

RESOLUTION NO.: R-2020-086

AUTHORIZING THE INCORPORATION OF THE COLUMBIA COMMUNITY INVESTMENT FUND, A SOUTH CAROLINA NONPROFIT CORPORATION, FOR THE PURPOSE OF APPLYING FOR CERTIFICATION AS A COMMUNITY DEVELOPMENT ENTITY AND APPLYING FOR ONE OR MORE ALLOCATIONS UNDER THE NEW MARKETS TAX CREDIT PROGRAM AND AUTHORIZING THE PERFORMANCE OF ANY AND ALL ACTIONS NECESSARY FOR THE FORMATION AND ORGANIZATION OF THE CORPORATION

WHEREAS, low-income communities experience a lack of investment, as evidenced by vacant commercial properties, outdated manufacturing facilities, and inadequate access to education and healthcare service providers; and,

WHEREAS, the New Market Tax Credit Program (“NMTC Program”), which was authorized by federal law in 2000 and has been reauthorized six times since then (most recently in 2019), aims to break this cycle of disinvestment by attracting the private investment necessary to reinvigorate struggling local economies; and,

WHEREAS, in order to help economically distressed low-income communities, the NMTC Program seeks to attract private capital by permitting individual and corporate investors to receive a tax credit against their federal income tax in exchange for making equity investments in specialized financial intermediaries called community development entities (“CDEs”); and,

WHEREAS, the NMTC Program permits CDEs to apply for an allocation of New Market Tax Credits (“NMTC”) authorized from time to time under the NMTC Program, which NMTC may be deployed within the particular CDEs’ service areas to attract investment capital for low-income communities and projects located in such communities; and,

WHEREAS, the City of Columbia, South Carolina (the “City”) undertakes programs for the reconstruction and rehabilitation of blighted areas in the City, the preservation and increase in the supply of housing affordable to low- and moderate-income households (including the support of home ownership programs), the support of small and/or community businesses through commercial loans, the façade improvement program, job retention and creation programs and development of entrepreneurship programs and the provision of resources and opportunities for growth of community development programs, focusing on disaster recovery, financial empowerment, neighborhood services, health-care and food insecurity issues; and,

WHEREAS, the City desires to form a new corporate entity, whose primary mission will be to provide investment capital for low-income communities and projects located in such communities, pursuant to the South Carolina Nonprofit Corporation Act, codified within Title 33, Chapter 31, Code of Laws of South Carolina 1976, as amended (the “Act”), to be known as Columbia Community Investment Fund (the “Corporation”), and for the Corporation to apply for a designation as a CDE for the purpose of applying for a NMTC allocation from the United States Treasury in 2020; and,

WHEREAS, the Corporation will serve as a conduit between the capital markets and low-income communities by lending the investment capital it receives to qualified projects, and will maintain accountability to residents of low-income communities through representation on its Advisory Board; and,

WHEREAS, the proposed Articles of Incorporation, attached hereto as Exhibit A, state that the purpose of the Corporation is to make qualified Low-Income Community investments in the City and elsewhere in Richland and Lexington Counties (collectively, the “Service Area”) or other activities that qualify for the New Markets Tax Credit; and,

WHEREAS, the proposed Bylaws, attached hereto as Exhibit B, will be considered for adoption by the Corporation’s Board of Directors, who will be initially appointed by the sole incorporator and thereafter designated or appointed as set forth in the Bylaws pursuant to the Act; and,

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WHEREAS, the incorporation of the Corporation will allow the City to seek investment capital to increase the level of investment in projects in low-income communities in the City and in the broader Service Area; and,

WHEREAS, authorizing the incorporation of the Corporation in order to apply for the NMTC Program will allow the Corporation to seek and provide for such investment capital; NOW, THEREFORE,

BE IT IS RESOLVED by the Mayor and City Council of the City of Columbia, South Carolina this 1st day of September, 2020.


Section 1. The City Council of the City of Columbia, South Carolina (the "City Council") hereby determines that it is in the best interests of the public to authorize the incorporation of the Corporation.

Section 2. The City Council hereby authorizes and directs the Mayor, the City Manager, the Assistant City Manager for Development, or any of them acting alone or in concert, to serve as the sole or initial incorporators, to incorporate the Corporation as a South Carolina nonprofit corporation pursuant to the Act, for the purpose of applying for certification as a CDE and/or one or more allocations of New Markets Tax Credits pursuant to the NMTC Program, and to execute any applications, certificates or documents and to do any and all things and to approve, carry out, give effect to, and comply with and perform any and all actions necessary or desirable, with the advice of the City attorney, in connection with the formation and organization of the Corporation or the terms and intent of this Resolution and the documents herein referenced.

Section 3. This Resolution shall take effect immediately upon its passage.

