstanding the fact that his or her authorization may have ceased prior to the authentication and delivery of the Bond.

Section 3.05 Exchange of the Bond

The Bond, 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 or her duly authorized attorney, may, at the option of the registered Holder thereof, be exchanged for a new Bond of the same interest rate and maturity. So long as the Bond remains Outstanding, the City shall make all necessary provisions to permit the exchange of the Bond. Such new bond shall reflect the principal amount thereof as then yet unpaid.

Section 3.06 Transferability and Registry

The Bond shall at all times, when the same is Outstanding, be payable to a Person, and shall be transferable only in accordance with the provisions for registration and transfer contained in this Ordinance and in the Bond. So long as the Bond remains Outstanding, the Registrar shall maintain and keep, at its offices, books for the registration and transfer of the Bond, and, upon presentation thereof for such purpose at such office, the Registrar shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it may prescribe, such Bond.

Section 3.07 Transfer of the Bond

The Bond shall be transferable only upon the Registry Books, upon presentation and surrender thereof by the Holder of the Bond in person or by his or her attorney duly authorized in writing, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered Holder or his or her duly authorized attorney. Upon surrender for transfer of the Bond, the City shall execute, authenticate and deliver, in the name of the Person who is the transferee, a new Bond of the same principal amount and maturity and rate of interest as the surrendered Bond. Such new Bond shall reflect the principal amount thereof as then yet unpaid.

Section 3.08 Regulations with Respect to Exchanges and Transfers

The Bond surrendered in any exchange or transfer shall forthwith be cancelled by the Registrar. For each such exchange or transfer of the Bond, the Registrar may make a charge sufficient to reimburse itself 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 issue, exchange or transfer the Bond during the 15 days next preceding any (a) Bond Payment Date, or (b) date upon which the Bond will be redeemed, if any.

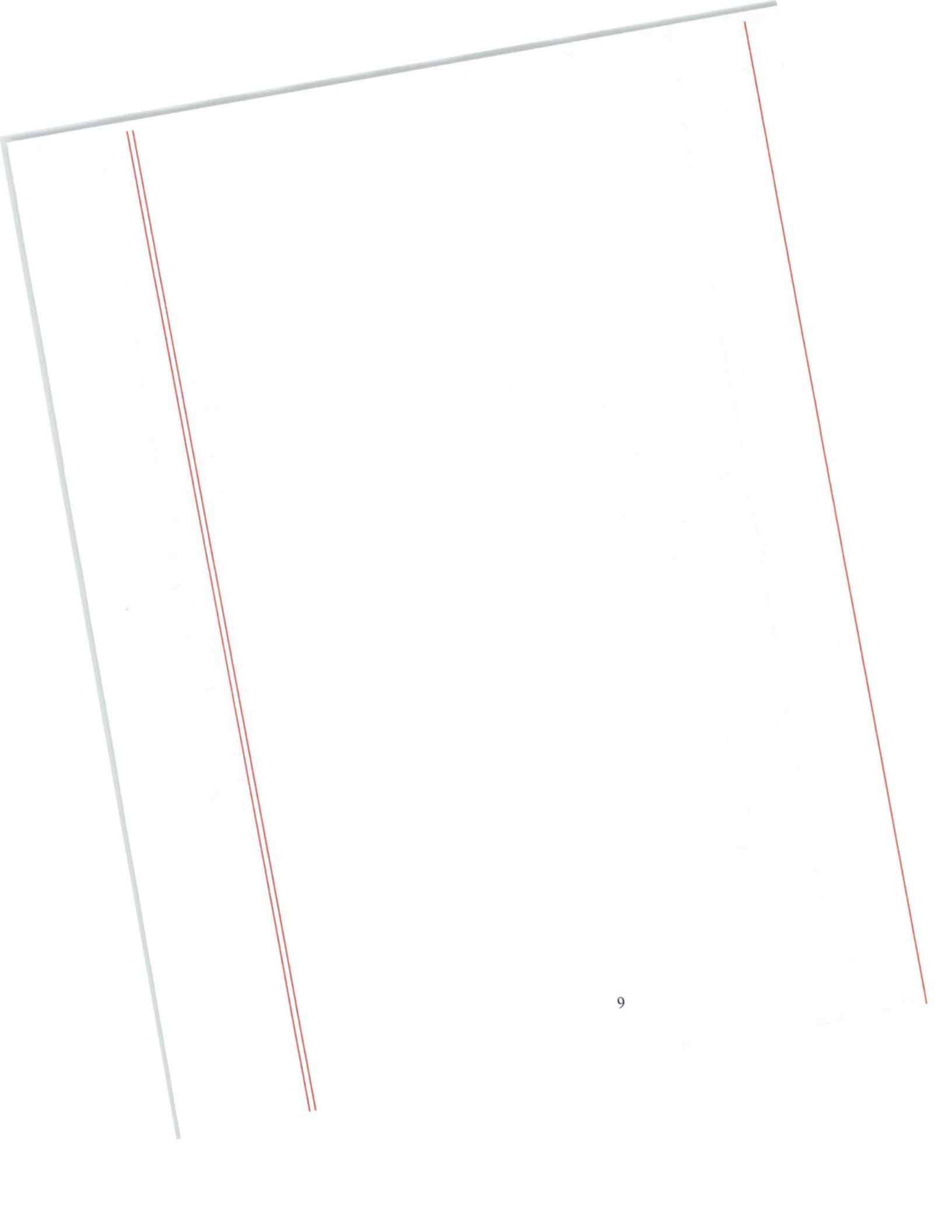
Section 3.09 Mutilated, Destroyed, Lost and Stolen Bond

(a) If the Holder surrenders a mutilated Bond to the Registrar or the Registrar receives evidence to its satisfaction of the destruction, loss, or theft of the Bond, and there is delivered to the Registrar such security or indemnity as may be required by it to save it harmless, then, in the absence of notice that the Bond has been acquired by a bona fide purchaser, the City shall execute and deliver, in exchange for the mutilated Bond or in lieu of any such destroyed, lost, or stolen Bond, a new Bond of like tenor, maturity, and interest rate bearing a number unlike that of such mutilated, destroyed, lost, or stolen Bond, and shall thereupon cancel any such mutilated Bond so surrendered. In case any such mutilated, destroyed, lost, or stolen Bond has become or is to become due for final payment within one month, the City in its discretion may, instead of issuing a new Bond, pay the Bond.

