

ORDINANCE NO. _____

AN ORDINANCE

TO PROVIDE FOR THE ISSUANCE AND SALE OF A NOT EXCEEDING SIX MILLION DOLLAR (\$6,000,000) GENERAL OBLIGATION BOND OF THE CITY OF SUMTER, SOUTH CAROLINA, TO PRESCRIBE THE PURPOSES FOR WHICH THE PROCEEDS OF SAID BOND SHALL BE EXPENDED, TO PROVIDE FOR THE PAYMENT OF SAID BOND, AND OTHER MATTERS RELATING THERETO.

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BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SUMTER, SOUTH CAROLINA, IN COUNCIL ASSEMBLED, AS FOLLOWS:

ARTICLE I

FINDINGS OF FACT

Section 1.01 Findings.

As an incident to the enactment of this Ordinance, the City Council of the City of Sumter (the "Council"), the governing body of the City of Sumter, 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. The Council has determined to finance the costs of certain capital projects and equipment to be purchased and used by the City as shown on Exhibit A attached hereto (collectively, the "Projects") through the issuance of a general obligation bond in a principal amount of not exceeding Six Million Dollars (\$6,000,000). The City Manager of the City is authorized and directed to apply the proceeds of such general obligation bond to pay (a) the costs of issuance of the general obligation bond, and (b) to the costs of the Projects.

Section 1.02 Recital of Applicable Constitutional Provisions.

Section 14 of Article X of the Constitution of the State of South Carolina (the "Constitution") provides that the municipalities of the State may issue bonded indebtedness in an amount not exceeding eight percent (8%) of the assessed value of all taxable property therein, and provides further that no bonded indebtedness incurred on or prior to November 30, 1977, shall be charged against such eight percent (8%) debt limitation. Paragraph (6) of Section 14 of Article X of the Constitution further provides that general obligation debt authorized by a majority of the qualified electors of the issuer may be issued without consideration of the eight percent (8%) limit otherwise imposed by Section 14 of Article X. The assessed value of all taxable property located within the City (including merchants' inventory, but net of property subject to a fee in lieu of tax) as certified by the Sumter County Auditor for the year 2016, which is the last completed assessment thereof, amounts to not less than \$139,308,090, and thus the eight percent (8%) debt limit of the City is not less than \$11,144,647. As of June 1, 2018, which date is prior to the date upon which the bond authorized herein will be issued, the City will have outstanding \$1,297,401.28 of general obligation debt chargeable against the eight percent (8%) debt limit. Thus, the Council may issue general obligation debt in the principal amount of not exceeding \$6,000,000 without the authorization required by Section 14(6) of the Constitution.

* * *

ARTICLE II

DEFINITIONS AND AUTHORITY

Section 2.01 Definitions.

(1) 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 Code of Laws of South Carolina.

“Authorized Officer” means the Mayor, Mayor Pro Tempore, the City Manager, and any other officer or employee of the Council designated from time to time as an Authorized Officer by resolution of the Council, and when used with reference to any act or document also means any other person authorized by resolution of the Council to perform such act or sign such document.

“Bond” means the Bond or Bonds issued 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 interest on the Bond, and on such dates as directed by the City Manager, the principal of the Bond.

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

“City” means the City of Sumter, South Carolina.

“City Manager” means the City Manager of the City.

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

“Council” means the City Council of the City of Sumter, South Carolina, the governing body of said City or any successor governing body of said City.

“Enabling Act” means Chapter 21, Title 5, Code of Laws of South Carolina, 1976, as amended and supplemented by Act No. 113 of the 1999 Acts of the South Carolina General Assembly.

“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.

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

“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) any Bond cancelled or delivered to the Registrar for cancellation on or before such date;

(b) any Bond deemed to have been paid in accordance with the provisions of Section 7.01 hereof and;

(c) any Bond in lieu of or in exchange for which another Bond shall have been authenticated and delivered pursuant to Section 3.11 of this Ordinance.

