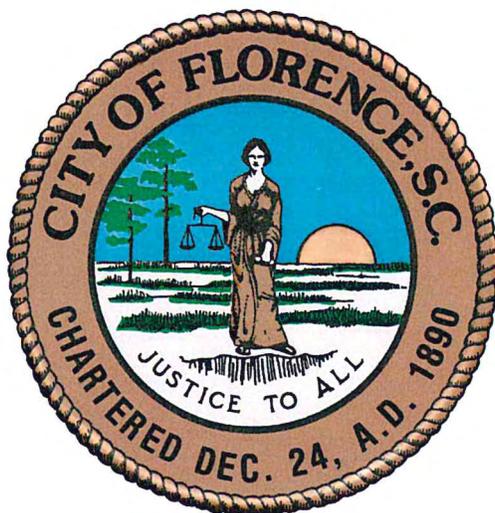


REGULAR MEETING
OF
FLORENCE CITY COUNCIL



COUNCIL CHAMBERS
324 W. EVANS STREET
FLORENCE, SOUTH CAROLINA

MONDAY
MAY 12, 2014
1:00 P.M.

REGULAR MEETING OF FLORENCE CITY COUNCIL

MONDAY, MAY 12, 2014 - 1:00 P.M.

CITY CENTER – COUNCIL CHAMBERS

324 W. EVANS STREET

FLORENCE, SOUTH CAROLINA

AGENDA

I. CALL TO ORDER

II. INVOCATION

Pledge of Allegiance to the American Flag

III. APPROVAL OF MINUTES

April 21, 2014 – Regular Meeting

IV. HONORS AND RECOGNITIONS

Retirement Recognitions

Alfred Wells – March 4, 2002 – February 28, 2014

Edward Hutchinson – October 18, 2000 – March 21, 2014

Service Recognitions

Marvin Scott – 25 years – Surface Water Production

Joe Vanadia – 25 years – Fire Department

Sandra Hanner – 10 years – Utility Finance

Mark Happ – 10 years – Police Department

Kimberly Mitchell – 10 years – Recreation Program

V. APPEARANCES BEFORE COUNCIL

a. Mrs. Allie Walker – to make a presentation regarding “Help 4 Kids Florence”

a. Mr. Andrew Kampiziones – to make a presentation regarding Sister Cities

b. Ms. Pat Gibson Hye-Moore – to make a presentation regarding Handicap Friendly Florence wheelchair charging stations.

VI. PUBLIC HEARING

- a. *A Public Hearing will be held to receive comments on the budget for the City of Florence for fiscal year beginning July 1, 2014 and ending June 30, 2015.***
- b. *A Public Hearing will be held to receive input on the City's Community Development Block Grant (CDBG) funding for fiscal year 2014-2015.***

VII. ORDINANCES IN POSITION

- a. *Bill No. 2014-07 – Second Reading***
An Ordinance authorizing and providing for the issuance of the City of Florence, South Carolina, Hospitality Fee Revenue Bonds, and other matters pertaining thereto; prescribing the form of bonds issued hereunder; pledging local hospitality fees to the payment of the principal of, premium, if any, and interest on the bonds; and making other covenants and agreements in connection with the foregoing.
- b. *Bill No. 2014-08 – Second Reading***
An Ordinance providing for the issuance and sale of a City of Florence, South Carolina Hospitality Fee Revenue Bond, Series 2014, in the principal amount of not exceeding \$5,250,000; and other matters relating thereto.
- c. *Bill No. 2014-09 – Second Reading***
An Ordinance providing for the issuance and sale of not exceeding \$14,000,000 Tax Increment Revenue Bond (Florence Downtown Redevelopment Project Area), Series 2014, of the City of Florence, South Carolina, and other matters relating thereto.
- d. *Bill No. 2014-10 – Second Reading***
An Ordinance amending an Ordinance adopted October 14, 2013, providing for the issuance and sale of a Waterworks and Sewerage System Junior Lien Revenue Bond of the City of Florence in an aggregate amount not to exceed \$6,100,000 in order to refund all Waterworks and Sewer System Revenue Bonds of the Town of Timmons ville held by the United States Department of Agriculture, Rural Development and thereby acquire the Waterworks and Sewer System of the Town of Timmons ville, and other matters relating thereto.

- e. Bill No. 2014-11 – Second Reading**
An Ordinance approving amendments to existing loan agreements relating to City of Florence Water and Sewerage System Revenue Debt identified as South Carolina Drinking Water Revolving Loan Fund Loan Numbers 3-003-99-2110001-02, 3-008-00-2110001-01 and 3-014-02-2110001-04 and South Carolina Water Pollution Control Revolving Fund Loan Numbers S1-121-09-378-19, X2-153-13-378-20 and X1-157-13-378-21; to provide for certain changes to the Debt Service Reserve Fund funding requirements therein; and other matters relating thereto.
- f. Bill No. 2014-12 – Second Reading**
An Ordinance to amend Sections 14-13.1 and 15-34 of the City Code to provide for the possession and consumption of beer and wine in certain limited public right-of-ways, parking lots, courtyards, lawns, and plazas, to provide for the issuance of event permits, and to establish the areas and the permitting process for such event permits.
- g. Bill No. 2014-13 – Second Reading**
An Ordinance to annex and zone property owned by Gerald Player, Tax Map Number 90096-05-006, and zone same property R-2, Single-Family Residential District.
- h. Bill No. 2014-14 – Second Reading**
An Ordinance to annex and zone property owned by Stanley and Diane Barnes, Tax Map Number 00984-01-008, and James and Mincy Peterson, Tax Map Number 00984-01-024, and zone same property R-1, Single Family Residential.
- i. Bill No. 2014-15 – Second Reading**
An Ordinance to annex and zone property owned by Michael and Kathryn Roach, Tax Map Number 01221-01-239, and zone same property R-1, Single Family Residential District.
- j. Bill No. 2014-16 – Second Reading**
An Ordinance to annex and zone property owned by E. G. Hudson, Tax Map Number 90044-03-002; 90044-03-004; 90044-03-005; 90044-03-006; 90044-03-012; 90044-03-010; 90044-03-014; 90044-03-015; 90044-04-005; 90044-06-008; 90044-04-009; 90044-04-010; 90044-04-019; 90044-04-020; and 90044-06-001, and zone same property R-4, Multi-Family Residential.
- k. Bill No. 2014-17 – Second Reading**
An Ordinance authorizing the transfer of a parcel of land containing approximately 1.6 acres and designated as Tax Map 00188-03-075 in the records of the Florence County Tax Assessor.

l. Bill No. 2014-18 – Second Reading

An Ordinance to abandon unopened portions of Sumter Street and Batavia Street located in the triangle east of North Irby Street; north of Darlington Street, and west of the S.C.L. Railroad right-of-way, all within an area shown on a plat prepared by Engineering Consultants, Inc. and recorded in the office of the Clerk of Court for Florence County in Plat Book 83 at Page 301.

VIII. INTRODUCTION OF RESOLUTIONS

a. Resolution No. 2014-08

A Resolution authorizing the City Manager to complete, and the Mayor to execute and submit an application to the South Carolina Water Quality Revolving Fund Authority (SRF) for a low interest loan from the Water Pollution Control Revolving Loan Fund in an amount of approximately \$2,300,000 to finance the first phase of improvements and repairs to the Timmons ville Sewer System.

IX. ADJOURN

**REGULAR MEETING OF FLORENCE CITY COUNCIL
MONDAY, APRIL 21, 2014 – 1:00 P.M.
CITY CENTER, COUNCIL CHAMBERS
FLORENCE, SOUTH CAROLINA**

MEMBERS PRESENT: Mayor Wukela called the meeting to order at 1:00 p.m. with the following members present: Mayor Pro tem Buddy Brand; Councilwoman Teresa M. Ervin; Councilman Glynn F. Willis; Councilman Ed Robinson; Councilwoman Octavia Williams-Blake and Councilman Robby Hill.

ALSO PRESENT: Mr. Drew Griffin, City Manager; Mrs. Dianne M. Rowan, Municipal Clerk; Mr. James W. Peterson, Jr., City Attorney; Mr. Thomas Chandler, Director of Finance; Mr. Scotty Davis, Director of Community Services; Chief Randy Osterman, Florence Fire Department; Mr. Ray Reich, Downtown Development Manager; Mr. Chuck Pope, Director of Public Works; Mr. Michael Hemingway, Director of Utilities; and Chief Allen Heidler, Florence Police Department.

Notices of this regularly scheduled meeting were sent to the media informing them of the date, time and location of the meeting.

Mr. Gavin Jackson of the Morning News was present for the meeting.

INVOCATION

Councilwoman Ervin gave the invocation for the meeting. The Pledge of Allegiance to the American Flag followed.

APPROVAL OF MINUTES

Mayor Pro tem Brand made a motion to adopt the minutes of the March 10, 2014 Regular Meeting. Councilman Willis seconded the motion, which carried unanimously.

HONORS AND RECOGNITIONS

Service Recognition

Mayor Wukela presented Donna Winchester a certificate in recognition of completing 10 years of service with the City of Florence.

APPEARANCES BEFORE COUNCIL

COUNCILMAN ROBBY HILL, LEGISLATIVE DAY CHAIR, TO GIVE AN UPDATE ON FLORENCE COUNTY LEGISLATIVE DAY 2014.

Councilman Hill introduced Ms. Jessica Mickel and Ms. Lauren Stanton of the Florence County Economic Development Partnership.

The 12th Annual Florence County Legislative Day was held in Columbia, SC on Tuesday, March 18, 2014. Activities included a luncheon at the Capital City Club, a tour of the State Museum, an afternoon social at Mellow Mushroom sponsored by the Young Professionals of Florence and a reception

**REGULAR MEETING OF FLORENCE CITY COUNCIL
APRIL 21, 2014 – PAGE 2**

at the Columbia Museum of Art; where over 400 attended to learn about the business and industry of Florence County.

COUNCILMAN ED ROBINSON – TO PRESENT COMMUNITY CONCERNS

Councilman Robinson presented a petition containing 100 signatures representing concerns regarding community development. The residents in north and east Florence would like to see improvements happen within their communities. Councilman Robinson stated that these residents feel that the concerns of the north and east Florence communities have been neglected.

This report was presented to Council as information.

ORDINANCES IN POSITION

BILL NO. 2014-06 – SECOND READING

AN ORDINANCE AUTHORIZING THE TRANSFER OF A PARCEL OF LAND CONTAINING APPROXIMATELY 1.7 ACRES AND DESIGNATED AS TAX MAP 00286-02-070 IN THE RECORDS OF THE FLORENCE COUNTY TAX ASSESSOR.

An Ordinance authorizing the transfer of a parcel of land containing approximately 1.7 acres and designated as Tax Map 00286-02-070 in the records of the Florence County Tax Assessor was adopted on second reading.

Mayor Pro tem Brand made a motion to adopt Bill No. 2014-06 on second reading. Councilman Willis seconded the motion. The motion was approved unanimously.

INTRODUCTION OF ORDINANCES

PUBLIC HEARING

A PUBLIC HEARING WILL BE HELD FOR THE PURPOSE OF RECEIVING COMMENTS ON ADOPTION OF AN ORDINANCE TITLED “AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF A CITY OF FLORENCE, SOUTH CAROLINA HOSPITALITY FEE REVENUE BOND, SERIES 2014 IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING \$5,250,000; AND OTHER MATTERS RELATING THERETO.”

Mayor Wukela stated the purpose of these matters before Council is a re-visiting of a previous meeting on November 5, 2013, when staff and the City’s financial consultants spelled out a number of different projects that could be financed by a new TIF and Hospitality Tax revenues, including new parking decks, a gymnasium and etc. Staff was charged with identifying the funding mechanism and the best way to move forward. The City’s Bond Attorney, Mr. Charlton deSaussure and the City’s financial advisor, Mr. Walter Goldsmith are present at today’s meeting to explain how this will be accomplished.

Mayor Pro tem Brand made a motion to open the public hearing. Councilman Willis seconded the motion, which carried unanimously. The public hearing was declared open at 1:08 p.m.

Mr. Charlton deSaussure, Bond Counsel, described the three ordinances that are on the agenda today for Council’s consideration. All of the ordinances fall under the single purpose of what Council approved conceptually on November 5, 2013, by way of projects Council wanted to undertake. When staff looked at how best to accomplish this, it was determined that it made the most sense to do the proposed basketball facility under the State’s Hospitality Tax act and everything else under the TIF act.

**REGULAR MEETING OF FLORENCE CITY COUNCIL
APRIL 21, 2014 – PAGE 3**

Bill Numbers 2014-07 and 2014-08 relate to the Hospitality Tax Revenue Bonds General Ordinance and both relate to the gymnasium. The second Ordinance is a Series Ordinance. The third Ordinance (Bill No. 2014-09) is the TIF Bond. The specifics of these ordinances; interest rates and the name of the bank will be available at the May City Council meeting.

There was no one present from the public to make comments.
Mayor Wukela declared the public hearing closed at 1:43 p.m.

BILL NO. 2014-07 – FIRST READING

AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF THE CITY OF FLORENCE, SOUTH CAROLINA, HOSPITALITY FEE REVENUE BONDS, AND OTHER MATTERS PERTAINING THERETO; PRESCRIBING THE FORM OF BONDS ISSUED HEREUNDER; PLEDGING LOCAL HOSPITALITY FEES TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS; AND MAKING OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE FOREGOING.

An Ordinance authorizing and providing for the issuance of the City of Florence, South Carolina, Hospitality Fee Revenue Bonds, and other matters pertaining thereto; prescribing the form of bonds issued hereunder; pledging local hospitality fees to the payment of the principal of, premium, if any, and interest on the bonds; and making other covenants and agreements in connection with the foregoing was passed on first reading.

Mayor Pro tem Brand made a motion to pass Bill No. 2014-07 on first reading. Councilwoman Williams-Blake seconded the motion.

Mayor Wukela stated this Ordinance will provide the umbrella authorization of the Hospitality Revenue that will be pledged to the proposed gymnasium project.

Councilman Robinson stated he has concerns with the gym because there are so many other priorities, such as education and jobs. Councilman Robinson stated the two most important things needed for the lower income area are education and jobs and would like to see the City have those two items in place before building a gym.

Councilman Robinson amended the motion to allow \$8,000,000 that was offered by Council two years ago for a gym, to be brought back before Council and to allocate \$4,000,000 for a gym and \$4,000,000 for an educational facility. This motion to amend failed for lack of a second.

The original motion passed with a vote of 6-1.

Voting aye were Mayor Wukela, Mayor Pro tem Brand, Councilman Hill, Councilman Willis, Councilwoman Williams-Blake and Councilwoman Ervin.

Voting nay was Councilman Robinson.

BILL NO. 2014-08 – FIRST READING

AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF A CITY OF FLORENCE, SOUTH CAROLINA HOSPITALITY FEE REVENUE BOND, SERIES 2014, IN THE PRINCIPAL AMOUNT NOT EXCEEDING \$5,250,000; AND OTHER MATTERS RELATING THERETO.

An Ordinance providing for the issuance and sale of a City of Florence, South Carolina Hospitality Fee Revenue Bond, Series 2014, in the principal amount of not exceeding \$5,250,000; and other matters relating thereto was passed on first reading.

Mayor Wukela stated this is the Series Ordinance under the umbrella that Council just authorized by passing Bill No. 2014-07. This is the hospitality fee funding mechanism to allow for the construction of the basketball facility.

**REGULAR MEETING OF FLORENCE CITY COUNCIL
APRIL 21, 2014 – PAGE 4**

Mayor Pro tem Brand made a motion to pass Bill No. 2014-08. Councilwoman Ervin seconded the motion.

Councilman Robinson feels more should be done to help the lower income residents and that too much emphasis is being placed on things that will not improve the quality of life for people that live in the low income areas.

The motion passed with a vote of 6-1.

Voting aye were Mayor Wukela, Mayor Pro tem Brand, Councilman Hill, Councilman Willis, Councilwoman Williams-Blake and Councilwoman Ervin.

Voting nay was Councilman Robinson.

BILL NO. 2014-09 – FIRST READING

AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF NOT EXCEEDING \$14,000,000 TAX INCREMENT REVENUE BOND (FLORENCE DOWNTOWN REDEVELOPMENT PROJECT AREA), SERIES 2014, OF THE CITY OF FLORENCE, SOUTH CAROLINA, AND OTHER MATTERS RELATING THERETO.

An Ordinance providing for the issuance and sale of not exceeding \$14,000,000 Tax Increment Revenue Bond (Florence Downtown Redevelopment Project Area), Series 2014, of the City of Florence, South Carolina, and other matters relating thereto was passed on first reading.

Councilman Willis made a motion to pass Bill No. 2014-09. Councilman Hill seconded the motion.

Councilman Robinson stated that the downtown redevelopment that has occurred has not helped the minority businesses that are currently located in downtown. Councilman Robinson also stated that improvements should be happening to the neighborhoods now and not make those residents wait any longer.

The motion passed with a vote of 6-1.

Voting aye were Mayor Wukela, Mayor Pro tem Brand, Councilman Hill, Councilman Willis, Councilwoman Ervin and Councilwoman Williams-Blake.

Voting nay was Councilman Robinson.

BILL NO. 2014-10 – FIRST READING

AN ORDINANCE AMENDING AN ORDINANCE ADOPTED OCTOBER 14, 2013, PROVIDING FOR THE ISSUANCE AND SALE OF A WATERWORKS AND SEWERAGE SYSTEM JUNIOR LIEN REVENUE BOND OF THE CITY OF FLORENCE IN AN AGGREGATE AMOUNT NOT TO EXCEED \$6,100,000 IN ORDER TO REFUND ALL WATERWORKS AND SEWER REVENUE BONDS OF THE TOWN OF TIMMONSVILLE HELD BY THE UNITED STATES DEPARTMENT OF AGRICULTURE, RURAL DEVELOPMENT AND THEREBY ACQUIRE THE WATERWORKS AND SEWER SYSTEM OF THE TOWN OF TIMMONSVILLE, AND OTHER MATTERS RELATING THERETO.

An Ordinance amending an Ordinance adopted October 14, 2013, providing for the issuance and sale of a Waterworks and Sewerage System Junior Lien Revenue Bond of the City of Florence in an aggregate amount not to exceed \$6,100,000 in order to refund all Waterworks and Sewer Revenue Bonds of the Town of Timmonsville held by the United States Department of Agriculture, Rural Development and thereby acquire the Waterworks and Sewer System of the Town of Timmonsville, and other matters relating thereto was passed on first reading.

Mayor Wukela stated that Council passed on October 14, 2013, an Ordinance providing for the acceptance of the USDA Grants and to accept the obligations that were on the Timmonsville System as

part and parcel of the acquisition of that system. There was a Scrivener's error in those documents. USDA has requested that the City of Florence amend those documents. The City's bond counsel has reviewed the documents and has approved those amendments.

Councilman Willis made a motion to pass Bill No. 2014-10 on first reading. Councilwoman Ervin seconded the motion, which carried unanimously.

BILL NO. 2014-11 – FIRST READING

AN ORDINANCE APPROVING AMENDMENTS TO EXISTING LOAN AGREEMENTS RELATING TO CITY OF FLORENCE WATER AND SEWERAGE SYSTEM REVENUE DEBT IDENTIFIED AS SOUTH CAROLINA DRINKING WATER REVOLVING LOAN FUND LOAN NUMBERS 3-003-99-2110001-02; 3-008-00-2110001-01 AND 3-014-02-2110001-04 AND SOUTH CAROLINA WATER POLLUTION CONTROL REVOLVING FUND LOAN NUMBERS S1-121-09-378-19, X2-153-13-278-20 AND XI-157-13-378-21; TO PROVIDE FOR CERTAIN CHANGES TO THE DEBT SERVICE RESERVE FUND FUNDING REQUIREMENTS THEREIN; AND OTHER MATTERS RELATING THERETO.

An Ordinance approving amendments to existing loan agreements relating to City of Florence Water and Sewerage System Revenue Debt identified as South Carolina Drinking Water Revolving Loan Fund loan numbers 3-003-99-2110001-02; 3-008-00-2110001-01 and 3-014-02-2110001-04 and South Carolina Water Pollution Control Revolving Fund loan numbers S1-121-09-378-19, X2-153-13-278-20 and XI-157-13-378-21; to provide for certain changes to the Debt Service Reserve Fund funding requirements therein; and other matters relating thereto was passed on first reading.

Mayor Wukela explained that the City has done a number of borrowings with the State Revolving Loan Fund. By virtue of those borrowings they require that the City keep certain amounts available to service the debt and to isolate and segregate those dollars. Because of the City's credit rating, the strong financial planning that staff has provided and this Council has adopted, SRF is allowing the City to release some of those dollars and allowing them to be used for other things.

Mayor Pro tem Brand made a motion to pass Bill No. 2014-11 on first reading. Councilman Willis seconded the motion, which passed unanimously.

BILL NO. 2014-12 – FIRST READING

AN ORDINANCE TO AMEND SECTIONS 14-13.1 AND 15-34 OF THE CITY CODE TO PROVIDE FOR THE POSSESSION AND CONSUMPTION OF BEER AND WINE IN CERTAIN LIMITED PUBLIC RIGHT-OF-WAYS, PARKING LOTS, COURTYARDS, LAWNS, AND PLAZAS UPON ISSUANCE OF EVENT PERMITS AND TO ESTABLISH THE AREAS AND THE PERMITTING PROCESS FOR SUCH EVENTS.

An Ordinance to amend Sections 14-13.1 and 15-34 of the City Code to provide for the possession and consumption of beer and wine in certain limited public right-of-ways, parking lots, courtyards, lawns, and plazas upon issuance of event permits and to establish the areas and the permitting process for such events was passed on first reading.

Councilwoman Williams-Blake made a motion to pass Bill No. 2014-12 on first reading. Mayor Pro tem Brand seconded the motion.

Mr. Drew Griffin, City Manager, stated that for the last 10 years the City has allowed the consumption of beer and wine within certain public spaces through a set of policies and other instruments. In almost all cases, the City allowed the consumption of beer and wine as a part of special events usually sponsored by a third party such as the Downtown Development Corporation. Following a news article regarding an amendment to the City of Greenville's ordinance for beer, wine and "spirits" it became

**REGULAR MEETING OF FLORENCE CITY COUNCIL
APRIL 21, 2014 – PAGE 6**

apparent that the City should review and revise its policies and ordinances to “specifically” allow for the consumption of beer and wine within public right-of-ways and certain public spaces. The City Attorney was requested to review this and develop an Ordinance that would correct the City’s past practices.

Mr. Jim Peterson, City Attorney explained that there were two ordinances that needed to be updated in order to be compliant with the practice that had been going on for 10 years. One of the Ordinances was found in Section 14-13.1 which was an Ordinance that related to possession of beverages containing alcohol on public property. The second one was found in Code Section 15-34 which related to alcoholic beverages in parks and similar areas. The Ordinance before Council is an amendment to both of those sections of the Code. Bill No. 2014-12 puts into the City’s Code the process that is already being followed. It allows beer and wine in limited events, in limited public spaces. Both the areas and the methodology for having it allowed are set out in these ordinances. Section 15-34 provides for five areas that the City Manager, after receiving an application for a permit, would be allowed to issue an event permit to allow those activities to occur. The five areas are: 1) Public right-of-ways and public parking areas within the established Downtown Redevelopment Overlay District (D-1) per the Zoning Ordinance for the City of Florence; 2) West Evans Street Breezeway; 3) James Allen Plaza; 4) William H. Johnson Renaissance Dining Courtyard; and 5) The lawn area located outside of the gate and immediately in front of the Tennis Center. The sixth area is defined as any other public space within the city authorized by City Council through the adoption of a Resolution. If there are other areas that are requested to be used for an event, those requests would come back before Council and through a Resolution, Council could add another area.

The motion to pass Bill No. 2014-12 was approved unanimously.

BILL NO. 2014-13 – FIRST READING
AN ORDINANCE TO ANNEX AND ZONE PROPERTY OWNED BY GERALD PLAYER, TAX
MAP NUMBER 90096-05-006, AND ZONE SAME PROPERTY R-2, SINGLE FAMILY
RESIDENTIAL DISTRICT.

An Ordinance to annex and zone property owned by Gerald Player, Tax Map Number 90096-05-006, and zone same property R-2, Single Family Residential District was passed on first reading.

Mayor Pro tem Brand made a motion to pass Bill No. 2014-13 on first reading. Councilman Hill seconded the motion.

Mr. Jerry Dudley of the Planning, Research and Development Department, reported this is a request to annex property located at 204 Wilson Road, Tax Map Number 90096-05-006 into the City of Florence and zone the property R-2, Single-Family Residential District. The request is being made by the property owner, Mr. Gerald Player.

City water and sewer services are currently available and there is no cost to extend utility services.

A Public Hearing for zoning was held at the March 11, 2014 Planning Commission meeting. The Planning Commission members voted 5-0 to recommend the zoning request of R-2, Single-Family Residential District.

The motion to pass Bill No. 2014-13 on first reading was approved unanimously.

BILL NO. 2014-14 – FIRST READING

AN ORDINANCE TO ANNEX AND ZONE PROPERTY OWNED BY STANLEY AND DIANE BARNES, TAX MAP NUMBER 00984-01-008, AND JAMES AND MINCY PETERSON, TAX MAP NUMBER 00984-01-024, AND ZONE SAME PROPERTY R-1, SINGLE FAMILY RESIDENTIAL .

An Ordinance to annex and zone property owned by Stanley and Diane Barnes, Tax Map Number 00984-01-008, and James and Mincy Peterson, Tax Map Number 00984-01-024, and zone same property R-1, Single Family Residential was passed on first reading.

Councilman Willis made a motion to pass Bill No. 2014-14 on first reading. Mayor Pro tem Brand seconded the motion.

Mr. Jerry Dudley of the Planning, Research and Development Department, reported this is a request to annex two properties located in the Grove Park Subdivision, Tax Map Numbers 00984-01-008 and 00984-01-024 into the City of Florence and zone the properties R-1, Single-Family Residential District. The request is being made by the property owners, Stanly and Diane Barnes (2708 Trotter Road) and James and Mincy Peterson (2711 Trotter Road).

City water and sewer services are currently available and there is no cost to extend utility services.

A Public Hearing for zoning was held at the March 11, 2014 Planning Commission meeting and the members present voted 5-0 to recommend the zoning request of R-1, Single-Family Residential District.

The motion to pass Bill No. 2014-14 on first reading was approved unanimously.

BILL NO. 2014-15 – FIRST READING

AN ORDINANCE TO ANNEX AND ZONE PROPERTY OWNED BY MICHAEL AND KATHRYN ROACH, TAX MAP NUMBER 01221-01-239, AND ZONE SAME PROPERTY R-1, SINGLE FAMILY RESIDENTIAL DISTRICT.

An Ordinance to annex and zone property owned by Michael and Kathryn Roach, Tax Map Number 01221-01-239, and zone same property R-1, Single Family Residential District was passed on first reading.

Mayor Pro tem Brand made a motion to pass Bill No. 2014-15 on first reading. Councilwoman Ervin seconded the motion.

Mr. Jerry Dudley of the Planning, Research and Development Department, reported this is a request to annex property located at 612 Honor Cover, Tax Map Number 01221-01-239, into the City of Florence and zone the property R-1, Single-Family Residential District. The request is being made by the property owners, Michael and Kathryn Roach.

City water and sewer services are currently available and there is no cost to extend utility services.

A Public Hearing for zoning was held at the March 11, 2014 Planning Commission meeting. The Planning Commission members present voted 5-0 to recommend the zoning request of R-1, Single-Family Residential District.

The motion to pass Bill No. 2014-15 on first reading was approved unanimously.

BILL NO. 2014-16 – FIRST READING

AN ORDINANCE TO ANNEX AND ZONE PROPERTY OWNED BY E. G. HUDSON, TAX MAP NUMBER 90044-03-002; 90044-03-004; 90044-03-005; 90044-03-006; 90044-03-012; 90044-03-010; 90044-03-014; 90044-03-015; 90044-04-005; 90044-06-008; 90044-04-009; 90044-04-010; 90044-04-019; 90044-04-020 AND 90044-06-001, AND ZONE SAME PROPERTY R-4, MULTI-FAMILY RESIDENTIAL.

An Ordinance to annex and zone property owned by E. G. Hudson, Tax Map Number 90044-03-002; 90044-03-004; 90044-03-005; 90044-03-006; 90044-03-012; 90044-03-010; 90044-03-014; 90044-03-015; 90044-04-005; 90044-06-008; 90044-04-009; 90044-04-010; 90044-04-019; 90044-04-020 and 90044-06-001, and zone same property R-4, Multi-Family Residential was passed on first reading.

Councilman Willis made a motion to pass Bill No. 2014-16 on first reading. Councilwoman Ervin seconded the motion.

Councilman Willis made a motion to amend the zoning request from R-4, Multi-Family Residential to R-3, Single-Family Residential. This change is to support the neighborhood and the community to continue the single family occupancy that is already in the neighborhood. Also the City would only be able to provide city water to these properties as sewer is not available and would be very costly and impractical to provide.

Mr. Drew Griffin, City Manager said the City has spoken to Mr. Hudson regarding this. Mr. Hudson's primary interest is water and that is the purpose of his annexation request.

The vote was unanimous on the amended motion that would provide that the annexation will be accepted and the zoning will be R-3, as opposed to R-4, and that the annexation is also accepted with the understanding that it is for the purpose of providing water but the City will not be obligated to provide sewer at the location

The vote was unanimous on the principal motion, as amended.

BILL NO. 2014-17 – FIRST READING

AN ORDINANCE AUTHORIZING THE TRANSFER OF A PARCEL OF LAND CONTAINING APPROXIMATELY 1.6 ACRES AND DESIGNATED AS TAX MAP NUMBER 00188-03-075 IN THE RECORDS OF THE FLORENCE COUNTY TAX ASSESSOR.

An Ordinance authorizing the transfer of a parcel of land containing approximately 1.6 acres and designated as Tax Map Number 00188-03-075 in the records of the Florence County Tax Assessor was passed on first reading.

Mayor Pro tem Brand made a motion to pass Bill No. 2014-17 on first reading. Councilman Willis seconded the motion.

Mr. Michael Hemingway, Director of Utilities reported that this property was approved as surplus by City Council on February 11, 2013. At that time, the City engaged in a long-term lease with the South Lynches Fire District for a portion of this site to be used for the construction of a fire station. The Town of Coward is now requesting conveyance of the remainder of the parcel to be used for the expansion of their water system.

The site consists of the undeveloped well, the well casing and a 6 foot chain link fence surrounding the well casing. This well is of limited, if any, value to the City because without significant capital investment it is not possible, hydraulically to tie the well into the City's distribution system.

The Town of Coward and the South Lynches Fire District have officially requested that the well and land be transferred to their ownership.

The motion to pass Bill No. 2014-17 on first reading was approved unanimously.

BILL NO. 2014-18 – FIRST READING

AN ORDINANCE TO ABANDON UNOPENED PORTIONS OF SUMTER STREET AND BATAVIA STREET LOCATED IN THE TRIANGLE EAST OF NORTH IRBY STREET; NORTH OF DARLINGTON STREET, AND WEST OF THE S.C.L. RAILROAD RIGHT-OF-WAY, ALL WITHIN AN AREA SHOWN ON A PLAT PREPARED BY ENGINEERING CONSULTANTS, INC. AND RECORDED IN THE OFFICE OF THE CLERK OF COURT FOR FLORENCE COUNTY IN PLAT BOOK 83 AT PAGE 301.

An Ordinance to abandon unopened portions of Sumter Street and Batavia Street located in the triangle east of North Irby Street; north of Darlington Street, and west of the S.C.L. Railroad right-of-way, all within an area shown on a plat prepared by Engineering Consultants, Inc. and recorded in the Office of the Clerk of Court for Florence County in Plat Book 83 at Page 301 was passed on first reading.

Councilwoman Ervin made a motion to pass Bill No. 2014-18 on first reading. Councilman Willis seconded the motion.

Mr. Jim Peterson, City Attorney reported that within the old Bush Recycling site there are unopened portions of Sumter Street and Batavia Street. To the City's knowledge they have never been opened. Obviously when the City acquired the ownership of that property, the fact that there were unopened streets on it didn't matter. Ownership of the real estate on which the streets are located will revert to the abutting property owner, which is presently the City of Florence. By previous action, City Council has approved conveyance of this property to HopeHealth, who needs to own the property currently occupied by the unopened streets in order to get started on the construction of their health facility. When the conveyance is complete, HopeHealth will own the property. To clear up the title, one of the things the City needed to do was to formally abandon those streets.

The motion passed unanimously.

INTRODUCTION OF RESOLUTIONS

RESOLUTION NO. 2014 – 05

A RESOLUTION IN RECOGNITION OF MR. ALLIE BROOKS' RETIREMENT

A Resolution in recognition of Mr. Allie Brooks' retirement was adopted by Council.

Councilman Willis made a motion to adopt Resolution No. 2014-05. Councilwoman Ervin seconded the motion, which carried unanimously.

RESOLUTION NO. 2014 – 06

A RESOLUTION DESIGNATING APRIL AS FAIR HOUSING MONTH

A Resolution designating April as Fair Housing Month was adopted by Council.

Councilwoman Ervin made a motion to adopt Resolution No. 2014-06. Councilwoman Williams-Blake seconded the motion, which carried unanimously.

RESOLUTION NO. 2014 – 07

A RESOLUTION STATING THE CITY'S SUPPORT OF THE MINIMUM WAGE INCREASE

A Resolution stating the City's support of the minimum wage increase was not adopted by Council.

Councilman Robinson made a motion to adopt Resolution No. 2014-07. Councilwoman Ervin seconded the motion.

Councilman Robinson stated that the purpose of this Resolution is to support President Obama and his efforts to give lower income people an increase. In the state of South Carolina there has not been an increase in the minimum wage in 10 years. Councilman Robinson feels an increase is needed to help the lower income people bridge the income gap.

Mayor Wukela stated he supported an increase in the minimum wage; however City Council does not have any authority to change the federal minimum wage. In fact state law prohibits the City from setting a city-wide minimum wage.

Voting in favor of Resolution No. 2014-07 were Councilwoman Ervin, Councilman Robinson and Mayor Wukela.

Voting in opposition of Resolution No. 2014-07 were Councilman Hill, Councilman Willis, Mayor Pro tem Brand and Councilwoman Williams-Blake.

REPORTS TO COUNCIL

COUNCILMAN ROBBY HILL – TO GIVE A REPORT ON THE PEE DEE/FLORENCE CHAMBER WASHINGTON, DC TRIP

Councilman Hill stated the lobbying group from the Chamber of Commerce recently traveled to Washington, DC and was able to meet with Senator Lindsey Graham. Mayor Wukela from Florence, Mayor Anderson from Lake City and Mayor McMillian from Mullins, along with the Florence City Manager, were part of the group.

One of the issues that was presented was the Florence Regional Airport. Since returning from Washington, better contacts have been made with the airline industry and the group is working very closely with the airport director to make progress with these concerns. Another issue presented was neighborhood redevelopment. The group updated our Washington leadership on what the City is doing and how Washington can help. Councilman Hill stated the City is following up on some ideas that were offered during the meeting. The last item that was discussed was PDRTA. Mr. Chuck McNeil, Director of PDRTA provided background that the lobbying group was able to take with them. Councilman Hill stated that in the three days that they were in Washington, DC, the group met with every one of the elected officials that cover the Pee Dee area.

APPOINTMENTS TO BOARDS AND COMMISSIONS

PARKS AND BEAUTIFICATION COMMISSION

Mayor Wukela made a motion to reappoint Mr. John Jebaily to serve on the Parks and Beautification Commission. Councilman Willis seconded the motion, which carried unanimously.

Mr. Jebaily was reappointed to serve on the Parks and Beautification Commission for a term to begin July 1, 2013 and end June 30, 2018.

**MR. SCOTTY DAVIS, DIRECTOR OF COMMUNITY SERVICES – TO GIVE A
PRESENTATION ON THE COMMUNITY DEVELOPMENT BLOCK GRANT**

Mr. Davis reported that the City will receive \$282,460 in Community Development Block Grant funds. This is an increase of about \$20,000 from last year. These funds must be used to: 1) aid in the elimination of slum and blight; 2) benefit low-moderate income persons; and 3) meet a need having a particular urgency.

City staff held several public meetings throughout the neighborhoods and one at the City Council Chambers to receive input on the funding. Community requests included funding for: additional lights in the neighborhoods; drainage issues; abandoned houses; Dr. Iola Jones Park (Community Center, Shed, Picnic tables); sidewalks on the Walnut Street area; and vacant lots.