(b) Upon the issuance of any new Bond under this Section 3.09, 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 the Bond duly issued pursuant to this Ordinance.

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



Section 3.10 Holder As Owner of the Bond

The City and the Registrar may deem and treat the Holder of the Bond as the absolute owner thereof, whether the Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the Bond Payment on the Bond and for all other purposes, and payment of the Bond Payment 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 the Bond to the extent of the sum or sums so paid, and the City shall not be affected by any notice to the contrary.

Section 3.11 Cancellation of the Bond

The Registrar shall destroy the Bond when the same shall be surrendered to it for cancellation. In such event, the Bond shall no longer be deemed Outstanding under this Ordinance and no bond shall be issued in lieu thereof.

Section 3.12 Payments Due Saturdays, Sundays and Holidays

In any case where the Bond Payment Date shall be 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 the Bond Payment 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 3.13 Tax Exemption in South Carolina

The interest on the Bond shall be exempt from all State, county, municipal, school district, and all other taxes or assessments of the State, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate, transfer or certain franchise taxes.

Section 3.14 Security; Order to Levy Ad Valorem Taxes to Pay Principal and Interest of the Bond

For Bond Payments on the Bond as the same become due and for the creation of such sinking fund as may be necessary therefor, the full faith, credit, and taxing power of the City are hereby irrevocably pledged, and there shall be levied an ad valorem tax upon all taxable property located within the City sufficient to pay the Bond Payments until the Bond is no longer Outstanding. Such levy shall be reduced to the extent that, at the time the amount of annual millage levy for the debt service is set, the City has available other amounts for the payment of amounts due on the succeeding Bond Payment Date and has deposited the same into the sinking fund established for the payment of the Bond Payment.

Section 3.15 Form of the Bond

The form of the Bond 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. To the

extent the Bond is sold in the public markets, the form of the Bond shall be revised accordingly to include provisions and language unique to a public market bond issuance.

Section 3.16 Book-Entry-Only System

(a) Notwithstanding anything to the contrary herein, so long as the Bond is being held under a book-entry system of a securities depository, transfers of beneficial ownership of the Bond will be effected pursuant to rules and procedures established by such securities depository. If held under a book-entry system, the initial securities depository for the Bond will be DTC. DTC and any-successor securities depositories are hereinafter referred to as the "Securities Depository" and "Securities Depository Nominees" respectively.

(b) As long as a book-entry system is in effect for the Bond, the Securities Depository Nominee will be recognized as the Holder of the Bond for the purposes of: (i) paying the principal installments, interest, and redemption price, if any, on such Bond, (ii) selecting the portions of such Bond to be redeemed, if the Bond is to be redeemed in part, (iii) giving any notice permitted or required to be given to Bondholders under this Ordinance, (iv) registering the transfer of the Bond, and (v) requesting any consent or other action to be taken by the Holder of such Bond, 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 Bond which is 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 Bond.

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

(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 Bond, or that the interests of the beneficial owner of the Bond 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 shall authenticate, register and deliver physical certificates for the Bond in exchange for the Bond registered in the name of the Securities Depository Nominee.

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

(g) In connection with any notice or other communication to be provided to the Holder of the Bond by the City or by the Registrar with respect to any consent or other action to be taken by the Holder of the Bond, the County or the Registrar, 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 Bond and the delivery of the same to the purchaser thereof through the facilities of DTC, the Registrar may maintain custody of Bond certificates on behalf of DTC in accordance with DTC's "FAST" closing procedures.

Section 3.17 Bond Referendum

There is hereby ordered the Bond Referendum in the City on November 6, 2018, on the question of the issuance of the Bond to defray the costs of the Project and the costs of issuance thereof, conditioned on the favorable CPST Referendum as described herein and subject to the exact wording of the ballot (the "*Question*"). The Question shall be submitted to all persons residing in the City and qualified to vote under the Constitution and laws of the State of South Carolina.

(a) *Voting, Polling Places, and Hours of Election.* The Bond Referendum shall be conducted by the Board of Voter Registration and Elections of Aiken County (the "*Election Commission*"). The polls shall be opened at 7:00 a.m. and closed at 7:00 p.m. on the date of the Bond Referendum and shall be held during said hours without intermission or adjournment. The voting precincts and polling places for each of such precincts shall be such precincts and polling places as established by law wholly or partially within the City.

(b) *Ballot Question.* The Election Commission is requested to conduct the Bond Referendum in accordance with State law. Upon approval by the Election Commission, the form of ballot to be used in the Bond Referendum and the instructions to voters appearing thereon shall be in substantially the form set forth at Exhibit C, with such other changes as may be deemed necessary by an Authorized Officer upon consultation with the Director of the Election Commission.

