



AGENDA
ANDERSON COUNTY COUNCIL
SPECIAL CALLED MEETING
Friday, June 28, 2024, at 11:00 a.m.
Historic Courthouse
101 S. Main Street
Anderson, South Carolina
Chairman Tommy Dunn, Presiding

1. CALL TO ORDER

2. INVOCATION AND PLEDGE OF ALLEGIANCE

Hon. Brett Sanders

3. CITIZENS COMMENTS

Agenda Matters Only

4. ORDINANCE THIRD READING:

a. 2024-016: An Ordinance to adopt the operating and capital budgets of Anderson County for the fiscal year beginning July 1, 2024, and ending June 30, 2025, and to make appropriations for such Anderson County budgets for county ordinary purposes and for other county purposes for which the county may levy a tax other than for Tri-County Technical College purposes; to provide for the levy of taxes on all taxable personal and real estate properties in Anderson County for such county ordinary purposes, including sufficient tax to pay the principal and interest on outstanding indebtedness of Anderson County maturing during said fiscal year; to adopt the operating and capital budgets of Anderson County for the fiscal year beginning July 1, 2024, and ending June 30, 2025, and to make appropriations for such Anderson County budgets, for Tri-County Technical College; to provide for the levy of taxes on all personal and real properties in Anderson County on which school taxes may be levied for such Tri-County Technical College purposes; to provide for the levy, assessment and collection of certain other taxes and fees; to provide for the expenditure of said taxes and other revenues coming to the county during said fiscal year; and to provide for other matters relating to Anderson County.

Mr. Tommy Dunn (allotted 5 minutes)

b. 2024-026: A Master Bond Ordinance of Anderson County, South Carolina providing for the issuance and sale of sewer system revenue bonds; and other matters relating thereto.

Mr. Rusty Burns (allotted 5 minutes)

c. 2024-027: A Series Ordinance of Anderson County, South Carolina providing for the issuance and sale of sewer system revenue bonds in the aggregate principal amount of not exceeding \$25,000,000; authorizing a project management agreement and an intergovernmental agreement with the City of Clemson and the Town of Pendleton regarding improvements to waste treatment facilities to be financed in part with such bonds; and providing for other matters relating thereto.

Mr. Rusty Burns (allotted 5 minutes)

Tommy Dunn
Chairman, District Five

John B. Wright, Jr.
District One

Greg Elgin
District Three

M. Cindy Wilson
District Seven



Brett Sanders
V. Chairman, District Four

Glenn Davis
District Two

Jimmy Davis
District Six

Renee Watts
Clerk to Council

Rusty Burns
County Administrator



5. RESOLUTIONS

- a. 2024-038:** A Resolution to accept PARD GRANT award- Sandy Springs Community Park at Mt. Zion Presbyterian Church; and other matters related thereto.

Mr. Brett Sanders

6. APPOINTMENTS

- a.** AOP Business and Industry Showcase Board
b. Anderson County First Steps Board

Mr. Tommy Dunn

7. APPROVAL OF A SUBRECIPIENT AGREEMENT BETWEEN ANDERSON COUNTY AND HOPE MISSIONS

Mr. Rusty Burns

8. REQUEST BY COUNCIL:

- a.** Homeland Park Volunteer Fire Department-District #2

9. REMARKS FROM COUNCIL

10. ADJOURNMENT

Anyone who requires an auxiliary aid or service for effective communication, or a modification of policies or procedures in order to participate in this program, service or activity please contact the office of the program, service or activity as soon as possible but no later than 24 hours before the scheduled event. For assistance, please contact the Clerk to Council at (864) 260-1036.

**STATE OF SOUTH CAROLINA
COUNTY COUNCIL FOR ANDERSON COUNTY**

ORDINANCE NO 2024-016

AN ORDINANCE TO ADOPT THE OPERATING AND CAPITAL BUDGETS OF ANDERSON COUNTY FOR THE FISCAL YEAR BEGINNING JULY 1, 2024, AND ENDING JUNE 30, 2025, AND TO MAKE APPROPRIATIONS FOR SUCH ANDERSON COUNTY BUDGETS FOR COUNTY ORDINARY PURPOSES AND FOR OTHER COUNTY PURPOSES FOR WHICH THE COUNTY MAY LEVY A TAX OTHER THAN FOR TRI-COUNTY TECHNICAL COLLEGE PURPOSES; TO PROVIDE FOR THE LEVY OF TAXES ON ALL TAXABLE PERSONAL AND REAL ESTATE PROPERTIES IN ANDERSON COUNTY FOR SUCH COUNTY ORDINARY PURPOSES, INCLUDING SUFFICIENT TAX TO PAY THE PRINCIPAL AND INTEREST ON OUTSTANDING INDEBTEDNESS OF ANDERSON COUNTY MATURING DURING SAID FISCAL YEAR; TO ADOPT THE OPERATING AND CAPITAL BUDGETS OF ANDERSON COUNTY FOR THE FISCAL YEAR BEGINNING JULY 1, 2024, AND ENDING JUNE 30, 2025, AND TO MAKE APPROPRIATIONS FOR SUCH ANDERSON COUNTY BUDGETS, FOR TRI-COUNTY TECHNICAL COLLEGE; TO PROVIDE FOR THE LEVY OF TAXES ON ALL PERSONAL AND REAL PROPERTIES IN ANDERSON COUNTY ON WHICH SCHOOL TAXES MAY BE LEVIED FOR SUCH TRI-COUNTY TECHNICAL COLLEGE PURPOSES; TO PROVIDE FOR THE LEVY, ASSESSMENT AND COLLECTION OF CERTAIN OTHER TAXES AND FEES; TO PROVIDE FOR THE EXPENDITURE OF SAID TAXES AND OTHER REVENUES COMING TO THE COUNTY DURING SAID FISCAL YEAR; AND TO PROVIDE FOR OTHER MATTERS RELATING TO ANDERSON COUNTY.

BE IT ENACTED by the County Council for Anderson County, South Carolina ("Anderson County"), as follows:

The following operating and capital budgets for Anderson County for the fiscal year beginning July 1, 2024, and ending June 30, 2025, are hereby adopted and directed to be implemented by the Anderson County Administrator and staff.

SECTION I-ADOPTION OF OPERATING AND CAPITAL BUDGETS FOR COUNTY ORDINARY AND OTHER PURPOSES

Pursuant to Section 4-9-140 of the South Carolina Code of Laws, 1976, as amended (the "Code"), the operating and capital budgets of Anderson County (the "Anderson County Budgets"), for County ordinary purposes and for other County purposes for which the County may levy a tax other than for Tri-County Technical College purposes, as hereinafter set forth, by reference and otherwise, are hereby adopted for the fiscal year beginning July 1, 2024 and ending June 30, 2025.

SECTION II-LEVYING OF A SUFFICIENT TAX FOR COUNTY ORDINARY AND OTHER PURPOSES

A tax of sufficient millage to fund the appropriations for the Anderson County Budgets, herein made, for the fiscal year beginning July 1, 2024 and ending June 30, 2025, after crediting against such appropriations all other revenue anticipated to accrue to Anderson County during said fiscal year, not designated for any other specific purpose, is hereby directed to be levied upon all taxable property of Anderson County upon which the County may levy County ordinary taxes, for County ordinary purposes and for other County purposes for which the County may levy a tax, other than for the Anderson County Library, Tri-County Technical College purposes, County sewer, Solid Waste fees, Sewer fees, Civic Center fees, Animal Shelter fees, 9-1-1 tariffs, and road encroachment fees, all as separately levied in this Ordinance, such tax to fund the following amounts or millage, which shall be separately identified, levied, collected, and accounted for, as millage, for the purposes shown, as required by subsequent sections of this Ordinance (excluding Fee-In-Lieu of Taxes), with the total millage so levied, exclusive of debt service millage to be set by the Anderson County Auditor, not to exceed 82.5 mills. This Ordinance shall serve as Anderson County Council’s written certification to the Anderson County Auditor required under Section 12-43-285 of the South Carolina Code of Laws (1976, as amended).

County Ordinary	\$70,900,000	71.2 Mills
2024 General Obligation Bonds	\$799,100	.7 Mills*
2020 General Obligation Bonds	\$594,190	.5 Mills*

*Debt service levies are statutorily set by the Auditor in the fall. This is an estimate for budget purposes.

