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STATE OF SOUTH CAROLINA            )  
  )        **ORDINANCE NO. 2016-1393**  
COUNTY OF LANCASTER                )

**AN ORDINANCE**

**TO AUTHORIZE CERTAIN MODIFICATIONS TO THE WALNUT CREEK IMPROVEMENT DISTRICT, INCLUDING ENLARGING THE DISTRICT BY ADDING CERTAIN PARCELS THEREIN TO BOND AREA 2 AND BOND AREA 3; APPROVING REVISED ASSESSMENT ROLLS RELATING TO SUCH PARCELS; AUTHORIZING NOT EXCEEDING \$8,000,000 AGGREGATE PRINCIPAL AMOUNT OF ASSESSMENT REVENUE BONDS, IN ONE OR MORE SERIES RELATED TO BOND AREA 2 AND BOND AREA 3; AND TO PROVIDE FOR OTHER MATTERS RELATING THERETO**

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

**Section 1.     Findings.**

The Lancaster County Council finds that:

(a) The County Council (the "County Council") of Lancaster County, South Carolina (the "County") by Ordinance No. 713 enacted on January 30, 2006, as corrected and confirmed by Resolution No. 527 adopted on May 22, 2006, and as amended by Ordinance No. 2015-1367 enacted on December 14, 2015 (as so amended, the "Improvement District Ordinance"), has heretofore established the Walnut Creek Improvement District, formerly known as the Edenmoor Improvement District (the "Improvement District"), relating to an approximately 868-acre residential development known as "Walnut Creek", formerly known as "Edenmoor" (the "Development"), and approved an Assessment Roll for each Bond Area (as such terms are defined herein);

(b) Pursuant to the Master Trust Indenture and the First Supplemental Trust Indenture, each dated as of June 1, 2006 (collectively, the "Original Indenture"), between the County and Wells Fargo Bank, N.A., as trustee (the "Trustee"), the County has heretofore issued the \$24,115,000 original principal amount Lancaster County, South Carolina, Edenmoor Improvement District Assessment Revenue Bonds, Series 2006A (the "Series 2006A Bonds"), and \$11,500,000 original principal amount Edenmoor Improvement District Assessment Revenue Bonds, Series 2006B (the "Series 2006B Bonds" and, together with the Series 2006A Bonds, the "Series 2006 Bonds");

(c) The Series 2006A Bonds, together with the Series 2006B Bonds, were issued in order to fund certain improvements within or associated with the Development, which Series 2006A Bonds are payable from and secured by non-*ad valorem* assessments (presently consisting only of an Assessment A) imposed upon the parcels therein (each, an “Assessment” or “Assessment A”; collectively, the “Assessments”);

(d) Pursuant to the Improvement District Ordinance, the Improvement District has been subdivided into three areas (referenced herein as Bond Area 1, Bond Area 2 and Bond Area 3 (each, a “Bond Area”), as further defined herein), and the Assessment A applicable to each such Bond Area also relates to a specific sub-series of Series A Bonds (as defined in the Assessment Roll A, including the Rate and Method of Apportionment of Assessment A (the “Apportionment of Assessments”) attached as an appendix thereto (together with the Apportionment of Assessments, each, an “Assessment Roll”), relating to each such Bond Area) which are presently outstanding and/or may be hereafter issued to refund such outstanding bonds;

(e) Pursuant to the Amended and Restated Master Trust Indenture dated February 11, 2016 (the “Amended and Restated Indenture”), between the County and the Trustee, which amended and restated the Original Indenture in its entirety, the County issued \$9,670,000 aggregate principal amount of its Walnut Creek Improvement District Assessment Revenue Bonds, Series 2006A-2 Bonds (secured solely by and payable from Assessments related to Bond Area 2) in exchange for an equal aggregate principal amount of Series 2006A Bonds which were outstanding on the date thereof (the “Series 2006A-2 Bonds”), and \$4,695,000 aggregate principal amount of its Walnut Creek Improvement District Assessment Revenue Bonds, Series 2006A-3 Bonds (secured solely by and payable from Assessments related to Bond Area 3), in exchange for an equal aggregate principal amount of Series 2006A Bonds which were outstanding on the date thereof (the “Series 2006A-3 Bonds”).

