

AN ORDINANCE

PROVIDING FOR THE ISSUANCE AND SALE OF A TAX INCREMENT REVENUE BOND, SERIES 2016, OF THE CITY OF SUMTER, SOUTH CAROLINA, AND OTHER MATTERS RELATING THERETO.

BE IT ORDAINED BY THE MAYOR AND THE CITY COUNCIL OF THE CITY OF SUMTER (the “City” or “Issuer”), IN COUNCIL ASSEMBLED:

ARTICLE I

FINDINGS OF FACT

Findings of Fact

As an incident to the adoption of this Ordinance, and the issuance of the bond provided for herein, the City Council of the City of Sumter (the “City Council”) finds, as a fact, that each of the statements hereinafter set forth is in all respects true and correct:

1. During its 1984 Session, the General Assembly of South Carolina adopted the “Tax Increment Financing Law” (herein the “TIF Law”), codified within the Code of Laws of South Carolina, 1976, as amended (the “Code”), at Sections 31-6-10 through 31-6-120, inclusive

2. The General Assembly provided in the TIF Law a method for paying a portion of the costs of public infrastructure improvements from incremental tax revenues generated by properties within redevelopment project areas.

3. Pursuant to the TIF Law and Ordinance No. 1723, enacted by the City Council of the City of Sumter (“City Council”) on December 7, 1999 and entitled “*An Ordinance Providing For The Establishment In The City Of Sumter, South Carolina, Of A Redevelopment Project Area, The Approval Of A Redevelopment Plan For The Financing Of Redevelopment Projects Within Such Redevelopment Project Area, And Other Matters Related Thereto*” (the “Original TIF Ordinance”), the City Council established a Redevelopment Project Area in the downtown area of the City (the “Redevelopment Project Area”) and established for that area a Redevelopment Plan (the “Plan”), including redevelopment projects, all as contemplated by the TIF Law.

4. The redevelopment projects, as contemplated by the Original TIF Ordinance and the Plan (the “Original Projects”), are located entirely within the Redevelopment Project Area. The Original Projects included (a) comprehensive planning for the Redevelopment Project Area (the “Master Plan”), (b) sidewalk improvements, (c) street improvements, (d) placement of utility services underground to eliminate electrical/telephone poles, (e) rebuilding and re-landscaping of City-owned parking lots, and (f) costs of public land acquisition and land assembly that conform to the Master Plan.

5. Pursuant to Ordinance No. 1804, entitled “*An Ordinance Providing For The Issuance And Sale Of A Tax Increment Revenue Bond, Series 2000, Of The City Of Sumter, South Carolina, And Other Matters Relating Thereto,*” on December 19, 2000, the City Council made provision for the issuance of an Obligation in the principal amount of \$2,000,000 (the “2000 Obligation”). The 2000 Obligation was issued on December 30, 2000, and the proceeds thereof were applied to defray the costs of certain of the Original Projects, including improvements to a City-owned parking lot on Harvin Street; improvements to two City-owned parking lots on Sumter Street; street improvements on Main Street, Liberty Street, Hampton Avenue, Law Range, and Bartlette Street; professional services in connection with such improvements and in

comprehensive planning for the Redevelopment Project Area; and minor improvements to City-owned property located in the improved parking lots or otherwise within the Redevelopment Project Area.

6. Pursuant to Ordinance No. 2428, entitled “*An Ordinance Providing For The Issuance And Sale Of A Tax Increment Revenue Obligation, Series 2012, Of The City Of Sumter, South Carolina, And Other Matters Relating Thereto*”, enacted on January 3, 2012, the City Council made provision for an Obligation in the principal amount of \$550,000 (the “2012 Obligation”). The 2012 Obligation was issued on January 4, 2012, and the proceeds thereof were applied to acquire two parcels of land within the Redevelopment Project Area and the buildings located thereon, and to hold or demolish said buildings in order to support downtown revitalization and economic development (the “2012 Project”). The buildings located on said parcels have been acquired, demolished, and removed, and the parcels of land are currently being used as landscaped public space for recreation and community events.