Other taxes and uniform assessments levied by this Ordinance are:

Anderson County Library	\$5,456,350	5.5 Mills
Infrastructure Reserve Fund	\$2,523,170	1.7 Mills
Capital Fund	\$3,965,000	4.1 Mills
Tri-County Technical College	\$2,578,780	2.7 Mills
Anderson County Sewer	\$2,275,000	3.0 Mills
Solid Waste/Recycling Fees	As set in Section XIV	\$105.00per household \$115.81per commercial
Sewer Fees	As set in Section XV	
Civic Center Fees	As set in Section XXXIII	
Animal Shelter Fees	As set in Section XXXIV	
911 Tariff	As set in Section XXXVI	
Road Encroachment Fees	As set in Section XXXVII	

SECTION III-GENERAL FUND APPROPRIATIONS AND REVENUES

There is hereby appropriated, with the detail and the provisos as so stated in the Anderson County Budget Book, hereby incorporated by reference as a part of this Ordinance as fully as if set forth verbatim herein, for the fiscal year beginning July 1, 2024 and ending June 30, 2025, the following sums of money in the amounts and for the purposes set forth as follows, with the anticipated revenues to be applied thereto as reflected herein:

GENERAL FUND APPROPRIATIONS

<u>FUNCTION</u>	<u>AMOUNT APPROPRIATED</u>
County Government Administration	\$44,403,445
Health and Welfare	5,761,755
Public Safety	56,325,750
Public Works	12,993,520
Culture and Recreation	4,250,300
Transfer Out	2,349,395
Contingency	<u>300,000</u>
Total Appropriations-General Fund	<u>\$126,384,165</u>

GENERAL FUND REVENUE

LOCAL SOURCES-4100

001000-410101	Property Taxes-RPC Current	\$60,400,000
001000-410102	Property Taxes-RPC Delinquent	2,965,000
001000-410103	Property Taxes-Vehicles	10,500,000
001000-410106	Property Taxes-FILOT	3,530,000
001000-411200	Fees/Fines-Court Division	190,000
001000-411210	Fees/Fines-Magistrates	1,000,000
001000-411220	Fees/Fines-Family Court	415,000
001000-411221	Fees/Fines-Family Court Filing Fees	6,000
001000-411230	Fees/Fines-Judge of Probate	515,000
001000-411240	Fees/Fines-Master-in-Equity	170,000
001000-411250	Fees/Fines-Sheriff	25,000
001000-411260	Fees/Fines-Worthless Check Unit	5,000
001000-411290	Fees/Fines-Register of Deeds	2,500,000
001000-412101	Ticket Sales-Civic Center	35,000
001000-412102	Rent of Property-Civic Center	200,000
001000-412103	Vendor Fees	5,000
001000-412109	Concessions-Civic Center	10,000
001000-412201	Soccer-Sports Complex	17,000
001000-412202	Softball-Sports Complex	10,000
001000-412204	Baseball-Sports Complex	50,000
001000-412205	Rental-Sports Complex	8,500
001000-412209	Concessions-Sports Complex	16,000
001000-412400	Fees-Cablevision Franchise	1,600,000
001000-412401	Fees-Maps and Plats	60,000
001000-412402	Fees-Municipal Collection	30,000
001000-412403	Fees-Delinquent Tax Posting Fee	30,000
001000-412410	Fees-Animal Shelter	65,000
001000-412500	Fees-Coroner	6,000
001000-415100	City of Anderson-Forensics	43,000
001000-415110	Oconee County Drug Lab Match	48,875
001000-415120	School Crossing Guards	220,850
001000-415130	School Resource Officers	3,701,315
001000-415150	Medical Examiner Reimbursement	140,000

001000-415200	Oconee County Master-in-Equity	36,055
001000-415220	Fire Commission	112,000
001000-411251	Sex Offender Registry	20,000
001000-412404	Fees-Plan Reviews	325,000
001000-412405	Fees-Driveway Aprons	300,000
001000-412406	Inspections-Engineering	45,000
001000-412407	Fees-Re-inspections	5,000
001000-413100	Permits-Building	1,655,000
001000-413110	Permits-Electrical	335,000
001000-413120	Permits-Heating and Air	225,000
001000-413130	Permits-Land Use	275,000
001000-413140	Permits-Plumbing	170,000
001000-413150	Permits/License-Mobile Homes	60,000
001000-413160	Permits-Encroachment	50,000
001000-414100	Rent of Property	520,000
001000-414120	Booth Rental-Farmer's Market	3,000
001000-414130	Farmer's Market-Event Rental	4,500
001000-414140	Broadway Lake Rental	45,000
001000-415140	Library Security Reimbursement	115,000
001000-418100	Local Contributions	1,200,000
001000-418120	Miscellaneous	785,000
001000-418130	Decal Fees	160,000
001000-419900	Interest Income	1,400,000
001000-310000	Fund Balance	<u>17,036,400</u>
	Total Amount of Local	<u>113,399,495</u>
STATE SOURCES		
001000-421100	Local Government Fund	9,350,000
001000-421200	Homestead Exemption	2,815,000
001000-421300	State Grants	16,500
001000-421400	Merchants Inventory	215,170
001000-421500	Registration and Elections	100,000
001000-421600	Flood Control	100,000
001000-421700	Salary Assistance	140,000
001000-421800	Health and Environmental	<u>10,000</u>
	Total Amount of State	<u>12,746,670</u>
FEDERAL SOURCES		
001000-433000	Corps of Engineers	103,000
001000-434000	DSS Reimbursement	<u>80,000</u>
	Total Amount of Federal	<u>183,000</u>
TRANSFER IN		
001000-640175	Transfer In-State ATAX	<u>55,000</u>
	Total Amount of Transfer In	<u>55,000</u>
	Total Revenue-General Fund	<u>\$126,384,165</u>

No amount of the Local Government Fund revenue shall be used for lobbying purposes. Disbursements from the special projects accounts to nonprofit organizations shall be made once annually unless County Council determines that exceptional circumstances require otherwise.

SECTION IV-SPECIAL REVENUE FUND APPROPRIATIONS AND REVENUES

There is hereby appropriated, with the detail and the provisos as so stated in the Anderson County Budget Book, hereby incorporated by reference as a part of this Ordinance as fully as if set forth verbatim herein, for the fiscal year beginning July 1, 2024 and ending June 30, 2025, the following sums of money in the amounts and for the purposes set forth as follows, with the anticipated revenues to be applied thereto as reflected herein:

SPECIAL REVENUE FUND APPROPRIATIONS
Total Appropriated **\$105,906,135**

SPECIAL REVENUE FUND REVENUE		
102	Grants-Local Contributions	\$3,646,045
	Veteran Affairs	5,000
	State Grants	2,879,000
	Federal Grants	427,200
	Transfer In-Accommodations Tax	30,000
	Transfer In-Accommodations Fee	100,000
	Fund Balance	704,325
103	Museum Store	17,000
104	American Rescue Plan	15,000,000
106	Clerk of Court-Bondmen-Local Contributions	5,000
	Fund Balance	16,500
107	Opioid Initiative Grant-State Grants	1,300,000
	Fund Balance	380,000
108	Water Recreation-State Grants	100,000
	Transfer In-General Fund	10,000
114	Public Defender-Local Contributions	250,000
	State Revenue	2,105,110
	Municipal Funding	66,035
	Transfer In-General Fund	1,187,575
	Fund Balance	(66,575)
117	TTI-State Grant	500,000
	Federal Grant	1,500,000
118	HOME Program-Federal Grant	2,522,500
	Transfer In-General Fund	212,500
121	Buc-ee’s-Local Contributions	5,000,000
	Buc-ee’s- State Grant	5,000,000
127	CDBG Rehabilitation-Federal Grant	500,000
	Fund Balance	830,000
137	Transfer In-“C” Funds	2,000
138	Transportation Tax-Bond Proceeds	15,000,000
139	“C” Funds	13,000,000
	Local Contributions	103,650
	Fund Balance	(408,755)
	Transfer In-Infrastructure	235,565
140	Tri-County Technical College-Millage	2,578,780
	Delinquent Taxes	60,000

	Fee-In-Lieu of Taxes	125,000
	Merchants Inventory	15,000
	Homestead Exemption	118,125
	Fund Balance	536,195
142	Airport	4,795,190
143	Anderson County Library-Millage	5,456,350
	Delinquent Taxes	150,220
	Fee-In-Lieu of Taxes	275,050
	Homestead Exemption	235,550
	Fund Balance	1,154,460
150	Title IV-D/Family Court-Incentive Payments	375,000
	Transfer In-General Fund	231,905
152	DSS Incentive Payments	35,000
	Fund Balance	40,000
156	Victim Bill of Rights	151,000
	Transfer In-General Fund	173,945
157	Victims of Crime Act Grant	144,395
	Transfer In-General Fund	92,170
163	HAZMAT-Local Contributions	55,000
	Fund Balance	43,730
165	Federal Emergency Management Agency-Federal Grant	2,639,250
	Transfer In-General Fund	178,775
168	Documentary Stamps	4,500,000
	Fund Balance	500,000
173	Detention Center Canteen-Concessions	300,000
174	E-911 Revenues	1,312,325
	Fund Balance	245,735
175	State Accommodation Tax	625,000
176	Infrastructure-Transfer In-Infrastructure Reserve	1,000,000
177	County Accommodations Tax	1,400,000
	Fund Balance	771,500
180	PARD/Recreation-State Grants	140,000
	Transfer In-General Fund	25,000
	Transfer In-AFEE	71,500
	Fund Balance	258,500
181	Office of Justice Programs-State Grant	150,000
	Federal Grant	371,190
	Local Contributions	37,005
	Transfer In-General Fund	27,500
191	Duke Energy-EPD	15,000
	Fund Balance	69,050
194	Animal Shelter Donations	275,000
	Fund Balance	131,500
195	Sheriff Forfeiture Fund	350,000
	Fund Balance	150,000
196	Infrastructure Reserve Fund-Millage	1,538,170