“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 the 15th day immediately preceding each Bond Payment Date.

“Registrar” means the City, acting through the City Clerk of the City.

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.

* * *

ARTICLE III

ISSUANCE OF BOND

Section 3.01 Ordering the Issuance of the Bond.

Pursuant to the provisions of the Enabling Act, and for the purpose of obtaining funds to defray the costs of the Projects described in Section 1.01 hereof, there shall be issued a not exceeding Six Million Dollar (\$6,000,000) general obligation bond of the City. Such bond may be issued as a single bond or as one or more bonds and delivered at such times as may be determined by the City Manager. Such bond or bonds (hereafter referred to as the "Bond") shall bear a series designation as determined by the City Manager, but in all cases shall include the calendar year of the issuance thereof.

Section 3.02 Maturity Schedule of Bond.

Each Bond shall be dated as of the date of its delivery and shall bear interest from its dated date. The principal amount, term, and payment details of the Bond shall be determined by the City Manager with advice from Bond Counsel, provided, however, that in no event shall the term of the Bond exceed 13 years from the issue date thereof. Bond Payments on a Bond shall be scheduled to occur no less frequently than annually.

Section 3.03 Medium of Payment; Form and Denomination of Bond; Place of Payment of Principal.

(a) The Bond shall be 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.

(b) The Bond shall be issued in the form of one (1) or several fully registered bonds.

(c) The Bond Payments shall be payable 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 of Sumter to such registered owner at his address as it appears on such registration books in sufficient time to reach such registered owner on the Bond Payment 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 chief administrative office of the City of Sumter.

Section 3.04 Execution and Authentication.

(a) The Bond shall be executed in the name and on behalf of the City by the manual signature of an Authorized Officer or Officers, with its corporate seal impressed, imprinted or otherwise reproduced thereon, and attested by the manual signature of its City 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.

(b) The Bond shall not be valid or obligatory for any purpose nor shall it be entitled to any right or benefit hereunder unless there shall be endorsed on the Bond a certificate of authentication in the form set forth in this Ordinance, duly executed by the manual signature of the Registrar, and such certificate of authentication upon any Bond executed on behalf of the City shall be conclusive evidence that the Bond so authenticated has been duly issued hereunder and that the Holder thereof is entitled to the benefit of the terms and provisions of the Ordinance.

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 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 City (acting through the City Clerk), as Registrar, shall maintain and keep, at its administrative office, books for the registration and transfer of the Bond, and, upon presentation thereof for such purpose at such office, the City shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it may prescribe, such Bond. So long as the Bond remains Outstanding, the City shall make all necessary provisions to permit the transfer of such Bond at its administrative office.

Section 3.07 Transfer of the Bond.

The Bond shall be transferable only upon the books of the Registrar, upon presentation and surrender thereof by the Holder of the Bond in person or by his attorney duly authorized in writing, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered Holder or his duly authorized attorney. Upon surrender for transfer of 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 it 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.

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 the 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 Bond.

In its capacity as Registrar, the City may 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 Bond Payments shall be 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.

Section 3.14 Order to Levy Ad Valorem Taxes to Pay Principal of and Interest on Bond.

For the payment of principal of and interest 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 principal of and interest on the Bond as the same become due and to create such sinking fund as may be necessary therefor.

Section 3.15 Form of Bond.

The form of the Bond, and registration provisions to be endorsed thereon, shall be substantially as set forth in Exhibit B attached hereto and made a part of this Ordinance.

* * *

ARTICLE IV

REDEMPTION OF BOND

Section 4.01 Redemption and Purchase of Bond.

The Bond shall be subject to redemption prior to maturity upon such terms as may be determined by the City Manager and included in the Notice of Sale described in Section 5.01 of this Ordinance. In addition, the City may purchase the Bond prior to the maturity thereof, upon order of the Council, and upon such terms as may be negotiated by the City Manager and the Holder of the Bond.

