



**Special City Council Meeting**  
5:45 p.m., Tuesday, September 15, 2020  
City of Isle of Palms, South Carolina  
1207 Palm Boulevard

**Virtual Meeting Due to COVID-19 Pandemic**  
The public may join the virtual meeting by clicking here:  
<https://www.youtube.com/user/cityofisleofpalms>

**Public Comment:**  
Citizens may provide public comment here:  
<https://www.iop.net/public-comment-form>

### **Agenda**

- 1. Introduction of the meeting** - Call the special meeting to order and acknowledge that the press and the public were duly notified of the meeting in accordance with the Freedom of Information Act.
- 2. Purpose** – Consideration of Ordinance 2020-09 TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING SEVEN MILLION DOLLARS AGGREGATE PRINCIPAL AMOUNT (\$7,000,000) OF GENERAL OBLIGATION BONDS OF THE CITY OF ISLE OF PALMS, SOUTH CAROLINA; TO PROVIDE FOR THE ISSUANCE AND SALE OF GENERAL OBLIGATION BOND ANTICIPATION NOTES IN ANTICIPATION OF THE ISSUANCE OF SAID BONDS; TO PRESCRIBE THE PURPOSES TO WHICH THE PROCEEDS OF SUCH BORROWING SHALL BE APPLIED; TO PROVIDE FOR THE PAYMENT THEREOF; AND OTHER MATTERS RELATING THERETO.
- 3. Adjournment**

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ORDINANCE NO. 2020.09

TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING SEVEN MILLION DOLLARS AGGREGATE PRINCIPAL AMOUNT (\$7,000,000) OF GENERAL OBLIGATION BONDS OF THE CITY OF ISLE OF PALMS, SOUTH CAROLINA; TO PROVIDE FOR THE ISSUANCE AND SALE OF GENERAL OBLIGATION BOND ANTICIPATION NOTES IN ANTICIPATION OF THE ISSUANCE OF SAID BONDS; TO PRESCRIBE THE PURPOSES TO WHICH THE PROCEEDS OF SUCH BORROWING SHALL BE APPLIED; TO PROVIDE FOR THE PAYMENT THEREOF; AND OTHER MATTERS RELATING THERETO.

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Enacted September \_\_\_\_, 2020

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Exhibit A – Form of Bonds

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**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ISLE OF PALMS,  
SOUTH CAROLINA, AS FOLLOWS:**

**ARTICLE I**

**FINDINGS OF FACT**

Section 1.01 Findings and Recitals

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

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

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

3. The City Council, after due investigation and deliberation, has determined that it is necessary to issue general obligation debt in an amount not exceeding \$7,000,000 of the City (the “**Bonds**”) to defray (a) the costs incurred in connection with the planning, engineering, acquisition, construction, and installation of (i) marina docks and related capital expenditures in connection with the Isle of Palms Marina (the “**Marina Project**”), and (ii) drainage outfalls and related drainage projects (the “**Drainage Project**,” and together with the Marina Project, the “**Projects**”); and (b) issuance costs of the Bonds. It is presently estimated that the costs of the portion of the Projects to be financed from the proceeds of the Bonds, together with the costs of issuance of the Bonds, will not be in excess of \$7,000,000.

4. The Projects constitute corporate and public purposes within the meaning of the Enabling Act.

5. Section 14 of Article X of the Constitution of the State of South Carolina (“**Section 14 of Article X**”) provides that subsequent to November 30, 1977, the municipalities of the State may issue bonded indebtedness in an amount not exceeding 8% of the assessed value of all taxable property therein (the “**Debt Limit**”). Section 14 of Article X further provides that general obligation debt that is incurred with the approval of the majority vote of the qualified electors of such municipality shall not be chargeable against the Debt Limit of the municipality.

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

7. The assessed value of all taxable property in the City as of June 30, 2020, as established by the assessment thereof, excluding the values of exempt merchants' inventories, is \$216,119,420. Eight percent of such sum is \$17,289,554.

8. On March 1, 2003, a successful referendum was held in the City authorizing the issuance of the City's \$2,900,000 original principal amount General Obligation Bond, Series 2003, which was subsequently refunded by the City's \$1,500,000 original principal amount General Obligation Refunding Bond, Series 2015 (the "**Series 2015 Bond**"). Pursuant to Section 14 of Article X, the outstanding principal amount of the Series 2015 Bond is not chargeable against the City's Debt Limit.

9. As of the date hereof, the outstanding general obligation debt of the City chargeable against the City's Debt Limit is \$4,670,000, representing the outstanding principal balance of the City's (a) \$6,700,000 original principal amount General Obligation Bond, Series 2008B; and (b) \$2,235,000 original principal amount General Obligation Refunding Bond, Series 2016. Thus, the City may incur \$12,619,554 of general obligation debt within its applicable Debt Limit.

10. It is now in the best interest of the City for the Council to provide for the issuance and sale of not exceeding \$7,000,000 general obligation bonds of the City pursuant to the aforesaid provisions of the Constitution and laws of the State of South Carolina for the purposes set forth in paragraph 3 above.