	Delinquent Taxes	50,030
	Fee-In-Lieu of Taxes	115,715
	Homestead Exemption	106,180
	Fund Balance	(574,530)
198	Sheriff Forfeiture Non-Drug-Fund Balance	<u>125,000</u>
	Total Special Revenue Fund Revenue	<u>\$105,906,135</u>

SECTION V-DEBT SERVICE AND OTHER FINANCING APPROPRIATIONS AND REVENUES

There is hereby appropriated, with the detail and the provisos as so stated in the Anderson County Budget Book, hereby incorporated by reference as a part of this Ordinance as fully as if set forth verbatim herein, for the fiscal year beginning July 1, 2024 and ending June 30, 2025, the following sums of money in the amounts and for the purposes set forth as follows, with the anticipated revenues to be applied thereto as reflected herein:

GENERAL OBLIGATION BOND DEBT SERVICE APPROPRIATIONS

<u>BOND</u>	<u>APPROPRIATED</u>
2024 General Obligation Bond	\$735,420
2020 General Obligation Bond	<u>669,560</u>
Total General Obligation Bond Debt Service Appropriated	<u>\$1,404,980</u>

GENERAL OBLIGATION BOND DEBT SERVICE REVENUE

<u>SOURCE OF REVENUE</u>	<u>AMOUNT</u>
Property taxes	\$1,422,290
Fee-In-Lieu of Taxes	49,450
Merchants Inventory	56,305
Homestead Exemption	57,950
Fund Balance	(181,015)
Total General Obligation Bond Debt Service Revenue	<u>\$1,404,980</u>

REVENUE BOND DEBT SERVICE APPROPRIATIONS

<u>BOND</u>	<u>APPROPRIATED</u>
Special Source Revenue Bonds	<u>\$3,810,085</u>
Total Revenue Bond Debt Service Appropriated	<u>\$3,810,085</u>

REVENUE BOND DEBT SERVICE REVENUE

<u>SOURCE OF REVENUE</u>	<u>AMOUNT</u>
Transfer In-Economic Development Fund	<u>\$3,810,085</u>
Total Revenue Bond Debt Service Revenue	<u>\$3,810,085</u>

SPECIAL TAX DISTRICT APPROPRIATIONS

<u>SPECIAL TAX DISTRICT</u>	<u>AMOUNT</u>
Hidden Brooks	\$7,975
Knight's Bridge	5,840
Ashwood Subdivision	10,890
Sharen Ridge	9,655
The Farm	<u>5,595</u>

Total Special Tax District Appropriations	<u>\$39,955</u>
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SPECIAL TAX DISTRICT REVENUE

SOURCE OF REVENUE	AMOUNT
Special Tax District Fees	<u>\$39,955</u>
Total Special Tax District Revenue	<u>\$39,955</u>

LEASE PURCHASE FINANCINGS ANNUAL APPROPRIATIONS

Equipment Lease Purchase	
Total Lease Purchase Financings Annual Appropriations	<u>\$625,465</u>
Total Lease Purchase Financings Annual Appropriations	<u>\$625,465</u>

LEASE PURCHASE FINANCINGS REVENUE

SOURCE OF REVENUE	AMOUNT
Transfer In-General Fund	\$67,075
Transfer In-Capital	<u>558,390</u>
Total Lease Purchase Financings Revenue	<u>\$625,465</u>
Total Debt Service and Other Financings Appropriations	<u>\$5,880,485</u>
Total Debt Service and Other Financings Revenue	<u>\$5,880,485</u>

To the extent that any monies remain in any debt service funds of the County, upon complete satisfaction of the debt for which such funds were collected, the County Administrator may transfer all such excess and otherwise unused funds to and utilize such funds for any other Anderson County debt service fund which has been lawfully created by Anderson County Council to pay debt service on any lawful debt obligation of the County. Further, to the extent that any monies remain in the capital project accounts of the County, upon complete satisfaction of the stated purposes for which such funds were initially authorized, the County Administrator may transfer all such excess and otherwise unused funds to and utilize such funds for any other Anderson County activity or purpose which has been duly authorized by Anderson County Council and for which debt funds of the County may be lawfully used.

SECTION VI-CAPITAL PROJECTS FUNDS APPROPRIATIONS AND REVENUES

There is hereby appropriated, with the detail and the provisos as so stated in the Anderson County Budget Book, hereby incorporated by reference as a part of this Ordinance as fully as if set forth verbatim herein, for the fiscal year beginning July 1, 2024 and ending June 30, 2025, the following sums of money in the amounts and for the purposes set forth as follows, with the anticipated revenues to be applied thereto as reflected herein:

CAPITAL PROJECTS FUNDS APPROPRIATIONS

<u>FUND</u>	<u>ACTIVITY</u>	<u>APPROPRIATED</u>
318	Detention Center	\$53,000,000
326	2024 GOB	8,300,000
346	2018 SSRB	5,100,000
360	Capital Reserve Fund	10,788,090
368	Economic Development	<u>5,250,730</u>
Total Capital Funds Appropriations		<u>\$82,438,820</u>

CAPITAL PROJECTS FUNDS REVENUES

<u>FUND</u>	<u>SOURCE OF REVENUE</u>	<u>AMOUNT</u>
318	Detention Center Fund Balance	\$53,000,000

326	2024 GOB Fund Balance	8,300,000
346	Special Source Revenue Bond-Fund Balance	5,100,000
360	Capital Reserve Fund-Property Taxes	3,965,000
	Delinquent Property Taxes	90,000
	Fee-In-Lieu of Taxes	200,000
	Local Contributions	150,000
	Homestead Exemption	162,500
	Sale of Capital	30,000
	State Grants	1,802,000
	Federal Grant	460,000
	Insurance Proceeds	75,000
	Transfer In-Documentary Stamps	500,000
	Transfer In-AFEE	1,038,745
	Transfer In-Economic Development	1,440,645
	Fund Balance	874,200
368	Economic Development-Property Taxes	695,000
	Fee-In-Lieu of Taxes	2,800,000
	Fund Balance	<u>1,755,730</u>
	Total Capital Funds Revenue	<u>\$82,438,820</u>

SECTION VII-ENTERPRISE FUNDS APPROPRIATIONS AND REVENUES

There is hereby appropriated, with the detail and the provisos as so stated in the Anderson County Budget Book, hereby incorporated by reference as a part of this Ordinance as fully as if set forth verbatim herein, for the fiscal year beginning July 1, 2024 and ending June 30, 2025, the following sums of money in the amounts and for the purposes set forth as follows, with the anticipated revenues to be applied thereto as reflected herein; provided, however that to the extent, only, that revenues for Enterprise Fund activities exceed the revenue projections shown below, the Appropriations shown for Enterprise Funds herein may be adjusted by the Administrator to match the increased revenues, subject to the requirements of Section XXVI, hereof. Provided, further, that the Administrator is authorized to write off, discharge, or otherwise adjust uncollectible and otherwise unenforceable debt owed to the enterprise funds of the county, utilizing the same standards used by the Anderson County Treasurer to adjust nulla bona debt of the County.

ENTERPRISE FUNDS APPROPRIATIONS

<u>ACTIVITY</u>	<u>APPROPRIATED</u>
Sewer	\$12,703,935
Stormwater	823,580
Solid Waste/Recycling	<u>11,109,970</u>
Total Enterprise Funds Appropriations	<u>\$24,637,485</u>

ENTERPRISE FUNDS REVENUES

<u>REVENUES</u>	<u>AMOUNT</u>
Sewer Property Taxes, State Revenue, Fees & Interest	\$11,909,055
Sewer State Grant	10,000,000
Sewer-Federal Grant	3,200,000
Sewer-Transfer In-ARPA	15,000,000

Sewer-Transfer In-2018 SSRB	5,100,000
Sewer-Fund Balance	(32,505,120)
Stormwater-Fees	260,315
Stormwater-Transfer In from Sewer	563,265
Solid Waste/Recycling	10,753,010
Solid Waste/Recycling State Grant	180,195
Solid Waste Fund Balance	<u>176,765</u>
Total Enterprise Funds Revenues	<u>\$24,637,485</u>

SECTION VIII-LEVYING OF A SUFFICIENT TAX FOR ANDERSON COUNTY LIBRARY PURPOSES

A tax of sufficient millage to fund the appropriations in the amount of \$5,456,350 (excluding delinquent taxes totaling approximately \$150,220, fee-in-lieu of taxes totaling approximately \$275,050, homestead exemption totaling approximately \$235,550, and fund balance totaling \$1,154,460), for the Anderson County Library budgets, herein made, for the fiscal year beginning July 1, 2024 and ending June 30, 2025, is hereby directed to be levied on all personal and real property in Anderson County, and shall be identified as such on Anderson County tax bills. To the extent such levy results in excess revenues, above those stated above, all such revenues shall be placed and maintained in the Anderson County Library fund balance. Any funds in the Anderson County Library fund balance at any point in time in excess of those required for the Anderson County Library budgets herein made, may be utilized by the Anderson County Library Board of Trustees; provided, however, the expenditures of said surplus funds shall never exceed the amount of the most recent approved budget of the Library. There shall be credited against said appropriations all other revenues anticipated to accrue to Anderson County during said year for Anderson County Library. All such taxes and other revenues shall be levied, collected, deposited, disbursed and accounted for in the Anderson County Library Fund, with a specific levy and account for the library appropriation category listed herein.

