

ORDINANCE NO. 18-22

TO AUTHORIZE AND PROVIDE FOR THE ISSUANCE AND SALE BY DORCHESTER COUNTY, SOUTH CAROLINA OF NOT EXCEEDING \$36,000,000 PRINCIPAL AMOUNT SUMMERS CORNER IMPROVEMENT DISTRICT ASSESSMENT REVENUE BONDS, IN ONE OR MORE SERIES, FOR THE PURPOSE OF DEFRAYING THE COSTS OF CERTAIN PUBLIC IMPROVEMENTS WITHIN THE SUMMERS CORNER IMPROVEMENT DISTRICT; TO LIMIT THE PAYMENT OF THE BONDS SOLELY TO THE ASSESSMENTS IMPOSED ON REAL PROPERTY WITHIN THE SUMMERS CORNER IMPROVEMENT DISTRICT; TO APPROVE THE FORM OF AND PROVIDE FOR THE EXECUTION AND DELIVERY OF A MASTER TRUST INDENTURE AND ONE OR MORE SUPPLEMENTAL TRUST INDENTURES RELATING TO THE BONDS; TO MAKE AND PROVIDE OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE FOREGOING; AND TO PROVIDE FOR OTHER MATTERS RELATING THERETO.

As an incident to the enactment of this Ordinance and the issuance of the bonds provided for herein, the County Council of Dorchester County, South Carolina (the "County Council"), the governing body of Dorchester County, South Carolina (the "County"), and the body to which is delegated the administrative duties of the County, finds that the facts set forth herein exist and the statements made with respect thereto are true and correct.

WHEREAS, pursuant to Title 4, Chapter 35 of the Code of Laws of South Carolina 1976, as amended (the "Act"), governing bodies of the counties of the State of South Carolina are authorized to establish improvement districts and acquire, own, construct, establish, enlarge, improve, expand, operate, maintain, and repair, and sell, lease, and otherwise dispose of any improvement within such improvement districts and to finance such acquisition, construction, establishment, enlargement, improvement, expansion, operation, maintenance and repair, in whole or in part, by the imposition of assessments in accordance with the Act, and through the issuance of special district bonds, by general obligation bonds of the county or revenue bonds of the county, from general revenues from any source not restricted from that use by law, or by a combination of such funding sources; and

WHEREAS, pursuant to a resolution adopted by the County Council on November 21, 2016 (the "Resolution"), the County has caused to be prepared an "improvement plan" (within the meaning of Section 4-35-30(4) of the Act) entitled "IMPROVEMENT PLAN—SUMMERS CORNER IMPROVEMENT DISTRICT" (the "Improvement Plan"), which Improvement Plan contemplates the establishment of an "improvement district" (within the meaning of Section 4-35-30(3) of the Act) to be known as the Summers Corner Improvement District (the "Improvement District"); and

WHEREAS, pursuant to the Resolution and Section 4-35-70 of the Act, a public hearing on the Improvement Plan was held before the County Council on January 3, 2017; and

WHEREAS, the Improvement Plan contemplates the acquisition, construction and equipping of certain improvements, public works and facilities related to the establishment of a mixed-use, self-sufficient, master-planned community within the Improvement District as more particularly described therein (collectively, the "Improvements") which constitute "improvements" within the meaning of Section 4-35-30(2) of the Act; and

WHEREAS, the Improvement District was established pursuant to an ordinance enacted by the County Council on April 17, 2017 entitled "An Ordinance Authorizing the Creation of the Summers Corner Improvement District; Approving and Authorizing the Implementation of the Improvement Plan – Summers Corner Improvement District; Providing for the Financing of Improvements Within the

Summers Corner Improvement District by Assessment; Approving the Rate and Method of Apportionment of Assessments; Approving the Assessment Reports; Ordering the Preparation of Assessment Rolls and the Sending of a Notice of Such Assessment to Property Owners; and Other Matters Relating Thereto" (the "Improvement District Ordinance"); and

WHEREAS, in the Improvement District Ordinance, the County Council has made a finding that: (1) the Improvements may be beneficial within the Improvement District; (2) the Improvements are likely significantly to improve property values within the Improvement District by promoting the development of the property; (3) it would be fair and equitable to finance all or part of the cost of certain of the Improvements which are owned by the County or another public entity by an assessment upon the real property located within the Improvement District; and (4) written consent for the creation of the Improvement District has been obtained from a majority of the owners of real property within the Improvement District owning real property having, in the aggregate, an assessed value in excess of sixty-six percent of the assessed value of all real property within the Improvement District; and

