
CITY OF COLUMBIA, SOUTH CAROLINA

THIRD SUPPLEMENTAL ORDINANCE NO: 2017-051

PROVIDING FOR THE ISSUANCE AND SALE OF CITY OF NOT EXCEEDING \$1,500,000 PRINCIPAL AMOUNT COLUMBIA, SOUTH CAROLINA, SPECIAL OBLIGATION BONDS OR NOTES (HOSPITALITY FEE PLEDGE), SERIES 2017, IN ORDER TO REFINANCE CERTAIN INDEBTEDNESS; AUTHORIZING THE MAYOR, THE CITY MANAGER AND THE ASSISTANT CITY MANAGER FOR FINANCE AND ECONOMIC SERVICES, OR ANY TWO OF THEM ACTING TOGETHER, TO DETERMINE CERTAIN MATTERS WITH RESPECT TO THE BONDS OR NOTES; PRESCRIBING THE FORM AND DETAILS OF SUCH BONDS OR NOTES; AND OTHER MATTERS RELATING THERETO.

Enacted: June 20, 2017

BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF COLUMBIA, SOUTH CAROLINA, IN COUNCIL ASSEMBLED:

Section 1. Definitions.

The terms in this Section 1 and all words and terms defined in the General Bond Ordinance No. 2011-63 (the "General Bond Ordinance") enacted by the City Council (the "Council") of the City of Columbia, South Carolina (the "City"), on August 30, 2011 (such General Bond Ordinance as from time to time amended or supplemented by Supplemental Ordinances being defined in the Ordinance as the "Ordinance") (except as herein otherwise expressly provided or unless the context otherwise requires) shall for all purposes of this Third Supplemental Ordinance have the respective meanings given to them in the Ordinance and in Section 1 hereof.

"2017 Bond" shall mean the City of Columbia, South Carolina, Special Obligation Bond or Note (Hospitality Fee Pledge), Series 2017, authorized to be issued hereunder in a principal amount of not exceeding \$1,500,000.

"Authorized Representative" shall mean the person or persons at the time designated to act on behalf of the City for the purpose of performing any act under this Third Supplemental Ordinance by a written certificate furnished to the Purchaser containing the specimen signature of such person or persons and signed on behalf of the City by its Mayor, City Manager and Assistant City Manager for Finance and Economic Services, or any two of them acting together.

"Bonds of 2012" shall mean the \$14,825,000 principal amount City of Columbia, South Carolina, Special Obligation Refunding Bonds (Hospitality Fee Pledge), Series 2012.

"Bonds of 2014" shall mean the \$26,175,000 principal amount City of Columbia, South Carolina, Special Obligation Bonds (Hospitality Fee Pledge), Series 2014.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"First Supplemental Ordinance" shall mean First Supplemental Ordinance No. 2011-68 enacted by the Council on August 30, 2011, authorizing the Bonds of 2012.

"General Bond Ordinance" shall mean the Ordinance duly enacted by the Council on August 30, 2011, authorizing the issuance from time to time of Bonds.

"Interest Payment Date" shall mean any date as selected by the Mayor, the City Manager and the Assistant City Manager for Finance and Economic Services, or any two of them acting together, pursuant to Section 6 hereof.

"Principal Payment Date" shall have the meaning given to such term in Section 3(a).

"Purchaser" shall mean TD Bank, N.A., as purchaser of the 2017 Bond.

"Second Supplemental Ordinance" shall mean Second Supplemental Ordinance No. 2014-052 enacted by the Council on July 15, 2014, authorizing the Bonds of 2014.

Section 2. Certain Findings and Determinations.

The City hereby finds and determines:

(a) The Ordinance, the Bond Act and the Hospitality Fee Act authorize the City to issue Bonds in order to finance the Costs of Acquisition and Construction of Projects (as defined in the General Bond Ordinance) and to refinance indebtedness incurred in connection therewith. This Third Supplemental Ordinance supplements the Ordinance, constitutes and is a "Supplemental Ordinance" within the meaning of such quoted term as defined and used in the Ordinance, and is enacted under and pursuant to the Ordinance.

