

ORDINANCE 2019-01

**AN ORDINANCE AMENDING,
SECTION 3-2.2(I) OF THE UNIFIED DEVELOPMENT CODE**

CODE OF ORDINANCES, UNIFIED DEVELOPMENT CODE SECTION NO.: 3-2.2(I)

INTENT

WHEREAS, the Town of Pawleys Island Planning Commission and Town of Pawleys Island Council have determined that adjustments are needed to achieve the desired objectives of the Town of Pawleys Island; and

WHEREAS, the Town of Pawleys Island Planning Commission has reviewed and recommended the adoption of this Amendment to the Unified Development Code; and

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE TOWN OF PAWLEYS ISLAND, SOUTH CAROLINA, PURSUANT TO THE SOUTH CAROLINA CODE OF LAWS 1976 (AS AMENDED) THAT AMENDMENT TO CODE OF ORDINANCES, UNIFIED DEVELOPMENT CODE SECTION 3-2.2(I) SHALL READ AS FOLLOWS:

3-2.2 Low Residential District (R-1).

(I) Roof Pitch:

- 1) All homes shall have a minimum roof pitch of 7:12 or steeper
- 2) Ancillary roofs such as porches and dormers may have a minimum roof pitch of 4:12 or steeper.

This Ordinance shall take effect and amend Code of Ordinances, Unified Development Code Section 3-2.2(I) and be in full force after the date of its adoption by the Town Council of the Town of Pawleys Island.

Adoption of the foregoing Ordinance moved by Sarah Zimmerman and seconded by Rocky Holliday and after discussion and call to vote thereon, the vote was as follows:

Those in favor: Mayor Jimmy Braswell, Ashley Carter, Rocky Holliday + Sarah Zimmerman

Those opposed: None

Date of first reading: March 11, 2019

Date of second reading: April 8, 2019

APPROVED: [Signature]
JAMES BRASWELL, MAYOR

DATE: 4/8/19

ATTEST: [Signature]
DIANE ALLEN, TOWN CLERK

DATE: 4/8/19

ORDINANCE 2019-02

**AN ORDINANCE AMENDING,
SECTION 3-2.2(F) OF THE UNIFIED DEVELOPMENT CODE**

CODE OF ORDINANCES, UNIFIED DEVELOPMENT CODE SECTION NO.: 3-2.2(F)

INTENT

WHEREAS, the Town of Pawleys Island Planning Commission and Town of Pawleys Island Council have determined that adjustments are needed to achieve the desired objectives of the Town of Pawleys Island; and

WHEREAS, the Town of Pawleys Island Planning Commission has reviewed and recommended the adoption of this Amendment to the Unified Development Code; and

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE TOWN OF PAWLEYS ISLAND, SOUTH CAROLINA, PURSUANT TO THE SOUTH CAROLINA CODE OF LAWS 1976 (AS AMENDED) THAT AMENDMENT TO CODE OF ORDINANCES, UNIFIED DEVELOPMENT CODE SECTION 3-2.2(F) SHALL READ AS FOLLOWS:

3-2.2 Low Residential District (R-1).

(F) Maximum building height. 35 feet above the design flood elevation and shall have no more than two habitable floors.

This Ordinance shall take effect and amend Code of Ordinances, Unified Development Code Section 3-2.2(F) and be in full force after the date of its adoption by the Town Council of the Town of Pawleys Island.

Adoption of the foregoing Ordinance moved by Sarah Zimmerman and seconded by Ashley Carter

and after discussion and call to vote thereon, the vote was as follows:

Those in favor: Mayor Jimmy Braswell, Ashley Carter, Rocky Holliday & Sarah Zimmerman

Those opposed: None

Date of first reading: March 11, 2019

Date of second reading: April 8, 2019

APPROVED: [Signature]
JAMES BRASWELL, MAYOR

DATE: 4/8/19

ATTEST: [Signature]
DIANE ALLEN, TOWN CLERK

DATE: 4/8/19

ORDINANCE 2019-03

**AN ORDINANCE AMENDING,
SECTION 3-2.3(F) OF THE UNIFIED DEVELOPMENT CODE**

CODE OF ORDINANCES, UNIFIED DEVELOPMENT CODE SECTION NO.: 3-2.3(F)

INTENT

WHEREAS, the Town of Pawleys Island Planning Commission and Town of Pawleys Island Council have determined that adjustments are needed to achieve the desired objectives of the Town of Pawleys Island; and

WHEREAS, the Town of Pawleys Island Planning Commission has reviewed and recommended the adoption of this Amendment to the Unified Development Code; and

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE TOWN OF PAWLEYS ISLAND, SOUTH CAROLINA, PURSUANT TO THE SOUTH CAROLINA CODE OF LAWS 1976 (AS AMENDED) THAT AMENDMENT TO CODE OF ORDINANCES, UNIFIED DEVELOPMENT CODE SECTION 3-2.3(F) SHALL READ AS FOLLOWS:

3-2.3 Medium Residential District (R-2).

(F) Maximum building height. 35 feet above the design flood elevation and shall have no more than two habitable floors.

This Ordinance shall take effect and amend Code of Ordinances, Unified Development Code Section 3-2.3(F) and be in full force after the date of its adoption by the Town Council of the Town of Pawleys Island.

Adoption of the foregoing Ordinance moved by Sarah Zimmerman and seconded by Rocky Holliday

and after discussion and call to vote thereon, the vote was as follows:

Those in favor: Mayor James Braswell, Ashley Carter, Rocky Holliday, Sarah Zimmerman

Those opposed: None

Date of first reading: March 11, 2019

Date of second reading: April 8, 2019

APPROVED: [Signature]
JAMES BRASWELL, MAYOR

DATE: 4/8/19

ATTEST: [Signature]
DIANE ALLEN, TOWN CLERK

DATE: 4/8/19

ORDINANCE 2019-04

AN ORDINANCE TO AMEND THE ADOPTED BUDGET FOR THE TOWN OF PAWLEYS ISLAND, SOUTH CAROLINA, FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2019 AND ENDING DECEMBER 31, 2019.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE TOWN OF PAWLEYS ISLAND, SOUTH CAROLINA, PURSUANT TO THE SOUTH CAROLINA CODE OF LAWS 1976 (AS AMENDED), SECTION 5-7-260, et al. THAT:

SECTION 1: That the Town of Pawleys Island 2019 Budget adopted by Ordinance 2018-13 is amended as follows:

1. Increase the Administrative, 60650-0, appropriation for "Rent" from \$1,200 to \$3,645.
2. Decrease the Police Department, 60400-02, appropriation for "Health Insurance" from \$32,000 to \$27,340.
3. Decrease the Police Department, 70100-02, appropriation for "FICA" from \$25,100 to \$23,400.
4. Decrease the Police Department, 70300-02, appropriation for "Retirement - PD" from \$20,330 to \$19,030.
5. Decrease the Police Department, 75200-02, appropriation for "Salaries - PD" from \$276,300 to \$254,200.
6. Increase the Beach Fund, 44000-07, revenue for "Grants - Beach" from \$0 to \$423,612.
7. Increase the Beach Fund, 60212-07, appropriation for "Groin Repair" from \$280,000 to \$390,962.00.
8. Increase the Town Hall, 49814-08, revenue for "Brick Sales" from \$0 to \$14,000.
9. Increase the Town Hall, 61300-08, appropriation for "Construction" from \$75,000 to \$106,843.
10. Increase the Town Hall, 61400-08, appropriation for "Miscellaneous" from \$12,500 to \$32,000.
11. Increase the Town Hall, 61600-08, appropriation for "Personalized Bricks & Plaques" from \$0 to \$4,000.

SECTION 2: AND IT BE FURTHER ENACTED BY THE MAYOR AND COUNCIL OF THE TOWN OF PAWLEYS ISLAND that the sums and amounts reflected in Section 1 of this Ordinance are hereby appropriated for the fiscal year beginning January 1, 2019 and ending December 31, 2019.

SECTION 3: This Ordinance shall take effect and be in full force after the date of its adoption by the Town Council of the Town of Pawleys Island.

Adoption of the foregoing Ordinance moved by Larsh Zimmerman and seconded by Rocky Holliday and after discussion and call to vote thereon, the vote was as follows:

Those in favor: Mayor Jimmy Braswell, Ashley Carter, Rocky Holliday + Larsh Zimmerman

Those opposed: None

Date of first reading: March 11, 2019

Date of second reading: April, 8 2019

APPROVED:  DATE: 4/8/19
JAMES BRASWELL, MAYOR

ATTEST:  DATE: 4/8/19
DIANE ALLEN, TOWN CLERK

MARCH 2019 BUDGET AMENDMENTS - GENERAL FUND & STATE A-TAX FUND

ACCOUNT	DESCRIPTION	ORIGINAL BUDGET	INCREASE	DECREASE	REVISED BUDGET	NOTES
60650-01	RENT	1,200.00	2,445.00	0.00	3,645.00	
	ADMINISTRATION TOTALS	1,200.00	2,445.00	0.00	3,645.00	

ACCOUNT	DESCRIPTION	ORIGINAL BUDGET	INCREASE	DECREASE	REVISED BUDGET	NOTES
60400-02	HEALTH INSURANCE	32,000.00	0.00	-4,660.00	27,340.00	
70100-02	FICA	25,100.00	0.00	-1,700.00	23,400.00	
70300-02	RETIREMENT - PD	20,330.00	0.00	-1,300.00	19,030.00	
75200-02	SALARIES - PD	276,300.00	0.00	-22,100.00	254,200.00	
	POLICE DEPARTMENT TOTALS	353,730.00	0.00	-29,760.00	323,970.00	

BUDGET IMPACT

2019 GENERAL FUND & STATE A-TAX FUND BUDGET	\$	991,120.00
MARCH 2019 AMENDMENT	\$	(27,315.00)
NEW TOTAL	\$	963,805.00

MARCH 2019 BUDGET AMENDMENTS - BEACH FUND FUND

ACCOUNT	DESCRIPTION	ORIGINAL BUDGET	INCREASE	DECREASE	REVISED BUDGET	NOTES
60212-07	GROIN REPAIR	280,000.00	110,962.00	0.00	390,962.00	
	BEACH MANAGEMENT	280,000.00	110,962.00	0.00	390,962.00	

BUDGET IMPACT

2019 CAPITAL PROJECTS FUND BUDGET	\$	640,600.00
MARCH 2019 AMENDMENT	\$	110,962.00
NEW TOTAL	\$	751,562.00

MARCH 2019 BUDGET AMENDMENTS - CAPITAL PROJECTS FUND

ACCOUNT	DESCRIPTION	ORIGINAL BUDGET	INCREASE	DECREASE	REVISED BUDGET	NOTES
61300-08	CONSTRUCTION	75,000.00	31,843.00	0.00	106,843.00	
61400-08	MISCELLANEOUS	12,500.00	19,500.00	0.00	32,000.00	
61600-08	BRICKS & PLAQUES	0.00	4,000.00	0.00	4,000.00	
	TOWN HALL TOTALS	87,500.00	55,343.00	0.00	142,843.00	