WHEREAS, the Improvement District Ordinance provides for the imposition of assessments on real property located within the Improvement District to defray the costs of the Improvements (the "Assessments"), and sets forth a list of such parcels in an assessment roll appearing as an exhibit to the Improvement District Ordinance (the "Assessment Roll"); and

WHEREAS, following the enactment of the Improvement District Ordinance and the provision of written notice to the record owners of all real property located within the Improvement District ("Owners"), no written objections from Owners were received by the County Council; and

WHEREAS, by resolution adopted by the County Council on June 5, 2017 entitled "A Resolution Confirming the Assessment Roll Set Forth in Ordinance 17-05 and Directing the Filing of Such Assessment Roll With the Dorchester County Clerk of Court and Dorchester County Register of Deeds, and Other Matters Related Thereto" (the "Resolution Confirming Assessments"), the County Council confirmed all initial Assessments imposed within the Improvement District and, pursuant to subsequent resolutions, County Council has updated and will continue to update the Assessment Roll on an annual basis; and

WHEREAS, pursuant to the Resolution Confirming Assessments, the Assessment Roll has been filed pursuant to Section 4-35-120 of the Act in the office of the Clerk of Court of Dorchester County and has also been filed in the office of the Register of Deeds of Dorchester County, and the Assessments imposed thereby constitute liens against the property so assessed; and

WHEREAS, pursuant to the Rate and Method of Apportionment of Special Assessment A approved pursuant to the Improvement District Ordinance (the "Rate and Method of Apportionment"), County Council shall annually approve an update to the Assessment Roll; and

WHEREAS, pursuant to the Rate and Method of Apportionment and Resolution No. 18-28 adopted by the County Council on September 17, 2018, County Council approved the Annual Special Assessment Report and Update of Special Assessment A Roll for the 2018-2019 Assessment Year; and

WHEREAS, the Improvement District was established by County Council so that a portion of the Improvements may be financed by the County through the issuance of assessment revenue bonds (the "Bonds"), secured by and to be serviced from the Assessments, so as to provide funds to defray the costs of the Improvements, interest coming due on the Bonds during a period not to exceed three years from the date of issue of such series of Bonds, funding debt service reserves for the Bonds, and paying the costs incurred in connection with the authorization, issuance and sale of the Bonds; and

WHEREAS, the Bonds will be issued pursuant to the terms of, and secured as provided by, a Master Trust Indenture dated as of December 1, 2018 (the "Master Trust Indenture") between the County and Regions Bank, as trustee (the "Trustee"), as supplemented by a supplemental trust indenture entered into by the County and the Trustee with respect to each series of Bonds; and

WHEREAS, the County intends to fund portions of the costs of the Improvements, including necessary expenses incidental to the financing thereof, through the issuance of not exceeding \$36,000,000 aggregate principal amount Summers Corner Improvement District Assessment Revenue Bonds, Series 2018 (the "Series 2018 Bonds"), to be issued in one or more series and sold to FMSbonds, Inc. and Wells Fargo Bank, National Association (collectively, the "Underwriters") pursuant to the terms of a Purchase Contract (the "Purchase Contract") to be entered into between the Underwriters and the County; and

WHEREAS, there have been prepared the forms of (a) the Master Trust Indenture; (b) a First Supplemental Trust Indenture dated as of December 1, 2018 (the "First Supplemental Indenture") between the County and the Trustee providing for the issuance of the Series 2018 Bonds; (c) the Purchase Contract; and (d) a Preliminary Limited Offering Memorandum of the County to be used in connection with the sale of the Series 2018 Bonds.

NOW THEREFORE, BE IT ORDAINED BY THE COUNTY COUNCIL OF DORCHESTER COUNTY, SOUTH CAROLINA, THAT:

Section 1. Authorization; Purpose; Application of Proceeds; Details of the Series 2018 Bonds, Delegation of Certain Details of the Series 2018 Bonds to the Chairman of County Council and County Administrator. Pursuant to the authority of the Act and in accordance with the provisions of the Master Trust Indenture, there shall be and there is hereby authorized and directed the execution, issuance, sale and delivery of one or more Series of Bonds under the Master Trust Indenture to be designated as the "Dorchester County, South Carolina, Summers Corner Improvement District Assessment Revenue Bonds, Series 2018" (or such other appropriate designation to signify the year in which such Bonds are issued or to distinguish between series if the Bonds are issued in more than one series), in an aggregate principal amount of not exceeding \$36,000,000 (i) to defray the cost of a portion of the Improvements; (ii) to provide for debt service reserve funds as may be required in connection with the issuance of the Series 2018 Bonds; (iii) as determined by the Chairman of County Council and County Administrator, to pay interest coming due on the Series 2018 Bonds during a period not to exceed three years from the date of issue of the Series 2018 Bonds; and (iv) to provide for the payment of the costs and expenses of issuance of the Series 2018 Bonds. The Series 2018 Bonds shall be secured pursuant to and payable solely from the Trust Estate established by the Master Trust Indenture and from Assessments as more particularly set forth in the Master Trust Indenture.

Section 2. Approval of Master Trust Indenture and Delegation of Authority. The form, terms and provisions of the Master Trust Indenture, a copy of which is attached hereto as Exhibit A, be and hereby is approved with such deletions, additions and changes as may be necessary or useful to the carrying out of the Improvement Plan, the issuance of Series 2018 Bonds, and the collection and application of Assessments. The Chairman of County Council is hereby authorized, empowered and directed to execute, acknowledge and deliver, and the Clerk to County Council is hereby authorized, empowered and directed to attest, the Master Trust Indenture, with such changes or revisions as are permitted hereby, in the name of and on behalf of the County. The Chairman of County Council and the County Administrator with advice from the County Attorney are hereby delegated the authority to approve such changes in the form, terms and provisions of the Master Trust Indenture as may be necessary or advisable in connection with the transactions contemplated hereby and thereby. The Chairman's execution and delivery of the Master Trust Indenture shall constitute conclusive evidence of

approval of any and all changes or revisions therein from the form of the Master Trust Indenture attached hereto as Exhibit A. Any amendments to the Master Trust Indenture shall be executed in the same manner.

Section 3. Approval of First Supplemental Indenture and Delegation of Authority. The form, terms and provisions of the First Supplemental Indenture, a copy of which is attached hereto as Exhibit B, be and hereby is approved. The Chairman of County Council is hereby authorized, empowered and directed to execute, acknowledge and deliver, and the Clerk to County Council is hereby authorized, empowered and directed to attest, the First Supplemental Indenture and, in the event that the Series 2018 Bonds authorized hereby are issued in more than one series, any additional supplemental trust indentures substantially in the form of the First Supplemental Indenture (collectively, including the First Supplemental Indenture, the "Series 2018 Supplemental Indentures"), with such changes or revisions as are permitted hereby, in the name of and on behalf of the County. The Chairman of County Council and the County Administrator with advice from the County Attorney are hereby delegated the authority to approve such changes in the form, terms and provisions of the Series 2018 Supplemental Indentures as may be necessary or advisable in connection with the transactions contemplated hereby and thereby. The Chairman's execution and delivery of the Series 2018 Supplemental Indentures shall constitute conclusive evidence of approval of any and all changes or revisions therein from the form of the First Supplemental Indenture attached hereto as Exhibit B. Any amendments to the Series 2018 Supplemental Indentures shall be executed in the same manner.

Section 4. Establishment of Assessment Collection Account. There is hereby established a special revenue fund in the County's budget and accounting system for the purpose of accounting for all Assessments billed and collected. This fund shall be known as the "Summers Corner Improvement District Annual Assessment Collection Account" and all Assessments billed and collected shall be deposited into such account and as such shall be disbursed according to the provisions of the Master Trust Indenture.

Section 5. Approval of Purchase Contract and Delegation of Authority. The form, terms and provisions of the Purchase Contract, a copy of which is attached hereto as Exhibit C, be and hereby is approved. The County Administrator is hereby authorized, empowered and directed to execute, acknowledge and deliver the Purchase Contract and, in the event that the Series 2018 Bonds authorized hereby are issued in more than one series, any additional purchase contracts substantially in the form of the Purchase Contract (collectively, including the Purchase Contract, the "Series 2018 Purchase Contracts"), with such changes or revisions as are permitted hereby, in the name of and on behalf of the County. The County Administrator with advice from the County Attorney is hereby authorized to approve such changes in the form, terms and provisions of the Series 2018 Purchase Contracts as may be necessary or advisable in connection with the transactions contemplated hereby and thereby. The County Administrator's execution and delivery of the Series 2018 Purchase Contracts shall constitute conclusive evidence of approval of any and all changes or revisions therein from the form of the Purchase Contract attached hereto as Exhibit C. Any amendments to the Series 2018 Purchase Contracts shall be executed in the same manner.

