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CLERK OF COURT
LANCASTER, SC

STATE OF SOUTH CAROLINA)
)
COUNTY OF LANCASTER) **ORDINANCE NO. 2015-1368**

AN ORDINANCE

TO AUTHORIZE AND PROVIDE FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$12,000,000 PRINCIPAL AMOUNT WALNUT CREEK IMPROVEMENT DISTRICT ASSESSMENT REFUNDING REVENUE BONDS, SERIES 2015A-1; TO LIMIT THE PAYMENT OF THE BONDS SOLELY TO THE ASSESSMENTS IMPOSED ON CERTAIN DESIGNATED PARCELS WITHIN THE WALNUT CREEK IMPROVEMENT DISTRICT; TO PROVIDE FOR THE EXECUTION OF A MASTER TRUST INDENTURE, FIRST SUPPLEMENTAL INDENTURE THERETO, CONTRACT OF PURCHASE AND OTHER RELATED DOCUMENTS FOR THE SERIES 2015A-1 BONDS, AND AN AMENDED AND RESTATED MASTER TRUST INDENTURE AND ONE OR MORE SUPPLEMENTS THERETO RELATED TO THE SERIES 2006 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 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 2006 Amended and Restated Indenture or 2015A-1 Indenture as defined herein, as the context requires. The term:

“2006 Amended and Restated Indenture” means the Amended and Restated 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, which amends and restates the Original Master Indenture in its entirety, as the same may be amended and supplement from time to time.

“2015A-1 Indenture” means the 2015A-1 Master Trust Indenture, as supplemented by the 2015A-1 First Supplemental Indenture.

“2015A-1 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 Series 2015A-1 Bonds will be issued.

“2015A-1 Master Trust 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.

“Act” means the County Public Works Improvement Act, codified as Chapter 35 of Title 4 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” means the reasonable and necessary expenses, directly or indirectly, incurred by the County with respect to the Improvement District, the 2006 Amended and Restated Indenture or the 2015A-1 Indenture, as applicable, or any supplemental indenture to either of the foregoing, including but not limited to costs of imposing and collecting Assessments (including the commissions, fees, expenses and any other charges of the Assessment Consultant, Assessor, Auditor and Treasurer (as such terms are defined in the 2006 Amended and Restated Indenture or 2015A-1 Indenture, as applicable) and the County’s finance department personnel), and costs, fees and expenses of consultants, appraisers, engineers, legal counsel or the Trustee, Registrar or Paying Agent (as such terms are defined in the 2006 Amended and Restated Indenture or 2015A-1 Indenture, as applicable).

“Assessment” means an assessment imposed under the Act.

“Assessment A-1” means an Assessment A related to Bond Area 1, as contemplated by Assessment Roll A-1.

“Assessment A-2” means an Assessment A related to Bond Area 2, as contemplated by Assessment Roll A-2.

“Assessment A-3” means an Assessment A related to Bond Area 3, as contemplated by Assessment Roll A-3.

“Assessment Roll A-1” means the Assessment Roll A for Bond Area 1 originally dated December 14, 2015, filed in the office of the Clerk of Court for the County, as amended and supplemented from time to time.

“Assessment Roll A-2” means the Assessment Roll A for Bond Area 2 originally dated December 14, 2015, filed in the office of the Clerk of Court for the County, as amended and supplemented from time to time.

“Assessment Roll A-3” means the Assessment Roll A for Bond Area 3 originally dated December 14, 2015, filed in the office of the Clerk of Court for the County, as amended and supplemented from time to time.

“Bond Area 1” means the parcels identified in the Assessment Roll A-1, which are and will be subject to Assessment A-1.

“Bond Area 2” means the parcels identified in the Assessment Roll A-2, which are and will be subject to Assessment A-2.

“Bond Area 3” means the parcels identified in the Assessment Roll A-3, which are and will be subject to Assessment A-3.

“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.

“Contract of Purchase” means the Contract of Purchase between the Underwriter and the County.

“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.

“Improvement District” means the Walnut Creek Improvement District (formerly known as the Edenmoor Improvement District) created by the Council under the Act pursuant to the Improvement District Ordinance.

“Improvement District Ordinance” means Ordinance No. 713 of the Council, as amended by Ordinance No. 2015-1367 of the Council, wherein the Improvement District was created and the Assessments are authorized to be imposed and collected, as may be amended from time to time.