BUDGET IMPACT

2019 CAPITAL PROJECTS FUND BUDGET	\$	144,500.00
MARCH 2019 AMENDMENT	\$	55,343.00
NEW TOTAL	\$	199,843.00

EXPENDITURE	APPROVAL		BUDGET AMENDMENT	AMOUNT
WTS - DATA LINES & INTERNET	JUNE 2018 COUNCIL MEETING	CONSTRUCTION	ADDITIONAL	\$ 5,162.56
WTS - CAMERAS/ACCESS CONTROL	JUNE 2018 COUNCIL MEETING	CONSTRUCTION	ADDITIONAL	\$ 7,304.13
WTS - ADDITIONAL DEDICATED LINE FOR COPIER/FAX & RYAN'S OFFICE		CONSTRUCTION	ADDITIONAL	\$ 1,624.61
WTS - CABLE CONDUIT FROM DATA ROOM TO YARD		CONSTRUCTION	ADDITIONAL	\$ 1,811.69
CHANGE ORDER #16 (STAIRWAY LIGHT FIXTURES)		CONSTRUCTION	ADDITIONAL	\$ 1,212.64
CHANGE ORDER #17 (REMOVE TEMP UTILITIES)	DECEMBER 2018 COUNCIL MEETING	CONSTRUCTION	ADDITIONAL	\$ 7,634.12
CHANGE ORDER #18 (EXTERIOR LIGHTS TIMER)	JANUARY 2019 COUNCIL MEETING	CONSTRUCTION	ADDITIONAL	\$ 2,116.61
CHANGE ORDER #19 (CLOSERS FOR EXTERIOR DOORS)	JANUARY 2019 COUNCIL MEETING	CONSTRUCTION	ADDITIONAL	\$ 661.44
CHANGE ORDER #20 (CONCRETE WALKWAY EXTENSION)	FEBRUARY 2019 COUNCIL MEETING	CONSTRUCTION	ADDITIONAL	\$ 3,059.16
CHANGE ORDER #20 (CONCRETE WALKWAY EXTENSION)	FEBRUARY 2019 COUNCIL MEETING	CONSTRUCTION	ADDITIONAL	\$ 3,059.16
				\$ 33,646.12

CONFERENCE ROOM FURNITURE	OCTOBER 2018 COUNCIL MEETING	MISC	ADDITIONAL	\$ 6,500.00
OFFICE FURNITURE	DECEMBER 2018 COUNCIL MEETING	MISC	ADDITIONAL	\$ 4,000.00
ITEMS FOR EXTERIOR (FLAGPOLE, GARBAGE CANS, ETC.)	FEBRUARY 2019 COUNCIL MEETING	MISC	ADDITIONAL	\$ 3,800.00
INTERIOR FURNITURE NEEDS		MISC	ADDITIONAL	\$ 5,200.00
				\$ 19,500.00

BRICKS & PLAQUES		BRICKS & PLAQUES	ADDITIONAL	\$ 4,000.00
				\$ 4,000.00

ORDINANCE 2019-05

AN ORDINANCE OF THE TOWN OF PAWLEYS ISLAND TO AMEND CHAPTER 2, ARTICLE II ADMINISTRATION; SECTION 2-59 EXECUTIVE SESSIONS

INTENT

WHEREAS, S.C. Code Ann. § 5-7-250 (1976) provides that the Town Council shall adopt its own rules and order of business; and

WHEREAS, Town Council wishes to establish specific procedures for actions of the town council that are consistent with state law and open government, and the efficient conduct of the Town's business.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE TOWN OF PAWLEYS ISLAND, SOUTH CAROLINA, PURSUANT TO THE SOUTH CAROLINA CODE OF LAWS 1976 (AS AMENDED) THAT THE CODE OF ORDINANCES, CHAPTER 2, ARTICLE II ADMINISTRATION; SECTION 2-59 IS HEREBY AMENDED TO READ AS FOLLOWS:

2-59. Executive sessions.

By majority vote in a public meeting, council may hold an executive session as permitted by the South Carolina Freedom of Information Act. S.C. Code Ann. § 30-4-70. The motion to enter executive session shall include a detailed description of the purpose for the executive session and cite all of the specific subsections of Section 30-4-70 (a) that apply to the executive session.

Authorized purposes include:

Section 30-4-70 (a) (1)

Discussion of employment, appointment, compensation, promotion, demotion, discipline, or release of an employee, a student, or a person regulated by a public body or the appointment of a person to a public body. (The identity of the individual or entity being discussed is not required to be disclosed.)

Section 30-4-70 (a) (2)

Discussion of negotiations incident to proposed contractual arrangements and proposed sale or purchase of property, the receipt of legal advice where the legal advice relates to a pending, threatened, or potential claim or other matters covered by the attorney-client privilege, settlement of legal claims, or the position of the public agency in other adversary situations involving the assertion against the agency of a claim.

Section 30-4-70 (a) (3)

Discussion regarding the development of security personnel or devices.

Section 30-4-70 (a) (4)

Investigative proceedings regarding allegations of criminal misconduct.

Section 30-4-70 (a) (5)

ORDINANCE 2019-06

AN ORDINANCE OF THE TOWN OF PAWLEYS ISLAND TO AMEND CHAPTER 2, ARTICLE II ADMINISTRATION; SECTION 2-62 APPEARANCE OF CITIZENS

INTENT

WHEREAS, S.C. Code Ann. § 5-7-250 (1976) provides that the Town Council shall adopt its own rules and order of business; and

WHEREAS, Town Council wishes to prioritize public comments; and

WHEREAS, Town Council wishes to establish specific procedures for actions of the town council that are consistent with state law and open government, and the efficient conduct of the Town's business.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE TOWN OF PAWLEYS ISLAND, SOUTH CAROLINA, PURSUANT TO THE SOUTH CAROLINA CODE OF LAWS 1976 (AS AMENDED) THAT THE CODE OF ORDINANCES, CHAPTER 2, ARTICLE II ADMINISTRATION; SECTION 2-62 IS HEREBY AMENDED TO READ AS FOLLOWS:

2-62. Appearance of citizens.

Any citizen of the municipality may speak at a regular meeting on a matter pertaining to municipal services and operations, except personnel matters, by signing an agenda list maintained by the clerk prior to the meeting stating the subject and purpose for speaking. Each person who gives notice may speak at a time designated by the presiding officer and may be limited to a three minute presentation at the discretion of the presiding officer.

This Ordinance shall take effect and amend Code of Ordinances, Chapter 2, Article II Administration; Section 2-62 Appearance of citizens and be in full force after the date of its adoption by the Town Council of the Town of Pawleys Island.

Adoption of the foregoing Ordinance moved by Sarah Zimmerman and seconded by Rocky Holliday and after discussion and call to vote thereon, the vote was as follows:

Those in favor: Mayor Jimmy Braswell, Ashley Carter, Guerry Green, Rocky Holliday & Sarah Zimmerman

Those opposed: None

ORDINANCE 2019-07

AN ORDINANCE OF THE TOWN OF PAWLEYS ISLAND TO AMEND CHAPTER 2, ARTICLE II ADMINISTRATION TO INCLUDE SECTION 2-65 ELECTRONIC COUNCIL OR COMMITTEE MEETING ATTENDANCE

INTENT

WHEREAS, S.C. Code Ann. § 5-7-250 (1976) provides that the Town Council shall adopt its own rules and order of business; and

WHEREAS, Town Council wishes to establish specific procedures for actions of the town council that are consistent with state law and open government, and the efficient conduct of the Town's business.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE TOWN OF PAWLEYS ISLAND, SOUTH CAROLINA, PURSUANT TO THE SOUTH CAROLINA CODE OF LAWS 1976 (AS AMENDED) THAT THE CODE OF ORDINANCES, CHAPTER 2, ARTICLE II ADMINISTRATION IS HEREBY AMENDED TO INCLUDE SECTION 2-65 AS FOLLOWS:

2-65. Electronic Council or Committee Meeting Attendance.

Council members may participate electronically in council or committee meetings and possess the same authority as members who are physically present at the meeting, provided that all of the following conditions are met:

1. A quorum of the council members are physically present at the meeting place and remain physically present throughout the meeting;
2. The presiding officer is physically present at the meeting;
3. Council members, attending in person and by electronic means, and persons in attendance at the council meeting can hear any and all comments made at the meeting; and,
4. All comments, motions and votes of the member(s) attending telephonically are recorded in the minutes of the meeting.

Electronic participation shall be limited to situations that prevent physical attendance at meetings and not used as the primary method of meeting attendance.

This Ordinance shall take effect and amend Code of Ordinances, Chapter 2, Article II Administration to include Section 2-65 Electronic Council or Committee Meeting Attendance and be in full force after the date of its adoption by the Town Council of the Town of Pawleys Island.

Adoption of the foregoing Ordinance moved by Jarab Zimmerman and seconded by

2019-08

GENERAL BOND ORDINANCE

AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF THE TOWN OF PAWLEYS ISLAND, SOUTH CAROLINA, ACCOMMODATIONS FEE REVENUE BONDS, AND OTHER MATTERS PERTAINING THERETO; PLEDGING LOCAL ACCOMMODATIONS 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.

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BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF PAWLEYS ISLAND,
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 Town Council of the Town of Pawleys Island (the "*Council*"), the governing body of the Town of Pawleys Island, South Carolina (the "*Town*"), finds that the facts set forth in this **Article I** exist, and the following statements are in all respects true and correct:

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

(b) The Town, pursuant to Title 6, Chapter 1, Article 5 of the Code of Laws of South Carolina, 1976, as amended, imposed a local accommodations fee (the "*Accommodations Fee*") by Ordinance No. 1999-03, adopted March 19, 1999.

(c) Article X, Section 14, of the Constitution of the State of South Carolina, 1895, as amended (the "*Constitution*"), provides that a political subdivision may incur indebtedness 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 Town may issue revenue bonds to defray the cost of tourism-related matters as enumerated in Section 6-1-530 of the Code of Laws of South Carolina, 1976, as amended, secured by a pledge of the Accommodations Fee Revenues (as defined below).

(d) The Town's sole material economic activity consists of tourism and activities related thereto. The Town Council has determined that it is in the best interest of the Town that it make provision for beach restoration and renourishment and other tourism-related matters in order that the Town continue to be a viable destination for tourists. The Town has an immediate need for a source of funds with which to defray a portion of the costs of beach renourishment which the Town intends to undertake commencing prior to the end of calendar year 2019.

It is now in the best interest of the Town for the Council to provide for the issuance and sale of bonds of the Town pursuant to the aforesaid provisions of the Constitution and laws of the State in order to provide a source of funds to defray the cost of tourism-related improvements. Such bonds, pursuant to the Enabling Act, shall be secured by and payable solely from Accommodations Fees collected within the Town pursuant to Ordinance No. 1999-03 in the manner provided in this ordinance.

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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**.

"Accommodations Fee" means fees imposed and collected by the Town pursuant to Title 6, Chapter 1, Article 5 of the Code of Laws of South Carolina, 1976, as amended and an ordinance of the Council numbered 1999-03, enacted April 19, 1999.

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

"Accommodations Fee Revenues" shall mean all Accommodations Fees collected by the Town.

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

"Authorized Representative" shall mean the Mayor or the Town Administrator and any other Person or Persons designated to act on behalf of the Town by written resolution of the Council duly adopted.

"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 Town 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 for the purpose of facilitating mandatory sinking fund redemption of Term Bonds.

"Books of Registry" shall mean the registration books maintained by the Trustee 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.

“Clerk” shall mean the Clerk/Treasurer of the Town or, in her absence, any person, including but not limited to, the Town Administrator, appointed by the Town Administrator to act in such capacity.

“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 Town, or at the option of the Town, 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 Town 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.

“Council” shall mean the Town Council, and any successor governing body of the Town.

“Custodian” shall mean any bank, trust company, national banking association, or national association selected by the Town 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 that 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. 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.

“Defeasance 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.

"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.

"Fiscal Year" shall mean the period of twelve (12) calendar months, beginning on the first day of January of each year and ending with the 31st day of December of that year, until changed to a different twelve month period by ordinance of the Council.