(c) *Voter Qualification.* Every person offering to vote must be at least 18 years of age on the date of the Bond Referendum, must reside in the City and must be duly registered on the books of registration for the County as an elector in the precinct in which he or she resides and offers to vote on or before the date on which said books of registration are closed for the Bond Referendum, and must present either a South Carolina driver's license, another form of identification containing a photograph issued by the Department of Motor Vehicles, a passport, a military identification card containing a photograph issued by the federal government, or a South Carolina voter registration card containing a photograph of the voter pursuant to Section 7-5-675 of the South Carolina Code. If a voter cannot produce any type of the aforementioned identification at his designated precinct, the voter may cast a provisional ballot that is counted only if the voter brings a valid and current photograph identification to the Board of Voter Registration and Elections of Aiken County before the results of the election are certified. Any registered elector who meets the requirements set forth in the preceding sentences and who has moved his or her place of residence within the County after the date on which said books of registration are closed for the Bond Referendum, but before the date of the Bond Referendum, shall be entitled to vote in his or her previous precinct of residence in the Bond Referendum. Absentee ballots for the Bond Referendum shall be available at the County voter registration office. The books of registration shall be closed thirty (30) days prior to the Bond Referendum.

(d) *Notice of Bond Referendum.* A notice of the Bond Referendum (the “*Notice*”), substantially in the form set forth at Exhibit D, shall be published in compliance with the provisions of the Enabling Act and Sections 7-13-35 and 5-21-290 of the South Carolina Code. The Authorized Officers shall be authorized to make such modifications or changes to the Notice as they shall deem necessary and the published version thereof shall constitute conclusive evidence of the approval of the Notice by the City Council.

The Election Commission is authorized to change any of the locations of polling places for the Bond Referendum in accordance with State law as deemed necessary or advisable. In the event of such change, appropriate changes are to be made to the Notice.

[End of Article III]

ARTICLE IV
REDEMPTION OF BOND

Section 4.01 Redemption of the Bond

The Bond shall be subject to redemption prior to maturity upon such terms as may be agreed to by an Authorized Officer and the purchaser of the Bond as memorialized on the face of the Bond.

Section 4.02 Election to Redeem

In the event that the City shall, in accordance with the provisions of Section 4.01 hereof, elect to redeem the Bond, it shall give notice to the Registrar and the Paying Agent of each optional redemption. Such notice shall specify the date fixed for redemption and the Bond which is to be redeemed. Such notice shall be given at least 30 days prior to the date fixed for redemption or such lesser number of days as shall be acceptable to the Registrar.

[End of Article IV]

ARTICLE V

SALE OF BOND

Section 5.01 Sale and Award of Bond

The Bond 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 Authorized Officers. Unless all bids are rejected, the award of the Bond may be made by the Authorized Officers to the bidder offering the most advantageous terms to the City, with the basis of such award to be set forth in the official notice of sale used in connection with the sale of the Bond (the "*Official Notice of Sale*"). In lieu of publishing the Official Notice of Sale in its entirety to notice the sale, an Authorized Officer 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 5.02 Manner of Public Sale

Not less than 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 an Authorized Officer, in a financial publication published in the City of New York, New York, any Series of the Bond may be sold pursuant to either of the following methods as determined by an Authorized Officer:

- (a) *Competitive Direct Placement.* The Bond may be sold to an institution or institutions as a means of making a commercial loan. In such case, the City Council authorizes the Authorized Officers to distribute the Official Notice of Sale to prospective purchasers of the Bond and award the Bond on the basis of the terms and conditions contained therein. The Bond shall be issued as a single Bond, without CUSIP identification. The purchaser of the Bond shall execute an investor letter to the City acknowledging its purchase of the Bond 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 City Council hereby authorizes the Authorized Officers 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 Bond. The City Council authorizes the Authorized Officers to designate the Preliminary Official Statement as "final" for purposes of Rule 15c2-12 of the United States Securities and Exchange Commission. The Authorized Officers are further authorized to see to the completion of the final form of the Official Statement upon the sale of the Bond so that it may be provided to the purchaser.

Section 5.03 Authorization to Negotiate Sale in Certain Circumstances

The Authorized Officers may negotiate the sale of the Bond directly with a purchaser in either of the following circumstances:

- (a) In the event no bids are received or in the event all bids are rejected in accordance with Section 11-27-40(9)(c) of the South Carolina Code.
- (b) Should the Bond be sold as a Series in an amount not exceeding \$1,500,000 and mature not later than 10 years from its date of issuance, the sale of such Series of Bonds may be negotiated at private sale at an interest rate to be agreed to by an Authorized Officer and the purchaser of the Bond. In negotiating the sale of the Bond, an Authorized Officer is authorized to solicit bids from qualified lenders for the purchase of the Bond and the award of any such solicitation shall be made under the same standards as provided in Section 5.01(a) above. If the Bond is sold under the provisions of this section, notice of the sale of the Bond meeting the requirements of 11-27-40(4) of the South Carolina Code shall be given not less than seven (7) days prior to delivery of the Bond.

[End of Article V]

ARTICLE VI

DISPOSITION OF PROCEEDS OF SALE OF BOND

Section 6.01 Disposition of Bond Proceeds Including Temporary Investments

The proceeds derived from the sale of the Bond shall be paid to the City, to be applied as follows:

- (a) to pay the principal of and interest on any then Outstanding BAN issued pursuant to this Ordinance when it is redeemed or otherwise matures,
- (b) any net premium shall be placed in the sinking fund and any accrued interest shall be used to pay the first interest to become due on the Bond, and
- (c) the remaining amount shall be deposited in a separate account, and shall be expended and made use of by the City Council to defray the costs of the Project described in Section 1.01 hereof, and to pay the costs of issuance of any Bond.

Pending the use of Bond proceeds, the same shall be invested and reinvested by the City in Authorized Investments. All earnings from such investments shall be applied, at the direction of an Authorized Officer, either (1) to defray the cost of the undertakings for which the Bond is issued and if not required for this purpose, then (2) to pay the next Bond Payment then falling due on the Bond; if any balance remains, it shall be held by the City in a special fund, invested by an Authorized Officer in Government Obligations and other Authorized Investments, with a yield not in excess of the yield on such Bond and used to effect the retirement thereof.