The recommended budget for 2013-2014 is:

Planning and Admin - \$56,490;
Recreational improvements (Section 108 Loan) - \$100,000;
Emergency Rehabilitation - \$ 70,000;
Subrecipients - \$42,369 (15% maximum allowed); and
Other requests - \$13,601.

In the past the City has funded the Community Action Agency and their Transitional Shelter in the amount of \$30-40,000. We had two individual groups that are requesting funds through this Council for some warming stations. Council felt that the City needed to provide warming stations and staff worked with the non-profits to accomplish that. ECHO – Eastern Carolina Homeless Organization, made a request for funding in the \$3-4,000 range to address the homeless issue. That money would be coupled with other funding sources and used as a match for grant monies. The last request for funding is from the Manna House which serves the homeless. There is \$13,601 left for other requests. The \$56,490 allocated for Planning and Admin will be added back into the general fund budget and will be used along with the \$13,601 to do projects that fit in line with the neighborhood action plan.

In response to Councilman Robinson's concerns regarding a meeting with the banks; Mr. Davis stated that city staff set a meeting with all of the local banks and officials on April 10, 2014 but due to a scheduling conflict the meeting was cancelled. Staff is in the process of rescheduling that meeting.

In regards to fair housing; last year staff met with some of the bank officials at the Surface Water Treatment Facility. The year before staff met with the Realtors Association and Ms. Nancy Ferguson. Training was provided, particularly for Realtors. Last year staff concentrated on bankers and will concentrate again this year on bankers. Staff would like to work with the City's consultants to facilitate a meeting with the banking officials. In that meeting staff would like to talk specifically about Best Practices and Neighborhood Development. The consultants have worked throughout the country and staff would like to discuss what the other banking institutions are doing in other communities. Other topics for discussion would be the HUMDA data, the CRA (Community Reinvestment Act), as well as discuss the City's neighborhood revitalization and ask specific questions about how the banks can work with the City in the neighborhood revitalization.

COUNCILMAN ED ROBINSON – REVIEW OF MINORITY PROCUREMENT POLICY

Councilman Robinson requested that this item be deferred.

**REGULAR MEETING OF FLORENCE CITY COUNCIL
APRIL 21, 2014 – PAGE 12**

EXECUTIVE SESSION

Councilman Willis made a motion to enter into Executive Session for the purpose of discussing legal and contractual issues. Councilman Hill seconded the motion, which carried unanimously.

Council entered into Executive Session at 2:58 p.m.

Mayor Wukela reconvened the regular meeting at 3:44 p.m.

Mayor Wukela stated that a number of contractual and legal matters were discussed in Executive Session. No action was requested and no action was taken.

ADJOURN

Mayor Pro tem Brand made a motion to adjourn the meeting. Councilwoman Williams-Blake seconded the motion, which carried unanimously.

The meeting was adjourned at 3:45 p.m.

Dated this 12th day of May, 2014.

Dianne M. Rowan, Municipal Clerk

Stephen J. Wukela, Mayor

VII. a.
Bill No. 2014-07
Second Reading

FLORENCE CITY COUNCIL MEETING

DATE: April 21, 2014
AGENDA ITEM: Ordinance – First Reading
DEPARTMENT/DIVISION: Finance

I. ISSUE UNDER CONSIDERATION

The adoption of a General Bond Ordinance authorizing and providing for the issuance of the City of Florence, SC Hospitality Fee Revenue Bonds.

II. CURRENT STATUS/PREVIOUS ACTION TAKEN

- A. On May 19, 2003 City Council adopted Ordinance No. 2003-22 establishing a 2% Local Hospitality Fee on prepared food and beverages within the City limits of Florence as authorized by the South Carolina Code of Laws of 1976, as amended (the "State Code"), in the Sections 6-1-700 through 6-1-770.
- B. On June 28, 2010 an amendment to Section 6-1-760 (B) of the State Code was signed into law providing that any county or municipality is authorized to issue revenue bonds and to pledge as security for such bonds proceeds of hospitality fees imposed pursuant to state law.
- C. Prior to the amendment to state law in 2010, the City of Florence was unable to secure payment of revenue bonds with hospitality fees. Instead, the City issued lease-purchase financings using hospitality fee annual appropriations to repay the debt. The City entered into a lease-purchase financing in 2006 for Veterans Park construction and Radio Drive improvements, and again in 2009 for the Tennis Center construction and FMU Performing Arts center capital construction contribution.

III. POINTS TO CONSIDER

- A. As discussed in earlier meetings with City Council, City staff has determined that there is a need to finance the construction of a regional recreational facility to provide recreational and social activities for both residents and non-residents to include multiple basketball courts of a multi-purpose design.
- B. Such a facility is authorized to be funded with revenues generated by hospitality fees pursuant to the State Code in Section 6-1-730 (A) (2) tourism-related cultural, recreational, or historic facilities.
- C. For debt issued and repaid with Hospitality Fee revenue, the City is now empowered to issue bonds secured by Hospitality fee revenue in accordance with the provisions of Title 6, Chapter 17, and Section 6-1-760 of the State Code, in lieu of issuing lease purchase financing debt.
- D. Through the adoption of a General Bond Ordinance, City Council will authorize the issuance of Hospitality Fee Revenue Bonds based on the terms and conditions set forth in the General Bond Ordinance and any Supplemental or Series Ordinance required.

IV. STAFF RECOMMENDATION

Approve and adopt the proposed General Bond Ordinance providing for the issuance of Hospitality Fee Revenue Bonds.



Thomas W. Chandler
Finance Director



Andrew H. Griffin
City Manager

GENERAL BOND ORDINANCE

AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF THE CITY OF FLORENCE, SOUTH CAROLINA, HOSPITALITY FEE REVENUE BONDS, AND OTHER MATTERS PERTAINING THERETO; PRESCRIBING THE FORM OF BONDS ISSUED HEREUNDER; PLEDGING LOCAL HOSPITALITY FEES TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS; AND MAKING OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE FOREGOING.

TABLE OF CONTENTS

Page

ARTICLE I

FINDINGS AND DETERMINATIONS

Section 1.01 Findings and Determinations..... 1

ARTICLE II

DEFINITIONS AND INTERPRETATIONS

Section 2.01 Defined Terms..... 2
Section 2.02 General Rules of Interpretation. 7

ARTICLE III

AUTHORIZATION AND ISSUANCE OF BONDS

Section 3.01 Authorization of Bonds. 7
Section 3.02 General Provisions for Issuance of Bonds..... 7
Section 3.03 Conditions for the Issuance of Bonds..... 8
Section 3.04 Issuance of Refunding Bonds..... 9
Section 3.05 Issuance of Junior Bonds..... 10

ARTICLE IV

THE BONDS

Section 4.01 Execution..... 10
Section 4.02 Authentication. 10
Section 4.03 Mutilated, Lost, Stolen, or Destroyed Bonds. 10
Section 4.04 Registration and Transfer of Bonds; Persons Treated as Owners. 11
Section 4.05 Form of Bonds; Denominations; Medium of Payment. 11
Section 4.06 Numbers, Date, and Payment Provisions. 11
Section 4.07 Exchange of Bonds..... 12
Section 4.08 Regulations with Respect to Exchanges and Transfer..... 12
Section 4.09 Temporary Bonds..... 12
Section 4.10 Registrars..... 12

ARTICLE V

REDEMPTION OF BONDS BEFORE MATURITY

Section 5.01 Redemption of Bonds..... 13
Section 5.02 Selection of Bonds for Redemption. 13
Section 5.03 Notice of Redemption. 13
Section 5.04 Partial Redemption of Bond..... 14
Section 5.05 Effect of Redemption. 14
Section 5.06 Cancellation..... 14
Section 5.07 Purchase of Bonds..... 14

ARTICLE VI

ESTABLISHMENT OF FUNDS; PAYMENTS THEREFROM; INVESTMENT OF MONEYS;
SECURITY FOR THE BONDS

Section 6.01 Listing of Funds and Accounts.....14
Section 6.02 Hospitality Fee Revenue Fund; Pledge of Hospitality Fee Revenues.....15
Section 6.03 Debt Service Fund.....16
Section 6.04 Debt Service Reserve Fund.....17
Section 6.05 Establishment of Construction Fund.....18
Section 6.06 Deposits into Construction Fund.....18
Section 6.07 Withdrawals from Construction Fund.....19
Section 6.08 Transfer of Surplus Construction Fund Moneys.....19
Section 6.09 Investment of Funds.....19
Section 6.10 Trustee's and Custodian's Own Bond Department.....19
Section 6.11 Trustee's and Custodian's Right to Rely.....19
Section 6.12 Pooled Investment of Moneys Held in Funds.....20
Section 6.13 Valuation.....20
Section 6.14 Tax Covenant.....20

ARTICLE VII

TRUSTEE AND CUSTODIANS

Section 7.01 Appointment of Trustee, Security of Funds.....21
Section 7.02 Duties and Obligations of the Trustee.....21
Section 7.03 Fees, Charges, and Expenses of Trustee.....23
Section 7.04 Notice to Bondholders if Default Occurs.....23
Section 7.05 Merger or Consolidation of Trustee.....23
Section 7.06 Resignation by the Trustee.....23
Section 7.07 Removal of the Trustee.....23
Section 7.08 Appointment of Successor Trustee by the City or the Bondholders.....24
Section 7.09 Concerning Any Successor Trustee.....24
Section 7.10 Trustee Protected in Relying upon Ordinances, Etc.....24
Section 7.11 Successor Trustee as Trustee of Funds, Paying Agent, and Bond Registrar.....24
Section 7.12 Appointment of Custodians.....24
Section 7.13 Duties and Obligations of Custodians.....24
Section 7.14 Custodians Protected in Relying Upon Ordinances, Etc.....25
Section 7.15 Resignation of Custodians.....25
Section 7.16 Removal of Custodians.....25
Section 7.17 Appointment of Successor Custodians.....25
Section 7.18 Concerning Any Successor Custodians.....25
Section 7.19 Merger of Custodians.....26

ARTICLE VIII

COVENANTS

Section 8.01 Condition of City's Obligation; Payment of Principal and Interest.....26
Section 8.02 Performance of Covenants; Authority of the City.....26
Section 8.03 Inspection of Hospitality Fee Revenue Records and Projects.....27
Section 8.04 Maintenance of Hospitality Fee Imposition.....27

Section 8.05	Fiscal Year.....	27
Section 8.06	Annual Audited Financial Statements and Certificates.....	27

ARTICLE IX

DEFEASANCE OF BONDS

Section 9.01	Defeasance of Bonds.....	27
Section 9.02	Deposit of Moneys.....	28
Section 9.03	Election to Redeem Bonds.....	28

ARTICLE X

DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BONDHOLDERS

Section 10.01	Events of Default.....	28
Section 10.02	Acceleration.....	29
Section 10.03	Additional Remedies.....	29
Section 10.04	Rights of Bondholders.....	29
Section 10.05	Application of Moneys Upon Default.....	30
Section 10.06	Remedies Vested in Trustee.....	31
Section 10.07	Rights and Remedies of Bondholders.....	31
Section 10.08	Termination of Proceedings.....	32
Section 10.09	Waivers of Events of Default.....	32
Section 10.10	Notice of Defaults; Opportunity of the City to Cure Defaults.....	32

ARTICLE XI

AMENDING AND SUPPLEMENTING OF ORDINANCE

Section 11.01	Amending and Supplementing of Ordinance Without Consent of Holders of Bonds.....	33
Section 11.02	Amending and Supplementing of Ordinance With Consent of Holders of Bonds.....	34
Section 11.03	Notation Upon Bonds; New Bonds Issued Upon Amendments.....	34
Section 11.04	Effectiveness of Supplemental Ordinance.....	35
Section 11.05	Supplemental Ordinance Affecting Trustees.....	35

ARTICLE XII

MISCELLANEOUS

Section 12.01	Benefits of Ordinance Limited to the City, the Trustee, and Holders of the Bonds.....	35
Section 12.02	Ordinance Binding Upon Successors or Assigns of the City.....	35
Section 12.03	No Personal Liability.....	35
Section 12.04	Effect of Saturdays, Sundays and Legal Holidays.....	36
Section 12.05	Partial Invalidity.....	36
Section 12.06	Law and Place of Enforcement of the Ordinance.....	36
Section 12.07	Effect of Article and Section Headings and Table of Contents.....	36
Section 12.08	Repeal of Inconsistent Ordinances and Resolutions.....	36
Section 12.09	Effectiveness of this Ordinance.....	36

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

ARTICLE I

FINDINGS AND DETERMINATIONS

Section 1.01 Findings and Determinations. As an incident to the enactment of this ordinance (the "Ordinance") and the issuance of the Bonds (as defined below) provided for herein, the City Council of the City of Florence (the "Council"), the governing body of the City of Florence, South Carolina (the "City"), finds that the facts set forth in this Article I exist, and the following statements are in all respects true and correct:

(a) The City is a body politic and corporate, and a municipal corporation organized under the laws of the State of South Carolina (the "State") located in Florence County, South Carolina, and as such, possesses all powers granted to municipalities by the Constitution and general laws of the State.

(b) Section 6-1-700 through 6-1-770 of the Code of Laws of South Carolina 1976, as amended (the "Enabling Act" or the "Local Hospitality Tax Act"), permits city councils to impose a local hospitality tax not to exceed two percent of the charges for prepared food and beverages. Section 6-1-730 of the Local Hospitality Tax Act describes permitted uses of revenues so generated including tourism-related cultural and recreational facilities.

(c) Pursuant to the Local Hospitality Act, City Council imposed the Local Hospitality Fee by Ordinance adopted May 19, 2003, as amended, codified at Sections 13-100 to 13-108 of the City of Florence Municipal Code (the "Hospitality Fee"). It also provides the use to which the proceeds may be applied including promotion of tourism, recreation and infrastructure to and for these projects.

(d) On June 30, 2006, as amended effective April 10, 2012, the City entered into a \$3,000,000 Lease Purchase Financing with Branch Banking and Trust Company to defray the cost of improvements to Veterans Memorial Park and the widening of Radio Road and related transportation infrastructure improvements in the vicinity of the Florence Civic Center (the "2006 Lease Purchase"). On March 23, 2009, the City entered into a \$7,500,000 Lease Financing with Branch Banking and Trust Company to defray the cost of construction of a municipal tennis complex and providing a capital contribution for the construction of the Francis Marion University Center for the Performing Arts to be located in downtown Florence (the "2009 Lease Purchase"). Section 2.1(j) of each of the Lease Agreement for the 2006 Lease Purchase and the 2009 Lease Purchase provides "The City expects revenues from its Local Hospitality Fee...to be sufficient to pay amounts due under this Lease."

(e) At the time the 2006 Lease Purchase and the 2009 Lease Purchase were entered into, the Local Hospitality Tax Act did not permit the Hospitality Fee to secure the payment of revenue bonds. By an Act of the General Assembly effective June 28, 2010, Section 6-1-760 was amended to permit a municipality to issue bonds for purposes set forth at South Carolina Code Section 6-1-530 which purposes which are substantially identical to those found at South Carolina Code Section 6-1-730 and to pledge as security for such indebtedness, the proceeds of hospitality fees. City Council has therefore determined to refinance the 2006 Lease Purchase and the 2009 Lease Purchase in order to provide for a formal pledge of such revenues and therefore make more efficient and economical use of this revenue funding source.

(f) City Council has now determined to construct certain improvements including those described in the 2010 Comprehensive Plan for the City of Florence as well as the City of Florence Downtown Master Plan (collectively, the "Projects"). In addition, and as a consequence of the provision

of Section 2.1(j) of the Lease Agreement for both the 2006 Lease Purchase and the 2009 Lease Purchase, as well as to restructure such loans, City Council has determined to refinance each of these obligations. City Council has further determined to provide for additional borrowings pursuant to the Enabling Act, defined below, and the provisions herein.

(g) Article X, Section 14(10) of the Constitution of the State of South Carolina (the "Constitution"), provides that a political subdivision may incur indebtedness, which is not subject to the eight percent debt limitation, payable solely from a revenue-producing project or from a special source which source does not involve revenues from any tax or license. Pursuant to Title 6, Chapter 17 and Section 6-1-760 of the Code of Laws of South Carolina, 1976, as amended (collectively, the "Enabling Act"), the City may issue revenue bonds to defray the cost of tourist-related projects as enumerated in Title 6, Chapter 1, Article 7 of the Code of Laws of South Carolina, 1976, as amended, secured by a pledge of the Hospitality Fee Revenues (as defined below).

(h) City Council has, after due investigation, determined that many of the Projects, as well as the improvements financed with the proceeds of the 2006 Lease Purchase and the 2009 Lease Purchase, are capital projects which attract tourists within the meaning of Section 6-1-760, inasmuch as such improvements are designed, marketed and used in such fashion to attract regional and state-wide tourism to the City.

(i) It is now in the best interest of the City for City Council to provide for the issuance and sale of bonds of the City pursuant to the Enabling Act and the Constitution to defray the cost of the Projects, the refinancing of the 2006 Lease Purchase and the 2009 Lease Purchase and, in addition, such further capital projects as are permitted by the Enabling Act as City Council shall determine in the future.

ARTICLE II

DEFINITIONS AND INTERPRETATIONS

Section 2.01 Defined Terms. The terms defined in this Section 2.01 (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of this Ordinance shall have the respective meanings specified in this Section 2.01.

"Accountant" shall mean any independent certified public accountant or firm of accountants selected by the City and who or which is experienced in the auditing of municipal entities.

"Authorized Representative" shall mean the Mayor, the City Manager or the Finance Director and any other Person or Persons designated to act on behalf of the City by written certificate of the City Manager furnished to the Trustee.

"Balloon Indebtedness" shall mean indebtedness in the form of Bonds 25% or more of the principal payments of which are due in a single year, which portion of the principal is not required by the instrument authorizing the issuance of such indebtedness to be amortized by redemption prior to such maturity date.

"Bond" or "Bonds" shall mean all bonds and other obligations of the City issued pursuant to and under the authority of Sections 3.02, 3.03 and 3.04 hereof (excluding Junior Bonds) and Outstanding from time to time.

"Bond Counsel" shall mean any attorney or firm of attorneys of nationally recognized standing in the matters pertaining to the federal tax exemption of interest on bonds issued by states and political

subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America.

"Bond Holders," "Bondholders," "Holders," or the term "Registered Holders," or any similar term, shall mean the registered owner of any Outstanding Bond or Bonds.

"Bond Redemption Account" shall mean the account by that name established in the Debt Service Fund.

"Books of Registry" shall mean the registration books maintained by the City, or a Trustee, if appointed, as bond registrar in accordance with Section 4.04 hereof.

"Capital Lease" shall mean any lease of property which, in accordance with generally accepted accounting principles, has been or should be capitalized on the lessee's balance sheet or for which the amount of the asset and liability thereunder as if so capitalized should be disclosed in a note to the balance sheet.

"City" shall mean the City of Florence, South Carolina, a body politic and corporate and a municipal corporation organized and existing under the laws of the State.

"City Council" shall mean the City Council, and any successor governing body of the City.

"City Manager" shall mean the City Manager of the City or the Acting City Manager or Interim City Manager, as the case may be, or his designee.

"Clerk" shall mean the City Clerk or, in his absence, any Assistant or Acting Clerk of the City.

"Code" shall mean the Internal Revenue Code of 1986, as amended, any successor provision of law, and regulations promulgated thereunder.

"Construction Fund" shall mean any fund established with and maintained with the City, or at the option of the City, the Trustee, and funded with certain of the proceeds of the sale of any Series of Bonds and intended to defray Project Costs in connection therewith and the Costs of Issuance in connection with that Series of Bonds, all as established in a Series Ordinance authorizing the issuance of any Series of Bonds.

"Costs of Issuance" shall mean all items of expense, directly or indirectly payable or reimbursable by or to the City and related to the authorization, sale, and issuance of Bonds; including, but not limited to, printing costs; costs of preparation and reproduction of documents; filing and recording fees; initial fees and charges of any Trustee or Custodian; legal fees and charges; fees and disbursements of financial advisors, consultants and professionals; costs of credit ratings; fees and charges for preparation, execution, transportation, and safekeeping of Bonds; costs and expenses of refunding of Bonds; premiums or other charges for insurance or other credit enhancement for the payment of Bonds; financing charges; accrued interest with respect to the initial investment of proceeds of Bonds; and any other cost, charge or fee in connection with the original issuance of Bonds.

"Custodian" shall mean any bank, trust company, national banking association, or national association selected by the City as a depository of moneys or securities pursuant to this Ordinance.

"Debt Service Fund" shall mean the fund established by the provisions of Section 6.01(b) hereof designed to provide for the payment of the principal of, premium, if any, and interest on the Bonds (excluding Junior Bonds), as they respectively fall due.

"Debt Service Reserve Fund" shall mean the fund established by the provisions of Section 6.01(c) hereof intended to meet any possible deficiencies in the Debt Service Fund and to be maintained in the amounts, if any, and in separate accounts established with respect to each Series of Bonds as set forth in the Series Ordinance providing for the issuance of that Series of Bonds. A separate account within the Debt Service Reserve Fund shall be established for each Series of Bonds for which there is a Debt Service Reserve Fund Requirement.

"Debt Service Reserve Fund Requirement" shall mean the amount, if any, with respect to each Series of Bonds as set forth in the Series Ordinance providing for the issuance of that Series of Bonds, required to be deposited in a Debt Service Reserve Fund to secure such Series of Bonds. This amount may be satisfied by the delivery of a surety bond in accordance with Section 6.03 hereof.

"Default" or "Event of Default" shall mean any of those defaults specified in and defined by Article X hereof.

"Enabling Act" shall mean Title 6, Chapter 17 and Section 6-1-760, of the Code of Laws of South Carolina 1976, as amended, and as such may be further amended from time to time.

"Finance Director" shall mean the Finance Director of the City.

"Financial Consultant" shall mean a financial consultant appointed by the City who or which is not a full-time employee of the City.

"Fiscal Year" shall mean the period of 12 calendar months, beginning on the first day of July of each year and ending with the 30th day of June of the following year, until changed to a different twelve month period by ordinance of City Council.

"Hospitality Fee" means fees imposed and collected by the City pursuant to Title 6, Chapter 1, Article 7 of the Code of Laws of South Carolina, 1976, as amended.

"Hospitality Fee Revenue Fund" shall mean the fund of that name created by Section 6.01 hereof.

"Hospitality Fee Revenues" shall mean all Hospitality Fees collected by the City.

"Imposition Ordinance" shall mean Ordinance No. 2003-22, enacted May 19, 2003, as amended.

"Interest Account" shall mean the account by that name established in the Debt Service Fund.

"Investment Obligations" shall mean (i) the South Carolina Pooled Investment Fund established pursuant to the provisions of Chapter 6, Title 6, of the Code of Laws of South Carolina, 1976, as amended; or (ii) any investments now or hereafter permitted under Section 6-5-10 of the Code of Laws of South Carolina, 1976, as amended; or (iii) any investments hereafter permitted by State law.

"Junior Bond Debt Service Fund" shall mean such fund authorized by Section 6.01 hereof to be established in a Series Ordinance with respect to Junior Bonds.

"Junior Bonds" shall mean bonds secured by a pledge of, or, in the case of a Capital Lease, payable from, Hospitality Fee Revenues junior and subordinate in all respects to the pledge securing the Bonds authorized by Sections 3.02, 3.03 and 3.04.

"Junior Bond Ordinance" shall mean an ordinance enacted by City Council by which is authorized the issuance of Junior Bonds.

"Mayor" shall mean the Mayor of the City, or in his absence, the Mayor Pro Tempore of the City.

"Ordinance" shall mean this General Bond Ordinance as from time to time amended or supplemented by one or more Series Ordinances.

"Outstanding Bonds" or "Outstanding" shall mean all Bonds which have been duly authenticated and delivered by the Trustee hereunder except:

(a) Bonds theretofore cancelled or theretofore delivered for cancellation to the City of the Trustee, if appointed;

(b) Bonds (or portions thereof) deemed to have been redeemed within the meaning of Sections 5.03 and 5.05 hereof;

(c) Bonds in lieu of or in substitution for which other Bonds shall have been executed and delivered; and

(d) Bonds (or portions thereof) deemed to have been paid within the meaning of Section 9.01 hereof.

"Person" shall mean natural persons, firms, associations, corporations, and public bodies.

"Principal Account" shall mean the account by that name established within the Debt Service Fund.

"Principal and Interest Requirements" with respect to any Bonds shall mean the amount required to pay principal of (whether at maturity or pursuant to mandatory redemption requirements applicable thereto), and interest (exclusive of funded interest) on the Bonds during the period of time for which Principal and Interest Requirements are being calculated; provided (i) with respect to Balloon Indebtedness, the amount of the principal which would be payable in such period shall be computed as if such principal were amortized from the date of incurrence thereof over a period of 20 years (or, if the term thereof is less than 20 years, over a period equal to such term) on a level debt service basis at an interest rate equal to the rate borne by such Balloon Indebtedness on the date calculated, except that if the date of calculation is within 12 months of the actual maturity of such Balloon Indebtedness, the full amount of principal payable at maturity shall be included in such calculation; and (ii) the interest on Variable Rate Indebtedness shall be calculated at 100% of the average rate borne by the Variable Rate Indebtedness during the preceding 12 months, or if the Variable Rate Indebtedness is yet to be incurred, at 100% of the average rate such Variable Rate Indebtedness would have borne during the preceding 12 months based on the applicable index or other method of determining the interest rate under the terms of the Series Ordinance providing for the incurrence of the Variable Rate Indebtedness.

"Project" or "Projects" shall mean projects which attract tourists within the meaning of Section 6-1-760 of the Code of Laws of South Carolina, 1976, as amended.

"Project Costs" shall mean costs incurred in connection with a Project, the repayment to the City of any funds expended in the acquisition or construction of any Project, and shall include, without limiting the costs permitted under the Enabling Act and Title 6, Chapter 1, Articles 5 and 7 of the Code of Laws of South Carolina, 1976, as amended, the following items to the extent they relate to a Project: (i) all direct costs of such Project described in the plans and specifications for such Project; (ii) all costs of planning, designing, acquiring, constructing, financing and placing such Project in operation; (iii) the cost of any lands or interests therein and all of the properties deemed necessary or convenient for the maintenance and operation of such Project; (iv) all engineering, legal and financial costs and expenses; (v) all expenses for estimates of costs and of revenues; (vi) costs of obtaining governmental and regulatory permits, licenses and approvals; (vii) all fees of special advisors and consultants associated with one or more aspects of such Project; (viii) all amounts required to be paid by this Ordinance or any Series Ordinance authorizing the issuance of Bonds into the Debt Service Fund or Debt Service Reserve Fund upon the issuance of any Series of Bonds; (ix) the payment of all principal, premium, if any, and interest, when due, of any Bonds of any Series or other evidences of indebtedness issued to finance a portion of the cost of such Project, whether at the maturity thereof or at the due date of interest or upon redemption thereof; (x) interest on Bonds of any Series prior to and during construction of such Project for which such Bonds were issued, and for such additional periods as the City may reasonably determine to be necessary for the placing of such Project in operation; and (xi) Costs of Issuance.

"Purchaser" shall mean, with respect to any Series of Bonds, the initial purchaser of that Series of Bonds.

"Record Date" shall mean, with respect to any Series of Bonds, (i) the 15th day (whether or not a business day) of the calendar month immediately preceding an interest payment date in the event that the interest payment date is the first day of a month, (ii) the last day (whether or not a business day) of the calendar month immediately preceding each interest payment date in the event that the interest payment date is the 15th day of a month, or (iii) any other day as may be provided in the Series Ordinance authorizing the issuance of that Series; provided, however, that in the case of a default in the payment of interest due on a Series of Bonds, the Trustee shall establish a special record date for payment of the defaulted interest, notice thereof to be mailed by first class mail, postage prepaid, by the Trustee to the Holder of that Series of Bonds not less than ten days prior to the special record date.

"Registrar" shall mean the Trustee, or, if so provided by a Series Ordinance as to a Series of Bonds, an official of the City.

"Serial Bonds" shall mean Bonds which are not Term Bonds.

"Series" or "Series of Bonds" or "Bonds of a Series" shall mean all Bonds designated as being of the same series, issued and delivered on original issuance in a simultaneous transaction, and any Bonds thereafter delivered in lieu thereof or in substitution therefor pursuant to this Ordinance.

"State" means the State of South Carolina.

"Series Ordinance" shall mean any ordinance enacted by City Council providing for the issuance of Bonds.

"Supplemental Ordinance" shall mean an ordinance enacted by City Council pursuant to and in compliance with the provisions of Article XI hereof amending or supplementing the provisions of the Ordinance.

"Term Bond" or "Term Bonds" shall mean any Bond designated by the Series Ordinance providing for its issuance as being subject to retirement or redemption from moneys credited to the Bond Redemption Account in the Debt Service Fund or the Junior Bond Debt Service Fund as mandatory redemption requirements.

"Trustee" shall mean any bank, trust company, national banking association, or national association selected by the City and any successor Trustee appointed in accordance with Section 7.01 hereof, and any co-trustee appointed pursuant to Section 7.13 hereof. No Trustee shall be initially appointed under this Ordinance for the initial Series of Bonds.

"Variable Rate Indebtedness" shall mean indebtedness in the form of Bonds that bears interest at a variable, adjustable or floating rate or indebtedness in the form of Bonds the interest on which is not established at the time of incurrence at a fixed or constant rate until its maturity.

Section 2.02 General Rules of Interpretation.

(a) Articles, sections, and paragraphs mentioned by number are the respective articles, sections, and paragraphs of this Ordinance so numbered.

(b) Except as otherwise expressly provided or unless the context otherwise requires, words importing persons include firms, associations, and corporations, and the masculine includes the feminine and the neuter.

(c) Words importing the redemption or redeeming or calling for redemption of a Bond do not include or connote the payment of the Bond at its stated maturity or the purchase of the Bond.

(d) Words importing the singular number include the plural number and vice versa.

(e) In the event of any conflict between this Ordinance and the Imposition Ordinance, the terms of this Ordinance shall be deemed to control.

ARTICLE III

AUTHORIZATION AND ISSUANCE OF BONDS

Section 3.01 Authorization of Bonds. There is hereby authorized to be issued Bonds of the City to be known as "Hospitality Fee Revenue Bonds," or as otherwise designated in the Series Ordinance authorizing any Series of Bonds, which Bonds may be issued pursuant to the Ordinance and in accordance with the terms, conditions, and limitations set forth herein, in Series, in the amounts, and from time to time as City Council may from time to time deem to be necessary or advisable for any corporate purpose of the City for which Bonds may be issued under the Ordinance and the Enabling Act.

Section 3.02 General Provisions for Issuance of Bonds.

(a) The Bonds shall be issued by means of Series Ordinances enacted by City Council in accordance with the provisions of this Article III. The enactment of a Series Ordinance shall not be subject to the consent of the Trustee or Bondholders. Each Series Ordinance shall designate the Bonds provided for thereby by an appropriate Series designation and by any further particular designations, if any, as City Council deems appropriate; and shall, unless or except as is otherwise set forth herein, also specify:

- (i) the maximum authorized principal amount of the Series of Bonds;
 - (ii) the purpose or purposes for which the Bonds of the Series are being issued, which shall be one or more of the purposes set forth in Sections 3.03 and 3.04 hereof;
 - (iii) if the Bonds of the Series are being issued for a purpose specified in Section 3.03 hereof, the Project for which the Bonds are being issued;
 - (iv) if the Bonds of the Series are being issued for a purpose specified in Section 3.03 hereof, an estimate of the Project Costs to be financed by the Series of Bonds;
 - (v) the date or dates of the Bonds of the Series;
 - (vi) the maturity date or dates of the Bonds of the Series, the principal amounts payable on each maturity date, and the mandatory redemption amounts and due dates, if any, for the Term Bonds of the Series;
 - (vii) the interest rate or rates of the Bonds of the Series, or the manner of determining the rate or rates, the initial interest payment date therefor, and the subsequent interest payment dates;
 - (viii) the denominations of, and manner of numbering and lettering, the Bonds of the Series;
 - (ix) the redemption premium or premiums, if any, or the redemption price or prices to be paid upon the redemption of the Bonds of the Series, the period or periods, if any, during which premiums or prices shall be payable, and the terms and conditions, if any, of redemption;
 - (x) the place or places of payment of the Bonds of the Series and interest thereon, and the paying agents therefor;
 - (xi) the provisions for the sale or other disposition of the Bonds of the Series and the use, application, and investment, if any, of the proceeds of the sale or other disposition, which use, application and investment shall not be inconsistent with the provisions hereof;
 - (xii) whether there will be a Debt Service Reserve Fund Requirement for such Series;
 - (xiii) any other provisions which may be required to be included therein by other provisions of the Ordinance; and
 - (xiv) any other necessary or desirable provisions not inconsistent with the provisions of the Ordinance
- (b) City Council may delegate to an Authorized Representative the authority to determine the matters set forth in Sections 3.02(a)(v) through 3.02(a)(xiv) in the case of a Bond sold to as a single instrument to a financial institution.

Section 3.03 Conditions for the Issuance of Bonds.

- (a) At any time and from time to time, one or more Series of Bonds (exclusive of the initial Series of Bonds issued hereunder or Bonds issued pursuant to the provisions of Section 3.04 hereof) may be issued for any purposes as may be permitted by the Enabling Act upon compliance with the provisions

of Section 3.02 hereof and this Section 3.03 (except where specifically provided otherwise in this Section 3.03) in any principal amounts as may be determined by City Council.

(i) There shall be filed a certificate of the City Manager stating (A) either (1) that no Default exists in the payment of the principal of or interest on any Bonds or Junior Bonds, and all mandatory redemption requirements, if any, required to have been made or satisfied shall have been made or satisfied, or (2) that the application of the proceeds of the sale of the Series of Bonds to be issued as required by the Series Ordinance authorizing their issuance will cure the Default or permit the making or satisfaction of the redemption requirements; and (B) either (1) that to the knowledge of the City Manager, the City is not in Default in the performance of any other of its covenants and agreements contained in the Ordinance, or (2) setting forth the circumstances of each Default known to him.

(b) If a certificate filed pursuant to Section 3.03(a)(i) should disclose a Default or Defaults hereunder, which have not been cured, there shall be filed an opinion of Bond Counsel that, in the case of any Default disclosed in a certificate filed pursuant to Section 3.03(a)(i), no Default deprives the Bondholders of the security afforded by the Ordinance in any material respect.

(c) For the issuance of Bonds (other than the initial Series of Bonds and Junior Bonds) issued hereunder to finance the Costs of the Project there shall be delivered a certificate of the Authorized Representative, or a Financial Consultant, based upon the most recent audited financial statements of the City, to the effect that Hospitality Fee Revenues deposited into the Hospitality Fee Revenue Fund during any consecutive 12-month period out of the 24 months immediately preceding the issuance date of the proposed Bonds (the "Test Period") are not less than 120% of the average annual Principal and Interest Requirements for all Series of Bonds then Outstanding and the additional Bonds then proposed to be issued (with adjustments, if any, for any Bonds that will be discharged upon the issuance of such Additional Bonds). Hospitality Fee Revenues may be adjusted for the purpose of the calculation required by this Section 3.03(c) to reflect additional Hospitality Fees to be received from establishments which commenced payment of Hospitality Fees during the Test Period. As to such an establishment, Hospitality Fees may be annualized based upon the average monthly Hospitality Fees paid by such establishment during the Test Period.

(d) The Bonds may be issued to secure funds to defray Project Costs, or to refund any Bonds, Junior Bonds, or any notes, bonds, or other obligations issued to finance or to aid in financing Projects.

(e) There shall be on deposit in the Debt Service Reserve Fund, if such is required by any Series Ordinance, cash and securities (including any insurance policy, surety bond or letter of credit permitted by Series Ordinance) as provided in Section 6.03 hereof (inclusive of any proceeds of Bonds to be deposited in the Debt Service Reserve Fund), having an aggregate value not less than the Debt Service Reserve Fund Requirement, if any, with respect to each Series of Bonds to be then Outstanding and the Bonds then proposed to be issued.

Section 3.04 Issuance of Refunding Bonds. Except for the first Series of Bonds issued hereunder, upon compliance with the provisions of paragraphs (a), (b), (c) and (e) of Section 3.03 hereof, the City by means of a Series Ordinance enacted in compliance with the Enabling Act and any other statutory provisions authorizing the issuance of revenue refunding bonds, including advance refunding bonds, may issue hereunder refunding Bonds for the purpose of refunding (including by purchase) Bonds, Junior Lien Bonds, or any other notes, bonds or other obligations issued to finance or to aid in financing of Projects, including amounts to pay principal, redemption premium, and interest to the date of the redemption (or purchase) of the refunded Bonds or any other notes, bonds or other obligations issued to finance or to aid in financing of Projects, and the Costs of Issuance of the refunding Bonds and to fund any necessary reserves or other accounts. In addition, the City by means of a Series Ordinance may issue

refunding Bonds for the purpose of refunding Bonds issued to finance or to aid in financing of Projects, without satisfying the conditions for the issuance of Bonds as contained in Section 3.03(c) hereof if the aggregate Principal and Interest Requirements with respect to the refunding Bonds is less than the aggregate Principal and Interest Requirements with respect to the to be refunded.