[End of Article I]

## ARTICLE II

### DEFINITIONS AND AUTHORITY

#### Section 2.01    Definitions

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

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

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

“**BAN**” means any notes issued in accordance with this Ordinance and the BAN Act in anticipation of the issuance of the Bonds.

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

“**Bond**” or “**Bonds**” means any of the Bonds of the City, not exceeding \$7,000,000 in aggregate principal amount, issued in one or more Series in accordance with the provisions of this Ordinance.

“**Bondholder**” or “**Holder**” or “**Holder of Bond**” or “**Owner**” or similar term means, when used with respect to a Bond, any person who shall be registered as the owner of the Bond as shown on the Registry Books.

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

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

“**City**” means the City of Isle of Palms, South Carolina.

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

“**City Council**” means the City Council of the City of Isle of Palms, the governing body of the City or any successor governing body.

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

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

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

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

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

“**Government Obligations**” means and includes direct general obligations of the United States of America or agencies thereof or obligations, the payment of principal or interest on which is fully and unconditionally guaranteed by the United States of America.

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

“**Ordinance**” shall mean this Ordinance of the City Council authorizing the issuance of the Bonds and the BANs.

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

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

(a) a Bond if cancelled or delivered to the Registrar for cancellation on or before such date;

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

(c) a Bond if in lieu of or in exchange for which another Bond shall have been authenticated and delivered pursuant to Section 3.05 hereof.

“**Paying Agent**” means any bank, trust company or national banking association which is authorized to pay the principal installments of or interest on any Bond and has the duties, responsibilities and rights provided for in this Ordinance, and its successor or successors and any other corporation or association which at any time may be substituted in its place pursuant to this Ordinance. The entity named as Paying Agent may also act as Registrar. Notwithstanding the above definition of Paying Agent, the Paying Agent may be the City.

“**Person**” means an individual, a partnership, a corporation, a trust, a trustee, an unincorporated organization, or a government or an agency or political subdivision thereof.

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

“**Registrar**” means any bank, trust company, or national banking association which is authorized to maintain an accurate list of those who from time to time shall be the Holders of the Bonds and shall effect the exchange and transfer of the Bonds in accordance with the provisions of this Ordinance and having the duties, responsibilities, and rights provided for in this Ordinance and its successor or successors and any other corporation or association which at any time may be substituted in its place pursuant to this Ordinance. The institution named as Registrar may also act as Paying Agent. Notwithstanding the above definition of Registrar, the Registrar may be the City, acting through the Clerk.

“**Registry Books**” means the registration books for the Bonds maintained by the Registrar pursuant to Section 3.06 hereof.

“*Securities Depository*” shall mean The Depository Trust Company, New York, New York, or another recognized securities depository selected by the City, which securities depository maintains a book-entry system in respect of the Bonds, and shall include any substitute for or successor to the securities depository initially acting as Securities Depository.

“*Securities Depository Nominee*” shall mean, as to any Securities Depository, such Securities Depository or the nominee of such Securities Depository in whose name there shall be registered on the registration books maintained by the Registrar the bond certificates to be delivered to and immobilized at such Securities Depository during the continuation with such Securities Depository of participation in its book-entry system. Cede & Co. shall serve as the initial Securities Depository Nominee hereunder.

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

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

## Section 2.02 Construction

In this Ordinance, unless the context otherwise requires:

1. Articles and Sections referred to by number shall mean the corresponding Articles and Sections of this Ordinance.
2. The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms refer to this Ordinance, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before, the date of adoption of this Ordinance.
3. Words of the masculine gender shall mean and include correlative words of the female and neuter genders, and words importing the singular number shall mean and include the plural number and vice versa.
4. Any fiduciary shall be deemed to hold an Authorized Investment in which money is invested pursuant to the provisions of this Ordinance, even though such Authorized Investment is evidenced only by a book entry or similar record of investment.

[End of Article II]

## ARTICLE III

### ISSUANCE OF BONDS

#### Section 3.01    Ordering the Issuance of the Bonds

Subject to the conditions set forth in this Ordinance, pursuant to the provisions of the Enabling Act and for the purpose of obtaining funds to defray the costs of the Projects, the Bonds shall be issued by the City as general obligation bonds in an aggregate principal amount of not exceeding Seven Million Dollars (\$7,000,000). The Bonds shall be designated “General Obligation Bond, Series 2020 of the City of Isle of Palms, South Carolina” or such other designation as determined appropriate by an Authorized Officer. The Bonds may bear a Series designation as determined by an Authorized Officer, but in all cases shall include the calendar year of the issuance thereof and a designation to differentiate such Series of Bonds from other Series of Bonds issued in the same year. An Authorized Officer is hereby authorized to determine whether to issue the Bonds in one or multiple Series, the principal amount of each Series of Bonds, provided the aggregate principal amount of all Bonds issued pursuant to this Ordinance shall not exceed \$7,000,000, and other items related to the sale and marketability of the Bonds.