(b) The 2017 Bond constitutes and is a "Bond" within the meaning of the quoted word as defined and used in the Ordinance.

(c) The Hospitality Fees pledged under the Ordinance are not encumbered by any lien and charge thereon or pledge thereof, other than: (i) the lien and charge thereon and pledge thereof created by the General Bond Ordinance and the First Supplemental Ordinance for the payment and security of the Bonds of 2012; (ii) the lien and charge thereon and pledge thereof created by the General Bond Ordinance and the Second Supplemental Ordinance for the payment and security of the Bonds of 2014; and (iii) the pledge thereof created by the General Bond Ordinance and this Third Supplemental Ordinance for the payment and security of the 2017 Bond.

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

(e) Article III of the General Bond Ordinance provides that one or more Series of Bonds may be issued for such purposes as may be permitted by the Hospitality Fee Act upon compliance with certain provisions of the General Bond Ordinance to secure funds to defray the Costs of Acquisition and Construction of one or more Projects authorized to be financed under the Hospitality Fee Act, or to refund Junior Bonds, or any other notes, bonds, or other obligations issued to finance or to aid in financing the acquisition, construction, improvement, enlargement or repair of Projects. Bonds issued upon compliance with Section 3.2 and Section 3.3 of the General Bond Ordinance shall be issued on a parity as to the Net Revenues of the System in all respects *inter sese*.

(f) A vibrant tourism industry fosters and enhances the economic growth and well being of a community and its residents. Tourism has been and continues to be a major industry for the City. The City, through its Convention and Visitors Bureau, as well as surrounding counties and municipalities and community businesses, have taken various steps to promote tourism to the City and surrounding areas and to the City's facilities and attractions. Moreover, as the City's tourism industry expands, the City must make provision to increase municipal services and facilities in order to accommodate the needs of tourists and to attract additional tourism. Tourists enjoy and utilize the special benefits which the City provides.

(g) By imposing the Hospitality Fees, the City has provided a method to alleviate the increased financial burden on resources of the City and its citizens in providing services and facilities needed to attract and support tourism. Moneys generated by the Hospitality Fees are or may be used to finance the acquisition, construction and renovation of facilities which will serve and attract visitors and tourists or to provide municipal services which serve visitors and tourists.

(h) The Council has been advised and recognizes that Hospitality Fees and the proceeds of the 2017 Bond must be used exclusively for tourism-related buildings, tourism-related cultural, recreational or historic facilities and roads and streets providing access to tourist destinations.

(i) The EdVenture Children's Museum (the "Museum"), which opened in 2003, is a non-profit educational institution and world-class, award-winning children's museum located in Columbia, South Carolina. Measuring approximately 90,000 square feet, the Museum is the largest children's museum in the southeastern portion of the United States, and offers several permanent and temporary exhibits to delight and educate new generations of lifelong learners through museum experiences, afterschool programming and camps. Last year alone, more than 217,000 people visited the Museum.

(j) The Museum's interactive exhibitions and state-wide initiatives are developed to support a child's creative thinking, decision-making skills, science-technology-engineering and math capabilities, health habits, and increase their sense of self-efficacy, from cradle to career. The Museum proudly serves and collaborates with schools and direct-service organizations across the state to increase access to education and health resources. From interdisciplinary professional development for teachers and curriculum-enhancing field study experiences, to its seven after-school sites and workforce development programming for youth—including those with special needs—the Museum is committed to its founding vision. In 2015, the Institute for Museums and Library Services cited the Museum as a transformative community anchor in its report, *Museums, Libraries and Comprehensive Initiatives: A First Look at Emerging Experience*.