Section 3.05 Issuance of Junior Bonds. The City may at any time upon the enactment of a Junior Bond Ordinance issue Junior Bonds, including obligations issued in the form of Capital Leases as it may from time to time determine, payable from the Hospitality Fee Revenues; provided that (a) such Junior Bonds are issued to secure funds to defray Project Costs, or to refund Bonds, Junior Bonds, or any notes, bonds, or other obligations issued to finance or to aid in financing Projects; (b) the pledge of Hospitality Fee Revenues securing Junior Bonds shall at all times be subordinate and inferior to the pledge of Hospitality Fee Revenues securing the Bonds such that Junior Bonds shall be payable from Hospitality Fee Revenues held in the Hospitality Fee Revenue Fund after provision has been made for all payments required to be made hereunder with respect to the Bonds, and (c) there shall be delivered to the Trustee a certificate of the City Manager to the effect that Hospitality Fee Revenues for the Test Period is not less than 100% of the greatest sum for any Fiscal Year obtained by adding the Principal and Interest Requirements for each Fiscal Year for all Bonds Outstanding plus the principal and interest requirements for the Junior Bonds then issued and proposed to be issued. Hospitality Fee Revenues may be adjusted for purpose of such calculation in the manner provided in Section 3.03(c).

ARTICLE IV

THE BONDS

Section 4.01 Execution.

(a) Unless or except as is otherwise set forth in the Series Ordinance providing for the issuance of a Series of Bonds, the Bonds shall be executed on behalf of the City by the Mayor by manual or facsimile signature and the corporate seal of the City or a facsimile thereof shall be impressed or reproduced thereon and attested by the Clerk by manual or facsimile signature.

(b) In case any officer whose signature or facsimile of whose signature shall appear on the Bonds shall cease to be that officer before the delivery of the Bonds, the signature or the facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until delivery.

Section 4.02 Authentication. Upon compliance with the provisions of Sections 4.03, 4.04, or 4.05 hereof, as applicable, and upon the written order of the City, the Trustee, if so appointed, shall authenticate Bonds authorized to be issued hereunder. Except as otherwise set forth in a Series Ordinance, only those Bonds as shall have endorsed thereon a certificate of authentication duly executed manually by the Trustee shall be entitled to any right or benefit under this Ordinance, and no Bond shall be valid or obligatory for any purpose unless and until the certificate of authentication shall have been duly executed by the Trustee. The executed certificate of the Trustee upon any Bond shall be conclusive evidence that the Bond has been authenticated and delivered. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer of the Trustee, but it shall not be necessary that the same person sign the certificate of authentication on all of the Bonds issued hereunder or on all of the Bonds of a particular Series.

Section 4.03 Mutilated, Lost, Stolen, or Destroyed Bonds. In the event any Bond is mutilated, lost, stolen, or destroyed, the City may execute and the Trustee, or the City Clerk if no Trustee has been appointed, may authenticate a new Bond having the same date, maturity, and denomination as that mutilated, lost, stolen, or destroyed; provided that, in the case of any mutilated Bond, it shall first be

surrendered to the City and in the case of any lost, stolen, or destroyed Bond, there shall be first furnished to the City and the Trustee evidence of the loss, theft, or destruction satisfactory to the City and the Trustee (if applicable), together with indemnity satisfactory to them; provided that, in the case of a Holder which is a bank or insurance company, the agreement of the bank or insurance company to indemnify shall be sufficient. In the event any Bond shall have matured, instead of issuing a duplicate Bond, the City may pay it without surrender thereof. The City and the Trustee may charge the Holder of the Bond with their reasonable fees and expenses in this connection.

Section 4.04 Registration and Transfer of Bonds; Persons Treated as Owners.

(a) Each Bond shall be fully registered and transferable only upon the Books of Registry of the City which shall be kept for that purpose at the corporate trust office of the Trustee by the Registered Holder thereof or by his attorney, duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Trustee, duly executed by the Registered Holder or his duly authorized attorney, signature guaranteed. Upon the transfer of any Bond, the City shall issue, subject to the provisions of Section 4.07 hereof, in the name of the transferee, a new Bond or Bonds of the same Series and of the same aggregate principal amount as the unpaid principal amount of the surrendered Bond. If no Trustee has been appointed, the City Clerk will act as Registrar.

(b) Any Bondholder requesting any transfer shall pay any tax or other governmental charge required to be paid with respect thereto. As to any Bond, the person in whose name it shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of or on account of the principal of, premium, if any, and interest on any Bond shall be made only to or upon the order of the Holder thereof, or his duly authorized attorney, and neither the City nor the Trustee shall be affected by any notice to the contrary, but the registration may be changed as herein provided. All the payments made in this manner shall be valid and effectual to satisfy and discharge the liability upon the Bond to the extent of the sum or sums paid.

Section 4.05 Form of Bonds; Denominations; Medium of Payment. Unless or except as is otherwise provided in the Series Ordinance authorizing their issuance, the Bonds: (a) shall be in fully registered form without coupons; (b) shall be issued in denominations of \$5,000, or any integral multiple thereof; provided that, upon partial redemption of a Bond requiring surrender thereof and the issuance of a new Bond, the new Bond may be in the denomination of the unredeemed balance; and (c) shall be payable with respect to principal, interest, and premium, if any, 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. The City may provide in any Series Ordinance for a book entry system for such Series of Bonds.

Section 4.06 Numbers, Date, and Payment Provisions.

(a) The Bonds shall be numbered and designated in any manner as the City, with the concurrence of the Trustee, if any, shall determine. Each Bond of a Series shall bear interest from the interest payment date immediately preceding the date of its authentication, unless authentication shall be upon an interest payment date, in which case, it shall bear interest from its authentication, or unless authentication shall precede the first interest payment date for the Bond, in which case it shall bear interest from the date of its delivery, or as otherwise provided in the Series Ordinance authorizing their issuance; provided, however, that if the date of authentication of any Bond of any Series is after a Record Date and before the corresponding interest payment date therefor, it shall bear interest from the next succeeding interest payment date. Notwithstanding the foregoing, however, if at the time of authentication of any Bond any interest on the Bond is in default, it shall bear interest from the date to which interest on it has been paid or if no interest has been paid, the Bond shall bear interest from the date of delivery thereof or as otherwise provided in the Series Ordinance authorizing the issuance of the Bond.

(b) The principal of and redemption premium, if any, on the Bonds shall be payable when due in lawful money of the United States of America upon presentation and surrender of the Bonds at the office of the City Clerk, or if a Trustee has been appointed, the corporate trust office of the Trustee described in the Series Ordinance authorizing the issuance of the Bonds. Except as otherwise set forth in a Series Ordinance, payment of interest on Bonds shall be made by check or draft drawn upon the City, or the Trustee if a Trustee shall then be appointed and mailed to the Registered Holder at his address as it appears upon the Books of Registry; provided that payment to any Bondholder owning \$1,000,000 or more of Bonds may be made by wire transfer to an account in the continental United States of America upon the written request and instructions provided by such Bondholder to the City or the Trustee if a Trustee shall then be appointed no later than the preceding Record Date. The City or the Trustee, as applicable, shall maintain a record of the amount and date of any payment of principal or interest on the Bonds (whether at the maturity date or the redemption date prior to the maturity or upon the maturity thereof by declaration or otherwise).

Section 4.07 Exchange of Bonds. Bonds, upon surrender thereof at the office of the Trustee or the City Clerk, as applicable, with a written instrument of transfer satisfactory to the Trustee or the City Clerk, duly executed by the Bondholder or his duly authorized attorney, signatures guaranteed, may, at the option of the Bondholder thereof, and upon payment by the Bondholder of any charges which the City or the Trustee may make as provided in Section 4.08, be exchanged for a principal amount of Bonds of any other authorized denomination equal to the unpaid principal amount of surrendered Bonds.

Section 4.08 Regulations with Respect to Exchanges and Transfer. In all cases in which the privilege of exchanging or transferring Bonds is exercised, the City shall execute and the Trustee or the City Clerk, as applicable, shall authenticate and deliver Bonds in accordance with the provisions of the Ordinance. All Bonds surrendered in any exchanges or transfers shall forthwith be cancelled by the Trustee. There shall be no charge to the Bondholder for the exchange or transfer of Bonds except that the City or the Trustee may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to the exchange or transfer. Neither the City nor the Trustee shall be required to register, transfer or exchange Bonds of a Series after the Record Date for such Series until the next succeeding Bond Payment Date for such Series or to register, transfer or exchange any Bonds called for redemption after the mailing of any notice of redemption of such Bond.

Section 4.09 Temporary Bonds. Any Series of Bonds may be initially issued in temporary form, exchangeable for definitive Bonds to be delivered as soon as practicable and subject to the agreement of the City and the Purchaser. The temporary Bonds may be printed or typewritten, shall be of any denominations and may be numbered in any manner as may be determined by the City, and may contain reference to any of the provisions of the Ordinance as may be appropriate. Every temporary Bond shall be executed by the City upon the same conditions and in substantially the same manner as the definitive Bonds. If the City issues temporary Bonds, it will execute and furnish definitive Bonds without delay, and thereupon the temporary Bonds shall be surrendered for cancellation at the office of the City Clerk or the Trustee, as applicable, and the Trustee or the City Clerk shall deliver and exchange for the temporary Bonds an equal, aggregate principal amount of definitive Bonds having the same aggregate principal amount and in authorized denominations of the same Series, maturity or maturities, and interest rate or rates. Until exchanged, the temporary Bonds shall be entitled to the same benefits under the Ordinance as definitive Bonds under the Ordinance.

Section 4.10 Registrars. In the Series Ordinance authorizing the issuance of any Series of Bonds, the Clerk may be appointed to serve as Registrar in lieu of the Trustee. In such case, the Clerk as Registrar for such Series shall be authorized to perform the duties and responsibilities of the Trustee set forth in Sections 4.02, 4.03, 4.04, and 4.07 hereof with respect to the authentication, registration and exchange of Bonds of that Series, the same as is the Trustee pursuant to those Sections. The Clerk in

such case shall be required to furnish to the Trustee the names and addresses of the transferors and transferees of any Bonds registered, transferred, or exchanged by it, and the numbers and other identifying symbols of any Bonds cancelled or exchanged by it, and shall comply with all reasonable instructions with respect to the performance of its duties and responsibilities that the Trustee shall give to it.

ARTICLE V

REDEMPTION OF BONDS BEFORE MATURITY

Section 5.01 Redemption of Bonds. The Bonds of a Series shall be subject to redemption prior to their stated maturities upon the terms and conditions and at the dates and redemption price or prices or premium or premiums as shall be set forth or provided for in the Series Ordinance pursuant to which that Series is issued, and upon the further terms and condition as are hereinafter set forth.

Section 5.02 Selection of Bonds for Redemption. In the event of the redemption at any time of only part of the Bonds of a Series, the Bonds to be redeemed shall be redeemed in the order as is set forth or provided for in the Series Ordinance providing for the issuance of that Series. Unless otherwise provided by Series Ordinance, if less than all of the Bonds having the same maturity of any Series shall be called for prior redemption, the particular Bonds or portions of Bonds to be redeemed shall be selected as provided in the Series Ordinance; provided, however, that the portion of any Bond of a denomination of more than \$5,000 to be redeemed shall be in the principal amount of \$5,000 or any multiple thereof, and that, in selecting portions of Bonds for redemption, the City or the Trustee, as applicable, shall treat each Bond as representing that number of Bonds of \$5,000 denomination which is obtained by dividing the principal amount of the Bond by \$5,000.

Section 5.03 Notice of Redemption. Unless or except as is otherwise provided in the Series Ordinance authorizing the issuance of the Bonds, the provisions of this Section 5.03 apply to each Series of Bonds. In the event any of the Bonds or portions thereof are called for redemption, the Clerk or the Trustee, as applicable, shall give notice, in the name of the City, of the redemption of the Bonds to be redeemed, the redemption date, the principal amount of each Bond to be redeemed (if less than all), the redemption price, the place or places where amounts due upon redemption will be payable, and the numbers of the Bonds to be redeemed. The notice shall be given by mailing a copy of the redemption notice by first class mail, postage prepaid, at least 30 days, but not more than 60 days, prior to the date fixed for redemption to the Holder of each Bond or portion thereof to be redeemed at the address shown on the Books of Registry. Failure duly to give notice by mailing, or any defect in the notice, to the Holder of any Bond designated for redemption shall not affect the validity of any proceedings for the redemption of any other Bonds. All Bonds or portions thereof called for redemption will cease to bear interest on the specified redemption date, provided funds for their redemption are on deposit with the Trustee or the Clerk on or before such redemption date; and the Bonds shall not be deemed to be Outstanding under the provisions of the Ordinance. If on the date fixed for redemption there is not on deposit with the Trustee or the City funds for redemption, the Trustee or the Clerk, as applicable, shall send a notice to all Holders in the same manner as the notice of redemption canceling such notice of redemption.

If at the time of mailing of the notice of redemption there shall not have been deposited with the Trustee or the City moneys sufficient to redeem all of the Bonds called for redemption, which moneys are or will be available for redemption of Bonds, such notice will state that it is conditional upon the deposit of the redemption moneys with the Trustee or the City not later than the opening of business on the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

Section 5.04 Partial Redemption of Bond. In the event that only part of the principal sum of a Bond shall be called for redemption or prepaid, payment of the amount to be redeemed or prepaid shall be made only upon surrender of the Bond to the Trustee or the Clerk, as applicable. Upon surrender of the Bond, the City shall execute and the Trustee or the Clerk shall authenticate and deliver to the Holder thereof, at the office of the Trustee or the Clerk, as applicable, or send to the Holder by registered mail at his request, risk, and expense, a new fully executed Bond or Bonds, of authorized principal sums equal in aggregate principal amount to, and of the same Series, maturity, and interest rate as, the unredeemed portion of the Bond surrendered.

Section 5.05 Effect of Redemption. If a Bond is subject by its terms to prior redemption and has been duly called for redemption, in whole or in part, and notice of the redemption thereof has been duly given as hereinbefore provided and if moneys for the payment of the Bond at the then applicable redemption price or together with the then applicable premium, if any, and the interest to accrue to the redemption date on the Bond are held on or before the date fixed for redemption for the purpose of payment by the Trustee or other paying agent or the City for the Series of Bonds of which that Bond is one, then on the redemption date designated in the notice, the Bond or portion thereof called for redemption shall become due and payable and interest on the Bond or portion thereof called for redemption shall cease to accrue.

Section 5.06 Cancellation. All Bonds which have been redeemed shall be cancelled and either maintained or destroyed by the City or the Trustee, as applicable, and shall not be reissued. A counterpart of the certificate of destruction evidencing the destruction shall be furnished by the Trustee to the City upon the request of the City.

Section 5.07 Purchase of Bonds. The Trustee shall, if and to the extent practicable, endeavor to purchase Bonds or portions of Bonds at the written direction of the City at the time, in the manner, and at the price as may be specified by the City but in no event greater than the call price first to become available or then prevailing. The Trustee may so purchase Bonds with any moneys then held by the Trustee and available for the redemption or purchase of Bonds; provided that any limitations or restrictions on redemption or purchases contained in the Ordinance shall be complied with. The expenses of purchase shall be deemed an expense of the Trustee under Section 7.03 hereof. The Trustee shall incur no liability for any purchase made in accordance with this Section 5.07 or for its inability to purchase Bonds in excess of the redemption price thereof.

ARTICLE VI

ESTABLISHMENT OF FUNDS; PAYMENTS THEREFROM; INVESTMENT OF MONEYS; SECURITY FOR THE BONDS

Section 6.01 Listing of Funds and Accounts. The following are the funds and accounts established by the Ordinance and, as applicable, a Series Ordinance:

- (a) the Hospitality Fee Revenue Fund;
- (b) the Debt Service Funds; and
- (c) the Debt Service Reserve Fund.

Deposits to such Funds shall be made in the order set forth above in this Section 6.01, in further accordance with the provisions of Sections 6.02, 6.03 and 6.04 of the Ordinance.

As long as the Purchaser of the initial Series of Bonds is the sole Holder of all Outstanding Bonds and no Trustee has been appointed by the City pursuant to Section 7.01 hereof, all funds and accounts established by the Ordinance will be held by the City. So long as the City establishes, from an accounting standpoint, proper records of receipts and disbursements, the Local Hospitality Fee Fund, established at Sec. 13-104 of the Imposition Ordinance, may be used for the purposes of all funds and accounts established by the Ordinance.

It is intended by the Ordinance that the funds referred to in this Article VI (other than the Construction Fund) shall remain in existence for so long a time as any sum remains due and payable by way of principal of and interest on the Bonds, and that deposits and withdrawals therefrom be made in the manner herein prescribed and in the order of priority hereinafter set forth in this Article VI. Upon the issuance of any Junior Bonds, the Trustee shall then establish pursuant to the Junior Bond Ordinance a Junior Bond Debt Service Fund. Any debt service due on Junior Bonds shall be paid after all deposits with respect to Bonds have been made into the funds described in (a) through (d) above.

Section 6.02 Hospitality Fee Revenue Fund; Pledge of Hospitality Fee Revenues.

(a) There is hereby established a Hospitality Fee Revenue Fund to be maintained by the City or a Custodian appointed by the City pursuant to Section 7.14 hereof and into which shall be deposited all Hospitality Fee Revenues as received by the City. Moneys in the Hospitality Fee Revenue Fund shall be withdrawn, and allocation and use therefrom shall be made at the direction of the City but only in the manner specified in this Article VI and in the order of priority according to items (b), (c) and (d) of Section 6.01 hereof. Upon satisfaction on a Fiscal Year basis of all requirements for payments into the Debt Service Fund, the Debt Service Reserve Fund, and the Junior Bond Debt Service Fund, all moneys remaining in the Hospitality Fee Revenue Fund shall be transferred by the City, or by the Custodian, if such has been appointed, out of the Hospitality Fee Revenue Fund and into such account as directed by the City Manager no later than 30 days following the last day of the Fiscal Year and used by the City for any lawful purpose consistent with Section 5 of the Imposition Ordinance.

(b) The Bonds shall be payable solely from and secured by a lien upon the Hospitality Fee Revenues in the manner provided herein, and the Hospitality Fee Revenues herein made applicable thereto are hereby irrevocably pledged to the payment of the Bonds, and to the payments into the various funds herein provided for, to the extent and in the manner provided for by the Ordinance. The Bonds shall be equally and ratably secured hereunder by the Hospitality Fee Revenues without priority by reason of Series, number, date of enactment of Series Ordinance providing for the issuance thereof, the purposes or Projects for which the Bonds are issued, the date, date of sale, execution, issuance or delivery of the Bonds, or otherwise, and without regard to which section hereof the Bonds are issued under, except as hereinafter otherwise expressly provided. The pledge and lien securing the Bonds shall constitute a prior and paramount charge and lien on the Hospitality Fee Revenues, subject only to the provisions of the Ordinance restricting or permitting the application thereof for the purposes and on the terms and conditions set forth in the Ordinance. The Hospitality Fee Revenues shall immediately be subject to such lien and pledge without any physical delivery thereafter or further act, and such lien and pledge shall be valid and binding against all parties having claims of any kind, in tort, contract, or otherwise, against the City, whether or not the parties have notice thereof.

(c) The covenants and agreements herein set forth to be performed by the City shall be for the equal and proportionate benefit, security, and protection of all Holders of the Bonds without preference, priority, or distinction as to payment or security or otherwise (except as to maturity) of any of the Bonds or any of the others for any reason or cause whatsoever, except as expressly provided herein or in the Bonds, and, except as aforesaid and with respect to Junior Bonds, all Bonds shall rank pari passu and shall be secured equally and ratably hereunder without discrimination or preference whatsoever.

(d) The dispositions from the Hospitality Fee Revenue Fund required by the remaining Sections of this Article, shall be made on or before the 15th day of each month following the delivery of the first Series of Bonds issued pursuant to the Ordinance.

Section 6.03 Debt Service Fund.

(a) There shall be established and maintained a Debt Service Fund for each Series of Bonds Outstanding. The Debt Service Funds are intended to provide for the ratable payment of the principal of, redemption premium, if any, and interest on the Bonds of the respective Series as the same respectively fall due. Payments into these Funds shall be made in the manner prescribed by the Ordinance, and, except as herein provided, all money in each Debt Service Fund shall be used solely to pay the principal of and interest on the Bonds of the respective Series, and for no other purpose.

(b) Each Debt Service Fund shall be kept in the complete custody and control of the City, or if appointed, the Trustee and withdrawals from each Debt Service Fund shall be made only by the party having custody and control, who shall transmit to each Bondholder, at such times as may be appropriate, the sums required to pay the principal of, redemption premium, if any, and interest on the Bonds of that respective Series.

(c) Money in each Debt Service Fund shall be invested and reinvested by at the written direction of the Finance Director or his designee in Investment Obligations, maturing not later than the date on which such money is required to pay the interest and/or the principal and interest next maturing. All earnings from such investments shall be added to and become a part of such Debt Service Fund, but shall be credited against payments that would otherwise be made to that Debt Service Fund pursuant to the provisions of Section 8.03(d) hereof.

(d) Provision shall be made for the payment of principal of, premium, if any, and interest on the Bonds without priority of any Bonds over any other Bonds. To that end:

(1) There shall be deposited into each Debt Service Fund the monthly fraction of the aggregate amount of interest to become due on the respective Series of Bonds on the next ensuing interest payment date; provided, however, that if provision has been made for the payment of all or part of the next installment of interest to become due on any Bonds, pursuant to any other provision of this Ordinance, or any Series Ordinance, or by reason of investment earnings, then, in such event, the deposits required by this paragraph may be omitted, or reduced accordingly.

(2) There shall be deposited into each Debt Service Fund the monthly fraction of the Principal Installment of the respective Series of Bonds next becoming due and payable, so that on each principal maturity date, the amount of principal to be paid shall have been accumulated and be on hand; provided, however, that if provision has been made for the payment of all or part of the next installment of principal to become due on the respective Series of Bonds, pursuant to any other provision of this Ordinance, or any Series Ordinance, or by reason of investment earnings, then, in such event, the deposits required by this paragraph may be omitted, or reduced accordingly.

(3) If, on the occasion when the deposits required by Section 6.03(d)(1) and Section 6.03(d)(2), are to be made, the sum total of the deposits required thereby plus previous monthly deposits and the remaining deposits to be made prior to the next succeeding principal and interest payment dates, will be less than the sum required to effect the payment of the next succeeding installment of either principal or interest, or both on the respective Series of Bonds, as the case may be, a sum equal to such deficiency shall be added to the deposits so to be made.

Section 6.04 Debt Service Reserve Fund.

(a) Each Series Ordinance may create a Debt Service Reserve Fund for the Series of Bonds authorized thereby. Any such Debt Service Reserve Fund shall be for the equal and ratable benefit only of Bonds of that Series. Each such Debt Service Reserve Fund is intended to insure the timely payment of the principal of, and premium, if any, and interest on, that Series of Bonds, and to provide for the redemption of such Bonds prior to their stated maturities. Any Debt Service Reserve Fund shall be maintained in an amount equal to the Debt Service Reserve Fund Requirement established by the Series Ordinance for such Series of Bonds. Money in a Debt Service Reserve Fund shall be used for the following purposes, and for no other:

(1) To prevent a default in the payment of the principal of or interest on that Series of Bonds, by reason of the fact that money in its Debt Service Fund is insufficient for such purposes;

(2) To pay the principal of, interest on, and redemption premium of the Bonds of that Series in the event that all Outstanding Bonds of that Series be redeemed as a whole; or

(3) To effect partial redemption of the Bonds of that Series; provided that subsequent to said partial redemption, the market value of the cash and securities in the Debt Service Reserve Fund shall be not less than the Debt Service Reserve Fund Requirement therefor.

The requirements for and provisions governing any Debt Service Reserve Fund in the remainder of this Ordinance shall, in references to "the Debt Service Reserve Fund," "the Debt Service Reserve Fund Requirement," the "Debt Service Fund(s)" and "the Bonds," be deemed to refer to each such Debt Service Reserve Fund created by a Series Ordinance, and in each case to the respective Debt Service Reserve Fund Requirement and Debt Service Fund for the respective Series of Bonds, and to Bonds only of that respective Series and not to any other Bonds.

(b) Each Debt Service Reserve Fund shall be kept in the complete custody and control of the Trustee, or City if no Trustee has been appointed. For so long as the City has custody and control of a Debt Service Reserve Fund, it may designate as a depository thereof a financial institution satisfying the requirements of Section 7.17 of this Ordinance, or the South Carolina Pooled Investment Fund established pursuant to the provisions of Chapter 6, Title 6, of the Code of Laws of South Carolina, 1976, as amended. Withdrawals therefrom shall be made only by the party having control and custody, who shall transmit to the Bondholders, at such times as may be appropriate, the sums required to pay the principal of, redemption premium, if any, and interest on the Bonds.

(c) Money in a Debt Service Reserve Fund shall be invested and reinvested at the written direction of the Finance Director or his designee in Investment Obligations. Subject to the remaining provisions of this paragraph (C), the earnings from such investments shall be added to and become a part of the Debt Service Reserve Fund. If as of any date of calculation, the value of the securities and money in a Debt Service Reserve Fund shall exceed its Debt Service Reserve Fund Requirement, such excess shall either be used to effect partial redemption of Bonds of that Series, or shall be removed from such Debt Service Reserve Fund and transferred into the applicable Debt Service Fund, as directed by the Finance Director.

(d) Notwithstanding anything in this Ordinance to the contrary, the City, in lieu of the deposit of moneys into a Debt Service Reserve Fund, may satisfy the Debt Service Reserve Fund Requirement by causing to be so credited an irrevocable and unconditional surety bond or insurance policy payable to the Trustee for the benefit of the Holders of the Bonds of a Series or an irrevocable and unconditional letter of credit in an amount which together with other moneys on deposit in such Debt

Service Reserve Fund is equal to the Debt Service Reserve Fund Requirement therefor, all in accordance with the terms set forth in the applicable Series Ordinance.

(e) If the issuer of a surety bond, insurance policy, or letter of credit on deposit in the Debt Service Reserve Fund shall fail to meet the standard set forth with respect thereto in the Series Ordinance, the City shall use reasonable efforts to replace the surety bond, insurance policy, or letter of credit with one issued by an issuer having a rating as described, but shall not be obligated to pay, or commit to pay, increased fees, expenses, or interest in connection with the replacement or to deposit Hospitality Fee Revenues in the Debt Service Reserve Fund in lieu of replacing the surety bond, insurance policy, or letter of credit with another, except as may be provided in such Series Ordinance.

(f) If the City obtains a surety bond, insurance policy, or letter of credit after the deposit of moneys to the Debt Service Reserve Fund account established with respect to any Series of Bonds, excess moneys shall be transferred to the Construction Fund established for that Series of Bonds, or if one does not exist, to the Debt Service Fund and applied to pay debt service on that Series of Bonds; provided that, if, in an opinion of Bond Counsel addressed to the Trustee, the excess moneys do not constitute "proceeds" within the meaning of Section 148(d) of the Code, they shall be transferred to the City for use by the City in any lawful purposes.

(g) Earnings on investment of moneys held in the Debt Service Reserve Fund account established with respect to any Series of Bonds, shall be credited to and become a part of such Debt Service Reserve Fund account.

(h) Deposits required by this Section 6.04(h) shall be made into the applicable Debt Service Reserve Funds in accordance with Section 6.02(d) herein after deposits to the Debt Service Funds in accordance with Section 6.03(d) herein. The market value of the cash and securities in each Debt Service Reserve Fund shall be calculated as of each Bond Payment Date (such calculation to be made within 45 days after such Bond Payment Date) in order to determine if each Debt Service Reserve Fund contains the Debt Service Reserve Fund Requirement therefor, and the extent to which payments therefor or withdrawals must be made therefrom, and the timing thereof, pursuant to this Ordinance and the respective Series Ordinances. A Series Ordinance may provide for more frequent periodic valuation, if required by the Insurer insuring the Series of Bonds issued pursuant to such Series Ordinance. Unless a Debt Service Reserve Fund is being funded pursuant to Section 4.02(5)(a) of the Ordinance or then contains in cash and securities (or a surety bond, insurance policy, or letter of credit as herein described) an amount at least equal to its Debt Service Reserve Fund Requirement, there shall be paid into such Debt Service Reserve Fund on the last Business Day of each of the 12 months following a determination of a deficiency in such Debt Service Reserve Fund one-twelfth of the amount necessary to re-establish in such Debt Service Reserve Fund its Debt Service Reserve Fund Requirement; provided, however, nothing herein shall preclude the City from fully re-establishing such Debt Service Reserve Fund Requirement in a more timely fashion than as so prescribed.

Section 6.05 Establishment of Construction Fund. There shall be created by each Series Ordinance (unless the sole purpose of the Bonds issued thereunder is to refund other obligations as further provided in Section 3.04 herein) and established with the City, or, at the option of the City, the Trustee, a Construction Fund, the moneys in which shall be used to defray the Costs of the Project and Costs of Issuance with respect to the Projects financed.

Section 6.06 Deposits into Construction Fund. On the occasion of the delivery of any Series of Bonds, other than refunding Bonds, such proceeds, as specified in a Series Ordinance, shall be paid into the Construction Fund established for that Series as set forth in a Series Ordinance authorizing their issue.

Section 6.07 Withdrawals from Construction Fund. Withdrawals from the Construction Fund shall not be made except as provided in the Series Ordinance establishing the Construction Fund.

Section 6.08 Transfer of Surplus Construction Fund Moneys. All funds remaining in any Construction Fund established under a Series Ordinance upon completion of the Projects intended to be financed thereby shall be transferred to the Interest Account, Principal Account or Bond Redemption Account of the Debt Service Fund as directed in writing by the Finance Director and shall be used only to pay the principal of, premium, if any, and interest on the Bonds or Junior Bonds of the Series issued under the terms of the Series Ordinance or to acquire Outstanding Bonds of that Series at a price (exclusive of accrued interest) not exceeding the face amount thereof, or other lawful purpose.

Section 6.09 Investment of Funds.

(a) Any moneys held as part of any fund or account created under the Ordinance shall, at the written direction of and as specified by the Finance Director, be invested and reinvested by the City, Trustee or the Custodian of the fund, as the case may be, in Investment Obligations to the extent practicable. Any investments shall be held by or under the control of the Trustee or the Custodian of the fund, as the case may be, and shall be deemed at all times a part of those funds and the interest accruing thereon and any profit realized from investments shall be credited to the fund, and any loss resulting from investments shall be charged to the fund. The Trustee or the Custodian of the fund, as the case may be, is directed to sell and reduce to cash funds a sufficient amount of investments whenever the cash balance in the fund is insufficient to make any necessary transfers or withdrawals from the fund.

(b) No Investment Obligation in any fund or account may mature beyond the latest maturity date of any Bonds Outstanding at the time the Investment Obligation is deposited.

(c) The Finance Director may at any time give to the Trustee or the Custodian of the fund, as the case may be, written directions respecting the investment of any moneys required to be invested hereunder subject however to the provisions of this Section 6.09 and the Trustee or the Custodian of the fund, as the case may be, shall then invest the money under this Section 6.09 as so directed by the Finance Director. The Trustee or the Custodian of the fund, as the case may be, may request in writing direction or authorization of the Finance Director with respect to the proposed investment of money under the provisions of the Ordinance. Upon receipt of any request accompanied by a memorandum setting forth details of any proposed investment, the Finance Director will either approve the proposed investment or will give written directions to the Trustee or the Custodian of the fund, as the case may be, respecting the investment of the money and in the case of the directions, the Trustee or the Custodian of the fund, as the case may be, shall then, subject to the provisions of this Section 6.10, invest the money in accordance with the directions.

(d) The Finance Director may enter into or direct the Trustee to enter into financial product agreements with respect to the Construction Fund, the Debt Service Fund, the Junior Bond Debt Service Fund and the Debt Service Reserve Fund provided the proceeds thereof are used for Project Costs; and provided, such financial product agreements must be in form and content acceptable to the Trustee, if any, in its sole discretion and the Trustee may charge reasonable additional legal fees in connection therewith.

Section 6.10 Trustee's and Custodian's Own Bond Department. Subject to Section 6.10(a), the Trustee and any Custodian may make any and all investments permitted under Section 6.10 through their respective bond departments.

Section 6.11 Trustee's and Custodian's Right to Rely. The Trustee and any Custodian may conclusively rely upon any investment directions given by the Finance Director within the limitations set forth hereinabove received pursuant to this Article VI and shall not be liable or responsible for (a) any

diminution in the value of any investments made pursuant to this Article VI or for any loss arising from any sale or other disposition thereof, (b) any violation of any statute or of any policy or rules or regulations of or applicable to the City or of the Internal Revenue Service with respect to "arbitrage bonds," or (c) any requirement to rebate excess earnings earned on any funds established hereunder as provided under the Code.

Section 6.12 Pooled Investment of Moneys Held in Funds. The moneys in the funds established under the Ordinance may be pooled with each other for investment purposes.

Section 6.13 Valuation.

(a) For the purpose of determining the amount on deposit in any fund or account, Investment Obligations in which money in the fund or account is invested shall be valued as follows:

(i) as to investments the bid and asked prices of which are published on a regular basis in The Wall Street Journal (or, if not there, then in The New York Times): the average of the bid and asked prices for such investments so published on or most recently prior to such time of determination;

(ii) as to investments the bid and asked prices of which are not published on a regular basis in The Wall Street Journal or The New York Times: the average bid price at such time of determination for such investments by any two nationally recognized government securities dealers (selected by the Trustee in its absolute discretion) at the time making a market in such investments or the bid price published by a nationally recognized pricing service;

(iii) as to certificates of deposit and bankers acceptances: the face amount thereof, plus accrued interest; and

(iv) as to any investment not specified above: the value thereof established by prior agreement among the City, the Bond Holder, or the Trustee, if appointed, and the Insurer, if any, insuring such Series of Bonds.

(b) The City or the Trustee, if a Trustee has been appointed, shall value the Investment Obligations in the funds and accounts held by the City or the Trustee, respectively, established under the Ordinance as of each June 30, within 45 days of that date. If a Trustee has been appointed, the City shall value the Investment Obligations in all other funds and accounts established under the Ordinance as of each June 30, within 45 days of that date. In addition, the Investment Obligations held by the Trustee shall be valued by the Trustee at any time requested by the City on reasonable notice to the Trustee; provided, however, that the Trustee shall not be required to value the Investment Obligations more than once in any calendar quarter.

(c) Notwithstanding the above provisions of this Section 6.14, Investment Obligations on deposit in the Debt Service Reserve Fund shall be valued on the beginning of each calendar quarter at the market value thereof, or at such other frequency as provided in the applicable Series Ordinance.

(d) For purposes of any valuation hereunder, the value of any surety bond, insurance policy, or letter of credit credited to the Debt Service Reserve Fund shall be the amount available to the Trustee or other beneficiary under the instrument as of the time of the calculation.

Section 6.14 Tax Covenant. No investment shall be made by the City of any of the funds set forth above which would cause any Bond to be an "arbitrage bond" within the meaning of Section 148 of

the Code; provided, however, that this Section 6.15 shall not prohibit the issuance of Bonds which are subject to federal income taxation upon their original issuance.

ARTICLE VII

TRUSTEE AND CUSTODIANS

Section 7.01 Appointment of Trustee, Security of Funds. So long as the Purchaser of the initial Series of Bonds issued under this Ordinance continues to be the Holder of all Outstanding Bonds issued hereunder, no Trustee is required to be appointed. The City may appoint a Trustee by adoption of a resolution at the request of the Purchaser.

Upon the appointment of a Trustee, the Trustee shall signify its acceptance of the powers, duties, and obligations conferred and imposed upon it by this Ordinance, by executing and delivering to the City a written acceptance thereof.

The Trustee, including any successor Trustee shall, at the time of appointment, be a bank or trust company which is a member of the Federal Reserve System with a capital stock, surplus and undivided profits aggregating in excess of \$500,000,000.

All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law or by the Ordinance. Unless the same be secured as trust funds in the manner provided by the regulations of the Comptroller of the Currency as from time to time in effect, all funds or securities in the custody of the Trustee, in excess of the amount of such deposit insured by the Federal Deposit Insurance Corporation, shall be secured and kept secured by direct obligations of the United States of a market value at least equal to the sum on deposit and not insured as aforesaid by the Federal Deposit Insurance Corporation.