#### Section 3.02    Terms of the Bonds

The Bonds shall be dated as of the date of their delivery and shall bear interest from the dated date. The rate of interest of any Series of Bonds shall be determined by an Authorized Officer; provided that no Series of Bonds issued on a tax-exempt basis shall bear an annual rate of interest greater than 3% and no Series of Bonds issued on a taxable basis shall bear an annual rate of interest greater than 4%. The principal amount, term, maturities, and payment details, including the Bond Payment Dates, of each Series of Bonds shall be determined by an Authorized Officer, provided, however, that in no event shall the aggregate principal amount of all Series of Bonds exceed \$7,000,000 and the final maturity of any Series of Bonds shall in no event be later than December 1, 2035. Bond Payments on the Bonds shall be scheduled to occur no less frequently than annually, and may be scheduled more frequently if so determined by an Authorized Officer. The Bonds shall be dated as of the Original Issue Date, unless an Authorized Officer and purchaser of the Bonds agree otherwise.

#### Section 3.03    Medium of Payment; Form and Denomination of the Bonds; Place of Payment

(a)    The Bonds shall be payable as to principal and interest on the basis of a 360-day year, consisting of twelve 30-day months, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

(b)    As determined by an Authorized Officer, the Bonds shall be issued either (i) in the form of one or multiple fully registered bonds in the name of the purchaser, or (ii) under a book-entry only system, registered in the name of Cede & Co. as the registered owner and nominee of The Depository Trust Company, New York, New York (“*DTC*”), which in such instance will act as Securities Depository.

If the Bonds are issued in the form of one or more fully registered bonds in the name of the purchaser, then the City shall serve, unless otherwise determined by an Authorized Officer, as Paying Agent for the Bonds, and the Bond Payments shall be made by the Paying Agent to the Person appearing on each Record Date on the Registry Books, as provided in Section 3.06 hereof, by check or draft mailed from the City to such registered owners at the addresses as they appear on such Registry Books in sufficient time to reach such registered owners on the Bond Payment Dates. Payment of the final Bond Payment shall be made when the same is due and payable upon the presentation and surrender for cancellation of the Bonds at the administrative

office of the City, or upon such other condition or indicia of satisfaction as may be mutually agreed-upon by the City and the purchaser of the Bonds.

If the Bonds are issued in book-entry form, the Bond Payments shall be payable at the corporate trust office of the Paying Agent and payment of the interest on each Bond shall be made by the Paying Agent to the Person appearing as the registered owner thereof on each Record Date on the Registry Books, by check or draft mailed to such registered owner at its address as it appears on such Registry Books in sufficient time to reach such registered owner on the Bond Payment Date. Payment of the Principal Installment of all Bonds shall be made upon the presentation and surrender for cancellation of such Bonds as the same shall become due and payable.

Section 3.04 Execution and Authentication

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

(b) The Bonds shall be authenticated by the manual or facsimile signature of the Registrar as of their Original Issue Date, unless an Authorized Officer and the purchaser of the Bonds agree that any Series of Bonds shall be authenticated as of a different date. No Bond shall be valid or obligatory for any purpose or shall be entitled to any right or benefit hereunder unless there shall be endorsed on such Bond a certificate of authentication duly executed by the manual signature of the Registrar and such certificate of authentication upon any Bond executed on behalf of the City shall be conclusive evidence that the Bond so authenticated has been duly issued hereunder and that the Holder thereof is entitled to the benefit of the terms and provisions of this Ordinance.

Section 3.05 Exchange of the Bonds

Any Bond, upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered Holder or his or her duly authorized attorney, may, at the option of the registered Holder thereof, be exchanged for a new Bond of like tenor, interest rate and maturity. So long as the Bonds remain Outstanding or unpaid, the City shall make all necessary provisions to permit the exchange of any Bonds. Such exchanged Bond shall reflect the principal amount thereof as then yet unpaid.

Section 3.06 Transferability and Registry

The Bonds shall at all times be transferable only in accordance with the provisions for registration and transfer contained in this Ordinance and in the Bonds. So long as the Bonds remain Outstanding or unpaid, the Registrar shall maintain and keep, at its offices, the Registry Books for the registration and transfer of the Bonds, and, upon presentation thereof for such purpose at such office, the Registrar shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it may prescribe, the Bonds.

Section 3.07    Transfer of the Bonds

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

Section 3.08    Regulations with Respect to Exchanges and Transfers

Any Bond surrendered in any exchange or transfer shall forthwith be cancelled by the Registrar. For each such exchange or transfer of a Bond, the Registrar may make a charge sufficient to reimburse itself for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the Holder requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The City shall not be obligated to issue, exchange or transfer any Bond during the 15 days next preceding any (a) Bond Payment Date of such Bond, or (b) date upon which such Bond will be redeemed, if any.