* * *

ARTICLE V
SALE OF BOND

Section 5.01 Sale of Bond.

The Bond shall be sold at public sale, at a price not less than par. Bids shall be received at such time and date selected by the City Manager. The form of the Official Notice of Sale, and the conditions of sale, shall be substantially those set forth in Exhibit C attached hereto and made a part hereof. The City Manager is authorize to make such changes to the form of the Official Notice of Sale as he shall, in consultation with Bond Counsel, determine are in the best interest of the City. The Bond shall be advertised for sale in *The State* or another newspaper of general circulation in South Carolina, which advertisement shall each appear at least once and not less than seven (7) days before the date set for said sale; such advertisement may be by way of a summary of the Official Notice of Sale.

Section 5.02 Award of Bond.

Upon receipt of bids for the Bond, unless all bids are rejected, the City Manager is authorized to award the Bond to the bidder offering the lowest net interest cost therefor, provided, that no award to a bidder proposing a net interest cost in excess of seven percent (7.00%) per annum shall be effective unless first approved by resolution of the Council duly adopted.

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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 payment of costs of issuance of the Bond, and (b) the remaining amount shall be deposited in a separate account, and shall be expended and made use of by the Council to defray the cost of the Projects described in Section 1.01 hereof. Notwithstanding the foregoing, any premium in excess of the par amount of the Bond paid to the City by the purchaser thereof shall be deposited into the sinking fund established by the City pursuant to Section 3.14 of this Ordinance and applied to the first maturing installment of principal due on the Bond.

The Council recognizes that the proceeds of the Bond may be insufficient to defray the entire costs of the Projects, and therefore authorizes the City Manager to apply such proceeds to the Projects in such order of priority as he may determine in his discretion.

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 the City Manager, 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 first maturing installments of interest on the Bond; if any balance remains, it shall be held by the City in a special fund, invested in Government Obligations 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.

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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 a 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. A Bond shall be deemed to have been paid and discharged within the meaning of this Article under each of the following circumstances, viz:

(1) A third party fiduciary, which shall be any bank, trust company, or national banking association which is authorized to provide corporate trust services (the "Fiduciary"), shall, upon written appointment by the City Manager, hold, in trust and irrevocably appropriated thereto, sufficient moneys for the payment of all Bond Payments due thereunder; or

(2) 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 the 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

(3) If the City shall elect to provide for the payment of a Bond prior to its stated maturity and shall have deposited with the 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 the 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 the 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.

* * *

ARTICLE VIII

CERTAIN TAX AND DISCLOSURE CONSIDERATIONS

Section 8.01 Covenants to Comply with Requirements of the Code.

The City hereby represents and covenants that it will comply with all 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 provided by the net proceeds of the Bonds will be owned by the City in accordance with the rules governing the ownership of property for federal income tax purposes.

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

(c) The City is not a party to nor will it enter into any contracts with any person for the use or management of any facility provided with the proceeds of the Bonds that do not conform to the guidelines set forth in Revenue Procedure 2017-6, as modified by the Code or subsequent pronouncements by the Internal Revenue Service, or the City obtains the opinion of nationally recognized bond counsel that such arrangement will not adversely affect the tax exemption of the Bonds.

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

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

Section 8.02 Ability to Meet Arbitrage Requirements; Designation under Sec. 265(b)(3)(B) of the Code.

(a) Careful consideration has been given to the time in which the expenditures of the proceeds of the Bond authorized hereby will be made, and it has been ascertained that all of the money received from the proceeds of the Bond will be expended within the limitations imposed by Section 148(c) of the Code, so that the Council will be able to certify upon reasonable grounds that the Bond is not an "arbitrage bond" within the meaning of Section 148(c) of the Code.