Section 6. Approval of Preliminary Limited Offering Memorandum and Delegation of Authority. The distribution of the Preliminary Limited Offering Memorandum in substantially the form attached hereto as Exhibit D be and hereby is approved for distribution by the Underwriters, and the Final Limited Offering Memorandum in substantially the form of the Preliminary Limited Offering Memorandum is hereby approved for distribution by the Underwriters. The County Council hereby "deems final" the Preliminary Limited Offering Memorandum for purposes of Rule 15c2-12 of the Securities and Exchange Commission. The Chairman of County Council and the County Administrator with advice from the County Attorney are hereby delegated the authority to approve such changes in the form, terms and

provisions of and to execute and deliver the Final Limited Offering Memorandum as may be appropriate for the transactions contemplated hereby and thereby. The Chairman's execution of the Final Limited Offering Memorandum shall constitute conclusive evidence of approval of any and all changes or revisions therein from the form of the Preliminary Limited Offering Memorandum attached hereto as Exhibit D. In the event that the Series 2018 Bonds authorized hereby are issued in more than one series, any additional preliminary and final limited offering memoranda substantially in the form of the Preliminary Limited Offering Memorandum attached hereto (collectively, the "Additional Limited Offering Memoranda"), are hereby approved for distribution by the Underwriters with such changes in the form, terms and provisions thereof as approved by the Chairman of County Council and the County Administrator with advice from the County Attorney, which approval shall be evidenced by the execution thereof by the Chairman.

Section 7. Trustee, Registrar and Paying Agent. The County hereby appoints and consents to the appointment of Regions Bank as Trustee, Registrar and Paying Agent under the terms and conditions provided in the Master Trust Indenture. The Chairman of County Council and the County Administrator are hereby delegated the authority to determine a successor trustee or a replacement trustee if for any reason Regions Bank does not serve as Trustee under the Trust Indenture.

Section 8. Authorization. The Chairman of County Council, the County Administrator, the Chief Financial Officer of the County and such other appropriate officials of the County are hereby authorized to execute, deliver and receive any and all such other agreements and documents as may be necessary or appropriate in order to carry out, give effect to and consummate the transactions contemplated by the Master Trust Indenture, the Series 2018 Supplemental Indentures, the Series 2018 Purchase Contracts, the Preliminary Limited Offering Memorandum, the Final Limited Offering Memorandum and any Additional Limited Offering Memoranda, including, without limitation, any agreements with the developer or developers of the Improvement District related to the funding of Improvements and a continuing disclosure certificate or agreement evidencing the County's compliance with the requirements of Securities and Exchange Commission Rule 15c2-12(b)(5) for the Series 2018 Bonds.

Section 9. Severability. The provisions of this Ordinance are hereby declared to be separable and if any section, phrase or provision shall for any reason be declared by a court of competent jurisdiction to be invalid or unenforceable, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions hereunder.

Section 10. Arbitrage Covenant. The County agrees and covenants that it will comply with all applicable portions of the Internal Revenue Code of 1986, as amended (the "Code"), as in effect or hereafter amended, including Sections 103 and 141 through 150 thereof, and the regulations of the Treasury Department thereunder, to maintain the exclusion from gross income for federal income tax purposes of the interest components of the payments made pursuant to the Master Trust Indenture, including without limitation the proper use and expenditure of proceeds of the Series 2018 Bonds, the observation of the applicable investment limitations provided in the Code, the filing of information reports with the Internal Revenue Service and the rebate of certain arbitrage earnings on such proceeds to the United States Government. The County Administrator is hereby authorized to execute a Federal Tax Certificate in compliance with the provisions of this section.

Section 11. Repeal of Conflicting Ordinances. All orders, resolutions, ordinances and parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed and this Ordinance shall take effect and be in full force from and after its passage and approval.


SIGNED, SEALED AND DELIVERED THIS 19th DAY OF NOVEMBER, 2018.

DORCHESTER COUNTY, SOUTH CAROLINA

(SEAL)


James Lex Byars, III, Chairman
Dorchester County Council

ATTEST:


Tracey L. Langley, Clerk to Council
Dorchester County Council

First Reading: October 15, 2018
Second Reading: November 5, 2018
Third Reading: November 19, 2018