"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.

"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, Accommodations 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 the Council by which is authorized the issuance of Junior Bonds.

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

"Net Accommodations Fee Revenues" means all Accommodation Fee Revenues collected by the Town net of Accommodation Fee Revenues deposited to the State Accommodations Tax Fund of the Town as provided in Section 6.02 of this Ordinance and Ordinance No. 2017-15 of the Council,

"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 hereunder except:

- (a) Bonds theretofore cancelled or theretofore delivered for cancellation pursuant to the terms of this Ordinance;
- (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 which others have been authenticated, unless proof satisfactory to the Trustee is presented to the Trustee that the Bonds are held by *bona fide* purchasers as that term is defined in Article 8 of the South Carolina Uniform Commercial Code, as amended, in which case the Bond or Bonds so replaced and the Bond or Bonds authenticated and delivered therefor shall both be deemed Outstanding; 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 one hundred percent (100%) of the average rate borne by the Variable Rate Indebtedness during the preceding twelve (12) months, or if the Variable Rate Indebtedness is yet to be incurred, at one hundred percent (100%) of the average rate such Variable Rate Indebtedness would have borne during the preceding twelve (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 those improvements for which Accommodations Fees may be expended pursuant to Section 6-1-530 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 Town 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, Article 5 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 Town 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 fifteenth (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 fifteenth (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 (10) 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, the Clerk.

“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.

“State Accommodations Tax Fund” means that fund established pursuant to Ordinance No. 2017-05 of the Town.

“Series Ordinance” shall mean any ordinance enacted by the Council providing for the issuance of Bonds. and any ordinance enacted by the 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 so designated by the Series Ordinance providing for its issuance, the principal of which thus made subject to mandatory sinking fund redemption.

“Town” shall mean the Town of Pawleys Island, South Carolina, a body politic and corporate and a municipal corporation organized and existing under the laws of the State.

“Town Administrator” shall mean the Town Administrator of the Town or the Acting Town Administrator or Interim Town Administrator, as the case may be..

“Beach Renourishment Fund” shall mean that fund created pursuant to **Section 6.05** of this Ordinance.

“Trustee” shall mean any bank, trust company, national banking association, or national association selected by the Town 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*.

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ARTICLE III

AUTHORIZATION AND ISSUANCE OF BONDS

Section 3.01 Authorization of Bonds. There is hereby authorized to be issued Bonds of the Town to be known as "*Accommodations 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 the Council may from time to time deem to be necessary or advisable for any corporate purpose of the Town 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 the 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 the 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) The 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)(xii)**.

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 the Council.

(i) There shall be filed with the Trustee a certificate of the Town Administrator stating (A) either (1) that no Default exists in the payment of the principal 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 Town Administrator, the Town 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 with the Trustee 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 to the Trustee a certificate of the Authorized Representative, based upon the most recent audited financial statements of the Town, to the effect that Net Accommodations Fee Revenues deposited into the Accommodations Fee Revenue Fund for the most recent Fiscal Year immediately preceding the issuance date of the proposed Bonds for which audited financial statements of the Town are available (the "**Test Period**") are not less than 150% of the maximum 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). Net Accommodations Fee Revenues may be adjusted for the purpose of the calculation required by this **Section 3.03(c)** to reflect additional

Accommodations Fees to be received from payors which commenced payment of Accommodations Fees during the Test Period. As to such a payor, Accommodations Fees may be annualized based upon the average monthly Accommodations 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. Upon compliance with the provisions of paragraphs (a), (b), (c) and (e) of **Section 3.03** hereof, the Town 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 refinance 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 refinance 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 Town by means of a Series Ordinance may issue refunding Bonds for the purpose of refunding Bonds issued to finance or refinance or to aid in financing of Projects, without satisfying the conditions for the issuance of Bonds as contained in **Section 3.03(c)** hereof to the extent that the aggregate Principal and Interest Requirements with respect to the refunding Bonds is in any Fiscal Year less than the aggregate Principal and Interest Requirements with respect to the Bonds to be refunded with respect to any Fiscal Year in which the Bonds to be refunded would otherwise be Outstanding.

Section 3.05 Issuance of Junior Bonds. The Town 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 Net Accommodations 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 refinance or to aid in financing Projects; (b) the pledge of Net Accommodations Fee Revenues securing Junior Bonds shall at all times be subordinate and inferior to the pledge of Net Accommodations Fee Revenues securing the Bonds such that Junior Bonds shall be payable from Net Accommodations Fee Revenues held in the Accommodations 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 Town Administrator to the effect that Net Accommodations 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. Net Accommodations Fee Revenues may be adjusted for purpose of such calculation in the manner provided in **Section 3.03(c)**.

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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 Town by the Mayor by his manual or facsimile signature and the corporate seal of the Town or a facsimile thereof shall be impressed or reproduced thereon and attested by the Clerk or the Town Manager 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 the written order of the Town, the Trustee, if so appointed, shall authenticate Bonds authorized to be issued hereunder. If no Trustee has been appointed, the Bonds shall be authenticated by an official of the Town as provided by the applicable Series Ordinance. 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 or Town official as applicable, 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 or such Town official. The executed certificate of the Trustee or Town official, as applicable, upon any Bond shall be conclusive evidence that the Bond has been authenticated and delivered. Any Bond authenticated by the Trustee 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 Town may execute and the Trustee, or the 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 Town and in the case of any lost, stolen, or destroyed Bond, there shall be first furnished to the Town and the Trustee evidence of the loss, theft, or destruction satisfactory to the Town 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 Town may pay it without surrender thereof. The Town 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 Town which shall be kept for that purpose at the corporate trust office of the Trustee (or the chief administrative office of the Town if no Trustee has been appointed) 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 Town 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 Clerk or Town Manager, as provided in the applicable Series Ordinance, 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 Town 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 Town 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 Town, 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, 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; presentment of any Bond shall not be required except as may be provided by a Series Ordinance. Except as otherwise set forth in a Series Ordinance, payment the principal of and interest on Bonds shall be made by check or draft drawn upon the Town 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 \$100,000 or more of Bonds or a financial institution holding 100% of a Series of Bonds issued as a single instrument then Outstanding 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 Clerk or the Trustee if a Trustee shall then be appointed no later than the preceding Record Date. The Clerk 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 Clerk, as applicable, described in the Series Ordinance authorizing the issuance of that Series of Bonds, with a written instrument of transfer satisfactory to the Trustee or the 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 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 Town shall execute and the Trustee or the 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 Town, or Trustee if appointed, 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 Town nor the Trustee shall be required (a) to exchange or transfer Bonds (i) from the Record Date to the next succeeding interest payment date or (ii) for a period of fifteen (15) days following any selection of Bonds to be redeemed or thereafter until after the first publication or mailing of any notice of redemption, or (b) to transfer any Bonds called for redemption.

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 Town 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 Town, and may contain reference to any of the provisions of the Ordinance as may be appropriate. Every temporary Bond shall be executed by the Town upon the same conditions and in substantially the same manner as the definitive Bonds. If the Town 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 Clerk or the Trustee, as applicable, and the Trustee or the 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, 4.07, and 4.08** 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.

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ARTICLE V

REDEMPTION OF BONDS BEFORE MATURITY

Section 5.01 **Redemption of Bonds.** The Bonds of a Series shall be subject to optional redemption by the Town 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, except in the case of a Series of Bonds issued to a financial institution as a single instrument, 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 an integral multiple thereof, and that, in selecting portions of Bonds for redemption, the Town 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 Town, 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 thirty (30) days, but not more than sixty (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 Town 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 Town 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 Town 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 Town 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 and notice of the redemption thereof has been duly given as hereinbefore provided and if moneys for the payment of the Bond (or of the principal amount thereof to be redeemed) 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 (or the principal amount thereof to be redeemed) are held on or before the date fixed for redemption for the purpose of payment by the Trustee or other paying agent or the Town for the Series of Bonds of which that Bond is one, then on the redemption date designated in the notice, the Bond (or the principal amount thereof to be redeemed) called for redemption shall become due and payable and interest on the Bond (or the principal amount thereof to be redeemed) 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 Town 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 Town upon the request of the Town.

Section 5.07 Purchase of Bonds. The Town may, and the Trustee shall at the written direction of the Town, if and to the extent practicable, endeavor to purchase Bonds or portions of Bonds at the time, in the manner, and at the price as may be specified by the Town but in no event greater than the call price first to become available or then prevailing. The Town Trustee may so purchase Bonds with any moneys then 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.

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ARTICLE VI

ESTABLISHMENT OF FUNDS AND ACCOUNTS; 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:

- (a) the Accommodations Fee Revenue Fund;
- (b) the Debt Service Fund, including an Interest Account, Principal Account, and Bond Redemption Account;
- (c) the Debt Service Reserve Fund; and
- (d) the Beach Renourishment Fund;

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 Town pursuant to **Section 7.01** hereof, all funds and accounts established by this Ordinance will be held by the Town or by a Custodian appointed pursuant to a Series Ordinance.

One or more accounts may be established within any of the above funds as are reasonably necessary. It is intended by this 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 described by **Sections 6.02, 6.03, 6.04, and 6.05** of 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 Accommodations Fee Revenue Fund; Pledge of Net Accommodations Fee Revenues.

(a) There is hereby established an Accommodations Fee Revenue Fund, into which shall be deposited all Accommodations Fee Revenues as collected by the Town. Moneys in the Accommodations Fee Revenue Fund shall be withdrawn, and allocation and use therefrom shall be made in order of the following priority:

(i) Not later than the 10th day of each month, twenty percent (20%) of all Accommodations Fee Revenues collected in the preceding month shall be transferred to the State Accommodations Tax Fund.

(ii) All Accommodations Fee Revenues remaining after the disposition described in Section 6.02(a)(i) shall constitute Net Accommodations Fee Revenues and shall be applied as provided in **Sections 6.02, 6.03, 6.04, and 6.05** of this **Article VI**, in such order as such Sections are set forth herein

(b) The Bonds shall be payable solely from and secured by a lien upon the Net Accommodations Fee Revenues in the manner provided herein, and the Net Accommodations 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 Net Accommodations 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 Net Accommodations 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 Net Accommodations 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 Town, whether or not the parties have notice thereof.

(c) The covenants and agreements herein set forth to be performed by the Town 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.

Section 6.03 Debt Service Fund.

(a) There is hereby established a Debt Service Fund to be maintained by the Town or, if a Trustee has been appointed, in trust by the Trustee, and within the Debt Service Fund there is hereby established a separate Interest Account, Principal Account, and Bond Redemption Account. This fund is intended to provide for the payment of the principal of, premium, if any, and interest on the Bonds as they respectively fall due. Payments into this fund shall be made in the manner prescribed by the Ordinance and all moneys in the Debt Service Fund shall be used solely to pay the principal of, redemption premium, if any, and interest on the Bonds, and for no other purpose; and withdrawals therefrom shall be made only to effect payment of the principal of, redemption premium, if any, and interest on the Bonds. Earnings on investments of the Debt Service Fund shall become a part of the Debt Service Fund or at the written direction of the Authorized Representative and with an approving opinion of Bond Counsel be used for any lawful purpose related to the Project; provided, however, that by Series Ordinance the Town may provide that earnings on moneys in the Debt Service Fund representing capitalized interest on any Series of Bonds may, during the construction period of any Project financed by that Series of Bonds, be transferred to the Construction Fund established for that Series of Bonds.