(b) The City Manager is authorized to designate the Bond as a “qualified tax-exempt obligation” within the meaning of Sec. 265(b)(3)(B) of the Code, if, at the time of the delivery of the Bond, he reasonably expects that the aggregate amount of tax-exempt obligations to be issued by the City in calendar year 2018 will not exceed \$10,000,000.

Section 8.03 Continuing Disclosure.

Pursuant to Section 11-1-85 of the Code of Laws of South Carolina 1976, as amended, the City covenants to file with a central repository for availability in the secondary bond market when requested:

(a) an annual independent audit, within thirty days of the City’s receipt of the audit;
and

(b) event specific information within thirty days of an event adversely affecting more than five percent of revenue or the City’s tax base.

The only remedy for failure by the City to comply with the covenant in this Section 8.04 shall be an action for specific performance of this covenant. The City specifically reserves the right to amend this covenant to reflect any change in Section 11-1-85, without the consent of any Bondholder.

* * *

ARTICLE IX

MISCELLANEOUS

Section 9.01 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 9.02 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 9.03 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 9.04 Filing of Copies of Ordinance.

Copies of this Ordinance shall be filed in the offices of the Council and in the office of the Clerk of Court for Sumter County (as a part of the Transcript of Proceedings for the Bonds).

Section 9.05 Further Action by Officers of City.

The proper officers of the City are fully authorized and empowered to take the actions required to implement the provisions of this Ordinance and to furnish such certificates and other proofs as may be required of them. In the absence of any officer of the Council herein authorized to take any act or make any decision, the City Manager is hereby authorized to take any such act or make any such decision.

Section 9.06 Effective Date of Ordinance.

This Ordinance shall take effect upon its second reading and shall be forthwith codified in the Code of City Ordinances.

DONE, RATIFIED, AND ENACTED THIS ___ DAY OF _____, 2018.

CITY OF SUMTER, SOUTH CAROLINA

Joseph T. McElveen, Jr., Mayor

Thomas J. Lowery, Mayor Pro Tem

Robert A. Galiano, Councilman

Steve Corley, Councilman

Calvin K. Hastie, Sr., Councilman

Ione J. Dwyer, Councilwoman

David Merchant, Councilman

ATTEST:

Linda D. Hammett, City Clerk

First reading: _____, 2018

Second reading: _____, 2018

PROJECTS

1. New public safety campus, to include police headquarters and fire headquarters, together with associated furniture, fixtures, equipment, and technology infrastructure.
2. New utility billing department, together with associated furniture, fixtures, equipment, and technology infrastructure.
3. Reimbursement of prior expenditures for Alice Drive fire station, together with associated furniture, fixtures, equipment, and technology infrastructure heretofore or hereafter acquired; and
4. Engineering, design, boring, acquisition, and installation of a new fiber loop linking city-owned buildings.

(FORM OF BOND)

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
CITY OF SUMTER
GENERAL OBLIGATION BOND, SERIES 2018

NO. 1

REGISTERED HOLDER:

PRINCIPAL AMOUNT: _____ DOLLARS (\$ _____)

THE CITY OF SUMTER, 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 duly adopted by the City Council of the City of Sumter (the "Ordinance").

This Bond shall be subject to redemption _____.

The principal and interest on this Bond shall be paid by way of (annual) amortized payments in the amount of \$ _____ (the "Bond Payment") due and payable on _____ (and _____) of each of the years 20__ through 20__, inclusive (the "Bond Payment Dates"). This Bond shall bear interest at the rate of _____ per centum (___%) per annum calculated on the basis of a 360 day year consisting of twelve 30 day months, from _____, 20__ 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 Sumter County and in the office of the City Council of the City of Sumter.

This Bond is payable from a tax levied on all taxable property within the City. For the prompt payment of the Bond Payments as the same shall become due, the full faith, credit, and taxing power of the City are irrevocably pledged.

This Bond and the interest hereon are exempt from all State, county, municipal, 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.