All securities which shall be given to secure any fund as required by the provisions of this Article shall be placed in the custody of a duly chartered bank, other than the Trustee, which is a member of the Federal Deposit Insurance Corporation. Such other bank shall have a capital stock, surplus and undivided profits aggregating in excess of \$100,000,000.

Section 7.02 Duties and Obligations of the Trustee. Prior to the occurrence of any Event of Default and after the curing of all such Events of Default that may have occurred, the Trustee shall perform such duties and only such duties of the Trustee as are specifically set forth in this Ordinance and no implied covenants or obligations shall be read into this Ordinance against the Trustee. The duties and obligations of the Trustee are further subject to the following terms and conditions:

(a) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers, or employees, and shall be entitled to advice of counsel concerning all matters of trusts hereof and the duties hereunder, and may in all cases pay reasonable compensation to all attorneys, agents, receivers, and employees as may be reasonably employed in connection with the trusts hereof. The Trustee shall not be responsible for any misconduct or negligence of any agent or attorney appointed with due care by the Trustee. The Trustee may act upon the opinion or advice of any attorney (who may be the attorney or attorneys for the City) except that with respect to matters involving the exemption from federal income taxes of the interest on the Bonds, any attorneys shall be Bond Counsel. The Trustee shall not be responsible for any loss or damage resulting from any action or non-action in good faith in reliance upon the opinion or advice.

(b) The recitals of fact made in this Ordinance and in the Bonds shall be taken as statements of the City, and the Trustee shall not be deemed to have made any representation as to the correctness of the same, nor shall the Trustee be deemed to have made any representation whatsoever as to the validity or sufficiency of this Ordinance or of the Bonds issued hereunder except with respect to the authentication of any Bonds. Nor shall the Trustee be under responsibility or duty with respect to the issuance of said Bonds, or the application of the proceeds thereof, except to the extent provided for herein. Nor shall the Trustee be liable in connection with the performance of its duties hereunder, except for its own negligence or default.

(c) The Trustee may become the owner of Bonds, secured hereby with the same rights which it would have were it not Trustee. The Trustee may also engage in or be interested in any financial or other transaction with the City.

(d) The Trustee shall be protected in acting under the Ordinance upon any notice, request, consent, certificate, order, affidavit, letter, telegram, or other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant to the Ordinance upon the request or authority or consent of any person who at the time of making the request or giving the authority or consent is the Holder of any Bond, shall be conclusive and binding upon all future Holders of the same Bond and of Bonds issued in exchange therefor or in place thereof, regardless of whether or not any notation of making the request or giving the authority or consent is made on the Bond.

(e) As to the existence or non-existence of any act or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a certificate signed on behalf of the City by the Authorized Representative as sufficient evidence of the facts therein contained and prior to the occurrence of a Default of which the Trustee has been notified as provided in subsection (g) of this Section 7.02, or of which by that subsection it is deemed to have notice, may also accept a similar certificate to the effect that any particular dealing, transaction, or action is necessary or expedient, but may, at its discretion, obtain any further evidence deemed necessary or advisable, but shall in no case be bound to obtain it. The Trustee may accept a certificate of the Clerk under the seal of the City to the effect that an ordinance in the form therein set forth has been enacted by City Council as conclusive evidence that the ordinance has been duly enacted and is in full force and effect.

(f) The Trustee shall not be required to take notice or be deemed to have notice of any Default hereunder except failure by the City to cause to be made any of the payments to the Trustee required to be made by Article VI hereof, unless the Trustee shall be specifically notified in writing of the Default by the City, or by the Holders of at least 25% in aggregate principal amount of all Bonds then Outstanding and all notices or other instruments required by the Ordinance to be delivered to the Trustee, must, in order to be effective, be delivered at the principal corporate trust office of the Trustee or at any other address as set forth in a Series Ordinance, and in the absence of notice delivered, the Trustee may conclusively assume there is no Default except as aforesaid.

(g) The Trustee shall not be required to give any bond or surety in respect to the execution of the trusts and powers or otherwise in respect of the premises.

(h) Before taking any action hereunder (with the exception of any required acceleration of Bonds pursuant to Section 10.02 hereof and any notice required to be given pursuant to Section 7.04 hereof), the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful default by reason of any action so taken.

(i) The Trustee is not liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Bondholders under any provision of this Ordinance relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred upon the Trustee under this Ordinance.

(j) Whenever in the administration of this Ordinance the Trustee deems it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence thereof is specifically prescribed) may, in the absence of bad faith on its part, rely upon a certificate of an Authorized Representative.

(k) The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Ordinance shall extend to the Trustee's officers, directors, agents, attorneys and employees. Such immunities and protections and right to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the discharge of this Ordinance and final payment of the Bonds.

Section 7.03 Fees, Charges, and Expenses of Trustee. The Trustee shall be entitled to payment or reimbursement for reasonable fees for its services rendered hereunder, and all advances, counsel fees, and other expenses reasonably and necessarily made or incurred by the Trustee in connection with its services and, in the event that it should become necessary that the Trustee perform extraordinary services, it shall be entitled to reasonable extra compensation therefor, and to reimbursement for reasonable and necessary extraordinary expenses in connection therewith; provided, that if extraordinary services or extraordinary expenses are occasioned by the willful neglect or default of the Trustee, it shall not be entitled to compensation or reimbursement therefor.

Section 7.04 Notice to Bondholders if Default Occurs. If a Default occurs of which the Trustee is by Section 7.02(g) hereof required to take notice or if notice of Default be given as in Section 7.02(g) provided, then the Trustee shall give such notice to the City and the Trustee may give written notice thereof by first class mail to the last known Holders of all Bonds then Outstanding shown by the Books of Registry.

Section 7.05 Merger or Consolidation of Trustee. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any conversion, sale, merger, consolidation, or transfer to which it is a party, ipso facto, subject to the approval of the City, shall be and become successor Trustee hereunder and vested with all powers, discretions, immunities, privileges, and all other matters as was its predecessor, without the execution or filing of any instruments or any further act, deed, or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 7.06 Resignation by the Trustee. The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving 90 days written notice to the City, and by first class mail to each Holder of Bonds then Outstanding shown by the Books of Registry, and the resignation shall take effect upon the appointment of a successor Trustee or successor temporary Trustee by the Bondholders or by the City. The notice to the City may be served personally or sent by registered or certified mail.

Section 7.07 Removal of the Trustee. The Trustee may be removed at any time after 30 days' notice either (a) by an instrument or concurrent instruments in writing delivered to the Trustee and to the City and signed by the Holders of a majority in aggregate principal amount of all Bonds then Outstanding, or (b) unless a Default has occurred and is continuing, by written direction of the Authorized Representative of the City delivered to the Trustee.

Section 7.08 Appointment of Successor Trustee by the City or the Bondholders. In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed (a) by the City so long as the Bonds are not in Default, or (b) by the Holders of a majority in aggregate principal amount of Bonds then Outstanding, by an instrument or concurrent instruments in writing signed by the Holders, or by their attorneys in fact, duly authorized. Every Trustee appointed pursuant to the provisions of this Section 7.09 must meet all the requirements of Section 7.01 hereof.

Section 7.09 Concerning Any Successor Trustee.

(a) Upon acceptance of appointment by the successor Trustee as provided in this Section 7.09, the City shall give notice of the succession of the Trustee to the trusts hereunder by first class mail to the Holders at the addresses shown on the Books of Registry. Each Trustee appointed hereunder shall signify its acceptance of the duties and obligations imposed upon it by the Ordinance as Trustee by executing and delivering to the City a written acceptance of its duties and obligations.

(b) Every successor Trustee appointed hereunder shall execute, acknowledge, and deliver to its predecessor and also to the City an instrument in writing accepting appointment hereunder, and thereupon the successor, without any further act, deed, or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties, and obligations of its predecessor; but the predecessor shall, nevertheless, on the written request of the City, or of its successor, and upon payment of all amounts due the predecessor pursuant to Section 7.03 hereof, execute and deliver an instrument transferring to the successor Trustee all the estates, properties, rights, powers, and trusts of the predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as Trustee hereunder to its successor. Should any instrument in writing from the City be required by any successor Trustee for more fully and certainly vesting in the successor the estate, rights, powers, and duties hereby vested or intended to be vested in the predecessor, any instruments in writing, shall, on request, be executed, acknowledged, and delivered by the City. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article VII, shall be filed or recorded by the successor Trustee in each recording office where the Ordinance shall have been filed or recorded.

Section 7.10 Trustee Protected in Relying upon Ordinances, Etc. The ordinances, resolutions, opinions, certificates, and other instruments provided for in the Ordinance may be accepted by the Trustee as conclusive evidence of the acts and conclusions stated therein and shall be full warrant, protection, and authority to the Trustee for the release of property, the withdrawal of cash, and the taking or refusing to take any other action hereunder.

Section 7.11 Successor Trustee as Trustee of Funds, Paying Agent, and Bond Registrar. In the event of a change in the office of Trustee, the predecessor Trustee which has resigned or has been removed shall cease to be trustee of the fund of which it is trustee, and paying agent for principal of and interest and premium, if any, on the Bonds and bond registrar, and the successor Trustee shall become such trustee, paying agent, and registrar, as the case may be.

Section 7.12 Appointment of Custodians. City Council may appoint a bank, trust company, national banking association, or national association as Custodian of the Hospitality Fee Revenue Fund, if any, and the Custodian shall signify its acceptance of the powers, duties, and obligations conferred and imposed upon it by the Ordinance by executing and delivering to the City a written acceptance thereof.

Section 7.13 Duties and Obligations of Custodians. The recitals of fact made in the Ordinance and in the Bonds shall be taken as statements of the City, and no Custodian shall be deemed to have made

any representation as to their correctness, nor shall any Custodian be deemed to have made any representation whatsoever as to the validity or sufficiency of the Ordinance or of the Bonds issued hereunder, nor shall any Custodian be under any responsibility or duty with respect to the issuance of the Bonds or the application of the proceeds thereof, except to the extent provided for herein, nor shall any Custodian be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in response to the Ordinance, or the Bonds issued hereunder, or to advance any of its own moneys, unless properly indemnified to its satisfaction, nor shall any Custodian be liable in connection with the performance of its duties hereunder, except for its own negligence or willful default.

Section 7.14 Custodians Protected in Relying Upon Ordinances, Etc. All Custodians shall at all times be protected in acting upon any action, ordinance, request, consent, order, certificate, statement, opinion, bond, or other paper or document believed to be genuine and to have been signed by the proper party or parties.

Section 7.15 Resignation of Custodians. Any Custodian may at any time resign and be discharged of its duties and obligations hereunder by giving to the City written notice of such resignation, specifying a date (not less than 90 days after the notice) when the resignation shall take effect, and by written notice thereof to the Trustee. The resignation shall take effect upon the date specified in the notice unless previously a successor shall have been appointed, as hereinafter provided, in which event, the resignation shall take effect immediately upon the appointment and qualification of the successor.

Section 7.16 Removal of Custodians. Any Custodian may be removed at any time by the City or by the Holders of not less than 51% of the principal amount of the Bonds at that time Outstanding. In the event any Custodian is removed pursuant to the provisions of this Section 7.16, notice thereof shall be given by the City to the Trustee.

Section 7.17 Appointment of Successor Custodians.

(a) In case any Custodian shall resign or be removed or become incapable of acting, or be adjudged bankrupt or insolvent, or a receiver of its property shall be appointed, or any public officer shall take charge or control of its property or affairs, a successor thereto shall be promptly appointed by the City. The successor shall, in all instances, be a bank, trust company, national banking association, or a national association, and shall have a combined capital and surplus of not less than \$100,000,000.

(b) Immediately following the appointment, the City shall give written notice of the appointment to the Trustee.

(c) If, in a proper case, no appointment of a successor Custodian shall be promptly made pursuant to paragraph (a) above, any Bondholder may make application to any court of competent jurisdiction for the appointment of a successor and the court may thereupon, after any notice as the court may prescribe, appoint a successor.

Section 7.18 Concerning Any Successor Custodians. Any successor Custodian appointed as provided hereunder shall execute and deliver to its predecessor, the Trustee and the City a written acceptance of appointment and, thereupon, the successor, without any further act, deed, or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties, and obligations of its predecessor hereunder, with the same effect as if originally named as Custodian, and its predecessor shall be obligated to pay over, transfer, assign, and deliver all moneys, securities, or other property held by it to its successor, and, on the written request of the City, the Trustee, or the successor, shall execute, acknowledge, and deliver all instruments of conveyance and further assurance and do all other things as

may be reasonably required for the vesting and confirming in the successor all the right, title, and interest of the predecessor in and to any property held by it.

Section 7.19 Merger of Custodians. Any bank or trust company into which any Custodian may be merged or with which it may be consolidated, or any bank or trust company resulting from any merger or consolidation to which it shall be a party, or any bank or trust company to which any Custodian may sell or transfer all or substantially all of its business, if the City approves, shall become the successor without the execution or filing of any paper or the performance of any other act.

ARTICLE VIII

COVENANTS

Section 8.01 Condition of City's Obligation; Payment of Principal and Interest.

(a) Each and every covenant herein made, including all covenants made in the various sections of this Article VIII, is predicated upon the condition that any obligation for the payment of money incurred by the City shall not create a pecuniary liability of the City or a charge upon its general credit, but shall be payable solely from the Hospitality Fee Revenues which are required to be set apart and transferred to the Debt Service Fund and the Debt Service Reserve Fund, which Hospitality Fee Revenues are hereby specifically pledged to the payment thereof in the manner and to the extent in the Ordinance specified and nothing in the Bonds or in the Ordinance shall be considered as pledging any other funds or assets of the City other than the Hospitality Fee Revenues.

(b) The Bonds, together with interest thereon, shall be limited obligations of the City payable solely from Hospitality Fee Revenues required to be set apart and transferred to the Hospitality Fee Revenue Fund for deposit to the Debt Service Fund and the Debt Service Reserve Fund, if any, and shall be a valid claim of the respective Holders thereof only against the Hospitality Fee Revenues to the extent provided in paragraph (a) of this Section 8.01. The Hospitality Fee Revenues are hereby pledged and assigned for the equal and ratable payment of the Bonds and shall be used for no other purposes than to pay the principal of, premium, if any, and interest on the Bonds, except as may be otherwise expressly authorized in the Ordinance. The Bonds do not now and shall never constitute an indebtedness of the City within the meaning of any state constitutional provision or statutory limitation (other than Article X, Section 14, Paragraph 10 of the State Constitution authorizing obligations of political subdivisions payable solely from special sources not involving revenue from any tax or license), and shall never constitute nor give rise to a pecuniary liability of the City or a charge against the general credit or taxing powers of the City, the State or any of its agencies or political subdivisions. No recourse shall be had for the payment of the Bonds, or interest thereon, or any part thereof, against the several funds of the City, except from the Hospitality Fee Revenues in the manner and to the extent provided in the Ordinance. The Bonds, and interest thereon, shall not be a charge, lien, or encumbrance, legal or equitable, upon any property of the City or upon any income, receipts, or revenues of the City other than the Hospitality Fee Revenues that have been pledged to the payment thereof.

Section 8.02 Performance of Covenants; Authority of the City. The City covenants that it will faithfully perform at all times all covenants, undertakings, stipulations and provisions contained in the Enabling Act, in the Ordinance, in the Bonds executed, authenticated, and delivered hereunder, and in all proceedings pertaining thereto. The City covenants that it is duly authorized under the Constitution and laws of the State to issue the Bonds authorized hereby, to enact the Ordinance, and to pledge the Hospitality Fee Revenues in the manner and to the extent herein set forth; that all action on its part for the issuance of the Bonds and the enactment of the Ordinance has been duly and effectively taken; and that the Bonds in the hands of the Holders thereof are and will be valid and enforceable obligations of the City according to the import thereof.

Section 8.03 Inspection of Hospitality Fee Revenue Records and Projects. The City covenants and agrees that all books and documents in its possession relating to the Hospitality Fee Revenues and Projects shall at all times be open to inspection during normal business hours by any accountants or other agents as the Trustee or the Purchaser may from time to time designate.

Section 8.04 Maintenance of Hospitality Fee Imposition. The City hereby covenants that so long as any Bond or Junior Bond remains Outstanding hereunder, it continue to impose and collect the Hospitality Fee in accordance with the law of the State.

Section 8.05 Fiscal Year. Until changed to a different twelve-month period by City Council or by law, the City shall be operated on the basis of a Fiscal Year, which commences on the first day of July of each year and ends on the 30th day of June of the following year.

Section 8.06 Annual Audited Financial Statements and Certificates. The City shall provide the Trustee or the Bondholders, if no Trustee has been appointed, within 270 days after the close of the Fiscal Year a copy of its audited financial statements for such Fiscal Year.

ARTICLE IX

DEFEASANCE OF BONDS

Section 9.01 Defeasance of Bonds.

(a) If all of the Bonds issued pursuant to the Ordinance shall have been paid and discharged, then the obligations of the City under the Ordinance, the pledge of the Hospitality Fee Revenues made hereby, and all other rights granted hereby shall cease and determine. Bonds shall be deemed to have been paid and discharged within the meaning of this Article IX under each of the following circumstances:

(i) If the Trustee, or a Custodian, if no Trustee has been appointed, shall hold, at the stated maturities of the Bonds, in trust and irrevocably appropriated thereto, moneys for the full payment thereof; or

(ii) If default in the payment of the principal of the Bonds or the interest thereon shall have occurred, and thereafter tender of payment shall have been made, and the Trustee or a Custodian, if no Trustee has been appointed, shall hold, in trust and irrevocably appropriated thereto, sufficient moneys for the payment thereof to the date of the tender of the payment; or

(iii) If the City shall elect to redeem Bonds prior to their stated maturities, and shall have irrevocably bound and obligated itself to give notice of redemption thereof in the manner provided by Section 5.03 hereof, and shall have deposited with the Trustee, or a Custodian maintaining corporate trust powers, if no Trustee has been appointed, in an irrevocable trust, either moneys in an amount which shall be sufficient, or direct general obligations of the United States of America, which are not subject to redemption by the issuer thereof prior to the date of redemption of the Bonds to be defeased, the principal of and interest on which, when due, will provide moneys, which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay, when due, the principal, interest, and redemption premium or premiums, if any, due and to become due on and prior to the redemption date or dates, as the case may be; or

(iv) If there shall have been deposited with the Trustee, or a Custodian maintaining corporate trust powers, if no Trustee has been appointed, either moneys in an amount which shall be sufficient, or direct general obligations of the United States of America, or of the State or its

political subdivisions, the principal of and interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay, when due, the principal and interest due and to become due on the Bonds on the maturity thereof.

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

Section 9.02 Deposit of Moneys. Any moneys which at any time shall be deposited with the Trustee or Custodian by or on behalf of the City for the purpose of paying and discharging any Bonds shall be and are hereby assigned, transferred, and set over to the Trustee or the Custodian in trust for the respective Holders of the Bonds, and the moneys shall be and are hereby irrevocably appropriated to the payment and discharge thereof. If, through lapse of time or otherwise, the Holders of the Bonds shall no longer be entitled to enforce payment of their obligations, then, in that event, it shall be the duty of the Trustee or escrow agent to deposit the funds in the Hospitality Fee Revenue Fund.

Section 9.03 Election to Redeem Bonds. The City covenants and agrees that any moneys which it shall deposit with the Trustee or Custodian shall be deemed to be deposited in accordance with, and subject to, the applicable provisions of this Article IX, and whenever it shall have elected to redeem Bonds, it will irrevocably bind and obligate itself to give notice of redemption thereof, and will further authorize and empower the Trustee, if any, to cause notice of redemption to be given in its name and on its behalf.

ARTICLE X

DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BONDHOLDERS

Section 10.01 Events of Default. If any of the following events occurs, it is hereby defined as and declared to be and to constitute an "Event of Default" or "Default:"

- (a) Failure to pay when due any interest on any Bond; or
- (b) Failure to pay when due the principal of any Bond (or premium, if any), whether at the stated maturity thereof, or upon proceedings for redemption thereof, or upon any mandatory redemption date; or
- (c) Subject to the provisions of Section 10.10, failure in the performance or observance of any other of the covenants, agreements, or conditions on the part of the City in the Ordinance or in the Bonds contained; or
- (d) If a court having jurisdiction shall enter a decree or order for relief in respect of the City in an involuntary case under any applicable bankruptcy, insolvency, reorganization, or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator, or similar official of the City or for any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the decree or order shall remain unstayed and in effect for a period of 90 consecutive days; or
- (e) If the City shall commence a voluntary case under any applicable bankruptcy, insolvency, reorganization, or other similar law now or hereafter in effect, shall consent to the entry of an order for relief in an involuntary case under any such law, or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator, or similar official of the

City or for any substantial part of its property, or shall make any general assignment for the benefit of creditors, shall admit in writing its inability to pay its debts that become due, or shall take any action in furtherance of any of the foregoing.

Section 10.02 Acceleration. Upon the occurrence of an Event of Default, the Trustee may, and upon the written request of the Holders of not less than 51% in aggregate principal amount of Bonds then Outstanding shall, by notice in writing delivered to the City, declare the principal of all Bonds then Outstanding and the interest accrued thereon immediately due and payable, and the principal and interest shall thereupon become and be immediately due and payable. Upon the occurrence of an Event of Default, if no Trustee has been appointed, the Bonds may be declared immediately due and payable by the Holders of not less than 51% in aggregate principal amount of the Bonds Outstanding.

Section 10.03 Additional Remedies.

(a) Upon the happening and continuance of any Event of Default, the Holders of not less than 51% of the Outstanding Bonds, if no Trustee has been appointed, and if a Trustee has been appointed, the Trustee may, and upon the written request to the Trustee of the Holders of not less than 51% in aggregate principal amount of Bonds then Outstanding shall, take one or more of the following actions as it may deem advisable:

(i) By mandamus or other suit, action, or proceedings at law or in equity, enforce the rights of the Bondholders against the City, and any of its officers, agents, and employees, and require and compel the City, or any officer, agent, or employee to perform and carry out its or his duties and obligations under the Enabling Act and the Ordinance and its or his covenants or agreements with the Bondholders;

(ii) By action or suit in equity, require the City and City Council to account as if they were the trustee of an express trust;

(iii) By action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders; and

(iv) Bring suit upon the Bonds.

(b) Upon the occurrence of an Event of Default, the Trustee or the requisite Holders as provided in subsection (a) above shall have the power to proceed with any right or remedy granted by the Constitution and laws of the State, as it or they may deem best, including any suit, action, or special proceeding in equity or at law for the specific performance of any covenant or agreement contained herein or for the enforcement of any proper legal or equitable remedy as the Trustee or such requisite Holders shall deem most effectual to protect the rights aforesaid, insofar as such may be authorized by law. The rights herein specified are to be cumulative to all other available rights, remedies, or powers and shall not exclude any such rights, remedies, or powers.

Section 10.04 Rights of Bondholders.

(a) If an Event of Default shall have occurred, and if requested to do so by the Holders of not less than 51% in aggregate principal amount of Bonds then Outstanding, and if indemnified as provided in Section 7.02(j) hereof, the Trustee shall be obliged to exercise one or more of the rights and powers conferred by this Article X as the Trustee, being advised by counsel, shall deem most expedient in the interest of the Bondholders.

(b) No remedy by the terms of the Ordinance conferred upon or reserved to the Trustee (or to the Bondholders) is intended to be exclusive of any other remedy, but each and every remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Bondholders hereunder or now or hereafter existing at law or in equity or by statute.

(c) No delay or omission in exercising any right or power accruing upon any Default or Event of Default shall impair any right or power or shall be construed to be a waiver of any Default or Event of Default or acquiescence therein and every right and power may be exercised from time to time and as often as may be deemed expedient.

(d) No waiver of any Default or Event of Default hereunder, whether by the Trustee or by the Bondholders, shall extend to or shall affect any subsequent Default or Event of Default or shall impair any rights or remedies consequent thereon.

Section 10.05 Application of Moneys Upon Default.

(a) If an Event of Default shall happen and shall not have been remedied, the City, upon demand of the Trustee or the Bondholder, if no Trustee has been appointed, shall pay or cause to be paid over to the Trustee or Bondholder:

(1) forthwith, all moneys and securities then held by the City which are credited to any account or fund under this Ordinance (specifically including any moneys and securities in the Hospitality Fee Revenue Fund, in any construction fund created with proceeds of Bonds if construction of the Projects to be paid for thereby has been completed or terminated but exclusive of any amounts remaining in such construction fund that are in dispute between the City and any contractor); and

(2) as promptly as practicable after receipt thereof, all Hospitality Fee Revenues.

(b) All moneys received by the Trustee or the Bondholder pursuant to any right given or action taken under the provisions of this Article X shall, after payment of the costs and expenses of the proceedings resulting in the collection of the moneys and of the expenses, liabilities, and advances incurred or made by the Trustee or the Bondholders, be applied as follows:

(1) unless the principal of all of the Bonds shall have become or have been declared due and payable,

(i) first, to the payment of the persons entitled thereto of all installments of interest on Bonds then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon to the persons entitled thereto, without any discrimination or preference;

(ii) second, to the payment to the persons entitled thereto of the unpaid principal (and redemption premiums, if any) of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, and if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal (plus redemption premium, if any) due on such date, to the persons entitled thereto, without any discrimination or preference; or

(2) if the principal of all of the Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any differences as to the respective rates of interest specified in the Bonds;

(3) to the issuers of any surety bond, insurance policy, or letter of credit on deposit in the Debt Service Reserve Fund ratably according to any reimbursement agreements between such issuers and the City;

After payment of all amounts provided above, any amounts in the Junior Bond Debt Service Fund shall be applied in the same order as above but only to the Holders of Junior Bonds.

(c) Whenever moneys are to be applied pursuant to the provisions of this Section 10.05, the moneys shall be applied at the times, and from time to time, as the Trustee or the Bondholders holding at least 51% of the Bonds Outstanding, if no Trustee has been appointed, shall determine, having due regard to the amount of moneys available for application in the future. Whenever the Trustee or the requisite number of Bondholders required above shall apply funds, the Trustee or such Bondholders shall fix the date (which shall be an interest payment date unless it shall deem another date more suitable) upon which application is to be made and upon that date interest on the amounts of principal to be paid on that date shall cease to accrue. The Trustee shall give notice as it may deem appropriate of the deposit with it of any moneys and of the fixing of any date, and shall not be required to make payment to the Holder of any Bond until it shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

(d) Whenever all principal of, premium, if any, and interest on all Bonds have been paid under the provisions of this Section 10.05 and all expenses and charges of the Trustee shall have been paid, any balance remaining in the Debt Service Fund shall be paid to the City.

Section 10.06 Remedies Vested in Trustee. All rights of action (including the right to file proof of claims) under the Ordinance or under any of the Bonds may be enforced by the Trustee or the requisite number of Bondholders required above without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto and any suit or proceeding instituted by the Trustee shall be brought in its name as Trustee, without the necessity of joining as plaintiffs or defendants any Holders of the Bonds, and any recovery of judgment shall be for the equal benefit of the Holders of the Bonds then Outstanding.

Section 10.07 Rights and Remedies of Bondholders. No Bondholder, other than Holders of at least 51% of the Bonds Outstanding if no Trustee has been appointed, shall have the right to institute any suit, action, or proceeding in equity or at law for the enforcement of this Ordinance or for the execution of any trust hereof or for the appointment of a receiver or for any other remedy hereunder, unless all of the following conditions have first been satisfied: (i) a Default has occurred of which the Trustee has been notified as provided in Section 7.02(g) hereof, or of which by that subsection it is deemed to have notice, (ii) the Default shall occur and the Holders of at least 51% in aggregate principal amount of Bonds then Outstanding shall have made written request to the Trustee, and shall have offered reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute action, suit, or proceeding in its own name, (iii) the Trustee has been offered indemnity as provided in Section 7.02(j) hereof, and (iv) the Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its, his, or their own name or names; and the notification, request, and offer of indemnity are hereby declared in every case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of the Ordinance, and to any action or cause of action for the

enforcement of this Ordinance, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more Holders of the Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice the lien of the Ordinance by its, his, or their action or to enforce any right hereunder, except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had, and maintained in the manner herein provided and for the equal benefit of the Holders of all Bonds then Outstanding. Nothing in the Ordinance contained shall, however, affect or impair the right of any Bondholder to enforce the payment of the principal of, premium, if any, and interest on any Bond at and after the maturity thereof, or the obligation of the City to pay, but only from the Hospitality Fee Revenues, the principal of, premium, if any, and interest on each of the Bonds issued hereunder to the respective Holders thereof at the time, place, from the source, and in the manner provided in the Bonds.

Section 10.08 Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under the Ordinance by the appointment of a receiver, by entry, or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then the City and the Trustee shall be restored to their former positions and rights hereunder, and all rights and remedies and powers of the Trustee shall continue as if no proceedings had been taken.

Section 10.09 Waivers of Events of Default. If no Trustee has been appointed, the Holder of a majority in aggregate principal amount of all Bonds Outstanding, and if the Trustee has been appointed, the Trustee may and shall waive any Event of Default hereunder and its consequences upon the written request of the Holders of a majority in aggregate principal amount of all Bonds then Outstanding; provided, however, that there shall not be waived any Default in the payment of (i) the principal of or premium, if any, on any Bond, whether at the stated maturity thereof, or upon proceedings for redemption thereof, or (ii) any interest when due on any Bond, unless prior to the waiver, all arrears of interest, with interest at the rate of interest borne by the Bonds on overdue installments of interest, and all arrears of payments of principal then due (whether at the stated maturity thereof or upon proceedings for redemption) with interest as aforesaid on the arrears, and all expenses of the Trustee in connection with the Default shall have been paid or provided for, and in case of any waiver, or in case any proceeding taken by the Trustee on account of any Default shall have been discontinued or abandoned or determined adversely, then the City, the Trustee, and the Bondholders shall be restored to their former positions and rights hereunder respectively, but no waiver shall extend to any subsequent or other Default, or impair any right consequent thereon.

Section 10.10 Notice of Defaults; Opportunity of the City to Cure Defaults. No event under Section 10.01(c) hereof shall constitute an Event of Default until actual notice of the Default by registered or certified mail shall be given by the Trustee or by the Holders of not less than 51% of the aggregate principal amount of Bonds then Outstanding to the City, and the City shall have had 30 days after receipt of the notice to correct the Default or cause it to be corrected, and shall not have corrected it or caused it to be corrected within the applicable period; provided, however, if the Default be such that it cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted by the City as the case may be, within the applicable period, is diligently pursued, and the Default is corrected within 90 days after the notice hereinabove specified has been received.

ARTICLE XI

AMENDING AND SUPPLEMENTING OF ORDINANCE

Section 11.01 Amending and Supplementing of Ordinance Without Consent of Holders of Bonds.

(a) City Council, from time to time and at any time and without the consent or concurrence of any Holder of any Bond, may enact a Supplemental Ordinance, provided the provisions of thereof shall not materially adversely affect the rights of the Holders of the Bonds then Outstanding, for any one or more of the following purposes:

(1) To make any changes or corrections in the Ordinance as to which the City and the Trustee if such has been appointed shall have been advised by counsel are required for the purpose of curing or correcting any ambiguity or defective or inconsistent provision or omission or mistake or manifest error contained in the Ordinance, or to insert in the Ordinance provisions clarifying matters or questions arising under the Ordinance as are necessary or desirable;

(2) To add additional covenants and agreements of the City for the purpose of further securing the payment of the Bonds;

(3) To surrender any right, power, or privilege reserved to or conferred upon the City by the terms of the Ordinance;

(4) To confirm as further assurance any lien, pledge, or charge or the subjection of the Hospitality Fee Revenues to any lien, pledge, or charge, created or to be created by the provisions of the Ordinance;

(5) To grant or confer upon the Bondholders any additional right, remedies, powers, authority, or security that lawfully may be granted to or conferred upon them, or to grant to or confer upon the Trustee for the benefit of the Holders of the Bonds any additional rights, duties, remedies, powers, authority, or security;

(6) To modify any of the provisions of the Ordinance in any other respects provided that the modification shall not be effective until after the Bonds Outstanding at the time the Supplemental Ordinance is enacted shall cease to be Outstanding, or until the Holders thereof consent thereto pursuant to Section 11.02 hereof, and any Bonds issued subsequent to any modification shall contain a specific reference to the modifications contained in the Supplemental Ordinance; and

(7) To make such additions, deletions or modifications as may be necessary to assure compliance with Section 148(f) of the Code relating to required rebate to the United States of America or otherwise as may be necessary to assure exemption from federal income taxation of interest on the Bonds.

(b) The City shall not enact any Supplemental Ordinance authorized by the foregoing provisions of this Section 11.01 unless in the opinion of Bond Counsel addressed to the Trustee and the City (which opinion may be combined with the opinion required by Section 11.04 hereof) the enactment of the Supplemental Ordinance is permitted by the foregoing provisions of this Section 11.01 and the provisions of the Supplemental Ordinance do not adversely affect the rights of the Holders of the Bonds then Outstanding and will not affect the tax status of any Bonds then Outstanding, the interest on which is not subject to federal or State income taxation.

Section 11.02 Amending and Supplementing of Ordinance With Consent of Holders of Bonds.

(a) With the consent of the Holders of not less than a majority in principal amount of the Bonds then Outstanding, City Council from time to time and at any time may enact an Ordinance amendatory hereof or supplemental hereto for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, the Ordinance, or modifying or amending the rights and obligations of the City under the Ordinance, or modifying or amending in any manner the rights of the Holders of the Bonds then Outstanding; provided, however, that, without the specific consent of the Holder of each Bond which would be affected thereby, no Supplemental Ordinance amending or supplementing the provisions hereof or thereof shall: (i) change the fixed maturity date of any Bond or the dates for the payment of interest thereon or the terms of the redemption thereof, or reduce the principal amount of any Bond or the rate of interest thereon or the redemption price (or the redemption premium) payable upon the redemption or prepayment thereof; (ii) reduce the aforesaid percentage of Bonds, the Holders of which are required to consent to any Supplemental Ordinance amending or supplementing the provisions of the Ordinance; (iii) give to any Bond or Bonds any preference over any other Bond or Bonds secured hereby other than authorized Series with respect to Junior Bonds; (iv) authorize the creation of any pledge of the Hospitality Fee Revenues, prior, superior, or equal to the pledge of and lien and charge thereon created herein for the payment of the Bonds; or (v) deprive any Holder of the Bonds of the lien on the Hospitality Fee Revenues afforded by the Ordinance. Nothing in this paragraph contained, however, shall be construed as making necessary the approval of the Holders of the Bonds of the enactment of any Supplemental Ordinance authorized by the provisions of Section 11.01 hereof.

(b) It shall not be necessary that the consents of the Holders of the Bonds approve the particular form of wording of the proposed amendment or supplement or of the Supplemental Ordinance effecting the amending or supplementing hereof pursuant to this Section 11.02. The City shall mail a notice at least once, not more than 30 days after the effective date of any amendment or supplement, of the amendment or supplement postage prepaid, to each Holder of Bonds then Outstanding at his address appearing upon the Books of Registry and to the Trustee, but failure to mail copies of the notice to any of the Holders shall not affect the validity of the Supplemental Ordinance effecting the amendments or supplements or the consents thereto. Nothing in this paragraph contained, however, shall be construed as requiring the giving of notice of any amendment or supplement of the Ordinance authorized by Section 11.01 hereof. No action or proceeding to set aside or invalidate any Supplemental Ordinance or any of the proceedings for its enactment shall be instituted or maintained unless the action or proceeding is commenced within 60 days after the mailing of the notice required by this paragraph.

(c) The City shall not enact any Supplemental Ordinance authorized by the foregoing provisions of this Section 11.02 unless in the opinion of Bond Counsel addressed to the Trustee, if any, and the City (which opinion may be combined with the opinion required by Section 11.04 hereof) the enactment of the Supplemental Ordinance is permitted by the foregoing provisions of this Section 11.02 and the provisions of the Supplemental Ordinance do not adversely affect the rights of the Holders of the Bonds then Outstanding and will not affect the tax status of any Bonds then Outstanding, the interest on which is not subject to federal or State income taxation.

Section 11.03 Notation Upon Bonds; New Bonds Issued Upon Amendments. Bonds delivered after the effective date of any action taken as provided in this Article XI may bear a notation as to the action, by endorsement or otherwise and in form approved by the City. In that case, upon demand of the Holder of any Bond Outstanding after the effective date and upon the presentation of the Bond for that purpose at the office of the Trustee, or if no Trustee is appointed, the Clerk, and at any additional offices as the City may select and designate for that purpose, a suitable notation shall be made on the Bond. If the City shall determine, new Bonds, modified as in the opinion of the City upon the advice of counsel to conform to the amendments or supplements made pursuant to this Article XI, shall be prepared, executed,

and delivered, and upon demand of the Holder of any Bond then Outstanding shall be exchanged without cost to the Holder for Bonds then Outstanding, upon surrender of the Outstanding Bonds.

