

**ORDINANCE NO. 17-16**

**AN ORDINANCE TO PROVIDE FOR THE ISSUANCE AND SALE OF DORCHESTER COUNTY, SOUTH CAROLINA, WATERWORKS AND SEWER SYSTEM REVENUE BONDS (JUNIOR LIEN), SERIES 2017 IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING \$2,500,000; TO PRESCRIBE THE PURPOSES FOR WHICH THE PROCEEDS SHALL BE EXPENDED; TO PROVIDE FOR THE PAYMENT THEREOF; AND OTHER MATTERS RELATING THERETO.**

**BE IT ORDAINED BY THE COUNTY COUNCIL OF DORCHESTER COUNTY, SOUTH CAROLINA, IN MEETING DULY ASSEMBLED:**

**ARTICLE I**

**FINDINGS AND DETERMINATIONS**

**SECTION 1.1. Findings of Fact.** As an incident to the enactment of this Ordinance, the County Council of Dorchester County, South Carolina (the "County Council"), the governing body of Dorchester County, South Carolina (the "County"), has made the following findings:

(a) The County is a body politic and corporate and is a political subdivision of the State of South Carolina (the "State") and as such possesses all powers and duties granted to counties by the Constitution and laws of the State.

(b) The County owns and operates a Waterworks and Sewer System (the "System") which provides water and sewer service within portions of the County.

(c) Title 6, Chapter 17 of the Code of Laws of South Carolina 1976, as amended (the "Act"), permits the incurring of debt for the purpose of financing facilities for the furnishing of water and wastewater treatment services and permits the securing of such indebtedness with a pledge of revenues derived from the operation of the System.

(d) By ordinance entitled "GENERAL BOND ORDINANCE NO. 03-06 AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF WATERWORKS AND SEWER SYSTEM REVENUE BONDS OF DORCHESTER COUNTY, SOUTH CAROLINA; PRESCRIBING THE FORM OF BONDS; LIMITING THE PAYMENT OF THE BONDS SOLELY TO THE NET REVENUES DERIVED FROM THE OPERATION OF THE SYSTEM AND PLEDGING THE REVENUES TO SUCH PAYMENT; CREATING CERTAIN FUNDS AND PROVIDING FOR PAYMENTS INTO SUCH FUNDS; AND MAKING OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE FOREGOING", enacted on September 2, 2003 (as amended and supplemented from time to time, the "General Bond Ordinance"), County Council made provision for the issuance from time to time of Waterworks and Sewer System Revenue Bonds of the County payable from Net Revenues (as such term is defined in the General Bond Ordinance) derived from the operation of the System.

(e) The Net Revenues derived from the System are now hypothecated and pledged to the payment of the following:

- (i) the outstanding \$6,630,000 of an original issue of \$11,280,000 Waterworks and Sewer System Revenue Bonds, Series 2009, dated November 5, 2009;
- (ii) the outstanding \$2,705,607 of an original issue of \$3,860,225 Waterworks and Sewer System Revenue Bond, Series 2009A, dated September 11, 2009;
- (iii) the outstanding \$19,190,000 of an original issue of \$22,760,000 Waterworks and Sewer System Revenue Refunding Bonds, Series 2012, dated April 25, 2012;
- (iv) the outstanding \$1,208,658 of an original issue of \$1,481,830 Waterworks and Sewer System Revenue Bond, Series 2012A, dated June 27, 2012;
- (v) the outstanding \$1,055,744 of an original issue of \$1,700,000 Waterworks and Sewer System Revenue Bond, Series 2012B, dated October 12, 2012; and
- (vi) the outstanding \$23,445,000 of an original issue of not exceeding \$23,445,000 Waterworks and Sewer System Revenue Refunding Bonds, Series 2015.

The borrowings described in this paragraph (e), together with any Series of Bonds (as such term is defined in the General Bond Ordinance) hereafter issued on a parity therewith, are hereinafter collectively referred to as the "Senior Lien Bonds".

(f) The General Bond Ordinance permits the issuance of Junior Bonds (as such term is defined in the General Bond Ordinance) payable from Net Revenues for the purpose of defraying the cost of improving, extending, enlarging or repairing the System or some part thereof provided that the pledge of Net Revenues securing the Junior Bonds shall at all times be subordinate and inferior to the pledge of Net Revenues securing the Senior Lien Bonds. The County has heretofore issued its \$2,100,000 original principal amount Waterworks and Sewer System Revenue Note (Junior Lien), dated October 25, 2012, currently outstanding in the principal amount of \$1,320,000 (the "Series 2012 Junior Bond") which constitutes a "Junior Bond" under the General Bond Ordinance.