(f) The County understands that Edenmoor Acquisition, LLC (the “Sole Bondholder”), presently owns 100% of the outstanding principal amount of the Series 2006A-2 Bonds and the Series 2006A-3 Bonds, and that Edenmoor Land Acquisition, LLC and Edenmoor Land Acquisition II, LLC (collectively, the “Purchaser”) presently own, or have contractual rights to consent to certain modifications to Bond Area 2 and Bond Area 3 within the Improvement District (including modifications to the quantity of Assessment A imposed therein) and the Assessment Documents related to such Bond Area 2 and Bond Area 3) on behalf of the owners of, almost 100% of the property located in Bond Area 2 and Bond Area 3; and

(h) The Purchaser and the Sole Bondholder desire to make certain changes to the Improvement District and/or the Assessment Roll A previously approved for each of Bond Area 2 (the “Original Assessment Roll A-2”) and Bond Area 3 (the “Original Assessment Roll A-3” and, together, the “Assessment Documents”), namely (I) adding one parcel to the Improvement District within Bond Area 2 and one parcel to the Improvement District within Bond Area 3; (II) modifying the classifications in the Assessment Documents for future development uses within Bond Area 2 and Bond Area 3; (III) increasing the total Assessment A imposed upon the parcels within Bond Area 2 and Bond Area 3; (IV) allocating the updated total Assessment A on Bond Area 2 and Bond Area 3 to the parcels in Bond Area 2 and Bond Area 3; (V) making all changes to the allocation and apportionment of Assessments for Bond Area 2 and Bond Area 3; (VI) extending the maturity dates of the existing Series 2006A-2 Bonds and Series 2006A-3 Bonds for up to five years, and (VII) contemplating the issuance and sale from time to time to the Sole Bondholder or any affiliate of the Purchaser acceptable to the County (the “Bond Purchaser”) of new bonds secured by and payable from Assessment A imposed on Bond Area 2 or Bond Area 3 in order to finance costs of additional Improvements (as defined herein), which may be undertaken in connection with the refunding of or issuance in exchange for all or a portion of the existing Series

2006A-2 Bonds or Series 2006A-3 Bonds, or combined with or constitute a portion of a larger debt issue including bonds issued for such purposes; provided that in no event will such changes increase or affect in any way the Assessments applicable to parcels within Bond Area 1 of the Improvement District, which secure and are payable for the County's \$8,510,000 aggregate principal amount of Walnut Creek Improvement District Assessment Refunding Revenue Bonds, Series 2016A-1 (the "Series 2016A-1 Bonds").

(i) Prior to the issuance of the Series 2006 Bonds, the County Council adopted an "improvement plan" (within the meaning of Section 4-35-30(4) of the Code of Laws of South Carolina 1976, as amended (the "Act"), entitled "Lawson's Bend Improvement Plan" (the "Original Improvement Plan") which Original Improvement Plan, among other things, contemplated the creation of the Improvement District as an "improvement district" (within the meaning of Section 4-35-30(3) of the Act). As set forth in Resolution No. 0923-R2016, adopted by County Council on June 13, 2016, which replaced Resolution Nos. 0920-R2016 and 0901-R2015, adopted by County Council on May 23, 2016 and December 14, 2015 (as so replaced, the "Resolution"), the County approved the Amended Improvement Plan, which updates and makes certain changes to the Original Improvement Plan consistent with the changes and proposed changes to the Assessment Documents described above, and as may be further amended or supplemented from time to time. The Amended Improvement Plan contemplates the construction of a roadway system, a sanitary sewer system, a water system and a drainage system, a County park and other public improvements within the Improvement District, whether currently completed or proposed as more particularly described therein (collectively, the "Improvements"), which constitute "improvements" (within the meaning of Section 4-35-30(2) of the Act).