Requested by:

Assistant City Manager Palen



Mayor

Approved by:



City Manager

Approved as to form:

T. A. Knox

City Attorney

ATTEST:



City Clerk

Introduced: 9/1/2020
Final Reading: 9/1/2020

EXHIBIT "A"

Attached on next page

**STATE OF SOUTH CAROLINA
SECRETARY OF STATE**

ARTICLES OF INCORPORATION
Nonprofit Corporation - Domestic
Filing Fee \$25.00

TYPE OR PRINT CLEARLY IN BLACK INK

Pursuant to S.C. Code of Laws §33-31-202, the undersigned corporation submits the following information:

1. The name of the nonprofit corporation is Columbia Community Investment Fund

2. The initial registered office (registered agent's address in SC) of the nonprofit corporation is

1737 Laurel Street

Street Address

Columbia
City

Richland
County

South Carolina
State

29201
Zip Code

The name of the registered agent of the nonprofit corporation at that office is

Teresa Wilson
Print Name

I hereby consent to the appointment as registered agent of the corporation.

Agent's Signature

3. Check "a", "b", or "c" whichever is applicable. Check only one box.
- a. The nonprofit corporation is a public benefit corporation.
- b. The nonprofit corporation is a religious corporation.
- c. The nonprofit corporation is a mutual benefit corporation.
4. Check "a" or "b", whichever is applicable.
- a. This corporation will have members.
- b. This corporation will not have members.

5. The address of the principal office of the nonprofit corporation is

1737 Laurel Street

Street Address

Columbia
City

Richland
County

South Carolina
State

29201
Zip Code

6. If this nonprofit corporation is either a **public benefit** or **religious corporation** complete either "a" or "b", whichever is applicable, to describe how the remaining assets of the corporation will be distributed upon dissolution of the corporation. **If you are going to apply for 501(c)(3) status, you must complete section "a."**

a. Upon dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future Federal tax code, or shall be distributed to the Federal government, or to a state or local government, for a public purpose. Any such asset not so disposed of shall be disposed of by the Court of Common Pleas of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

If you choose to name a specific 501(c)(3) entity to which the assets should be distributed, please indicate the name of the selected entity.

OR

b. If the dissolved corporation is not described in Section 501(c)(3) of the Internal Code, upon dissolution of the corporation, the assets shall be distributed to one or more public benefit or religious corporations or to one or more of the entities described in (a.) above.

If you chose to name a specific public benefit, religious corporation or 501(c)(3) entity to which the assets should be distributed, please indicate the name of the selected entity.

7. If the corporation is a **mutual benefit corporation** complete either "a" or "b", whichever is applicable, to describe how the (remaining) assets of the corporation will be distributed upon dissolution of the corporation.

a. Upon dissolution of the mutual benefit corporation, the (remaining) assets shall be distributed to its members, or if it has no members, to those persons to whom the corporation holds itself out as benefiting or serving.

b. Upon dissolution of the mutual benefit corporation, the (remaining) assets, consistent with the law, shall be distributed to

8. The optional provisions which the nonprofit corporation elects to include in the articles of incorporation are as follows (See S.C. Code of Laws §33-31-202(c)).

See Exhibit A attached hereto.

9. The name and address of each incorporator is as follows (**only one is required, but you may have more than one**).

Teresa Wilson	1737 Laurel Street, Columbia, South Carolina	29201
Name	Address	Zip Code
Name	Address	Zip Code
Name	Address	Zip Code

10. Each original director of the nonprofit corporation must sign the articles but only if the directors are named in these articles.

Name (only if named in articles)	Signature of director
Name (only if named in articles)	Signature of director
Name (only if named in articles)	Signature of director

11. Each incorporator listed in #9 **must** sign the articles.

Signature of incorporator
Signature of incorporator
Signature of incorporator

12. If the document is not to be effective upon filing by the Secretary of State, the delayed effective date/time is _____

Filing Checklist

- Articles of Incorporation (in duplicate)
- \$25.00 made payable to the SC Secretary of State - Political Associations must also submit CL-1 form and additional \$25.00 fee
- Self-Addressed, Stamped Return Envelope
- Return all documents to: South Carolina Secretary of State's Office
Attn: Corporate Filings
1205 Pendleton Street, Suite 525
Columbia, SC 29201

Name of Corporation:

Columbia Community Investment Fund

501(c)(3) Attachment

If your nonprofit is applying for 501 (c)(3) tax exempt status with the Internal Revenue Service, you **must** include this attachment with your articles of incorporation. Incorporating as a nonprofit in South Carolina does not ensure tax exempt status. A determination of tax exempt status can only be made by the Internal Revenue Service upon submission of an Application for Recognition of Exemption under Section 501(c)(3) of the Internal Revenue Code (Form 1023).