Section 11.04 Effectiveness of Supplemental Ordinance. Upon the enactment (pursuant to this Article XI and applicable law) by City Council of any Supplemental Ordinance amending or supplementing the provisions of the Ordinance and the delivery to the Trustee of an opinion of Bond Counsel that the Supplemental Ordinance is in due form and has been duly enacted in accordance with the provisions hereof and applicable law and that the provisions thereof are valid and binding upon the City, or upon any later date as may be specified in the Supplemental Ordinance, (a) the Ordinance and the Bonds shall be modified and amended in accordance with the Supplemental Ordinance, (b) the respective rights, limitations of rights, obligations, duties, and immunities under the Ordinance of the City, the Trustee, and the Holders of the Bonds shall thereafter be determined, exercised, and enforced under the Ordinance subject in all respects to the modifications and amendments, and (c) all of the terms and conditions of any Supplemental Ordinance shall be a part of the terms and conditions of the Bonds and of the Ordinance for all purposes.

Section 11.05 Supplemental Ordinance Affecting Trustees. No Supplemental Ordinance changing, amending, or modifying any of the rights, duties, and obligations of any Trustee appointed by or pursuant to the provisions of the Ordinance may be enacted by City Council or be consented to by the Holders of the Bonds without written consent of the Trustee affected thereby.

ARTICLE XII

MISCELLANEOUS

Section 12.01 Benefits of Ordinance Limited to the City, the Trustee, and Holders of the Bonds. With the exception of rights or benefits herein expressly conferred, nothing expressed or mentioned in or to be implied from the Ordinance or the Bonds is intended or should be construed to confer upon or give to any person other than the City, the Trustee, and the Holders of the Bonds, any legal or equitable right, remedy, or claim under or by reason of or in respect to the Ordinance or any covenant, condition, stipulation, promise, agreement, or provision herein contained. The 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, the Trustee, and the Holders from time to time of the Bonds as herein and therein provided.

Section 12.02 Ordinance Binding Upon Successors or Assigns of the City. All the terms, provisions, conditions, covenants, warranties, and agreements contained in the Ordinance shall be binding upon the successors and assigns of the City and shall inure to the benefit of the Trustee, its successors or substitutes in trust and assigns, and the Holders of the Bonds.

Section 12.03 No Personal Liability. No recourse shall be had for the enforcement of any obligation, covenant, promise, or agreement of the City contained in the Ordinance or the Bonds, against any member of City Council, any officer or employee, in his individual capacity, past, present, or future, of the City, either directly or through the City, whether by virtue of any constitutional provision, statute, or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly agreed and understood that this Ordinance and the Bonds are solely corporate obligations, and that no personal liability whatsoever shall attach to, or be incurred by, any member, officer, or employee, past, present, or future, of the City, either directly or by reason of any of the obligations, covenants, promises, or agreements entered into between the City and the Trustee or the Bondholder or to be implied therefrom as being supplemental hereto or thereto; and that all personal liability of that character against every member, officer, and employee is, by the enactment of the Ordinance and the execution of the Bonds, and as a condition of, and as a part of the consideration for, the enactment of the Ordinance and the execution of

the Bonds, expressly waived and released. The immunity of members, officers, and employees of the City under the provisions contained in this Section 12.03 shall survive the completion of any Project and the termination of any Ordinance.

Section 12.04 Effect of Saturdays, Sundays and Legal Holidays. Whenever the Ordinance requires any action to be taken on a Saturday, Sunday, or legal holiday or bank holiday in the State or in any state where the corporate trust office of the Trustee is located, the action shall be taken on the first business day occurring thereafter. Whenever in the 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, or legal holiday or bank holiday in the State or in any state where the corporate trust office of the Trustee is located, the time shall continue to run until midnight on the next succeeding business day.

Section 12.05 Partial Invalidity.

(a) If any one or more of the covenants or agreements or portions thereof provided in the Ordinance on the part of the City, the Trustee, the Custodian or any paying agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, then the covenant or covenants, or the agreement or agreements, or the portions thereof, shall be deemed severable from the remaining covenants and agreements or portions thereof provided in the Ordinance and the invalidity thereof shall in no way affect the validity of the other provisions of the Ordinance or of the Bonds, but the Holders of the Bonds shall retain all the rights and benefits accorded to them hereunder and under any applicable provisions of law.

(b) If any provisions of the Ordinance shall be held or deemed to be or shall, in fact, be inoperative or unenforceable or invalid as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any constitution or statute or rule of public policy, or for any other reason, those circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable or invalid in any other case or circumstance, or of rendering any other provision or provisions herein contained inoperative or unenforceable or invalid to any extent whatever.

Section 12.06 Law and Place of Enforcement of the Ordinance. The Ordinance shall be construed and interpreted in accordance with the laws of the State and all suits and actions arising out of the Ordinance shall be instituted in a court of competent jurisdiction in the State.

Section 12.07 Effect of Article and Section Headings and Table of Contents. The heading or titles of the several Articles and Sections hereof, and any table of contents appended hereto or to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation, or effect of the Ordinance.

Section 12.08 Repeal of Inconsistent Ordinances and Resolutions. All ordinances and resolutions of the City, and any part of any ordinance or resolution, inconsistent with the Ordinance are hereby repealed to the extent of the inconsistency.

Section 12.09 Effectiveness of this Ordinance. This Ordinance shall become effective upon its enactment provided, however, that it shall not be necessary for the City to establish the funds and accounts created in Article VI hereof prior to the issuance of any Bonds.

[Remainder of page intentionally left blank]

DONE, RATIFIED AND ADOPTED THIS 12th day of May, 2014.

Mayor, City of Florence, South Carolina

Attest:

Clerk, City of Florence, South Carolina

First Reading: April 21, 2014
Second Reading: May 12, 2014

FLORENCE CITY COUNCIL MEETING

VII. b. Bill No. 2014-08 Second Reading

DATE: April 21, 2014
AGENDA ITEM: Revenue Bond Ordinances – First Reading
DEPARTMENT/DIVISION: Finance

I. ISSUES UNDER CONSIDERATION

A. For Downtown Capital Improvement Construction

An Ordinance providing for the issuance and sale of a Series 2014 Tax Increment Revenue Bond in the principal amount not to exceed \$12,175,000 to finance a number of public improvement projects in downtown Florence; and

B. For Gymnasium Construction

A Series Ordinance providing for the issuance and sale of a Series 2014 Hospitality Fee Revenue Bond in the principal amount not to exceed \$4,000,000 to finance the construction of a regional gymnasium facility.

II. CURRENT STATUS/PREVIOUS ACTION TAKEN

A. For Gymnasium/Recreational Facility Construction

1. On February 8, 2010, representatives of the Florence Youth Basketball league (a City sponsored league) appeared before City Council to request that the City consider funding the construction of a basketball gym to accommodate the league's present and future needs.
2. During a City Council meeting held on March 8, 2010, the Parks and Beautification Commission presented the annual plan which included the future construction of a basketball gym in support of the Florence Youth Basketball League.
3. On October 10, 2011, City Council considered a Resolution which committed the City to fund the construction of a basketball gym and youth outreach center. City council deferred action on the Resolution and recommended a work session to receive additional information pertaining to the proposed basketball gym and youth center.
4. On November 16, 2012 a work session was held wherein City Council approved a motion directing staff to meet with community stakeholders to discuss the purpose, goals, costs, location, financing, and other issues regarding the use and construction of a basketball gym and youth center.
5. On January 9, 2012, a work session was held to discuss priorities for the City. During that meeting, Council directed staff to report back regarding a basketball gym and youth center.
6. In a City Council meeting held on April 9, 2012, Council considered and rejected adoption of a resolution committing the City to fund, with a tax millage increase, the construction and operating expense for a basketball and youth activity center.

**Florence City Council Meeting Agenda Item
Series 2014 Tax Increment Revenue Bond and Series 2014 Hospitality Fee Revenue Bond
April 21, 2014 – Page 2**

7. Staff has since been working with the City's financial advisor and bond attorney on alternative funding options for the construction of a regional recreation facility and gymnasium to include the possible use of tax increment financing and/or financing through the use of Hospitality Fees.

B. For Downtown Capital Improvement Construction

1. On December 18, 2006, City Council adopted an ordinance establishing the Downtown Redevelopment District Project Area (the "TIF District") in downtown Florence. As established by the ordinance, the City has until December 2016 to issue a TIF obligation bond to fund public improvements. The City also has until December 2026 to repay the bonds.
2. On August 13, 2012 City Council adopted a resolution declaring the City's intent to make reimbursement from funds generated by the TIF District to the City's Water and Sewer Enterprise Fund for costs associated with water and sewer improvements and related street repairs in the TIF District.
3. These water and sewer improvements were required for the private redevelopment projects underway at that time in downtown, and to encourage and foster new development, as well.
4. Since that time, a number of redevelopment projects have been completed including Hotel Florence, the Barringer Building, Dolce Vita, the Clay Pot, the North Dargan Street Innovation Center, and numerous façade improvements on W. Evans Street.
5. Other redevelopment projects are either currently under construction or scheduled for immediate construction including the Waters Building, the 1031 American Grill, the Kress/Kuker/Guaranty Properties project, the Royal Knight building, and the City Grill building.
6. Additionally, Francis Marion University will begin construction of a health sciences education facility on the corner of Irby and Evans Street within the next several months.
7. Due to these redevelopment projects, as well as anticipated future projects, the City is now afforded the opportunity to issue a Tax Increment Revenue Bond for much needed public improvements that will continue to support redevelopment downtown. These improvement projects include the construction of two parking decks, streetscapes and amenities, building demolition, surface parking, and utilities upgrades.

C. Financing Plan for Downtown Capital Improvements and Gymnasium Construction

1. On November 5, 2013, the City's financial advisor, bond attorney, and city staff (the "financing group") met with City Council to review a financing plan to fund a number of downtown development capital projects and the construction of a regional gymnasium facility.
2. As discussed in that meeting with City Council, the financing plan, which includes approximately \$16 million in funding for these projects, will be provided by revenue bonds repaid with Tax Increment Financing funds and Hospitality Fees.

III. POINTS TO CONSIDER

A. Since meeting with Council, the financing group has continued to develop and refine the most appropriate debt structure to fund these projects.

Florence City Council Meeting Agenda Item

Series 2014 Tax Increment Revenue Bond and Series 2014 Hospitality Fee Revenue Bond

April 21, 2014 – Page 3

- B.** A number of factors have been thoroughly reviewed and analyzed including TIF and Hospitality Fee revenue streams, the number of years remaining to repay TIF debt, and current outstanding Hospitality Fee debt.
- C.** After due consideration and study, the financing group has determined that the debt structure should consist of two separate financings, to be approved concurrently – a Tax Increment Revenue Bond to finance approximately \$12.175 million downtown improvement projects, and a Hospitality Fee Revenue Bond to finance approximately \$4 million for the construction of a regional gymnasium facility.
- D.** A regional recreational facility will provide recreational and social activities for both residents and non-residents and will include multiple basketball courts of a design that will allow use for other sports and activities as well. As such, the facility will provide and promote regional programming and services for the City's residents as well as persons visiting the City. In addition, the Project will serve as an inducement to economic redevelopment and private investment in the TIF District and will serve as a catalyst for commercial activity by both residents and non-residents. For these and other reasons, the Project constitutes a "tourism-related...recreational...facility" as provided at Section 6-1-730 of the Local Hospitality Tax Act.
- D.** Staff is now working with the City's financial advisor and bond attorney, based on the timetable outlined in the attached Financing Schedule, to obtain competitive bank proposals to provide bond funding for the downtown improvement projects and construction of a gymnasium.
- E.** Adoption of two separate financing ordinances is required prior to the closing of the Series 2014 Tax Increment Revenue Bond and the Series 2014 Hospitality Fee Revenue Bond.

IV. STAFF RECOMMENDATION

Approve and adopt the proposed ordinances to provide for the issuance and sale of the following two revenue bonds:

- A.** A Series 2014 Tax Increment Revenue Bond in the principal amount not to exceed \$12,175,000 for downtown capital improvement construction; and
- B.** A Series 2014 Hospitality Fee Revenue Bond in the principal amount not to exceed \$4,000,000 for gymnasium construction

V. ATTACHMENTS

- A.** Bond Financing Schedule for Series 2014 Tax Increment Financing Revenue Bond and Series 2014 Hospitality Revenue Bond.
- B.** Series 2014 Tax Increment Revenue Bond Ordinance.
- C.** Series 2014 Hospitality Fee Revenue Bond Ordinance.



Thomas W. Chandler
Finance Director



Andrew H. Griffin
City Manager

Mar-14							Apr-14						May-14							
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
1/2	3	4	5	6	7	8			1	2	3	4	5					1	2	3
9	10	11	12	13	14	15	6	7	8	9	10	11	12	4	5	6	7	8	9	10
16	17	18	19	20	21	22	13	14	15	16	17	18	19	11	12	13	14	15	16	17
23	24	25	26	27	28	29	20	21	22	23	24	25	26	18	19	20	21	22	23	24
30	31						27	28	29	30				25	26	27	28	29	30	31

Role	Entity	Defined
Issuer	City of Florence, SC	"City"
Bond Counsel	Haynsworth Sinkler Boyd, P.A.	"BC"
Financial Advisor	First Tryon Advisors	"FTA"

Date	Task	Responsibility
By April 4th	- First Draft of Bank RFP, bond sizing and distribution list provided to working group - Response from Andy Smith - Review Council Presentation	FTA/City
April 4th	- Publish notice of Public Hearing	BC/City
April 15th	- Distribute Tax Increment and Hospitality Tax Revenue Bond RFPs to Banks	FTA
April 21st	- First Reading of the Bond Documents - Hold Public Hearing	BC/City
May 6th	- Bids Due	FTA
May 12th	- Second Reading of the Bond Documents	BC/City
May 28th	- Closing	Working Group

2014 SERIES ORDINANCE

ORDINANCE NO. 2014__

AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF A CITY OF FLORENCE, SOUTH CAROLINA HOSPITALITY FEE REVENUE BOND, SERIES 2014, IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING \$5,250,000; AND OTHER MATTERS RELATING THERETO.

BE IT ORDAINED by the City Council of the City of Florence (the "Council"), the governing body of the City of Florence, South Carolina (the "City"):

Section 1. Findings of Fact.

As an incident to the enactment of this ordinance, and the issuance of the bond provided for herein, the Council finds that the facts set forth in this Section 1 exist and the following statements are in all respects true and correct:

(a) On May 12, 2014, the Council adopted a General Bond Ordinance (the "General Bond Ordinance") providing for the issuance of Hospitality Fee Revenue Bonds.

(b) On June 30, 2006, as amended effective April 10, 2012, the City entered into a \$3,000,000 Lease Purchase Financing with Branch Banking and Trust Company to defray the cost of improvements to Veterans Memorial Park and the widening of Radio Road and related transportation infrastructure improvements in the vicinity of the Florence Civic Center (the "2006 Lease Purchase"). On March 23, 2009, the City entered into a \$7,500,000 Lease Financing with Branch Banking and Trust Company, Inc. to defray the cost of construction of a municipal tennis complex and providing a capital contribution for the construction of the Francis Marion University Center for the Performing Arts to be located in downtown Florence (the "2009 Lease Purchase").

(c) Council has now determined that it is in the best interest of the City to issue a Series of Bonds (the "Series 2014 Bond") pursuant to the General Bond Ordinance for the purposes of (i) acquisition, construction and equipping of a regional recreational facility (the "Project"), (ii) restructuring/refinancing the 2006 Lease Purchase and the 2009 Lease Purchase and (iii) paying costs of issuance of the Series 2014 Bond.

(d) The Project will provide recreational and social activities for both residents and non-residents and will include multiple basketball courts of a multi-purpose design. As such, the Project will provide and promote regional programming and services for the City's residents as well as persons visiting the City. In addition, the Project will serve as an inducement to economic redevelopment and private investment in the Florence Downtown Redevelopment Project Area, in which it is located, established pursuant to the State's Tax Increment Financing Law and will therefore serve as a catalyst for commercial activity by both residents and non-residents. For these and other reasons, the Project constitutes a "tourism-related...recreational...facility" as provided at Section 6-1-730 of the Local Hospitality Tax Act.

(e) The capital improvements constructed with the proceeds of the 2006 Lease Purchase and the 2009 Lease Purchase constitute "tourism-related cultural, recreational, or historic facilities" as well as "highways, roads, streets...providing access to tourist destinations." Thus, the restructuring/refinancing of the 2006 Lease Purchase and the 2009 Lease Purchase with a portion of the proceeds of the Series 2014 Bond is permitted by the Local Hospitality Tax Act.

Section 2. Definitions. The terms defined above and in this Section 2 and all words and terms defined in the General Bond Ordinance (the General Bond Ordinance, as from time to time amended or

supplemented by Supplemental Ordinances, being defined as the "Ordinance") (except as herein otherwise expressly provided or unless the context otherwise requires), shall for all purposes of this Series Ordinance have the respective meanings given to them in the Ordinance and in this Section 2.

"2014 Series Ordinance" shall mean this ordinance, by which issuance of the Series 2014 Bond is authorized.

"Interest Payment Date" shall mean, with respect to the Series 2014 Bond, each ____ 1 and ____ 1, commencing ____ 1, 2014, until the principal of the Series 2014 Bond has been paid in full.

"Purchaser" shall mean _____, its successors or assigns.

"Redemption Date" shall mean [to be provided].

"Series 2014 Bond" shall mean the City's Hospitality Fee Revenue Bond, Series 2014, in the aggregate principal amount of \$_____ authorized to be issued hereunder.

"Series 2014 Debt Service Fund" shall mean that fund established pursuant to Section 6.01(B) of the General Bond Ordinance and Section 5 of this 2014 Series Ordinance.

Section 3. Authorization of Series 2014 Bond, Maturities and Interest Rate.

(a) There is hereby authorized to be issued a Series of Bonds designated "Hospitality Fee Revenue Bond, Series 2014 (the "Series 2014 Bond") in the total principal amount of \$_____ for the purpose of (1) providing funds to defray the cost of the Project, (2) restructuring/refinancing the 2006 Lease Purchase and the 2009 Lease Purchase and (3) paying the costs of issuance of the Series 2014 Bond.

(b) The Series 2014 Bond shall be issued as a single fully registered Bond in the denomination of \$_____. The Series 2014 Bond shall bear interest at the rate of ____%. The Series 2014 Bond shall be numbered R-1. The Series 2014 Bond shall be dated as of its date of delivery and shall be payable as to interest on ____ 1 and ____ 1 of each year commencing ____ 1, 2014. Principal shall be payable on ____ 1 of each year as set forth below:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2022	\$	2029	\$
2023		2030	
2024		2031	
2025		2032	
2026		2033	
2027		2034	
2028			

(c) Principal of and interest on the Series 2014 Bond (calculated on the basis of a 360-day year of twelve 30-day months) shall be payable to the Holder thereof as of the immediately preceding Record Date by check or draft mailed to the Holder at his address as it appears on the Books of Registry maintained by the City.

(d) The Series 2014 Bond shall be in substantially the form attached hereto as Exhibit A, with any necessary or appropriate variations, omissions, and insertions as are incidental to the series, numbers,

denominations, maturities, interest rate or rates, redemption provisions, and other details thereof or as are otherwise permitted or required by law or by the Ordinance, including this 2014 Series Ordinance.

Section 4. Redemption Provisions. [The Series 2014 Bond shall not be subject to optional redemption prior to maturity.] [To be provided]

Section 5. Establishment of Funds. In accordance with Section 6.01(b) of the General Bond Ordinance, there is hereby established the Series 2014 Debt Service Fund. A Debt Service Reserve Fund shall not be established for the Series 2014 Bond. The Series 2014 Debt Service Fund shall be held in the complete control and custody of the City until such time as a Trustee is appointed in accordance with the provisions of the General Bond Ordinance.

There is also established a Construction Fund to be held and maintained by the City, or at the option of the City, the Trustee, and funded with certain of the proceeds of the Series 2014 Bonds and used to defray the Project Costs (as defined in the Ordinance) in connection therewith and the costs of issuance in connection with the Series 2014 Bond.

Section 6. Certain Findings and Determinations. The City finds and determines:

(a) This 2014 Series Ordinance supplements the Ordinance, constitutes and is a "Series Ordinance" within the meaning of the quoted term as defined and used in the Ordinance, and is enacted under and pursuant to the Ordinance.

(b) The Series 2014 Bond constitutes and is a "Bond" within the meaning of the quoted word as defined and used in the Ordinance.

(c) The Hospitality Fee Revenues pledged under the Ordinance are not encumbered by any lien or charge thereon or pledge thereof.

(d) There does not exist an Event of Default, nor does there exist any condition which, after the passage of time or the giving of notice, or both, would constitute an Event of Default under the Ordinance.

(e) The Series 2014 Bond is being issued for the purposes described in Section 3(a) of this 2014 Series Ordinance.

Section 7. Continuing Disclosure. Pursuant to Section 11-1-85 of the Code of Laws of South Carolina 1976, as amended, the City has covenanted to file with a central repository for availability in the secondary bond market, when requested, an annual independent audit, within 30 days of its receipt of the audit; and event specific information within 30 days of an event adversely affecting more than five percent of its revenue or tax base. The only remedy for failure by the City to comply with the covenant in this Section 7 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 or repeal of Section 11-1-85, without the consent of any Bondholder.

Section 8. Award of Series 2014 Bond.

(a) The Series 2014 Bond is authorized to be sold to the Purchaser.

(b) A copy of this 2014 Series Ordinance shall be filed with the minutes of this meeting.

(c) The Council hereby authorizes and directs all of the officers and employees of the City to carry out or cause to be carried out all obligations of the City under the Ordinance and to perform all other

actions as they shall consider necessary or advisable in connection with the issuance, sale, and delivery of the Series 2014 Bond.

Section 9. Tax Exemption of Series 2014 Bond.

(a) The City will comply with all requirements of the Code in order to preserve the tax-exempt status of the Series 2014 Bond, including without limitation, the requirement to file an information report with the Internal Revenue Service and the requirement to comply with the provisions of Section 148(f) of the Code and Section 1.148-3 of the Treasury Regulations pertaining to the rebate of certain investment earnings on the proceeds of the Series 2014 Bond to the United States Government.

(b) The City further represents and covenants that it will not take any action which will, or fail to take any action (including, without limitation, filing the required information report with the Internal Revenue Service) which failure will, cause interest on the Series 2014 Bond to become included 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 Series 2014 Bond. Without limiting the generality of the foregoing, the City represents and covenants that:

(i) All property provided by the net proceeds of the Series 2014 Bond will be owned by the City in accordance with the rules governing the ownership of property for federal income tax purposes.

(ii) The City shall not permit any facility refinanced or financed with the proceeds of the Series 2014 Bond to be used in any manner that would result in (i) ten percent 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 (ii) five percent 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.

(iii) 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 financed or refinanced or financed with the proceeds of the Series 2014 Bond that do not conform to the guidelines set forth in Revenue Procedure 97-13 of the Internal Revenue Service.

(iv) The City will not sell or lease any property refinanced or financed by the Series 2014 Bond to any person unless it obtains the opinion of Bond Counsel that such lease or sale will not affect the tax exemption of the Series 2014 Bond.

(v) The Series 2014 Bond will not be federally guaranteed within the meaning of Section 149(b) of the Code. The City shall not enter into any leases or sales or service contracts with any federal government agency unless it obtains the opinion of nationally recognized bond counsel that such action will not affect the tax exemption of the Series 2014 Bond.

(c) The Series 2014 Bond is not a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Code.

Section 10. Interested Parties

Nothing in the Ordinance or this 2014 Series Ordinance, expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the City and the Registered Holder of the Series 2014 Bond, any right, remedy or claim under or by reason of the Ordinance or this 2014 Series Ordinance or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in the Ordinance and this 2014 Series Ordinance contained by and on behalf of the City shall be for the sole and exclusive benefit of the City and the Registered Holder of the Series 2014 Bond.

Section 11. Additional Provisions. The Ordinance remains in full force and effect and shall govern the issuance of the Series 2014 Bond.

Section 12. Additional Documents. The Mayor, City Manager, Finance Director and City Clerk are fully authorized and empowered to take any further action and to execute and deliver any closing documents as may be necessary and proper to effect the delivery of the Series 2014 Bond in accordance with the terms and conditions hereinabove set forth, and the action of the officers or any one or more of them in executing and delivering any documents, in the form as he, she, or they shall approve, is hereby fully authorized.

Section 13. Section Headings. The headings and titles of the several sections hereof shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation, or effect of this 2014 Series Ordinance.

Section 14. Notices.

(a) All notices, certificates, or other communications hereunder or under the Ordinance shall be sufficiently given and shall be deemed given when mailed by registered mail, postage prepaid, or given when dispatched by telegram addressed as follows:

If to the City:

City of Florence
324 W. Evans Street
Florence, South Carolina 29501-3430
Attention: Finance Director

If to the Purchaser:

[To be provided]

(b) The City and the Purchaser may, by written notice given to the other party, designate any further or different addresses to which subsequent notice, certificates, or other communications shall be sent.

Section 15. Required Publications and Public Hearing. Section 6-1-760 of the Local Hospitality Tax Act provides that bonds may be issued utilizing the procedures of South Carolina Code Sections 4-29-68 or 6-17-10 or 6-21-10 and pledge as security for such bonds the proceeds of the Hospitality Fee. As required at Section 4-29-68, Code of Laws of South Carolina, 1976, which provision has been selected from those cited in the preceding sentence, a public hearing shall be held prior to adoption of this Ordinance. Notice of such public hearing shall in the form set forth in Exhibit B.

Section 16. Effective Date. This 2014 Series Ordinance shall become effective immediately upon its enactment.

DONE, RATIFIED AND ADOPTED THIS 12th day of May, 2014.

Mayor, City of Florence, South Carolina

Attest:

Clerk, City of Florence, South Carolina

First Reading: April 21, 2014
Second Reading: May 12, 2014

INDEBTEDNESS OF THE CITY WITHIN ANY STATE CONSTITUTIONAL PROVISIONS (OTHER THAN ARTICLE X, SECTION 14, PARAGRAPH 10 OF THE CONSTITUTION OF THE STATE OF SOUTH CAROLINA, 1895, AS AMENDED, AUTHORIZING OBLIGATIONS PAYABLE SOLELY FROM SPECIAL SOURCES PERMITTED THEREIN) OR STATUTORY LIMITATION AND SHALL NEVER CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE CITY OR A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWER. THE FULL FAITH, CREDIT, AND TAXING POWERS OF THE CITY ARE NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THIS BOND.

This Series 2014 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 estate, transfer or certain franchise taxes. This Series 2014 Bond shall not be entitled to any benefit under the Ordinance (as hereinafter defined) or become valid or obligatory for any purpose until it shall have been authenticated by the execution of the Certificate of Authentication which appears hereon by the manual signature of an authorized officer of the City as Bond Registrar.

This Series 2014 Bond is issued as a single fully registered bond (and may only be so issued) in the principal amount of \$_____ pursuant to a General Bond Ordinance enacted by the City Council of the City on May 12, 2014, and a 2014 Series Ordinance enacted by the City Council of the City of even date therewith (collectively, the "Ordinance"), and under and in full compliance with the Constitution and Statutes of the State of South Carolina, including particularly Section 14, Paragraph 10 of Article X of the Constitution of the State of South Carolina, 1895, as amended, and the Enabling Statute.

All principal, interest, or other amounts due hereunder shall be payable only to the Registered Holder hereof. The City is the Registrar for this Series 2014 Bond and as such will maintain the Books of Registry for the registration or transfer hereof. This Series 2014 Bond may not be transferred except by the Registered Holder hereof in person or by his attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the City as Bond Registrar duly executed by the Registered Holder of this Series 2014 Bond or his duly authorized attorney. Any purported assignment in contravention of the foregoing requirements shall be, as to the City, absolutely null and void. The City shall not be required to register, transfer or exchange this Series 2014 Bond after the Record Date until the next succeeding Bond Payment Date.

The person in whose name this Series 2014 Bond shall be registered shall be deemed and regarded as the absolute owner hereof for all purposes, and payment of the principal of and interest on this Series 2014 Bond shall be made only to or upon the order of the Registered Holder or his legal representative. All payments made in this manner shall be valid and effective to satisfy and discharge the liability of the City upon this Series 2014 Bond to the extent of the sum or sums paid. No person other than the Registered Holder shall have any right to receive payments, pursue remedies, enforce obligations, or exercise or enjoy any other rights under this Series 2014 Bond against the City.

The principal of and interest on this Series 2014 Bond are payable solely from and secured by a lien upon the Hospitality Fee Revenues (as defined in the Ordinance). The pledge of and lien upon the Hospitality Fee Revenues given to secure this Series 2014 Bond has priority over all other pledges of Hospitality Fee Revenues and liens against the same, except such additional Bonds as may hereafter be issued pursuant to and in accordance with the terms of the Ordinance, which, when issued, shall be on a parity in all respects with this Series 2014 Bond.

No recourse shall be had for the payment of the principal of, premium, if any, and interest on the Series 2014 Bond against the several funds of the City, except in the manner and to the extent provided in the

Ordinance, nor shall the credit or taxing power of the City be deemed to be pledged to the payment of the Series 2014 Bond. The Series 2014 Bond shall not be a charge, lien, or encumbrance, legal or equitable, upon any property of the City or upon any income, receipts, or revenues of the City, other than the Hospitality Fee Revenues that have been pledged to the payment thereof, and this Series 2014 Bond is payable solely from the Hospitality Fee Revenues pledged to the payment thereof and the City is not obligated to pay the same except from the Hospitality Fee Revenues.

Whenever the terms of this Series 2014 Bond require any action be taken on a Saturday, Sunday, or legal holiday or bank holiday in the State of South Carolina or in any state where the corporate trust office of the trustee or custodian, if then appointed, is located, the action shall be taken on the first business day occurring thereafter.

The Ordinance contains provisions defining terms; sets forth the terms and conditions upon which the covenants, agreements, and other obligations of the City made therein may be discharged at or prior to the maturity of this Series 2014 Bond with provisions for the payment thereof in the manner set forth in the Ordinance; and sets forth the terms and conditions under which the Ordinance may be amended or modified with or without the consent of the Registered Holder of this Series 2014 Bond. Reference is hereby made to the Ordinance, to all the provisions of which any Registered Holder of this Series 2014 Bond by the acceptance hereof thereby assents.

It is hereby certified and recited that all acts, conditions, and things required by the Constitution and Laws of the State of South Carolina to exist, to happen, and to be performed precedent to or in the issuance of this Series 2014 Bond exist, have happened, and have been done and performed in regular and due time, form, and manner, and that the amount of this Series 2014 Bond does not exceed any constitutional or statutory limitation thereon.

IN WITNESS WHEREOF, THE CITY OF FLORENCE, SOUTH CAROLINA, has caused this Series 2014 Bond to be signed in its name by the manual signature of the Mayor, and attested by the manual signature of the City Clerk, under the Seal of the City of Florence, South Carolina, impressed or reproduced hereon.

(SEAL)

Mayor, City of Florence, South Carolina

Attest:

Clerk, City of Florence, South Carolina

CERTIFICATE OF AUTHENTICATION

This Bond is the Bond designated herein and issued under the provisions of the within-mentioned Ordinance.

_____, Bond
Registrar

Authorized Officer

Date of Authentication: _____

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____ (Social Security No. or other Identifying Number of Assignee _____) the within Bond and does hereby irrevocably constitute and appoint _____ to transfer the within Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature Guaranteed: _____

NOTICE: Signature must be guaranteed by an institution who is a participant in the Securities Transfer Agent Medallion Program ("STAMP") or similar program.

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

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the City Council of City of Florence, South Carolina, at its meeting on the 21st day of April, 2014, at 1:00 o'clock p.m., in the City Council Chambers, 324 W. Evans Street, Florence, South Carolina, will conduct a public hearing for the purpose of receiving comments on adoption of an Ordinance titled "AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF A CITY OF FLORENCE, SOUTH CAROLINA HOSPITALITY FEE REVENUE BOND, SERIES 2014, IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING \$5,250,000; AND OTHER MATTERS RELATING THERETO."

At the time and place fixed for said public hearing, all residents or other interested persons who appear will be given an opportunity to express their views for or against the adoption of the Ordinance.

Clerk, City Council of the City of Florence

Date of Publication:

April 4, 2014

STATE OF SOUTH CAROLINA

COUNTY OF FLORENCE

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

That the foregoing constitutes a true, correct and verbatim copy of an Ordinance adopted by City Council, having been read at two duly called and regularly held meetings at which a quorum attended and remained present throughout each of April 21 and May 12, 2014.

The Ordinance is now of full force and effect.

IN WITNESS WHEREOF, I have hereunto set my Hand this 12th day of May, 2014.

Clerk, City of Florence, South Carolina

FLORENCE CITY COUNCIL MEETING

VII. c. Bill No. 2014-09 Second Reading

DATE: April 21, 2014
AGENDA ITEM: Revenue Bond Ordinances – First Reading
DEPARTMENT/DIVISION: Finance

I. ISSUES UNDER CONSIDERATION

A. For Downtown Capital Improvement Construction

An Ordinance providing for the issuance and sale of a Series 2014 Tax Increment Revenue Bond in the principal amount not to exceed \$12,175,000 to finance a number of public improvement projects in downtown Florence; and

B. For Gymnasium Construction

A Series Ordinance providing for the issuance and sale of a Series 2014 Hospitality Fee Revenue Bond in the principal amount not to exceed \$4,000,000 to finance the construction of a regional gymnasium facility.

II. CURRENT STATUS/PREVIOUS ACTION TAKEN

A. For Gymnasium/Recreational Facility Construction

1. On February 8, 2010, representatives of the Florence Youth Basketball league (a City sponsored league) appeared before City Council to request that the City consider funding the construction of a basketball gym to accommodate the league's present and future needs.
2. During a City Council meeting held on March 8, 2010, the Parks and Beautification Commission presented the annual plan which included the future construction of a basketball gym in support of the Florence Youth Basketball League.
3. On October 10, 2011, City Council considered a Resolution which committed the City to fund the construction of a basketball gym and youth outreach center. City council deferred action on the Resolution and recommended a work session to receive additional information pertaining to the proposed basketball gym and youth center.
4. On November 16, 2012 a work session was held wherein City Council approved a motion directing staff to meet with community stakeholders to discuss the purpose, goals, costs, location, financing, and other issues regarding the use and construction of a basketball gym and youth center.
5. On January 9, 2012, a work session was held to discuss priorities for the City. During that meeting, Council directed staff to report back regarding a basketball gym and youth center.
6. In a City Council meeting held on April 9, 2012, Council considered and rejected adoption of a resolution committing the City to fund, with a tax millage increase, the construction and operating expense for a basketball and youth activity center.

Florence City Council Meeting Agenda Item

Series 2014 Tax Increment Revenue Bond and Series 2014 Hospitality Fee Revenue Bond

April 21, 2014 – Page 2

7. Staff has since been working with the City's financial advisor and bond attorney on alternative funding options for the construction of a regional recreation facility and gymnasium to include the possible use of tax increment financing and/or financing through the use of Hospitality Fees.

B. For Downtown Capital Improvement Construction

1. On December 18, 2006, City Council adopted an ordinance establishing the Downtown Redevelopment District Project Area (the "TIF District") in downtown Florence. As established by the ordinance, the City has until December 2016 to issue a TIF obligation bond to fund public improvements. The City also has until December 2026 to repay the bonds.

2. On August 13, 2012 City Council adopted a resolution declaring the City's intent to make reimbursement from funds generated by the TIF District to the City's Water and Sewer Enterprise Fund for costs associated with water and sewer improvements and related street repairs in the TIF District.

3. These water and sewer improvements were required for the private redevelopment projects underway at that time in downtown, and to encourage and foster new development, as well.

4. Since that time, a number of redevelopment projects have been completed including Hotel Florence, the Barringer Building, Dolce Vita, the Clay Pot, the North Dargan Street Innovation Center, and numerous façade improvements on W. Evans Street.

5. Other redevelopment projects are either currently under construction or scheduled for immediate construction including the Waters Building, the 1031 American Grill, the Kress/Kuker/Guaranty Properties project, the Royal Knight building, and the City Grill building.

6. Additionally, Francis Marion University will begin construction of a health sciences education facility on the corner of Irby and Evans Street within the next several months.

