



FAIRFIELD COUNTY, SOUTH CAROLINA

ORDINANCE NO. 614

PROVIDING FOR THE ISSUANCE OF NOT EXCEEDING, IN THE AGGREGATE, THE COUNTY'S CONSTITUTIONAL BONDED DEBT LIMIT IN GENERAL OBLIGATION BONDS, IN ONE OR MORE SERIES, TAX-EXEMPT OR TAXABLE, TO BE USED TO FUND ONE OR MORE CAPITAL PROJECTS; AUTHORIZING THE COUNTY ADMINISTRATOR TO PRESCRIBE THE FORM AND DETAILS OF THE BONDS; PROVIDING FOR THE PAYMENT OF THE BONDS AND THE DISPOSITION OF THE PROCEEDS OF THE BONDS; PROVIDING FOR BORROWING IN ANTICIPATION OF THE ISSUANCE OF THE BONDS; PROVIDING FOR THE DISPOSITION OF PROPERTY RELATED TO THE BONDS; PROVIDING FOR THE DISTRIBUTION AND PLEDGE OF CERTAIN REVENUES RELATED TO CERTAIN CAPITAL PROJECTS IN THE COUNTY; AND OTHER RELATED MATTERS.

ADOPTED: APRIL 15, 2013

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AN ORDINANCE

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THE FAIRFIELD COUNTY, SOUTH CAROLINA, COUNTY COUNCIL ORDAINS:

SECTION 1. Findings. The County Council ("Council") of the Fairfield County, South Carolina ("County"), finds and determines:

(a) Article X, Section 14 of the Constitution of the State of South Carolina, 1895, as amended ("Constitution"), provides that each county may incur general obligation bonded indebtedness upon such terms and conditions as the General Assembly may prescribe by general law subject to the following limitations: (i) such debt must be incurred only for a purpose which is a public purpose and a corporate purpose for a county, and (ii) unless excepted therefrom, such debt may be issued in an amount not exceeding eight percent of the assessed value of all taxable property of such county ("Bonded Debt Limit").

(b) Pursuant to Title 4, Chapter 15, Code of Laws of South Carolina, 1976, as amended (the same being and hereinafter referred to as the "County Bond Act"), the county council of any county of the State may issue general obligation bonds for any corporate purpose of such county to any amount not exceeding such county's Bonded Debt Limit.

(c) The County Bond Act provides that as a condition precedent to the issuance of bonds an election be held and result favorably thereto. Chapter 27, Title 11, Code of Laws of South Carolina, 1976, as amended ("Article X Enabling Act"), provides that if an election be prescribed by the provisions of the County Bond Act, but is not required by the provisions of Article X, then in every such instance, no election need be held (notwithstanding the requirement therefor) and the remaining provisions of the County Bond Act shall constitute a full and complete authorization to issue bonds in accordance with such remaining provisions.

(d) The County has determined to provide for the projects as outlined in the County's resolution, adopted March 25, 2013, a copy of which is attached as Exhibit A, and other capital projects as may be provided according to that resolution (collectively, "Projects"); the County has determined that it may form and use one or more entities, on the behalf and for the benefit of the County, to accomplish the purposes of this Ordinance (collectively, "Entity"), including the issuance of bonds and the execution and delivery of various documents to effect the transfer of real property interests in the Projects to, or from (or both), the County and other related matters.

(e) The assessed valuation of all property in the County as of March 2, 2013 (unaudited), for purposes of computation of the Bonded Debt Limit, is not less than \$130,451,106. Eight percent of this assessed

valuation is \$10,436,088.48 ("County's Bonded Debt Limit"). As of March 2, 2013 (unaudited), the County has outstanding no more than \$5,865,000 of general obligation indebtedness subject to the County's Bonded Debt Limit. As of the adoption of this Ordinance, the difference between the County's Bonded Debt Limit and the principal amount of the outstanding general obligation indebtedness subject to the County's Bonded Debt Limit is the amount of general obligation indebtedness which the County may incur without a referendum, which is no less than: \$4,571,088.48.

