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AN ORDINANCE

AN ORDINANCE AUTHORIZING A LOAN OF HOSPITALITY TAX FUNDS TO HERITAGE CLASSIC FOUNDATION FOR THE PROCUREMENT OF THE 2011 PGA HERITAGE GOLF TOURNAMENT TO BE HELD ON HILTON HEAD ISLAND, SOUTH CAROLINA

WHEREAS, by action previously taken, the County Council of Beaufort County, South Carolina, which is the governing body of Beaufort County, South Carolina (hereinafter called the "County Council"), ordered that a public hearing on the question of the loaning of Hospitality Tax Funds to Heritage Classic Foundation ("Foundation") for the purpose of procuring the 2011 PGA Heritage Golf Tournament ("Tournament") to be held on Hilton Head Island in the amount of One Million Dollars (\$1,000,000.00) be held in the large meeting room of the Hilton Head Island Branch Library, 11 Beach City Road, Hilton Head Island, South Carolina, on Monday, September 13, 2010, and notice of such hearing has been duly published once a week for three successive weeks in The Beaufort Gazette, a newspaper of general circulation in Beaufort County and The Island Packet; and

NOW, THEREFORE, BE IT ORDAINED, by the County Council in a meeting duly assembled:

Section 1. It is found and determined that each statement of fact set forth in the preamble of this Ordinance is in all respects true and correct.

Section 2. On the basis of the facts adduced at the public hearing held on September 13, 2010, it is found and determined that Beaufort County should be authorized to loan Heritage Classic Foundation One Million Dollars (\$1,000,000.00).

Section 3. The County Council hereby authorizes Beaufort County to prepare a Promissory Note in the amount of One Million Dollars (\$1,000,000.00) for the benefit of

Heritage Classic Foundation for the purpose of procuring the 2011 PGA Heritage Golf Tournament to be held on Hilton Head Island upon the following terms and conditions:

A. These funds shall be used for reserving a 2011 Tournament date with the PGA;

B. This loan shall not be subordinate to any other loan the Heritage Classic Foundation may enter into to further facilitate the expediting of the Tournament.

C. Heritage Classic Foundation shall provide an update on the Tournament date reservation process to the County Council of Beaufort County at its official County Council meetings held on Mondays once or twice a month until such date is secured and formalized.

D. The loan shall be repaid no later than sixty (60) days after Heritage Classic Foundation secures a single or multiple, title or presenting sponsor(s), capable of funding in total Four Million Dollars (\$4,000,000.00) or more to the Tournament.

E. At Beaufort County's option, the unpaid loan balance as of February 1, 2011 can be:

(i) Converted to a term loan note at the then current prime rate of interest payable over five (5) years; or

(ii) Sold to sponsors and/or advertisers acceptable to Foundation and Beaufort County, provided the television advertising units are available and have not been previously sold;

or

(iii) Converted into Tournament national advertising time to promote Beaufort County, provided the advertising units are available, having not been sold, which would in effect, forgive the loan in full.

Section 4. The Chairman and other officers of the County Council are herewith authorized and empowered to take such further action as may be necessary to fully implement the action taken by this Ordinance.

DONE AT BEAUFORT, SOUTH CAROLINA, this 13th day of September, 2010.



Chairman
Beaufort County Council

(SEAL)

Attest:



Clerk
Beaufort County Council

First Reading, By Title Only: August 9, 2010
Second Reading: August 23, 2010
Public Hearing: September 13, 2010
Third and Final Reading: September 13, 2010