(k) The City issued a series of revenue bonds in 2001 to provide funds to help construct the Museum, and has consistently provided annual appropriations of Hospitality Fees to help support the operations of the Museum. Based on information provided by the Museum, for the fiscal years ended June 30, 2014 through 2016, inclusive, between 65%-70% of the general admission visitors to the Museum were tourists, within the meaning of the Act and the City's hospitality tax guidelines. For the first three months of the current fiscal year ended June 30, 2017, approximately 72% of the general admission visitors to the Museum constituted tourists.

(l) The Museum has represented to the City that it has approximately \$1.4 million of outstanding debt which is currently due and payable (the "Museum Debt"), and has requested the assistance from the City to refinance the Museum Debt. The Museum has advised that the refinancing of the Museum Debt with a longer-term obligation would both reduce the Museum's annual debt service burden and also free up needed resources to up-fit and improve the Museum and secure newer exhibits, which will in turn generate additional visitors to the Museum.

(m) The City proposes to refinance the outstanding Museum Debt and pay issuance costs of the 2017 Bond, which would be repaid from Hospitality Fees pursuant to the Bond Ordinance. It is the City's intent that the repayment of the 2017 Bond be made from available funds of the City (including but not limited to annual Hospitality Fee collections) without placing a substantial burden on the City and its financial resources or the organizations which annually receive grants from Hospitality Fee collections. As such, although grants of Hospitality Fees are subject to annual appropriation and therefore not legally binding, it is the present intent of the City and the Museum that the annual debt service on the 2017 Bond be payable from a portion of the annual appropriation of Hospitality Fees made available by the City to the Museum.

(n) The City has received a proposal from the Purchaser, a copy of which is attached hereto as Exhibit A (the "Proposal"), to provide funds for the purposes described in sub-paragraph (m) above. It is necessary and in the best interest of the City to authorize the issuance and sale of the 2017 Bond to the

Purchaser in the principal amount of not exceeding \$1,500,000 in accordance with the Bond Act, the Hospitality Fee Act, the Ordinance and this Third Supplemental Ordinance for the purposes set forth above.

Section 3. Authorization of 2017 Bond.

(a) There is hereby authorized to be issued a series of Bonds designated “City of Columbia, South Carolina, Special Obligation [Bond][Note] (Hospitality Fee Pledge), Series 2017” (the “2017 Bond”), in the aggregate principal amount of not exceeding \$1,500,000. The proceeds of the 2017 Bond shall be used for the purposes set forth in Section 2(m) hereof.

The 2017 Bond shall bear interest at the rates per annum and mature on the date(s) and in the principal amount(s) (the “Principal Payment Dates”), all as determined by the Mayor, the City Manager and the Assistant City Manager for Finance and Economic Services, or any two of them acting together, pursuant to Section 6 hereof.

(b) The 2017 Bond shall originally be dated its date of delivery, or such other date as the Mayor, the City Manager and the Assistant City Manager for Finance and Economic Services, or any two of them acting together, shall determine pursuant to Section 6 hereof, and shall be issued in fully registered form, as a single bond representing the entire principal amount of the 2017 Bond, in the name of the Purchaser. The 2017 Bond shall be numbered and lettered in such a fashion as to maintain a proper record thereof.

The 2017 Bond shall be subject to redemption prior to maturity, whether at the option of the City or upon the occurrence of some event, in whole or in part, at the times and at the redemption prices (expressed as a percentage of principal amount of the 2017 Bond to be redeemed), all as shall be determined by the Mayor, the City Manager and the Assistant City Manager for Finance and Economic Services, or any two of them acting together, pursuant to Section 6 hereof, together, in each such case, with the interest accrued on such principal amount to the date fixed for redemption.