(f) The Council has found it is in the best interest of the County for the Council to provide for the issuance of one or more general obligation bonds of the County, pursuant to the provisions of the Constitution and laws of the State of South Carolina in the aggregate principal amount not to exceed the County's constitutional debt limit for the purpose of: (i) funding the Projects; (ii) funding the acquisition of an interest in the Projects, if held by the Entity; (iii) providing for capitalized interest, if any, on the Bonds or BANs; (iv) defraying additional costs of the Projects; and (v) paying the costs of issuance related to the Bonds or BANs (defined below).

SECTION 2. *Authorization and Details of Bonds and the Projects.* Pursuant to the aforesaid provisions of the Constitution and laws of the State of South Carolina, the County is authorized to issue not exceeding the County's constitutional debt limit in general obligation bonds of the County to be designated "General Obligation Bond of Fairfield County, South Carolina" ("Bonds") for the purposes set forth in Section 1(f). The Bonds also may be issued in one or more series, taxable or tax-exempt, from time to time as may be determined in the manner provided below with such further designation of each series to identify the year in which such bonds are issued.

The Bonds may be issued as fully-registered bond; dated the date of their delivery or such other date as may be selected by the County Administrator; may be in denominations of \$5,000 or any integral multiple thereof not exceeding the principal amount of the Bonds maturing in each year; shall be numbered from R-1 upward; shall bear interest, if any, from their date as may be accepted by the County Administrator; and shall mature as determined by the County Administrator.

SECTION 3. *Delegation of Certain Details of the Bonds to the County Administrator.* The Council expressly delegates to the County Administrator determinations regarding the Bonds as are necessary or appropriate, including the form of the Bonds (or BANs) and whether to issue bonds as provided by any state or federal economic recovery or "stimulus" laws. The County Administrator is further directed to consult with bond counsel in making any such decisions.

SECTION 4. *Registrar/Paying Agent.* Both the principal installments of and interest on the Bonds shall be 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. The County Treasurer's Office or a qualified financial institution shall serve as the Registrar/Paying Agent for the Bonds ("Registrar/Paying Agent") and shall fulfill all functions of the Registrar/Paying Agent enumerated herein.

SECTION 5. *Registration and Transfer.* The County shall cause books (herein referred to as the "registry books") to be kept at the offices of the Registrar/Paying Agent, for the registration and transfer of the Bonds. Upon presentation at its office for such purpose, the Registrar/Paying Agent shall register or transfer, or cause to be registered or transferred, on such registry books, the Bonds under such reasonable regulations as the Registrar/Paying Agent may prescribe.

The Bonds shall be transferable only upon the registry books of the County, which shall be kept for such purpose at the principal office of the Registrar/Paying Agent, by the registered owner thereof in person or by his duly authorized attorney upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar/Paying Agent, duly executed by the registered owner or his duly

authorized attorney. Upon the transfer of the Bonds, the Registrar/Paying Agent on behalf of the County shall issue in the name of the transferee new fully registered Bonds, of the same aggregate principal amount, interest rate and maturity as the surrendered Bonds. Any Bond surrendered in exchange for a new registered Bond pursuant to this Section shall be canceled by the Registrar/Paying Agent.

The County and the Registrar/Paying Agent may deem or treat the person in whose name the fully registered Bonds shall be registered upon the registry books as the absolute owner of such Bonds, whether such Bonds shall be overdue or not, for the purpose of receiving payment of the principal of and interest on such Bonds and for all other purposes, and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bonds to the extent of the sum or sums so paid, and neither the County nor the Registrar/Paying Agent shall be affected by any notice to the contrary. In all cases in which the privilege of transferring the Bonds is exercised, the County shall execute and the Registrar/Paying Agent shall authenticate and deliver the Bonds in accordance with the provisions of this Ordinance. Neither the County nor the Registrar/Paying Agent shall be obliged to make any such transfer of the Bonds during the period beginning on the Record Date (as defined in Section 6 hereof) and ending on an interest payment date.