I. Purpose of the Nonprofit Corporation

Notwithstanding any other provisions of these articles, the corporation is organized and operated exclusively for one or more of the following purposes (you may check as many as are applicable):

- | | |
|--|---|
| <input checked="" type="checkbox"/> Charitable | <input type="checkbox"/> Scientific |
| <input type="checkbox"/> Religious | <input type="checkbox"/> Testing for Public Safety |
| <input type="checkbox"/> Educational | <input type="checkbox"/> Fostering National or International Amateur Sports Competition |
| <input type="checkbox"/> Literary | <input type="checkbox"/> Prevention of Cruelty to Animals or Children |

II. Prohibited Activities

Notwithstanding any other provisions of these articles, no part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its members, trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article 1 above. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for political office. Notwithstanding any other provisions of these articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are deductible under section 170 (c)(2) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

III. Distributions Upon Dissolution

Upon the dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code (See Article I above), or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

Exhibit A

to

Columbia Community Investment Fund

Articles of Incorporation

The optional provisions which Columbia Community Investment Fund (the "Corporation") elects to include in the articles of incorporation are as follows (see §33-31-202(c) and the applicable comments thereto):

(a) Purposes.

(1) The Corporation is not a corporation organized for profit. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributed to, its directors, officers, employees, agents or other private shareholders or persons except that the Corporation shall be authorized to pay reasonable compensation for services rendered.

(2) The purposes for which the Corporation is organized and the business and objectives to be carried on and promoted by the Corporation are as follows:

(A) To assist the City of Columbia, South Carolina ("City") by: (i) aiding economically depressed, distressed or blighted areas of the City; (ii) benefiting economically disadvantaged citizens of the City and in Richland and Lexington Counties (collectively, the "Service Area"), including the unemployed and underemployed; and (iii) aiding businesses to locate or remain in economically depressed, distressed or blighted areas of the Service Area and thereby provide job creation and training to the unemployed or underemployed in such areas which may not otherwise be available but for the assistance of the Corporation. To provide the foregoing assistance, the Corporation will, without limitation, promote and encourage the retention of existing industries and businesses and the establishment and location of new industries and businesses in economically distressed, depressed or blighted areas of the Service Area and surrounding areas by generating private investment capital through the New Markets Tax Credit Program (the "NMTC Program") to be made available for investment in low-income communities (as defined in the law and regulations governing the NMTC Program). The City is a governmental unit within the meaning of Sections 509(a)(1) and 170(b)(1)(A)(V) of the Internal Revenue Code of 1986, as amended, or the corresponding provision of any future United States revenue law (the "Code"). The Corporation also shall be operated, supervised, or controlled by or in connection with the City, and shall not be controlled directly or indirectly by one or more disqualified persons (as defined in Section 4946 of the Code). The Corporation is organized and at all times shall be operated in such a manner as to qualify and be recognized as a supporting organization described

in Section 509(a)(3) of the Code. In order to fulfill this purpose, and as required by the NMTC Program, the Corporation shall (1) apply to the United States Treasury Department's Community Development Financial Institution Fund (the "CDFI Fund") for designation as a "Community Development Entity" as required by the NMTC Program and (2) apply for an allocation of tax credits under the NMTC Program and (3) if the Corporation receives an allocation of tax credits under the NMTC Program, transfer that allocation to one (1) or more for-profit subsidiaries established in accordance with the regulations governing the NMTC Program for purposes of making investments in low-income communities in the Service Area. Notwithstanding any other provision in these Articles of Incorporation or the Bylaws of the Corporation to the contrary, the Corporation is expressly authorized to establish such subsidiaries, as needed, in accordance with applicable law, without further action of the City.

(b) Powers.

(1) The Corporation is organized and shall be operated exclusively for the purposes described above in Section (a)(2)(A) above. The Corporation shall have all such powers as are required by and are consistent with its purposes, including, but not limited to, the power to acquire and receive funds and property of every kind and nature, whatsoever whether by purchase, conveyance, lease, gift, grant, bequest, legacy or otherwise, own hold, expend, make gifts, grants, loans, and contributions of, and to convey, transfer and dispose of any funds and property and the income therefrom, all in furtherance of the purposes of the Corporation as hereinabove set forth; provided however, that the Corporation shall at all times be operated as a nonprofit corporation as provided in the South Carolina Nonprofit Corporation Act of 1994 as now enacted or hereafter amended (the "Act").

(2) In furtherance and not in limitation of its purposes set forth above, it is expressly provided that the Corporation, shall have the following powers:

(A) to enter into, make and perform contracts of every sort and kind with any person, firm, association, corporation, municipality, body politic, housing authority, county, state, or with the federal government or any agency or instrumentality thereof; including, without limitation, contracts with the City for such staff support and financial assistance as may be required by the Corporation;

(B) to advance or lend money or provide equity capital to any person, association, corporation, municipality, body politic, housing authority, county or state in such manner and upon such terms as is deemed expedient;

(C) to borrow money, to acquire, own, hold, sell, negotiate, assign, deal in, exchange, transfer, mortgage, pledge or otherwise dispose of mortgages, notes, evidences of indebtedness, and all other securities or

choses in action issued or created by any person, firm, association, corporation, municipality, body politic, housing authority, county, state, or with the federal government or any agency or instrumentality thereof;