Neither the purchaser nor Holder of the Bond shall be liable for the proper application of the proceeds thereof.

[End of Article VI]

ARTICLE VII

DEFEASANCE OF BOND

Section 7.01 Discharge of Ordinance - Where and How the Bond is Deemed to Have Been Paid and Defeased

If the Bond and the 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 Bond shall be deemed to have been paid and discharged within the meaning of this Article under each of the following circumstances:

(a) a Fiduciary shall hold, in trust and irrevocably appropriated thereto, sufficient moneys for the payment of all Bond Payments due thereunder; or

(b) if default in the payment of the Bond Payment due shall have occurred on any Bond Payment Date, and thereafter tender of such payment shall have been made, and at such time a designated Fiduciary shall hold in trust and irrevocably appropriated thereto, sufficient moneys for the payment thereof to the date of the tender of such payment; or

(c) if the City shall elect to provide for the payment of the Bond prior to its stated maturity and shall have deposited with a Fiduciary, in an irrevocable trust, moneys which shall be sufficient, or Government Obligations, the principal of and interest on which when due will provide moneys, which together with moneys, if any, deposited with such Fiduciary at the same time, shall be sufficient to pay when due the Bond Payment due and to become due, together with any redemption premium applicable thereto.

Neither the Government Obligations nor moneys deposited with any Fiduciary pursuant to this Section nor the Bond Payments thereon shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the Bond Payments and redemption premium, if any, on the Bond; provided that any cash received from such principal or interest payments on Government Obligations deposited with the Fiduciary, if not then needed for such purpose, shall to the extent practicable be invested and reinvested in Government Obligations maturing at times and in amounts sufficient to pay when due the Bond Payments and redemption premium, if any, to become due on the Bond on and prior to the Bond Payment Dates thereof, and interest earned from such reinvestments not required for the payment of the Bond Payments and redemption premium, if any, may be paid over to the City, free and clear of any trust, lien or pledge.

[End of Article VII]

ARTICLE VIII

CERTAIN TAX AND DISCLOSURE MATTERS

Section 8.01 Covenants to Comply with Requirements of the Code

The City acknowledges that it has on-going responsibilities with respect to the Code and the preservation of the tax-exempt status of the Bond. The City hereby represents and covenants that it will comply with all relevant requirements of the Code, and that it will not take any action which will, or fail to take any action (including, without limitation, filing the required information reports with the Internal Revenue Service) which failure will, cause interest on the Bond to become includable in the gross income of the Holder thereof for federal income tax purposes pursuant to the provisions of the Code and regulations promulgated thereunder in effect on the date of original issuance of the Bond. Without limiting the generality of the foregoing, the City represents and covenants that:

(a) All property financed or refinanced with the net proceeds of the Bond will be owned for federal income tax purposes by the City throughout the entire term of the Bond and until the Bond is paid in full.

(b) The City shall not permit the proceeds of the Bond or any property financed or refinanced with the proceeds of the Bond to be used such that (i) ten percent (10%) or more of such proceeds are considered as having been used in a private business use; or (ii) an amount greater than the lesser of five percent (5%) of such proceeds or \$5,000,000 are considered as having been used directly or indirectly to make or finance loans to any person other than a governmental unit as provided in Section 141(c) of the Code.

(c) The City is not a party to, will not enter into, or permit any other party to enter into, any contracts with any entity involving the management of any property provided with the proceeds of the Bond that do not conform to (i) the guidelines set forth in Revenue Procedure 2017-13, or a successor revenue procedure, or (ii) the Code.

(d) No property, nor any portion thereof, financed or refinanced with the proceeds of the Bond will be (i) sold, leased, or otherwise disposed of to (or for the benefit of) any private person engaged in a private trade or business, or, (ii) managed, serviced, or otherwise used (directly or indirectly) by (or on behalf of) any private person engaged in a private trade or business, unless the City obtains an opinion of nationally recognized bond counsel that such sale, lease, other disposition to (or on behalf of) such private person, or such use in a private trade or business, will not adversely affect the tax-exempt status of interest on the Bond for federal income tax purposes.

(e) The Bond will not be "federally guaranteed" within the meaning of Section 149(b) of the Code. No property, nor any portion thereof, financed or refinanced with the proceeds of the Bond will be (i) sold, leased, or otherwise disposed of to (or for the benefit of) the federal government or any of its agencies, or (ii)

managed, serviced or otherwise used (directly or indirectly) by (or on behalf of) the federal government or any of its agencies, unless the City obtains an opinion of nationally recognized bond counsel that such sale, lease, other disposition to, or such use by (or on behalf of), the federal government or any of its agencies will not adversely affect the tax-exempt status of interest on the Bond for federal income tax purposes.

(f) The City covenants to file IRS form 8038-G at the time and in the place required therefor under the Code.

(g) Prior to the issuance of the Bond, an Authorized Officer may designate the Bond or bonds as taxable under the Code. The election to issue a series of taxable bonds shall be clearly indicated by including the phrase "Taxable Series," or words to that effect, in the series designation of such taxable bonds.

Section 8.02 Ability to Meet Arbitrage Requirements

(a) The City hereby covenants that: (i) on the date of issuance of the Bond, it will reasonably expect that no use of the proceeds of the Bond, (ii) after the issuance date of the Bond, it will make no use of the proceeds of the Bond, that would cause the Bond to be an "arbitrage bond," as defined in the Code, and (iii) it will comply with all of the requirements of Section 148 of the Code with respect to the Bond.

(b) In order to comply with the requirements of paragraph (a) of this Section, the City further agrees to compute and pay arbitrage rebate required under Section 148(f) of the Code.