Section 3.09    Mutilated, Destroyed, Lost and Stolen Bonds

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

(b)    Upon the delivery of a new Bond under this Section 3.09, the City may require the payment of a sum sufficient to cover any tax, fee, or other governmental charge that may be imposed in relation thereto and any other expenses, including counsel fees or other fees, of the City or the Registrar connected therewith.

(c)    Each new Bond delivered pursuant to this Section in lieu of any destroyed, lost, or stolen Bond, shall constitute an additional contractual obligation of the City, whether or not the destroyed, lost, or stolen Bond shall at any time be enforceable by anyone, and shall be entitled to all the benefits hereof equally and proportionately with the Bond duly issued pursuant to this Ordinance.

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

Section 3.10    Holder As Owners of the Bonds

The City and the Registrar may deem and treat the Holders of the Bonds as the absolute owners thereof, whether the Bonds shall be overdue or not, for the purpose of receiving payment of, or on account of, Bond Payments on the Bonds and for all other purposes, and payment of Bond Payments shall be made only

to, or upon the order of, such Holders. All payments to the Holders shall be valid and effectual to satisfy and discharge the liability upon the Bonds to the extent of the sum or sums so paid, and the City shall not be affected by any notice to the contrary.

### Section 3.11 Cancellation of the Bonds

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

### Section 3.12 Payments Due Saturdays, Sundays and Holidays

In any case where the Bond Payment Date shall be Saturday or Sunday or shall be, at the place designated for payment, a legal holiday or a day on which banking institutions are authorized by law to close, then payment of the Bond Payment need not be made on such date but may be made on the next succeeding business day not a Saturday, Sunday or a legal holiday or a day upon which banking institutions are authorized by law to close, with the same force and effect as if made on the Bond Payment Date and no interest shall accrue for the period after such date.

### Section 3.13 Tax Exemption in South Carolina

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

### Section 3.14 Security: Order to Levy Ad Valorem Taxes to Pay Principal and Interest of the Bonds

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

### Section 3.15 Form of the Bonds

The Bonds and registration provisions to be endorsed thereon, shall be substantially in the form set forth in Exhibit A attached hereto and made a part of this Ordinance. To the extent the Bonds are sold in the public markets, the form of the Bonds may be revised accordingly to include provisions and language unique to a public market bond issuance.

### Section 3.16 Book-Entry Only System

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

(b) As long as a book-entry system is in effect for the Bonds, the Securities Depository Nominee will be recognized as the Holder of the Bonds for the purposes of: (i) paying the principal installments, interest, and redemption price, if any, on the Bonds, (ii) selecting the portions of such Bonds of a maturity to be redeemed, if Bonds of a maturity are to be redeemed in part, (iii) giving any notice permitted or required to be given to Bondholders under this Ordinance, (iv) registering the transfer of beneficial ownership interests in the Bonds, and (v) requesting any consent or other action to be taken by the Holders of the Bonds, and for all other purposes whatsoever, and the City shall not be affected by any notice to the contrary.

(c) The City shall not have any responsibility or obligation to any participant, any beneficial owner or any other person claiming a beneficial ownership in any Bond which is registered to a Securities Depository Nominee under or through the Securities Depository with respect to any action taken by the Securities Depository as Holder of such Bond.

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

(e) In the event that the City determines that it is in the best interest of the City to discontinue the book-entry system of transfer for the Bonds, or that the interests of the beneficial owner of the Bonds may be adversely affected if the book-entry system is continued, then the City shall notify the Securities Depository of such determination. In such event, the Registrar shall authenticate, register and deliver physical certificates for the Bonds in exchange for the Bonds registered in the name of the Securities Depository Nominee.

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

(g) In connection with any notice or other communication to be provided to the Holders of the Bonds by the City or by the Registrar with respect to any consent or other action to be taken by the Holders of the Bonds, the Registrar shall establish a Record Date for such consent or other action and give the Securities Depository Nominee notice of such record date not less than 15 days in advance of such Record Date to the extent possible.

(h) At the closing of the Bonds and the delivery of the same to the purchaser thereof through the facilities of DTC, the Registrar may maintain custody of Bond certificates on behalf of DTC in accordance with DTC's "FAST" closing procedures.

[End of Article III]

## **ARTICLE IV**

### **REDEMPTION OF BONDS**

#### Section 4.01    Redemption of the Bonds

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

#### Section 4.02    Election to Redeem

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

[End of Article IV]

## ARTICLE V

### SALE OF BONDS

#### Section 5.01 Sale and Award of Bonds

(a) Except as authorized by Section 5.02(b), the Bonds shall be sold at a date and time certain after public notice thereof at not less than par and accrued interest to the date of delivery. Bids shall be received at such time and date and in such manner as determined by an Authorized Officer. Unless all bids are rejected, the award of the Bond may be made by an Authorized Officer to the bidder offering the most advantageous terms to the City, with the basis of such award to be set forth in the official notice of sale used in connection with the sale of the Bond (the “*Official Notice of Sale*”). In lieu of publishing the Official Notice of Sale in its entirety to notice the sale, an Authorized Officer may elect to publish an abbreviated form of such notice (the “*Summary Notice of Sale*”) and provide the Official Notice of Sale to those parties who request the same pursuant to the instructions provided in the Summary Notice of Sale.