(g) The County has determined to extend the System to provide water and sewer service to the Ridgeville Commerce Park (the "Project"). The Project will be part of the System.

(h) In order to provide funds to defray a portion of the cost of the design, engineering, acquisition and construction of the Project, the County will issue its not exceeding \$2,500,000

Waterworks and Sewer System Revenue Bonds (Junior Lien), Series 2017 (the "Bond"). The Bond will constitute a "Junior Bond" within the meaning of the General Bond Ordinance. To secure its payment of principal of and interest on the Bond, the County will grant a pledge of, and lien upon, all Net Revenues derived from the operation of the System, which pledge will be junior and subordinate to the pledge securing the Senior Lien Bonds and on a parity with the pledge securing the Series 2012 Junior Bond.

(i) The Net Revenues pledged under the General Bond Ordinance are not encumbered by any lien and charge thereon or pledge thereof, other than the liens and charges thereon and pledges thereof securing the Senior Lien Bonds, which are secured by liens and charges on and pledges of the Net Revenues prior and superior to the liens and charges thereon and pledges thereof securing the Series 2012 Junior Bond and the Bond.

(j) The estimated Cost of Acquisition and Construction of the Project is \$7,375,000, to be financed in part with the proceeds of the Bond.

(k) The period of usefulness of the System is not less than 40 years from the date hereof.

(l) It is necessary and in the best interest of the County to undertake the Project and to issue the Bond in the principal amount of not exceeding \$2,500,000 in accordance with the Act, the General Bond Ordinance and this Ordinance for the purposes set forth above.

## ARTICLE II

### DEFINITIONS

**SECTION 2.1. Definitions.** All capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the General Bond Ordinance, the terms and conditions of which General Bond Ordinance shall govern the issuance of the Bond. The following terms shall have the following meanings in this Ordinance unless the text otherwise expressly requires:

"2017 Construction Fund" shall mean the fund established pursuant to Section 5.3 hereof to defray a portion of the cost of the Project and to pay all Costs of Acquisition and Construction in connection therewith and the Cost of Issuance of the Bond.

"Chief Financial Officer" shall mean the Chief Financial Officer of Dorchester County.

"Custodian" shall mean the bank selected by the County as custodian of the 2017 Construction Fund established pursuant to Section 5.3 hereof.

"Interest Payment Dates" shall mean such annual or semiannual dates on which interest on the Bond shall be due as determined by the County Administrator.

"Principal Payment Date" shall mean such date as determined by the County Administrator on which principal of the Bond shall be due.

"Purchaser" shall mean the purchaser of the Bond from the County.

### ARTICLE III

#### THE BOND

**SECTION 3.1. Authorization of the Bond.** (a) There is hereby authorized to be issued the "Dorchester County, South Carolina, Waterworks and Sewer System Revenue Bonds (Junior Lien), Series 2017" (the "Bond"), in the aggregate principal amount of not exceeding \$2,500,000. The proceeds of the Bond shall be used (a) to pay a portion of the Cost of Acquisition and Construction of the Project, including reimbursement to the County for expenditures heretofore incurred in connection with the Project; and (b) to pay the Cost of Issuance of the Bond.

(b) The Bond shall originally be dated the date of its delivery or such other date as the County Administrator shall determine and shall be issued as a fully registered Bond. The Bond shall be issued in such aggregate principal amount (not to exceed \$2,500,000), shall mature on such Principal Payment Dates in the years and in the principal amounts, shall be payable as to interest (calculated on the basis of a 360-day year of twelve 30-day months) at such rate or rates and on such Interest Payment Dates, and shall be subject to redemption prior to its maturity, if at all, at such times and at such redemption prices, all as shall be approved by the County Administrator and all as evidenced by a certificate to be executed by the County Administrator and delivered at the closing of the Bond.

(c) Principal of and interest on the Bond shall be payable at such location as designated by the Purchaser.

(d) The Bond and the assignment provisions pertaining thereto 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, denominations, maturities, interest rate or rates, redemption provisions, and other details thereof or as are otherwise permitted or required by law or by the General Bond Ordinance and this Ordinance.