SECTION 6. *Record Date.* The County establishes a record date ("Record Date") for the payment of interest or for the giving of notice of any proposed redemption of the Bonds, and such Record Date shall be the 15th day of the calendar month next preceding an interest payment date on the Bonds or, in the case of any proposed redemption of the Bonds, such Record Date shall not be more than 15 days prior to the mailing of notice of redemption of the Bonds.

SECTION 7. *Lost, Stolen, Destroyed or Defaced Bonds.* In case the Bonds shall at any time become mutilated in whole or in part, or be lost, stolen or destroyed, or be so defaced as to impair the value thereof to the owner, the County shall execute and the Registrar/Paying Agent shall authenticate and deliver at the principal office of the Registrar/Paying Agent, or send by registered mail to the owner thereof at his request, risk and expense, a new Bond of the same interest rate and maturity and of like tenor and effect in exchange or substitution for and upon the surrender for cancellation of such defaced, mutilated or partly destroyed Bond, or in lieu of or in substitution for such lost, stolen or destroyed Bond. In any such event the applicant for the issuance of a substitute Bond shall furnish the County and the Registrar/Paying Agent evidence or proof satisfactory to the County and the Registrar/Paying Agent of the loss, destruction, mutilation, defacement or theft of the original Bond, and of the ownership thereof, and also such security and indemnity in such amount as may be required by the laws of the State of South Carolina or such greater amount as may be required by the County and the Registrar/Paying Agent. Any duplicate Bond issued under the provisions of this Section in exchange and substitution for any defaced, mutilated or partly destroyed Bond or in substitution for any allegedly lost, stolen or wholly destroyed Bond shall be entitled to the identical benefits under this Ordinance as was the original Bond in lieu of which such duplicate Bond is issued.

All expenses necessary for the providing of any duplicate Bond shall be borne by the applicant therefor.

SECTION 8. *Book-Entry Only System.*

(a) Notwithstanding anything to the contrary herein, so long as the Bond is being held under a book-entry system of a securities depository, transfers of beneficial ownership of the Bond will be effected pursuant to rules and procedures established by such securities depository. The initial securities depository for the Bond will be The Depository Trust Company ("DTC"), New York, New York. DTC and any successor securities depositories are hereinafter referred to as the "Securities Depository." The Bond shall be registered in the name of Cede & Co., as the initial securities depository nominee for the

Bond. Cede & Co. and successor securities depository nominees are hereinafter referred to as the "Securities Depository Nominee."

(b) As long as a book-entry system is in effect for the Bond, the Securities Depository Nominee will be recognized as the holder of the Bond for the purposes of (i) paying the principal, interest and premium, if any, on such Bond, (ii) if the Bond is to be redeemed in part, selecting the portions of such Bond to be redeemed, (iii) giving any notice permitted or required to be given to Bondholders under this ordinance, (iv) registering the transfer of the Bond, and (v) requesting any consent or other action to be taken by the holder of such Bond, and for all other purposes whatsoever, and the County shall not be affected by any notice to the contrary.

(c) The County shall not have any responsibility or obligation to any participant, any beneficial owner or any other person claiming a beneficial ownership in the Bond which is registered to a Securities Depository Nominee under or through the Securities Depository with respect to any action taken by the Securities Depository as holder of the Bond.

(d) The County shall pay all principal, interest and premium, if any, on the Bond issued under a book-entry system, only to the Securities Depository or the Securities Depository Nominee, as the case may be, for such Bond, and all such payments shall be valid and effectual to fully satisfy and discharge the obligations with respect to the principal of and premium, if any, and interest on such Bond.

(e) In the event that the County determines that it is in the best interest of the County to discontinue the book-entry system of transfer for the Bond, or that the interests of the beneficial owners of the Bond may be adversely affected if the book-entry system is continued, then the County shall notify the Securities Depository of such determination. In such event, the County shall appoint a Registrar/Paying Agent which shall authenticate, register and deliver physical certificates for the Bond in exchange for the Bond registered in the name of the Securities Depository Nominee.

(f) In the event that the Securities Depository for the Bond discontinues providing its services, the County shall either engage the services of another Securities Depository or arrange with a Registrar/Paying Agent for the delivery of physical certificates in the manner described in (e) above.