(b) With respect to the sale of any Series of Bonds, in the event that (i) no bids are received or all bids are rejected in accordance with Section 11-27-40(9) of the South Carolina Code, or (ii) such Series of Bonds is sold in a principal amount not exceeding \$1,500,000 and maturing not later than 10 years from its date of issuance in accordance with Section 11-27-40(4) of the South Carolina Code, the sale of such Series of Bonds may be negotiated at private sale at an interest rate to be agreed upon by an Authorized Officer and the purchaser of the Bond. In negotiating the sale of the Bond, an Authorized Officer is authorized to solicit bids from qualified lenders for the purchase of the Bond and award the sale of the Bond to the party offering the terms most advantageous to the City, as determined by an Authorized Officer. With respect to any Series of Bonds sold in accordance with subsection (b)(ii) of this Section, notice of the sale of the Bond meeting the requirements of Section 11-27-40(4) of the South Carolina Code shall be published not less than 7 days prior to delivery of the Bond.

[End of Article V]

## **ARTICLE VI**

### **DISPOSITION OF PROCEEDS OF SALE OF BONDS**

#### Section 6.01    Disposition of Bond Proceeds Including Temporary Investments

(a)     The proceeds derived from the sale of the Bonds shall be paid to the City, and are hereby appropriated to be applied as follows:

(i)     with respect to any BAN issued in anticipation of the issuance of any Series of Bonds, the proceeds of such Bond shall be applied to pay the principal of and interest on the applicable BAN when it is redeemed or otherwise matures, and

(ii)    the remaining amount shall be deposited in a separate account, and shall be expended and made use of by the City Council to defray the costs of the Projects described in Section 1.01 hereof, and to pay the costs of issuance of the Bonds.

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

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

[End of Article VI]

## ARTICLE VII

### DEFEASANCE OF BONDS

#### Section 7.01 Discharge of Ordinance - Where and How the Bonds are Deemed to Have Been Paid and Defeased

If the Bonds and the interest thereon shall have been paid and discharged, then the obligations of the City under this Ordinance and all other rights granted hereby shall cease and determine (other than with respect to the registration and transfer of Bonds and the delivery of such notices to the registered owners thereof as may be required by this Ordinance). A Bond shall be deemed to have been paid and discharged within the meaning of this Article under each of the following circumstances:

- (a) a Fiduciary shall hold, in trust and irrevocably appropriated thereto, sufficient moneys for the payment of all Bond Payments due thereunder; or
- (b) if default in the payment of the Bond Payments due thereunder shall have occurred on any Bond Payment Date, and thereafter tender of such payment shall have been made, and at such time a designated Fiduciary shall hold in trust and irrevocably appropriated thereto, sufficient moneys for the payment thereof to the date of the tender of such payment; or
- (c) if the City shall elect to provide for the payment of the Bonds prior to their stated maturity and shall have deposited with a Fiduciary, in an irrevocable trust, moneys which shall be sufficient, or Government Obligations, the principal of and interest on which when due will provide moneys, which together with moneys, if any, deposited with such Fiduciary at the same time, shall be sufficient to pay when due the Bond Payments due and to become due thereunder, together with any redemption premium applicable thereto.

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

[End of Article VII]

## ARTICLE VIII

### CERTAIN TAX AND DISCLOSURE MATTERS

#### Section 8.01 Tax Covenants

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

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

(b) The City shall not permit the proceeds of the Bonds or any property financed or refinanced with the proceeds of the Bonds to be used such that (i) 10% or more of such proceeds are considered as having been used in a private business use; (ii) 5% or more of such proceeds are considered as having been used in a private business use that is “unrelated” or “disproportionate” to the governmental use of such proceeds on property (as those terms are defined for purposes of Section 141 of the Code); or (iii) an amount greater than the lesser of 5% of such proceeds or \$5,000,000 are considered as having been used directly or indirectly to make or finance loans to any person other than a governmental unit as provided in Section 141(c) of the Code.

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

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

(e) The Bonds will not be “federally guaranteed” within the meaning of Section 149(b) of the Code. No property, nor any portion thereof, financed or refinanced with the proceeds of the Bonds will be (i) sold, leased, or otherwise disposed of to (or for the benefit of) the federal government or any of its agencies, or (ii) managed, serviced or otherwise used (directly or indirectly) by (or on behalf of) the federal government or any of its agencies, unless the City obtains an opinion of nationally recognized bond counsel that such sale, lease, other disposition to, or such use by (or on behalf of), the federal government or any of its agencies will not adversely affect the tax-exempt status of interest on the Bonds for federal income tax purposes.