(c) Supplemental to the covenants of Section 8.01 hereof, and in no way in limitation thereof, an Authorized Officer is hereby authorized and directed to execute, at or prior to delivery of the Bonds, a certificate or certificates specifying actions taken or to be taken by the City, and the reasonable expectations of such officials, with respect to the Bond, the proceeds thereof, or the City.

Section 8.03 Continuing Disclosure

The City hereby covenants and agrees that it will comply with and carry out (i) to the extent the Bond is sold in the public markets, all of the provisions of a continuing disclosure certificate, executed by an Authorized Officer and dated the date of delivery of the Bond, which will meet the requirements of Rule 15c2-12 promulgated by the United States Securities and Exchange Commission, and (ii) all of the provisions of Section 11-1-85 of the South Carolina Code, which requires, among other things, that the City file with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) system, a copy of its annual independent audit within 30 days of its receipt and acceptance and, when requested, event-specific information, within 30 days of an event adversely affecting more than 5% of its revenues or 5% of its tax base.

Section 8.04 Qualified Tax-Exempt Obligation

The City expects to issue no other tax-exempt obligation in calendar year 2018 in addition to the Bond. Accordingly, in the event that a Series of the Bond is issued in a principal amount of \$10,000,000 or less in 2018, the Bond may be designated by an Authorized Officer as a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3)(B) of the Code. An Authorized Officer is further authorized to make a such representation and designation in future years as appropriate, taking into account the tax-exempt obligation issuance plans of the City during such year.

[End of Article VIII]

ARTICLE IX

BORROWING IN ANTICIPATION OF BONDS

Section 9.01 Generally

Pursuant to the BAN Act, there may be issued from time to time, at the discretion of an Authorized Officer, bond anticipation notes ("**BANs**") in aggregate principal amount not exceeding \$10,250,000 in anticipation of the issuance of the Bond. If BANs are issued and if, upon the maturity thereof an Authorized Officer should determine that it would be in the best interest of the City to renew or refund the BANs, they are authorized to renew or refund the BANs from time to time until an Authorized Officer determines to issue the Bond, and the Bond is issued.

Without limiting the generality or specifics of any other provision in this Ordinance, the term "Bond" as used in Articles VI, VII, VIII, and X shall include BANs.

Section 9.02 Terms of BANs

The BANs shall be dated and bear interest from its date of issuance or from such other date or dates as may be agreed to by the City and the purchaser thereof, payable upon the stated maturity thereof and shall mature on such dates as determined by an Authorized Officer, provided that no BAN shall mature on a date which is later than one year following the issuance thereof. Interest on the BANs shall be calculated on the basis of a 360-day year of twelve 30-day months. The BANs shall be payable, both as to principal and interest, in legal tender upon maturity, at the principal office of the Paying Agent. The BAN may be issued as a draw-down obligation with interest beginning to accrue thereunder as amounts are advanced from the purchaser. The BANs may be issued in denominations of \$1,000 and integral multiples thereof. The BANs shall be executed and sealed in the name and on behalf of the City in the same manner as the Bond. BANs bearing the manual or facsimile signature of any Person who shall have been such an Authorized Officer at the time such BANs were so executed shall bind the City notwithstanding the fact that he may have ceased to be such Authorized Officer prior to the authentication and delivery of such BANs or was not such Authorized Officer at the date of the authentication and delivery of the BANs.

Section 9.03 Paying Agent and Registrar for BANs; Place and Time of Payment

The City shall serve as Paying Agent for the BAN, and the payments 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 City as Registrar, as provided in Section 3.06 hereof, as the registered owner thereof, by check or draft mailed from the City to such registered owner at his or her address as it appears on such registration books in sufficient time to reach such registered owner on the payment dates. Payment of the final payment on the BAN shall be made when the same is due and payable upon the presentation and surrender for cancellation of the BAN at the administrative office of the City, or upon such other condition or indicia of satisfaction as may be mutually agreed-upon by the City and the purchaser of the BAN.

Section 9.04 Sale of BANs

The BANs may be sold at public or private sale. Bids therefor shall be received until such time and date to be selected by an Authorized Officer. Notice of sale of the BANs shall be given in a manner determined by an Authorized Officer. Upon receipt of bids for the BANs, an Authorized Officer shall, and is hereby authorized to, award the BANs to the bidder offering the lowest interest cost therefor, the method of calculation of which shall be set forth in the notice of sale and determined at an Authorized Officer's discretion, without further action on the part of the Authority if an Authorized Officer shall determine that it is in the interest of the City to make such award.

Section 9.05 Form and Execution of BANs

The BANs shall be issued in physical form registered the name of the Holder with such terms and conditions, not inconsistent with this Ordinance, as shall be determined by an Authorized Officer. No BAN 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 BAN a certificate of authentication duly executed by the manual signature of the Registrar and such certificate of authentication upon any BAN executed on behalf of the City shall be conclusive evidence that the BAN 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. The form of the BAN is attached as Exhibit B and shall be substantially similar, with such amendments as may be authorized by an Authorized Officer.

Section 9.06 Exchange and Transfer of BANs

Conditions as to ownership, exchange, transfer, replacement and payment of BANs shall be as provided for Bonds herein, except as expressly provided in this Ordinance to the contrary.

Section 9.07 Optional Redemption of BANs

The BANs may, at the discretion of an Authorized Officer, be subject to redemption prior to their stated maturity, on such terms and conditions as an Authorized Officer may prescribe, except that the maximum premium to be paid for prior redemption shall not exceed one half of one per centum (1/2%).

Section 9.08 Security for BANs

For the payment of the principal of and interest on the BANs as the same shall fall due, the full faith, credit, and taxing power of the City shall be pledged. In addition thereto, so much of the principal proceeds of the Bond 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 Bond 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. Pursuant to Section 11-17-30 of the South Carolina Code, nothing shall prevent the City in its discretion from appropriating other legally available funds to the payment of the principal of and interest on the BAN, consistent with the foregoing.

