
STATE OF SOUTH CAROLINA

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ORDINANCE NO. 2022- 1825

COUNTY OF LANCASTER

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AN ORDINANCE

TO AUTHORIZE AND PROVIDE FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$15,000,000 PRINCIPAL AMOUNT ROSELYN RESIDENTIAL IMPROVEMENT DISTRICT ASSESSMENT REVENUE BONDS, IN ONE OR MORE SERIES; TO PROVIDE FOR THE EXECUTION OF A MASTER TRUST INDENTURE, A FIRST SUPPLEMENTAL INDENTURE, A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER RELATED DOCUMENTS FOR THE NEW BONDS; TO APPROVE A PRELIMINARY LIMITED OFFERING MEMORANDUM AND AUTHORIZE AN LIMITED OFFERING MEMORANDUM, EACH RELATED TO SUCH BONDS; TO MAKE OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE FOREGOING; AND TO PROVIDE FOR OTHER MATTERS RELATING THERETO

Be it ordained by the County Council of Lancaster County, South Carolina:

Section 1. Definitions.

The terms defined in this Section for all purposes of this ordinance shall have the respective meanings as set forth in this Section. Any capitalized terms not defined herein shall have the meaning given such term in the Indenture as defined herein, as the context requires. The term:

“Act” means the South Carolina Residential Improvement District Act, codified as Chapter 35 of Title 6 of the Code of Laws of South Carolina 1976, as amended and the Revenue Bond Act for Utilities, codified as Chapter 21 of Title 6 of the Code of Laws of South Carolina 1976, as amended.

“Administrative Expenses” has the meaning set forth in the Assessment Roll.

“Assessment” means an assessment imposed under the Act, as contemplated by the Assessment Roll.

“Assessment Roll” means the Assessment Roll for the District dated _____, as updated from time to time thereafter, and filed in the office of the Clerk of Court for the County, as amended and

supplemented from time to time. The Assessment Roll, reflecting the modifications authorized by the Improvement District Ordinance, is attached hereto as Exhibit F.

“Bond Purchase Agreement” means the Bond Purchase Agreement dated such date as may be determined by the Chairman of Council and the County Administrator, between the Underwriter and the County.

“Code” means the Internal Revenue Code of 1986, as amended, and applicable Treasury Regulations thereunder.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement dated such date as may be determined by the Chairman of Council and the County Administrator, between the County and the Dissemination Agent.

“Council” means the Lancaster County Council.

“County” means Lancaster County, South Carolina.

“Dissemination Agent” means the dissemination agent appointed by the County pursuant to the Continuing Disclosure Agreement.

“District” or “Improvement District” means the Roselyn Residential Improvement District created by the Council under the Act pursuant to the Improvement District Ordinance.

“First Supplemental Indenture” means the First Supplemental Trust Indenture dated such date as may be determined by the Chairman of Council and the County Administrator, between the County and the Trustee, pursuant to which the New Bonds will be issued.

“Improvement District Ordinance” means Ordinance No. 2020-1691 enacted by the Council on December 14, 2020, as amended by Ordinance No. 2022-1829 proposed to be enacted by the Council on or about the date of enactment of this ordinance, as may be amended from time to time.

“Indenture” means the Master Indenture, as supplemented by the First Supplemental Indenture.

“Master Indenture” means the Master Trust Indenture dated such date as may be determined by the Chairman of Council and the County Administrator, between the County and the Trustee.

“New Bonds” means the not to exceed \$15,000,000 principal amount Roselyn Residential Improvement District Assessment Revenue Bonds, in one or more series, to be dated such date as may be determined by the Chairman of Council and the County Administrator with advice from the County Attorney.

“New Project” shall mean the portions of the Project (as defined in the Master Indenture) being financed with the proceeds of the New Bonds, which includes any proceeds thereof originally intended to be utilized for other purposes under the Indenture but subsequently applied therefor pursuant to the Indenture.