(j) Pursuant to Section 4-35-50 of the Act, County Council hereby finds that: (1) the Improvements are and may be beneficial within the Improvement District; (2) the Improvements have and are likely to significantly improve property values within the Improvement District by promoting the development of the property, (3) it is and would be fair and equitable to finance all or part of the cost of the Improvements by an assessment upon the real property located within the Improvement District, (4) written consent for the creation of the Improvement District from a majority of the owners of real property within the Improvement District and having an aggregate assessed value in excess of sixty-six percent of the assessed value of all real property within the Improvement District was obtained, and (5) written consent for certain modifications to the Improvement District (as enlarged, the "Enlarged Improvement District"), namely the addition of one parcel to Bond Area 2 and one parcel to Bond Area 3, modifying the classifications for future development uses within Bond Area 2 and Bond Area 3, increasing the total Assessment A imposed upon the parcels within Bond Area 2 and Bond Area 3 only, allocating the updated total Assessment A on Bond Area 2 and Bond Area 3 to the parcels in Bond Area 2 and Bond Area 3, making all changes to the allocation and apportionment of Assessments for Bond Area 2 and Bond Area 3, extending the maturity dates of the existing Series 2006A-2 Bonds and Series 2006A-3 Bonds for up to five years, and contemplating the issuance and sale from time to time to the Bond Purchaser of new bonds secured by and payable from Assessments imposed on Bond Area 2 and Bond Area 3 in order to finance costs of additional Improvements, from a majority of the owners of real property within the applicable sub-districts of the Enlarged Improvement District (e.g., Bond Area 2 and Bond Area 3) and having an aggregate assessed value in excess of sixty-six percent of the assessed value of Bond Area 2 and Bond Area 3, has been obtained. The basis and methodology of the Assessment A on all real property in Bond Area 2 and Bond Area 3 of the Improvement District other than property constituting the Improvements, as set forth in the Report on the Reasonable Basis of Assessment A attached hereto as Appendix A (the "Assessment Report"), is based upon the value of improvements constructed or to be constructed within the Enlarged Improvement District, as more particularly described in the Assessment Report and the Amended Improvement Plan. County Council hereby determines that such basis for the Assessment A for parcels within Bond Area 2 and Bond Area 3 is reasonable and included in the authorized methods set forth in Section 4-35-30(1) of the Act and fairly reflects the benefit

derived from the Improvements by each of the individual parcels and location of associated Improvements, all as supported by the Assessment Report.

(k) Pursuant to Section 4-35-60 of the Act and the provisions of the Resolution, a public hearing concerning the Resolution was held on July 18, 2016, which date was neither sooner than thirty days and nor more than forty-five days following the adoption of the Resolution and neither less than ten days nor more than 120 days before the passage of this ordinance. Pursuant to Section 4-35-70 of the Act, the entire text of the Resolution was published once a week for three successive weeks in The Lancaster News, which is a newspaper of general circulation in the County. The last date of publication was not less than ten days prior to the date of the public hearing concerning the Resolution.

(l) There have been filed with the Clerk to Council a list of the parcels within Bond Area 1, Bond Area 2 and Bond Area 3 (including the two additional parcels proposed to be added therein), including a representative map of the Enlarged Improvement District showing each such Bond Area, attached as Appendix B hereto, and the following documents:

(1) with respect to the parcels within Bond Area 1 of the Enlarged Improvement District, an Assessment Roll A for Bond Area 1 as previously approved by the County Council ("Assessment Roll A-1", included in Exhibit 1 attached hereto); and

(2) with respect to the parcels within Bond Area 2 of the Enlarged Improvement District, a preliminary Assessment Roll A for Bond Area 2 ("Assessment Roll A-2", included in Exhibit 2 attached hereto); and

(3) with respect to the parcels within Bond Area 3 of the Enlarged Improvement District, a preliminary Assessment Roll A for Bond Area 3 ("Assessment Roll A-3", included in Exhibit 3 attached hereto);

(m) There have also been filed with the Clerk to Council a form of Supplemental Trust Indenture to the Amended and Restated Indenture (the "Supplemental Indenture"), relating to the issuance of New Bonds (as defined herein). 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 2. Amendment of Assessment Documents and Approval of Revised Assessment Rolls and Amendments to Amended Improvement Plan.**