7. The City Council has determined, after due investigation, that it is in the best interests of the City and the promotion of the continued redevelopment of property with the Redevelopment Project Area to provide for the design and construction of a two level parking lot to be owned by the City (the “New Project”, and with the Original Projects and the 2012 Project, the “Projects”). The New Project will be located at West Hampton Avenue and Sumter Street within the District. The New Project will provide additional parking for members of the public in the Redevelopment Project Area and thus contribute to the continued revitalization thereof. Furthermore, the New Project is intended to support the development of a hotel to be constructed within the Redevelopment Project Area (the “Hotel”) on Main Street. The Hotel is planned to include 93 guest rooms and related amenities. The City Council is informed that the private investment in the Hotel will be approximately \$12 million. Thus, the expenditure of Revenues to defray the cost of the New Project will directly facilitate significant private development within the Redevelopment Project Area, which is the ultimate goal of the Plan and the ultimate purpose of the TIF Law.

8. Pursuant to the Original TIF Ordinance, all obligations issued thereunder were required to mature no later than December 7, 2014. In order to extend the term of the obligations which may be issued thereunder and increase the permitted principal amount thereof, and, additionally, to increase the amount of obligations which may be issued thereunder and to modify the list of Projects in the Plan to accommodate the New Project, the Council on December 2, 2014 amended the TIF Ordinance through the enactment of Ordinance No. 2502, entitled “*An Ordinance Amending Ordinance No. 1723 Of The City Council Of The City Of Sumter Entitled “An Ordinance Providing For The Establishment In The City Of Sumter, South Carolina, Of A Redevelopment Project Area, The Approval Of A Redevelopment Plan For The Financing Of Redevelopment Projects Within Such Redevelopment Project Area, And Other Matters Related Thereto” In Order To Extend The Maximum Term Of Obligations To Be Issued Under The Redevelopment Plan And Thus Extend The Duration Of The Redevelopment Plan, To Change The Use Of Proceeds Of Such Obligations In Relationship To The Redevelopment Plan, And Other Matters Related Thereto*” (the “Amendatory Ordinance”, and with the Original TIF Ordinance, the “TIF Ordinance”).

9. Following the enactment of the Amendatory Ordinance and in accordance with Section 31-6-80(E), notice of such action was published in *The Item* on December 6, 2014. Council is informed that no challenge to the validity of the Amendatory Ordinance was filed within the 20 days following the publication of notice.

10. In order to finance all or a portion of the costs of the New Project, the City Council has determined to make provision for the issuance a new obligation pursuant to the Enabling Act and the TIF Ordinance by the provisions of this Ordinance. The City has further determined to adopt this Ordinance in order to set forth the terms and conditions of such obligation.

11. The proceeds of such obligation shall be used to defray all or a portion of the costs incurred by the City in carrying out the design and construction of the New Project and the costs of issuance thereof.

ARTICLE II

ISSUANCE OF THE BOND

Issuance of the Bond.

Pursuant to the Enabling Act and the TIF Ordinance, and for the purpose of financing the New Project, there shall be issued an obligation to be known as the City of Sumter, South Carolina Tax Increment Revenue Bond, Series 2016 (the "Bond"). The exact dollar amount of the Bond shall be established by the City Manager at the time of original delivery thereof based on the amount deemed necessary at that time to accomplish the purposes provided for herein; provided, however, that the principal amount of the Bond shall not exceed \$4,500,000. The City Manager has heretofore negotiated with Branch Banking and Trust Company for the purchase of the Bond at an interest rate of 2.04% and upon the terms provided in this Ordinance. All actions taken heretofore in such regard by the City Manager are hereby ratified and confirmed.

Interest Rate and Maturity Schedule of Bond.

The Bond shall be payable by way of annual amortized installments of principal and interest due on July 1 in each of the years 2017 through 2029, inclusive. The amounts of such annual installments shall be determined by the City Manager. The Bond shall bear interest at the rate of 2.04%, calculated on the basis of a 360-day year consisting of twelve months of 30 days each. The Bond shall be dated and authenticated as of the date of delivery thereof. Interest on the Bond will accrue from the most recent date to which interest has been paid or, if no interest has yet been paid, from the date of delivery of the Bond.

The Bond shall be subject to redemption in whole, but not in part, at par at any time upon seven (7) days prior written notice to the Holder thereof after July 1, 2022.

Form of the Bond.

The Bond will be substantially in the form attached as **Exhibit "A"**, issued as a single bond in the denomination of the aggregate principal amount of the Bond, with such necessary or appropriate variations, omissions, and insertions as are otherwise permitted by law or by this Ordinance.

Medium of Payment of the Bond.