(c) Principal of and redemption premium, if any, on the New Bonds shall be payable at the designated corporate trust office of the Paying Agent. Interest on the New Bonds shall be payable on each Interest Payment Date, in each case to the Holders as of the immediately preceding Record Date, such interest to be paid by the Paying Agent by check or draft mailed to each Holder at the address as it appears on the Books of Registry maintained at the designated corporate trust office of the Paying Agent, and in the case of a Holder of \$1,000,000 or more in principal amount of New Bonds, by wire transfer to an account within the continental United States upon the timely receipt of a written request of such Holder; notwithstanding the foregoing, payments of principal and interest of and redemption premium, if any, on the 2017 Bond may be made directly by the City to the Purchaser, pursuant to written instructions given to the City, as shall be determined by the Mayor, The City Manager and the Assistant City Manager for Finance and Economic Services, or any two of them acting together, pursuant to Section 6 hereof. Payment of the principal of and interest on such New Bonds may be payable to the Holder thereof without presentation and surrender of such New Bonds.

(d) The 2017 Bond shall be in substantially the form set forth in Exhibit A hereto, with such necessary or appropriate variations, omissions and insertions as are incidental to the numbers, maturities, dates, 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 Third Supplemental Ordinance. The 2017 Bond shall be executed in the name and on behalf of the City by the manual or facsimile signature of the Mayor, attested by the manual or facsimile signature of the City Clerk under the seal of the City impressed, imprinted or reproduced thereon (or a facsimile thereof). The 2017 Bond shall be registered in the name of the Purchaser, as the registered owner, at the office of the City Clerk of the City of Columbia, South Carolina, on registry books to be kept for such purpose, and such registration shall be noted on the

registration attached to the 2017 Bond, after which no transfer of such 2017 Bond shall be effective unless made on such books by the registered owner in person or its duly authorized legal representative and similarly noted on the 2017 Bond.

(e) A copy of the approving opinion to be rendered on the 2017 Bond shall be printed on the back of such 2017 Bond, preceding the same a certificate shall appear, which shall be signed on behalf of the City by a facsimile signature of the City Clerk. Such certificate shall be in the form substantially as follows:

IT IS HEREBY CERTIFIED that the following is a true and correct copy of the approving opinion of McNair Law Firm, P.A., Columbia, South Carolina, the original of which was manually executed, dated and issued as of the date of the delivery of and payment for the bonds, and a copy of which is on file with the City.

CITY OF COLUMBIA, SOUTH CAROLINA

By: _____
City Clerk

Section 4. Payment of and Security for the 2017 Bond. The 2017 Bond, together with the interest thereon, shall be payable, in such coin or currency of the United States of America which at the time of such payment is legal tender for public and private debts, solely from the Hospitality Fees of the City in accordance with the provisions of this Third Supplemental Ordinance. The 2017 Bond shall be secured by a pledge of Hospitality Fees, on a parity with the pledge of Hospitality Fees securing the payment of the Bonds of 2012, the Bonds of 2014 and any other Bonds (as defined in the General Bond Ordinance) issued in compliance with the provisions of the General Bond Ordinance.

The 2017 Bond does not constitute an indebtedness of the City within any State constitutional provisions (other than Article X, Section 14, Paragraph 10 of the South Carolina Constitution authorizing obligations payable solely from special sources not involving revenues from any tax or license) or statutory limitation. The 2017 Bond shall not be a debt of the City, nor a charge, lien or encumbrance, legal or equitable, upon any property of the City or upon any income, receipts or revenues thereof, other than the aforesaid Hospitality Fees of the City. No recourse shall be had for the payment of the 2017 Bond or the interest thereon against the general fund of the City, nor shall the credit or taxing power of the City be deemed to be pledged thereto. The full faith, credit and taxing powers of the City are not pledged to the payment of the principal of or interest on the 2017 Bond.

Section 5. 2017 Bond Proceeds Fund and 2017 Debt Service Fund.