(b) Each month there shall be transferred (by the Custodian, if appointed) from the Accommodations Fee Revenue Fund (to the Trustee, if appointed) for deposit into the Debt Service Fund sufficient moneys so as to comply with the following provisions for the payment of the Principal and Interest Requirements on the Bonds then Outstanding:

(i) On or before the fifteenth day of each month (provided, that payments with respect to interest on Bonds of a Series need not begin until the month following the month in which the Series is issued and delivered) into the Interest Account of the Debt Service Fund, that amount which, together with equal, successive, monthly deposits in the same amount, will, together with any other funds on deposit from whatever source in the Interest Account of the Debt Service Fund which will be applied to the next interest payment, provide sufficient funds to pay the aggregate amount of interest to become due on the Bonds on the next interest payment date. If

any Bonds are issued with provision that the interest rate thereon is subject to adjustment from time to time, the Town shall provide in the Series Ordinance pursuant to which the Bonds are issued for any further and additional or alternate credits to the Interest Account as are necessary to provide for the payment of interest thereon when due, taking into account any other funds as will be available for that payment. In making the transfers required by this paragraph, any amounts credited to the Interest Account representing accrued interest received on the sale of Bonds, interest accruing during the month in which the credit is made from capitalized proceeds of Bonds, and any other transfers and credits otherwise made or required to be made to the Interest Account shall be taken into consideration and allowed for.

(ii) On or before the fifteenth day of the month which precedes the first principal payment date on any Serial Bond by twelve (12) months, or if the first installment of principal of Serial Bonds of that Series shall become due in less than twelve (12) months from the date on which the Series is issued and delivered to the Purchaser thereof, then on or before the fifteenth day of the month immediately succeeding the month in which the Bonds of that Series are issued and delivered, and in any event prior to the date upon which the installment of principal falls due, and on or before the fifteenth day of each succeeding month thereafter, into the Principal Account of the Debt Service Fund, that amount which, together with equal, successive, monthly deposits in the same amount, will, together with any other funds on deposit from whatever source in the Principal Account of the Debt Service Fund which will be applied to the payment of principal next to become due, provide sufficient funds to pay the aggregate amount of the principal of Serial Bonds to become due on the next principal payment date.

(iii) On or before the fifteenth day of the twelfth (12th) month prior to the date upon which a mandatory redemption of Term Bonds of a Series falls due, or if the first mandatory redemption requirement on Term Bonds of that Series shall fall due in less than twelve (12) months from the date on which that Series is issued and delivered to the Purchaser thereof, then on or before the fifteenth day of the month immediately succeeding the month in which the Bonds of that Series are issued and delivered, and in any event prior to the date upon which any mandatory redemption requirement falls due, and on or before the fifteenth day of each succeeding month thereafter, an amount such that, if the same amount were credited to the Bond Redemption Account on the fifteenth day of each month thereafter and prior to the next date upon which a mandatory redemption requirement falls due on the Term Bonds of that Series, the aggregate of the amount so credited to the Bond Redemption Account for the purpose of redeeming the Term Bonds of that Series would on the latter date be equal to the amount (excluding accrued interest) required to redeem the principal amount of those Term Bonds required by the sinking fund installment then falling due on the Term Bonds of that Series.

At any time before Bonds of a Series subject to redemption from amounts deposited pursuant to this paragraph have been selected for redemption, or after the redemption date thereof, the Town may, in lieu of making all or any portion of a payment with respect to that Series of Bonds required by this paragraph, deliver to the Clerk or the Trustee, if a Trustee has been appointed, for cancellation Bonds of that Series subject to redemption from amounts so paid, in which event the payments required by this paragraph shall be reduced by the applicable redemption price of the Bonds delivered for cancellation.

The Trustee or the Clerk, as applicable, shall apply the moneys credited to the Bond Redemption Account to the retirement of the Term Bonds of each Series by redemption in accordance with the Series Ordinance providing for the issuance of that Series of Bonds, without further authorization or direction, on each mandatory redemption date with respect to the Term Bonds of that Series.

The Trustee shall, if so directed in writing by the Town. or the Town, if no Trustee has been appointed, shall apply the moneys credited to the Bond Redemption Account for the retirement of the Term Bonds of a Series to the purchase of Bonds of such Series at a purchase price (including accrued interest and any brokerage or other charge) not to exceed the redemption price then applicable upon the mandatory redemption of those Bonds, plus accrued interest, in which event the principal amount of the Bonds required to be redeemed on the next ensuing mandatory redemption date shall be reduced by the principal amount of the Bonds purchased; provided, however, that no Bonds of the Series shall be purchased during the interval between the date on which notice of mandatory redemption of the Bonds is given and the mandatory redemption date set forth in the notice, unless the Bonds so purchased are Bonds called for redemption in the notice or are purchased from moneys other than those credited to the Bond Redemption Account.

The Trustee or the Clerk, as applicable, shall keep and retain accurate records of application of each deposit of funds under this paragraph. The Town or the Trustee, in the name and on behalf of the Town, shall give notice of all redemptions (except mandatory sinking fund redemptions) in accordance with the provisions of **Article V** hereof. The accrued interest to be paid on the purchase or redemption of Bonds shall be paid from the Interest Account. All Bonds purchased or redeemed pursuant to this paragraph shall be cancelled and not reissued.

(iv) If, on any occasion when the payments required by paragraphs (i), (ii), and (iii), *supra*, are to be made, the sum total of the payments required by paragraphs (i), (ii), and (iii), *supra*, plus previous monthly payments and the remaining payments to be made prior to the next succeeding interest or principal and interest payment date, will not provide, together with any other funds in the Debt Service Fund to be applied to the payment of principal and interest, sufficient funds to meet the payment of the next succeeding installment of either principal (whether due at stated maturity or by mandatory redemption) or interest, or both, as the case may be, there shall be added to the payments to be made pursuant to paragraphs (i), (ii), and (iii), *supra*, with respect to any Series of Bonds, from the Accommodations Fee Revenue Fund and the account, if any, in the Debt Service Reserve Fund established with respect to that Series of Bonds, in that order, a sum equal to the deficiency; the effect of this subparagraph (iv) being to ensure that moneys in the Debt Service Fund and the Accommodations Fee Revenue Fund be applied equally and ratably to the payment of Bonds, without priority between Series, but that the moneys, if any, in the Debt Service Reserve Fund account established with respect to any Series of Bonds be applied solely to the payment of debt service on the Bonds of that Series.

(c) If at any time the amounts held in the funds established under this **Article VI** are sufficient to pay principal of, premium, if any, and interest on the Bonds then Outstanding to maturity or prior redemption, together with any amounts due the Trustee, the Trustee shall notify the Town, and thereafter the Trustee or the Town, if no Trustee has been appointed, shall apply the amounts in the funds to the payment of the principal of, premium, if any, and interest on the Bonds and any amounts due the Trustee and shall be required to pay over any excess moneys to the Town.

Section 6.04 Debt Service Reserve Fund.

(a) There is hereby established a Debt Service Reserve Fund to be maintained by the Town or, if a Trustee has been appointed, in trust by the Trustee. The Series Ordinance providing for the issuance of each Series of Bonds shall provide for the establishment of a separate account, if any, within the Debt Service Reserve Fund with respect to the applicable Series of Bonds, and, if so established, shall specify the applicable Debt Service Reserve Fund Requirement with respect to that Series of Bonds. The Debt Service Reserve Fund account established with respect to any Series of Bonds is intended to ensure the timely payment of the principal of and interest on the Bonds of that Series and to provide for the

redemption of Bonds of that Series at or prior to their stated maturities. Moneys in the Debt Service Reserve Fund account established with respect to any Series of Bonds shall be used for the following purposes, and the Trustee is authorized to use such moneys for the following purposes, and for no other:

(i) To prevent a Default in the payment of the principal of or interest on the Bonds of that Series, by reason of the fact that moneys in the Debt Service Fund are insufficient for those purposes.

(ii) To pay the principal of, interest on, and redemption premium, if any, of the Bonds of that Series in the event that all Outstanding Bonds of that Series be redeemed as a whole.

(iii) To effect partial redemption of the Bonds of that Series, provided that the redemption be undertaken in accordance with the provisions of the Ordinance permitting a partial redemption of Bonds and the balance remaining in the Debt Service Reserve Fund account following the partial redemption shall not be less than the Debt Service Reserve Fund Requirement, if any, with respect to the Bonds of that Series Outstanding following the partial redemption.

(iv) To effect the retirement of Bonds of that Series through purchase under the conditions herein prescribed.

(b) Whenever the market value of the cash and securities in the Debt Service Reserve Fund account established with respect to any Series of Bonds as determined by the Trustee or the Town, if no Trustee has been appointed, in accordance with **Section 6.14** hereof shall exceed the Debt Service Reserve Fund Requirement, if any, with respect to that Series of Bonds, the excess may be used at the written direction of the Authorized Representative (i) to repurchase and retire Bonds of that Series at prices not exceeding the call price first to become available or then prevailing; (ii) subject to the provisions of paragraph (h) of this **Section 6.04**, transferred to the Debt Service Fund to be applied to the payment of debt service on that Series of Bonds; or (iii) with an approving opinion of Bond Counsel, transferred to the Town and applied for any lawful purpose. Purchases of Bonds shall be effected by the Town or if a Trustee has been appointed through the Trustee. Whenever Bonds shall have been purchased pursuant to this authorization, it shall be the duty of the Trustee or Clerk, as the case may be, to cancel and destroy those Bonds and to deliver certificates evidencing that act to the Town.

(c) Other than as provided in paragraphs (b), (e), (g) and (h) of this **Section 6.04**, withdrawals from the Debt Service Reserve Fund shall be made only to make available to the Trustee or if no Trustee has been appointed to be applied by the Town, to effect payment of principal and interest and premium, if any, on the Bonds in accordance with this **Section 6.04**. Withdrawals shall be made not less than one (1) day nor more than five (5) days prior to the occasion when installments of principal and interest and premium, if any, become due or the applicable redemption or Bond purchase date, as applicable.

(d) Whenever the value of cash and securities (or the equivalent security permitted by Series Ordinance) in the Debt Service Reserve Fund account established with respect to any Series of Bonds as determined by the Trustee or the Town, if no Trustee has been appointed, in accordance with **Section 6.13** hereof shall be less than the Debt Service Reserve Fund Requirement, if any, with respect to that Series of Bonds due to decline in market value or a withdrawal pursuant to **Section 6.04(a)(i)**, there shall be deposited, from the Accommodations Fee Revenue Fund after the payments required under **Section 6.03** have been made into the Debt Service Fund on or before the fifteenth day of each month into the Debt Service Reserve Fund account in an amount which, together with equal, successive, monthly deposits in

the same amount, will provide cash and securities in the Debt Service Reserve Fund account of a value not less than the Debt Service Reserve Fund Requirement with respect to that Series within twelve (12) months next succeeding the determination.

(e) In lieu of the deposit of moneys into the Debt Service Reserve Fund account established with respect to any Series of Bonds to meet the Debt Service Reserve Fund Requirement with respect to that Series, the Town may cause to be credited a surety bond or an insurance policy payable to, or a letter of credit in favor of, the Trustee or the Town or other party acceptable to the Purchaser if no Trustee has been appointed, for the benefit of the Holders of the Bonds meeting the standard set forth in the Series Ordinance authorizing that Series of Bonds. The amount of moneys required to be deposited to the Debt Service Reserve Fund account shall be reduced by the amount of the surety bond, insurance policy, or letter of credit. The surety bond, insurance policy, or letter of credit shall be payable (upon the giving of notice as required thereunder) on any interest payment date on which moneys will be required to be withdrawn from the Debt Service Reserve Fund account and applied to the payment of the principal of or interest on any Bonds of that Series but only to the extent that withdrawals cannot be made by amounts then credited to the Debt Service Reserve Fund account.