The principal of and interest on 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. Payment of principal of and interest on the Bond shall be payable by check or draft mailed to the holder thereof (the "Holder") by the Issuer, or at the request of the Holder by wire transfer to an account designated by the Holder; provided, however, that the final installment of principal and interest on the Bond shall be payable upon presentation and surrender of such Bond to the City.

Registration, Transfer & Exchange of the Bond.

The Bond shall at all times be registered as to principal and interest in the name of the Holder on the books of registry to be maintained in the office of the City and each transfer to be valid shall be made on the books of registry and similarly noted on the Bond.

Execution of the Bond.

The Bond shall be executed in the name of the City by the manual signature of the Mayor of the City (the “Mayor”) and attested by the manual signature of the Clerk of the City (the “Clerk”), and the official seal of the City shall be impressed thereon.

Registrar & Transfer Agent of the Bond, Books of Registry.

The Clerk will be the registrar for the Bond and transfer agent for the Bond and will keep proper registry and transfer records, including a book of registry in which the Clerk shall register the name and address of the Holder of the Bond as the same is presented for registration. Upon presentation of the Bond for registration or transfer, the fact of such registration or transfer shall be noted on the Bond. No transfer of the Bond shall be valid unless made at such office of the registrar and noted on such Bond.

No person shall be entitled to any right or benefit provided in the Bond unless the name and address of such person is registered with the Clerk and the fact thereof is endorsed by such Clerk upon the Bond and upon the books of registry. The City may deem and treat the registered owner of the Bond as the absolute owner of the Bond for the purpose of receiving payment of the principal and interest thereof and for all other purposes whatever. No charge shall be made for registration.

The books of registry shall show (i) the date of registration, (ii) the name and address of the person in whose name the Bond is registered, and (iii) the signature of the Clerk. The latest chronological date of registration of such Bond, as the same shall appear in the Books of Registry, shall be conclusive as to the name and address of the Holder for all purposes.

Tax-Exempt Status of Bonds in South Carolina.

Pursuant to Section 31-6-60 of the Enabling Act, both the principal and interest on the Bond 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.

Federal Tax-Exempt Status.

The City agrees that it will not take any action, or fail to take any action, if such action or failure to take action would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bond under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”). The Mayor and the City Manager or either of them are each hereby authorized to execute any certification or agreement with respect to compliance with particular provisions of the Code or the regulations promulgated thereunder. The City reasonably expects that the Bond and all other tax-exempt obligations issued and to be issued by the City and entities subordinate thereto in calendar year 2016 will not exceed in aggregate \$10 million in principal amount. The Bond is hereby designated as a “qualified tax-exempt obligation” under Section 265(b)(3) of the Code.

Filing with Central Depository.

Pursuant to Section 11-1-85, Code of Laws of South Carolina, 1976, as amended, the City shall file an independent audit with a central repository and shall file with a central repository event specific information within thirty days of an event adversely affecting more than five percent of revenue or its tax base.

Replacement of Missing or Damaged Bond.

In case the Bond shall become mutilated or shall be believed by the City to have been destroyed, stolen, or lost, upon proof of ownership, satisfactory to the City, and upon surrender of such mutilated Bond or upon receipt of evidence satisfactory to the City of such destruction, theft, or loss, and upon receipt also of indemnity satisfactory to the City, and upon payment of all expenses incurred by the City for any investigation relating thereto, and all expenses incurred in connection with the issuance of any new Bond under this Section, the then-Mayor and the then-Clerk shall execute and deliver a new Bond of the same maturity, and for the same aggregate principal amount, of like tenor and date, bearing the same number, with such notations as shall be deemed appropriate, in exchange and substitution for, and upon the cancellation of, the mutilated Bond, or in lieu of and in substitution for the Bond so lost, stolen or destroyed.

Security for Payment of Bond; Application of Excess Revenues to Redemption; Priority of Lien; Provision for Additional Debt.