Section 9.09 Application of BAN Proceeds

Proceeds from the sale of the BANs shall be applied in the manner as provided by Section 6.01 herein for Bonds.

Section 9.10 Tax Exemption for BANs

Both the principal of and interest on the BANs shall be exempt from all State, county, municipal, school district, and all other taxes or assessments imposed within the State, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except estate or other transfer taxes, and certain fees or franchise taxes.

[End of Article IX]

ARTICLE X

MISCELLANEOUS

Section 10.01 Savings Clause

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 10.02 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 10.03 Ordinance to Constitute Contract

In consideration of the purchase and acceptance of the Bond 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 Bond, 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 benefit, protection, and security of the Holders of the Bond.

Section 10.04 Filing of Copies of Ordinance

Copies of this Ordinance shall be filed in the offices of the Clerk of the City and in the office of the Clerk of Court of Aiken County, South Carolina (as a part of the Record of Proceedings for the Bond).

Section 10.05 Further Action by Officers of City

The Authorized Officers and the Clerk 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. In the absence of any officer of the City Council herein authorized to take any act or make any decision, the City Administrator is hereby authorized to take any such act or make any such decision.

Section 10.06 Effective Date of Ordinance

This Ordinance shall take effect upon its third reading.

[End of Article X]

**DONE, RATIFIED AND ADOPTED BY THE MAYOR AND CITY COUNCIL
OF THE CITY OF NORTH AUGUSTA, SOUTH CAROLINA ON THIS ____ DAY OF
_____ 2018.**

(SEAL)

Robert A. Pettit, Mayor

ATTEST:

Donna B. Young, City Clerk

First Reading:
Second Reading:
Public Hearing:
Third Reading:

FORM OF BOND

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
CITY OF NORTH AUGUSTA
GENERAL OBLIGATION BOND
SERIES 2018

No. R-1

\$[_____]

Registered Holder:

Principal Amount: _____ Dollars (\$ _____)

THE CITY OF NORTH AUGUSTA, SOUTH CAROLINA (the "*City*"), a public body corporate and politic and a political subdivision of the State of South Carolina (the "*State*"), created and existing by virtue of the laws of the State, 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 stated above.

This Bond is issued in the principal amount of _____ Dollars (\$ _____) for purposes authorized by and pursuant to and in accordance with the Constitution and statutes of the State of South Carolina, including particularly the provisions of Sections 5-21-210 through 5-21-500 and Section 11-27-40, Code of Laws of South Carolina 1976, as amended, and an ordinance (the "*Ordinance*") duly enacted by the City Council of the City (the "*Council*") on _____, 2018.

[Insert Redemption Provisions, if any]

The principal and interest on this Bond shall be paid by way of an equal _____ amortized payment in the amount of \$ _____ (each a "*Bond Payment*") due and payable on _____ of each of the years 20__ through 20__, inclusive (the "*Bond Payment Dates*"). This Bond shall bear interest at the rate of _____% per annum, calculated on the basis of a 360-day year consisting of twelve 30-day months, from the date of this Bond and shall be paid by way of the Bond Payments to the person in whose name this Bond is registered at the close of business on the fifteenth day of the month next preceding each Bond Payment date. The Bond Payments shall be payable by check or draft mailed at the times provided herein from the City to the person in whose name this Bond is registered at the address shown on the registration books. The Bond Payments 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.

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 Clerk of Court of Aiken County, South Carolina and in the office of the Council.

For Bond Payments on the Bond as the same become due and for the creation of such sinking fund as may be necessary therefor, the full faith, credit, and taxing power of the City are hereby irrevocably pledged, and there shall be levied an ad valorem tax upon all taxable property located within the City sufficient to pay the Bond Payments until the Bond is no longer Outstanding. Such levy shall be reduced to the extent that, at the time the amount of annual millage levy for the debt service is set, the City has available other amounts for the payment of amounts due on the succeeding Bond Payment Date and has deposited the same into the sinking fund established for the payment of the Bond Payment.

This Bond and the interest hereon are exempt from all State, county, municipal, school district, 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, transfer, or certain franchise taxes.

This Bond is issued in the form of one (1) fully registered bond and is transferable, as provided in the Ordinance, only upon the registration books of the City kept for that purpose at the offices of the City by the registered Holder in person or by his or her 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 or her duly authorized attorney, and (ii) payment of the charges, if any, prescribed in the Ordinance. Thereupon a new fully registered bond of like interest rate and principal amount shall be issued to the transferee in exchange therefor as provided in the Ordinance. The City 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 the Bond Payment due hereon and for all other purposes.

For every exchange or transfer of this Bond, the City may make a charge sufficient to reimburse itself 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 acts, conditions, and things required to exist, happen, and to be performed precedent to and in the adoption of the Ordinance and in the issuance of this Bond in order to make the legal, valid, and binding general obligation of the City in accordance with its terms, do exist, have been done, have happened and have been performed in regular and due form as required by law; and that the issuance of this Bond does not exceed or violate any constitutional, statutory, or other limitation upon the amount of indebtedness prescribed by law.

IN WITNESS WHEREOF, the City has caused this Bond to be signed by the manual signature of the Mayor of the City, attested by the manual signature of the City Clerk of the City, and the seal of the City impressed hereon.

**CITY OF NORTH AUGUSTA,
SOUTH CAROLINA**

(SEAL)

Mayor

Attest:

City Clerk
City of North Augusta, South Carolina

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto
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

(Authorized Officer)

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.