(f) 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 Town 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 Net Accommodations 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.

(g) If the Town 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 Town for use by the Town in any lawful purposes.

(h) 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.

Section 6.05 Beach Renourishment Fund.

(a) There is hereby established the Beach Renourishment Fund. Such fund shall be held and maintained by the Town so long as any Bond remains Outstanding. The Beach Renourishment Fund is intended to provide a source of funds for the operation and maintenance of tourism-related facilities, including, but not limited to the beachfront, within the Town. Monies in the Beach Renourishment Fund may be expended only in accordance with Section 6-1-530(A) and Section 6-1-530(B) of the Code of Laws of South Carolina, 1976, as amended. The Town shall in each annual budget provide for deposits to the Beach Renourishment Fund, provided, however, that the Town shall not budget for deposit to such fund Accommodations Fees in an amount which is greater than (i) 100% of the total Net Accommodations Revenues collected in the then-ending Fiscal Year minus (ii) that amount which is equal to 100% of all principal of and interest on Bonds and Junior Bonds which shall be due in the Fiscal Year to which such budget is applicable and (iii) the amount, if any, which must be deposited in the Debt Service Reserve Fund pursuant to Section 6.04(d) in the Fiscal Year to which such budget is applicable.

(b) On October 15 of each year, beginning in the year following the issuance of the initial Series of Bonds under this Bond Ordinance, but following the making of such deposits for that month as are required by **Sections 6.03(b)** and **6.04(d)** of this Ordinance and by the provisions of any ordinance authorizing the issuance of Junior Lien Bonds, the Town may deposit Net Accommodations Fee Revenues into the Beach Renourishment Fund. The sum so deposited shall not exceed the amount budgeted for such purpose in the then-current Fiscal Year. As of December 31 of each year, commencing in the second Fiscal Year following the enactment of this Ordinance, but following the making of such deposits for that month as are required by **Sections 6.03(b)** and **6.04(d)** of this Ordinance and by the provisions of any ordinance authorizing the issuance of Junior Lien Bonds, the Town may deposit Net Accommodations Fee Revenues into the Beach Renourishment Fund in an amount not exceeding (a) 25% of the Net Accommodations Fee Revenues budgeted for the Beach Renourishment Fund for the preceding Fiscal Year, plus (b) the amount by which, in the preceding Fiscal Year, Net Accommodations Fee Revenues exceeded the sum of (i) debt service on all bonds for such preceding Fiscal Year plus (ii) the amount budgeted for the Beach Renourishment Fund for such preceding Fiscal year.

(c) The Clerk shall keep and retain accurate records of the amount and application of each deposit of funds under this **Section 6.05**.

Section 6.06 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 Town, or, at the option of the Town, a Custodian or 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 6.07 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 6.08 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 6.09 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 Authorized Representative 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 6.10 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 Authorized Representative, be invested and reinvested by the 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 Authorized Representative 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 Authorized Representative. The Trustee or the Custodian of the fund, as the case may be, may request in writing direction or authorization of the Authorized Representative 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 Authorized Representative 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 Authorized Representative 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.

(e) The Town may directly invest moneys in any fund or account not held by a Custodian or the Trustee in Investment Obligations, subject to Section 6.10(b).

Section 6.11 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 6.12 Trustee's and Custodian's Right to Rely. The Trustee and any Custodian may conclusively rely upon any investment directions given by the Authorized Representative 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 Town 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 6.13 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 6.14 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 at the market value of the obligations.

(b) The Town or the Trustee, if a Trustee has been appointed, shall value the Investment Obligations in the funds and accounts held by the Town or the Trustee, respectively, established under the Ordinance as of each December 30, within 45 days of that date. If a Trustee has been appointed, the Town shall value the Investment Obligations in all other funds and accounts established under the Ordinance as of each December 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 Town 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 6.15 Tax Covenant. No investment shall be made by the Town 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.

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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 Town 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 Town 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 Five Hundred Million Dollars (\$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 Town) 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 Town, 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 Town.

(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 Town 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 Town to the effect that an ordinance in the form therein set forth has been enacted by the 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 Town 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 Town, or by the Holders of at least twenty five percent (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(f) hereof required to take notice or if notice of Default be given as in Section 7.02(f) provided, then the Trustee shall give such notice to the Town 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 Town, 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 ninety (90) days written notice to the Town, 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 Town. The notice to the Town 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 thirty (30) days' notice either (a) by an instrument or concurrent instruments in writing delivered to the Trustee and to the Town 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 Town delivered to the Trustee.

Section 7.08 Appointment of Successor Trustee by the Town 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 Town 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 Town 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 Town 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 Town 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 Town, 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 Town 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 Town. 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. The Council may appoint a bank, trust company, national banking association, or national association as Custodian of the Accommodations 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 Town 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 Town, 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 Town written notice of such resignation, specifying a date (not less than ninety (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 Town or by the Holders of not less than fifty percent (50%) 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 Town 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 Town. 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 Town 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 Town 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 Town, 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 Town approves, shall become the successor without the execution or filing of any paper or the performance of any other act.

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ARTICLE VIII

COVENANTS

Section 8.01 Condition of Town'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 Town shall not create a pecuniary liability of the Town or a charge upon its general credit, but shall be payable solely from the Net Accommodations Fee Revenues which are required to be set apart and transferred to the Debt Service Fund and the Debt Service Reserve Fund, which Net Accommodations 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 Town other than the Net Accommodations Fee Revenues.

(b) The Bonds, together with interest thereon, shall be limited obligations of the Town payable solely from Net Accommodations Fee Revenues required to be set apart and transferred to the Accommodations 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 Net Accommodations Fee Revenues to the extent provided in paragraph (a) of this **Section 8.01**. The Net Accommodations 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 Town 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 Town or a charge against the general credit or taxing powers of the Town, 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 Town, except from the Net Accommodations 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 Town or upon any income, receipts, or revenues of the Town other than the Net Accommodations Fee Revenues that have been pledged to the payment thereof.

Section 8.02 Performance of Covenants; Authority of the Town. The Town 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 Town 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 Net Accommodations 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 Town according to the import thereof.

Section 8.03 Inspection of Accommodations Fee Revenue Records and Projects. The Town covenants and agrees that all books and documents in its possession relating to the Accommodations 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 Accommodations Fee Imposition. The Town hereby covenants that so long as any Bond or Junior Bond remains Outstanding hereunder, it continue to impose the Accommodations Fee in accordance with the law of the State.

Section 8.05 Fiscal Year. Until changed to a different twelve-month period by the Council or by law, the Town shall be operated on the basis of a Fiscal Year, which commences on the first day of January of each year and ends on the 31st day of December of that year.

Section 8.06 Annual Financial Reporting; Audited Financial Statements and Certificates. The Town shall provide the Trustee or the Bondholders, if no Trustee has been appointed, within two hundred seventy (270) days, or such shorter period as may be provided in a Series Ordinance, after the close of each Fiscal Year a copy of its audited financial statements therefor.

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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 Town under the Ordinance, the pledge of the Net Accommodations 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 Town 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 Defeasance Obligations, 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 Defeasance Obligations, 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 Town 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 Accommodations Fee Revenue Fund.

Section 9.03 Election to Redeem Bonds. The Town 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 Town in the Ordinance or in the Bonds contained; or
- (d) If a court having jurisdiction over the premises shall enter a decree or order for relief in respect of the Town 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 Town 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 ninety (90) consecutive days; or
- (e) If the Town 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 Town 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 fifty-one percent (51%) in aggregate principal amount of Bonds then Outstanding shall, by notice in writing delivered to the Town, 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 fifty-one percent (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 fifty-one percent (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 fifty-one percent (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 Town, and any of its officers, agents, and employees, and require and compel the Town, 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 Town and the 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 fifty-one percent (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 Town, 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 Town which are credited to any account or fund under this Ordinance (specifically including any moneys and securities in the Accommodations Fee Revenue Fund other than moneys and securities which are transferable to the State Accommodations Tax Fund pursuant to Section 6.01 herein), 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 Town and any contractor); and

(2) as promptly as practicable after receipt thereof, all Net Accommodations 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 Town;

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 fifty-one percent (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 Town.

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 fifty-one percent (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 fifty-one percent (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 Town to pay, but only from the Net Accommodations 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 Town 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 Town, 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 Town 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 fifty-one percent (51%) of the aggregate principal amount of Bonds then Outstanding to the Town, and the Town shall have had thirty (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 Town as the case may be, within the applicable period, is diligently pursued, and the Default is corrected within ninety (90) days after the notice hereinabove specified has been received.

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ARTICLE XI

AMENDING AND SUPPLEMENTING OF ORDINANCE

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

(a) The 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 Town 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 Town 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 Town by the terms of the Ordinance;

(4) To confirm as further assurance any lien, pledge, or charge or the subjection of the Net Accommodations 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 to confer upon any Custodian or the Trustee for the benefit of the Holders of the Bonds any additional rights, duties, remedies, powers, authority, or security or to clarify the same;

(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 Town shall not enact any Supplemental Ordinance authorized by the foregoing provisions of this **Section 11.01** unless in the opinion of counsel addressed to the Trustee and the Town (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, the 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 Town 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 Accommodations 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 Net Accommodations 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 Town shall mail a notice at least once, not more than thirty (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 sixty (60) days after the mailing of the notice required by this paragraph.

(c) The Town shall not enact any Supplemental Ordinance authorized by the foregoing provisions of this **Section 11.02** unless in the opinion of counsel addressed to the Trustee, if any, and the Town (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 Town. 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 Town may select and designate for that purpose, a suitable notation shall be made on the Bond. If the Town shall determine, new Bonds, modified as in the opinion of the Town 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 the 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 Town, 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 Town, 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 Series Ordinance Affecting Custodians and Trustees. No Supplemental Ordinance changing, amending, or modifying any of the rights, duties, and obligations of any Custodian Trustee appointed by or pursuant to the provisions of the Ordinance may be enacted by the Council or be consented to by the Holders of the Bonds without written consent of the Custodian or Trustee affected thereby.

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ARTICLE XII

MISCELLANEOUS

Section 12.01 Benefits of Ordinance Limited to the Town, 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 Town, 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 Town, 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 Town. All the terms, provisions, conditions, covenants, warranties, and agreements contained in the Ordinance shall be binding upon the successors and assigns of the Town 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 Town contained in the Ordinance or the Bonds, against any member of the Council, any officer or employee, in his individual capacity, past, present, or future, of the Town, either directly or through the Town, 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 Town, either directly or by reason of any of the obligations, covenants, promises, or agreements entered into between the Town 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 Town 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 Town, 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.

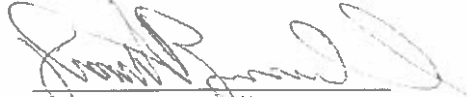
Section 12.08 Repeal of Inconsistent Ordinances and Resolutions. All ordinances and resolutions of the Town, and any part of any ordinance or resolution, inconsistent with the Ordinance are hereby repealed to the extent of the inconsistency.

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 Town to establish the funds and accounts created in **Article VI** hereof prior to the issuance of any Bonds.

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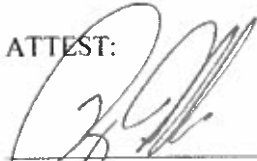
DONE, RATIFIED, AND ENACTED THIS 14th day of October, 2019.

