

AN ORDINANCE

AUTHORISING AND PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED \$76,000,000 CHARLESTON COUNTY, SOUTH CAROLINA, TAXABLE REFUNDING SPECIAL SOURCE REVENUE BONDS; PRESCRIBING THE FORM OF BONDS; LIMITING THE PAYMENT OF THE BONDS SOLELY FROM CERTAIN REVENUES DERIVED FROM THE PAYMENT OF FEES IN LIEU OF TAXES FROM DESIGNATED MULTI-COUNTY PARKS LOCATED IN CHARLESTON COUNTY AND PLEDGING CERTAIN REVENUES OF SUCH PAYMENT; CREATING CERTAIN FUNDS AND PROVIDING FOR PAYMENTS INTO SUCH FUNDS; AND MAKING OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE FOREGOING; THE ENTERING INTO OF CERTAIN COVENANTS AND AGREEMENTS; AND THE EXECUTION AND DELIVERY OF CERTAIN INSTRUMENTS RELATING TO THE ISSUANCE OF THE AFORESAID BONDS, INCLUDING A THIRD SUPPLEMENTAL INDENTURE AND CERTAIN OTHER MATTERS RELATING THERETO.

WHEREAS, the County Council of Charleston County, South Carolina (the "Council"), the governing body of Charleston County, South Carolina (the "County"), is authorised and empowered under and pursuant to the provisions of Title 4, Chapter 1 and Section 4-29-68 of the Code of Laws of South Carolina 1976, as amended (the "Act"), to provide for the issuance of special source revenue bonds by the County payable solely from revenues derived from payments in lieu of taxes ("FILOT Payments") pursuant to Section 13 of Article VIII of the South Carolina Constitution for the purpose of paying the cost of designing, acquiring, constructing, improving, or expanding (i) the infrastructure serving Charleston County or any project, (ii) for improved or unimproved real estate and personal property, including machinery and equipment, used in the operation of a manufacturing or commercial enterprise, (iii) aircraft which qualifies as a project pursuant to Section 12-44-30(16) of the Code of Laws of South Carolina 1976, as amended, or (iv) such other purposes as may be permitted, from time to time, by the Act, which property is determined by the Council to enhance economic development of Charleston County (each, an "SSRB Project"); and

WHEREAS, the County heretofore created a multicounty park (the "Multi-County Park") pursuant to the Agreement for Development for a Joint County Industrial Park, effective as of September 1, 1995 (the "Multi-County Park Agreement"), between the County and Colleton County, South Carolina, in accordance with Section 13 of Article VIII of the South Carolina Constitution pursuant to which the property owners located in the Multi-County Park pay FILOT Payments with respect to such properties; and

WHEREAS, the County expects to issue and sell from time to time special source revenue bonds (the "Bonds"), in one or more series as provided herein, secured by and payable solely from the Pledged FILOT Payments (as defined in the below defined Indenture) for the payment of the costs of designing, acquiring, constructing, and improving SSRB Projects, including the payment of capitalised interest on the Bonds authorised hereby, for the funding of any necessary reserve or other funds, and for the payment of costs of issuance with respect to the Bonds, all as set forth herein and permitted by the Act; and

WHEREAS, in order to induce The Boeing Company ("Boeing") to locate a significant expansion of its operations in Charleston County ("Phase II") by investing an additional not less than One Billion Dollars (\$1,000,000,000) and creating an additional not less than Two Thousand

(2,000) new jobs in Charleston County, the Council previously approved a fee-in-lieu of tax agreement and determined to fund the design and construction of an extension of South Aviation Avenue in North Charleston (the "South Aviation Avenue Extension Project"), which is a part of the "Charleston Airport Area Improvements Project" which also includes (i) a new connector road to the Charleston International Airport and (ii) a new interchange on I-26 connecting to the Palmetto Commerce Parkway (collectively, the "Charleston Airport Area Improvements Project") at a total cost which is now expected to be approximately \$359,000,000; and

WHEREAS, the Council previously determined that the Charleston Airport Area Improvements Project, including the South Aviation Avenue Extension Project, constituted infrastructure serving Charleston County and that such infrastructure was for the benefit and welfare of the people who are residents of Charleston County and for the benefit of the economic welfare and economic improvement of Charleston County and its citizens; and

WHEREAS, on December 11, 2013 the County issued special source revenue bonds in the principal amount of \$86,405,000 (the "Original Bonds") to finance that portion of the cost of the Charleston Airport Area Improvements Project to be defrayed by the County and reserves and expenses incidental thereto; and