FORM OF BOND ANTICIPATION NOTE

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
CITY OF NORTH AUGUSTA
GENERAL OBLIGATION
BOND ANTICIPATION NOTE
SERIES 2018

No. 1

\$[_____]

Registered Holder:

Principal Amount: _____ Dollars (\$_____)

THE CITY OF NORTH AUGUSTA, SOUTH CAROLINA (the "*City*"), a public body corporate and politic and a political subdivision of the State of South Carolina (the "*State*"), created and existing by virtue of the laws of the State, 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 stated above on _____, 2019, and to pay interest on said Principal Amount at the rate of _____ per annum (calculated on a 30-day month, 360-day year basis) payable at maturity of this Note. Both the principal of any interest on this Note are payable to the person in whose name this Note is registered at the address shown on the registration books. The Note payments 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.

This Note is issued pursuant to and in accordance with the Constitution and laws of the State of South Carolina, including, particularly, the provisions of Title 11, Chapter 17, Title 5, Chapter 21, and Section 11-27-40, of the Code of Laws of South Carolina 1976, as amended, and in accordance with an ordinance (the "*Ordinance*") duly enacted by the City Council of the City (the "*Council*") on _____, 2018.

This Note is a general obligation of the City and is issued in anticipation of and payable, both as to principal and interest, from the proceeds of the not exceeding \$10,250,000 of general obligation bonds of the City authorized by the Ordinance (the "*Bonds*"), or if said Bonds are not issued prior to the stated maturity of this Note, from the sale, issuance, and delivery of an issue of renewal or refunding general obligation bond anticipation notes; and is secured by a pledge of the full faith, credit and taxing power of the City.

[This Note is subject to redemption prior to maturity at the option of the City upon 30 days written notice at [par] plus accrued interest to the redemption date.]

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 Clerk of Court of Aiken County, South Carolina and in the office of the Council.

This Note and the interest hereon are exempt from all State, county, municipal, school district, 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, transfer, or certain franchise taxes.

For every exchange or transfer of this Note, the City may make a charge sufficient to reimburse itself 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 acts, conditions, and things required to exist, happen, and to be performed precedent to and in the enactment of the Ordinance and in the issuance of this Note in order to make the legal, valid, and binding general obligation of the City in accordance with its terms, do exist, have been done, have happened and have been performed in regular and due form as required by law; and that the issuance of this Note does not exceed or violate any constitutional, statutory, or other limitation upon the amount of indebtedness prescribed by law.

IN WITNESS WHEREOF, the City has caused this Note to be signed by the manual signature of the Mayor of the City, attested by the manual signature of the City Clerk of the City, and the seal of the City impressed hereon.

CITY OF NORTH AUGUSTA,
SOUTH CAROLINA

(SEAL)

Mayor

Attest:

City Clerk
City of North Augusta, South Carolina

(FORM OF ASSIGNMENT)

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

Dated: _____

Signature

(Authorized Officer)

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

FORM OF BALLOT

OFFICIAL BALLOT FOR REFERENDUM
\$10,250,000 GENERAL OBLIGATIONS BOND
CITY OF NORTH AUGUSTA, SOUTH CAROLINA
NOVEMBER 6, 2018

Precinct _____
No. _____

Initials of Issuing Officer

OFFICIAL BALLOT FOR REFERENDUM
\$10,250,000 GENERAL OBLIGATIONS BOND
CITY OF NORTH AUGUSTA, SOUTH CAROLINA
NOVEMBER 6, 2018

Question

Shall the City of North Augusta, South Carolina (the "City"), be authorized to issue and sell, either as a single issue or as several separate issues, general obligation bonds of the City in an aggregate principal amount of not exceeding \$10,250,000, the proceeds of which shall be applied to defray (A) the costs of designing, developing, and constructing a new Department of Public Safety headquarters and related fire apparatus; and (B) the costs of issuance of such bonds, provided that such authorization shall be conditioned on a favorable capital project sales tax referendum held on this day in Aiken County, South Carolina pursuant to Title 4, Chapter 10, Article 3 of the Code of Laws of South Carolina 1976, as amended?

Yes, in favor of the question

No, opposed to the question

If you are in favor of the question, fill in the oval before the words "Yes, in favor of the question"; if you are opposed to the question, fill in the oval before the words "No, opposed to the question."

FORM OF NOTICE OF REFERENDUM

NOTICE OF REFERENDUM
\$10,250,000 GENERAL OBLIGATIONS BOND
CITY OF NORTH AUGUSTA, SOUTH CAROLINA
NOVEMBER 6, 2018

NOTICE IS HEREBY GIVEN that a Referendum will be held in the City of North Augusta, South Carolina (the "City"), on November 6, 2018, for the purpose of submitting to all persons qualified to vote in the City pursuant to the Constitution and laws of the State of South Carolina, the following question:

Question

Shall the City of North Augusta, South Carolina (the "City"), be authorized to issue and sell, either as a single issue or as several separate issues, general obligation bonds of the City in an aggregate principal amount of not exceeding \$10,250,000, the proceeds of which shall be applied to defray (A) the costs of designing, developing, and constructing a new Department of Public Safety headquarters and related fire apparatus; and (B) the costs of issuance of such bonds, provided that such authorization shall be conditioned on a favorable capital project sales tax referendum held on this day in Aiken County, South Carolina pursuant to Title 4, Chapter 10, Article 3 of the Code of Laws of South Carolina 1976, as amended?

Yes, in favor of the question

No, opposed to the question

If you are in favor of the question, fill in the oval before the words "Yes, in favor of the question"; if you are opposed to the question, fill in the oval before the words "No, opposed to the question."

The question is being submitted pursuant to Article X, Section 14 of the Constitution of the State of South Carolina, 1895, as amended, Title 5, Chapter 21 of the Code of Laws of South Carolina 1976, as amended (the "South Carolina Code"), an Ordinance of the City enacted on August 6, 2018. If a majority of the qualified electors of the City voting in the Referendum approve the issuance of not exceeding \$10,250,000 of general obligations bonds of the City, such bonds may be issued by the City either at one time as a single issue or from time to time as several separate issues. As stated in the Question, the proceeds of the bonds will be used for the purpose of defraying (A) the costs of designing, developing, and constructing a new Department of Public Safety headquarters and related fire apparatus; and (B) the costs of issuance of such bonds.