7. Due to these redevelopment projects, as well as anticipated future projects, the City is now afforded the opportunity to issue a Tax Increment Revenue Bond for much needed public improvements that will continue to support redevelopment downtown. These improvement projects include the construction of two parking decks, streetscapes and amenities, building demolition, surface parking, and utilities upgrades.

C. Financing Plan for Downtown Capital Improvements and Gymnasium Construction

1. On November 5, 2013, the City's financial advisor, bond attorney, and city staff (the "financing group") met with City Council to review a financing plan to fund a number of downtown development capital projects and the construction of a regional gymnasium facility.

2. As discussed in that meeting with City Council, the financing plan, which includes approximately \$16 million in funding for these projects, will be provided by revenue bonds repaid with Tax Increment Financing funds and Hospitality Fees.

III. POINTS TO CONSIDER

A. Since meeting with Council, the financing group has continued to develop and refine the most appropriate debt structure to fund these projects.

**Florence City Council Meeting Agenda Item
Series 2014 Tax Increment Revenue Bond and Series 2014 Hospitality Fee Revenue Bond
April 21, 2014 – Page 3**

B. A number of factors have been thoroughly reviewed and analyzed including TIF and Hospitality Fee revenue streams, the number of years remaining to repay TIF debt, and current outstanding Hospitality Fee debt.

C. After due consideration and study, the financing group has determined that the debt structure should consist of two separate financings, to be approved concurrently – a Tax Increment Revenue Bond to finance approximately \$12.175 million downtown improvement projects, and a Hospitality Fee Revenue Bond to finance approximately \$4 million for the construction of a regional gymnasium facility.

D. A regional recreational facility will provide recreational and social activities for both residents and non-residents and will include multiple basketball courts of a design that will allow use for other sports and activities as well. As such, the facility will provide and promote regional programming and services for the City's residents as well as persons visiting the City. In addition, the Project will serve as an inducement to economic redevelopment and private investment in the TIF District and will serve as a catalyst for commercial activity by both residents and non-residents. For these and other reasons, the Project constitutes a "tourism-related...recreational...facility" as provided at Section 6-1-730 of the Local Hospitality Tax Act.

D. Staff is now working with the City's financial advisor and bond attorney, based on the timetable outlined in the attached Financing Schedule, to obtain competitive bank proposals to provide bond funding for the downtown improvement projects and construction of a gymnasium.

E. Adoption of two separate financing ordinances is required prior to the closing of the Series 2014 Tax Increment Revenue Bond and the Series 2014 Hospitality Fee Revenue Bond.

IV. STAFF RECOMMENDATION

Approve and adopt the proposed ordinances to provide for the issuance and sale of the following two revenue bonds:

A. A Series 2014 Tax Increment Revenue Bond in the principal amount not to exceed \$12,175,000 for downtown capital improvement construction; and

B. A Series 2014 Hospitality Fee Revenue Bond in the principal amount not to exceed \$4,000,000 for gymnasium construction

V. ATTACHMENTS

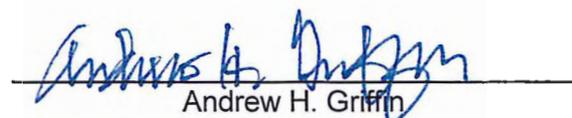
A. Bond Financing Schedule for Series 2014 Tax Increment Financing Revenue Bond and Series 2014 Hospitality Revenue Bond.

B. Series 2014 Tax Increment Revenue Bond Ordinance.

C. Series 2014 Hospitality Fee Revenue Bond Ordinance.



Thomas W. Chandler
Finance Director



Andrew H. Griffin
City Manager

Mar-14							Apr-14						May-14							
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
1/2	3	4	5	6	7	8			1	2	3	4	5					1	2	3
9	10	11	12	13	14	15	6	7	8	9	10	11	12	4	5	6	7	8	9	10
16	17	18	19	20	21	22	13	14	15	16	17	18	19	11	12	13	14	15	16	17
23	24	25	26	27	28	29	20	21	22	23	24	25	26	18	19	20	21	22	23	24
30	31						27	28	29	30				25	26	27	28	29	30	31

Role	Entity	Defined
Issuer	City of Florence, SC	"City"
Bond Counsel	Haynsworth Sinkler Boyd, P.A.	"BC"
Financial Advisor	First Tryon Advisors	"FTA"

Date	Task	Responsibility
By April 4th	- First Draft of Bank RFP, bond sizing and distribution list provided to working group - Response from Andy Smith - Review Council Presentation	FTA/City
April 4th	- Publish notice of Public Hearing	BC/City
April 15th	- Distribute Tax Increment and Hospitality Tax Revenue Bond RFPs to Banks	FTA
April 21st	- First Reading of the Bond Documents - Hold Public Hearing	BC/City
May 6th	- Bids Due	FTA
May 12th	- Second Reading of the Bond Documents	BC/City
May 28th	- Closing	Working Group

AN ORDINANCE
PROVIDING FOR THE ISSUANCE AND SALE OF A NOT EXCEEDING \$14,000,000 TAX
INCREMENT REVENUE BOND (FLORENCE DOWNTOWN REDEVELOPMENT PROJECT AREA),
SERIES 2014, OF THE CITY OF FLORENCE, SOUTH CAROLINA, AND OTHER MATTERS
RELATING THERETO

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

ARTICLE I

FINDINGS OF FACT

Section 1.01

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 Florence ("City Council") finds, as a fact, that each of the statements hereinafter set forth are in all respects true and correct:

1. By Ordinance bearing ratification number 2006-48 adopted December 18, 2006 ("Ordinance No. 2006-48"), City Council, pursuant to the Tax Increment Financing Law codified as Sections 31-6-10 to 31-6-120, Code of Laws of South Carolina, 1976, as amended (the "Enabling Act"), established the Florence Downtown Redevelopment Project Area (the "Project Area") and established for that area a Redevelopment Plan, all as contemplated by the Enabling Act.

2. The Enabling Act states "The governing bodies of the incorporated municipalities are vested with all powers consistent with the Constitution necessary, useful, and desirable to enable them to accomplish redevelopment in areas which are or threaten to become blighted and to sufficiently meet all constitutional requirements pertaining to incurring indebtedness for the purpose of redevelopment and funding the debt service of such indebtedness from the added increment of tax revenues to result from such redevelopment as provided in subsection (10) of Section 14 of Article X of the Constitution of this State."

3. In Ordinance No. 2006-48, City Council determined that rehabilitation, conservation or redevelopment of the Project Area will create new economic development opportunities and improve the quality of life in neighborhoods located in the Project Area through public investment in infrastructure improvements is necessary to reverse the existing conditions of blight and encourage private investment and in the best interest of the public health, safety, morals and welfare of the residents and citizens of the City.

4. In order to finance certain of the Redevelopment Project Costs, as defined at Section 31-1-30(8) of the Enabling Act, associated with the Redevelopment Plan, the City requested proposals from _____ financial institutions. The City has determined that the proposal of _____ (the "Purchaser") on the terms described herein is in the best interest of the City. The City has further determined to adopt this Ordinance in order to set forth the terms and conditions of the sale of a not exceeding \$14,000,000 Tax Increment Revenue Bond (Florence Downtown Redevelopment Project Area), Series 2014 (the "Bond"), to be issued pursuant to the Enabling Act.

5. Redevelopment Projects are set forth in Ordinance No. 2006-48 and include streetscape and park improvements, ingress and egress improvements to enhance vehicular and pedestrian traffic patterns, new parking facilities and underground utilities of a nature described at Section 31-6-110 of the Enabling

Act, as a consequence of which revenues of the City's Combined Waterworks and Sewerage System (the "Utility System") may be pledged to secure the Bond.

ARTICLE II

ISSUANCE OF THE BOND

Section 2.01. Issuance of the Bond.

Pursuant to the Enabling Act and for the purpose of raising moneys to be used to construct the Project, there shall be issued a \$14,000,000 City of Florence, South Carolina, Tax Increment Revenue Bond (Florence Downtown Redevelopment Project Area), Series 2014.

Section 2.02. Dated Date; Interest Rate; Repayment Schedule.

The Bond will be dated as of the date of delivery of the Bond to the Purchaser. The Bond will bear interest from the date of delivery at the rate of ____% and will be payable on _____ 1 and _____ 1, commencing _____ 1, 2014. The principal amount shall be payable on June 1 of each year as follows:

<u>Date</u>	<u>Principal Amount</u>
2016	\$
2017	
2018	
2019	
2020	
2021	
2022	
2023	
2024	
2025	
2026	
2027	

[INFORMATION TO BE PROVIDED BEFORE SECOND READING]

Section 2.03. Form of the Bond; Prepayment Provisions.

The Bond will be substantially in the form attached to Exhibit A, issued as a single bond with such necessary or appropriate variations, omissions and insertions as are otherwise permitted by law or by this Ordinance. The Bond shall be subject to prepayment on and after the fifth anniversary of the Bond, in whole or in part, at any time without penalty.

Section 2.04. 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 by the Issuer, 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.

Section 2.05. 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.

Section 2.06. Execution of the Bond.

The Bond shall be executed in the name of the City with the manual signature of the Mayor and attested by the manual signature of the Clerk of the City and the official seal of the City shall be impressed or printed thereon.

Section 2.07. Registrar & Transfer Agent of the Bond, Books of Registry.

(a) The Clerk of the City 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 she 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.

(b) 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 of the City and the fact thereof is endorsed by such Clerk upon the Bond and upon the Books of Registry. The City may deem and treat such Registered Owner of the Bond as the absolute owner of such 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.

(c) 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 exclusive as to the name and address of the Holder for all purposes.

Section 2.08. 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.

Section 2.09. Ability to Meet Requirements of Certain State and Federal Requirements.

The City will take such action as is necessary to preserve the exclusion from gross income for federal income tax purposes of interest earned on the Bond which, when issued, is determined to be exempt from federal income tax.

Section 2.10. 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.

Section 2.11. Replacement of Missing or Damaged Bond.

In case the Bond shall become mutilated in respect of the body of such Bond 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 of the City 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 of the Bond so lost, stolen or destroyed.

Section 2.12. Security for Payment of the Bond; Priority of Lien; Provisions for Additional Debt.

The Bond shall be a special obligation of the City and shall be payable solely as herein provided. For the punctual payment of the principal and interest of the Bond there are hereby irrevocably pledged:

(1) Pursuant to Section 31-6-70 of the Enabling Act, the incremental tax revenue generated from the Florence Downtown Redevelopment Project Area. 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 be required for 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.

(2) Pursuant to Section 31-6-110 of the Enabling Act, and pursuant to Section 6.01 of An Ordinance Providing for the Issuance and Sale of Combined Waterworks and Sewerage System Revenue Bonds of the City, as amended, (the "Utility System Bond Ordinance"), revenues of the Utility System provided that the pledge of such revenues of the Utility System shall at all times be and remain subordinate and inferior in all respects to the pledges of revenues and liens upon such revenues made or authorized for the Bond, as defined in the Utility System Bond Ordinance.

The Mayor is authorized to negotiate with the Purchaser the release of any part of the security above described.

Additional debt may be issued on a parity with the Bond provided that there be delivered at closing a certificate, which is not required to be based upon an audit of the City, from an Accountant, Consulting Engineer or a Financial Consultant, to the effect that the incremental tax revenue and Utility System revenues available to make payment of Junior Bonds of the Utility System during any consecutive 12-month period out of the 24 months immediately preceding the issuance date of the proposed Bonds are not less than 125% of the greatest sum for any Fiscal Year ending after the date of delivery of the Bonds proposed to be issued obtained by adding the principal and interest requirements for each Fiscal Year for all Series of Bonds then proposed to be outstanding. For purposes of this Section, Accountant shall mean an independent firm of certified public accountants of suitable standing who audit the books, records, and accounts of the City; Consulting Engineer shall mean any independent firm of consulting engineers having skill and experience in utility financing and rate design, and the design and operation of water and sewer

facilities; and Financial Consultant shall mean a financial consultant appointed by the City who or which is not a full-time employee of the City.

Section 2.13. Financial Reporting.

Within 270 days of the end of a fiscal year, the City shall supply the Purchaser with audited financial statements of the City for such fiscal year. The City shall also supply such other information as the Purchaser shall reasonably request.

Section 2.14. Discharge of Obligation.

Payment of principal and interest made in respect to the Bond may be made upon presentation or surrender of the Bond (provided, however, that the final payment of principal and interest shall be made only upon presentation and surrender for the Bond as provided at Section 2.04 herein) and all such payments shall fully discharge the obligation of the City in respect to the Bond to the extent of the payments so made.

Section 2.15. 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.

The City intends to budget annually payments due on the Bond. The City reasonably believes that legally available and appropriated funds in amounts sufficient to make all payments during the term of the financing can be obtained. The City shall do all things lawfully within its power to obtain and maintain funds from which the payments may be made and to have the budget, including particularly the section relating to such payment, approved.

Section 2.16. Custody and Application of Proceeds of the Bond.

The entire proceeds derived from the sale of the Bond will be allocated to the payment of costs incurred in connection with the acquisition and construction of the Redevelopment Project including capitalized interest and costs of issuance.

Section 2.17. 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.

ARTICLE III

EVENTS OF DEFAULT AND REMEDIES

Section 3.01. Events of Default and Remedies.

Events of Default and Remedies shall be as set forth in the Financing Agreement in substantially the form set forth at Exhibit B.

Section 3.02. 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.

Section 3.03. 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, or by statute.

Section 3.04. 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.

ARTICLE IV

DEFEASANCE

Section 4.01. Release of Ordinance.

If the Bond issued pursuant to this Bond 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:

(1) 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

(2) 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

(3) 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 thereof.

Section 4.02. 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.

ARTICLE V

SALE OF THE BOND

Section 5.01. Sale of the Bond by the City.

The Bond shall be and hereby is sold to the Purchaser on the terms and under the conditions set forth herein.

Section 5.02. Approval of Contract.

In order to secure the Bond as described herein, the City and the Purchaser intend to enter into a Financing Agreement in substantially the form attached hereto as Exhibit B.

ARTICLE VI

MISCELLANEOUS

Section 6.01. Execution of Documents.

The Mayor and Clerk of the City 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.

Section 6.02. 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 Holders, and shall be enforceable accordingly.

Section 6.03. 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 the 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 the Ordinance or any covenant, condition, stipulation, promise, agreement or provision herein contained. The 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.

Section 6.04. Ordinance Binding Upon Successors or Assigns of the City.

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

Section 6.05. Effect of Saturdays, Sundays and Legal Holidays

Whenever the 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 the 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.

Section 6.06. Law and Place of Enforcement of the Ordinance.

The 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 the Ordinance shall be instituted in a court of competent jurisdiction in said State.

Section 6.07. Effect of Article and Section Headings and Table of Contents.

The heading or titles of the several Articles and Sections hereof, and any table of contents appended hereto or to copies hereof, shall be solely for the convenience of reference and shall not affect the meaning, construction, interpretation or effect of the Ordinance.

Section 6.08. Savings 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 the Ordinance.

Section 6.09. Repealing Clause.

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

Section 6.10. Effective Date.

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

Section 6.11. Direction to Index Bond Ordinance.

This Ordinance shall be forthwith codified in the Code of Ordinances as required by law or by the rules and regulations of the City, and the same shall be indexed under the general heading "TAX INCREMENT REVENUE BOND (FLORENCE DOWNTOWN REDEVELOPMENT PROJECT AREA), SERIES 2014, OF THE CITY OF FLORENCE, SOUTH CAROLINA."

DONE, RATIFIED AND ADOPTED THIS 12th day of May, 2014.

Mayor, City of Florence, South Carolina

Attest:

Clerk, City of Florence, South Carolina

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
TAX INCREMENT REVENUE BOND
(FLORENCE DOWNTOWN REDEVELOPMENT PROJECT AREA),
SERIES 2014, OF THE CITY OF FLORENCE,
ISSUED PURSUANT TO SECTIONS 31-6-10 TO 31-6-120,
INCLUSIVE, CODE OF LAWS OF SOUTH CAROLINA, 1976

THE CITY OF FLORENCE, SOUTH CAROLINA (the "City") hereby acknowledges itself indebted, and, for value received, promises to pay to _____ (the Registered Holder) the principal sum of not exceeding \$_____. The principal sum of this Bond shall bear interest at the rate of ___% per annum payable on _____ 1 and _____ 1 of each year commencing _____ 1, 2014. Principal shall be payable on June 1 of each as follows:

<u>Date</u>	<u>Principal Amount</u>
2016	\$
2017	
2018	
2019	
2020	
2021	
2022	
2023	
2024	
2025	
2026	
2027	

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.

THIS BOND is issued by the City of Florence, 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 ordinance duly adopted by the City Council of the City of Florence (the "Bond Ordinance"). For the payment of this Bond, both principal and interest, there are pledged (A) the incremental tax revenues generated from the Downtown Florence Redevelopment Project Area; and (B) the revenues of the Combined Waterworks and Sewerage System of the City (the "Utility System") provided that the pledge of such revenues of the Utility System shall at all times be and remain subordinate and inferior in all respects to the pledges of revenues and liens upon such revenues made or authorized for the Bond, as defined in Section 6.01 of An Ordinance Providing for the Issuance and Sale of Combined Waterworks and Sewerage System Revenue Bonds of the City, as amended.

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

The Bond shall be subject to prepayment on and after the fifth anniversary of the Bond, in whole or in part, at any time without penalty.

All payments by way of principal and interest shall be paid by check or draft mailed at the times provided herein from the office of _____ to the person in whose name this Bond is registered at the address shown on the Registration Book.

The Bond shall at all times be registered on registry books of the City to be kept at the principal office of _____, in the City of _____, South Carolina, and each transfer to be valid shall be made on the registration 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 Ordinances is on file in the office of _____.

The Registered Holder may at any time assign and transfer this Bond in the manner above noted, and in such case, notwithstanding that the Bond shall no longer be held by the original Registered Holder, the City shall continue to effect payment of all sums due thereon by way of principal and interest to _____, in the City of _____, South Carolina, as collection agent for the then registered holder thereof.

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 FLORENCE, pursuant to the authorization of Sections 31-6-10 to 31-6-120, inclusive, Code of Laws of South Carolina, 1976, and ordinances duly adopted by the City Council of the City of Florence 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 _____, 2014.

(SEAL)

Mayor, City of Florence, South Carolina

Attest:

Clerk, City of Florence, South Carolina

CERTIFICATE OF AUTHENTICATION

This Bond is the fully registered Bond described in the within mentioned Bond Ordinance. Interest hereon accrues from said date.

_____, Registrar

Authorized Officer

_____, 2014

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ the within Bond of the City of Florence, 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:

FINANCING AGREEMENT

CITY OF FLORENCE, SOUTH CAROLINA

AND

securing the

\$ _____

TAX INCREMENT REVENUE BOND
(DOWNTOWN FLORENCE REDEVELOPMENT PROJECT AREA),
SERIES 2014, OF THE CITY OF FLORENCE, SOUTH CAROLINA

DATED AS OF _____, 2014

FINANCING AGREEMENT

This FINANCING AGREEMENT (the "Agreement") dated as of _____, 2014, between the CITY OF FLORENCE, SOUTH CAROLINA (hereinafter sometimes referred to as the "City"), a body politic and corporate and a political subdivision of the State of South Carolina (hereinafter sometimes referred to as the "State"), and _____, as purchaser of the hereinafter defined Series 2014 Bond (the "Purchaser"), is being executed in connection with the issuance of the Series 2014 Bond related to the Florence Downtown Redevelopment Project Area, a redevelopment project area established pursuant to the hereinafter defined Act (the "TIF District").

RECITALS

WHEREAS, pursuant to the "Tax Increment Financing Law" codified at Title 31, Chapter 6, Code of Laws of South Carolina, 1976, as amended (the "Act"), the City is vested "with all powers consistent with the Constitution necessary, useful, and desirable to enable it to accomplish redevelopment in areas which are or threaten to become blighted and to sufficiently meet all constitutional requirements pertaining to incurring indebtedness for the purpose of redevelopment and funding the debt service of such indebtedness from the added increment of tax revenues to result from such redevelopment as provided in subsection (10) of Section 14 of Article X of the Constitution of the State;" and

WHEREAS, the City is further authorized by the Act to issue bonds payable from funds in and to be deposited in the special tax allocation fund created pursuant to Section 31-6-70 of the Act and secured by a pledge of said revenues and receipts; and

WHEREAS, pursuant to an ordinance adopted by City Council on December 18, 2006 (the "Enabling Ordinance"), the City created the Florence Downtown Redevelopment Project Area (the "Redevelopment Project Area"); and

WHEREAS, pursuant to the Enabling Ordinance and an Ordinance adopted by City Council on May 12, 2014 (the "Bond Ordinance"), the City authorized the sale to _____ (the "Purchaser") of a \$_____ Tax Increment Revenue Bond (Florence Downtown Redevelopment Project Area), Series 2014, delivered _____, 2014 (the "Series 2014 Bond") secured by the provisions hereof and of the Bond Ordinance; and

WHEREAS, the proceeds of the Series 2014 Bond will be used to defray the cost of construction of certain infrastructure improvements within the TIF District (the "Improvements") consistent with and in order to accomplish the purposes provided by the Act; and

WHEREAS, the Enabling Ordinance and the Bond Ordinance recite that the TIF District was established so that the Improvements may be financed by the City through the issuance of tax increment bonds secured by taxes deposited to a special tax allocation fund; and

WHEREAS, the City and the Purchaser are now minded to enter into this Financing Agreement pertaining to the Series 2014 Bond; and

WHEREAS, the Series 2014 Bond and the certificate of authentication to be endorsed thereon are to be in substantially the form attached hereto as Exhibit A with necessary and appropriate variations, omissions and insertions as permitted or required by this Agreement, and

WHEREAS, all things necessary to make the Series 2014 Bond, when authenticated by the City, the legal, valid and binding obligation of the City, enforceable in accordance with the terms thereof, and to create a valid pledge of the Pledged Amounts (as hereinafter defined), herein made for the payment of the Series 2014 Bond, have been done and performed, and the creation, execution and delivery of this Agreement, and the creation, execution and issuance of the Series 2014 Bond, subject to the terms hereof, have in all respects been duly authorized.

NOW, THEREFORE, THE PARTIES HERETO HAVE AND DO HEREBY MUTUALLY CONTRACT AND AGREE AS FOLLOWS:

Section 1.01. Execution

The Series 2014 Bond shall be executed by the manual signature of the Mayor of the City, and the seal of the City shall appear thereon (which may be in facsimile form) and shall be attested by the manual signature of the Clerk to City Council.

Section 1.02. Authentication; Authenticating Agent

No Series 2014 Bond shall be valid until the certificate of authentication shall have been duly executed by the Clerk of City Council as Registrar.

Section 1.03. Registration, Transfer and Exchange

The City shall cause the Clerk of City Council, as Registrar, to maintain a Registration Book to be kept at the Office of the Clerk at City Hall.

Upon surrender for registration of transfer of the Series 2014 Bond at the designated office of the Registrar, and upon compliance with the conditions for the transfer of Series 2014 Bond set forth herein, the City shall execute and the Registrar shall authenticate and deliver, in the name of the designated transferee, a new Series 2014 Bond. A Series 2014 Bond issued upon any such transfer or exchange shall be a valid obligation of the City, evidencing the same debt and entitled to the same benefits as the Series 2014 Bond surrendered upon such transfer or exchange.

Transfers and exchanges shall be made without charge to the bondholder, except that the City may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of bonds.

Section 1.04. Power to Issue Bond and Create Lien

The City is duly authorized under the Act and all applicable laws of the State to issue the Series 2014 Bond. The City shall, at all times, to the extent permitted by law, defend, preserve and protect the pledge on the Pledged Amounts created herein and by the Bond Ordinance.

Section 1.05. Establishment of Principal and Interest Fund and Construction Fund

1. The City shall establish and maintain a Principal and Interest Fund and a Construction Fund with respect to the Series 2014 Bond. The Principal and Interest Fund shall be established and maintained at _____ or such other bank acceptable to the Purchaser (the "Depository Bank") and the Construction Fund shall be maintained by the City. (The Principal and Interest Fund and the Construction Fund are herein collectively referred to as the "Funds"). An amount equal to

capitalized interest from the date of the Bond through _____, 201_, shall be deposited to the Principal and Interest Fund. All remaining proceeds of the Series 2014 Bond shall be deposited in the Construction Fund. All incremental tax revenues from the Redevelopment Project Area as described in Section 31-6-70(2)(b) of the Act and as provided by the Enabling Ordinance and the Bond Ordinance (the "Incremental Tax Revenues") shall be deposited when received to the Principal and Interest Fund (which, for purposes of the Act, shall be the "special tax allocation fund" of the City) and shall be retained therein until expended as required herein or released in accordance with the terms of Section 1.06 hereof. Additional moneys, if necessary, shall be deposited by the City to the Principal and Interest Fund on a quarterly basis not later than the 1st day (or if such day is not a Business Day, on the next succeeding Business Day) of each quarter commencing _____, 2014, in an amount not less than the pro rata amount due on the Series 2014 Bond on _____ 1 and _____ 1 of the current calendar year; provided however, with respect to the final maturity of the Series 2014 Bond on _____ 1, 2027, the amount required to be on deposit in the Principal and Interest Fund as of _____, 2027, shall be the sum due on the Series 2014 Bond on _____ 1, 2017. Such amount shall be at least equal to the ratable fraction required of the aggregate amount of principal and interest to become due on the next principal and/or interest payment date so that not less than five days prior to each principal and interest payment date, the amount of principal and interest to be paid on the Series 2014 Bond shall have been accumulated and be on hand in the Principal and Interest Fund. The Purchaser is authorized to debit moneys from the Principal and Interest Fund as needed to pay principal and interest on the Series 2014 Bond, and the City will execute any documents required by the Purchaser or the Depository Bank to effect the ability of the Purchaser to debit the Principal and Interest Fund.

2. Money in the Construction Fund shall be expended only for payment of the costs of the Improvements, paying the Series 2014 Bond if moneys are not available therefor in the Principal and Interest Fund and paying expenses incident thereto in accordance with paragraph 5 hereof.

3. The Principal and Interest Fund shall consist of a demand deposit or similar account established at the Depository Bank. The money on deposit in the Construction Fund shall be invested in investments which qualify as permissible investments as defined at Section 6-5-10 and at Sections 6-6-10 to 6-6-40, inclusive, Code of Laws of South Carolina, 1976, as amended.

4. The City shall not invest any of the moneys in the Funds in a manner contrary to any policies, rules or regulations of the Internal Revenue Service with respect to arbitrage, the violation of which policies, rules or regulations would cause the loss of the exemption of the interest on the Series 2014 Bond from Federal income taxes. Under no circumstances shall the Purchaser or the Depository Bank be held responsible for any investment violative of such policies, rules or regulations made pursuant to such a request. The "Internal Revenue Code of 1986" includes restrictions and requirements relating to the investment, use and expenditure of the proceeds of tax-exempt obligations and the use of facilities financed with such proceeds. The City hereby covenants to comply with all of the restrictions and requirements of the Internal Revenue Code of 1986 so as to preserve the tax-exempt status of interest on the Series 2014 Bond.

5. As construction progresses, the Chief Financial Officer of the City (or his designee) is authorized to withdraw from the Construction Fund moneys applicable to progress payments on aspects of the Improvements. On or before the 10th day after the end of each calendar quarter, commencing September 30, 2014, the City shall provide the Purchaser a certificate, in form and content acceptable to the Purchaser, detailing the use of the sums withdrawn from the Construction Fund for the period ending as of the end of such calendar quarter and certifying that the sums so withdrawn were applied to payment or reimbursement of costs incident to the construction of the Improvements and that no part of the items so paid had been previously paid. The above-described Certificate shall be duly executed by an

authorized representative of the City. Upon completion of Improvements to be defrayed by the proceeds of the Series 2014 Bond, the Chief Financial Officer of the City (or his designee) shall include in the above-described Certificate a notice of completion, after which no further Certificates shall be necessary, and shall transfer moneys, if any, held in the Construction Fund to the Principal and Interest Fund. Such costs and expenses permitted to be paid from the Construction Fund include those defined at Section 31-6-30(6) of the Act.

Section 1.06. Security

Pursuant to Section 31-6-70 of the Act and the Bond Ordinance, the City hereby pledges to the Purchaser, and the Series 2014 Bond is secured by, the Incremental Tax Revenues, pursuant to Section 6.01 of An Ordinance Providing for the Issuance and Sale of Combined Waterworks and Sewerage System Revenue Bonds of the City, as amended, (the "Utility System Bond Ordinance"), revenues of the Utility System provided that the pledge of such revenues of the Utility System shall at all times be and remain subordinate and inferior in all respects to the pledges of revenues and liens upon such revenues made or authorized for the Bond, as defined in the Utility System Bond Ordinance, and amounts on deposit in the Principal and Interest Fund and the Construction Fund (collectively, the "Pledged Amounts"). The City shall execute any documents and cause to be taken any action reasonably requested by the Purchaser for the purpose of better securing such pledges. No Incremental Tax Revenues will be released to the overlapping political entities until the Series 2014 Bond and any further indebtedness incurred pursuant to the Act is fully repaid. Whenever, as of any September 1, there shall be on deposit in the Principal and Interest Fund an amount equal to 102% of the next 12 months principal and interest payments, any excess therein shall be transferred by the City to the Construction Fund. In addition, the Mayor is authorized to negotiate with the Purchaser the release of any part of the security above described including, specifically, requesting that the Purchaser transfer additional funds in the Principal and Interest Fund to the Construction Fund.

Pursuant to Section 31-6-40 of the Act, it is specifically recognized that upon payment in full of the obligation evidenced by the Series 2014 Bond, any surplus funds realized through the ad valorem tax levy held in the Principal and Interest Fund created herein, which Principal and Interest Fund constitutes "special tax allocation fund", shall be paid to the County Treasurer for distribution to the respective taxing districts in the manner and upon the terms set forth in Section 31-6-40.

Section 1.07. City Covenants and Agreements

Every covenant, undertaking and agreement made on behalf of the City as set forth herein or in the Bond Ordinance is made, undertaken and agreed to, for the proper securing of the payment of the principal of and interest on the Series 2014 Bond. Each shall be a contract between the City and the Purchaser and any subsequent holder of the Series 2014 Bond and shall be enforceable accordingly. The Purchaser may at any time assign and transfer the Series 2014 Bond in the manner set forth in the Series 2014 Bond.

The City covenants to take all proper steps necessary and appropriate to maximize Incremental Tax Revenues and not to take any action, including but not limited to, the substantial alteration of the City's assets located in the Redevelopment Project Area, that would materially and adversely affect the amount of Incremental Tax Revenues.

Section 1.08. Use of Bond Proceeds to Comply with Internal Revenue Code

The City covenants to the Purchaser that it will not make or direct the making of any investment or other use of the proceeds of the Series 2014 Bond issued hereunder which would cause the Series 2014

Bond to be an "arbitrage bond" as that term is defined in Section 148 (or any successor provision thereto) of the Internal Revenue Code of 1986, as amended (the "Code") and/or "private activity bonds" as that term is defined in Section 141 (or any successor provision thereto) of the Code, and that it will comply with the requirements of such Code section and related regulations throughout the term of such Series 2014 Bond. The City hereby further covenants and agrees to comply with the procedures and covenants contained in any arbitrage rebate agreement executed in connection with the issuance of the Series 2014 Bond for so long as compliance is necessary in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Series 2014 Bond.

Section 1.09. Compliance With Other Contracts and Agreements

The City shall comply with and abide by all of the terms and conditions of any and all contracts and agreements which the City enters into in connection with the issuance of the Series 2014 Bond.

Section 1.10. Further Assurances

The City shall not enter into any contract or take any action by which the rights of the Purchaser may be impaired. The City represents and warrants there are no other liens, pledges or claims in the Pledged Amounts, covenants it will not encumber in any manner any of the Pledged Amounts and will not incur any indebtedness or obligations secured by all or any portion of the Pledged Amounts without the prior written consent of the Purchaser.

Section 1.11. Events of Default Defined

Each of the following shall be an "Event of Default," with respect to the Series 2014 Bond:

- (a) if payment of any installment of interest on the Series 2014 Bond is not made when it becomes due and payable; or
- (b) if payment of the principal of the Series 2014 Bond is not made when it becomes due and payable; or
- (c) if the City, for any reason, is rendered incapable of fulfilling its obligations under this Agreement, the Enabling Ordinance, the Bond Ordinance or the Act; or
- (d) if the City proposes or makes an assignment for the benefit of creditors or enters into a composition agreement with all or a material part of its creditors, or a trustee, receiver, executor, conservator, liquidator, sequestrator or other judicial representative, similar or dissimilar, is appointed for the City or any of its assets or revenues, or there is commenced any proceeding in liquidation, bankruptcy, reorganization, arrangement of debts, debtor rehabilitation, creditor adjustment or insolvency, local, state or federal, by or against the City and if such is not vacated, dismissed or stayed on appeal within 90 days; or
- (e) if the City defaults in the due and punctual performance of any other covenant in this Agreement or the Bond Ordinance and such default continues for 60 days after written notice requiring the same to be remedied shall have been given to the City, provided, however, that if such performance requires work to be done, actions to be taken, or conditions to be remedied, which by their nature cannot reasonably be done, taken or remedied, as the case may be, within such 60 day period, no Event of Default shall be deemed to have occurred or exist if, and so long as the City shall commence such performance within such 60 day period and shall diligently and continuously prosecute the same to completion.

Section 1.12. Remedies/Legal Proceedings by Purchaser

Upon an Event of Default, the entire proceeds of the Pledged Amounts shall be deposited to the Principal and Interest Fund until such time as the Principal and Interest Fund contains the sum required by paragraph 1 of Section 1.05.

If any Event of Default with respect to the Series 2014 Bond has occurred and is continuing, the Purchaser may by mandamus, or other suit, action or proceeding at law or in equity, enforce all its rights including, without limitation, the right to require the City to carry out any agreements with, or for the benefit of, the Purchaser and to perform its or their duties under this Agreement, the Enabling Ordinance, the Bond Ordinance or the TIF Act.

Section 1.13. Delays and Omissions Not to Impair Rights

No delay or omission in respect of exercising any right or power accruing upon any Event of Default shall impair such right or power or be a waiver of such Event of Default.

Section 1.14. Audited Financials

The City shall, not later than 270 days following the completion of each fiscal year, commencing June 30, 2014, provide to the Purchaser the audited financials for that fiscal year. Additionally, the City, upon request of the Purchaser, shall provide such information regarding Incremental Tax Revenues as reasonably requested.

Section 1.15. Miscellaneous

1. If any section, paragraph, clause or provision of the Enabling Ordinance or the Bond Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of the Enabling Ordinance or the Bond Ordinance. Amendment of this Agreement, the Enabling Ordinance or the Bond Ordinance may be made only with the written approval of the Purchaser. The terms of the Enabling Ordinance and the Bond Ordinance are hereby incorporated by reference.

2. Certain capitalized terms not otherwise defined shall have the meanings ascribed thereto in the Recitals and the Bond Ordinance.

3. This Agreement is binding upon, and for the benefit of, the Purchaser and its successors and assigns as holder of the Series 2014 Bond.

IN WITNESS WHEREOF the parties hereto have hereunto set their respective hands as of this the ____ day of _____, 2014.

CITY OF FLORENCE, SOUTH CAROLINA

BY _____
Mayor

ATTEST:

Clerk, City Council of the City of Florence, South Carolina

BY _____

TITLE _____

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
TAX INCREMENT REVENUE BOND
(FLORENCE DOWNTOWN REDEVELOPMENT PROJECT AREA),
SERIES 2014, OF THE CITY OF FLORENCE,
ISSUED PURSUANT TO SECTIONS 31-6-10 TO 31-6-120,
INCLUSIVE, CODE OF LAWS OF SOUTH CAROLINA, 1976

THE CITY OF FLORENCE, SOUTH CAROLINA (the "City") hereby acknowledges itself indebted, and, for value received, promises to pay to _____ (the Registered Holder) the principal sum of not exceeding \$ _____. The principal sum of this Bond shall bear interest at the rate of ____% per annum payable on _____ 1 and _____ 1 of each year commencing _____ 1, 2014. Principal shall be payable on June 1 of each as follows:

<u>Date</u>	<u>Principal Amount</u>
2016	\$
2017	
2018	
2019	
2020	
2021	
2022	
2023	
2024	
2025	
2026	
2027	

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.