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

(g) Prior to the issuance of the Bond, an Authorized Officer may designate any Series of Bonds as taxable under the Code. The election to issue a Series of Bonds on a taxable basis shall be clearly indicated by including the phrase “Taxable Series,” or words to that effect, in the series designation of such taxable Bond. In the event any Series of Bonds is so designated as taxable, the provisions set forth in the provisions of Section 8.01(a) – (f) and Section 8.02 shall not apply.

#### Section 8.02 Ability to Meet Arbitrage Requirements

(a) The City hereby covenants, and as of the issuance date of the Bonds will certify, that (i)(1) on the date of issuance of the Bonds, it reasonably expects that no use of the proceeds of the Bonds, and (2) after the issuance date of the Bonds, it will make no use of the proceeds of the Bonds, that would cause the Bonds to be “arbitrage bonds,” as defined in the Code; and (ii) it will comply with all of the requirements of Section 148 of the Code with respect to the Bonds.

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

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

#### Section 8.03 Continuing Disclosure

Pursuant to Section 11-1-85 of the South Carolina Code (“*Section 11-1-85*”), the City covenants to file with a central repository for availability in the secondary bond market, when requested:

(a) An annual independent audit, within 30 days of the City’s receipt of the audit; and

(b) Event-specific information within 30 days of an event adversely affecting more than 5% of revenue or the City’s tax base.

The only remedy for failure by the City to comply with the covenant in this Section 8.03 shall be an action for specific performance of this covenant. The City specifically reserves the right to amend this covenant to reflect any change in Section 11-1-85, without the consent of any Bondholder.

#### Section 8.04 Qualified Tax-Exempt Obligation

The City expects to issue no other tax-exempt obligation in calendar year 2020 which, along with those Series of Bonds issued on a tax-exempt basis, would aggregate more than \$10,000,000. Accordingly, any Series of Bonds may be designated by an Authorized Officer as a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3)(B) of the Code. An Authorized Officer is further authorized to make such representation and designation in future years as appropriate, taking into account the tax-exempt obligation issuance plans of the City during such year.

[End of Article VIII]

## ARTICLE IX

### BORROWING IN ANTICIPATION OF BONDS

#### Section 9.01    Generally

Pursuant to the BAN Act, there may be issued from time to time, at the discretion of an Authorized Officer, BANs in aggregate principal amount not exceeding \$7,000,000 in anticipation of the issuance of any Series of Bonds. If BANs are issued and if, upon the maturity thereof an Authorized Officer should determine that it would be in the best interest of the City to renew or refund the BANs, they are authorized to renew or refund the BANs from time to time until an Authorized Officer determines to issue the applicable Series of Bonds, and the Bonds are issued.

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

#### Section 9.02    Terms of BANs

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

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

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

#### Section 9.04    Sale of BANs

The BANs may be sold at public or private sale. Bids therefor shall be received until such time and date to be selected by an Authorized Officer. Notice of sale of the BANs shall be given in a manner determined by an Authorized Officer. Upon receipt of bids for the BANs, an Authorized Officer shall, and is hereby authorized to, award the BANs to the bidder offering the lowest interest cost therefor, the method of calculation of which shall be set forth in the notice of sale and determined at an Authorized Officer's

discretion, without further action on the part of the City if an Authorized Officer shall determine that it is in the interest of the City to make such award.

Section 9.05    Form and Execution of BANs

The BANs shall be issued in physical form registered in the name of the Holder with such terms and conditions, not inconsistent with this Ordinance, as shall be determined by an Authorized Officer. No BAN shall be valid or obligatory for any purpose or shall be entitled to any right or benefit hereunder unless there shall be endorsed on such BAN a certificate of authentication duly executed by the manual signature of the Registrar and such certificate of authentication upon any BAN executed on behalf of the City shall be conclusive evidence that the BAN so authenticated has been duly issued hereunder and that the Holder thereof is entitled to the benefit of the terms and provisions of this Ordinance. The BAN shall be in substantially the form attached as Exhibit B, with such amendments as may be authorized by an Authorized Officer.

Section 9.06    Exchange and Transfer of BANs

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

Section 9.07    Optional Redemption of BANs

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

Section 9.08    Security for BANs

For the payment of the principal of and interest on the BANs as the same shall fall due, the full faith, credit, and taxing power of the City shall be pledged. In addition thereto, so much of the principal proceeds of the applicable Series of Bonds when issued shall and is hereby directed to be applied, to the extent necessary, to the payment of the BANs; and, further, the City covenants and irrevocably pledges to effect the issuance of the applicable Series of Bonds or, in the alternative, to refund or renew Outstanding BANs in order that the proceeds thereof will be sufficient to provide for the retirement of any BANs issued pursuant hereto. Pursuant to Section 11-17-30 of the South Carolina Code, nothing shall prevent the City in its discretion from appropriating other legally available funds to the payment of the principal of and interest on the BAN, consistent with the foregoing.

Section 9.09    Application of BAN Proceeds

Proceeds from the sale of the BANs shall be applied in the manner as provided by Section 6.01(a)(ii) of this Ordinance for Bonds.