“Series Debt Service Reserve Account” means the Account so designated, established as a separate account within the Debt Service Reserve Fund pursuant to Section 4.01(f) of the First Supplemental Indenture.

“Series Debt Service Reserve Requirement” has the meaning set forth in Section 4.01(f) of the First Supplemental Indenture.

“Underwriter” means FMSbonds, Inc., as Underwriter for the New Bonds.

Section 2. Findings and Determinations.

The Council hereby finds and determines:

(a) Pursuant to Section 4-9-10, Code of Laws of South Carolina 1976, as amended (the “S.C. Code”), the Council/Administrator form of government was selected and the Council constitutes the governing body of the County.

(b) Article X, Section 14 of the Constitution of the State of South Carolina 1895, as amended (the “Constitution”) provides in part that the County may incur indebtedness payable solely from a revenue-producing project or from a special source, which source does not involve revenues from any tax or license.

(c) Pursuant to the Act, the County is authorized to acquire, own, construct, establish, enlarge, improve, expand, operate, maintain and repair, and sell, lease, and otherwise dispose of an improvement and to finance and refinance the acquisition, construction, establishment, enlargement, improvement, expansion, operation, maintenance and repair, in whole or in part, by the imposition of assessments through the issuance of special district bonds of the county, 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 the funding sources.

(d) Pursuant to the Act, the County has enacted the Improvement District Ordinance wherein Assessments are authorized to be imposed and collected within the Improvement District.

(e) Lennar Carolinas, LLC, the primary land owner within the District (“Lennar”), has requested the County to issue the New Bonds, the proceeds of which would be used (1) to finance the cost of the New Project, potentially including capitalized interest on the New Bonds, (2) to fund the Series 2022 Debt Service Reserve Account in an amount equal to the Series 2022 Debt Service Reserve Requirement, and (3) to pay costs of issuance related to the New Bonds.

(f) In connection with the foregoing, the revenues generated from the imposition and collection of Assessments will only secure the payment of the New Bonds and any additional bonds issued under the Indenture, and Administrative Expenses directly or indirectly attributable to the District. The County will assign its interest in certain funds created pursuant to the Indenture to the Trustee for the benefit of the owners of the New Bonds.

(g) There have been filed with the Clerk to Council forms of the Master Indenture, the First Supplemental Indenture, Bond Purchase Agreement, Preliminary Limited Offering Memorandum and Continuing Disclosure Agreement. The Council finds, however, that certain changes in said documents may be needed prior to the completion of this transaction such that it will be in the best interest of the County to delegate to the Chairman of Council, the County Administrator and the County Attorney, or any one of them, the legal authority to determine those matters including the authority to approve the final form of the documents necessary to effectuate the issuance of the New Bonds.

Section 3. Approval of Transaction.

The Council does hereby approve (a) the issuance of the New Bonds in a principal amount not to exceed \$15,000,000 pursuant to the Indenture, and the use of the proceeds of the issuance of the New Bonds for the purposes described in Section 2(e) above; and (b) the pledge and application of the revenues generated from the imposition and collection of the Assessments and other funds created pursuant to the Indenture for the benefit of the owners of the New Bonds for payment of the New Bonds and Administrative Expenses. As required by Section 6-35-100 of the S.C. Code, upon issuance of the New Bonds, the owner of the property within the District (other than the County) will be required to pay an improvement fee to the County (which may be payable up to ten days after the issuance of the New Bonds) in an amount equal to four percent of the aggregate principal amount of the New Bonds, which is intended on the date hereof to be used to pay a portion of the cost of the county park to be located within the District.

Section 4. Approval of Master Indenture and Delegation of Authority.