Every person offering to vote must be at least 18 years of age on the date of the Referendum, must reside in the City, and must be duly registered on the books of registration for the County as an elector in the precinct in which he or she resides and offers to vote on or before the date on which said books of registration are closed for the Referendum, and must present either a South Carolina driver's license, another form of identification containing a photograph issued by the Department of Motor Vehicles, a passport, a military identification card containing a photograph issued by the federal government, or a South Carolina voter registration card containing a photograph of the voter pursuant to Section 7-5-675 of the South Carolina Code. If a voter cannot produce any type of the aforementioned identification at his designated precinct, the voter he may cast a provisional ballot that is counted only if the voter brings a valid and current photograph identification to the Board of Voter Registration and Elections of Aiken County before the results of the election are certified.

The last day a person may register in person to be eligible to vote in the Referendum will be October 5, 2018. Online registration and registrations submitted by email or fax must be received no later than October 7, 2018. Applications for registration to vote sent by mail must be postmarked no later than October 9, 2018. Any registered elector who has moved his or her place of residence within the City after the date of registration for the Referendum shall be entitled to vote in his or her previous precinct of residence in the Referendum; provided, however, in case any registered elector shall have moved from one precinct in the City within 30 days prior to August 15, 2018, and shall have surrendered his registration certificate and has received a new certificate, such elector may vote in the precinct provided by such new certificate. Persons who become of age during the 30 day period preceding the Referendum shall be entitled to register before the closing of the books if otherwise qualified.

Voters who are blind, who are otherwise physically handicapped, or who are unable to read or write are entitled to assistance in casting their ballot. This assistance may be given by anyone the voter chooses except for his employer, an agent of his employer, or an officer or agent of his union. The Managers of Election must be notified if assistance is needed. Voters who are unable to enter their polling place due to physical handicap or age may vote in the vehicle in which they drove, or where driven, to the polls. When notified, the Manager will help voters effectuate this curbside voting provision. Aiken County Voters wishing to vote absentee ballot should contact the Board of Voter Registration and Elections of Aiken County, 803.642.2028 or email absentee@aikencountysc.gov for instructions.

Edgefield County voters should contact the Board of Voter Registration and Elections of Edgefield County, 210 Penn St Ste. 1 Edgefield, SC, 803.637.4072 for instructions.

The Aiken County Board of Voter Registration & Elections shall hold a hearing on ballots challenged in the election on November 9, 2018 at 8:45 a.m., at the Aiken County Government Center office 1930 University Parkway, Sandlapper Ste. 1036, Aiken, SC.

The Edgefield County Board of Voter Registration & Elections shall hold a hearing on ballots, challenged in the election on November 9, 2018 at 9:00 a.m., 210 Penn St Ste. 1 Edgefield, SC.

The polls shall be open from 7:00 a.m. until 7:00 p.m. at the polling places designated below and shall be open during those hours without intermission or adjournment. Appropriate

vote recorders will be provided at the polling places for the casting of ballots on the aforesaid question. Managers of Election will be appointed by the Aiken County Board of Voter Registration & Elections and the Edgefield County Board of Voter Registration & Elections. The precincts (or portions thereof) within the City and locations of the several polling places for such Referendum are as follows:

Aiken County

<u>Precincts</u>	<u>Location</u>	<u>Address</u>
Belvedere No. 9	Nancy Carson Library	135 Edgefield Rd North Augusta, SC 29841
Carolina Hts No. 10	American Legion Post 232	6070 Broadcast Dr North Augusta, SC 29841
North Augusta No. 25	North Augusta Community Center	495 Brookside Ave. North Augusta, SC 29841
North Augusta No. 26	St. Bartholomew's Episcopal Church	471 W Martintown Rd North Augusta SC 29841
North Augusta No. 27	North Augusta High School	2000 Knobcone Ave North Augusta SC 29841
North Augusta No. 28	Hammond Hill Elementary School	901 W Woodlawn Ave North Augusta SC 29841
North Augusta No. 29	North Augusta Community Center	495 Brookside Ave. North Augusta, SC 29841
North Augusta No. 54	North Augusta Middle School	725 Old Edgefield Rd North Augusta SC 29841
North Augusta No. 55	Holy Trinity Lutheran Church	1002 Carolina Ave North Augusta SC 29841
Fox Creek No 58	N. Aug. Public Safety	501 W Five Notch Rd North Augusta SC 29860
Belvedere No 62	First Baptist Church Belvedere	421 Edgefield Rd North Augusta SC 29841
North Augusta No.67	Riverview Park Activity Building	100 Riverview Park Dr North Augusta SC 29841
North Augusta No.68	Mossy Creek Elem School	421 W Five Notch Rd North Augusta SC 29841

Fox Creek No. 73	Grace Fellowship Church	507 W Five Notch Rd North Augusta SC 29860
North Augusta No. 80	St. Bartholomew's Episcopal Church	471 W Martintown Rd North Augusta SC 29841
Ascauga Lake No. 84	GVW Fire Department Station 3	1284 Ascauga Lake Rd North Augusta SC 29841
Barrier Free	Aiken Registration and Elections Office	1930 University Pkwy Suite 1200 Aiken SC 29801

Edgefield County

<u>Precincts</u>	<u>Location</u>	<u>Address</u>
Merriwether No. 1	Merriwether Middle School	600 Murrah Rd North Augusta 29860
Barrier Free	Edgefield Registration and Elections office	210 Penn St. Ste. 1, Edgefield SC 29824