Section 9.10    Tax Exemption for BANs

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

[End of Article IX]

## ARTICLE X

### MISCELLANEOUS

#### Section 10.01 Savings Clause

If any one or more of the covenants or agreements provided in this Ordinance should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this Ordinance.

#### Section 10.02 Successors

Whenever in this Ordinance the City is named or referred to, it shall be deemed to include any entity, which may succeed to the principal functions and powers of the City, and all the covenants and agreements contained in this Ordinance or by or on behalf of the City shall bind and inure to the benefit of said successor whether so expressed or not.

#### Section 10.03 Ordinance to Constitute Contract

In consideration of the purchase and acceptance of the Bonds and the BAN by those who shall purchase and hold the same from time to time, the provisions of this Ordinance shall be deemed to be and shall constitute a contract between the City and the Holders from time to time of the Bonds and the BAN, and such provisions are covenants and agreements with such Holders which the City hereby determined to be necessary and desirable for the security and payment thereof. The pledge hereof and the provisions, covenants, and agreements herein set forth to be performed on behalf of the City, shall be for the benefit, protection, and security of the Holders of the Bonds and the BAN.

#### Section 10.04 Filing of Copies of Ordinance

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

#### Section 10.05 Further Action by Officers of City

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

#### Section 10.06 Effective Date of Ordinance

This Ordinance shall take effect upon its second reading.

[End of Article X]

**DONE, RATIFIED, AND ENACTED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF ISLE OF PALMS, SOUTH CAROLINA ON THIS 22ND DAY OF SEPTEMBER 2020.**

(SEAL)

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Clerk

First Reading:           September 15, 2020  
Second Reading:       September 22, 2020

FORM OF BONDS

UNITED STATES OF AMERICA  
STATE OF SOUTH CAROLINA  
CITY OF ISLE OF PALMS  
GENERAL OBLIGATION BOND  
[TAXABLE] SERIES 2020[A][B]

No. R-1 \$[\_\_\_\_\_]

Registered Holder:

Principal Amount: \_\_\_\_\_ Dollars (\$\_\_\_\_\_)

THE CITY OF ISLE OF PALMS, SOUTH CAROLINA (the “*City*”), a public body corporate and politic and a political subdivision of the State of South Carolina (the “*State*”), created and existing by virtue of the laws of the State, acknowledges itself indebted and for value received hereby promises to pay, solely as hereinafter provided, to the Registered Holder named above or registered assigns, the Principal Amount stated above.

This bond is issued as part of an issue of general obligation bonds of the City, designated “General Obligation Bonds, [Taxable] Series 2020[A][B]” (the “*Bond*”) in the aggregate principal amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_ ) for purposes authorized by and pursuant to and in accordance with the Constitution and statutes of the State of South Carolina, including particularly the provisions of Sections 5-21-210 through 5-21-500 and Section 11-27-40, Code of Laws of South Carolina 1976, as amended, and an ordinance (the “*Ordinance*”) duly enacted by the City Council of the City (the “*Council*”) on \_\_\_\_\_, 2020.

[Insert Redemption Provisions, if any]

The principal of this Bond shall be payable on \_\_\_\_ 1, 20\_\_ (the “*Maturity Date*”), upon the presentation and surrender of this Bond at the office of the City, as Paying Agent. Interest on the outstanding principal amount hereof is initially payable on \_\_\_\_\_ 1, 20\_\_ and on \_\_\_\_ 1 and \_\_\_\_\_ 1 (each a “*Bond Payment Date*”) until payment or final maturity by check or draft mailed to the person in whose name this Bond is registered at the address shown on the Registry Books of the City at the close of business on the fifteenth day of the month next preceding each Bond Payment Date. This Bond shall bear interest at the rate of \_\_\_\_% per annum, calculated on the basis of a 360-day year consisting of twelve 30-day months. Notwithstanding the foregoing, principal amounts payable upon the partial redemption of this Bond may be made to the Registered Holder (without any presentment thereof, except upon payment of the final installment of principal, and without any notation of such payment being made thereon) in such manner or at such address in the United States of America as may be designated by the Registered Holder in writing to the City, as Paying Agent, in which event partial payments of the principal on this Bond shall be noted on the Table of Partial Redemptions attached hereto in lieu of surrendering this Bond in connection with such redemption. The payments of principal and interest on this Bond (the “*Bond Payments*”) are payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

Certain capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Ordinance. Certified copies of the Ordinance are on file in the office of the Clerk of Court of Charleston County, South Carolina and in the office of the Council.

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

This Bond and the interest hereon are exempt from all State, county, municipal, school district, and all other taxes or assessments of the State of South Carolina, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate, transfer, or certain franchise taxes.

This Bond is issued as a fully registered bond and is transferable, as provided in the Ordinance, only upon the Registry Books of the City kept for that purpose at the offices of the City by the Registered Holder in person or by his or her duly authorized attorney upon (i) surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Holder or his or her duly authorized attorney, and (ii) payment of the charges, if any, prescribed in the Ordinance. Thereupon a new fully registered bond of like interest rate and principal amount shall be issued to the transferee in exchange therefor as provided in the Ordinance. The City may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of the Bond Payment due hereon and for all other purposes.