The form, terms and provisions of the Master Indenture, copies of which are attached hereto as Exhibit A and filed with the Clerk to Council, be and hereby are approved. The Chairman of Council is hereby authorized, empowered and directed to execute, acknowledge and deliver, and the Clerk to Council is hereby authorized, empowered and directed to attest the Master Indenture, with such changes or revisions as are permitted hereby, in the name of and on behalf of the County. The Chairman of 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 Indenture as may be necessary or advisable in connection with the transactions contemplated hereby and thereby. The Chairman of Council's execution and delivery of the Master Indenture shall constitute conclusive evidence of approval of any and all changes or revisions therein from the form of the Master Indenture attached hereto as Exhibit A. Any amendments to the Master Indenture shall be executed in the same manner.

Section 5. Approval of First Supplemental Indenture and New Bonds and Delegation of Authority.

The form, terms and provisions of the First Supplemental Indenture, copies of which are attached hereto as Exhibit B and filed with the Clerk to Council, be and hereby are approved. The Chairman of Council is hereby authorized, empowered and directed to execute, acknowledge and deliver, and the Clerk to Council is hereby authorized, empowered and directed to attest the First Supplemental Indenture and the New Bonds (the form of which is attached to the First Supplemental Indenture as an exhibit), with such changes or revisions as are permitted hereby, in the name of and on behalf of the County. The Chairman of 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 First Supplemental Indenture and the New Bonds as may be necessary or advisable in connection with the transactions contemplated hereby and thereby. The Chairman of Council's execution and delivery of the First Supplemental Indenture and the New Bonds 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 First Supplemental Indenture or the New Bonds shall be executed in the same manner.

Section 6. Approval of Bond Purchase Agreement and Delegation of Authority.

The form, terms and provisions of the Bond Purchase Agreement, a copy of which is attached hereto as Exhibit C and filed with the Clerk to Council, be and hereby is approved. The County Administrator is hereby authorized, empowered and directed to execute, acknowledge and deliver the Bond Purchase

Agreement, 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 Bond Purchase Agreement as may be necessary or advisable in connection with the transactions contemplated hereby and thereby. The County Administrator's execution and delivery of the Bond Purchase Agreement shall constitute conclusive evidence of approval of any and all changes or revisions therein from the form of the Bond Purchase Agreement attached hereto as Exhibit C. Any amendments to the Bond Purchase Agreement shall be executed in the same manner.

Section 7. 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 (the "PLOM") and filed with the Clerk to Council, be and hereby is approved for distribution by the Underwriter and the Final Limited Offering Memorandum in substantially the form of the PLOM (the "Final LOM") is hereby approved for distribution by the Underwriter. The County Administrator, with advice from the County Attorney and the County's Bond Counsel, is hereby delegated the authority to approve such changes in the form, terms and provisions of and to deliver the PLOM as may be appropriate for the transactions contemplated hereby and thereby, to take such actions necessary to "deem final" the PLOM for purposes of Rule 15c2-12 promulgated by the U.S. Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, and to approve such changes in the form, terms and provisions of and to execute and deliver the Final LOM as may be appropriate for the transactions contemplated hereby and thereby. The Chairman's execution of the Final LOM shall constitute conclusive evidence of approval of any and all changes or revisions therein from the form of the PLOM attached hereto as Exhibit D.

Section 8. Approval of Continuing Disclosure Agreement and Delegation of Authority.

(a) The form, terms and provisions of the Continuing Disclosure Agreement, a copy of which is attached hereto as Exhibit E and filed with the Clerk to Council, be and hereby is approved. The County Administrator is hereby authorized, empowered and directed to execute, acknowledge and deliver the Continuing Disclosure Agreement, with such changes or revisions as are permitted hereby, in the name of and on behalf of the County. The Chairman of Council and the County Administrator with advice from the County Attorney hereby delegate the authority to approve such changes in the form, terms and provisions of the Continuing Disclosure Agreement as may be necessary or advisable in connection with the transactions contemplated hereby and thereby. The Chairman of Council's execution and the delivery of the Continuing Disclosure Agreement shall constitute conclusive evidence of approval of any and all changes or revisions therein from the form of the Continuing Disclosure Agreement attached hereto as Exhibit E. Any amendments to the Continuing Disclosure Agreement shall be executed in the same manner.