(a) There is hereby created and established the 2017 Bond Proceeds Fund, which shall be held by the City or by a Custodian. The proceeds derived from the sale of the 2017 Bond shall be advanced from the Purchaser from time to time until such date as is mutually agreeable to the City and the Purchaser as determined, in writing, by an Authorized Representative and the amount of each advance shall be noted on the Certificate of Advances attached to the 2017 Bond. If the 2017 Bond Proceeds Fund is held by a Custodian, the Mayor, the City Manager and the Assistant City Manager for Finance and Economic Services, or any of them acting alone, is authorized and directed to negotiate, execute and deliver such agreements or other agreements with such bank or other financial institution as may be necessary or desirable in connection therewith. Subject to Section 11 hereof, the moneys on deposit in the 2017 Bond Proceeds Fund shall be used and applied to retire or pay in full the Museum Debt and costs of issuance related to the 2017 Bond.

Moneys held for the credit of the 2017 Bond Proceeds Fund shall be invested to the fullest extent practicable and reasonable, in Permitted Investments, maturing at such times and in such amounts as shall be required to provide moneys to make the payments required to be made from such account. The provisions of Section 6.10 of the General Bond Ordinance relating to the investment of funds are incorporated herein as if fully set forth herein.

Withdrawals from the 2017 Bond Proceeds Fund shall be made in the manner withdrawals from other funds of the City are made.

(b) In accordance with Section 6.6 of the General Bond Ordinance, the 2017 Debt Service Fund is hereby directed to be established by the Trustee on the date of the original delivery of the New Bonds for the benefit of the Holders of the New Bonds. Moneys held for the credit of the 2017 Debt Service Fund may be invested in Permitted Investments.

Section 6. Sale and Issuance of 2017 Bond; Approval of Proposal.

(a) The Mayor, the City Manager and the Assistant City Manager for Finance and Economic Services, or any two of them acting together, are hereby authorized and empowered to undertake any one or more of the following actions: (1) determine the original issue date of the 2017 Bond; (2) determine the aggregate principal amount of the 2017 Bond, if less than authorized by this Third Supplemental Ordinance, and the principal amounts of each maturity thereof; (3) determine whether the 2017 Bond will be issued on a taxable or tax-exempt basis; (4) determine the Interest Payment Dates, including the initial Interest Payment Date, and the Principal Payment Dates for the 2017 Bond; (5) determine the optional redemption terms and redemption price of the 2017 Bond; (6) determine the interest rate for the 2017 Bond; (7) determine whether payments of principal, redemption premium (if any) and interest will be made through the Paying Agent or directly to the Purchaser; and (8) agree to any other terms, provisions and matters necessary or advisable to effect the issuance of the 2017 Bond.

(b) The Proposal, a copy of which is attached hereto as Exhibit A, to purchase the 2017 Bond is hereby accepted. The City hereby finds and determines that the Proposal is fair and reasonable and in the best interest of the City. The Mayor and the City Manager, or either of them acting alone, are hereby authorized and directed to execute and deliver the Proposal, in substantially the form attached hereto as Exhibit A, with such modifications as the Mayor and the City Manager, or either of them acting alone, approves, the execution and delivery of the Proposal constituting conclusive evidence of approval of the matters therein contained. Notwithstanding the foregoing, the Mayor and the City Manager, or either of them acting alone, are hereby authorized to take all actions, including the preparation and dissemination of requests for proposals and the preparation, publication and/or distribution of information, offering documents or private placement memoranda, all relating to the City, the 2017 Bond and the Hospitality Fees, to solicit interest and receive offers from financial institutions and institutional investors to purchase the 2017 Bond in a private offering (in lieu of the Proposal), and to accept such offer which is in the best interest of the City and execute such documents as may be necessary in connection therewith. In the event of a conflict in the terms and provisions of such Proposal or other offers received from financial institutions and institutional investors and the General Bond Ordinance, this Third Supplemental Ordinance and any other documents authorized hereunder (collectively, the "Other Documents"), the terms and provisions of the General Bond Ordinance, this Third Supplemental Ordinance and the Other Documents shall prevail.