**SECTION 3.2. Payment of the Bond.** The 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. Principal of and interest on the Bond shall be payable from, and secured by a pledge of and lien on, the Net Revenues of the System junior and subordinate to the pledges of and liens on the Net Revenues securing payment of the Senior Lien Bonds and on a parity with the pledge of and lien on the Net Revenues securing payment of the Series 2012 Junior Bond.

The Bond, and the interest thereon, shall not be a debt of the County, nor a charge, lien or encumbrance, legal or equitable, upon any property of the County or upon any income, receipts

or revenues of the County other than such of the Net Revenues of the System as are hereby pledged to the payment thereof.

No recourse shall be had for the payment of the Bond, or the interest thereon, or any part thereof, against the general fund of the County, nor shall the credit or taxing powers of the County be deemed to be pledged to the payment of the principal of and interest on the Bond. The full faith, credit and taxing powers of the State of South Carolina or of the County are not pledged to the payment of the principal of or the interest on the Bond, and the Bond shall never constitute an indebtedness of the County within the meaning of 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.

**SECTION 3.3. Execution of Bond.** The Bond shall be executed in the name of the County by the manual signature of the Chairman of the County Council (or, in his absence, the Vice Chairman), under the corporate seal of the County, which shall be impressed or reproduced thereon, and attested by the manual signature of the Clerk of the County Council. No authentication of the Bond shall be required.

**SECTION 3.4. Registration and Transfer of Bond.** (a) The Bond shall at all times be registered as to principal and interest in the name of the Holder on the registration books to be maintained for the Bond in the office of the County in St. George, South Carolina. Upon presentation of the Bond for registration or transfer, the fact of such registration or transfer shall be noted on the Bond. No transfer of the Bond shall be valid unless made at such office of the County and noted on the Bond.

(b) No person shall be entitled to any right or benefit provided in the Bond unless the name and address of such person is registered with the County and the fact thereof is endorsed by the County upon such Bond and upon the registration books. No charge shall be made for registration.

(c) The registration books shall show (i) the date of registration and (ii) the name and address of the person in whose name the Bond is registered. The latest chronological date of registration of the Bond, as the same shall appear in the registration books, shall be conclusive as to the name and address of the Holder for all purposes.

## **ARTICLE IV**

### **SALE AND ISSUANCE OF THE BOND**

**SECTION 4.1. Sale of Bond.** The Chief Financial Officer is hereby authorized to solicit bids for the sale of the Bond and to award the Bond to the bidder offering the most advantageous financing arrangement to the County, including net interest cost and redemption provisions, as determined by the Chief Financial Officer upon the advice of the Financial Advisor to the County.

**SECTION 4.2. Issuance of Bond.** The County Council hereby authorizes and directs all of the officers and employees of the County to carry out or cause to be carried out all obligations of the County in connection with the issuance of the Bond and to perform such other actions as they shall consider necessary or advisable in connection with the issuance, sale and delivery of the Bond.

## **ARTICLE V**

### **ESTABLISHMENT OF FUNDS; DISPOSITION OF REVENUES**

**SECTION 5.1. Establishment of Funds.** The Revenue Fund, the Operation and Maintenance Fund and the Depreciation and Contingency Fund established under the General Bond Ordinance shall continue in effect until the Bond is fully paid, as to both principal and interest.

**SECTION 5.2 Disposition of Revenues.** All Revenues derived from the operation of the System shall continue to be deposited into the Revenue Fund, and withdrawals therefrom shall be made as prescribed in the General Bond Ordinance.

**SECTION 5.3. Establishment of the 2017 Construction Fund.** There is hereby created and established the 2017 Construction Fund which fund shall be held by a Custodian selected by the County. The proceeds derived from the sale of the Bond shall be deposited with the Custodian into the 2017 Construction Fund. Withdrawals from the 2017 Construction Fund shall be made to pay the Cost of Acquisition and Construction of the Project, including reimbursement to the County for expenditures heretofore incurred in connection with the Project, and the Cost of Issuance of the Bond upon the submission of requisitions, bills, invoices, vouchers or statements presented to the Custodian by a County Representative. In making any such payment from the 2017 Construction Fund, the Custodian may rely on such directions, requisitions and certifications delivered to it pursuant to this Section, and the Custodian shall not have any liability with respect to making such payments in accordance with such directions, requisitions and certifications for any liability with respect to the proper application hereof by the County.

Upon completion of the Project, a County Representative shall give notice thereof to the Custodian, and any funds then remaining in the 2017 Construction Fund shall be used only to pay the principal of and interest on the Bond.