(b) The only remedy for failure by the County to comply with the covenant of this Section 8 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 this ordinance or the Indenture. The Trustee shall have no responsibility to monitor the County's compliance with this covenant.

Section 9. Trustee, Registrar and Paying Agent.

The County hereby delegates to the County Administrator the authority to designate the Trustee, Registrar and Paying Agent under the terms and conditions provided in the Master Indenture and the First Supplemental Indenture.

Section 10. Arbitrage Covenant.

The County hereby covenants and agrees with the Holders of the New Bonds issued as tax-exempt obligations (the "Tax-Exempt Bonds") that it will not take any action which will, or fail to take any action which failure will, cause interest on the Tax-Exempt Bonds to become includable in the gross income of such Holders thereof for federal income tax purposes pursuant to the provisions of the Code and regulations promulgated thereunder in effect on the date of original issuance of the Tax-Exempt Bonds and that no use of the proceeds of the Tax-Exempt Bonds shall be made which, if such use had been reasonably expected on the date of issue of the Tax-Exempt Bonds would have caused the Tax-Exempt Bonds to be "arbitrage bonds," as defined in the Code; and to that end the County hereby shall:

- (a) comply with the applicable provisions of Section 103 and Sections 141 through 150 of the Code and any regulations promulgated thereunder so long as the Tax-Exempt Bonds are Outstanding;
- (b) establish such funds, make such calculations and pay such amounts, if necessary, in the manner and at the times required in order to comply with the requirements of the Code relating to required rebate of certain amounts to the United States; and
- (c) make such reports of such information at the times and places required by the Code.

The Chairman of Council and the County Administrator are hereby authorized to execute a Federal Tax Certificate. Pursuant to Ordinance No. 2015-1335 duly enacted by the Council on February 23, 2015, the County adopted Written Procedures related to Tax-Exempt Debt.

Section 11. Authority to Act.

The Chairman of Council, Council Secretary, Clerk to Council, County Administrator, County Attorney, County Finance Director and all other appropriate officials of the County are authorized and directed to take such actions and do any and all things necessary or desirable in connection with the issuance of the New Bonds, including the execution and delivery of any agreements, certificates, directions or other documents authorized or contemplated herein or in the agreements or documents approved herein, to effect the purposes of this ordinance.

Section 12. Engagement of Professionals.

The County Council hereby retains Burr & Forman LLP, Bond Counsel and Compass Municipal Advisors, LLC, as Financial Advisor, in connection with the issuance of the New Bonds. The County Administrator is authorized to execute such contracts, documents or engagement letters as may be necessary and appropriate to effectuate these engagements.

Section 13. Severability.

If any section, subsection or clause of this ordinance is held to be unconstitutional or otherwise invalid, the validity of the remaining sections, subsections and clauses shall not be affected.

Section 14. Controlling Provisions.

To the extent this ordinance contains provisions that conflict with provisions contained elsewhere in the Lancaster County Code or other County ordinances, resolutions or orders, the provisions contained in this ordinance supersede all other provisions and this ordinance is controlling.

Section 15. Effective Date.

This ordinance is effective upon third reading.

SIGNATURES FOLLOW ON NEXT PAGE.

AND IT IS SO ORDAINED, this ____ day of _____, 2022.

LANCASTER COUNTY, SOUTH CAROLINA

Steve Harper, Chair, County Council

Billy Mosteller, Secretary, County Council

ATTEST:

Sherrie Simpson, Clerk to Council

Approved as to form:

John K. DuBose III, County Attorney

First Reading:	October 10, 2022
Second Reading:	October 24, 2022
Public Hearing:	October 24, 2022
Third Reading:	November 14, 2022

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