SECTION IX-ANDERSON COUNTY LIBRARY FUND APPROPRIATIONS AND REVENUES

There is hereby appropriated, with the detail and the provisos as so stated in the Anderson County Budget Book, hereby incorporated by reference as a part of this Ordinance as fully as if set forth verbatim herein, for the fiscal year beginning July 1, 2024 and ending June 30, 2025, the following sums of money in the amounts and for the purposes set forth as follows, with the anticipated revenues to be applied thereto as reflected herein:

ANDERSON COUNTY LIBRARY FUND APPROPRIATIONS

<u>ACTIVITY</u>	<u>APPROPRIATED</u>
Anderson County Library Fund	<u>\$7,271,630</u>
Total Anderson County Library Fund Appropriations	<u>\$7,271,630</u>

ANDERSON COUNTY LIBRARY FUND APPROPRIATIONS

<u>SOURCE OF REVENUE</u>	<u>AMOUNT</u>
Property Taxes	\$5,456,350
Delinquent Taxes	150,220
Fee-In-Lieu of Taxes	275,050
Homestead Exemption	235,550

Fund Balance	<u>1,154,460</u>
Total Anderson County Library Fund Revenue	<u>\$7,271,630</u>

The Anderson County Auditor is hereby directed to levy as separately identified County ordinary millage and the Anderson County Treasurer hereby directed to collect, disburse monthly (if funds are available), and account for as a separate fund the sums identified herein for the Anderson County Library Fund.

SECTION X-ADOPTION OF OPERATING AND CAPITAL BUDGETS FOR TRI-COUNTY TECHNICAL COLLEGE PURPOSES

Pursuant to Section 4-9-70 of the Code, the operating and capital budgets of Anderson County specifically for Tri-County Technical College as hereinafter set forth, by reference and otherwise, are hereby adopted for the fiscal year beginning July 1, 2024 and ending June 30, 2025.

SECTION XI-LEVYING OF A SUFFICIENT TAX FOR TRI-COUNTY TECHNICAL COLLEGE PURPOSES

A tax of sufficient millage to fund the appropriations in the amount of **\$2,578,780** (excluding delinquent taxes totaling approximately \$60,000, fee-in-lieu of payments totaling approximately \$125,000, merchants inventory payments totaling \$15,000, homestead exemption payments totaling \$118,125, and usage of fund balance totaling approximately \$536,195) for the Tri-County Technical College Budgets, herein made, for the fiscal year beginning July 1, 2024 and ending June 30, 2025, is hereby directed to be levied on all personal and real property in Anderson County on which school taxes may be levied, and shall be identified as such on Anderson County tax bills. To the extent such levy results in excess revenues, above those stated above, all such revenues shall be placed and maintained in the Tri-County Technical College fund balance. There shall be credited against said appropriations all other revenues anticipated to accrue to Anderson County during said year for Tri-County Technical College. All such taxes and other revenues shall be levied, collected, deposited, disbursed and accounted for in the Tri-County Technical College Fund, with a specific levy and account for the special education appropriation category listed herein.

SECTION XII TRI-COUNTY TECHNICAL COLLEGE FUND APPROPRIATIONS AND REVENUES

There is hereby appropriated, with the detail and the provisos as so stated in the Anderson County Budget Book, hereby incorporated by reference as a part of this Ordinance as fully as if set forth verbatim herein, for the fiscal year beginning July 1, 2024 and ending June 30, 2025, the following sums of money in the amounts and for the purposes set forth as follows, with the anticipated revenues to be applied thereto as reflected herein:

TRI-COUNTY TECHNICAL COLLEGE APPROPRIATIONS	
<u>ACTIVITY</u>	<u>APPROPRIATED</u>
Tri-County Technical College	\$3,433,100
Total Tri-County Technical College Appropriations	<u>\$3,433,100</u>
TRI-COUNTY TECHNICAL COLLEGE REVENUES	
<u>SOURCE OF REVENUE</u>	<u>AMOUNT</u>
Property Taxes	\$2,578,780
Delinquent Taxes	60,000
Fee-In-Lieu of Taxes	125,000
Merchants Inventory	15,000

Homestead Exemption	118,125
Fund Balance	<u>536,195</u>
Total Tri-County Technical College Revenues	<u>\$3,433,100</u>

SECTION XIII-TAX FOR ANDERSON COUNTY SEWER

There is hereby directed to be levied a tax of three (3) mills on all county ordinary taxable and real property in all unincorporated areas of Anderson County, pursuant to Anderson County Ordinance Number 164 of 1986, to provide sewer service in the County.

SECTION XIV-SOLID WASTE/RECYCLING FEES

There shall be a uniform \$105.00 Residential Solid Waste/Recycling Fee annually imposed upon the owner of record of each residence in the County, including all single and multi-family homes, mobile homes, and all lease and rental properties, and a uniform Commercial \$115.81 Solid Waste/Recycling Fee annually imposed upon every business, excepting industries, located in a municipality in the County, and to be collected by such municipality not less frequently than annually and remitted to the County within thirty (30) days from the deadline imposed by the municipality for such collections. Together, these fees, plus the Starr C&D Landfill usage fee of \$28/ton and revenues received from the sale of recycled materials, interest income, state grant and tire revenue are currently estimated to produce approximately \$10,933,205 for this fiscal year, and constitute the total anticipated fiscal year 2024-2025 revenues of the Solid Waste and Recycling Department.

The residential Solid Waste and Recycling Fees shall be levied as a uniform assessment by the Anderson County Auditor and placed upon the annual real estate tax notice and collected by the Anderson County Treasurer, pursuant to state law. The fiscal officers of the County shall have the authority to nulla bona or abate these fees to the same extent and under the same conditions as they do for a comparable tax.

Further, there shall be imposed a late fee and supplemental processing charge of \$6.00, for all Solid Waste/Recycling Fees not timely remitted to the County Treasurer by March 16 of the year when due. For all past due accounts in excess of one year, the County shall impose an additional annual penalty of \$12.00. The County shall pursue all legal remedies available to it to recover past due amounts, and shall hold the property owner responsible for all costs of collection, including reasonable attorney fees, as a part of such collection efforts and as a part of the fees imposed by County Council pursuant to state law, in order that lawful tax-paying citizens not be forced to subsidize those taxpayers who do not pay this lawful fee in a timely manner. Failure by a municipality to collect the uniform Commercial Solid Waste/Recycling Fee or to remit such collected fees to the County in accordance with this section may result in the County terminating solid waste disposal privileges for such municipality until all such collections and/or remittances are made current.

All proceeds collected from these fees shall be accounted for in a separate fund to be used solely to account for solid waste operations in the County, including but not limited to, the collection, disposal, transfer, and recycling of solid waste, including, without limitation, the purchase or construction of machinery, equipment, and facilities for such operations, as well as the administrative expenses incurred in the operation of the Anderson County Solid Waste and Recycling Department and collection of the annual solid waste/recycling fee. The County is authorized to issue appropriate legal obligations, including bonds, as appropriately authorized by

normal County processes to pay for all of the foregoing costs, utilizing the proceeds from these fees to pay for such costs, including, without limitations, to pay the debt service for such bond obligations. The fees addressed in this section may be set or changed by simple vote of County Council, and will be adjusted by the County Administrator and the Public Works Division Director of the County accordingly to reflect these changes by County Council. The provisions of this Section shall be codified in a separate ordinance of the County pertaining to Solid Waste/Recycling Fees, which shall include provisions for enforcement, including civil and criminal penalties for non-payment.

Because empirical evidence indicates that senior citizens generate less Solid Waste, by consuming less, than younger residents, the Anderson County Auditor shall only levy and collect a \$40 Residential Solid Waste/Recycling Fee for every household which qualifies for and is granted the State Homestead Exemption.