“Improvements” mean the planning, financing, acquisition, construction, equipping and installation of water and wastewater facilities, a stormwater management system, roads and roadway improvements, a recreational area and facilities, a combined Sheriff and EMS substation and related equipment, and such other improvements as allowed under the terms of the Act and as may be approved by the County Council, pursuant to the Act for the special benefit of the District as further described in the Improvement Plan.

“Improvement Plan” means the Walnut Creek Improvement Plan (formerly known as the Edenmoor Improvement Plan) approved by the Council pursuant to the Improvement District Ordinance.

“Original Master Indenture” means the Master Trust Indenture dated as of June 1, 2006, as heretofore amended and supplemented by the First Supplemental Trust Indenture dated as of June 1, 2006 and the Second Supplemental Trust Indenture dated April 15, 2013, each between the County and the Trustee.

“Series 2006 Bonds” means the Series 2006A Bonds and the Series 2006B Bonds.

“Series 2006A Bonds” means the \$24,115,000 original principal amount Lancaster County, South Carolina, Edenmoor Improvement District Assessment Revenue Bonds, Series 2006A, which are presently outstanding in the principal amount of \$22,325,000.

“Series 2006B Bonds” means the \$11,500,000 original principal amount Lancaster County, South Carolina, Edenmoor Improvement District Assessment Revenue Bonds, Series 2006B, which are presently outstanding in the principal amount of \$2,280,000.

“Series 2015A-1 Bonds” means the not to exceed \$12,000,000 principal amount Walnut Creek Improvement District Assessment Refunding Revenue Bonds, Series 2015A-1, to be issued to refinance such portion of the outstanding Series 2006A Bonds and to be dated such date as may be determined by the Chairman of Council and the County Administrator with advice from the County Attorney.

“Underwriter” means Raymond James and Associates, Inc., as underwriter for the Series 2015A-1 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 1896, 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 adopted the Improvement District Ordinance wherein Assessments are authorized to be imposed and collected within the Improvement District (including particularly Assessment A-1 related solely to the parcels within Bond Area 1, as contemplated by Assessment Roll A-1, Assessment A-2 related solely to the parcels within Bond Area 2, as contemplated by Assessment Roll A-2 and Assessment A-3 related solely to the parcels within Bond Area 3, as contemplated by Assessment Roll A-3, as applicable).

(e) Pursuant to the Act, the County has heretofore issued the Series 2006 Bonds, all of which are presently held by Edenmoor Acquisition LLC (“Edenmoor Acquisition”), and the County now desires to issue the Series 2015A-1 Bonds for the purpose of (1) refinancing such portion of the outstanding Series 2006A Bonds, as may be determined by the Chairman of Council and the County Administrator (the “Refunded 2006A Bonds”), (2) funding a debt service reserve fund (if any) established for the Series 2015A-1 Bonds, in such amount as may be determined by the Chairman of Council and the County Administrator, and (3) paying certain costs of issuance related to the Series 2015A-1 Bonds, including premiums for bond insurance policies or surety bonds.

(f) In connection with the foregoing, it is proposed that the County issue the 2015A-1 Bonds pursuant to the 2015A-1 Indenture and execute the 2006 Amended and Restated Indenture, such that the revenues generated from the imposition and collection of Assessment A-1 will only secure the payment of the Series 2015A-1 Bonds and Administrative Expenses directly or indirectly attributable to Bond Area 1,

and such revenues will not be pledged for the benefit of or secure any other Bonds (as presently defined in the Original Master Trust Indenture) presently outstanding under the Original Master Indenture or thereafter issued pursuant to the 2006 Amended and Restated Indenture, including the Series 2006A Bonds remaining outstanding after the issuance of the Series 2015A-1 Bonds (all of which will be initially held by Edenmoor Acquisition) or any other Bonds issued thereunder to refinance such Series 2006A Bonds (collectively, the "Remaining 2006A Bonds"), and the Series 2006B Bonds. The County will additionally assign its interest in certain funds created pursuant to the 2015A-1 Indenture to the Trustee for the benefit of the owners of the Series 2015A-1 Bonds.