(a) The Original Assessment Roll A-2 is hereby amended and replaced by the Assessment Roll A-2 attached hereto as Exhibit 2, and the Original Assessment Roll A-3 is hereby amended and replaced by the Assessment Roll A-3 attached hereto as Exhibit 3, which Assessment Roll A-2 and Assessment Roll A-3 (together, the "Revised A Assessment Rolls"), together with the Assessment Roll A-1, are hereby approved and confirmed as the assessment roll within the meaning of the Act reflecting the names of the persons within Bond Area 1, Bond Area 2 and Bond Area 3, as applicable, of the Enlarged Improvement District as of the respective dates specified therein, whose properties are to be assessed for Assessment A (as further described in the Assessment Roll A-1, Assessment Roll A-2 and Assessment Roll A-3, as applicable) and the amounts to be assessed against their respective properties with a brief description of the lots or parcels of land assessed, and shall be the basis for the actual Assessment A on each parcel of property listed thereon if not altered or amended by County Council resolution pursuant to the hearings and the final County Council meeting pursuant to Section 5

hereinafter. A copy of the Revised A Assessment Rolls shall be deposited in the offices of the County Administrator and made available for inspection by interested parties.

(b) The Enlarged Improvement District as described above and more fully in the Amended Improvement Plan is hereby created and the implementation of the Amended Improvement Plan is hereby authorized. Since the date of the original approval of the Amended Improvement Plan, certain amendments to said Amended Improvement Plan have been made. Therefore, the Amended Improvement Plan, as amended, a copy of which is attached as Appendix C hereto, is hereby approved.

### **Section 3.      Financing of Improvements and Issuance of New Bonds for Reimbursement Only.**

(a) The County understands, based on documentation related to the Series 2006 Bonds and the representations of the Purchaser, that approximately \$30,800,000 of the proceeds of the Series 2006 Bonds were used to finance certain costs of the Improvements, approximately \$33,000,000 of the Improvements have been funded directly by the Purchaser, and the total costs of the Improvements are expected to cost approximately \$91,500,000. The Original Improvement Plan contemplated that the County could issue up to \$60,000,000 in revenue bonds in one or more series to finance all or a portion of the costs of the Improvements, of which approximately \$36,000,000 principal amount of such bonds has been previously issued (excluding the Series 2016A-1 Bonds which refunded \$7,960,000 outstanding principal amount of the Series 2006A Bonds), all of which have been or would be secured by and serviced from revenue to be derived from the Assessments. The Amended Improvement Plan contemplates that the County may additionally issue from time to time not exceeding \$8,000,000 in revenue bonds in one or more series (the "New Bonds") secured by the Assessments imposed within Bond Area 2 or Bond Area 3 (as applicable) and to be serviced from revenue to be derived from the Assessments within Bond Area 2 or Bond Area 3, respectively; provided, however, that (1) the New Bonds may be issued and sold from time to time only to the Bond Purchaser in order to finance the costs of additional Improvements, pursuant to the Supplemental Indenture, (2) the New Bonds will be secured by and payable from Assessments imposed within Bond Area 2 or Bond Area 3 (as applicable), *pari passu* with the pledge of the Assessments securing the Series 2006A-2 Bonds and Series 2006A-3 Bonds, as the case may be, and in any event not from Assessments imposed within Bond Area 1, and (3) nothing herein shall obligate the County to issue the New Bonds in any particular amount, if at all. The New Bonds described in this Section 3 may, but are not required to, be issued in connection with the refunding of or issuance in exchange for all or a portion of the existing Series 2006A-2 Bonds or Series 2006A-3 Bonds, or combined with or constitute a portion of a larger debt issue including bonds issued for such purposes, if otherwise authorized by the Council.

(b) The Council does hereby approve (1) the issuance from time to time of the New Bonds as described herein (subject to the limitations described in paragraph (a) above) and the issuance of Series 2006A-2 and Series 2006A-3 Bonds (as applicable) in exchange for existing Series 2006A-2 Bonds and Series 2006A-3 Bonds, respectively; and (2) the pledge and application of the revenues generated from the imposition and collection of the Assessments for payment of the New Bonds and Administrative Expenses (as defined in the Revised A Assessment Rolls).