(D) to sell, lease, sublease, or otherwise make available to any person, firm, association, corporation, municipal, body politic, housing authority, county or state any real estate or interest therein acquired by the Corporation;

(E) to employ agents, employees, consultants and independent contractors necessary to carry out the purposes of the Corporation and to fix their compensation and terms and conditions of employment;

(F) to solicit proposals from low-income businesses and from potential investors in the NMTC Program for projects meeting the economic development goals and objectives of the City and satisfy the requirements of the NMTC Program;

(G) to attain and maintain its status as a qualified community development entity for purposes of the NMTC Program;

(H) to organize and operate subsidiary entities in furtherance of the purposes of the Corporation as set forth herein;

(I) to do everything necessary, proper, convenient or incident to effect any or all of the purposes for which the Corporation is organized; and

(J) to exercise all the rights, privileges, powers, and immunities available to nonprofit corporations under the laws of the State of South Carolina.

(3) Notwithstanding any provision of the Articles of Incorporation to the contrary, all of the assets and earnings of the Corporation shall be used, and all powers of the Corporation shall be exercised, exclusively for the public purposes set forth herein, including the payment of expenses incidental thereto.

(c) Directors. The directors of the Corporation shall be the persons who qualify from time to time in the manner specified in the Bylaws of the Corporation.

(d) Amendments. No amendment shall be made to the Articles of Incorporation or the Bylaws of the Corporation without the approval of the City Council of the City.

EXHIBIT "B"

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BYLAWS
OF
COLUMBIA COMMUNITY INVESTMENT FUND

ARTICLE I
NAME AND OFFICES

Section 1.01. Corporate Name. The name of the Corporation shall be "Columbia Community Investment Fund". The principal office of the Corporation shall be at the location identified in the Corporation's Articles of Incorporation, as such Articles of Incorporation may be amended from time to time. The Corporation may have such other offices, either within or without the State of South Carolina (the "State"), as the Board of Directors may designate or as the business of the Corporation may require from time to time.

Section 1.02. Registered Office. The registered office of the Corporation required by the South Carolina Nonprofit Corporation Act of 1994, as amended (the "Act"), to be maintained in the State shall initially be at the location identified in the Corporation's Articles of Incorporation, and the address of the registered office may be changed from time to time by the Corporation.

ARTICLE II
ORGANIZATION

The Corporation shall be a nonprofit organization (i) established and operated in accordance with the provisions of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), and the regulations thereunder, and Sections 12-6-580 and 12-6-1120 of the Code of Laws of South Carolina 1976, as amended (the "South Carolina Code"); and (ii) incorporated under Article 1, Chapter 31, Title 33 of the Act. The Corporation shall be an independent and autonomous organization. Its period of duration shall be perpetual unless terminated in accordance with Article X, infra.

ARTICLE III
PURPOSES AND POWERS

Section 3.01. Corporate Purposes. The Corporation is organized and shall be operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code; provided, however, no part of the net earnings thereof shall inure to the benefit of any private shareholder or individual; provided further, no substantial part of the activities of the Corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, except to the extent permitted by law; provided further, the Corporation shall not participate in or intervene in (including the publishing or distributing of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these Bylaws, the Corporation shall not carry on any activities not permitted to be carried on by (i) an organization described in Internal Revenue Code Section 501(c)(3) or (ii) an organization contributions to which

are deductible under the Internal Revenue Code Section 170(c)(2) or any other corresponding provision of any future United States law. Notwithstanding any other provisions of these Bylaws, the Corporation is organized and operated exclusively for charitable, educational or religious purposes within the meaning of Internal Revenue Code Section 501(c)(3). The Corporation is further authorized to undertake any and all lawful activities necessary or incident to purposes established in Article III of these Bylaws, except as limited in the Corporation's Articles of Incorporation.

Subject to the limitations contained in the Corporation's Articles of Incorporation, the Corporation is organized and shall operate exclusively as a nonprofit corporation to assist and support the City of Columbia, South Carolina (the "City") as may be permitted by applicable law (the "Purposes"). Without limitation, the Purposes shall include assisting the City by: (i) aiding economically depressed, distressed or blighted areas of the City and Richland and Lexington Counties (collectively, the "Service Area"); (ii) benefiting economically disadvantaged citizens of the Service Area, including the unemployed and underemployed; and (iii) aiding businesses to locate or remain in economically depressed, distressed or blighted areas in the Service Area and thereby provide job creation and training to the unemployed or underemployed in such areas which may not otherwise be available but for the assistance of the Corporation. To provide the foregoing assistance, the Corporation will, without limitation, promote and encourage the retention of existing industries and businesses and the establishment and location of new industries and businesses in economically distressed, depressed or blighted areas of the Service Area by generating private investment capital through the New Markets Tax Credit Program (the "NMTC Program") to be made available for investment in low-income communities (as defined in the law and regulations governing the NMTC Program).