(c) A copy of this Third Supplemental Ordinance shall be filed with the minutes of the meeting at which this Third Supplemental Ordinance was enacted.

(d) The Council hereby authorizes and directs all of the officers and employees of the City to carry out or cause to be carried out all obligations of the City hereunder and to perform such other actions as they shall consider necessary or advisable in connection with the issuance, sale and delivery of the 2017 Bond.

(e) The Council hereby authorizes the Mayor and the City Manager, or either of them acting alone, or their designees to negotiate the terms of, and execute, in the name and on behalf of the City, and deliver investment agreements, forward delivery agreements, repurchase agreements and other agreements in connection with the 2017 Bond (including agreements or other writings with the Museum as to the continued use and operation of the Museum during the term of the 2017 Bond), to prepare and solicit bids for providers of such agreements and to execute, in the name and on behalf of the City, written confirmations of any such agreements and other documents as may be necessary in connection therewith.

Section 7. Disposition of Proceeds of 2017 Bond and Certain Other Moneys. The proceeds derived from the sale of the 2017 Bond, net of any fees payable to the purchaser thereof, shall be deposited with (or at the order of) the City or the Custodian, as applicable, into the 2017 Bond Proceeds Fund established in and pursuant to Section 5 hereof.

Section 8. Designation of Trustee, Registrar and Paying Agent.

Pursuant to the Ordinance, the Trustee is Regions Bank. The Council hereby designates Regions Bank as Registrar and Paying Agent for the 2017 Bond. The Registrar and Paying Agent shall signify their acceptances of their respective duties upon delivery of the 2017 Bond.

Section 9. Continuing Disclosure. If the 2017 Bond is issued as a tax-exempt obligation and for so long as and to the extent required pursuant to Section 11-1-85 of the Code of Laws of South Carolina 1976, as amended ("Section 11-1-85"), the City covenants that it will file with a central repository for availability in the secondary bond market when requested:

- (i) An annual independent audit, within 30 days of the City's receipt of the audit; and
- (ii) Event-specific information within 30 days of an event adversely affecting more than 5% percent of Hospitality Fees or the City's tax base.

The only remedy for failure by the City to comply with the covenant of this Section 10 shall be an action for specific performance of this covenant; and failure to comply shall not constitute a default or an "Event of Default" under the Ordinance or this Third Supplemental Ordinance. The City specifically reserves the right to amend or delete this covenant in order to reflect any change in Section 11-1-85, without the consent of any Holder of the 2017 Bond.

Section 10 Further Actions. The Mayor, the City Manager and the Assistant City Manager for Finance and Economic Services and the City Clerk are hereby authorized and directed to take any and all such further actions as shall be deemed necessary or desirable in order to effectuate the issuance of the 2017 Bond. To that end, the Mayor, the City Manager and the Assistant City Manager for Finance and Economic Services of the City, or any of them acting alone, are hereby authorized and directed to negotiate and execute such agreements or documents as may be necessary or desirable to effect such acquisition.

Section 11 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 Third Supplemental Ordinance.

Enacted by the City Council of the City of Columbia, South Carolina, this ____ day of _____, 2017.



CITY COUNCIL OF THE CITY OF COLUMBIA,
SOUTH CAROLINA

By: Stacy K. Benjamin
Mayor

ATTEST:

Erika D. Moore

Clerk

Date of First Reading: June 13, 2017

Date of Second Reading: June 20, 2017

EXHIBIT A

FORM OF 2017 BOND

CITY OF COLUMBIA, SOUTH CAROLINA
SPECIAL OBLIGATION [BOND][NOTE]
(HOSPITALITY FEE PLEDGE), SERIES 2017

No. R-___

Interest Rate

Maturity Date
(As set forth in Schedule I herein)

Issue Date

Registered Holder:

Principal Amount:

THE CITY OF COLUMBIA, SOUTH CAROLINA (the "City") a public body corporate and politic and a political subdivision of the State of South Carolina (the "State"), created and existing by virtue of the laws of the State, acknowledges itself indebted and for value received hereby promises to pay, solely as hereinafter provided, to the Registered Owner named above or registered assigns, the Principal Amount on the Maturity Date (each as set forth or referenced above), unless this [Bond][Note] be subject to redemption and shall have been redeemed prior thereto as hereinafter provided, and to pay interest thereon at the annual Interest Rate stated above (calculated on the basis of a 360-day year of twelve (12) 30-day months), until the obligation of the City with respect to the payment of such Principal Amount shall be discharged. Interest on this [Bond][Note] shall be payable in [semiannual][annual] installments on [_____] 1 and] _____ 1 of each year beginning _____, [2017] (each, an "Interest Payment Date"), until maturity or earlier redemption. All payments shall be paid to the person in whose name this [Bond][Note] is registered pursuant to written instructions given to the City by the Registered Holder. The payments are payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

THIS [BOND][NOTE] HAS BEEN ISSUED UNDER THE PROVISIONS OF TITLE 6, CHAPTER 17 AND CHAPTER 1, ARTICLE 7, CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED (COLLECTIVELY, THE "ACT"); THIS [BOND][NOTE] DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION (EXCEPT ARTICLE X, SECTION 14(10) OF THE STATE CONSTITUTION AUTHORIZING INDEBTEDNESS PAYABLE SOLELY FROM A SOURCE OF REVENUE DERIVED OTHER THAN A TAX OR LICENSE) OR STATUTORY LIMITATION. THE CITY IS NOT OBLIGATED TO PAY ANY OF THIS [BOND][NOTE] OR THE INTEREST THEREON EXCEPT FROM HOSPITALITY FEES (AS DEFINED IN THE ORDINANCES). THIS [BOND][NOTE] IS NOT A GENERAL OBLIGATION OF THE CITY, THE STATE, OR ANY POLITICAL SUBDIVISION THEREOF AND NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL CREDIT NOR TAXING POWERS OF THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF.

This [Bond][Note] is issued pursuant to and in accordance with the Constitution and statutes of the State, including particularly the Act, General Bond Ordinance No. 2011-63 duly enacted by the Council on August 30, 2011, as amended and supplemented (as so amended and supplemented, the "Bond Ordinances"), including as supplemented particularly by Third Supplemental Ordinance No. _____ duly enacted by the City Council of the City (the "Council") on _____, 2017 (the "Third

Supplemental Ordinance”) for the purpose of providing moneys, to refinance the Museum Debt (as defined in the Third Supplemental Ordinance) and to pay issuance costs relating to this [Bond][Note], as more particularly permitted by the Third Supplemental Ordinance.

Certain capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Bond Ordinances. Certified copies of the Third Supplemental Ordinance and the Bond Ordinances are on file with the City and in the office of the Clerk of Court for Richland County, South Carolina.

The Ordinances contain provisions defining terms, set forth the revenues pledged for the payment of the principal of and interest on this [Bond][Note] and the Bonds of other series herewith which may hereafter be issued on a parity herewith under the Ordinances; set forth the nature, extent and manner of enforcement of the security of this [Bond][Note] and of such pledge, and the rights and remedies of the Holder hereof with respect thereto; set forth the terms and conditions upon which and the extent to which the Ordinances may be altered, modified and amended; set forth the terms and conditions upon which this [Bond][Note] is issued upon which other bonds may be hereinafter issued payable as to principal, premium, if any, and interest on a parity with this [Bond][Note] and equally and ratably secured herewith; sets forth the rights, duties and obligations of the City thereunder; and set forth the terms and conditions upon which the pledge made in the Ordinances for the security of this [Bond][Note] and upon which the covenants, agreements and other obligations of the City made therein may be discharged at or prior to the maturity or redemption of this [Bond][Note] with provisions for the payment thereof in the manner set forth in the Ordinances. Reference is hereby made to the Ordinances to all of the provisions of which any holder of this [Bond][Note] by the acceptance hereof thereby assents. The provisions of the Act and the Ordinances shall be a contract with the holder of this [Bond][Note].