For the punctual payment of the principal and interest of the Bond there are hereby irrevocably pledged, pursuant to Section 31-6-70 of the Enabling Act, the incremental tax revenue generated from the Redevelopment Project Area, including any additional parcels that may be included in the Redevelopment Project Area subsequent to the date hereof. All incremental tax revenues shall, immediately upon receipt by the City, be deposited into a Principal and Interest Fund held by the Holder. No incremental tax revenue will be released to the overlapping political entities until the Bond is fully repaid. This pledge evidences the requirement that all such tax increment revenues are required for the payment and securing of the Bond. As a consequence, Section 31-6-40 of the Enabling Act requires that the funds be held for this purpose until the Bond is fully repaid. In the event that the incremental tax revenues held by the City on June 1 of a calendar year exceed the debt service requirements on the Bond due on July 1 of such calendar year, such revenues shall, as directed by the City Council, be applied to additional Redevelopment Project Costs or to partial defeasance of the Bond in accordance with Section 5.01 herein. All incremental tax revenues are hereby pledged to such Redevelopment Project Costs, subject only to application to the payment of the principal of and interest on the Bond.

In accordance with the provisions of Section 31-6-40 of the Enabling Act, that portion of the taxes levied which is attributable to the total initial equalized assessed value of all taxable real property in the Redevelopment Project Area as of the date of adoption of the Original TIF Ordinance (including any additional parcels that may be included in the Redevelopment Project area subsequent to the date hereof) shall be distributed to the respective taxing districts in the manner required by law.

In addition, the Bond is further secured by a junior lien pledge of the Gross Revenues of the System that remain after paying the cost of the operation and maintenance thereof. As such, the Bond shall be issued as a "Junior Lien Bond" under Section 6.01 of an Ordinance of the City enacted on June 15, 1999, entitled "An Ordinance Providing For The Issuance And Sale Of Waterworks And Sewer System Revenue Bonds Of The City Of Sumter, South Carolina, And Other Matters Relating Thereto" (the "Utility Bond Ordinance"), as amended from time to time. The Council finds that portions of the Projects constitute an extension of the City waterworks and sewer system within the mean of Section 31-6-110 of the Enabling Act. The term "Gross Revenues of the System," as used in this Section 2.12, has the same meaning given to such term in Section 2.02 of the Utility Bond Ordinance.

The Bond shall be a special obligation of the City and shall be payable solely as herein provided. Additional debt may be secured by the Gross Revenues of the System, including on a basis senior to the lien given herein, on the terms set forth in the Utility Bond Ordinance. Additional debt may be secured by the incremental tax revenues generated from the Redevelopment Project Area only to the extent that the amount of incremental tax revenues so generated in the twelve-month period next preceding the date

of issuance of such additional debt is equal to at least 125% of the maximum annual debt service on all debt secured and proposed to be secured by such incremental tax revenues.

Financial Reporting.

Within 180 days of the end of a fiscal year, the City shall supply the Holder with (1) audited financial statements of the City for such fiscal year; and (2) an annual accounting of sums pledged to payment of the Bond. The City shall also supply annually information provided by the Sumter County Assessor's Office and the Sumter County Auditor's Office setting forth assessed values in the Redevelopment Project Area and such other information as the Holder shall reasonably request.

Discharge of Obligation.

Payment of principal and interest made in respect of the Bond as provided at Section 2.04 herein shall fully discharge the obligation of the City in respect of the Bond to the extent of the payments so made.

Bond Constitutes Limited Obligation of the City.

As required by the provisions of Section 31-6-40 of the Enabling Act, the full faith, credit, and taxing power of the City are not pledged for the payment of the principal of and interest on the Bond and there shall be on the face of the Bond a statement plainly worded to that effect and stating that the Bond does not constitute an indebtedness of the City within any State constitutional provisions or statutory limitation. No recourse shall be had for the payment of the Bond or interest thereon, or any part thereof, against the several funds of the City, except in the manner and to the extent provided in this Ordinance nor shall the credit or taxing power of the City be deemed to be pledged thereto.

Custody, Application and Investment of Proceeds of the Bond.

The entire proceeds derived from the sale of the Bond will be held by the City in a special account established for such purpose and shall be allocated to defraying the costs of the New Project and costs of issuance of the Bond. The City Finance Director is hereby directed to maintain for the life of the Bond records of the particular objects of the expenditure of the proceeds of the Bond. Pending their expenditure, the proceeds of the Bond may be invested in any investment authorized pursuant to Section 6-5-10, Code of Laws of South Carolina, as amended.

Authorization for Preparing and Selling the Bond.

The Clerk is hereby authorized and directed to have the Bond prepared, and the Mayor and Clerk are hereby authorized and directed to execute and attest the Bond in form and manner provided herein.

[End of Article II]

ARTICLE III

EVENTS OF DEFAULT

Events of Default.