The 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 duly authorized attorney upon, (i) surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered holder or his duly authorized attorney, and (ii) payment of the charges, if any, prescribed in the Ordinance. Thereupon a new fully registered Bond of interest rate and like 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 the Bond, the City may make a charge sufficient to reimburse it for any tax, fee, or other governmental charge required to be paid with respect to such exchange or transfer.

It is hereby certified and recited that all 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 the 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 the 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 OF SUMTER, SOUTH CAROLINA, has caused this bond to be signed by the manual signature of the Mayor of the City of Sumter, attested by the manual signature of the City Clerk of the City of Sumter, and the seal of the City impressed hereon.

THE CITY OF SUMTER, SOUTH CAROLINA

(Seal)

Mayor, City of Sumter

ATTEST:

City Clerk, City of Sumter

CERTIFICATE OF AUTHENTICATION

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

City Clerk, as
Registrar/Paying Agent

By: _____

Date of Authentication: _____, 2018

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

TEN COM - as tenants in common

UNIF GIFT MIN ACT -

TEN ENT - as tenants by the entireties

_____ Custodian _____
(Cust) (Minor)

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

under Uniform Gifts to Minors Act _____
(state)

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

(FORM OF ASSIGNMENT)

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

Dated: _____

Signature Guaranteed

(Authorized Officer)

(Signature must be guaranteed by a participant in the Securities Transfer Agents Medallion Program (STAMP))

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

OFFICIAL NOTICE OF SALE

**§ _____
GENERAL OBLIGATION BOND, SERIES 2018, OF
SUMTER COUNTY, SOUTH CAROLINA
(BANK QUALIFIED)**

SEALED PROPOSALS, addressed to the undersigned, will be received by the City of Sumter, South Carolina (the "County"), until 11:00 a.m. (Eastern Daylight Time) on _____, 2018, at which time said proposals will be publicly opened in the offices of Haynsworth Sinkler Boyd, P.A., 1201 Main Street, 22nd Floor, Columbia, South Carolina, 29201, for the purchase of the \$ _____ **GENERAL OBLIGATION BOND, SERIES 2018, OF THE CITY OF SUMTER, SOUTH CAROLINA**" (the "Bond").

Details of the Bond: The Bond will be issued in the form of a single, fully registered bond and will be dated the date of its delivery, which is expected to be on or about _____, 2018. The Bond will bear interest from its dated date; and each will be payable as follows: The City will pay interest accrued on the Bond from the delivery date to July 15, 2018. Upon each succeeding July 15, to and including July 15, 20 __, the City shall pay equal amortized installments of principal of and interest on the Bond.

The Bond shall accrue interest on a 12/30/360 basis from the dated date, and both principal and interest will be payable in any coin or currency of the United States of America.

Federal Tax Status: The Bond will be designated as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code. Interest on the Bond (including any original issue discount properly allocable to an owner thereof) is excludable from gross income of the registered owners thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. The representation set forth in the preceding sentence is subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bond in order that interest thereon be (or continue to be) excludable from gross income for federal income tax purposes. Failure to comply with certain of such requirements may cause interest on the Bond to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bond. The City has covenanted to comply with all such requirements.

Registrar: The City Clerk of the City of Sumter will serve as Registrar of the Bond.

Bid Requirements: The Bond will bear a single, fixed rate of interest. All bids shall be firm and not subject to further credit review. A bid for less than the entire principal amount of the Bond, or at a price less than par, will not be considered. Any premium offered must be paid as part of the purchase price of the Bond at the delivery thereof. The City will reject any proposal which is either subject to additional credit review or which requires an adjustment in the interest rate applicable to the Bond as a consequence of any change in law or regulation.