SECTION XV-SEWER FEES

The County is party to multiple agreements with the City of Anderson, South Carolina (the "City"), which have been in effect for many years and are of indefinite duration. Those agreements require the County to pay a pro rata share of the cost of certain upgrades to the City's sewer system, based on the volume of discharge and the nature of the discharge. Because the County does not set the amount of such costs and because the costs are based on actual use by customers using the system, the only equitable method to use for paying the cost of increase charged by the City, pursuant to contractual agreements of long standing, is to increase the County sewer use charges affected, by the respective percentage or amount of increase charged by the City, i.e., to treat the amount charged by the City as a "pass-through" charge to the system users. In addition, the County has certain debt instruments in effect, with the South Carolina State Revolving Fund and others, which require the County to set sewer user charges in such an amount as will generate sufficient funds to pay all debt service on such debt instruments. The County Administrator and the Public Works Division Director may effect such "pass-through" charges by insuring that amounts charged by the City are correct and then passing those charges along, pro rata, to the users of the County sewer system impacted by the City charges, in the form of adjusted sewer use charges, based on the same cost increase factors utilized by the City, and may otherwise adjust such sewer use charges as required to adequately meet all debt service requirements of sewer system debt instruments and obligations duly authorized by County Council. For new users of the County sewer system, a capacity fee payment is required for connection to the system.

SECTION XVI-STORMWATER REQUIREMENTS AND PERSONNEL

Federal and state law mandates the management of stormwater runoff by Anderson County. Accordingly, certain Public Works employees have been assigned to the management of Anderson County's Stormwater Runoff management program. Anderson County Council may utilize funds from the Sewer Fund for the Stormwater Runoff management program, to the extent such funds are available and sufficient for that purpose and exceed stormwater fees collected for that purpose, rather than impose additional federally and state mandate-created fees for such purposes.

SECTION XVII-CREATION AND APPROPRIATION OF PUBLIC INFRASTRUCTURE FUND

There has heretofore been established, and shall be maintained as a separate budgetary and operational fund of the County, the Anderson County Public Infrastructure Fund (the "Fund"). The County shall deposit into such Fund those revenues of the County derived from fee-in-lieu-of-tax ("FILOT") payments from the several joint county industrial and business parks of the County ("multi-county parks" or "MCIPs"), which are designated to be so deposited by this Ordinance or other ordinances of Anderson County, including, without limitation, Ordinance #2004-041, as amended from time to time ("Ordinance #2004-041"). Moneys deposited into the Fund shall be utilized for the costs of infrastructure serving economic development purposes in Anderson County ("Infrastructure") in accordance with the provisions of 4-1-170, et seq., Code of Laws of South Carolina, 1976, as amended, and as directed by Anderson County Administrator. Such expenditures are hereby authorized by Anderson County Council. Deposits into such Fund shall include, without limitation, those revenues from the Anderson County-Greenville County multi-county park which are allocated to that purpose by Ordinance #2004-041, (exclusive of such revenues as are being utilized for separate special source revenue bonds issued to fund Infrastructure). Moreover, Anderson County Council affirms that distribution of the FILOT revenues received by Anderson County pursuant to the multi-county park agreements with Clarendon County and with Abbeville/McCormick Counties for park premises under those two agreements which are located in Anderson County shall be distributed in the same manner and pursuant to the same allocation methodology as set forth in Ordinance #2004-041. All monies and revenues received by Anderson County pursuant to Ordinance #2004-041 and this Section shall be accumulated in, accounted for, and distributed from such Fund as provided in such Ordinance and in this Section. Expenditures may be made from such Fund to pay the cost of such Infrastructure directly or to make debt service payments on bonds or notes payable issued by the County to fund such Infrastructure.

There is hereby created a Capital Renewal and Replacement Fund that is to be funded in accordance with the wishes of Anderson County Council.

SECTION XVIII-SPECIAL TAX DISTRICT REVENUES AND APPROPRIATIONS

The County Finance Department shall receive and account for those revenues of the County levied and collected for the special tax districts of the county, as authorized, required, and levied by the County ordinances creating such special tax districts. The County Finance Department will disburse moneys from such funds in accordance with the County ordinances creating the special tax districts, including, without limitation, for reimbursements of the County Public Works Division in accordance with such ordinances. Such monies are hereby appropriated for those purposes.

SECTION XIX-FUNDING OF COUNTY ORGANIZATIONS

All dependent boards, agencies, commissions, and organizations of the County, funded by these budgets, shall be disbursed funds on a quarterly basis upon a letter of request to the County Administrator any time after the beginning of the first month of the quarter. A brief report shall be submitted along with the letter of request, detailing how County funds were expended in the previous quarter. An audit report shall be presented to the County Administrator within six months following the end of the respective fiscal year for each organization addressed by this Section following receipt of request by the County Administrator.

SECTION XX-SETTING OF A MILLAGE RATE

The Anderson County Council, working in cooperation with the Anderson County Auditor and Treasurer and in accordance with the laws and Constitution of the State of South Carolina, shall calculate and fix the amount of the millage necessary, not to exceed 82.5 mills total, exclusive of debt service millage to be set by the Anderson County Auditor, as set forth herein, to support the appropriations herein made, with the exception of those appropriations and portions thereof supported by revenues other than property taxes, and shall so advise the Auditor and Treasurer of Anderson County who shall levy and collect said millage, respectively, as hereby directed by the County Council, in addition to any millage (for debt service or otherwise) for which the statutory authority to determine and levy is granted to the Anderson County Auditor and the authority to collect is given to the Anderson County Treasurer. All such levies of taxes authorized herein by Anderson County Council for County of Anderson purposes shall be set forth, stated, and mailed to the taxpayers of Anderson County on a tax notice showing such levies separate and independent of levies of taxes by any other legal entity or political subdivision of the State of South Carolina, whether on a two-sided tax notice or a multi-page tax notice or any other form of tax notice accomplishing the purpose set forth in this paragraph. Anderson County Council will provide forms for such tax notices and no funds appropriated by this budget ordinance are authorized for the procurement or preparation of any other form of tax notice.

SECTION XXI-COMPLIANCE WITH COUNTY CODE AND ACCOUNTABILITY

All funds for County ordinary purchases and procurements shall be obligated in accordance with the County Code through the County Central Purchasing Department and will be disbursed by the Finance Department to provide for necessary auditing, unless specifically exempted by County Council in public session.

All State and Federal Grants will be administered, coordinated, and accounted for by the Anderson County Finance Department.

Use of funds appropriated by County Council district or otherwise, to reimburse members of County Council for reimbursable expenses (that is, for lodging, travel, registration fees, training, meals, and telephone usage) incurred in the discharge of their official duties shall be in accordance with the terms and provisions of the County Code.

SECTION XXII-DEPOSITS

All service charges, reimbursements, fees, fines, other funds received by county departments shall be deposited with the County Treasurer as soon as possible after collection; but in no case shall the time lapse between collection and deposit with the Treasurer exceed thirty (30) days. The Treasurer is authorized and directed to deposit all funds received into the appropriate interest-bearing accounts, and any surplus funds and all accumulative interest shall be deposited into the General Fund of Anderson County.

SECTION XXIII-SURPLUS FUNDS

Except as otherwise noted herein, any surplus in the General Fund of the County or any moneys accruing therefrom shall be used as a contingency fund and shall be spent as authorized and directed by the Anderson County Council during the fiscal year addressed by this Ordinance, only. At the end of such fiscal year those funds shall be accounted for as addressed in the next succeeding Section. Any surplus in other funds of the County or any monies accruing therefrom shall be retained and accounted for in such other fund or funds and shall be carried forward from year to year as fund balances in such funds.

SECTION XXIV-END OF FISCAL YEAR ACCOUNTING

All appropriations made by this Ordinance for which monies have not been obligated or encumbered by the end of June 30, 2025, shall lapse and expire at that time. All appropriations made by this Ordinance for which the funding monies have been obligated or encumbered by June 30, 2025 shall remain on the books of Anderson County at June 30, 2025 for matching of the applicable expenditure for year-end accrual purposes. Once the ledgers are closed for year-end accrual purposes, the unused encumbrance amount will be removed from the encumbrance system. Unobligated General Fund budgetary appropriations and monies received by County departments and existing without obligation at the close of the fiscal year addressed by this Ordinance shall revert to the General Fund of Anderson County to be accounted for as fund balance; no existing appropriation or actual revenues on hand at the end of the fiscal year may be expended by any department during the succeeding fiscal year without new appropriation by County Council. Any surplus in other funds of the County or any moneys accruing therefrom shall be retained and accounted for in such other fund or funds and shall be carried forward from year to year as fund balances in such funds.

SECTION XXV-TRANSFERRING OF FUNDS

The Administrator may approve changes in a department budget from one line item to another in an amount up to and including \$10,000 at any one time; provided, however, the total department budget shall not increase, no new positions may be created, or capital expenses, may be accomplished by such a transfer without County Council approval. No transfer for any one type of good or services may be subdivided, split or “stacked” for purposes of evading the requirements of this section.