Each of the following events is hereby declared an “Event of Default”:

Payment of the principal of or interest on the Bond shall not be made when the same shall become due and payable; or

Any proceedings shall be instituted with the consent or acquiescence of the City for the purpose of effecting a composition between the City and its creditors, or for the purpose of adjusting claims of such creditors, pursuant to any Federal or State Statute now or hereafter enacted, or if such order or decree, having been entered without the consent or acquiescence of the City, shall not be vacated or discharged or stayed on appeal within 60 days after entry thereof, or if such proceedings having been instituted without the consent or acquiescence of the City, shall not be withdrawn or any orders entered shall not be vacated, discharged, or stayed on appeal within 60 days after the institution of such proceeding, or the entry of such orders.

[End of Article III]

ARTICLE IV

REMEDIES

Remedies.

Upon the happening and continuance of any Event of Default, the Holder of the Bond may proceed, subject to the provisions of this Article, to protect and enforce its rights by a suit, action, or special proceedings in equity, or at law, for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein granted, or for the enforcement of any proper legal or equitable remedy as may be deemed most effectual to protect and enforce the rights aforesaid, insofar as such may be authorized by law. The City agrees to pay on demand all costs and expenses in connection with the enforcement of any such remedies including, without limitation, the reasonable fees and out-of-pocket expenses of counsel for the Holder of the Bond. In no event shall the payment of the Bond be subject to acceleration.

Termination of Proceedings.

In case any proceeding shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Holder of the Bond, then, and in every such case, the City and the Holder of the Bond shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties shall continue as though no such proceedings had been taken.

No Remedy Exclusive.

No remedy herein conferred is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity.

Default Not Impaired by Delay.

No delay or omission to exercise any right or power accruing upon any default occurring and continuing as aforesaid, shall impair any such default or be construed as an acquiescence therein; and every power and remedy given by this Article may be exercised from time to time and as often as may be deemed expedient.

[End of Article IV]

ARTICLE V

DEFEASANCE

Release of Ordinance.

If the Bond issued pursuant to this Ordinance shall have been paid and discharged, then the obligations of the City under this Ordinance, and all other rights granted thereby, shall cease and terminate. The Bond shall be deemed to have been paid and discharged within the meaning of this Article under each of the following circumstances:

If a financial institution shall hold, at the stated maturity of such Bond in trust and irrevocably appropriated thereto, moneys for the payment thereof; or

If default in the payment of the principal of such Bond or the interest thereon, shall have occurred on the stated maturity of such Bond, and thereafter tender of such payment shall have been made, and a financial institution shall hold, in trust and irrevocably appropriated thereto, sufficient moneys for the payment thereof to the date of the tender of such payment; or

If there shall have been irrevocably deposited for the benefit of the Holder either moneys in an amount which shall be sufficient, or direct obligations of the United States of America the principal of and interest on which, when due, will provide moneys which, together with the moneys, if any, deposited at the same time, shall be sufficient to pay, when due, the principal and interest, due and to become due on the Bond on and prior to the maturity date or redemption date thereof. In the event that the City shall elect to redeem the Bond prior to its stated maturity, the City shall proceed in the manner prescribed in Section 2.02 hereof.

Deposit of Moneys.

Any moneys which at any time shall be deposited by or on behalf of the City for the purpose of paying and discharging the Bond shall be and are hereby assigned, transferred, and set over to the financial institution with which such trust for the Holder of such Bond is established, and such moneys shall be and are hereby irrevocably appropriated to the payment and discharge thereof.

[End of Article V]

ARTICLE VI
MISCELLANEOUS

Execution of Documents.

The Mayor, City Manager, and Clerk are hereby authorized, empowered, and directed to execute in the name of the City and under the Corporate Seal of the City any and all other documents that may be required as a condition precedent to making the aforesaid loan to the City, and the City is hereby authorized and empowered to accept and receive the proceeds of such loan.

Tenor of Obligation.

Every covenant, undertaking, and agreement made on behalf of the City set forth in the Bond and in this Ordinance is made, undertaken, and agreed to for the proper securing of the payment of the principal of and interest on the Bond. Each shall be deemed to partake of the obligation of the contract between the City and the Holder, and shall be enforceable accordingly.

Benefits of Ordinance Limited to the City and Holder of the Bond.