Award of Bond: The Bond will be awarded to the bidder offering to purchase such Bond at the lowest net interest cost to the City. Any premium offered shall be deducted from interest due at the maturity of the Bond in determining net interest cost. The City reserves the right to reject any and all bids or to waive irregularities in any bid. Tie bids will be subject to a coin flip. Bids will be accepted or rejected no later than 12 o'clock noon (Eastern Daylight Time) on the first business day following the date of the sale. Any proposal containing terms in addition to the terms set forth in this Official Notice of Sale or varying any

such term will be rejected. The ordinance authorizing the issuance of the Bond has been given final reading by the City Council of the City, and the City will not seek additional City Council action to incorporate additional or varying terms.

Bid Submission: Proposals must be submitted by 11:00 o'clock a.m. on _____, 2018. Bids must be submitted by email to tdubose@hsblawfirm.com and to eshytle@sumtersc.gov. No other form of bid will be accepted. Only proposals actually received prior to 11:00 o'clock a.m. on _____, 2018, will be considered. The City, its officers and agents will not receive any bids orally or by any means other than as specified in this paragraph. The City reserves the right to waive technicalities or informalities and to reject any or all proposals.

Security: The Bond shall constitute a binding general obligation of the City and the full faith, credit and taxing power of the City shall be irrevocably pledged for the payment of the Bond. There shall be levied and collected in the same manner as all other county taxes are levied and collected, a tax, without limit, on all taxable property in the City sufficient to pay the principal of and interest on the Bond as the same becomes due and to create such sinking fund as may be necessary therefor.

Purpose: Proceeds of the Bond will be used to defray the costs of certain improvements to facilities of the City and to pay costs of issuance of the Bond.

Redemption: The Series 2018B Bond shall be subject to redemption upon 30 days written notice to the registered owner thereof on and after July 15 _____, 20__.

Closing Certificates: The City shall furnish upon delivery of the Bond the final approving opinion of Haynsworth Sinkler Boyd, P.A., Bond Counsel, Columbia, South Carolina, together with closing proofs including (a) a certificate that there is no litigation threatened or pending to restrain the issuance or sale of the Bond, and (b) a certificate establishing that the Bond is not an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and the applicable regulations as in effect on the occasion of the delivery thereof.

The purchaser of the Bond shall furnish at closing a certificate in the form attached hereto as Exhibit A.

Delivery: The Bond will be delivered on or about _____, 2018 in Columbia, S.C. or such other place agreed to by the City and the Purchaser. The purchase price due at closing must be paid in Federal funds or other U.S. dollar denominated immediately available funds.

Costs: The cost of preparing the Bond and closing documents, as well as fees of Bond Counsel, will be borne by the City. The City will not be responsible for any other costs or fees, including the fees or costs incurred by the Purchaser or any other bidder.

Financial Information: The following URL links to audited financial statements of the City: <http://www.sumtersc.gov/audit-reports.aspx>. Additional financial information relating to the City, if required, may be obtained by contacting Mr. Deron McCormick, City Manager or Bond Counsel; please submit your request in writing to Mr. McCormick or Bond Counsel.

Additional Information: If you should have any questions regarding this Request for Proposals, you should contact Mr. Deron McCormick, City Manager, at (803) 436-2570, or the City's Bond Counsel, Haynsworth Sinkler Boyd, P.A., Columbia, South Carolina, Theodore DuBose, at (803) 540-7830..

Bid Form: There is no official bid form. Each bid shall be conditioned in accordance herewith.

Deron McCormick, City Manager
City of Sumter, South Carolina

EXHIBIT A

FORM OF WRITTEN CONFIRMATION OF PURCHASER

[Closing Date]

The City of Sumter
Sumter, South Carolina

Haynsworth Sinkler Boyd, P.A.
Columbia, South Carolina

Re: \$_____ General Obligation Bond, Series 2018_, of the City of Sumter, South Carolina

Ladies and Gentlemen:

The undersigned, on behalf of [Name of Purchaser], as purchaser of the above-referenced bond (the "**Purchaser**"), has agreed to make a loan to the City of Sumter, South Carolina (the "**City**"). In accordance with South Carolina law, the loan will be made in the form of a general obligation bond captioned Series 2018_ and issued by the City (the "**Bond**").