(g) It is contemplated that (1) in connection with the County's execution of the 2006 Amended and Restated Indenture, Edenmoor Acquisition (as holder of the Remaining 2006A Bonds and the Series 2006B Bonds) will provide its written consent thereto, and (2) contemporaneous with the issuance of the Series 2015A-1 Bonds for the purposes described in paragraph (e) above, the Remaining 2006A Bonds will be exchanged for other Series 2006A Bonds which, together with Administrative Expenses directly or indirectly attributable to Bond Area 2 and Bond Area 3, as contemplated by Assessment Roll A-2 and Assessment Roll A-3, respectively, are secured and payable solely from the revenues generated from the imposition and collection of Assessment A-2 and Assessment A-3, respectively, and other funds created pursuant to the 2006 Amended and Restated Indenture for the benefit of the owners of the Remaining 2006A Bonds.

(h) There have been filed with the Clerk to Council forms of the 2015A-1 Master Trust Indenture, 2015A-1 First Supplemental Trust Indenture, 2006 Amended and Restated Indenture, Contract of Purchase, 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 Bonds.

Section 3. Approval of Transaction.

The Council does hereby approve (a) the issuance of the Series 2015A-1 Bonds pursuant to the 2015A-1 Indenture, and the use of the proceeds of the issuance of the Series 2015A-1 Bonds for the purposes described in Section 2(e) above; (b) the pledge and application of the revenues generated from the imposition and collection of Assessment A-1 and other funds created pursuant to the 2015A-1 Indenture for the benefit of the owners of the Series 2015A-1 Bonds for payment of the Series 2015A-1 Bonds and Administrative Expenses directly or indirectly attributable to Bond Area 1; (c) the execution of the 2006 Amended and Restated Indenture and the exchange of Series 2006A Bonds for the Remaining 2006A Bonds and Series 2006B Bonds for outstanding Series 2006B Bonds pursuant to the 2006 Trust Indenture as described herein; and (d) the pledge and application of the revenues generated from the imposition and collection of Assessment A-2 and Assessment A-3, and other funds created pursuant to the 2006 Amended and Restated Indenture for the benefit of the owners of the Remaining 2006A Bonds, for payment of the Remaining 2006A Bonds and Administrative Expenses directly or indirectly attributable to Bond Area 2 and Bond Area 3, as contemplated by Assessment Roll A-2 and Assessment Roll A-3, respectively; provided, however, that nothing in this ordinance is intended to amend, modify or change the terms of the Remaining 2006A Bonds (other than the outstanding principal amount thereof) or Series 2006B Bonds or the Assessments imposed within the Improvement District to secure the payment of the Series 2006B Bonds (e.g., Assessment B as identified in the Assessment Roll B, including the Rate and Method of Apportionment of Assessments,

originally dated January 30, 2006, as corrected and confirmed by County, filed in the office of the Clerk of Court for the County, as amended and supplemented from time to time).

Section 4. Approval of 2015A-1 Master Trust Indenture and 2015A-1 First Supplemental Indenture and Delegation of Authority.

The form, terms and provisions of the 2015A-1 Master Trust Indenture and 2015A-1 First Supplemental Indenture, copies of which are attached hereto as Exhibits A and B and filed with the Clerk to Council, be and hereby are approved. The Chairman of the 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 2015A-1 Master Trust Indenture and 2015A-1 First Supplemental Indenture, with such changes or revisions as are permitted hereby, in the name of and on behalf of the County. The Chairman of the 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 2015A-1 Master Trust Indenture and 2015A-1 First Supplemental Indenture as may be necessary or advisable in connection with the transactions contemplated hereby and thereby. The Chairman's execution and delivery of the 2015A-1 Master Trust Indenture and 2015A-1 First Supplemental Indenture shall constitute conclusive evidence of approval of any and all changes or revisions therein from the form of the 2015A-1 Master Trust Indenture and 2015A-1 First Supplemental Indenture attached hereto as Exhibits A and B. Any amendments to the 2015A-1 Master Trust Indenture and 2015A-1 First Supplemental Indenture shall be executed in the same manner.

Section 5. Approval of 2006 Amended and Restated Indenture and Amendments or Supplements Thereto and Delegation of Authority.

The form, terms and provisions of the 2006 Amended and Restated Indenture, a copy of which is attached hereto as Exhibit C and filed with the Clerk to Council, be and hereby is 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 2006 Amended and Restated Indenture (including any amendments or supplements thereto), 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 2006 Amended and Restated Indenture and to approve the form of any amendments or supplements thereto as may be necessary or advisable in connection with the transactions contemplated hereby and thereby. The Chairman's execution and delivery of the 2006 Amended and Restated Indenture shall constitute conclusive evidence of approval of any and all changes or revisions therein from the form of the 2006 Amended and Restated Indenture attached hereto as Exhibit C.