TOWN OF PAWLEYS ISLAND, SOUTH CAROLINA



James Braswell, Mayor

ATTEST:



Ryan Ebbri, Town Administrator and
Acting Town Clerk

First Reading: September 16, 2019
Second Reading: October 14, 2019

STATE OF SOUTH CAROLINA)
)
COUNTY OF GEORGETOWN)

CERTIFIED COPY OF ORDINANCE

I, the undersigned, Town Administrator and Acting Town Clerk of the Town of Pawleys Island, South Carolina (the "Town"), **DO HEREBY CERTIFY:**

That the foregoing constitutes a true, correct, and verbatim copy of an Ordinance enacted by the Town Council of the Town (the "Town Council") on October 14, 2019. The Ordinance was read at two public meetings of the Town Council on two separate days, September 16, 2019, and October 14, 2019. An interval of at least six days occurred between each reading of the Ordinance. At each such meeting, a quorum of the Town Council was present and remained present throughout the meeting.

The meetings held on September 16, 2019, and October 14, 2019, were duly called regular meetings of the Town Council. As required by Chapter 4, Title 30 of the Code of Laws of South Carolina 1976, as amended, a notice of said meeting (including the date, time, and place thereof, as well as an agenda) was posted prominently in the Town Hall of the Town and on the Town's public website at least twenty-four hours prior to said meeting. Such agenda as so posted included consideration of this Ordinance by the Town Council.

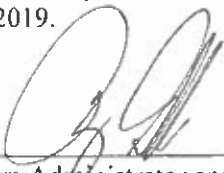
In addition, the local news media and all persons requesting notification of meetings of the Town Council were notified of the time, date, and place of such meeting, and were provided with a copy of the agenda therefor at least twenty-four hours in advance of such meeting.

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

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

IN WITNESS WHEREOF, I have hereunto set my Hand and the Seal of the Town of Pawleys Island, South Carolina, this 14th day of October, 2019.

(SEAL)



Town Administrator and Acting Town Clerk, Town of
Pawleys Island, South Carolina

2019 SERIES ORDINANCE

ORDINANCE NO. 2019-09

AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF A TOWN OF PAWLEYS ISLAND, SOUTH CAROLINA ACCOMMODATIONS FEE REVENUE BOND, SERIES 2019, IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING \$2,800,000, AND OTHER MATTERS RELATING THERETO.

BE IT ORDAINED by the Town Council of the Town of Pawleys Island (the "*Council*"), the governing body of the Town of Pawleys Island, South Carolina (the "*Town*");

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 October 14, 2019, the Council adopted a General Bond Ordinance (the "*General Bond Ordinance*") providing for the issuance of Accommodations Fee Revenue Bonds in accordance with the Enabling Act, as defined in the General Bond Ordinance.

(b) The Council has determined that it is in the best interest of the Town to undertake in the immediate future the renourishment of the beach within the Town from its' southern boundary to that portion of the beach located adjacent to the intersection of Myrtle Avenue and 3rd Street (such undertaking, including all engineering, planning, permitting and other costs authorized by the General Bond Ordinance, herein the "*2019 Project*"). The Council has further determined to issue a bond pursuant to the General Bond Ordinance to defray the costs of the 2019 Project, as well as the costs of issuance of such bond. Based upon advice received from Coastal Science & Engineering, Inc., engineers for the 2019 Project, the Council has found that the useful life of the 2019 Project is 15 years.

(c) The Council intends to enter into a contract with Marinex Construction to carry out the 2019 Project. The Council estimates that the cost of the 2019 Project and costs of issuance will total \$14,481,000. The Town will meet such costs with the following sources of funds:

- (1) Proceeds of the bond in the amount of \$2,800,000;
- (2) Available funds of the Town in the amount of \$6,076,853; and
- (3) Appropriations from the State of South Carolina, administered by the Department of Parks, Recreation and Tourism, in the amount of \$5,604,147.

(d) In accordance with the requirements of the General Bond Ordinance, the Council finds as follows:

- (1) This 2019 Series Ordinance supplements the General Ordinance, constitutes and is a "Series Ordinance" within the meaning of the quoted term as defined and used in the General Ordinance, and is enacted under and pursuant to the General Bond Ordinance.

(2) The Net Accommodations Fee Revenues pledged under the General Bond Ordinance are not encumbered by any lien or charge thereon or pledge thereof, other than the lien and charge thereon and pledge thereof created by the General Bond Ordinance providing for payment and security of the bonds issued thereunder.

(3) 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 General Bond Ordinance.

(4) No Debt Service Reserve Fund shall be established to secure the Series 2019 Bond, nor shall a Trustee be appointed in connection with the issuance thereof.

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 2019 Series Ordinance have the respective meanings given to them in the Ordinance and in this **Section 2**.

“**2019 Construction Fund**” means that fund established pursuant to the Ordinance and Section 5(a) of this 2019 Series Ordinance.

“**2019 Project**” shall have the meaning given thereto in Section 1(b).

“**2019 Series Ordinance**” shall mean this ordinance, by which issuance of the Series 2019 Bond is authorized.

“**Bond Counsel**” means Haynsworth Sinkler Boyd, P.A. or other firm nationally recognized for experience and skill in municipal finance matters.

“**Commitment Letter**” shall mean the commitment letter of the Purchaser dated September 4, 2019, addressed to the Town relating to the purchase by the Purchaser of the Series 2019 Bond attached hereto as **Exhibit B**.

“**Determination of Taxability**” means any final unappealable decision by the Internal Revenue Service or any federal court of competent jurisdiction which determines that the interest on this Series 2019 Bond, or any portion thereof, is, as a result of any misrepresentation by the Town or as a result of any act or omission by the Town, includable in the gross income of the Holder of the Series 2019 Bond for federal income tax purposes.

“**Determination of Non-Bank Qualified Status**” means any final unappealable decision by the Internal Revenue Service or any federal court of competent jurisdiction which determines that this Series 2019 Bond is not “qualified tax-exempt obligations” within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

“**Financial Advisor**” means First Tryon Advisors or other licensed municipal advisory firm selected by the Town to provide financial advice related to the Series 2019 Bond.

“**Interest Payment Date**” shall mean, with respect to the Series 2019 Bond, April 1, 2020 and any April 1 or October 1 thereafter until the principal of the Series 2019 Bond has been paid in full.

“Purchaser” shall mean Branch Banking and Trust Company, its successors or assigns.

“Series 2019 Bond” shall mean the Town’s Accommodations Fee Revenue Bond, Series 2019, in the aggregate principal amount of not exceeding \$2,800,000 authorized to be issued hereunder.

Section 3. Authorization of Series 2019 Bond, Maturities, Interest Rate, and Mandatory Redemption Provisions.

(a) There is hereby authorized to be issued a Series of Bonds designated “Accommodations Fee Revenue Bond, Series 2019” (the “Series 2019 Bond”) in the total principal amount of not exceeding Two Million Eight Hundred Thousand Dollars (\$2,800,000) for the purpose of (1) defraying the Costs of the 2019 Project and (2) paying the costs of issuance of the Series 2019 Bond. The Town Administrator shall determine the actual principal amount of the Series 2019 Bond, subject to the preceding sentence.

(b) The Series 2019 Bond shall be issued as a single fully registered Term Bond in the denomination of \$2,800,000. The Series 2019 Bond shall bear interest at the rate of 2.38%. The interest rate applicable to the Series 2019 Bond shall be increased upon the occurrence of a Determination of Taxability to a rate of 3.01% or upon occurrence of a Determination of Non-Bank Qualified Status to a rate of 2.57%, as provided therein. The Series 2019 Bond shall be numbered R-1. The Series 2019 Bond shall be dated as of its date of delivery, shall be payable as to interest on April 1 and October 1 of each year commencing April 1, 2020, and shall be subject to mandatory sinking fund redemption on October 1 in the years and in amounts as set forth below:

<u>October 1 of Year</u>	<u>Redemption Amount</u>
2020	\$160,000
2021	161,000
2022	165,000
2023	169,000
2024	173,000
2025	177,000
2026	181,000
2027	185,000
2028	190,000
2029	194,000
2030	199,000
2031	204,000
2032	209,000
2033	214,000
2034	219,000

(c) Principal of and interest on the Series 2019 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 Town or by wire transfer in accordance with Section 4.06(b) of the Ordinance. Presentment of the Series 2019 Bond is hereby waived.

(d) The Series 2019 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, the purpose of issuance, and other details thereof or as are otherwise permitted or required by law or by the Ordinance, including this 2019 Series Ordinance. The Series 2019 Bond shall be executed by the Mayor and the Seal of the Town attested by the Town Manager. As the Town Clerk is presently absent from the Town, the Town Manager has appointed himself as Acting Town Clerk, and the Series 2019 Bond shall be authenticated by the Town Administrator. The Town Clerk shall serve as Registrar for the Series 2019 Bond.

Section 4. Optional Redemption of Series 2019 Bond. From its date of issuance to and including April 1, 2027, the Series 2019 Bond shall be subject to redemption in whole, but not in part, prior to maturity at the option of the Town at any time upon 30 days prior written notice to the Holder at 101% of the principal amount to be redeemed, together with interest accrued to the date of redemption. Thereafter, the Series 2019 Bond shall be subject to redemption prior to maturity in whole, but not in part, at the option of the Town at any time upon 30 days prior written notice to the Holder at par, together with interest accrued to the date of redemption.

Section 5. Establishment of Funds.

The Debt Service Fund has been established pursuant to Section 6.02 of the Ordinance. There shall be no Debt Service Reserve Fund. There is hereby established as provided in the Section 6.05 of the Ordinance the following:

(a) There is hereby established the 2019 Construction Fund. The 2019 Construction Fund shall be held by the Town. Money therein shall be applied to defray the Costs of the 2019 Project and costs of issuance of the Series 2019 Bond.

Section 6. Use and Disposition of Series 2019 Bond Proceeds.

Upon the delivery of the Series 2019 Bond and receipt of the proceeds thereof, such proceeds and other available funds shall be disposed of as follows:

(a) The proceeds of the Series 2019 Bond shall be deposited into the 2019 Construction Fund and utilized to pay the costs of issuance of the Series 2019 Bond and Costs of the 2019 Project; and

(d) any proceeds remaining after satisfaction of the foregoing purposes may be held by the Town for payment of the first maturing installments of principal of and interest on the Series 2019 Bond.

Section 7. Continuing Disclosure. Pursuant to Section 11-1-85 of the Code of Laws of South Carolina 1976, as amended, the Town 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 (5%) percent of its revenue or tax base. The only remedy for failure by the Town to comply with the covenant in this **Section 7** shall be an action for specific performance of this covenant. The Town 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 2019 Bond; Covenants.

(a) The Series 2019 Bond is authorized to be sold to the Purchaser pursuant to the Commitment Letter.

(b) A copy of this 2019 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 Town to carry out or cause to be carried out all obligations of the Town 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 2019 Bond.

(d) As provided in the Commitment Letter, the Town covenants to make its audited financial statements available to the Holder of the Series 2019 Bond within 270 days following the end of each fiscal year of the Town.

Section 9. Tax Exemption of Series 2019 Bond.

(a) The Town will comply with all requirements of the Code in order to preserve the tax-exempt status of the Series 2019 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 2019 Bond to the United States Government.

(b) The Town 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 2019 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 2019 Bond. Without limiting the generality of the foregoing, the Town represents and covenants that:

(i) All property provided by the net proceeds of the Series 2019 Bond will be owned by the Town in accordance with the rules governing the ownership of property for federal income tax purposes.