Section 3.02. Corporate Powers. The Corporation shall have all powers necessary to advance its Purposes to the extent permitted by applicable law.

Section 3.03. Execution of Corporate Powers. The Corporation is organized and shall operate exclusively for the aforesaid Purposes, and in connection therewith its scope of activities shall include, but not be limited to: (a) accepting and distributing contributions or donations; (b) acquiring, developing, constructing, improving, selling, donating, contributing, owning, operating, leasing or managing real property and improvements and equipment thereon, including, but not limited to, commercial and industrial facilities, equipment and infrastructure, for the benefit of the City, and mortgaging, pledging, hypothecating, granting liens and security interests in or otherwise encumbering such property or properties; (c) organizing subsidiary entities to assist in carrying out any of the Corporation's Purposes; (d) performing such other acts as may aid in the Corporation's Purposes; and (d) directing or assisting any of its subsidiaries or affiliates, if any, to do the same; provided, however, that any activity authorized by this provision shall not be engaged in any manner which would jeopardize the federal income tax exemption of the Corporation under Section 501(c)(3) of the Internal Revenue Code.

Section 3.04. Discretionary Power of Board of Directors. The Board of Directors may authorize, amend or restate operating guidelines, plans, practices and/or procedures of the Corporation from time to time in order to effectively implement the purposes of the Corporation.

ARTICLE IV FINANCES

Section 4.01. Acceptance of Funds. The Corporation shall receive funds by collection, receipt of contributions, receipt of loan proceeds, or any other legal means.

Section 4.02. Uses of Funds. All funds collected and received by the Corporation, together with the income therefrom, shall be held, retained, managed and conserved in a capital fund or funds and administered, used and applied by the Corporation in the sole discretion of the Board of Directors in accordance with the purposes described in Article III of these Bylaws, the Corporation's Articles of Incorporation and as provided in Article IV of these Bylaws.

All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as approved by the Board of Directors.

Section 4.03. Investment of Funds. Funds received by the Corporation shall be held in an account or accounts in the name of the Corporation in such location(s) as may be designated by the Board of Directors. The Corporation shall hold, manage, invest and reinvest its funds in accordance with the investment policies of the Corporation and shall collect and receive the income therefrom. After deducting all necessary expenses incident to the operation and administration of the Corporation, such funds shall be utilized in accordance with the Purposes set forth in these Bylaws and the Corporation's Articles of Incorporation. The Board of Directors may establish a committee within itself for the purpose of supervising and managing investments. All such revenues received and held by the Corporation shall be distributed to such persons and in such amounts as the Board of Directors of the Corporation shall deem appropriate, in keeping with the Purposes of the Corporation.

Section 4.04. Financial Responsibility. The Corporation shall be the sole entity or person responsible for the application and use of its assets, including payment of its expenses in accordance with such operating guidelines as may be established by the Board of Directors; and it shall operate as an independent and autonomous entity for the purposes of meeting its financial obligations.

Section 4.05. Legal Restriction on Expenditure of Funds. Notwithstanding any other provision of these Bylaws, no expenditure shall be made in any manner or for any purpose whatsoever (i) which may jeopardize the status of the Corporation as an organization under Section 501(c)(3) of the Internal Revenue Code and S.C. Code Ann. § 12-6-580 and the regulations thereunder or (ii) which may jeopardize the status of contributions or dues or payments by any person insofar as concerns deductions which are allowed under the provisions of Sections 170, 2055, 2106 and 2522 of the Internal Revenue Code and the regulations thereunder.

Should the Corporation be or become a Private Foundation under the provisions of Section 509 of the Internal Revenue Code, it shall distribute income for each taxable year at such time and in such manner as not to incur a tax on undistributed income imposed by Section 4942 and related sections of the Internal Revenue Code and the regulations thereunder.

Should the Corporation be or become a Private Foundation under the provisions of Section 509 of the Internal Revenue Code, it shall not (i) engage in any act of self-dealing as defined in Section 4941(d) of the Internal Revenue Code and the regulations thereunder; (ii) retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code and the regulations thereunder; (iii) make any investments in such manner as to incur tax liability under Section 4944 of the Internal Revenue Code and the regulations thereunder; or (iv) make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code and the regulations thereunder.

Section 4.06. Annual Audit. The Board of Directors may select an accountant to audit the Corporation's books and accounts at least once a year and prepare a review of financial statements of the Corporation in conformity with generally accepted accounting principles.

Section 4.07. Approval of Legal Documents. Unless otherwise authorized by the Board of Directors, all contracts, leases and agreements or other legal documents shall be approved by resolution or majority vote reflected in the minutes of the Board of Directors and executed and delivered by an officer of the Corporation in the name and on behalf of the Corporation.

Section 4.08. Corporate Indebtedness. Except for loans that are incurred in the ordinary course of business, no loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors or majority vote reflected in the minutes of the meeting. Such authority may be general or confined to specific instances.