(c) The form, terms and provisions of the Supplemental Indenture, attached hereto as Appendix D hereto 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 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 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 Supplemental Indenture shall constitute conclusive evidence of approval of any and all changes or revisions therein from the form of the Supplemental Indenture attached hereto as Appendix D. Any amendments to the Supplemental Indenture shall be executed in the same manner. The Chairman of the Council is hereby authorized, empowered and directed to execute, acknowledge and deliver, and the Clerk of Council is hereby authorized, empowered and directed to attest the New Bonds, the Series 2006A-2 Bonds and the Series 2006A-3 Bonds (as applicable) in connection with the authorization set forth above, in the name of and on behalf of the County.

**Section 4. Notice of Revised A Assessment Rolls.**

The County Administrator is hereby authorized and directed to cause to be mailed by registered or certified mail, return receipt requested, as soon as practicable, to the owner or owners of each parcel of land in Bond Area 2 and Bond Area 3 against which an Assessment A is to be levied, at the address appearing on the records of the County Treasurer, a notice stating the nature of the Improvements, the total proposed cost of it, the amount to be assessed against the particular property, and the basis upon which the Assessment A is made, together with the terms and conditions upon which the Assessment A may be paid. The notice must contain a brief description of the particular property involved, together with a statement that the amount assessed constitutes a lien against the property superior to all other liens except property taxes. The notice also must state the time and place fixed for the hearing of objections in respect to the Assessment A and shall be mailed neither less than 15 days nor more than 30 days before such hearing regarding the objections takes place. A property owner who fails to file with the County Council a written objection to the Assessment A against his property before such hearing regarding the objections takes place shall be considered to have consented to the Assessment A.

**Section 5. Hearing of Objections to Revised A Assessment Rolls.**

(a) The hearing of objections to an Assessment A for parcels within Bond Area 2 and Bond Area 3 is scheduled for Monday, December 12, 2016, at 6:00 p.m. or at such other date and time as shall be set by the County Administrator. Once scheduled pursuant to this section, this hearing may be postponed and rescheduled pursuant to a resolution of County Council which shall provide for reasonable notice of a new date and time.

(b) All persons who file written objections to the Revised A Assessment Rolls within the time prescribed shall have an opportunity to appear either in person or by their attorney at the hearing held by the County Council for such purposes, but the final decision on each objection shall be made by a vote of the County Council at a public session thereof. At the session(s) held to make a final decision on the objections, County Council may make by resolution such corrections to the Revised A Assessment Rolls as it deems proper and confirm the same or set it aside and provide for a new Assessment A for parcels within Bond Area 2 and Bond Area 3.

(c) At the session(s) held to make a final decision on the objections, County Council may make by resolution such corrections to the Assessment Report and the Apportionment of Assessments as it deems proper.

(d) Whenever County Council shall confirm an Assessment A, either as originally prepared or as thereafter corrected, a copy thereof shall be certified by the Clerk to County Council and filed in the office of the Clerk of Court for Lancaster County, and from the time of filing the assessment impressed in the Revised A Assessment Rolls, together with the Assessment Roll A-1, constitutes and is a lien on the real property against which it is assessed superior to all other liens and encumbrances, except the lien for property taxes, and must be annually assessed and collected with the property taxes on it.

**Section 6. 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 effect the purposes of this ordinance.

**Section 7. 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 8. 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.

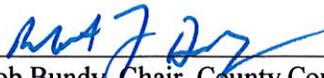
**Section 9. Effective Date.**

This ordinance is effective upon third reading.

SIGNATURES FOLLOW ON NEXT PAGE.

AND IT IS SO ORDAINED, this 14 day of November, 2016.

LANCASTER COUNTY, SOUTH CAROLINA

  
\_\_\_\_\_  
Bob Bundy, Chair, County Council

  
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Steve Harper, Secretary, County Council

ATTEST:

Chelsea Gardner  
~~Debbie C. Hardin, Clerk to Council~~  
Chelsea Gardner, Deputy Clerk  
First Reading: 4-11-16 to Council  
Second Reading: 5-9-16  
Public Hearing:  
Third Reading: 11-14-16

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