With the exception of rights or benefits herein expressly conferred, nothing expressed or mentioned in or to be implied from this Ordinance or the Bond is intended or should be construed to confer upon or give to any person other than the City and the Holder of the Bond, any legal or equitable right, remedy, or claim under or by reason of or in respect to this Ordinance or any covenant, condition, stipulation, promise, agreement, or provision herein contained. This Ordinance and all of the covenants, conditions, stipulations, promises, agreements, and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the City and the Holder from time to time of the Bond as herein and therein provided.

Ordinance Binding Upon Successors or Assigns of the City, Contract.

All the terms, provisions, conditions, covenants, warranties, and agreements contained in this Ordinance shall be binding upon the successors and assigns of the City and shall inure to the benefit of the Holder of the Bond.

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, with the exception of the findings of fact in Article I hereof, shall be deemed to be and shall constitute a contract between the City and the Holder from time to time of the Bond, and such provisions are covenants and agreements with such Holder which the City hereby determined to be necessary and desirable for the security and payment thereof.

Effect of Saturdays, Sundays and Legal Holidays.

Whenever this Ordinance requires any action to be taken on a Saturday, Sunday, legal holiday or bank holiday in the State of South Carolina, such action shall be taken on the first business day occurring thereafter. Whenever in this Ordinance the time within which any action is required to be taken or within which any right will lapse or expire shall terminate on a Saturday, Sunday, legal holiday or bank holiday, in the State of South Carolina, such time shall continue to run until midnight on the next succeeding business day.

Law and Place of Enforcement of the Ordinance.

This Ordinance shall be construed and interpreted in accordance with the laws of the State of South Carolina and all suits and actions arising out of this Ordinance shall be instituted in a court of competent jurisdiction in said State.

Effect of Article and Section Headings.

The heading or titles of the several Articles and Sections hereof shall be solely for the convenience of reference and shall not affect the meaning, construction, interpretation or effect of this Ordinance.

Saving Provision.

If any section, paragraph, clause, or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Ordinance.

Repealing Clause.

All resolutions, ordinances, or parts thereof, inconsistent herewith shall be, and the same are hereby, repealed to the extent of such inconsistencies.

Effective Date.

This Ordinance shall be effective without the necessity of any publication upon the date on which it receives second and final reading.

[End of Article VI]

DONE, RATIFIED, AND ENACTED THIS _____ DAY OF SEPTEMBER, 2016.

CITY OF SUMTER, SOUTH CAROLINA

Joseph T. McElveen, Jr., Mayor

Thomas J. Lowery, Mayor Pro Tem

Robert A. Galiano, Councilman

Ione J. Dwyer, Councilwoman

Calvin K. Hastie, Sr., Councilman

David P. Merchant, Councilman

Colleen H. Yates, Councilwoman

ATTEST:

Linda D. Hammett, City Clerk

First Reading: _____

Second Reading: _____

EXHIBIT A

Form of Bond

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
TAX INCREMENT REVENUE BOND,
SERIES 2016, OF THE CITY OF SUMTER,
ISSUED PURSUANT TO SECTIONS 31-6-10 TO 31-6-120,
INCLUSIVE, CODE OF LAWS OF SOUTH CAROLINA, 1976

THE CITY OF SUMTER, SOUTH CAROLINA (the “City”) hereby acknowledges itself indebted, and, for value received, promises to pay to Branch Banking and Trust Company (the “Registered Holder”) the principal sum of \$4,500,000 in the manner and upon the terms set forth herein. The outstanding principal sum of this Bond shall bear interest at the rate of 2.04% per annum payable on the first day of July in each year commencing July 1, 2017, until the Bond is paid in full. Principal of the Bond shall be payable as follows:

<u>July 1</u> <u>of Year</u>	<u>Principal</u> <u>Amount</u>
2017	\$
2018	
2019	
2020	
2021	
2022	
2023	
2024	
2025	
2026	
2027	
2028	
2029	

Both the principal and interest on this Bond are payable in any coin or currency of the United States of America, which is, at the time of payment, legal tender for the payment of public and private debts. Interest shall be calculated on the basis of a 360 day year consisting of twelve months of thirty days each.