## **ARTICLE VI**

### **MISCELLANEOUS**

**SECTION 6.1. Further Actions.** The County Administrator, the Chief Financial Officer, the Chairman of County Council, the Clerk to County Council and the County Attorney 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 Bond and to carry out the intentions of this Ordinance.

**SECTION 6.2. Continuing Disclosure.** Pursuant to Section 11-1-85 of the Code of Laws of South Carolina 1976, as amended, the County hereby covenants that it will file or cause to be filed with a central repository for availability in the secondary bond market when requested: (i) an annual independent audit of the County, within thirty days of the County's receipt of the audit, and (ii) event specific information, within thirty days of an event adversely affecting more than five percent (5%) of the County's revenue or tax base.


**SECTION 6.3. 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 Ordinance.

**SECTION 6.4. Repeal of Inconsistent Ordinances and Resolutions.** All ordinances and resolutions of the County, and any part of any ordinance or resolution, inconsistent with the Ordinance are hereby repealed to the extent of such inconsistency.

**SECTION 6.5. Effective Date.** This Ordinance shall become effective upon its enactment.

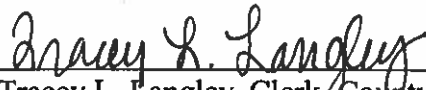
Enacted by the County Council of the Dorchester County, South Carolina, this 5<sup>th</sup> day of June, 2017.

DORCHESTER COUNTY, SOUTH CAROLINA

By:   
James Lex Byars, III, Chairman, County  
Council of Dorchester County, South Carolina

(SEAL)

ATTEST:

  
Tracey L. Langley, Clerk County Council of  
Dorchester County, South Carolina

Date of First Reading: May 1, 2017  
Date of Second Reading: May 15, 2017  
Date of Third Reading: June 5, 2017

FORM OF SERIES 2017 BOND

UNITED STATES OF AMERICA  
STATE OF SOUTH CAROLINA  
DORCHESTER COUNTY  
WATERWORKS AND SEWER SYSTEM  
REVENUE BOND (JUNIOR LIEN)  
SERIES 2017

Original  
Issue Date

Maturity  
Date

Interest  
Rate

\_\_\_\_\_, 2017

\_\_\_\_\_, \_\_\_\_

REGISTERED HOLDER:

PRINCIPAL AMOUNT: \$ \_\_\_\_\_

Dorchester County, South Carolina (the "County"), is justly indebted and, for value received, hereby promises to pay to the Registered Holder named above, or registered assigns, the Principal Amount shown above plus interest from the date hereof at the Interest Rate shown above, payable, as to both principal and interest, in the amounts and on the dates set forth on the attached Schedule A. Both the principal of and interest on this Bond are payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for public and private debts. Interest on this Bond shall be computed on the basis of a 360-day year consisting of twelve 30-day months. All payments by way of principal and interest shall be paid to the Registered Holder or its legal representative, successors, or assigns at the principal office of \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, without presentation or surrender of this Bond.

THIS BOND HAS BEEN ISSUED UNDER THE PROVISIONS OF TITLE 6, CHAPTER 17 OF THE CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED, AND DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE COUNTY 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). THIS BOND SHALL NOT CONSTITUTE A DEBT OF THE COUNTY, NOR A CHARGE, LIEN OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON ANY PROPERTY OF THE COUNTY OR ON ANY INCOME, RECEIPTS OR REVENUES THEREOF, OTHER THAN THE AFORESAID NET REVENUES OF THE SYSTEM (AS HEREINAFTER DEFINED) PLEDGED THERETO. NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THIS BOND OR THE INTEREST THEREON AGAINST THE GENERAL FUND OF THE COUNTY AND NEITHER THE CREDIT NOR THE TAXING POWER OF THE COUNTY SHALL BE DEEMED TO BE



PLEGDED THERETO. THE FULL FAITH, CREDIT AND TAXING POWERS OF THE COUNTY ARE NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS BOND.

This Bond is issued by the County for the purpose of extending the waterworks and sewer system of the County (the "System") to provide water and sewer service to the Ridgeville Commerce Park. The Bond is authorized to be issued and is issued under, pursuant to and in full compliance with the Constitution and statutes of the State of South Carolina, including particularly Article X, Section 14(10) of the South Carolina Constitution and Title 6, Chapter 17 of the Code of Laws of South Carolina 1976, as amended (collectively the "Act"), and under and pursuant to General Bond Ordinance No. 03-06 duly enacted by the County Council of the County on September 2, 2003 (the "General Bond Ordinance") and Ordinance No. 17-\_\_ duly enacted by the County Council of the County on June 5, 2017 (together with the General Bond Ordinance, the "Bond Ordinance").