Section 4.09. Required Signatures. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers or agent or agents of the Corporation and in such manner as shall from time to time be determined by the Board of Directors.

ARTICLE V
BOARD OF DIRECTORS

Section 5.01. General Powers. The business and affairs of the Corporation shall be managed under the direction of its Board of Directors which is vested with the powers and authority to do and perform all acts and functions not inconsistent with law, the Articles of Incorporation of the Corporation and these Bylaws.

Section 5.02. Number, Tenure and Qualifications. The Board of Directors shall initially consist of three (3) members. Except as otherwise provided herein, the members of the Board of Directors of the Corporation shall comprised of the individuals set forth below:

(a) One member of the Board of Directors of the Corporation shall be the City Manager of the City or equivalent thereof unless compelling reasons justify an alternate appointment methodology. Such member so appointed shall serve for the duration of his or her respective term of incumbency as City Manager of the City and until a successor is appointed.

(b) One member of the Board of Directors of the Corporation shall be the Assistant City Manager of Development of the City or equivalent thereof unless compelling reasons justify an alternate appointment methodology. Such member so appointed shall serve for the duration of his or her respective term of incumbency as Assistant City Manager of Development of the City and until a successor is appointed.

(c) One member of the Board of Directors of the Corporation shall be the Economic Development Director of the City or equivalent thereof unless compelling reasons justify an alternate appointment methodology. Such member so appointed shall serve for the duration of his or her respective term of incumbency as Economic Development Director of the City and until a successor is appointed.

The number of Directors may be increased or decreased, and the positions held by persons comprising Directors may be modified, as may be determined from time to time by resolution of the City Council of the City at any time; provided however, in no event shall the Board of Directors consist of less than three (3) Directors or more than nine (9) Directors.

Directors may be removed or resign in accordance with the provisions of Section 5.08 hereof.

Section 5.03. Meetings. An annual meeting of the Board of Directors shall be held on a date to be determined by the Board of Directors on each calendar year for the purposes of: (a) electing officers; (b) appointing members of committees; (c) addressing legal issues; (d) receiving financial reports; and (e) addressing any other pertinent issues. Special meetings of the Board of Directors may be held at any time and place upon the call of the President of the Corporation or upon the written request of any Director. The Board of Directors may provide, by resolution, the time and place, either within or without the State of South Carolina, for the holding of regular and special meetings. Directors may be present and participate in meetings via teleconference,

videoconference or other form of wire or wireless communication by which all persons participating in the meeting can hear each other at the same time, or via physical attendance.

Section 5.04. Notice. Regular meetings of the Board of Directors may be held without notice. Special meetings of the Board of Directors must be preceded by at least two days' notice to each director of the date, time and place, but not the purpose, of the meeting. Seven days' notice of a Board of Directors meeting shall be provided to each director if required under Section 33-31-822 of the Act. Notice may be communicated in person, by telephone, electronic mail, telegraph, teletype or other form of wire or wireless communication or by mail or private carrier or any other lawful means. A Director's attendance at or participation in a meeting waives any required notice of the meeting, unless the Director upon arriving at the meeting (or prior to the vote on a matter not properly noticed in conformity with the law or the Corporation's Articles of Incorporation or these Bylaws) objects to and does not thereafter vote for or assent to the objected to action. Notice of an adjourned meeting need not be given if the time and place are fixed at the meeting adjourning.

Section 5.05. Quorum. Attendance by a majority of the number of Directors in office immediately before a meeting begins shall constitute a quorum for the transaction of business at that meeting of the Board of Directors, but if less than such majority is present at a meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice. Attendance via teleconference, videoconference or other form of wire or wireless communication by which all persons participating in the meeting can hear each other at the same time, or via physical attendance shall constitute "attendance" for purposes of determining whether a quorum is present.

Section 5.06. Manner of Acting. Except as otherwise provided by law or in this Section, the affirmative vote of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. The Board of Directors shall act in accordance with the provisions of Section 33-31-831 of the Act in the event of a Director conflict of interest or potential conflict of interest.

Section 5.07. Vacancies. Except as otherwise required by law or by the Corporation's Articles of Incorporation or these Bylaws, in the event of a vacancy on in the Board of Directors of the Corporation, the City Council of the City shall appoint a new member to the Board of Directors to fill such vacancy in the same manner as provided above in Section 5.02.

Section 5.08. Removals and Resignations. Any Director may be removed at any time with or without cause by the City Council of the City. Removals shall be implemented in accordance with the provisions of Section 33-31-809 of the Act. A Director may resign; provided, however, such resignation shall be in accordance with the provisions of Section 33-31-807 of the Act.

Section 5.09. Informal Action by Directors. To the fullest extent permitted by the Act and FOIA, action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting by written consent by all members of the Board of Directors.