(g) In connection with any notice or other communication to be provided to the holder of the Bond by the County or by the Registrar/Paying Agent with respect to any consent or other action to be taken by the holder of the Bond, the County or the Registrar/Paying Agent, as the case may be, shall establish a record date for such consent or other action and give the Securities Depository Nominee notice of such record date not less than 15 days in advance of such record date to the extent possible.

SECTION 9. Execution of Bonds. The Bonds shall be executed in the name of the County with the manual or facsimile signature of the Chairman of County Council and attested by the manual or facsimile signature of the County Administrator under a facsimile of the seal of the County which shall be impressed, imprinted or reproduced thereon. The Bonds shall not be valid or become obligatory for any purpose unless there shall have been endorsed thereon a certificate of authentication. The Bonds shall bear a certificate of authentication manually executed by the Registrar/Paying Agent in substantially the form set forth herein.

SECTION 10. Form of Bond. The Bonds shall be in the form as determined by the County Administrator under Section 3.

SECTION 11. Security for Bond. The full faith, credit and taxing power of the County are irrevocably pledged for the payment of the principal and interest of the Bonds as it matures and to create a

sinking fund to aid in the retirement and payment thereof. There shall be levied and collected annually upon all taxable property in the County an ad valorem tax, without limitation as to rate or amount, sufficient for such purposes.

SECTION 12. *Exemption from Taxation.* Both the principal of and interest on the Bonds shall be exempt, in accordance with the provisions of Section 12-2-50 of the Code of Laws of South Carolina, 1976, as amended, from all State, county, municipal, school district and all other taxes or assessments, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate and transfer taxes, but the interest thereon may be includable in certain franchise fees or taxes.

SECTION 13. *Sale of Bond, Form of Notice of Sale.* The Bonds may be sold at a public or private sale, as authorized by Section 11-27-40(4) of the Code of Laws of South Carolina, 1976, as amended, as the County Administrator may determine, using a Notice of Sale or other similar Notice, as the County Administrator may determine.

SECTION 14. *Deposit and Application of Proceeds.* It is expected that proceeds of the Bonds will be fully drawn at Closing. The proceeds of the Bonds or of BANs (authorized under Section 16 of this Ordinance), when drawn, will be deposited in a bond account fund for the County and shall be expended and made use of as follows:

(a) any accrued interest, if any, shall be applied to the payment of the first installment of interest to become due on the Bonds or BANs; and

(b) the remaining proceeds shall be expended and made use of to defray the cost of issuing the Bonds or BANs and to defray the costs of the Project. Pending the use of such proceeds, the same shall be invested and reinvested in such investments as are permitted under State law. Earnings on such investments shall be applied either to defray Project costs or, if not so required, to pay principal on the Bonds.

SECTION 15. *Defeasance.*

(a) If a series of bonds issued pursuant to this Ordinance shall have been paid and discharged, then the obligations of the Ordinance hereunder, and all other rights granted thereby shall cease and determine with respect to such series of bonds. A series of bonds shall be deemed to have been paid and discharged within the meaning of this Section under any of the following circumstances:

(i) If the Registrar/Paying Agent (or, if the County is the Registrar/Paying Agent, a bank or other institution serving in a fiduciary capacity) ("Escrow Agent") shall hold, at the stated maturities of the bonds, in trust and irrevocably appropriated thereto, moneys for the full payment thereof; or

(ii) If default in the payment of the principal of such series of bonds or the interest thereon shall have occurred, and thereafter tender of payment shall have been made, and the Escrow Agent shall hold, in trust and irrevocably appropriated thereto, sufficient moneys for the payment thereof to the date of the tender of payment; or

(iii) If the County shall have deposited with the Escrow Agent, in an irrevocable trust, either moneys in an amount which shall be sufficient, or direct general obligations of the United States of America, which are not subject to redemption by the issuer prior to the date of maturity thereof, as the case may be, the principal of and interest on which, when due, and without reinvestment thereof, will provide moneys, which, together with the moneys, if any, deposited with the Escrow Agent at the