The Bond and the interest thereon are special obligations of the County and are payable from, and secured by a pledge of and lien upon, the Net Revenues (as defined in the General Bond Ordinance) derived by the County from the System, junior and subordinate to the pledges and liens securing the County's outstanding Waterworks and Sewer System Revenue Bonds, Series 2009; Waterworks and Sewer System Revenue Bond, Series 2009A; Waterworks and Sewer System Revenue Refunding Bonds, Series 2012; Waterworks and Sewer System Revenue Bond, Series 2012A; Waterworks and Sewer System Revenue Bond, Series 2012B; and Waterworks and Sewer System Revenue Refunding Bonds, Series 2015 and any other Series of Bonds (as defined in the General Bond Ordinance) hereafter issued under the General Bond Ordinance payable from such Net Revenues on a parity and equally and ratably secured therewith. The pledge of and lien upon the Net Revenues securing the Bond are on a parity with the pledge and lien securing the County's outstanding Waterworks and Sewer System Revenue Note (Junior Lien), dated October 25, 2012.

[Redemption provisions]

The Bond Ordinance contains provisions defining terms, including the properties comprising the System; describes the Net Revenues pledged for the payment of the principal of and interest on the Bond; sets forth the nature, extent and manner of enforcement of the security of the Bond and of such pledge, and the rights and remedies of the Registered Holder hereof with respect thereto; sets forth the terms and conditions upon which and the extent to which the Bond Ordinance may be altered, modified and amended; sets forth the rights, duties and obligations of the County thereunder; and sets forth the terms and conditions upon which the pledge made in the Bond Ordinance for the security of the Bond and upon which the covenants, agreements and other obligations of the County made therein may be discharged at or prior to the maturity or redemption of the Bond with provisions for the payment thereof in the manner set forth in the Bond Ordinance. Reference is hereby made to the Bond Ordinance to all of the provisions of which any holder of this Bond by the acceptance hereof thereby assents. The provisions of the Act and the Bond Ordinance shall be a contract with the holder of this Bond.


This Bond is transferable, as provided in the Bond Ordinance, only upon the registration books of the County kept for that purpose by the Registered Holder in person or by his duly authorized attorney upon surrender of this Bond together with a written instrument of transfer satisfactory to the County duly executed by the Registered Holder or his duly authorized attorney. Thereupon a new fully registered Bond or Bonds of the same aggregate principal amount, rate of interest and maturity shall be issued to the transferee in exchange therefor. The County may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal hereof and interest due hereon and for all other purposes.

To the extent and in the manner permitted by the terms of the Bond Ordinance, the provisions of the Bond Ordinance, or any ordinance amendatory thereof or supplemental thereto, may be amended or modified by the County with the written consent of the holders of a majority in principal amount of the Senior Lien Bonds then outstanding under the Bond Ordinance.

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and statutes of the State of South Carolina to exist, to happen and to be performed precedent to and in the issuance of this Bond, do exist, have happened and have been performed in due time, form and manner as required by law; that the aggregate principal amount of the Bond does not exceed any constitutional or statutory limitation of indebtedness; and that provision has been made for the payment of the principal of and interest on this Bond as provided in the Bond Ordinance.

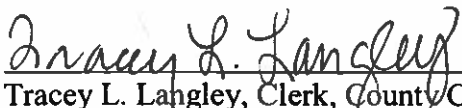
IN WITNESS WHEREOF, Dorchester County, South Carolina, has caused this Bond to be executed in its name by the manual signature of the Chairman of the County Council and attested by the manual signature of the Clerk of the County Council under the seal of the County impressed, imprinted or reproduced hereon.

DORCHESTER COUNTY, SOUTH CAROLINA

By:   
James Lex, Byars, III, Chairman, County  
Council of Dorchester County, South Carolina

(SEAL)

ATTEST:

  
Tracey L. Langley, Clerk, County Council of  
Dorchester County, South Carolina

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto \_\_\_\_\_

\_\_\_\_\_  
(Name and Address of Transferee)

the within Bond and does hereby irrevocably constitute and appoint \_\_\_\_\_ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

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

Signature Guaranteed:

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

\_\_\_\_\_  
Notice: Signature must be guaranteed by an institution which is a participant in the Securities Transfer Agents Medallion Program ("STAMP") or similar program.

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