WHEREAS, upon the advice of its independent registered municipal advisor, the County Council has now determined that a significant savings in debt service can be achieved by refunding a portion of the Original Bonds at current interest rates and the County Council wishes to proceed in capturing the available savings by refunding the Original Bonds at this time; and

WHEREAS, the County Council has hereby determined to issue taxable refunding special source revenue bonds in the principal amount of not to exceed \$76,000,000 (the "Refunding Bonds") pursuant to the provisions of Section 4-29-110 of the Code, and that the Bonds be payable from and secured by a pledge of the Pledged FILOT Payments as provided herein; and in accordance with the terms set forth in the Indenture of Trust (the "Indenture") between the County and Wells Fargo Bank, National Association (the "Trustee") and in the Third Supplemental Trust Indenture (the "Third Supplemental Indenture") between the County and the Trustee;

NOW, THEREFORE, BE IT ORDAINED by the County Council of Charleston County, South Carolina, as follows:

Section 1. Authority to Issue Refunding Bonds. (a) Pursuant to the authority of the Act, there shall be issued (subject to the provisions of Section 2 hereof) Taxable Refunding Special Source Revenue Bonds of the County in one or more series having a series designation corresponding to the calendar year in which they are issued, in the aggregate principal amount of not to exceed Seventy-Six Million Dollars (\$76,000,000.00) in order (a) to provide funds to advance refund a portion of the Original Bonds, (b) to pay costs of issuance of the Refunding Bonds (including the provision of credit enhancement for the Refunding Bonds), and (c) to fund or satisfy any necessary reserve fund requirements with respect to the Refunding Bonds.

(b) The Refunding Bonds shall be dated the date of their initial issuance and shall be issued as fully registered bonds. Principal of, redemption premium, if any, and interest on the Refunding Bonds shall be payable upon the terms, at the places, and on the dates and at the rates set forth in the Indenture and the Third Supplemental Indenture.

(c) The Council hereby delegate to the Chairman of the Council, upon the advice of the County's financial advisor and bond counsel, the authority to approve the terms of the Refunding Bonds subject to the following parameters:

(i) The true interest cost on the Refunding Bonds may not exceed 3.50% per annum.

(ii) The principal amount of the Refunding Bonds may not exceed \$76,000,000.

(iii) The final maturity of the Refunding Bonds may not be later than December 1, 2038.

The parameters set forth above may be modified prior to the issuance of the Refunding Bonds by resolution duly adopted by the Council.

(d) The Refunding Bonds and the assignment provisions pertaining thereto shall be in substantially the form set forth in the Third Supplemental Indenture, with such necessary or appropriate variations, omissions, and insertions as are incidental to the series, numbers, denominations, maturities, interest rate or rates, redemption provisions, the purpose of issuance, and other details thereof or as are otherwise permitted or required by law or by the Indenture and the Third Supplemental Indenture.

(e) The Refunding Bonds shall be subject to optional or mandatory redemption prior to maturity, upon the terms and conditions as set forth in the Third Supplemental Indenture.

Section 2. Authority to Petition State Fiscal Accountability Authority for Approval. There shall be and is hereby authorized and directed the submission on behalf of the County of a Petition requesting approval by the State Fiscal Accountability Authority pursuant to the provisions of Section 4-29-140 of the Code of the issuance of the Refunding Bonds. The County Administrator is hereby authorized and directed to execute the Petition in the name and on behalf of the County and to submit the Petition to the State Fiscal Accountability Authority. Any submission of the Petition prior to final reading of this ordinance is hereby confirmed and ratified.

Section 3. Sale of Refunding Bonds. (a) The Refunding Bonds shall be sold at a negotiated sale to Wells Fargo Bank, National Association (the "Underwriter"), upon the advice of the County's financial advisor, upon terms and conditions as set forth in this Ordinance and as is determined to be most advantageous.

(b) The Chairman of the Council is hereby authorized and directed to execute and deliver the Refunding Bonds to the Underwriter in accordance with the terms of the bond purchase agreement or agreements to be entered into with the Underwriter (collectively, the "Purchase Contract"), as approved by the Chairman; provided however, that the Refunding Bonds shall not be sold at a price of less than 98% of the par amount thereof unless otherwise approved by resolution adopted by the Council.

(c) The Council hereby agree to and authorize the entering into by the County of the Purchase Contract with the Underwriter for the purchase of the Refunding Bonds, which shall include terms which are fair and reasonable and in the best interest of the County in the discretion of the Chairman upon the advice of bond counsel; and that the Refunding Bonds shall be sold to the Underwriter upon the terms and conditions set forth in the Purchase Contract and

upon the basis of the representations therein set forth. The Council hereby authorize and direct the Chairman to execute the Purchase Contract, in such form as he shall approve upon the advice of bond counsel, and deliver it to the Underwriter.