Aggregate transfers within the fiscal year within a department which exceed \$20,000 shall require County Council approval thereafter. All transfers shall be included in the “Administrator’s Report” section of the County Council agenda for Council’s review.

SECTION XXVI-DISBURSEMENTS

The County Administrator, based on financial conditions and cash-flow considerations, shall determine the proper rate of disbursement of the above-enumerated appropriations during the fiscal year. Transfers from fund to fund in order to properly account for and manage County funds and appropriations in accordance with generally accepted accounting standards continue to be explicitly approved notwithstanding any other language of this Ordinance, subject always to the reporting requirements of this Ordinance. All out of state travel for official County government business shall be approved in advance by the County Administrator to include any lodging, registration fees or meals associated with the trip. The County Administrator and the County Treasurer are hereby granted authority to enter into agreements with the Anderson County Board of Education and the School Districts of Anderson County, consistent with this Ordinance, to make accelerated disbursements of Anderson County school tax receipts to the School Districts of Anderson County and to the Anderson County Board of Education.

SECTION XXVII-PAUPER BURIALS

Pauper burials shall be funded in the budget of the Coroner (5131) at the rate established by sealed bid. Documentation for each such burial will be maintained at the Coroner’s Office and, as further, the Coroner is hereby authorized to arrange for the disposition of deceased indigent persons

in accordance with state law including, but not limited to, Title 32, Chapter 8 of the South Carolina Code of Laws (1976, as amended).

SECTION XXVIII-RETIREMENT OF AUTOMOTIVE AND HEAVY EQUIPMENT

Unless otherwise directed by County Council, automotive and heavy equipment will be retired from service by any department receiving replacement equipment on a one for one basis as the replacement equipment is received. Retired equipment will be appropriately evaluated for reassignment or disposition by the Public Works Division Director and the County Administrator for those departments under the director of the County Administrator and the Sheriff for those vehicles used by those departments reporting to this elected official.

SECTION XXIX-TAX ANTICIPATION NOTES

As permitted by Article X, Section 14, of the Constitution of the State of South Carolina, 1895, as amended and Section 11-27-40, Code of Laws of South Carolina, 1976, as amended, County Council is hereby empowered to authorize the issuance of tax anticipation notes in the aggregate principal amount of not exceeding \$20,000,000 (the "TANS") in anticipation of the collection of taxes imposed and levied by this Ordinance. The TANS may be issued at any time or from time to time during the fiscal year beginning July 1, 2024 and ending June 30, 2025; shall be issued pursuant to a Resolution adopted by County Council; may be issued in bearer form or fully registered upon terms and conditions prescribed in such Resolution; shall be issued in the principal amounts, mature and bear interest as prescribed in such Resolution; may be sold by negotiated or public sale upon such terms and conditions as County Council prescribes in the Resolution.

SECTION XXX-CREDIT CARD PAYMENTS

To the maximum extent authorized by and in accordance with law, and in accordance with County procurement policies, all Anderson County offices, including those of elected officials, are authorized to adopt and implement uniform procedures, through the Treasurer's Office, to accept credit card payments for all payments due to the County or processed by County offices.

SECTION XXXI-CREDIT CARD POLICY

All Anderson County credit card charges and purchases made utilizing an Anderson County credit card, to include purchasing cards, are to be reported to the Finance Office, and accompanied by a detailed receipt and a written report, the format of which is to be designed and determined by the County Administrator or his designee. The written report shall contain sufficient detail to show who made the charge, what the charge was for, when the charge was made, where the charge was made, and why the charge was incurred. Charges incurred for or associated with economic development projects must still be reported, as addressed above, and accompanied by the receipt and report described above, but may be reported by project codename, until such time as the project is publicly announced or finally terminated.

SECTION XXXII-GRANTS AND GRANT MATCHING FUNDS

The Anderson County Administrator, or his duly authorized representative, is hereby authorized to apply for all grants of any nature whatsoever where no County matching funds are required, or for those grants for which County matching funds are required when all necessary County matching funds have been made available by Anderson County Council through the annual Anderson County operating and capital budgets or are available in applicable County enterprise fund balances,

for County Council authorized programs, institutions, and facilities of Anderson County, and to receive and expend such grant funds for the purposes authorized in the respective grant applications. Notwithstanding the foregoing, County staff shall conduct an analysis identifying any recurring expense or monetary obligation for which the County may be responsible in the future where said expense or obligation will be payable from funding sources other than the grant being applied for. Any grant opportunity which involves such expenses or obligations shall require County Council approval prior to the submission of the grant application.

No funds appropriated by this Ordinance may be utilized as matching funds for any parks and recreation grant, including, without limitation, grants received from the South Carolina Department of Parks, Recreation, and Tourism, except for Anderson County Council District Recreation Funds appropriated hereby, except as otherwise provided herein.

SECTION XXXIII-APPLICABLE CIVIC CENTER RATES

Rates as set forth on rate sheets as may be in effect during the fiscal year (subject to amendment) shall be applied by the Civic Center of Anderson for all rental contracts entered into between July 1, 2024 and June 30, 2025.

SECTION XXXIV-APPLICABLE ANIMAL SHELTER RATES

Rates as set forth on Animal Shelter rate sheets dated July 1, 2024 shall be applied by the Anderson County Animal Shelter for all services rendered between July 1, 2024 and June 30, 2025.

SECTION XXXV-APPLICABLE JUROR REIMBURSEMENT RATES

There shall be paid unto the Grand Jurors in Circuit Court the sum of \$20 per diem and Petit Jurors shall be paid the sum of \$12 per diem. There shall be paid unto Jurors in Summary Court the sum of \$10 per diem Jurors. In addition to the aforesaid sum, jurors shall be reimbursed twenty-five, \$.25, cents per mile per day from their home to the Anderson County Courthouse for the term for which they are drawn to serve. These rates shall be effective for all services rendered between July 1, 2024 and June 30, 2025.

SECTION XXXVI-FUNDING OF E-911 SERVICES

In order to provide all citizens of Anderson County with the best emergency dispatch services available and to fund those services in the most effective, efficient manner possible, the County Administrator is hereby directed to utilize and apply the maximum E-9-1-1 tariff funds available by current South Carolina law to the County's E-9-1-1 system, in accordance with County procurement policies and state law.

SECTION XXXVII-ROAD ENCROACHMENT PERMITS

The Anderson County Public Works Division is authorized to charge fees for encroachments on County roads and rights-of-way and for encroachment permits for such encroachments in accordance with an encroachment fee schedule prepared, from time to time, by the Anderson County Public Works Division, and approved by Anderson County Council by appropriate Council action. Such fees for encroachments on Anderson County roads and rights-of-way and for encroachment permits for such fees shall be sufficient to fully reimburse the County for all costs of supervising, inspecting, and repairing, as necessary, all damage to County roads and rights-of-way caused by such encroachments.

SECTION XXXVIII-REASONABLE ACCOMMODATION POLICY

Anderson County is a participant in the Federal Community Development Block Grant Program for the purpose of undertaking various important community and economic development activities throughout the County. The Community Development Block Grant Program requires a reasonable accommodations policy for Section 504 regulations. Anderson County, acting by and through the Anderson County Council, desires to comply with all necessary Grant requirements. Anderson County, acting by and through the Anderson County Council, is hereby willing to make reasonable accommodations for the known physical or mental impairments of an otherwise qualified participant, applicant or employee, providing it does not cause undue financial or administrative burden on the County or cause a fundamental alteration of the County’s program. Anderson County Council hereby recognizes that the policy created hereunder includes employees, applicants for employment, and the public when the public is involved in County activities. The Anderson County Administrator, for and on behalf of the County, is hereby authorized and directed to do any and all things necessary or appropriate in connection with this Policy.

SECTION XXXIX-SMALL, WOMEN-OWNED AND MINORITY-OWNED BUSINESS ENTERPRISES

To promote free competition and equal opportunity, Anderson County is committed, within the parameters of the County procurement code, to assisting small, minority-owned and woman-owned businesses in becoming active vendors with the County. Anderson County encourages and invites small, woman, and/or minority owned businesses located inside and outside of the County to participate in the County’s procurement process. It is the policy of the County to prohibit discrimination against any person or business in pursuit of procurement opportunities on the basis of race, color, national origin, ancestry, religion, disability, political affiliation or gender.

SECTION XL-SEVERABILITY

If any clause, phrase, sentence, paragraph, appropriation, or section of this Ordinance shall be held invalid for any reason, it shall not affect the validity of this Ordinance as a whole or the remaining clauses, phrases, sentences, paragraphs, appropriations, or sections hereof, which are hereby declared separable.

SECTION XLI-EFFECTIVE DATE

This Ordinance shall become effective and enforced from and after July 1, 2024.

ADOPTED in meeting duly assembled this 18th day of June, 2024.