The Purchaser hereby represents to you that:

- (1) Transfer of the Bond is restricted to transferees which are financial institutions or similar to financial institutions, and may be made only through participation or syndication. Any such transferee must execute and deliver to the above-named addressees a letter substantially similar to this letter and satisfactory to such addressees prior to any such transfer.
- (2) The loan made by the Purchaser to the City is represented solely by the Bond and the ordinance authorizing the issuance of the Bond (the "**Ordinance**"), which will, upon the delivery of the Bond and the making of the loan, constitute a contract between the City and the Purchaser.
- (3) The Bond has not been rated by any credit rating agency.
- (4) The Bond has not been assigned a CUSIP number.
- (5) Assignment of Purchaser's rights under the Bond is subject to the terms and conditions of the Bond, the Ordinance and this Written Confirmation of Purchaser.
- (6) There is no agreement facilitating creation of a market for trading, such as a marketing or remarketing agreement or continuing disclosure agreement, with respect to the Bond or any obligations of the City thereunder.

- (7) The rights and obligations of the Purchaser under the Bond will be those of the Purchaser, not the securities affiliate of the Purchaser or any other separately identifiable department or division of the Purchaser.
- (8) The Purchaser will treat the Bond as a loan, not a security, for accounting and regulatory purposes.
- (9) Registration of the Bond shall be in physical form, in name of the Purchaser.
- (10) The Purchaser has sufficient knowledge and experience in financial and business matters, including those involving loans to public bodies, to be able to evaluate the risks and merits of the credit represented by its decision to make a loan to the City in the form of the Bond.
- (11) The Purchaser understands that no official statement, prospectus, offering circular or other comprehensive offering statement containing material information with respect to the City and the Bond is being issued, and that, in due diligence, it has made its own inquiry and analysis with respect to the City, the Bond, and other material factors affecting the security for and payment of the City's obligations under the Bond.
- (12) The Purchaser acknowledges that it has either been supplied with or has access to information, including financial statements and other financial information, regarding the City, to which a reasonable lender would attach significance in making credit decisions, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the City, the Bond and the security therefor, so that as a reasonable lender, it has been able to make its decision to make the loan represented by the Bond.
- (13) The Purchaser understands that the scope of engagement of Haynsworth Sinkler Boyd, P.A., as Bond Counsel with respect to the Bond has been limited to matters set forth in its opinion based on its view of such legal proceedings as it deems necessary to approve the validity of the Bond. The City is Bond Counsel's sole client in connection with the sale and issuance of the Bond.

[NAME OF PURCHASER]

STATE OF SOUTH CAROLINA

COUNTY OF SUMTER

I, the undersigned, City Clerk of the City of Sumter, South Carolina, **DO HEREBY CERTIFY:**

That the foregoing constitutes a true, correct, and verbatim copy of an Ordinance that was given two readings on two separate days, with an interval of not less than seven days between the readings.

The original of this Ordinance is duly entered in the permanent records of minutes of meetings of the City Council, in my custody as such City Clerk.

Each of said meetings was a duly noticed and called regular meeting of the City Council. At each such meeting, a quorum of the City Council was present and remained present throughout the meeting. As required by Chapter 4, Title 30 of the Code of Laws of South Carolina 1976, as amended, notice of each of said meetings (including the date, time, and place thereof, as well as an agenda containing this Ordinance as an item for consideration) was posted prominently in the office of the City and on the City's public web site at least twenty-four hours prior to said meeting. In addition, the local news media and all persons requesting notification of meetings of the City Council were notified of the time, date, and place of each such meeting, and were provided with a copy of the agenda therefor at least twenty-four hours in advance of each such meeting.

IN WITNESS WHEREOF, I have hereunto set my Hand and the Seal of the City, this ___ day of _____, 2018.

(SEAL)

City Clerk, City of Sumter

First reading: _____, 2018

Second reading: _____, 2018