This [Bond][Note] and the interest thereon is a special obligation of the City and is secured by and payable solely from a pledge of upon the Hospitality Fees imposed and collected by the City, which pledge is on a parity with the pledge thereof securing the \$14,825,000 principal amount City of Columbia, South Carolina, Special Obligation Refunding Bonds (Hospitality Fee Pledge), Series 2012, the \$26,175,000 principal amount City of Columbia, South Carolina, Special Obligation Bonds (Hospitality Fee Pledge), Series 2014, and any other Bonds (as defined in the Bond Ordinances) issued hereafter.

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

This [Bond][Note] is transferable only upon the registration books of the City kept for that purpose and maintained by the City, by the Holder hereof in person or by his duly authorized attorney, upon (a) surrender of this [Bond][Note] and an assignment with a written instrument of transfer satisfactory to the City, duly executed by the Holder hereof or his duly authorized attorney and (b) payment of the charges, if any, incurred as a consequence thereof. Thereupon a Bond of the same aggregate principal amount, maturity and interest rate shall be issued to the transferee in exchange therefor. The City may deem and treat the person in whose name this [Bond][Note] is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal or redemption price hereof and interest due hereon and for all other purposes.

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

[Redemption Provisions]

In the event this [Bond][Note] or a portion thereof is called for redemption, the City shall give notice of redemption by first-class mail, postage prepaid, to the Holder hereof as shown on the Books of Registry of the City not less than _____ days prior to the date fixed for the redemption thereof. If this [Bond][Note] be redeemable and shall have been duly called for redemption and notice of the redemption hereof mailed as aforesaid, and if on or before the date fixed for such redemption, payment thereof shall be duly made or provided for, interest hereon shall cease or accrue from and after the redemption date hereof.

It is hereby certified and recited that all conditions, acts and things required by the Constitution and statutes of the State to exist, be performed or happen precedent to or in the issuance of this [Bond][Note], exist, have been performed and have happened, that the amount of this [Bond][Note], together with all other indebtedness of the City, does not exceed any limit prescribed by such Constitution or statutes.

IN WITNESS WHEREOF, THE CITY OF COLUMBIA, SOUTH CAROLINA has caused this [Bond][Note] to be signed by the manual or facsimile signature of its Mayor, its corporate seal to be reproduced hereon and the same to be attested by the manual or facsimile signature of its City Clerk.

CITY OF COLUMBIA, SOUTH CAROLINA

By: _____
Mayor

(SEAL)

ATTEST:

By: _____
City Clerk

[REGISTRATION]

This [Bond][Note] has been registered in the name of _____ on the registry books kept by the City of Columbia, South Carolina.

Dated this ____ day of _____, 2017.

City Clerk, City of Columbia, South Carolina]

[CERTIFICATE OF AUTHENTICATION

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

Regions Bank, as Trustee

By: _____
Its: _____

Date: _____]

IT IS HEREBY CERTIFIED that the following is a true and correct copy of the approving opinion of McNair Law Firm, P.A., Columbia, South Carolina, the original of which was manually executed, dated and issued as of the date of the delivery of and payment for the bonds, and a copy of which is on file with the City.

THE CITY OF COLUMBIA, SOUTH CAROLINA

By: _____
City Clerk

FORM OF ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Please print or type name and address of Transferee and Social Security or other identifying number of Transferee)

the within Bond and all rights and title thereunder, and hereby irrevocably constitutes and appoints attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: _____

STAMP Language

Signature Guaranteed: _____

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

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

FORM OF PROPOSAL