ATTEST:

Rusty Burns
Anderson County Administrator

Tommy Dunn, Chairman

Renee Watts
Clerk to Council

John Wright, Jr. District #1

Glenn Davis, District #2

Greg Elgin, District #3

Brett Sanders, District #4

Jimmy Davis, District #6

M. Cindy Wilson, District #7

APPROVED AS TO FORM:

Leon C. Harmon
Anderson County Attorney

First Reading: May 7, 2024

Second Reading: June 4, 2024

Third Reading: June 28, 2024

Public Hearing: June 4, 2024

Anderson County Convention and Visitors Bureau

2024-2025 Official Budget

Revenue		
Anderson County Direct Support		220,057.03
City of Anderson Direct Support		50,000.00
STAR Grant Reimbursements		
Total Unrestricted Revenue		270,057.03
Expenses		
Administrative		
Office Supplies & Expenses		2,500.00
Copier Mtce Agreement		1,200.00
Accounting/Bank Charges		100.00
Rent		-
Utilities		-
Insurance		3,500.00
Office Cleaning		-
Postage/Inquiry Fulfillment		3,000.00
IT		2,000.00
Taxes		
Depreciation		
Travel		12,500.00
Staff Mileage		7,500.00
Telecommunications		5,000.00
Local Meetings/Meals		1,200.00
Continuing Education		
Education		3,500.00
Membership dues		2,500.00
Trade Shows		4,000.00
Marketing/Advertising/Sales*		
Advertising/Sales		55,000.00
Marketing		85,057.03
Lake Hartwell/Fishing		81,500.00
STAR Grant Expenses		
Total Expenses		270,057.03
Restricted Funds Expense		
City of Anderson Advertising - ATAX		
City of Anderson Marketing - ATAX		
City of Anderson - Soiree'		
City of Anderson - TBD		
Marketing - ATAX		
Advertising - ATAX		
Lake Hartwell/Fishing - ATAX		
Operational - ATAX		
Gymnastics - ATAX		
Total ATAX		-
Total All		270,057.03

ORDINANCE NO. 2024-026

A MASTER BOND ORDINANCE OF ANDERSON COUNTY, SOUTH CAROLINA
PROVIDING FOR THE ISSUANCE AND SALE OF SEWER SYSTEM REVENUE BONDS;
AND OTHER MATTERS RELATING THERETO

MASTER BOND ORDINANCE

Enacted June 28, 2024

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NOW THEREFORE, BE IT ORDAINED BY THE COUNTY COUNCIL OF ANDERSON COUNTY, IN MEETING DULY ASSEMBLED, THAT:

ARTICLE I

FINDINGS AND DETERMINATIONS

Section 1.01 Findings and Determinations.

Incident to the enactment of this master bond ordinance (this “**Bond Ordinance**”, as further defined herein), the County Council of Anderson County (the “**County Council**”), the governing body of Anderson County, South Carolina (the “**County**”), finds that the facts set forth in this Article exist, and the statements herein are in all respects true and correct:

(a) The County is a body corporate and politic of the State of South Carolina (the “**State**”) and as such possesses all the general powers granted to counties of the State by the Constitution of the State of South Carolina 1895, as amended (the “**Constitution**”), and statutes of the State including the power to possess and operate utility systems.

(b) In order for a county of the State to form and thereafter operate a sewer system, a referendum must be held pursuant to the provisions of Article VIII, §16 of the Constitution which provides that:

any county or consolidated political subdivision created under this Constitution may, upon a majority vote of the electors voting on the question in such county or consolidated political subdivision, acquire by initial construction or purchase and may operate water, sewer, transportation or other public utility systems and plants other than gas and electric.

(c) The County authorized a referendum to go into the sewer business by ordinance enacted by the County Council on August 31, 1982 and held such referendum on November 2, 1982, in which the majority of the electors voting in such referendum answered in the affirmative the following question:

MAY ANDERSON COUNTY, SOUTH CAROLINA, BE PERMITTED TO FORM A SEWER SYSTEM OR SYSTEMS IN THE COUNTY, AND THEREAFTER OPERATE SUCH SEWER SYSTEM OR SYSTEMS?

(d) Pursuant to Ordinance No. 164, enacted on April 2, 1985, the Anderson County Special Tax District (the “**District**”) was created in order to provide for sewer service in the unincorporated areas of the County. The District consists of the entire unincorporated area of the County. Ordinance No. 164 empowers the Authority to “take all appropriate actions to finance, construct and develop and operate the sewage disposal system” for the District. Ordinance No. 164 also imposes an annual three mill levy of ad valorem tax upon all taxable property within the District. The validity of Ordinance No. 164, including the tax levy established therein, was upheld by the Supreme Court of South Carolina in *Ex parte Yeargin*, 295 S.C. 521 (1988).

(e) Since the creation of the District in 1985, the County has established the System (as further defined herein) and both constructed its own treatment facilities and contracted with other sewer service providers for treatment capacity.

(f) In order to provide for additional sewage treatment facilities, the County has provided for the following agreements:

(1) By agreement dated March 6, 1984 (the “**1984 Agreement**”), the County and the City of Anderson, South Carolina (the “**City of Anderson**”) contracted for treatment of sewage collected by the System at treatment plants owned and operated by the City of Anderson. The 1984 amendment has been amended on November 23, 1987, March 5, 1990, October 1998, and May 12, 2003 (the 1984 Agreement, as amended and as may be amended from time to time, the “**City of Anderson Agreement**”).

(2) By agreement authorized as of the date hereof and executed on or before the date of delivery of the initial Series of Bonds issued hereunder (the “**2024 Agreement**”), the County, the Town of Pendleton, South Carolina (the “**Town of Pendleton**”) and the City of Clemson, South Carolina (the “**City of Clemson**,” and together with the City of Anderson, and the City of Clemson, the “**Municipalities**”) will contract for the treatment of sewage collected by the System through treatment facilities owned and operated by the Town of Pendleton (the 2024 Agreement, as may be amended from time to time, the “**Pendleton-Clemson Agreement**,” and together with the City of Anderson Agreement, all as may be amended from time to time, the “**Municipal Agreements**”). The 2024 Agreement will replace and supersede all prior agreements among the County, Town of Pendleton, and City of Clemson with regard to sewer treatment, capacity allocations, service, and service areas.

(g) Pursuant to the Municipal Agreements, the County obligates itself to make certain payments in exchange for sewage treatment by the Municipalities.

(h) The County has retired all County debt secured by the revenues of the System and the revenues of the System are not presently pledged or hypothecated to secure the payment of any revenue bonds or other obligations of the County senior to or on a parity with the Bonds authorized hereunder.

(i) Upon enactment hereof, the provisions of this Bond Ordinance shall govern the issuance from time to time of all revenue bonds or other obligations secured by the revenues of the System.

* * *

ARTICLE II

DEFINITIONS, CONSTRUCTION, AND INTERPRETATIONS

Section 2.01 Definition of Ordinance.

This Bond Ordinance may be hereafter cited and is hereinafter sometimes referred to as the “**Bond Ordinance**”; such term shall include all ordinances supplemental to, or amendatory of, this Bond Ordinance.

Section 2.02 Defined Terms.

In this Bond Ordinance, terms defined in Article I shall have the meaning assigned therein, and unless a different meaning clearly appears from the context, the following terms shall have the following respective meanings:

“**Accountant**” means an independent firm of certified public accountants of suitable standing selected by the County who audit the books, records, and accounts of the County.

“**Accounting Principles**” means generally accepted accounting principles and practices applicable to governmental entities, including those applicable to governmentally owned and operated utility systems such as the System.

“**Accreted Value**” means the amounts set forth in, or the amounts determined in the manner set forth in, a Series Ordinance authorizing the issuance of Bonds in the form of Capital Appreciation Bonds.

“**Annual Budget**” means, for a Fiscal Year, the budget or amended budget of the County adopted with respect to such Fiscal Year, to include necessary appropriations for the System as provided in or required by provisions of this Bond Ordinance.

“**Annual Principal and Interest Requirement**” means, with respect to any particular Fiscal Year and to a Series of Bonds Outstanding, an amount (other than amounts paid from proceeds of Bonds) equal to the sum of (i) all interest payable on such Series of Bonds during such Fiscal Year, plus (ii) any Principal Installment of such Series of Bonds during such Fiscal Year, minus (iii) any Interest Payment Subsidies received by or on deposit with the County for such Series of Bonds during such Fiscal Year and used to pay debt service on such Series of Bonds during such Fiscal Year.