Section 4. Selection of Trustee. The Chairman is hereby delegated the authority to select a bank or trust company to serve as trustee, paying agent, and bond registrar under the Indenture upon the advice of the County's financial advisor.

Section 5. Refunding Bonds are Limited Obligations of the County. The Refunding Bonds shall be limited obligations of the County payable by the County solely from, and secured by a pledge of, the FILOT Payments as provided in the Indenture and the Third Supplemental Indenture. The Refunding Bonds are not secured by, or in any way entitled to, a pledge of the full faith, credit, or taxing power of the County. The Refunding Bonds do not and shall never constitute an indebtedness of the County within the meaning of any State constitutional provision or statutory limitation but are payable solely from a special source that does not include revenues from any tax or license. The Refunding Bonds shall never constitute or give rise to a pecuniary liability of the County or a charge against its general credit or taxing power. Such limitations shall be plainly stated on the face of the Refunding Bonds.

Section 6. Budgetary Appropriation. In adopting the budget for each Fiscal Year, the Issuer shall follow its established practice of appropriating debt service payments on the Refunding Bonds for such Fiscal Year to be paid from the receipt of FILOT Payments during such Fiscal Year. If, during the course of that Fiscal Year, the Issuer does not receive or anticipate to receive Pledged FILOT Payments sufficient to satisfy the requirements to pay debt service on the Refunding Bonds in such Fiscal Year, the County Administrator shall request and the Council shall, subject to the provisions of the following sentence, make provision through a budgetary directive to apply other available moneys to satisfy the appropriation for the payment of debt service on the Refunding Bonds, with such moneys being deemed Revenues pursuant to the Indenture. Notwithstanding the preceding sentence, in adopting its general operating budget or supplemental budget, the Council may, in its sole discretion, determine (a "Determination of Nonappropriation") not to make the budgetary appropriations described in the preceding sentence, and such Determination of Nonappropriation shall not constitute an Event of Default under the Indenture, nor shall the County have any obligation to make such payment.

Section 7. Execution of Refunding Bonds. The Refunding Bonds shall be executed in the name of the County with the manual or facsimile signature of the Chairman of the Council and shall be attested by the manual or facsimile signature of the Clerk to the Council and shall have the seal of the County impressed or imprinted thereon. In case the officers whose signature shall appear on the Refunding Bonds shall cease to be such officers before the delivery of the Refunding Bonds, such signatures shall nevertheless be valid and sufficient for all purposes, the same as if such officers had remained in office until delivery.

Section 8. Approval of Indenture. The form of the Indenture, as submitted to this meeting and made a part of this Ordinance as though set forth in full herein, has been approved by the Council pursuant to this Ordinance. The Chairman of the Council is hereby authorized and directed to execute and deliver the Indenture in substantially the form presented at the meeting at which the Ordinance received third reading, with such changes, insertions, and omissions as do not impose liability upon the County and as may be approved by said Chairman, with the advice of counsel, said execution being conclusive evidence of such approval; and the Clerk of the Council is hereby authorized and directed to affix the corporate seal of the County to the Indenture and to attest the same.

Section 9. Approval of Third Supplemental Indenture. The form of the Third Supplemental Indenture, as submitted to this meeting and made a part of this Ordinance as though set forth in full herein, has been approved by the Council pursuant to this Ordinance. The Chairman of the Council is hereby authorized and directed to execute and deliver the Third Supplemental Indenture with such changes, insertions, and omissions as do not impose liability upon the County and as may be approved by said Chairman, with the advice of counsel, said execution being conclusive evidence of such approval; and the Clerk of the Council is hereby authorized and directed to affix the corporate seal of the County to the Third Supplemental Indenture and to attest the same.

Section 10. Approval of Other Documents, Certificates, Etc. (a) The Chairman of the Council and the Clerk of the Council, the County Administrator, and any other proper officer of the County, be and each of them is hereby authorized and directed to execute and deliver any and all documents and instruments and to do and to cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Ordinance.

(b) The Council hereby authorize the preparation of a Preliminary Official Statement and Official Statement of the County relating to each Series of the Refunding Bonds and the distribution thereof in connexion with the sale of the Refunding Bonds, and hereby delegate to the Chairman the power to deem it final within the meaning of S.E.C. Rule 15(c)(2)-12; the Chairman is hereby authorized and directed to execute copies of the Official Statement and deliver them to the Underwriter, which execution and delivery shall be conclusive evidence of the approval of any modifications; and the Council hereby authorize the use of the Official Statement and the information contained therein in connexion with the public offering and sale of the Refunding Bonds by the Underwriter.