Section 6. Continuation of Revenue Fund.

There is hereby continued and established an enterprise fund in the County's budget and accounting system for the purpose of accounting for all Assessments levied and collected with respect to the Improvement District. This fund shall be known as the "Walnut Creek Revenue Fund" (formerly known as the "Edenmoor Revenue Fund") and all Assessments levied and collected shall be deposited into such Revenue Fund and as such shall be disbursed according to the provisions of the 2015A-1 Indenture and the 2006 Amended and Restated Indenture; provided, however, that Assessments of a particular type (e.g., Assessment A or Assessment B) or Assessments related to a particular Bond Area (e.g., Assessment A-1, Assessment A-2 or Assessment A-3) shall not be commingled with one another.

Section 7. Approval of Contract of Purchase and Delegation of Authority.

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

Section 8. 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 E (the "Preliminary LOM") 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 Preliminary LOM (the "Final LOM") is hereby approved for distribution by the Underwriter. The Chairman of the 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 Preliminary LOM as may be appropriate for the transactions contemplated hereby and thereby, to take such actions necessary to "deem final" the Preliminary LOM for purposes of Rule 15c2-12 promulgated by the 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 Preliminary LOM attached hereto as Exhibit E.

Section 9. 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 F 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 the 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'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 F. Any amendments to the Continuing Disclosure Agreement shall be executed in the same manner.

(b) So long as and to the extent required pursuant to Section 11-1-85 of the Code of Laws of South Carolina 1976, as amended ("Section 11-1-85"), the County covenants that it will file with a central repository (if any) for availability in the secondary bond market when requested:

- (i) An annual independent audit, within 30 days of the County's receipt of the audit;
- and

(ii) Event-specific information within 30 days of an event adversely affecting more than 5% percent of the revenues generated from the imposition of Assessment A-1 or the County's tax base.

(c) The only remedy for failure by the County to comply with the covenant of this Section 9 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 2015A-1 Indenture. The Trustee shall have no responsibility to monitor the County's compliance with this covenant. The County specifically reserves the right to amend or delete this covenant in order to reflect any change in Section 11-1-85, without the consent of the Trustee or any Holder of any Series 2015A-1 Bonds.

Section 10. Trustee, Registrar and Paying Agent.

The County hereby appoints and, as applicable, consents to the continued appointment of Wells Fargo Bank, N.A., as Trustee, Registrar and Paying Agent under the terms and conditions provided in the 2006 Amended and Restated Indenture and the 2015A-1 Indenture. The Chairman of Council and the County Administrator are hereby delegated the authority to determine a successor trustee or a replacement trustee if for any reason Wells Fargo Bank, N.A. does not serve as Trustee under the 2006 Amended and Restated Indenture or the 2015A-1 Indenture.

Section 11. Arbitrage Covenant.

The County hereby covenants and agrees with the Holders of the Series 2015A-1 Bonds issued, and the Holders of the Series 2006 Bonds reissued, 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 and otherwise adopt written procedures to ensure the County's compliance with federal tax matters relating to the Tax Exempt Bonds.

Section 12. Authority to Act.

The Council Chair, Council Secretary, Clerk to Council, County Administrator, County Attorney and all other appropriate officials of the County are authorized and directed to do any and all things necessary to execute any amendments, changes or modifications to the forbearance agreements previously executed by the County or other documents authorized herein to effect the purposes of this ordinance.

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.

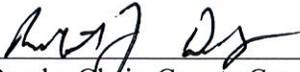
Section 15. Effective Date.

This ordinance is effective upon third reading.

SIGNATURES FOLLOW ON NEXT PAGE.

AND IT IS SO ORDAINED, this 14th day of December, 2015.

LANCASTER COUNTY, SOUTH CAROLINA

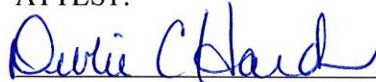


Bob Bundy, Chair, County Council



Steve Harper, Secretary, County Council

ATTEST:



Debbie C. Hardin, Clerk to Council

First Reading: August 24, 2015
Second Reading: September 28, 2015
Public Hearing: September 28, 2015
Third Reading: December 14, 2015

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EXHIBIT A

MASTER TRUST INDENTURE

between

LANCASTER COUNTY, SOUTH CAROLINA

and

WELLS FARGO BANK, N.A.,
as Trustee

Dated _____, 2015

relating to

WALNUT CREEK IMPROVEMENT DISTRICT