THIS BOND constitutes an issue of \$4,500,000 Tax Increment Revenue Bond, Series 2016, issued by the City of Sumter, pursuant to the authorization of the Tax Increment Financing Act codified as Sections 31-6-10 to 31-6-120, Code of Laws of South Carolina, 1976, and an ordinance duly adopted by the City Council of the City of Sumter on September __, 2016 (the “Bond Ordinance”). For the payment of this Bond, both principal and interest, there are pledged the incremental tax revenues generated from the Redevelopment Project Area (as such term is defined in the Bond Ordinance and as established pursuant to Ordinance No. 1723 of the City enacted on December 7, 1999), including any additional parcels that may be included within the Redevelopment Project Area subsequent to the date hereof. This

Bond is further secured by a junior lien pledge of the gross revenues of the City's waterworks and sewer system that remain after paying the cost of the operation and maintenance thereof. As such, this Bond is issued as a "Junior Lien Bond" under Section 6.01 of an Ordinance of the City enacted on June 15, 1999, entitled "An Ordinance Providing For The Issuance And Sale Of Waterworks And Sewer System Revenue Bonds Of The City Of Sumter, South Carolina, And Other Matters Relating Thereto", as may be from time to time amended.

The full faith, credit, and taxing power of the City are not pledged to the payment of this Bond.

This Bond is subject to redemption in whole, but not in part, at par plus accrued interest to the date of redemption upon seven (7) days' written notice to the Holder hereof at any time after July 1, 2022.

All payments by way of principal and interest shall be paid 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 registry books of the City, or by wire transfer to an account designated by such registered holder; provided, however, that the final payment of principal and interest shall be made upon surrender of this Bond to the City.

Both the principal and interest on the Bond 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.

The Bond shall at all times be registered on registry books of the City to be kept by the City, and each transfer to be valid shall be made on the registry books and similarly noted on this Bond.

Certain capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Bond Ordinance. A certified copy of the Bond Ordinance is on file in the office of the City Clerk. The Bond Ordinance sets forth the remedies available to the Holder hereof and the limitations thereon upon the occurrence of an Event of Default.

The Registered Holder may at any time assign and transfer this Bond in the manner above noted.

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. Under presently existing statute law as judicially construed on the date of delivery hereof, the interest is excludable from gross income for federal income taxes.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by this Constitution and Laws of the State of South Carolina to exist, to happen, or to be performed precedent to or in the issuance of this Bond, do exist, have happened and have been performed in regular and due time, form and manner.

IN WITNESS WHEREOF, THE CITY OF SUMTER, pursuant to the authorization of Sections 31-6-10 to 31-6-120, inclusive, Code of Laws of South Carolina, 1976, and an ordinance duly adopted by the City Council of the City of Sumter has caused these presents to be signed in its name by its Mayor and attested by the Clerk of City Council and its Corporate Seal to be impressed hereon, and this Bond to be dated as of the ___ day of _____, 2016.

(SEAL)

THE CITY OF SUMTER,
SOUTH CAROLINA

Joseph T. McElveen, Jr.
Mayor

Attest:

Clerk, City of Sumter, South Carolina

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____
the within Bond of the City of Sumter, South Carolina, and hereby irrevocably constitutes and appoints
_____ Attorney to transfer the same on books of the Registrar with full power of substitution in the
premises.

Dated:

_____, 20__

Signature Guaranteed

ACKNOWLEDGEMENT OF REGISTRATION

I hereby acknowledge registration of this Bond in accordance with Section 2.07 of the Bond Ordinance to the Registered Holder named herein.

Clerk, City of Sumter, South Carolina

STATE OF SOUTH CAROLINA

COUNTY OF SUMTER

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

That the foregoing constitutes a true, correct, and verbatim copy of an Ordinance enacted by the City Council of the City (the "City Council") on _____, 2016. The Ordinance was read at two public meetings of the City Council on two separate days, _____, 2016 and _____, 2016. An interval of at least six days occurred between each reading of the Ordinance. At each such meeting, a quorum of the City Council was present and remained present throughout the meeting.

The meetings held on _____, 2016 and _____, 2016, were duly called regular meetings of the City Council. As required by Chapter 4, Title 30 of the Code of Laws of South Carolina 1976, as amended, a notice of said meeting (including the date, time, and place thereof, as well as an agenda which included the Ordinance as an item for City Council action) was posted prominently in the City Hall of the City and posted on the City's public website, in both cases 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 such meeting, and were provided with a copy of said agenda therefor at least twenty-four hours in advance of such meeting.

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

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

IN WITNESS WHEREOF, I have hereunto set my Hand and the Seal of the City of Sumter, South Carolina, this _____ day of _____, 2016.

(SEAL)

City Clerk, City of Sumter,
South Carolina