Section 5.10. Committees. The Board of Directors then in office may create one or more committees of the Board of Directors and appoint members of the Board of Directors to serve on

them. Each committee must have two or more members. All committee members shall serve at the pleasure of the Board of Directors. Committee appointments shall be for a one year term. The sections of these Bylaws that govern meetings, action without meetings and notice and waiver of notice requirements of the Board of Directors apply to committees of the Board of Directors and their members as well. To the extent specified by the Board of Directors, between meetings of the Board of Directors and subject to such limitations as may be required by law, the Corporation's Articles of Incorporation or these Bylaws or imposed by resolution of the Board of Directors, such committees may exercise all of the authority of the Board of Directors in the management of the Corporation, except that a committee may not authorize distributions; approve or recommend to the Board of Directors dissolution, merger or the sale, pledge or transfer of all or substantially all of the Corporation's assets; elect, appoint or remove Directors or fill vacancies on the Board of Directors or on any of its committees; or adopt, amend or repeal the Articles of Incorporation or these Bylaws.

Meetings of the committees may be held at any time on call of the President or a majority of the members of the committee. A majority of the members shall constitute a quorum for all meetings. Committees shall keep minutes of their proceedings and submit them to the next succeeding meeting of the Board of Directors for approval.

Section 5.11. Compensation; Reimbursement. The Board of Directors shall receive no compensation for service on the Board of Directors; however, the Board of Directors may determine to allow the Directors to receive reimbursement for reasonable expenses incurred in performing duties or attending meetings required as a member of the Board of Directors of the Corporation.

Section 5.12. Advisory Board. The Corporation shall maintain an Advisory Board, as such term is used in Section 45D of the Internal Revenue Code and the regulations and guidance promulgated thereunder for the purpose of advising the Board of Directors regarding means to achieve the Corporation's principal purpose consistent with these Bylaws and the Corporation's Articles of Incorporation, and for accountability to the residents of low income communities in the City. At all times, at least 20% of the Advisory Board shall be representative of the low income communities within the City. In order to be determined representative, an Advisory Board member must either: (a) reside in a low income community within the City; or (b) otherwise represent the interest of residents of low income communities in the City or surrounding areas within the Service Area, as set forth in guidance issued by the Community Development Financial Institution Fund of the U.S. Treasury Department. The Advisory Board shall serve solely in an advisory capacity and shall have no authority to take any action by or on behalf of the Corporation.

ARTICLE VI OFFICERS

Section 6.01. General. The officers of the Corporation shall be vested with authority to administer and implement duties, responsibilities and directives in conformity with their respective offices in furtherance of the purposes set forth in the Bylaws and the Corporation's Articles of Incorporation.

Section 6.02. Number. The officers of the Corporation shall be a President, a Vice President, a Treasurer and a Secretary and such other officers and assistant officers as the Board of Directors shall deem necessary or desirable. A single individual may serve as more than one officer of the Corporation.

Section 6.03. Appointment of Officers. Unless otherwise appointed by the Board of Directors as provided herein, the President of the Corporation shall at all times be the City Administrator of the City then in office or equivalent thereof, the Vice President of the Corporation shall at all times be the Utilities Director of the City then in office or equivalent thereof, and the Secretary and Treasurer of the Corporation shall be the Finance Officer of the City then in office or equivalent thereof. Notwithstanding the foregoing, or anything contained herein to the contrary, the Board of Directors may, at their option, appoint such individuals as they desire to serve as the officers of the Corporation at the annual meeting of the Board of Directors or at such time or times as the Board of Directors shall determine, and each officer so appointed shall serve until his or her successor is appointed.

Section 6.04. Removal. Any officer or agent appointed by the Board of Directors may be removed by the Board of Directors, whenever in its judgment the best interests of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 6.05. Vacancies. A vacancy in an office because of death, resignation, removal, disqualification or otherwise, may be filled for the unexpired portion of the term by a person designated by the Board of Directors.

Section 6.06. President. The President shall, when present, preside at all meetings of the Board of Directors. He may sign any deeds, mortgages, bonds, contracts or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 6.07. Vice President. The Vice President shall familiarize himself with the affairs of the Corporation, and shall have such powers and perform such duties as may be prescribed from time to time by the President or the Board of Directors. At the request of the President or, in the event of the absence or disability of the President, at the request of the Board of Directors, the Vice

President may act temporarily in the place of the President and when so acting shall possess all the powers of and perform all the duties of that officer.

Section 6.08. Treasurer. The Treasurer shall select such bank(s) or other depository(ies) wherein shall be deposited and maintained all payments, contributions, donations and dues accepted by the Board of Directors. The Treasurer shall maintain (a) accurate and complete books and records of account; (b) custody and responsibility for the property and funds of the Corporation and (c) control over the Corporation's bank account(s).

Section 6.09. Secretary. The Secretary shall (a) keep the minutes of the meetings of the members and of the Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records of the Corporation; (d) keep a register of the post office address of each Director which shall be furnished to the Secretary by such Director; (e) authenticate records of the Corporation when such authentication is required; and (f) in general perform all duties incident to the office of the Secretary and such other duties as from time to time may be assigned to him by the President or the Board of Directors.