THIS BOND is issued by the City of Florence, 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 ordinance duly adopted by the City Council of the City of Florence (the "Bond Ordinance"). For the payment of this Bond, both principal and interest, there are pledged (A) the incremental tax revenues generated from the Downtown Florence Redevelopment Project Area; and (B) the revenues of the Combined Waterworks and Sewerage System of the City (the "Utility System") provided that the pledge of such revenues of the Utility System shall at all times be and remain subordinate and inferior in all respects to the pledges of revenues and liens upon such revenues made or authorized for the Bond, as defined in Section 6.01 of An Ordinance Providing for the Issuance and Sale of Combined Waterworks and Sewerage System Revenue Bonds of the City, as amended.

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

The Bond shall be subject to prepayment on and after the fifth anniversary of the Bond, in whole or in part, at any time without penalty.

All payments by way of principal and interest shall be paid by check or draft mailed at the times provided herein from the office of _____ to the person in whose name this Bond is registered at the address shown on the Registration Book.

The Bond shall at all times be registered on registry books of the City to be kept at the principal office of _____, in the City of _____, South Carolina, and each transfer to be valid shall be made on the registration 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 Ordinances is on file in the office of _____.

The Registered Holder may at any time assign and transfer this Bond in the manner above noted, and in such case, notwithstanding that the Bond shall no longer be held by the original Registered Holder, the City shall continue to effect payment of all sums due thereon by way of principal and interest to _____, in the City of _____, South Carolina, as collection agent for the then registered holder thereof.

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 FLORENCE, pursuant to the authorization of Sections 31-6-10 to 31-6-120, inclusive, Code of Laws of South Carolina, 1976, and ordinances duly adopted by the City Council of the City of Florence 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 _____, 2014.

(SEAL)

Mayor, City of Florence, South Carolina

Attest:

Clerk, City of Florence, South Carolina

CERTIFICATE OF AUTHENTICATION

This Bond is the fully registered Bond described in the within mentioned Bond Ordinance. Interest hereon accrues from said date.

_____, Registrar

Authorized Officer

_____, 2014

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ the within Bond of the City of Florence, 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:

STATE OF SOUTH CAROLINA

COUNTY OF FLORENCE

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

That the foregoing constitutes a true, correct and verbatim copy of an Ordinance adopted by City Council, having been read at two duly called and regularly held meetings at which a quorum attended and remained present throughout each of April 21 and May 12, 2014.

The ordinance is now in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my Hand this _____ day of May, 2014.

Clerk, City of Florence, South Carolina

VII. d.
Bill No. 2014-10
Second Reading

FLORENCE CITY COUNCIL MEETING

DATE: April 21, 2014
AGENDA ITEM: Ordinance – First Reading
DEPARTMENT/DIVISION: Finance

I. ISSUE UNDER CONSIDERATION

An Ordinance amending Ordinance No. 2013-22 adopted October 14, 2013 making provision for the issuance and sale of a Waterworks and Sewerage System Junior Lien Revenue Bond of the City of Florence in an amount not to exceed \$6,100,000 to refund all Timmons ville Waterworks and Sewer System Revenue Bonds held by USDA, Rural Development (RD) and thereby acquire the Timmons ville water and sewer system.

II. CURRENT STATUS/PREVIOUS ACTION TAKEN

A. After working for many months with the Town of Timmons ville, USEPA, and SCDHEC regarding the City's acquisition of the Timmons ville Water and Sewer System to provide water and wastewater services to the Timmons ville service area, the Timmons ville System was conveyed to the City of Florence on January 9, 2014.

B. As part an agreement between the City of Florence and the Town of Timmons ville to convey the system, the City assumed all liabilities and payments of outstanding bonds or mortgage indebtedness on the system, to include Timmons ville's outstanding debt with RD.

C. On October 14, 2014, City Council adopted an ordinance to issue a Waterworks and Sewerage System Junior Lien Revenue Bond of the City of Florence in an amount not to exceed \$6,100,000 to refund all Timmons ville Waterworks and Sewer System Revenue Bonds held by RD.

III. POINTS TO CONSIDER

A. Since adoption of the Junior Lien Revenue Bond ordinance, RD has requested that the principal amount of the borrowing be changed from \$6,004,584.86 to \$6,111,310.18.

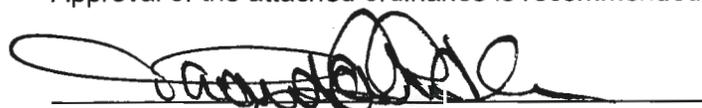
B. The request is being made by RD to correct their error whereby the original calculation of debt to be transferred from Timmons ville to the City did not include interest accumulated from March 19, 2013 (the re-amortization date entered into with the Town of Timmons ville for the loans at a lower interest rate of 1.875) to the date of the actual transfer and assumption by the City. (See **Attachment 1** - RD Letter of Request).

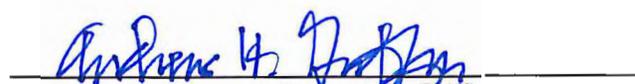
C. This requested change results in a reduction of \$3 for the city on the annual amortized loan payment, from an annual payment of \$214,727 to \$214,724 for the 40-year life of the loan.

D. To accommodate the Rural Development request, the adoption of an amendatory ordinance is required to change the total amount of the borrowing; to change the amortized annual payment on the loan; and to change the date of the Revenue Bond.

IV. STAFF RECOMMENDATION

Approval of the attached ordinance is recommended.


Thomas W. Chandler
Finance Director


Andrew H. Griffin
City Manager



United States Department of Agriculture

Rural Development

State Office

Strom Thurmond
Federal Building
1835 Assembly
Street, Suite 1007,
Columbia, SC 29201

Voice: 803.765.5163
Fax: 855.565.9482
TDD: 803.765.5697

Mr. Drew Griffin
City Manager
Mayor, City of Florence
324 West Evans Street
Florence, SC 29501

March 13, 2014

Dear Mr. Griffin:

This will respond to your email dated February 10, 2014 in which the City of Florence requested an explanation of Rural Development's calculation of debt to be transferred from the Town of Timmonsville to the City of Florence. The amount assumed by the City of Florence is \$6,004,584.86. The original calculation of the payoff for the transfer and assumption did not include interest amounts that accumulated from the date of March 29, 2013 (reamortization date for the Town of Timmonsville loans at a lower interest of 1.875%) to the date of the actual transfer and assumption.

The daily interest accrual for all loans is \$308.4547 based on the interest rate of 1.875% rate. Therefore, the interest accrued for 346 days is \$106,725.32. For adequate security, we would need a corrected bond in the amount of \$6,111,310.18 which reflects the correct principle at the time of the transfer and assumption. The formal transfer of documents occurred on March 10, 2014 because of the time involved with getting closure to these loans. The original date of January 9, 2014 is now replaced with March 10, 2014 (the formal transfer date). In this regard, Rural Development will also prepare corrected Assumption Agreements. The first annual payment by the City of Florence is still scheduled for March 28, 2014 in the amount of \$214,724.00 instead of \$214,727.00.

We sincerely apologize for the confusion in processing the transfer and assumption of the Town of Timmonsville's debt to the City of Florence. We appreciate the City's willingness to assist this community that is in dire need. Additionally, you will be receiving a letter from us within a few days stating that the Town of Timmonsville's Emergency Grants totaling \$800,000 have been officially transferred to the City of Florence. Please call us, if you need further assistance.

Best Regards,

MICHELE CARDWELL
CP Program Director

cc: George H. Randolph, Jr., Area Director
Drew Griffin, City Manager
Thomas Chandler, Finance Director
Charlton deSaussure, Bond Attorney

USDA is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF), found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

Attachment 1

AN ORDINANCE

AMENDING AN ORDINANCE ADOPTED OCTOBER 14, 2013, PROVIDING FOR THE ISSUANCE AND SALE OF A WATERWORKS AND SEWERAGE SYSTEM JUNIOR LIEN REVENUE BOND OF THE CITY OF FLORENCE IN AN AGGREGATE AMOUNT NOT TO EXCEED \$6,100,000 IN ORDER TO REFUND ALL WATERWORKS AND SEWER SYSTEM REVENUE BONDS OF THE TOWN OF TIMMONSVILLE HELD BY THE UNITED STATES DEPARTMENT OF AGRICULTURE, RURAL DEVELOPMENT AND THEREBY ACQUIRE THE WATERWORKS AND SEWER SYSTEM OF THE TOWN OF TIMMONSVILLE, AND OTHER MATTERS RELATING THERETO.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FLORENCE, SOUTH CAROLINA, IN MEETING DULY ASSEMBLED:

WHEREAS, the City Council ("City Council") of the City of Florence, South Carolina (the "City"), did, on October 14, 2013, adopt a Series Ordinance titled "A Series Ordinance Entitled Constituting a Series Ordinance Under Bond Ordinance Adopted October 24, 1989, As Amended, Of The City Of Florence, Providing For The Issuance And Sale Of A Waterworks And Sewerage System Junior Lien Revenue Bond Of The City Of Florence In An Aggregate Amount Not To Exceed \$6,100,000 In Order To Refund All Waterworks And Sewer System Revenue Bonds Of The Town Of Timmons ville Held By The United States Department Of Agriculture, Rural Development And Thereby Acquire The Waterworks And Sewer System Of The Town Of Timmons ville, And Other Matters Relating Thereto" (the "Series Ordinance"); and

WHEREAS, a \$6,004,584.86 Waterworks and Sewerage System Junior Lien Revenue Bond of the City dated January 9, 2014 (the "Bond") was sold to the United States of America, acting through Rural Development, United States Department of Agriculture (the "Purchaser") pursuant to and in compliance with the Series Ordinance in order to refund all Waterworks and Sewer System Revenue Bonds of the Town of Timmons ville and thereby acquire the Waterworks and Sewer System of the Town of Timmons ville; and

WHEREAS, for the reasons stated by Purchaser in letter dated March 13, 2004, attached hereto as Exhibit A, the Purchaser has requested the principal amount of the Bond should be amended to be \$6,111,310.18 and the amount of the annual amortized installment reduced to \$214,724; and

WHEREAS, in light of the fact that the overall payments to be made by the City are less than those which are contained in the Series Ordinance and therefore it is in the best interest of the City to make the changes requested by Purchaser.

NOW, THEREFORE, City Council adopts this Ordinance to amend the Series Ordinance as follows:

1. The reference to \$6,100,000 in the title to the Series Ordinance shall be deleted and the figure \$6,200,000 substituted in its place.
2. Every reference to \$6,004,584.86 as the principal amount of the borrowing is deleted and substituted in its place is the principal amount of \$6,111,310.18.
3. Every reference to \$214,727 as the amortized payment to be made is deleted and substituted in its place is the payment of \$214,724.
4. The dated date of the Bond shall be changed from January 9, 2014 to March 10, 2014.

5. The Mayor is hereby authorized and directed to execute and deliver any and all documents as may be necessary in furtherance of the amendments described above, his execution thereof to be conclusive evidence of his approval of such documents.

6. All terms and provisions of the Series Ordinance, except as otherwise amended by this Ordinance, shall remain in full force and effect.

7. This Ordinance shall become effective upon its adoption.

DONE, RATIFIED AND ADOPTED this 12th day of May, 2014.

CITY OF FLORENCE, SOUTH CAROLINA

Mayor

Attest:

Clerk



United States Department of Agriculture

Rural Development

State Office

Strom Thurmond
Federal Building
1835 Assembly
Street, Suite 1007,
Columbia, SC 29201

Voice: 803.765.5163
Fax: 855.565.9482
TDD: 803.765.5697

Mr. Drew Griffin
City Manager
Mayor, City of Florence
324 West Evans Street
Florence, SC 29501

March 13, 2014

Dear Mr. Griffin:

This will respond to your email dated February 10, 2014 in which the City of Florence requested an explanation of Rural Development's calculation of debt to be transferred from the Town of Timmonsville to the City of Florence. The amount assumed by the City of Florence is \$6,004,584.86. The original calculation of the payoff for the transfer and assumption did not include interest amounts that accumulated from the date of March 29, 2013 (reamortization date for the Town of Timmonsville loans at a lower interest of 1.875%) to the date of the actual transfer and assumption.

The daily interest accrual for all loans is \$308.4547 based on the interest rate of 1.875% rate. Therefore, the interest accrued for 346 days is \$106,725.32. For adequate security, we would need a corrected bond in the amount of \$6,111,310.18 which reflects the correct principle at the time of the transfer and assumption. The formal transfer of documents occurred on March 10, 2014 because of the time involved with getting closure to these loans. The original date of January 9, 2014 is now replaced with March 10, 2014 (the formal transfer date). In this regard, Rural Development will also prepare corrected Assumption Agreements. The first annual payment by the City of Florence is still scheduled for March 28, 2014 in the amount of \$214,724.00 instead of \$214,727.00.

We sincerely apologize for the confusion in processing the transfer and assumption of the Town of Timmonsville's debt to the City of Florence. We appreciate the City's willingness to assist this community that is in dire need. Additionally, you will be receiving a letter from us within a few days stating that the Town of Timmonsville's Emergency Grants totaling \$800,000 have been officially transferred to the City of Florence. Please call us, if you need further assistance.

Best Regards,

MICHELE CARDWELL
CP Program Director

cc: George H. Randolph, Jr., Area Director
Drew Griffin, City Manager
Thomas Chandler, Finance Director
Charlton deSaussure, Bond Attorney

USDA is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF), found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

STATE OF SOUTH CAROLINA

COUNTY OF FLORENCE

I, the undersigned, Clerk of the City Council of the City of Florence, South Carolina, DO
HEREBY CERTIFY:

That the foregoing is a true, correct and verbatim copy of an Ordinance unanimously adopted by
the said City Council, having been read at two duly called and regularly held meetings at which a quorum
attended and remained throughout on each of April 14 and May 12, 2014.

That the said Ordinance is now in full force and effect and has not been modified, amended,
repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my Hand this 12th day of May, 2014.

Clerk

VII. e.
Bill No. 2014-11
Second Reading

FLORENCE CITY COUNCIL MEETING

DATE: April 21, 2014
AGENDA ITEM: Ordinance – First Reading
DEPARTMENT/DIVISION: Finance

I. ISSUE UNDER CONSIDERATION

An Ordinance approving an amendment to the Loan Agreements relating to the City's water and sewerage system revenue debt with the South Carolina State Revolving Loan (SRF) Fund.

II. CURRENT STATUS/PREVIOUS ACTION TAKEN

- A. The City of Florence has six outstanding SRF loans, issued in 1999, 2000, 2003, 2009, and two loans in 2013 for a variety of water and sewerage improvements.
- B. In October, 2013 SRF issued a fiscal year 2014 amendment to all prior SRF loan policies that no longer requires a debt service reserve fund on loans for entities with a Standard & Poor's and/or Moody's bond rating in the "A" category. Currently, one half of the maximum annual debt service is required to be maintained as the debt service reserve for each outstanding loan.

III. POINTS TO CONSIDER

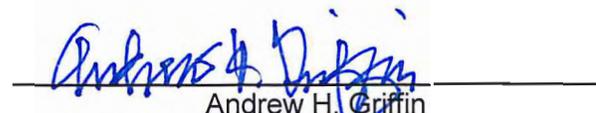
- A. Currently, the City maintains on each of these six loans the required debt service reserve of one half the maximum annual debt service on each loan. The total amount held in reserve for these loans is \$1,386,660.
- B. With a Standard & Poor's rating of A+ and a Moody's rating of Aa2, the City will no longer be required to maintain a debt service reserve for each of its outstanding loans as noted in II. B. above.
- C. The amended debt service reserve requirement will result in approximately \$1.39 million currently held in reserve for the SRF Loans being available to the City for water and sewer utility projects.
- D. The change from a debt service reserve of one half of the maximum annual debt service to no debt service reserve fund requirement based on an "A" category bond rating must be made by an ordinance adopted by City Council to amend the City's Loan Agreements for these outstanding loans.

IV. STAFF RECOMMENDATION

Approval and adoption of the proposed ordinance is recommended.



Thomas W. Chandler
Finance Director



Andrew H. Griffin
City Manager

AN ORDINANCE

APPROVING AMENDMENTS TO EXISTING LOAN AGREEMENTS RELATING TO CITY OF FLORENCE WATER AND SEWERAGE SYSTEM REVENUE DEBT IDENTIFIED AS SOUTH CAROLINA DRINKING WATER REVOLVING LOAN FUND LOAN NUMBERS 3-003-99-2110001-02, 3-008-00-2110001-01 AND 3-014-02-2110001-04 AND SOUTH CAROLINA WATER POLLUTION CONTROL REVOLVING FUND LOAN NUMBERS S1-121-09-378-19, X1-153-13-378-20 AND X1-157-13-378-21; TO PROVIDE FOR CERTAIN CHANGES TO THE DEBT SERVICE RESERVE FUND FUNDING REQUIREMENTS THEREIN; AND OTHER MATTERS RELATING THERETO.

In connection with the adoption of this Ordinance, City Council ("City Council") of the City of Florence, South Carolina (the "City") makes the following findings of fact:

1. City Council has made general provision for the issuance of Combined Waterworks and Sewerage System Revenue Bonds through the means of an ordinance entitled "AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS OF THE CITY OF FLORENCE, SOUTH CAROLINA, AND OTHER MATTERS RELATING THERETO," adopted on October 24, 1989, as amended (the "Bond Ordinance").

2. Pursuant to the Bond Ordinance, as well as borrowing specific series ordinances, the City and the South Carolina Water Quality Revolving Fund Authority (the "Authority") have entered into the Loan Agreements described above (collectively, the "Agreements").

3. Each of the borrowings to which the Agreements relate are secured in part by Series specific Debt Service Reserve Funds in an amount equal to one-half of the maximum amount due on the Note issued under the respective Agreements during any full calendar year (the "Reserve Requirement"). The Authority has advised that the amount of the Reserve Requirement has been amended as generally described in the "FY 2014 AMENDMENT TO ALL PRIOR SRF LOAN POLICIES FOR CWSRF AND DWSRF DEBT SERVICE RESERVE FUND REQUIREMENTS" attached hereto as Exhibit A (the "SRF Amendment").

4. The Authority is the Holder (as defined in the Bond Ordinance) of the borrowings to which the Agreements relate. The SRF Amendment constitutes the written consent contemplated by Section 12.02 of the Bond Ordinance to modify or alter the amount of the Reserve Requirement in the Agreements.

5. The result of the SRF Amendment is a reduction in the amount of the Reserve Requirement and as a consequence is advantageous to the City inasmuch as it will cause certain of the amounts held in the several Debt Service Reserve Funds to be released to the City.

6. Pursuant to the SRF Amendment, the City and the Authority are preparing the amendment to the Agreements to effect the action of the Authority described in Paragraph 3 above (the "Amendment to Loan Agreements").

7. City Council has determined to approve the Amendment to Loan Agreements and to authorize the appropriate City officials to enter into an amendment of each of the Agreements and to execute such documents and to take such action as may be necessary in connection therewith.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FLORENCE, SOUTH CAROLINA:

1. The Amendment to Loan Agreements in substantially the form attached hereto as Exhibit B is hereby approved, with such changes as the executing officer shall approve (his execution to be conclusive evidence of such approval). The Amendment to Loan Agreements shall be evidenced by amendment to each of the Agreements, which amendments shall be executed on behalf of the City by the Mayor and attested by the City Clerk.

2. The Mayor and/or City Manager are authorized to take any further action as may be required in connection with the above purpose. The Mayor is further authorized to execute, in addition to each of the Agreements, such documents as may be necessary in connection with the Amendment to Loan Agreements, his execution thereof shall be conclusive evidence of the City's approval and authorization.

3. This Ordinance shall become effective upon its adoption.

DONE, RATIFIED AND ADOPTED this 12th day of May, 2014.

CITY OF FLORENCE, SOUTH CAROLINA

Mayor

Attest:

Clerk

FY 2014 AMENDMENT TO ALL PRIOR SRF LOAN POLICIES

for

DEBT SERVICE RESERVE FUND REQUIREMENTS

CWSRF - DWSRF

by

SOUTH CAROLINA WATER QUALITY REVOLVING FUND AUTHORITY

INTRODUCTION

In FY 2012, due to extraordinary changes in the municipal bond market, the South Carolina Water Quality Revolving Fund Authority (Authority) took the unprecedented action of retroactively amending certain provisions of all prior Major Loan Policies for the Clean Water SRF (CWSRF) and Drinking Water SRF (DWSRF) relating to interest rates and debt service reserve fund requirements. For similar reasons and as an adjunct to that action, the Authority, beginning in FY 2014, is broadening the circumstances under which a debt service reserve fund will no longer be necessary on currently outstanding SRF loans, as further defined in the following.

DEBT SERVICE RESERVE FUND REQUIREMENT

All prior revenue loans may conform to the FY 2014 Debt Service Reserve Fund (DSRF) requirements that are contained in the FY 2014 Major Loan Policies under Section VI.B for the CWSRF and Section V.B for the DWSRF and based on the following.

1. The borrower's governing bond ordinance/resolution must allow usage of the DSRF provisions.
2. Any modification to DSRF requirements contained in an existing Loan Agreement may only occur through a properly executed amendment of such Agreement that is duly authorized by the borrower and Authority.
3. Any change to existing DSRF provisions of a Loan Agreement must be requested by the borrower in a letter submitted to the Office of Local Government.

Note: Inquiries should be directed to the Office of Local Government, SC Budget and Control Board, which administers the SRF Funds for the Authority.

_____ **AMENDMENT TO LOAN AGREEMENT**

between

SOUTH CAROLINA WATER QUALITY REVOLVING FUND AUTHORITY

and

THE CITY OF FLORENCE, SOUTH CAROLINA

Dated as of

May __, 2014

Relating to

South Carolina Drinking Water Revolving Loan Fund
[OR]
South Carolina Water Pollution Control Revolving Fund

Loan Number: _____

_____ **AMENDMENT TO LOAN AGREEMENT**

This _____ **AMENDMENT TO LOAN AGREEMENT** is entered into as of the _____ day of _____, 2014, between the **SOUTH CAROLINA WATER QUALITY REVOLVING FUND AUTHORITY** (the "**Authority**") and **THE CITY OF FLORENCE, SOUTH CAROLINA** (the "**Project Sponsor**"), in amendment of the Loan Agreement dated as of _____, 20____, as amended, between the Authority and the Project Sponsor (the "**Loan Agreement**") with respect to South Carolina Water Pollution Control Revolving Fund Loan No. _____ [OR] South Carolina Drinking Water Revolving Fund Loan No. _____ (the "**Loan**").

WITNESSETH:

WHEREAS, the Authority is authorized by Title 48, Chapter 5, Code of Laws of South Carolina, 1976, as amended (the "**Act**") to administer the South Carolina Water Pollution Control Revolving Fund and the State Drinking Water Revolving Loan Fund for the purpose of assisting Project Sponsors (as defined in the Act) in the construction of, among other things, public wastewater treatment and drinking water facilities; and

WHEREAS, pursuant to the Act and the terms of the Loan Agreement, and in order to finance the Project referred to in the Loan Agreement, the Authority extended the Loan to the Project Sponsor and, in connection therewith, the Project Sponsor delivered its Note (as defined in the Loan Agreement) to the Authority; and

WHEREAS, the Authority has adopted a FY 2014 Amendment to all Prior SRF Loan Policies for CWSRF and DWSRF Debt Service Reserve Fund Requirements (the "**Amended Loan Policies**"), which provide for a reduction in certain circumstances of the debt service reserve requirements necessary to be maintained by borrowers in connection with loans made pursuant to the Act; and

WHEREAS, in accordance with the Amended Loan Policies, the Project Sponsor, which currently maintains published ratings by Standard & Poor's Rating Service and by Moody's Investors Services, Inc. of "A+" and "Aa2", respectively, on its publicly issued revenue bond obligations, desires to take advantage of its current ability to proceed under the Loan Agreement with a Reserve Requirement equal to zero, and, accordingly, the Project Sponsor and the Authority desire to cause the Loan Agreement to be amended to provide for the same, as well as to provide for the circumstances under which the Reserve Requirement may have to be subsequently funded;

NOW, THEREFORE, BE IT AGREED AS FOLLOWS:

The Project Sponsor and the Authority have determined to amend the Agreements as follows:

1. Subsections 4.2.1 and 4.2.2 in Section 4.2 in each of the Loan Agreements are deleted and the following substituted therefor:

SECTION 4.2. Establishment and Funding of Debt Service Reserve Fund.

4.2.1. Based on the Project Sponsor's receipt of a long-term, unenhanced underlying rating on the System and/or any Parity Debt in at least the "A" category from S&P or Moody's respectively, and from each if both S&P and Moody's issued ratings, and the submission of such to the Authority, the Debt Service Reserve Fund Requirement with respect to the Note (the "**Reserve Requirement**")

shall equal zero on the effective date of Amendment No. ___ to the Agreement [7 for 99 and 00 Loans, 8 for 02 Loan, 6 for 09 Loan and 1 for both 13 Loans] and shall continue to be zero subject to provisions of the following Section 4.2.2. At such time as the Reserve Requirement is greater than zero as provided in Section 4.2.2, the Project Sponsor shall establish, and there shall be maintained until payment in full of the Note, a Debt Service Reserve Fund (the "**Debt Service Reserve Fund**") to provide a reserve for payment of principal and interest on the Note.

4.2.2. (a) The Reserve Requirement shall continue to be zero if the Project Sponsor fully complies with all requirements of Section 3.6 herein for submitting S&P/Moody's ratings/affirmations/credit reports and for immediately providing any other rating agency actions related to the System and/or any Parity Debt, and all such ratings are maintained at least in the "A" category.

(b) If there is no longer any current rating or if either the S&P or Moody's rating is downgraded below the "A" category, the Reserve Requirement shall immediately increase to the maximum annual amount due on the Note, and the Project Sponsor shall meet the new requirement within one year through twelve (12) equal monthly deposits, beginning in the month following any such downgrade or loss of the rating for the System and/or Parity Debt.

(c) In the event the Reserve Requirement is ever increased as provided in Section 4.2.2(b) above due to a ratings downgrade or loss and is subsequently upgraded to the level established in Section 4.2.2(a), then the Reserve Requirement, shall revert to zero and any excess money in the Debt Service Reserve Fund shall be applied as provided in Section 4.4.3 hereof.

2. All other terms and provisions of the Loan Agreement shall remain in full force and effect.

3. In accordance with the Amended Loan Policies and the aforesaid amendments, and based on the revenue bond ratings currently enjoyed by the Project Sponsor as recited above, the Authority will, promptly after the effective date of this _____ Amendment to Loan Agreement, direct The Bank of New York Mellon Trust Company, N.A., as custodian/trustee of the existing Debt Service Reserve Fund established pursuant to the Loan Agreement, to return funds on deposit therein to the Project Sponsor in such amount as will cause zero funds to remain in the Debt Service Reserve Fund.

4. This _____ Amendment to Loan Agreement shall be effective as of the date first above written.

IN WITNESS WHEREOF, the parties have executed this Amendment as of this ____ day of May, 2014.

CITY OF FLORENCE, SOUTH CAROLINA

By _____
Name: Stephen J. Wukela
Title: Mayor

Attest:

By _____
Its City Clerk

SOUTH CAROLINA WATER QUALITY
REVOLVING FUND AUTHORITY

By _____
Ashlie Lancaster, Interim Director, Office of
Local Government, South Carolina Budget and
Control Board

STATE OF SOUTH CAROLINA

COUNTY OF FLORENCE

I, the undersigned, Clerk of the City Council of the City of Florence, South Carolina, DO
HEREBY CERTIFY:

That the foregoing is a true, correct and verbatim copy of an Ordinance unanimously adopted by
the said City Council, having been read at two duly called and regularly held meetings at which a quorum
attended and remained throughout on each of April 14 and May 12, 2014.

That the said Ordinance is now in full force and effect and has not been modified, amended,
repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my Hand this 12th day of May, 2014.

Clerk

FLORENCE CITY COUNCIL MEETING

DATE: April 21, 2014

AGENDA ITEM: Ordinance – First Reading

DEPARTMENT/DIVISION: City Manager – City Attorney

ISSUE UNDER CONSIDERATION: An Ordinance amending Sections 14-13.1 and 15-34 of the City Code to provide for the possession and consumption of beer and wine in certain limited public right-of-ways, parking lots, courtyards, lawns and plazas upon issuance of event permits and to establish the areas and the permitting process for such events.

CURRENT STATUS/PREVIOUS ACTION TAKEN:

1. For the past ten years the City has allowed the consumption of beer and wine within certain public spaces through a set of policies and other instruments.
2. In almost all cases, the City allowed the consumption of beer and wine as a part of special event usually sponsored by a third party such as the Downtown Development Corporation.
3. Following a news article regarding an amendment to the City of Greenville's ordinance for beer, wine and "spirits" it became apparent that the City should review and revise its policies and ordinances to "specifically" allow for the consumption of beer and wine within public right-of-ways and certain public spaces.

POINTS TO CONSIDER:

1. Both the Florence Downtown Master Plan and the City of Florence's Comprehensive Plan call for the creation of public spaces and public events that generate interest and bring people into the redeveloping area of downtown. In public and private it was acknowledge by the consultants that that would include policy changes that allowed the consumption of beer and wine.
2. Typically, these events are co-sponsored by the City in conjunction with a third party organization such as the Downtown Development Corporation, Harvest Hope Food Bank, Keep Florence Beautiful, Wilson Alumni Association, Florence Area Chamber of Commerce, Young Professionals Lions Club, Florence Area Humane Society, or a private concern which accepts organizational and other related responsibilities associated with the Public event. They are generally used as a fund raiser for the co-sponsoring entity.
3. In all cases, the overall arching goal of a public event is to create a positive image of the "revitalized" downtown and to assist in making the downtown a fun, entertaining and safe place to visit.

4. Therefore, it has been requested by the co-sponsoring that the City allow and clarify its ordinances to regulate and allow the sale of beer and wine as a component of a public event occurring within the downtown area.

STAFF RECOMMENDATION: City staff recommends the adoption of the ordinance to provide for and regulate the sale of beer and wine within the downtown area.

Andrew H. Griffin
City Manager

ORDINANCE NO. 2014-12

AN ORDINANCE TO AMEND SECTIONS 14-13.1 AND 15-34 OF THE CITY CODE TO PROVIDE FOR THE POSSESSION AND CONSUMPTION OF BEER AND WINE IN CERTAIN LIMITED PUBLIC RIGHT-OF-WAYS, PARKING LOTS, COURTYARDS, LAWNS, AND PLAZAS, TO PROVIDE FOR THE ISSUANCE OF EVENT PERMITS, AND TO ESTABLISH THE AREAS AND THE PERMITTING PROCESS FOR SUCH EVENT PERMITS.

WHEREAS, the Florence Downtown Master Plan (Plan) (2010-2015) was developed in conjunction with, and is a component of the City of Florence's Comprehensive Plan. The Plan encapsulates a body of planning work spanning approximately 13 years beginning with Vision 2010 (adopted 2001). A portion of the Plan called for the creation of "public spaces" and public events that would generate interest and bring people into the redeveloping downtown area. In general, those events have expanded over time and now include the Pecan Festival, Florence after Five, First Friday, Third Thursday and other events that may be organized by a local non-profit or co-sponsored by a private entity.

WHEREAS, the events are typically co-sponsored by the City in conjunction with the third party organization; such as the Downtown Development Corporation, Harvest Hope Food Bank, Keep Florence Beautiful, Wilson Alumni Association, Florence Area Chamber of Commerce (Leadership Florence), Young Professionals of Florence, Lions Club, Junior League of Florence, or a private concern (a local restaurant located within the immediate area) which accepts organizational and other related responsibilities associated with the public event.

WHEREAS, the overall arching goal of a public event is to create a positive image of the "revitalized" downtown and to assist in the remarketing of the downtown as a fun, entertaining, and safe place to visit. To that end, it has been recommended that the City clarify its ordinances to regulate and allow the sale of "beer and wine" as a component of a public event occurring within the downtown area.

NOW, THEREFORE, be it ordained, by the Mayor and the members of the City Council of the City of Florence, South Carolina, that the changes outlined below to Sections 14-13.1 and 15-34 of the Florence Code of Ordinances be, and the same are hereby, adopted.

1. Chapter 14 of the Code of Ordinances of the City of Florence entitled "Offenses and Miscellaneous Provisions" be amended to repeal the existing Section 14-13.1 and to substitute therefore the following:

Sec. 14-13.1. Possession of beverages containing alcohol on public property.

- (a) *Open containers.* It shall be unlawful for any person to be in possession of any opened container containing beer, wine, alcoholic liquor, or any similar intoxicating beverage, inclusive of mixed drinks, by whatever name called or known, which contains alcohol and is used as a beverage, while on any public street, sidewalk, or public space, except to the extent authorized under subsection (b) of this section.

- (b) *Open or closed container.* It shall be unlawful for any person to be in possession of any container of beer, wine, alcoholic liquor, or any similar intoxicating beverage, or any combination thereof inclusive of mixed drinks, whether opened or unopened, when on the premises of any municipal building, parking lot, parking garage, public space, park, or plaza, except that:
- (1) No violation of this section shall occur when intoxicating beverages are provided in compliance with a state issued permit at any hotel, restaurant or other eating establishment utilizing public space with permission of the City;
 - (2) No violation of this section shall occur when a person carries a container of intoxicating beverage directly from one place of lawful possession to another, or to or from a motor vehicle where the intoxicating beverage is otherwise lawfully stored, provided the container is enclosed in a bag or carrying case and provided the person does not stop or linger or attempt to consume the intoxicating beverage while in transit;
 - (3) No violation of this section shall occur if the container of an intoxicating beverage is in the possession of a law enforcement personnel, prosecutor, defense attorney, trier of fact, trier of law, or court personnel when the container is being processed in the chain of evidence in a criminal investigation or criminal proceeding; and
 - (4) No violation of this section shall occur if the possession, service, or consumption of intoxicating beverages occurs at a function or event for which the city manager, or the manager's representative, has authorized and issued a permit allowing alcoholic beverages under Section 15-34 of the Florence City Code.
2. Chapter 15 of the Code of Ordinances of the City of Florence entitled "Parks and Beatification" be amended to repeal the existing Section 15-34 and to substitute therefore the following:

Sec. 15-34. Permits Allowing Alcoholic Beverages for Events.

- (a) The City Manager, or his designee, is hereby authorized to establish and maintain a Policy Regarding the Use of Public Spaces which shall establish criteria and governing guidelines to allow the possession, service, consumption, and distribution on beer and wine at special events occurring on certain public spaces

within the City outlined below, and, pursuant to said Policy, the City Manager or his designee is authorized to issue permits allowing the possession, sale, service, consumption, and distribution of beer and wine at special events.

- (1) The designated public spaces within the City of Florence in which the possession, sale, service, consumption, and distribution on beer and wine at special events may be permitted are the following:
 - (i) Public right-of-ways and public parking areas within the established Downtown Redevelopment Overlay District (D-1) per the Zoning Ordinance for the City of Florence;
 - (ii) West Evans Street Breezeway;
 - (iii) James Allen Plaza;
 - (iv) William H. Johnson Renaissance Dining Courtyard;
 - (v) The lawn area located outside of the gate and immediately in front of the Tennis Center; and
 - (vi) Any other public space within the city authorized by City Council through the adoption of a Resolution.
 - (b) Nothing contained in this code shall be interpreted to alter or change in any way any state or federal statutes governing possession, sale, service, consumption, or distribution of beverages with alcoholic content.
3. That this Ordinance shall become effective upon its approval and adoption by the City Council of the City of Florence.

ADOPTED this ___ day of May, 2014.

Approved as to form:

James W. Peterson, Jr.
City Attorney

Stephen J. Wukela
Mayor

Attest:

Dianne M. Rowan
Municipal Clerk

CITY OF FLORENCE COUNCIL MEETING

DATE: April 21, 2014

AGENDA ITEM: Ordinance
First Reading

DEPARTMENT/DIVISION: Department of Planning, Research & Development

I. ISSUE UNDER CONSIDERATION:

Request to annex property located at 204 Wilson Road (Tax Map Number 90096-05-006) into the City of Florence and zone to R-2, Single-Family Residential District. The request is being made by the property owner, Gerald Player

II. POINTS TO CONSIDER:

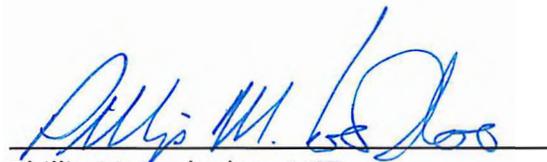
- (1) Request is being considered for first reading.
- (2) City water and sewer services are currently available; there is no cost to extend utility services.
- (3) A Public Hearing for zoning was held at the March 11, 2014 Planning Commission meeting.
- (4) Planning Commission members voted 5-0 to recommend the zoning request of R-2, Single-Family Residential District.
- (5) City Staff recommends annexation and concurs with Planning Commission's recommendation to zone the property R-2, Single-Family Residential District.