(ii) The Town shall not permit any facility refinanced or financed with the proceeds of the Series 2019 Bond to be used in any manner that would result in (i) ten percent (10%) or more of such proceeds being considered as having been used directly or indirectly in any trade or business carried on by any natural person or in any activity carried on by a person other than a natural person other than a governmental unit as provided in Section 141(b) of the Code, or (ii) five percent (5%) or more of such proceeds being considered as having been used directly or indirectly to make or finance loans to any person other than a governmental unit as provided in Section 141(c) of the Code.

(iii) The Town 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 2019 Bond that do not conform to the guidelines set forth in Revenue Procedure 2017-13 of the Internal Revenue Service.

(iv) The Town will not sell or lease any property refinanced or financed by the Series 2019 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 2019 Bond.

(v) The Series 2019 Bond will not be federally guaranteed within the meaning of Section 149(b) of the Code. The Town 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 2019 Bond.

(vi) The Town will treat the expenditure of proceeds of the Series 2019 Bond as a capital expenditure in its financial statements for the years in which such expenditures are made and take such action as may be necessary to preserve such treatment.

(c) The Town reasonably expects that the principal amount of the Series 2019 Bond, together with the original principal amount of all other tax-exempt obligations of the Town and all entities subordinate thereto (other than obligations which are private activity bonds not qualified under Section 145 of the Code) to be issued in same calendar year 2019 will, in the aggregate, not exceed \$10 million. The Town hereby designates the Series 2019 Bond 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 2019 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 Town and the Registered Holder of the Series 2019 Bond, any right, remedy or claim under or by reason of the Ordinance or this 2019 Series Ordinance or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in the Ordinance and this 2019 Series Ordinance contained by and on behalf of the Town shall be for the sole and exclusive benefit of the Town and the Registered Holder of the Series 2019 Bond.

Section 11. Additional Provisions. The Ordinance remains in full force and effect and shall govern the issuance of the Series 2019 Bond.

Section 12. Additional Documents. The Mayor, Town Administrator, and Town 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 2019 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 2019 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 Town:

Town of Pawleys Island
321 Myrtle Avenue
Pawleys Island, South Carolina 29585
Attention: Town Administrator

If to the Purchaser:

Branch Banking and Trust Company
Governmental Finance
5130 Parkway Plaza Boulevard
Charlotte, North Carolina 28217

(b) The Town 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. **Effective Date.** This 2019 Series Ordinance shall become effective immediately upon its enactment.

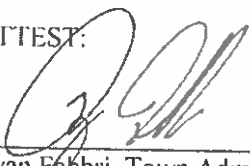
* * * *

DONE, RATIFIED, AND ENACTED THIS 14th day of October, 2019.

TOWN OF PAWLEYS ISLAND, SOUTH CAROLINA


James Braswell, Mayor

ATTEST:



Ryan Fabbri, Town Administrator and
Acting Town Clerk

First Reading: September 16, 2019
Second Reading: October 14, 2019

ORDINANCE 2019-10

AN ORDINANCE TO AMEND THE ADOPTED BUDGET FOR THE TOWN OF PAWLEYS ISLAND, SOUTH CAROLINA, FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2019 AND ENDING DECEMBER 31, 2019.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE TOWN OF PAWLEYS ISLAND, SOUTH CAROLINA, PURSUANT TO THE SOUTH CAROLINA CODE OF LAWS 1976 (AS AMENDED), SECTION 5-7-260, et al. THAT:

SECTION 1: That the Town of Pawleys Island 2019 Budget adopted by Ordinance 2018-13 is amended as follows:

1. Decrease the General Fund, 42000-03, revenue for "Court Fines & Fees" from \$30,000 to \$17,000.
2. Increase the General Fund, 44100-01, revenue for "Insurance Proceeds" from \$0 to \$27,609.
3. Increase the Administrative, 60538-01, appropriation for "Expense Due to Hurricane Dorian" from \$0 to \$11,000.
4. Increase the Police Department, 75200-02, appropriation for "Salaries - PD" from \$254,200 to \$280,600.
5. Decrease the Judicial, 60320-03, appropriation for "Court Expenses" from \$14,000 to \$5,000.
6. Decrease the Buildings, 60380-05, appropriation for "Equipment" from \$15,000 to \$0.
7. Increase the Beach Fund, 44000-07, revenue for "Grants - Beach" from \$423,612 to \$6,186,739.
8. Increase the Beach Fund, 44100-07, revenue for "Loan Proceeds" from \$0 to \$2,755,000.
9. Increase the Beach Fund, 60210-07, appropriation for "Beach Management" from \$15,000 to \$25,000.
10. Increase the Beach Fund, 60212-07, appropriation for "Groin Repair" from \$390,962 to \$404,580.
11. Increase the Beach Fund, 60240-07, appropriation for "Beach Renourishment" from \$250,000 to \$7,362,500.
12. Increase the Beach Fund, 60538-07, appropriation for "Expense Due to Hurricane Dorian" from \$0 to \$57,000.
13. Increase the Old Town Hall, 49813-09, revenue for "Old Town Hall Funds" from \$0 to \$11,000.

14. Increase the Old Town Hall, 61400-09, appropriation for "Miscellaneous" from \$0 to \$11,000.

SECTION 2: AND IT BE FURTHER ENACTED BY THE MAYOR AND COUNCIL OF THE TOWN OF PAWLEYS ISLAND that the sums and amounts reflected in Section 1 of this Ordinance are hereby appropriated for the fiscal year beginning January 1, 2019 and ending December 31, 2019.

SECTION 3: This Ordinance shall take effect and be in full force after the date of its adoption by the Town Council of the Town of Pawleys Island.

Adoption of the foregoing Ordinance moved by Rocky Holliday and seconded by Ashley Carter and after discussion and call to vote thereon, the vote was as follows:

Those in favor: Brian Henry, Ashley Carter, Sarah Zimmerman, Rocky Holliday, Querry Green

Those opposed: None

Date of first reading: October 14, 2019

Date of second reading: November 18, 2019

APPROVED: 
BRIAN HENRY, MAYOR

DATE: 11/18/19

ATTEST: 
DIANE ALLEN, TOWN CLERK

DATE: 11/18/19

ITEM	EXPENSE / REVENUE	LINE ITEM	BUDGET AMENDMENT	AMOUNT
1	COURT FINES & FEES	COURT FINES & FEES	REDUCTION	\$ 13,000.00
				\$ 13,000.00
2	INSURANCE PROCEEDS	INSURANCE PROCEEDS	ADDITIONAL	\$ 27,609.00
				\$ 27,609.00
3	BUILDING DAMAGE HURRICANE	DORIAN	ADDITIONAL	\$ 11,000.00
				\$ 11,000.00
4	HURRICANE DORIAN OT & ADDITIONAL MANPOWER	PIPD SALARY	ADDITIONAL	\$ 9,400.00
	BEACH RENOURISHMENT PROJECT SECURITY	PIPD SALARY	ADDITIONAL	\$ 17,000.00
				\$ 26,400.00
5	COURT EXPENSES	COURT EXPENSES	REDUCTION	\$ 9,000.00
				\$ 9,000.00
6	BUILDINGS EQUIPMENT	GROIN REPAIR	REDUCTION	\$ 15,000.00
				\$ 15,000.00
7	PRT BEACH RENOURISHMENT GRANT	GRANTS - BEACH	ADDITIONAL	\$ 5,759,813.00
	FEMA HURRICANE FLORENCE GRANT	GRANTS - BEACH	ADDITIONAL	\$ 3,915.00
				\$ 5,763,728.00 5,763,728.00
8	LOAN PROCEEDS - ATAX REVENUE BOND	LOAN PROCEEDS - BEACH	ADDITIONAL	\$ 2,755,000.00
				\$ 2,755,000.00
9	FIRST STREET BEACH ACCESS REPAIRS	BEACH MGMT	ADDITIONAL	\$ 6,000.00
	SOUTH END BEACH ACCESS SAND REMOVAL	BEACH MGMT	ADDITIONAL	\$ 4,000.00
				\$ 10,000.00
10	CSE ENGINEERING	GROIN REPAIR	ADDITIONAL	\$ 13,618.00
				\$ 13,618.00
11	MARINEX CONSTRUCTION, INC	BEACH RENOURISHMENT	ADDITIONAL	\$ 7,050,000.00
	CSE ENGINEERING	BEACH RENOURISHMENT	ADDITIONAL	\$ 62,500.00

\$ 7,112,500.00

12	BEACH DEBRIS CLEANUP - HURRICANE DORIAN	EXPENSE	DORIAN	ADDITIONAL	\$ 37,350.00
	BEACH ACCESS DAMAGE - HURRICANE DORIAN	EXPENSE	DORIAN	ADDITIONAL	\$ 19,650.00
					\$ 49,650.00 57,000.00

13	OLD TOWN HALL DONATIONS	REVENUE	OTH DONATIONS	ADDITIONAL	\$ 11,000.00
					\$ 11,000.00

14	OLD TOWN HALL MISCELLANEOUS	EXPENSE	OTH CONTRACTORS	ADDITIONAL	\$ 11,000.00
					\$ 11,000.00

ORDINANCE 2019-11

AN ORDINANCE TO ADOPT A BUDGET FOR THE TOWN OF PAWLEYS ISLAND, SOUTH CAROLINA, FOR THE YEAR BEGINNING JANUARY 1, 2020 AND ENDING DECEMBER 31, 2020.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE TOWN OF PAWLEYS ISLAND, SOUTH CAROLINA, PURSUANT TO THE SOUTH CAROLINA CODE OF LAWS 1976 (AS AMENDED), SECTION 5-7-260, et al. THAT:

SECTION 1: That for the expenses of the Town Government and its activities for the year beginning January 1, 2020 and ending December 31, 2020, the following amounts for the following purposes, are hereby appropriated:

TOTAL REVENUES:	\$	1,512,600
TOTAL EXPENSES:		
ADMINISTRATION		312,600
POLICE DEPARTMENT		450,400
JUDICIAL		11,400
BUILDINGS		21,200
PUBLIC WORKS		45,500
TOURISM MARKETING		106,500
BEACH MANAGEMENT		7,436,000
DEBT SERVICE		224,300
	\$	8,607,900

SECTION 2: That the attached line item appropriation on detail and estimated revenues are hereby incorporated herein.

SECTION 3: The Town Administrator shall administer the budget and may authorize the transfer of appropriated funds with departments as necessary to achieve the goals of the budget as established by Town Council.

SECTION 4: This Ordinance shall take effect and be in full force after the date of its adoption by the Town Council of the Town of Pawleys Island.