For every exchange or transfer of this Bond, the City may make a charge sufficient to reimburse itself for any tax, fee, or other governmental charge required to be paid with respect to such exchange or transfer.

It is hereby certified and recited that all acts, conditions, and things required to exist, happen, and to be performed precedent to and in the enactment of the Ordinance and in the issuance of this Bond in order to make the legal, valid, and binding general obligation of the City in accordance with its terms, do exist, have been done, have happened and have been performed in regular and due form as required by law; and that the issuance of this Bond does not exceed or violate any constitutional, statutory, or other limitation upon the amount of indebtedness prescribed by law.

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

**CITY OF ISLE OF PALMS,  
SOUTH CAROLINA**

(SEAL)

\_\_\_\_\_

Mayor

Attest:

\_\_\_\_\_  
Clerk  
City of Isle of Palms, South Carolina

**CERTIFICATE OF AUTHENTICATION**

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

\_\_\_\_\_  
Clerk of the City of Isle of Palms,  
South Carolina, as Registrar

Date of Authentication: \_\_\_\_\_

**(FORM OF ASSIGNMENT)**

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

Dated: \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
(Authorized Officer)

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



**FORM OF BOND ANTICIPATION NOTE**

UNITED STATES OF AMERICA  
STATE OF SOUTH CAROLINA  
CITY OF ISLE OF PALMS  
GENERAL OBLIGATION  
BOND ANTICIPATION NOTE  
SERIES 2020

No. \_\_\_\_ \$[\_\_\_\_\_]

Registered Holder:

Principal Amount: \_\_\_\_\_ Dollars (\$\_\_\_\_\_)

THE CITY OF ISLE OF PALMS, SOUTH CAROLINA (the “*City*”), a public body corporate and politic and a political subdivision of the State of South Carolina (the “*State*”), created and existing by virtue of the laws of the State, acknowledges itself indebted and for value received hereby promises to pay, solely as hereinafter provided, to the Registered Holder named above or registered assigns, the Principal Amount stated above on \_\_\_\_\_, 202\_, and to pay interest on said Principal Amount at the rate of \_\_\_\_\_ per annum (calculated based upon a year of 360-days consisting of twelve 30-day months) payable at maturity of this Note. Both the principal of any interest on this Note are payable to the person in whose name this Note is registered at the address shown on the registration books. The Note payments are payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Note is issued pursuant to and in accordance with the Constitution and laws of the State of South Carolina, including, particularly, the provisions of Title 11, Chapter 17, Title 5, Chapter 21, and Section 11-27-40, of the Code of Laws of South Carolina 1976, as amended, and in accordance with an ordinance (the “*Ordinance*”) duly enacted by the City Council of the City (the “*Council*”) on \_\_\_\_\_, 2020.

This Note is a general obligation of the City and is issued in anticipation of and payable, both as to principal and interest, from the proceeds of the not exceeding \$7,000,000 of general obligation bonds of the City authorized by the Ordinance (the “*Bonds*”), or if said Bonds are not issued prior to the stated maturity of this Note, from the sale, issuance, and delivery of an issue of renewal or refunding general obligation bond anticipation notes; and is secured by a pledge of the full faith, credit and taxing power of the City.

[Insert Redemption Provisions, if any]

Certain capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Ordinance. Certified copies of the Ordinance are on file in the office of the Clerk of Court of Charleston County, South Carolina and in the office of the Council.

This Note and the interest hereon are exempt from all State, county, municipal, school district, and all other taxes or assessments of the State of South Carolina, direct or indirect, general or special, whether

imposed for the purpose of general revenue or otherwise, except inheritance, estate, transfer, or certain franchise taxes.

For every exchange or transfer of this Note, the City may make a charge sufficient to reimburse itself for any tax, fee, or other governmental charge required to be paid with respect to such exchange or transfer.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions, and things required to exist, happen, and to be performed precedent to and in the enactment of the Ordinance and in the issuance of this Note in order to make the legal, valid, and binding general obligation of the City in accordance with its terms, do exist, have been done, have happened and have been performed in regular and due form as required by law; and that the issuance of this Note does not exceed or violate any constitutional, statutory, or other limitation upon the amount of indebtedness prescribed by law.

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

CITY OF ISLE OF PALMS,  
SOUTH CAROLINA

(SEAL)

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
Clerk  
City of Isle of Palms, South Carolina

#### CERTIFICATE OF AUTHENTICATION

This Note is the Note of the issue described in the within-mentioned Ordinance.

\_\_\_\_\_  
Clerk of the City of Isle of Palms,  
South Carolina, as Registrar

Date of Authentication: \_\_\_\_\_

**(FORM OF ASSIGNMENT)**

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

Dated: \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
(Authorized Officer)

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