III. CURRENT STATUS/PREVIOUS ACTION TAKEN:

- (1) No previous action has been taken by City Council on this request.

IV. ATTACHMENTS:

- (1) Ordinance and map showing the location of the property.



Phillip M. Lookadoo, AICP
Planning, Research, & Development Director



Andrew H. Griffin
City Manager

ORDINANCE NO. 2014_____

AN ORDINANCE TO ANNEX AND ZONE PROPERTY OWNED BY GERALD PLAYER, TMN 90096-05-006

WHEREAS, a Public Hearing was held in the Council Chambers on March 11, 2014 at 6:30 P.M. before the City of Florence Planning Commission and notice of said hearing was duly given;

WHEREAS, an application by Gerald Player, owner of TMN 90096-05-006 was presented requesting an amendment to the City of Florence Zoning Atlas that the aforesaid property be incorporated in the city limits of the City of Florence under the provisions of **Section 5-3-150(3) of the 1976 Code of Laws of South Carolina** and adding the zoning district classification of R-2, Single-Family Residential District:

The property requesting annexation is shown more specifically on Florence County Tax Map 90096, block 05, parcel 006. (0.26 acres).

Any portions of public rights-of-way abutting the above described property will be also included in the annexation.

WHEREAS, Florence City Council concurs in the aforesaid application, findings and recommendations:

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FLORENCE IN MEETING DULY ASSEMBLED AND BY THE AUTHORITY THEREOF:

1. That an Ordinance is hereby adopted annexing into the City Limits of the City of Florence the aforesaid property and amending the Zoning Atlas to the aforesaid zoning classifications.
2. That this Ordinance shall become effective seven days upon its approval and adoption by the City Council of the City of Florence and posting of this amendment in the official Zoning Atlas.

ADOPTED THIS _____ DAY OF _____, 2014

Approved as to form:

James W. Peterson, Jr.
City Attorney

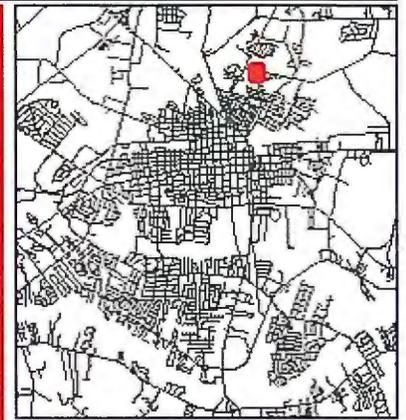
Stephen J. Wukela,
Mayor

Attest:

Dianne Rowan
Municipal Clerk

Location Map

TMN 90097-01-029



Legend

- Parcels
- RoadSegment
- City Limits



DISCLAIMER:
The City of Florence Urban Planning and Development Department data represented on this map is the product of compilation, as produced by others. It is provided for informational purposes only and the City of Florence makes no representation as to its accuracy. Its use without field verification is at the sole risk of the user.

CITY OF FLORENCE COUNCIL MEETING

DATE: April 21, 2014

AGENDA ITEM: Ordinance
First Reading

DEPARTMENT/DIVISION: Department of Planning, Research & Development

I. ISSUE UNDER CONSIDERATION:

Request to annex two properties located in the Grove Park Subdivision (Tax Map Numbers 00984-01-008 and 00984-01-024) into the City of Florence and zone to R-1, Single-Family Residential District. The request is being made by the property owners, Stanley and Diane Barnes (2708 Trotter Road) and Jim and Mincy Peterson (2711 Trotter Road).

II. POINTS TO CONSIDER:

- (1) Request is being considered for first reading.
- (2) City water and sewer services are currently available; there is no cost to extend utility services.
- (3) A Public Hearing for zoning was held at the March 11, 2014 Planning Commission meeting.
- (4) Planning Commission members voted 5-0 to recommend the zoning request of R-1, Single-Family Residential District.
- (5) City Staff recommends annexation and concurs with Planning Commission's recommendation to zone the property R-1, Single-Family Residential District.

III. CURRENT STATUS/PREVIOUS ACTION TAKEN:

- (1) No previous action has been taken by City Council on this request.

IV. ATTACHMENTS:

- (1) Ordinance and map showing the location of the property.



Phillip M. Lookadoo, AICP
Planning, Research, & Development Director



Andrew H. Griffin
City Manager

ORDINANCE NO. 2014_____

AN ORDINANCE TO ANNEX AND ZONE PROPERTY OWNED BY STANLEY AND DIANE BARNES, TMN 00984-01-008, AND JAMES AND MINCY PETERSON, TMN 00984-01-024

WHEREAS, a Public Hearing was held in the Council Chambers on March 11, 2014 at 6:30 P.M. before the City of Florence Planning Commission and notice of said hearing was duly given;

WHEREAS, applications by Stanley and Diane Barnes, owner of TMN 00984-01-008 and James and Mincy Peterson, owner of TMN 00984-01-024 were presented requesting an amendment to the City of Florence Zoning Atlas that the aforesaid properties be incorporated in the city limits of the City of Florence under the provisions of **Section 5-3-150(3) of the 1976 Code of Laws of South Carolina** and adding the zoning district classification of R-1, Single-Family Residential District:

The properties requesting annexation are shown more specifically on Florence County Tax Map 00984, block 01, parcel 008. (0.61 Acres); and Florence County Tax Map 00984, block 01, parcel 024 (0.65 Acres).

Any portions of public rights-of-way abutting the above described property will be also included in the annexation.

WHEREAS, Florence City Council concurs in the aforesaid application, findings and recommendations:

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FLORENCE IN MEETING DULY ASSEMBLED AND BY THE AUTHORITY THEREOF:

1. That an Ordinance is hereby adopted annexing into the City Limits of the City of Florence the aforesaid properties and amending the Zoning Atlas to the aforesaid zoning classifications.
2. That this Ordinance shall become effective seven days upon its approval and adoption by the City Council of the City of Florence and posting of this amendment in the official Zoning Atlas.

ADOPTED THIS _____ DAY OF _____, 2014

Ordinance No. 2014 - _____
Page 2 – May, 2014

Approved as to form:

James W. Peterson, Jr.
City Attorney

Stephen J. Wukela,
Mayor

Attest:

Dianne Rowan
Municipal Clerk

2708 Trotter Road and 2711 Trotter Road Location Map



Legend

- Parcels
- RoadSegment
- City Limits



DISCLAIMER:
The City of Florence Urban Planning and Development Department data represented on this map is the product of compilation, as produced by others. It is provided for informational purposes only and the City of Florence makes no representation as to its accuracy. Its use without field verification is at the sole risk of the user.

CITY OF FLORENCE COUNCIL MEETING

DATE: April 21, 2014

AGENDA ITEM: Ordinance
First Reading

DEPARTMENT/DIVISION: Department of Planning, Research & Development

I. ISSUE UNDER CONSIDERATION:

Request to annex property located at 612 Honor Cove (Tax Map Number 01221-01-239) into the City of Florence and zone to R-1, Single-Family Residential District. The request is being made by the property owner, Michael and Kathryn Roach.

II. POINTS TO CONSIDER:

- (1) Request is being considered for first reading.
- (2) City water and sewer services are currently available; there is no cost to extend utility services.
- (3) A Public Hearing for zoning was held at the March 11, 2014 Planning Commission meeting.
- (4) Planning Commission members voted 5-0 to recommend the zoning request of R-1, Single-Family Residential District.
- (5) City Staff recommends annexation and concurs with Planning Commission's recommendation to zone the property R-1, Single-Family Residential District.

III. CURRENT STATUS/PREVIOUS ACTION TAKEN:

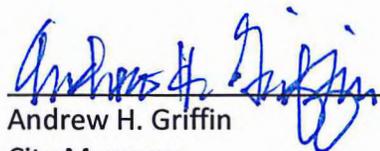
- (1) No previous action has been taken by City Council on this request.

IV. ATTACHMENTS:

- (1) Ordinance and map showing the location of the property.



Phillip M. Lookadoo, AICP
Planning, Research, & Development Director



Andrew H. Griffin
City Manager

ORDINANCE NO. 2014_____

AN ORDINANCE TO ANNEX AND ZONE PROPERTY OWNED BY MICHAEL AND KATHRYN ROACH, TMN 01221-01-239

WHEREAS, a Public Hearing was held in the Council Chambers on March 11, 2014 at 6:30 P.M. before the City of Florence Planning Commission and notice of said hearing was duly given;

WHEREAS, an application by Michael and Kathryn Roach, owner of TMN 01221-01-239 was presented requesting an amendment to the City of Florence **Zoning Atlas** that the aforesaid property be incorporated in the city limits of the City of Florence under the provisions of **Section 5-3-150(3) of the 1976 Code of Laws of South Carolina** and adding the zoning district classification of R-1, Single-Family Residential District:

The property requesting annexation is shown more specifically on Florence County Tax Map 01221, block 01, parcel 239. (0.76 acres).

Any portions of public rights-of-way abutting the above described property will be also included in the annexation.

WHEREAS, Florence City Council concurs in the aforesaid application, findings and recommendations:

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FLORENCE IN MEETING DULY ASSEMBLED AND BY THE AUTHORITY THEREOF:

1. That an Ordinance is hereby adopted annexing into the City Limits of the City of Florence the aforesaid property and amending the **Zoning Atlas** to the aforesaid zoning classifications.
2. That this Ordinance shall become effective seven days upon its approval and adoption by the City Council of the City of Florence and posting of this amendment in the official **Zoning Atlas**.

ADOPTED THIS _____ DAY OF _____, 2014

Approved as to form:

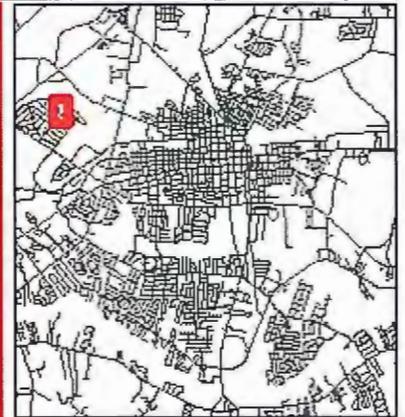
James W. Peterson, Jr.
City Attorney

Stephen J. Wukela,
Mayor

Attest:

Dianne Rowan
Municipal Clerk

Location Map 612 Honor Cove



Legend

-  Parcels
-  Road Segment
-  City Limits



DISCLAIMER:
The City of Florence Urban Planning and Development Department data represented on this map is the product of compilation, as produced by others. It is provided for informational purposes only and the City of Florence makes no representation as to its accuracy. Its use without field verification is at the sole risk of the user.

CITY OF FLORENCE COUNCIL MEETING

DATE: April 21, 2014

AGENDA ITEM: Ordinance
First Reading

DEPARTMENT/DIVISION: Department of Planning, Research & Development

I. ISSUE UNDER CONSIDERATION:

Request to annex fifteen properties located on Sumter Street, Dixie Street, and Harmony Street (Tax Map Numbers 90044-03-002, 90044-03-004, 90044-03-005, 90044-03-006, 90044-03-012, 90044-03-010, 90044-03-014, 90044-03-015, 90044-04-005, 90044-06-008, 90044-04-009, 90044-04-010, 90044-04-019, 90044-04-020, and 90044-06-001) into the City of Florence and zone to R-4, Multi-Family Residential District. The request is being made by the property owner, E. G. Hudson.

II. POINTS TO CONSIDER:

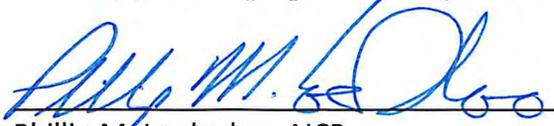
- (1) Request is being considered for first reading.
- (2) City sewer service is currently not available; the applicant was made aware of this and that the City would not provide sewer service until feasible.
- (3) Subsequently the applicant submitted a Petition for Annexation listing the reasons for annexation as follows: reduced water tap fees, trash pick-up, police protection, and fire protection.
- (4) City water service is currently available; there is no cost to extend water service.
- (5) A Public Hearing for zoning was held at the March 11, 2014 Planning Commission meeting.
- (6) Planning Commission members voted 5-0 to recommend the zoning request of R-4, Multi-Family Residential District.
- (7) City Staff recommends annexation and concurs with Planning Commission's recommendation to zone the property R-4, Multi-Family Residential District.

III. CURRENT STATUS/PREVIOUS ACTION TAKEN:

- (1) No previous action has been taken by City Council on this request.

IV. ATTACHMENTS:

- (1) Ordinance
- (2) Map showing the location of the property
- (3) List of properties being annexed



Phillip M. Lookadoo, AICP
Planning, Research, & Development Director



Andrew H. Griffin
City Manager

ORDINANCE NO. 2014_____

AN ORDINANCE TO ANNEX AND ZONE PROPERTY OWNED BY E. G. HUDSON, TMN's 90044-03-002; 90044-03-004; 90044-03-005; 90044-03-006; 90044-03-012; 90044-03-010; 90044-03-014; 90044-03-015; 90044-04-005; 90044-06-008; 90044-04-009; 90044-04-010; 90044-04-019; 90044-04-020; and 90044-06-001

WHEREAS, a Public Hearing was held in the Council Chambers on March 11, 2014 at 6:30 P.M. before the City of Florence Planning Commission and notice of said hearing was duly given;

WHEREAS, an application by E. G. Hudson, owner of TMN's 90044-03-002; 90044-03-004; 90044-03-005; 90044-03-006; 90044-03-012; 90044-03-010; 90044-03-014; 90044-03-015; 90044-04-005; 90044-06-008; 90044-04-009; 90044-04-010; 90044-04-019; 90044-04-020; and 90044-06-001 were presented requesting an amendment to the City of Florence Zoning Atlas that the aforesaid properties be incorporated in the city limits of the City of Florence under the provisions of **Section 5-3-150(3) of the 1976 Code of Laws of South Carolina** and adding the zoning district classification of R-4, Multi-Family Residential District:

The properties requesting annexation are shown more specifically on Florence County Tax Map 90044, block 03, parcel 002 (0.34 Acres); Florence County Tax Map 90044, block 03, parcel 004 (0.17 Acres); Florence County Tax Map 90044, block 03, parcel 005 (0.17 Acres); Florence County Tax Map 90044, block 03, parcel 006 (0.17 Acres); Florence County Tax Map 90044, block 03, parcel 010 (0.17 Acres); Florence County Tax Map 90044, block 03, parcel 012 (0.17 Acres); Florence County Tax Map 90044, block 03, parcel 014 (0.52 Acres); Florence County Tax Map 90044, block 03, parcel 015 (1.38 Acres); Florence County Tax Map 90044, block 04, parcel 005 (0.16 Acres); Florence County Tax Map 90044, block 04, parcel 008 (0.40 Acres); Florence County Tax Map 90044, block 04, parcel 009 (0.17 Acres); Florence County Tax Map 90044, block 04, parcel 010 (0.17 Acres); Florence County Tax Map 90044, block 04, parcel 019 (0.17 Acres); Florence County Tax Map 90044, block 04, parcel 020 (0.34 Acres); Florence County Tax Map 90044, block 06, parcel 001 (0.40 Acres).

Any portions of public rights-of-way abutting the above described property will be also included in the annexation.

WHEREAS, Florence City Council concurs in the aforesaid application, findings and recommendations:

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FLORENCE IN MEETING DULY ASSEMBLED AND BY THE AUTHORITY THEREOF:

1. That an Ordinance is hereby adopted annexing into the City Limits of the City of Florence the aforesaid properties and amending the **Zoning Atlas** to the aforesaid zoning classifications.
2. That this Ordinance shall become effective seven days upon its approval and adoption by the City Council of the City of Florence and posting of this amendment in the official **Zoning Atlas**.

ADOPTED THIS _____ DAY OF _____, 2014

Approved as to form:

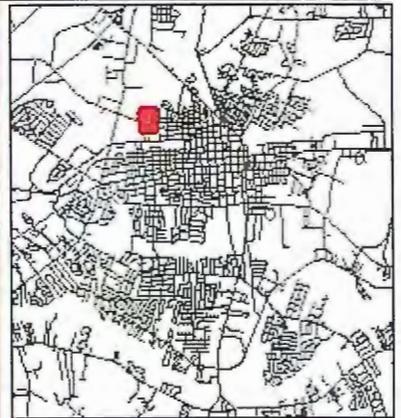
James W. Peterson, Jr.
City Attorney

Stephen J. Wukela,
Mayor

Attest:

Dianne Rowan
Municipal Clerk

Location Map E. G. Hudson Annexation



Legend

-  Parcels
-  RoadSegment
-  City Limits



DISCLAIMER:
The City of Florence Urban Planning and Development Department data represented on this map is the product of compilation, as produced by others. It is provided for informational purposes only and the City of Florence makes no representation as to its accuracy. Its use without field verification is at the sole risk of the user.

E. G. Hudson Annexation

<u>Tax Map Number</u>	<u>Address</u>	<u>Acreage</u>
90044-03-002	1211 W. Dixie St. 1213 W. Dixie St.	0.34
90044-03-004	1206 Harmony St.	0.17
90044-03-005	1208 Harmony St.	0.17
90044-03-006	1210 Harmony St.	0.17
90044-03-012	1204 Harmony St.	0.17
90044-03-010	1225 W. Dixie St.	0.17
90044-03-014	1215 W. Dixie St. 1217 W. Dixie St. 1219 W. Dixie St.	0.52
90044-03-015	1221 W. Dixie St. 1223 W. Dixie St. 1227 W. Dixie St. 1229 W. Dixie St. 1231 W. Dixie St. 1233 W. Dixie St. 1235 W. Dixie St.	1.38
90044-04-005	1259 Sumter St.	0.16
90044-04-008	1210 W. Dixie St	0.40
90044-04-009	1216 W. Dixie St.	0.17
90044-04-010	1220 W. Dixie St.	0.17
90044-04-019	1218 W. Dixie St.	0.17
90044-04-020	1212 W. Dixie St. 1214 W. Dixie St.	0.34
90044-06-001	1209 Sumter St.	0.16

CITY OF FLORENCE COUNCIL MEETING

DATE: April 21, 2014

AGENDA ITEM: Report to Council

DEPARTMENT/DIVISION: Department of Planning, Research & Development

- I. **ISSUE UNDER CONSIDERATION:** Conveyance of surplus property, land totaling 1.6 acres located on West New Hope Road (TMN 00188-03-075). A portion of the property to be conveyed to Town of Coward and a portion to be conveyed to South Lynches Fire District.

- II. **CURRENT STATUS/PREVIOUS ACTION TAKEN:**
 - (1) The land currently has an underdeveloped well located on the site that the City acquired at time of purchase of the Florence County utility system.
 - (2) The property was declared surplus by action of Council at the regular meeting held on February 11, 2013.
 - (3) Subsequent to the property being declared surplus, a portion of the site was leased to South Lynches Fire District for construction of a fire station.
 - (4) The Town of Coward then requested conveyance of the remainder of the parcel for well development.

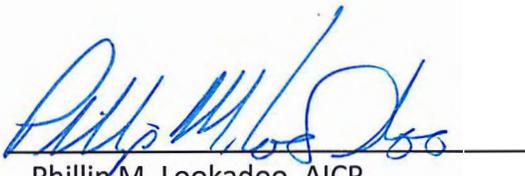
- III. **POINTS TO CONSIDER:**
 - (1) The well is located at 201 West New Hope Road.
 - (2) The total area of the property is approximately 1.6 acres.
 - (3) The property is located on the very southern edge of the City's franchise area.
 - (4) The site consists of the undeveloped well, the well casing (pipe protruding from the ground of approximately 3 feet) and a 6 foot chain link fence surrounding the well casing.
 - (5) This well is of limited if any value to the City because, without significant capital investment, it is not possible, hydraulically, to tie the well into the City's distribution system.
 - (6) The Town of Coward and the South Lynches Fire District each have determined needs for the well and property.
 - (7) A fire station is currently being constructed on the site.
 - (8) Predicated on these identified needs, the Town of Coward and the South Lynches Fire District have officially requested that the well and land be transferred to their ownership.

IV. STAFF RECOMMENDATION:

Staff recommends that City Council adopt the proposed ordinance authorizing the City Manager to execute the deed conveying the aforementioned property to the Town of Coward and South Lynches Fire District.

V. ATTACHMENTS:

- (1) Proposed Ordinance
- (2) Exhibit A- Land Survey
- (3) Exhibit B – Location Map



Phillip M. Lookadoo, AICP

Director

Department of Planning, Research, and Development



Andrew H. Griffin

City Manager

ORDINANCE NO. 2014-_____

AN ORDINANCE AUTHORIZING THE TRANSFER OF A PARCEL OF LAND CONTAINING APPROXIMATELY 1.6 ACRES AND DESIGNATED AS TAX MAP 00188-03-075 IN THE RECORDS OF THE FLORENCE COUNTY TAX ASSESSOR.

WHEREAS, after due consideration, the City has concluded that the land designated as Map 188 Block 03 Parcel 075 is surplus land to the City, and conveyance of a portion of said property to the Town of Coward and a portion of said property to the South Lynches Fire District is in the best interest and to the benefit of the citizens of the City of Florence.

NOW, THEREFORE, be it ordained by the City Council of the City of Florence in meeting duly assembled and by the authority thereof:

1. That, pursuant to §5-7-260(6) of the South Carolina Code of Laws, as amended, and §2-26(8) of the Code of Ordinances of the City of Florence, the City Manager of the City of Florence is hereby authorized to execute the necessary Deed, and other documentation in order to convey title to the property described on Exhibit "A" attached hereto to the Town of Coward and the South Lynches Fire District.

2. This Ordinance shall become effective immediately upon its approval and adoption by the City Council of the City of Florence, South Carolina.

ADOPTED THIS _____ DAY OF _____, 2014.

STEPHEN J. WUKELA
Mayor

Approved as to form:

Attest:

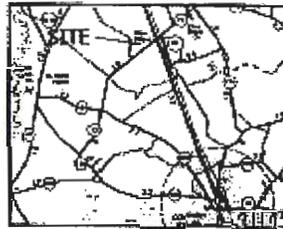
JAMES W. PETERSON, JR.
City Attorney

DIANNE ROWAN
Municipal Clerk

Exhibit A

I HEREBY STATE THAT TO THE BEST OF MY PROFESSIONAL KNOWLEDGE, INFORMATION, AND BELIEF, THE SURVEY SHOWN HEREON WAS MADE IN ACCORDANCE WITH THE REQUIREMENTS OF THE STANDARDS OF PRACTICE MANUAL FOR SURVEYING IN SOUTH CAROLINA, AND MEETS OR EXCEEDS THE REQUIREMENTS FOR A CLASS "B" SURVEY AS SPECIFIED THEREIN.

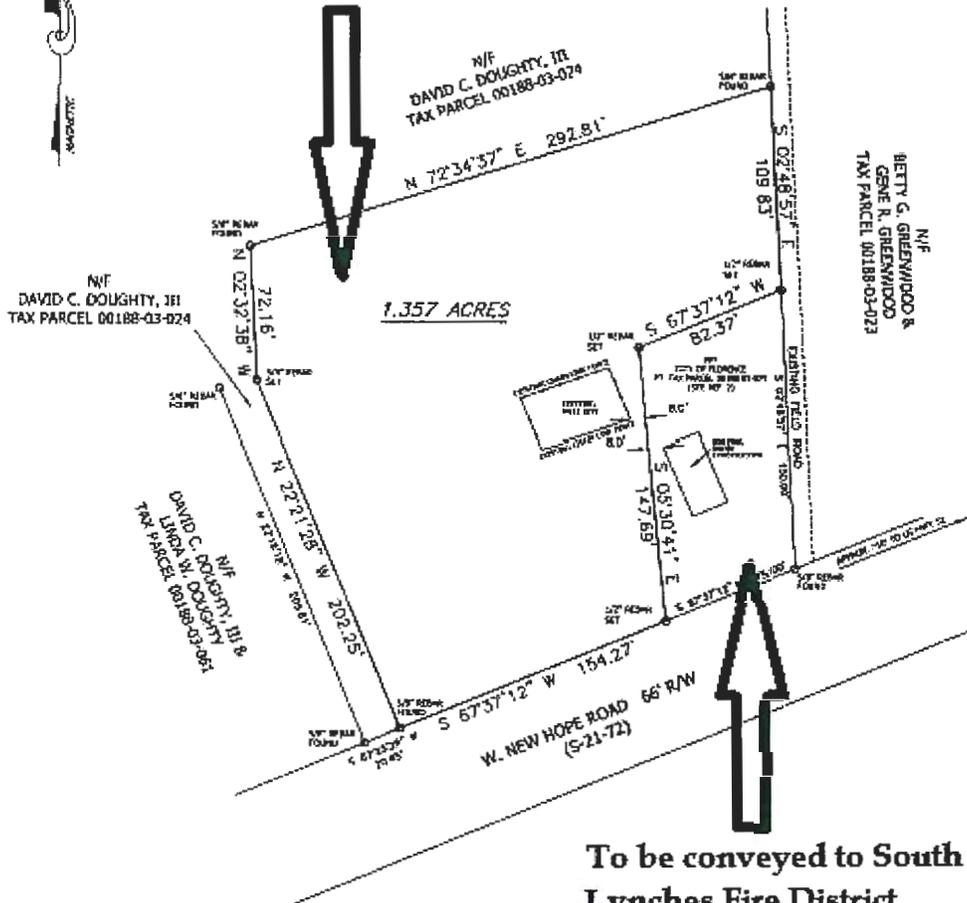
Michael D. Coker 3/20/2014
 MICHAEL D. COKER, PLS 22360 DATE



VCIPrice MAP
 2012 1"=2 miles



To be conveyed to the
 Town of Coward



To be conveyed to South
 Lynch's Fire District

LEGEND:
 I.O. IRON OLD
 I.N. IRON NEW
 PT. POINT

NOTES:
 1) TAX MAP NO.: PORTION OF D0188-03-075
 2) DATE OF SURVEY: MARCH 15, 2014
 3) THIS LOT IS LOCATED IN FLOOD ZONE "X", NATIONAL FLOOD INSURANCE PROGRAM, FLOOD RATE MAP DATED DEC. 16, 2004. (FIRM 45041C02710).

REFERENCES
 1) PLAT BY NESBITT SURVEYING CO., INC. DATED DEC. 19, 1999 FOR FLORENCE COUNTY. RECORDED PB73, PG236.
 2) PLAT BY THIS OFFICE DATED MARCH 20, 2014 FOR SOUTH LYNCHES FIRE DISTRICT.
 3) DEED BOOK AS87, PAGE 1952.

BOUNDARY SURVEY
 AT THE REQUEST
 OF
TOWN OF COWARD
 NEW HOPE COMMUNITY
 FLORENCE COUNTY SOUTH CAROLINA
 60' 120' 180'

SCALE 1"=60'
 MARCH 20, 2014

SURVEY AND PLAT BY
COKER LAND SURVEYING, LLC
 3515 UNION SCHOOL ROAD
 COWARD, SC 29530
 PHONE: 843-389-4191
 cokerlandsurveying@outlook.com

Exhibit B Location Map



Legend

- Parcels
- RoadSegment
- City Limits



DISCLAIMER:
The City of Florence Urban Planning and Development Department data represented on this map is the product of compilation, as produced by others. It is provided for informational purposes only and the City of Florence makes no representation as to its accuracy. Its use without field verification is at the sole risk of the user.

CITY OF FLORENCE COUNCIL MEETING

DATE: April 15, 2014

AGENDA ITEM: Ordinance No. 2014-18: An ordinance to abandon unopened portions of Sumter and Batavia Streets located east of N. Irby Street.

DEPARTMENT/DIVISION: City Manager and City Attorney

I. ISSUE UNDER CONSIDERATION:

An ordinance to abandon the unopened portions of Sumter Street and Batavia Street which are located East of N. Irby Street within the area shown on the plat prepared by Engineering Consultants, Inc., which is recorded in the Office of the Clerk of Court for Florence County in Plat Book 83 at page 301 in order that said land area can be transferred to Hope Health for the new development of the medical facilities.

II. CURRENT STATUS/PREVIOUS ACTION TAKEN:

(a) By Ordinance 2013-26, City Council authorized the conveyance of the old Bush Site and adjacent properties to Hope Health.

(b) As shown on the Plat attached as Exhibit A hereto, unopened portions of Sumter and Batavia Streets exist in the middle of the properties being conveyed and the property on which these portions of the streets sit is needed for the Hope Health development.

(c) Pursuant to the provisions of §§5-27-150 and 5-7-40 of the South Carolina Code of Laws and §2-28 of the Florence City Code, the City of Florence has the authority to abandon streets and rights-of-way and to convey the property to adjacent landowners.

(d) The City has properly published the public notice required by §2-28(b) of the City Code in the Morning News, and, prior to second reading, the Planning Commission will hold a public hearing regarding the abandonment after due notice of the same.

(e) The following City of Florence departments were contacted regarding the abandonment of the right-of-way: Fire; Police; Public Works; Utilities; Engineering; and Planning, Research, and Development. None of the aforementioned departments found any reason to maintain the City's interest in this alley.

III. POINTS TO CONSIDER:

(a) This Ordinance abandons portions of streets that have not been opened.

(b) Hope Health needs to own the property currently occupied by the unopened streets in order to develop the health facility planned.

IV. OPTIONS:

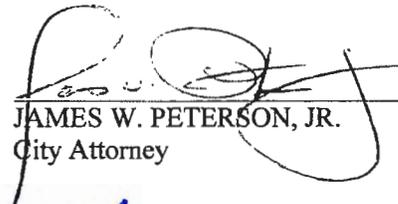
City Council may (1) adopt the Ordinance on first reading as presented based on information submitted; (2) amend the Ordinance and accomplish first reading; (3) defer action should additional information be needed; or (4) suggest other alternatives.

V. RECOMMENDATION:

City Manager and City Attorney recommend adoption of the Ordinance.

V. ATTACHMENTS:

- (a) Plat showing the portion of the streets being abandoned.
- (b) Proposed Ordinance No. 2014-18.



JAMES W. PETERSON, JR.
City Attorney



ORDINANCE NO. 2014-18

AN ORDINANCE TO ABANDON UNOPENED PORTIONS OF SUMTER STREET AND BATAVIA STREETS LOCATED IN THE TRIANGLE EAST OF NORTH IRBY STREET, NORTH OF DARLINGTON STREET, AND WEST OF THE S.C.L. RAILROAD RIGHT OF WAY, ALL WITHIN AN AREA SHOWN ON A PLAT PREPARED BY ENGINEERING CONSULTANTS, INC. AND RECORDED IN THE OFFICE OF THE CLERK OF COURT FOR FLORENCE COUNTY IN PLAT BOOK 83 AT PAGE 301.

WHEREAS, a request has been made for the City to abandon its interest in the unopened portions of Sumter Street and Batavia Street which are located East of N. Irby Street within the area shown on the plat prepared by Engineering Consultants, Inc., which is recorded in the Office of the Clerk of Court for Florence County in Plat Book 83 at page 301 in order that said land area can be transferred to HopeHealth for the new development of the medical facilities;

WHEREAS, a Public Hearing was held before the Planning Commission on May 13, 2014 and notice of said hearing was duly given;

WHEREAS, Sections 5-27-150 and 5-7-40 of the South Carolina Code of Laws and Section 2-28 of the Florence City Code provide for the closing and abandonment of public street right-of-ways by City Council;

WHEREAS, a public notice was published three times in the Morning News prior to the April 21, 2014 City Council meeting as required by Florence City Code Section 2-28(b) and adjacent property owners and utility providers were notified; and

WHEREAS, it is in the best interest of the citizens of Florence and the public in general that these unopened streets be abandoned with ownership of the real estate on which the streets are located reverting to the abutting property owner, which is presently the City of Florence, and which will soon be HopeHealth.

NOW, THEREFORE BE IT ORDAINED by the City Council of the City of Florence in meeting duly assembled and by the authority thereof:

1. That, pursuant to the provisions of §§5-27-150 and 5-7-40 of the South Carolina Code of Laws and §2-28 of the Florence City Code, the City of Florence hereby abandons the unopened portions of Sumter Street and Batavia Street which are located East of N. Irby Street within the area shown on the plat prepared by Engineering Consultants, Inc., which is recorded in the Office of the Clerk of Court for Florence County in Plat Book 83 at page 301 in order that said land area can be transferred to Hope Health for the new development of the medical facilities.

2. That the City Manager is hereby authorized to execute such documents and Quitclaim Deeds as are necessary to accomplish this transfer.
3. That this Ordinance shall become effective upon its approval and adoption by the City Council of the City of Florence.

ADOPTED this ___ day of May, 2014.

Approved as to form:

James W. Peterson, Jr.
City Attorney

Stephen J. Wukela
Mayor

Attest:

Dianne Rowan
Municipal Clerk

**VIII. a.
Resolution
No. 2014-08**

FLORENCE CITY COUNCIL MEETING

DATE: May 12, 2014

AGENDA ITEM: Resolution

DEPARTMENT/DIVISION: Finance

I. ISSUE UNDER CONSIDERATION

A resolution authorizing the City Manager to complete, and the Mayor to execute and submit an application to the South Carolina Water Quality Revolving Fund Authority (SRF) for a low interest loan from the Water Pollution Control Revolving Loan Fund in an amount of approximately \$2,300,000 to finance the first phase of improvements and repairs to the Timmons ville Sewer System.

II. CURRENT STATUS/PREVIOUS ACTION TAKEN

A. By formal action of both the City of Florence and the Town of Timmons ville in 2013, the City agreed to provide water and wastewater services to the Town of Timmons ville service area. On January 9, 2014 the Timmons ville Water and Sewer System was conveyed to the City of Florence

B. A number of funding sources to include several grants and SRF loans for both the water and sewer were identified by the City as part of the financial plan developed to acquire the Timmons ville System to finance the \$12.5 million estimated total system repair and upgrade cost.

III. POINTS TO CONSIDER

A. Of the estimated total cost, the Timmons ville sewer system will require approximately \$8.7 million in improvements and repairs.

B. Financing for these projects will be provided through SRF in the form of a principal forgiveness loan (effectively a grant) and two loans to fund two phases of sewer system improvements.

C. The total cost for the first phase of sewer system improvements is approximately \$3.3 million. Of this amount, \$966,000 will be funded by the principal forgiveness loan and the remaining balance of approximately \$2.3 million will be financed with a 1.00% interest SRF Loan.

D. Following approval for funding, an ordinance authorizing the borrowing of these funds will also need to be adopted by City Council,.

IV. STAFF RECOMMENDATION

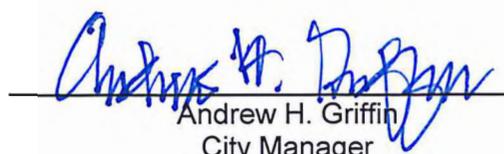
Approve and adopt the proposed resolution authorizing the City Manager to complete, and the Mayor to execute and submit an application to the State Authority for a loan from the State Revolving Fund in the amount of approximately \$2,300,000 to finance the first phase of improvements and repairs to the Timmons ville Sewer System.

V. ATTACHMENTS

Proposed resolution



Thomas W. Chandler
Finance Director



Andrew H. Griffin
City Manager

RESOLUTION NO. 2014-_____

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF FLORENCE, SOUTH CAROLINA**

WHEREAS, the South Carolina Water Quality Revolving Fund Authority (the "State Authority") provides low-interest financing for the construction of publicly owned wastewater treatment facilities from the Water Pollution Control Revolving Loan Fund (the "Fund") pursuant to the Federal Clean Water Act and Title 48, Chapter 5, Code of Laws of South Carolina, 1976, as amended; and

WHEREAS, the City of Florence is legally constituted municipal corporation in the State of South Carolina and is authorized to incur revenue debt pursuant to Title 6, Chapter 21, Code of Laws of South Carolina, 1976, as amended; and

WHEREAS, the City of Florence has determined that it is in the best interests of the City to apply to the State Authority for a loan from the Fund;

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Florence, South Carolina (the "Council"), in a meeting duly assembled:

1. That the Council hereby authorizes the City Manager to complete, and the Mayor to execute and submit an application to the State Authority for a loan from the Fund in the amount of approximately \$2,300,000 to finance the first phase of improvements and repairs to the Timmons ville Sewer System. The City Manager is authorized to take such actions as may be necessary or convenient to complete the application process.
2. That the City will grant to the State Authority a pledge of, and lien on, all revenues of the City's combined water and sewer system for repayment of the loan.
3. That the final terms and conditions of the loan and the loan documents shall be subject to the approval of this Council.

ADOPTED this _____ day of _____, 2014.

Approved as to form:

James W. Peterson, Jr.
City Attorney

Stephen J. Wukela
Mayor

Attest:

Dianne M. Rowan
Municipal Clerk