Section 6.10. Compensation. The officers of the Corporation shall receive no compensation for service as officers; however, the Board of Directors of the Corporation may determine to allow the officers to receive reimbursement for reasonable expenses incurred in performing duties or attending meetings required as an officer of the Corporation.

Section 6.11. Bonds. Any or all officers and agents shall, respectively, if required by the Board of Directors, give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine.

ARTICLE VII INDEMNIFICATION

Section 7.01. Authority. The Corporation shall to the fullest extent permitted by the Act indemnify all persons whom it may indemnify pursuant thereto so long as such persons have conducted themselves in good faith and reasonably believed their conduct not to be opposed to the Corporation's best interests.

Section 7.02. Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Corporation, or who, while a Director, officer, employee or agent of the Corporation is or was serving at the request of the Corporation as a Director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise against liability asserted against or incurred by him in that capacity or arising from his or her status as such, whether or not the Corporation would have the power to indemnify him against the same liability under S.C. Code Ann. § 33-31-851 and § 33-31-852, as amended.

ARTICLE VIII
AMENDMENTS; SEVERABILITY; CONFLICTS

Section 8.01. Amendment of Articles of Incorporation; Amendment or Repeal of Bylaws. Upon the approval of at least 2/3 of the members of the Board of Directors of the Corporation and the approval of the City Council of the City, (a) the Articles of Incorporation of the Corporation may be amended; or (b) these Bylaws may be amended or repealed and new Bylaws may be adopted by the Board of Directors in accordance with S.C. Code Ann. §33-31-1001 through §33-31-1030, as amended.

Any notice of meetings of the Board of Directors at which the Articles of Incorporation are to be amended, or these Bylaws are to be amended or repealed or new Bylaws adopted shall include notice of such proposed action and shall contain or be accompanied by a copy or summary of the proposed amendment.

Section 8.02. Severability. If any provision of these Bylaws or the application thereof to any person or circumstance shall be held invalid or unenforceable to any extent by a court of competent jurisdiction, such provision shall be complied with or enforced to the greatest extent permitted by law as determined by such court, and the remainder of these Bylaws and the application of such provision to other persons or circumstances to be affected thereby shall continue to be complied with and enforced to the greatest extent permitted by law.

Section 8.03. Articles of Incorporation. The Corporation's Articles of Incorporation and the Act (as either may be amended from time to time) are incorporated herein by reference. Any conflict between the terms of these Bylaws, the Corporation's Articles of Incorporation or the Act shall be resolved in the following order: (1) the Act; (2) the Corporation's Articles of Incorporation; and (3) these Bylaws.

ARTICLE IX
REGULATION

The regulation of the business and conduct of the affairs of the Corporation shall conform to federal and state income tax laws and any other applicable federal and state law, and such regulation shall be determined by these Bylaws, as they may be amended from time to time. In the interpretation of these Bylaws, wherever reference is made to the Internal Revenue Code, the South Carolina Code or any other statute, or to any section thereof, such reference shall be construed to mean such code, statute or section thereof, and the regulations thereunder, as the case may be, as heretofore or hereafter amended or supplemented or as superseded by laws covering equivalent subject matter.

ARTICLE X DISSOLUTION

Section 10.01. Procedure for Dissolution. The Corporation may be dissolved and its business and affairs terminated upon a vote of at least two-thirds of the Directors in office at the time the dissolution is approved at a meeting of which written notice mailed to each Director shall be given at least ten days previously thereto. Such notice shall state the purpose of the proposed meeting. After dissolution is approved, Articles of Dissolution shall be filed with the Secretary of State. Notwithstanding the foregoing, the Corporation shall not be dissolved while any financing undertaken by the Corporation remains outstanding.

Section 10.02. Distribution of Corporate Assets. Upon dissolution of the Corporation and after all its debts and expenses have been paid, all its assets which may be legally so distributed shall be distributed in conformity with these Bylaws and for the purposes set forth herein and in the Corporation's Articles of Incorporation. All remaining assets of the Corporation shall be turned over to one or more organizations which are governmental entities or exempt organizations described in Sections 501(c)(3) of the Internal Revenue Code or corresponding sections of any prior or future law.

ARTICLE XI
MISCELLANEOUS

Section 11.01. Corporation's Fiscal Year. The fiscal year of the Corporation shall end on June 30 of each calendar year unless otherwise determined by the Board of Directors.

Section 11.02. Notices. Except as otherwise provided by law, whenever any notice is required to be given to any Director of the Corporation under the provisions of the South Carolina Code, or under the provisions of the Articles of Incorporation or Bylaws of the Corporation, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, and delivered to the Corporation for inclusion or filing with the minutes or corporate records, shall be equivalent to the giving of such notice.

[Execution Page Follows]

I Certify that these Bylaws of the Corporation were duly adopted and ratified by the Board of Directors of the Corporation at a meeting of the Board of Directors held on _____, 2020.

Secretary