Adoption of the foregoing Ordinance moved by Guerry Green and seconded by Brian Henry and after discussion and call to vote thereon, the vote was as follows:

Those in favor: Brian Henry, Guerry Green & Ashley Carter

Those opposed: Sarah Zimmerman

NET OPERATING STATEMENT FOR ALL FUNDS - 2020 BUDGET

	GENERAL FUND	STATE ATAX FUND	LOCAL ATAX FUND	DEBT SERVICE FUND	ALL FUNDS 2020
REVENUES					
Accommodations Tax Total		310,000			310,000
Pawleys Accommodations/Hospitality Tax			495,000		495,000
Court Fines and Fees	17,000				17,000
Franchise Fees	72,000				72,000
Grants - General Government	27,000				27,000
Grants - Beach			43,000		43,000
Interest Income-General	10,500				10,500
Interest Income-Beach			10,000		10,000
Sale of Fixed Assets	5,000				5,000
Entry Fees/Special Events	45,000				45,000
MASC Programs - Insurance	355,000				355,000
Local Government State Aid	2,200				2,200
Misc Income - ADM	3,400				3,400
Misc Income - PD	2,500				2,500
Underground Wire Prop.Owners Pymts.	115,000				115,000
Transfer in from State Atax	39,250				39,250
Transfer in from Local Atax		99,000		224,300	323,300
Transfer in from General Fund		47,510			47,510
TOTAL REVENUES	\$ 693,850	\$ 456,510	\$ 548,000	\$ 224,300	\$ 1,922,660
EXPENDITURES BY FUNCTION					
Administration	219,390	93,210			312,600
Law Enforcement	256,790	193,610			450,400
Public Works	27,650	17,850			45,500
Judicial	8,160	3,240			11,400
Buildings	18,350	2,850			21,200
Advertising & Promotion		106,500			106,500
Beach Management			7,436,000		7,436,000
Debt Service Payments				224,300	224,300
Transfer to Debt Service Fund			224,300		224,300
Transfer to General Fund		39,250			39,250
Transfer to State A-Tax Fund	47,510		99,000		146,510
TOTAL EXPENDITURES	\$ 577,850	\$ 456,510	\$ 7,759,300	\$ 224,300	\$ 9,017,960
EXCESS REVENUE OVER EXPENSE	\$ 116,000	\$ -	\$ (7,211,300)	\$ -	\$ (7,095,300)
FUND BALANCE - BEGINNING	\$ 898,225	\$ -	\$ 7,636,076	\$ -	\$ 8,534,301
FUND BALANCE - ENDING	\$ 1,014,225	\$ -	\$ 424,776	\$ -	\$ 1,439,001

**TOWN OF PAWLEYS ISLAND
GENERAL FUND & STATE ATAX FUND
COMBINED 2020 BUDGET**

	ACTUAL	ACTUAL	ACTUAL	Budget	Budget
	2017	2018	as of 9/30/19	2019	2020
60710-01 Kayak race	0	0	55	400	200
60720-01 July 4th	12,283	17,824	23,395	16,000	22,000
60730-01 Turtle Strut	3,017	3,624	0	3,500	3,200
60740-01 Special Event	13,938	0	0	0	0
60760-01 Supplies - Office	3,324	2,863	2,214	3,000	3,200
60820-01 Internet / Telephone	2,844	2,684	5,889	7,800	7,800
60830-01 Training / Professional Development	1,733	353	2,350	3,100	3,100
60900-01 Shirts/Uniforms	0	0	0	1,500	1,500
70100-01 FICA Tax Expense	4,188	4,728	9,567	11,600	11,600
70200-01 SUTA Tax Expense	0	0	0	0	0
70300-01 Retirement - Admin. (ER)	12,354	13,795	12,493	17,200	17,400
75000-01 Salaries - Office	109,595	128,751	102,917	130,600	138,000
TOTAL ADMINISTRATIVE	256,998	268,884	224,942	312,620	312,600
POLICE DEPARTMENT					
60170-02 Auto expense - Gas	7,956	8,522	5,695	9,000	9,000
60175-02 Auto expense - Maintenance & Repair	5,694	11,633	9,787	12,000	7,000
60280-02 Capital Outlay	4,335	44,998	6,867	8,500	0
60300-02 Computer	2,122	2,463	1,230	7,000	10,100
60350-02 Dues and Subscriptions	450	350	474	700	700
60385-02 800 Communications	2752	2862	2,158	3,300	3,300
60400-02 Health Insurance	33,069	31,385	18,654	32,000	25,800
60410-02 Wellness Program	94	0	0	0	0
60420-02 Insurance	8,741	9,191	11,005	10,000	12,700
60420-02 Worker's Comp - PD	11,124	10,399	8,859	12,500	10,000
60510-02 Maintenance & Repair - Equipment	1,584	1,321	676	2,000	1,500
60550-02 Mileage	551	890	196	1,000	1,000
60580-02 Miscellaneous	1,471	2,309	1,138	2,000	2,000
60620-02 Printing	0	2,063	785	1,000	1,500
60760-02 Supplies - Office	2,040	1,873	2,108	2,000	2,400
60770-02 Supplies - Operating	753	3,491	1,566	1,500	1,800
60820-02 PD Cell Phones & WiFi	6,891	7,004	4,696	6,200	6,200
60821-02 Tag Readers	6,404	6,427	6,025	6,600	6,600
60822-02 Beach Access Security	8,373	8,541	5,881	7,850	7,850
60830-02 Training	2,133	2,256	1,621	2,000	2,400
60900-02 Uniforms	3,067	3,915	2,368	4,000	4,000
60915-02 Victim Services Expenditures	275	295	225	1,000	750
70100-02 FICA Tax Expense	27,971	28,797	16,136	25,100	23,900
70300-02 Retirement - PD (ER)	19,955	26,674	14,363	20,330	19,300
75000-02 Salaries - Admin	23,060	23,796	19,406	25,400	27,700
75200-02 Salaries- PD	255,792	269,222	200,070	280,600	262,900
TOTAL POLICE DEPARTMENT	436,657	510,677	341,789	483,580	450,400
JUDICIAL					
60320-02 Court Operating Expenses	0	4,237	11,767	5,000	5,000
60831-02 Magistrate Training & Dues	310	1,285	350	1,000	1,000
75100-02 Salaries - Magistrate	5,400	5,400	4,050	5,400	5,400
TOTAL JUDICIAL	5,710	10,922	16,167	11,400	11,400
PUBLIC WORKS					
60150-04 Annual Cleanup	3,120	3,200	2,820	4,000	4,000
60520-04 Repairs and Maintenance	14,440	4,740	2,871	5,200	4,000
60521-04 Storm Drain Maintenance	3,046	3,008	2,112	6,000	6,000
60540-04 Mowing - Roadside	4,032	5,712	4,368	5,500	5,500
60545-04 Park Maintenance	1,131	1,602	1,131	6,000	3,000

**TOWN OF PAWLEYS ISLAND
LOCAL ATAX FUND
2020 BUDGET**

ACTUAL ACTUAL ACTUAL BUDGET BUDGET
2017 2018 as of 2019 2020
9/30/19

REVENUES

40700-07	Pawleys Accommodations/Hospitality Tax	472,784	487,489	435,459	478,000	495,000
44000-07	Grants - Beach	522,743	297,328	426,927	6,186,739	43,000
44100-07	Loan Proceeds - Atax Revenue Bond	0	0	0	2,755,000	0
45000-07	Interest Income-Beach	56,608	113,063	104,877	110,000	10,000
49500-03	Miscellaneous Donations	0	0	0	0	0
TOTAL REVENUES		1,052,135	897,880	967,263	9,529,739	548,000

EXPENDITURES

BEACH MANAGEMENT

60200-07	Trans. 20% Out to State A-Tax	0	97,800	87,092	95,600	99,000
00000-07	Transfer Out to Debt Service	0	0	0	0	224,300
60210-07	Beach Management	37,900	16,236	27,332	25,000	16,000
60212-07	Groin Repair	0	10,406	404,575	404,580	0
60240-07	Beach Renourishment	466,324	231,069	131,936	7,362,500	7,340,000
60250-07	Beach Sand Fence Project	0	-	0	0	80,000
60538-07	Beach Expense Due to Hurricane Dorian	0	0	10,133	57,000	0
TOTAL EXPENDITURES		504,224	355,511	661,068	7,944,680	7,759,300

ENDING FUND BALANCE

5,508,648 6,051,017 6,357,212 7,636,076 424,776

EXCESS REVENUE OVER EXPENSE

547,911 542,369 306,195 1,585,059 -7,211,300

BOND DEBT SERVICE

Town of Pawleys Island, South Carolina
Accommodations Fee Revenue Bond, Series 2019
Final Numbers - BB&T (2.38%)

Period Ending	Principal	Interest	Debt Service	Annual Debt Service
04/01/2020		30,543.33	30,543.33	
10/01/2020	160,000	33,320.00	193,320.00	
12/31/2020				223,863.33
04/01/2021		31,416.00	31,416.00	
10/01/2021	161,000	31,416.00	192,416.00	
12/31/2021				223,832.00
04/01/2022		29,500.10	29,500.10	
10/01/2022	165,000	29,500.10	194,500.10	
12/31/2022				224,000.20
04/01/2023		27,536.60	27,536.60	
10/01/2023	169,000	27,536.60	196,536.60	
12/31/2023				224,073.20
04/01/2024		25,525.50	25,525.50	
10/01/2024	173,000	25,525.50	198,525.50	
12/31/2024				224,051.00
04/01/2025		23,466.80	23,466.80	
10/01/2025	177,000	23,466.80	200,466.80	
12/31/2025				223,933.60
04/01/2026		21,360.50	21,360.50	
10/01/2026	181,000	21,360.50	202,360.50	
12/31/2026				223,721.00
04/01/2027		19,206.60	19,206.60	
10/01/2027	185,000	19,206.60	204,206.60	
12/31/2027				223,413.20
04/01/2028		17,005.10	17,005.10	
10/01/2028	190,000	17,005.10	207,005.10	
12/31/2028				224,010.20
04/01/2029		14,744.10	14,744.10	
10/01/2029	194,000	14,744.10	208,744.10	
12/31/2029				223,488.20
04/01/2030		12,435.50	12,435.50	
10/01/2030	199,000	12,435.50	211,435.50	
12/31/2030				223,871.00
04/01/2031		10,067.40	10,067.40	
10/01/2031	204,000	10,067.40	214,067.40	
12/31/2031				224,134.80
04/01/2032		7,639.80	7,639.80	
10/01/2032	209,000	7,639.80	216,639.80	
12/31/2032				224,279.60
04/01/2033		5,152.70	5,152.70	
10/01/2033	214,000	5,152.70	219,152.70	
12/31/2033				224,305.40
04/01/2034		2,606.10	2,606.10	
10/01/2034	219,000	2,606.10	221,606.10	
12/31/2034				224,212.20
	2,800,000	559,188.93	3,359,188.93	3,359,188.93

2020 BUDGET

TOWN OF PAWLEYS ISLAND

12/9/2019

DETAILED BUDGET NOTES

ACCOUNT #

JUSTIFICATION

AMOUNT BUDGETED

REVENUES

43000-01	Franchise Fees	SANTEE COOPER - \$55,000 Spectrum - \$17,000	72,000
44000-01	Grants - General Government	FEMA PA Dorian - \$27,000	27,000
47000-01	Sale of Fixed Assets	Sale of 2014 Ford Explorer Police Vehicle	5,000
ADMINISTRATION			
60300-01	Computer	Cloud Storage - \$400 Google Suite / Email - \$1200 MISC programs - \$600	2,200
60350-01	Dues and Memberships	International City Managers Association (ICMA) - \$900 S.C. City Managers Association (SCCMA) - \$100 Association State Floodplain Managers (ASFPM) - \$175 American Shore & Beach Preservation Association - \$140 S.C. Beach Advocates - \$500 Municipal Association of SC (MASC) - \$300 Georgetown County Chamber Membership - \$200	2,700
60630-01	Professional Services - COG	Assistance with Comprehensive Plan 10 year update	4,000
60636-01	Professional Services - Software	MuniLogic municipal software - \$4,700 Munilogic hosted server - \$600 SAGE accounting software - \$1,320 ADP Payroll Processing - \$2,600	9,300
60650-01	Rent	Off-island storage rental - \$2,600	2,600
60820-01	Internet & Telephone	Office / PIPD phone lines - \$2,400 Elevator / Fire Alarm phone lines - \$1,650 WTS IP Phone System - \$1,400 Administrator's Mobile Phone (\$56/mo) - \$672	7,800