Section 11. Approval of Findings Made in Petition. The Council hereby reaffirms and ratifies each of the findings of fact made by the County in the Petition submitted to the State Fiscal Accountability Authority with respect to the Refunding Bonds. The Council further find, determine, and declare that:

(a) The Charleston Airport Area Improvements Project constitutes infrastructure that enhances the economic development of Charleston County and subserves the purposes of the Act;

(b) The Charleston Airport Area Improvements Project, and each component thereof, benefits the general public welfare of Charleston County by providing services, employment, and other public benefits not otherwise provided locally;

(c) By inducing Boeing to make the investment in Phase II, the Charleston Airport Area Improvements Project has resulted in 2,000 additional full-time jobs and a capital investment of \$1,000,000,000 in Charleston County;

(d) Neither the Charleston Airport Area Improvements Project, the Refunding Bonds, nor any documents or agreements entered into by the County in connection therewith, will constitute or give rise to a pecuniary liability of the County or a charge against the general credit or taxing power of the County;

(e) Adequate provision will be made in the Indenture for the payment of principal of and interest on the Refunding Bonds and any necessary reserves therefor and for the operation, repair, and maintenance of the Charleston Airport Area Improvements

Project, including all proper insurance with respect thereto from funds pledged or made available therefor;

(f) There is a need for the Charleston Airport Area Improvements Project in the area in which it is to be located in Charleston County; and

(g) The public facilities, including utilities and public services necessary for the Charleston Airport Area Improvements Project, will be made available.

(h) The Pledged FILOT Payments are in an amount sufficient for the payment of principal and interest on the Refunding Bonds.

(i) The Bond Ordinance, the Indenture, and the Third Supplemental Indenture contain no provisions imposing an indebtedness on the County within the meaning of any State constitutional provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the County or a charge against its general credit or taxing powers.

(j) The Bond Ordinance, the Indenture, and the Third Supplemental Indenture contain provisions whereby the Pledged FILOT Payments are pledged and assigned to the Trustee for the benefit of the holders of the Refunding Bonds.

(k) The Bond Ordinance, the Indenture, and the Third Supplemental Indenture contain covenants providing for payments in amounts (a) sufficient to pay principal and interest on the Refunding Bonds, (b) to build up and maintain any reserves deemed by the County Council to be advisable, and (c) to pay the costs of maintenance and insurance for the Charleston Airport Area Improvements Project, all from funds of the County that are available for these purposes.

Section 12. No Personal Liability. No recourse shall be had for the enforcement of any obligation, covenant, promise, or agreement of the County contained in this Ordinance, the Indenture, the Third Supplemental Indenture, or the Refunding Bonds against any member of the Council, or any officer or employee, in his or her individual capacity, past, present, or future, of the County, either directly or through the County, whether by virtue of any constitutional provision, statute, or rule of law, or by the enforcement of any assessment or penalty or otherwise, it being expressly agreed and understood that this Ordinance, the Indenture, the Third Supplemental Indenture, and the Refunding Bonds are solely corporate obligations, and that no personal liability whatsoever shall attach to, or be incurred by, any member of the Council, or any officer or employee, past, present, or future, of the County, either directly or by reason of any of the obligations, covenants, promises, or agreements entered into between the County and the Trustee or the bondholders or to be implied therefrom as being supplemental hereto or thereto; and that all personal liability of that character against every such member, officer, and employee is, by the enactment of this Ordinance and the execution of the Refunding Bonds, and as a condition of, and as a part of the consideration for, the enactment of this Ordinance and the execution of the Refunding Bonds, expressly waived and released. The immunity of members of the Council and any officers and employees of the County under the provisions contained in this Section 12 shall survive the termination of this Ordinance.

Section 13. Governing Law. This Ordinance shall be construed and interpreted in accordance with the laws of the State of South Carolina.

Section 14. Provisions of Ordinance of Separable. The provisions of this Ordinance are hereby declared to be separable and if any section, phrase or provision shall for any reason be declared by a court of competent jurisdiction to be invalid or unenforceable, such declaration shall not affect the validity of the remainder of the sections, phrases, and provisions hereunder.

Section 15. Repeal of Conflicting Ordinance, etc.; Effective Date. All orders, resolutions, ordinances and parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed and this Ordinance shall take effect and be in full force from and after its approval following third reading.

CHARLESTON COUNTY, SOUTH CAROLINA

By: _____
Chairman of County Council
Charleston County, South Carolina

ATTEST:

By: _____
Clerk to County Council
Charleston County, South Carolina

First Reading: August 19, 2021
Second Reading: August 24, 2021
Public Hearing: September 14, 2021
Third Reading: September 14, 2021