For purposes of computing the Annual Principal and Interest Requirement:

(a) With respect to Balloon Indebtedness, the amount of principal which would be payable in such Fiscal Year if the principal of such Balloon Indebtedness to be amortized in succeeding Fiscal Years were amortized from the date of incurrence of such Balloon Indebtedness over a period of 20 years (or such shorter period as the County may choose) on a level debt service basis at an interest rate set forth in a certificate or opinion of an Independent

Consultant as the interest rate at which the County could reasonably expect to borrow the same by issuing an obligation with the same term and a fixed rate of interest as assumed above (and this method of determining the applicable interest rate shall control in the case of existing or prospective Balloon Indebtedness issued as Variable Rate Bonds); provided, however, that if the date of calculation is within 12 months of the stated maturity of such Balloon Indebtedness, the full amount of principal payable at maturity shall be included in such calculation unless (1) a binding commitment to refinance such Balloon Indebtedness shall be in effect, in which case the amortization schedule established by such commitment shall apply or (2) the County has received a letter from an Independent Consultant to the effect that such firm has evaluated the creditworthiness of the County and concluded that it is reasonable to assume that the County will have access to the debt markets at reasonable interest rates and setting forth the projected interest rate and assumed maximum amortization schedule for such debt, in which case the amortization schedule and projected interest rate established by such letter shall apply.

(b) With respect to Variable Rate Bonds, the interest on such Series of Bonds shall be calculated at (1) in the case of Outstanding Variable Rate Bonds, the rate which is equal to the average of the actual interest rates which were in effect (weighted according to the length of the period during which each such interest rate was in effect) for the most recent 12-month period immediately preceding the date of calculation for which such information is available (or shorter period if such information is not available for a 12-month period) and (2) in the case of Variable Rate Bonds proposed to be incurred, the rate which is equal to the average of the SIFMA Municipal Swap Index (or any other specified index or reference rate for such Variable Rate Bonds) for the most recent 12-month period immediately preceding the date of calculation (or, if the SIFMA Municipal Swap Index or such other index or reference rate is not available for such 12-month period, the Revenue Bond Index most recently published by The Bond Buyer), plus or minus any specified fixed spread.

(c) The amounts available in the Debt Service Reserve Fund established for a Series of Bonds may be applied against the interest payable on and the Principal Installments due on such Series of Bonds in the last Fiscal Year that such Series of Bonds is Outstanding.

“Authorized Investments” means, within the limitations set forth herein, any investments now or hereafter permitted under Section 6-5-10 of the South Carolina Code, or any successor or similar statute, and shall also include the South Carolina Pooled Investment Fund (including the Local Government Investment Pool) established at Sections 6-6-10 to 6-6-40 of the South Carolina Code or any successor or similar statute and as the same may be further limited pursuant to the provisions of a Series Ordinance.

“Authorized Officer” means the Chairman, the County Administrator, the Chief Financial Officer of the County, or any other official authorized by resolution or ordinance (including a Series Ordinance) of the County Council to act on behalf of the County under this Bond Ordinance, any one of whom may act individually as the Authorized Officer.

“BAN Act” means Title 11, Chapter 17, of the South Carolina Code.

“Balloon Indebtedness” means a Series of Bonds, 25% or more of the original principal of which matures during any consecutive 12-month period, if such maturing principal amount is

not required to be amortized below such percentage by mandatory redemption or prepayment prior to such 12-month period.

“**Bond Anticipation Note**” means any Note or other obligation issued under the BAN Act or the Enabling Act in anticipation of the issuance of Bonds.

“**Bond Counsel**” means an attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal, state, and public agency financing, selected by the County.

“**Bondholder,**” “**Holder,**” “**Owner,**” “**Registered Holder,**” or “**Registered Owner**” or any similar term, (i) when used in reference to a registered Bond or Bonds, means any person who shall be the registered owner of any Outstanding Bond, (ii) when used in reference to Bonds issued in bearer form, the holder of any such Bond, and (iii) when used in reference to Bonds consisting of contractual obligations not in the form of an instrument under Section 4.22 hereof, the party entitled to enforce the County’s payment obligation thereunder.

“**Bond Ordinance**” means this Master Bond Ordinance and all ordinances supplemental to or amendatory thereof.

“**Bond Payment Date**” means an Interest Payment Date, a Principal Payment Date, or a date consisting of both an Interest Payment Date and a Principal Payment Date.

“**Bonds**” means any indebtedness or obligations (issued as tax-exempt or taxable obligations), including those entered into under the provisions of long-term contracts payable from the revenues of the System entered into under Section 4.22 hereof, issued in accordance with the provisions of the Enabling Act, this Bond Ordinance, and a Series Ordinance, excluding indebtedness or obligations incurred in accordance with Article VI hereof.

“**Business Day**” means, except as set forth in a Series Ordinance with respect to the Series of Bonds issued thereunder, any day other than a Saturday, a Sunday, a day on which banking institutions in the State or in the State of New York are required or authorized by law (including executive orders) to close, or a day on which the United States federal reserve payment system is not operational.

“**Capital Appreciation Bonds**” means Bonds that bear interest payable only at maturity or payable prior to maturity only on the redemption dates set forth in, and in the amounts determined by reference to the Accreted Value established in accordance with the provisions of the Series Ordinance authorizing the issuance of such Capital Appreciation Bonds.

“**Capital Financing Obligations**” means any obligations of the County with respect to the payment of principal of and interest on obligations of other political subdivisions under the Municipal Agreements.

“**Chairman**” means the Chairman of County Council.

“*Clerk*” means the Clerk to County Council.

“*Code*” means the Internal Revenue Code of 1986, as amended, and the Treasury Regulations issued thereunder, in each case, as from time to time in force.

“*County*” has the meaning given such term in Section 1.01 hereof.

“*County Council*” has the meaning given such term in Section 1.01 hereof.

“*Date of Issue*” means that date established in, or by the manner set forth in, any Series Ordinance from which interest shall accrue on the Bonds of the applicable Series.

“*Debt Service Fund*” means the fund of that name established pursuant to Section 7.04 of this Bond Ordinance, which fund is designed to provide for the payment of the Principal Installment of, premium, if any, and interest on all Bonds Outstanding and issued pursuant hereto, as the same respectively fall due.

“*Debt Service Fund Account*” means the account of that name created in the Debt Service Fund and established for each respective Series of Bonds issued under the terms hereof. Within each Debt Service Fund Account, the Trustee may, but is not required to, further create an interest account, principal account, and bond redemption account with respect to each such Series of Bonds.

“*Debt Service Reserve Fund*” means the fund, if any, so designated and established (i) to secure the timely payment of the Principal Installments of and interest on an applicable Series of Bonds Outstanding and issued pursuant to this Bond Ordinance and the applicable Series Ordinance, and (ii) to provide for the redemption of such Series of Bonds Outstanding prior to their stated maturity, as established by the provisions of Section 7.05 hereof.

“*Defeasance Obligations,*” unless otherwise provided in a Series Ordinance for a particular Series of Bonds, mean non-callable: (i) Government Obligations; (ii) evidences of ownership of a proportionate interest in specified Government Obligations, which Government Obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian; (iii) U.S. Treasury Securities—State and Local Government Series Securities; and (iv) AAA-rated general obligation bonds issued by at least one nationally recognized credit rating organization, of the State, its institutions, agencies, school districts, and political subdivisions.

“*Depository*” means any bank or trust company selected by the County as a depository of moneys or securities held under the provisions of this Bond Ordinance and may include the Trustee.

“*Depreciation and Contingent Fund*” means the fund herein so designated and established to provide for the replacement of depreciated or obsolete parts of the System and for improvements, betterments, and extensions of the System, as established by the provisions of Section 7.06 hereof.

“Electronic Means” means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

“Enabling Act” means (i) as to the initial Series of Bonds issued hereunder, Title 6, Chapter 21, and (ii) as for any subsequent issuance, any of Title 6, Chapter 21; Title 6, Chapter 17; or Title 11, Chapter 21 of the South Carolina Code, or any combination thereof, and all other statutory authorizations as may be available from time to time, authorizing and enabling the County to enact this Bond Ordinance and issue Bonds hereunder, all as may be amended from time to time.

“Events of Default” means those events set forth in Section 13.01 of this Bond Ordinance.

“Fiscal Year” means the period of twelve calendar months, beginning on July 1 of each year and ending on June 30 of the following year, unless the same shall have been changed by the County pursuant to the authorization contained in Section 3.01 hereof.

“Government Obligations” means: (i) direct obligations of the United States of America for the payment of which the full faith and credit of the United States of America are pledged; (ii) obligations, the payment of the principal (if any), or the interest (if any) on which is fully guaranteed as a full faith and credit obligation of the United States of America; and (iii) obligations issued by the Federal Home Loan Bank and/or the Federal National Mortgage Association as permitted by Section 6-5-10(a)(2) of the South Carolina Code.

“Gross Revenue Fund” means the account or accounts established and maintained by the County in such fashion as to adequately reflect all of the receipts and revenues derived from the operation of the System, with the exception of customer deposits, and all interest and other income earned by the County in connection with the operation of the System, as established by the provisions of Section 7.02 hereof.

“Gross Revenues” or **“Gross Revenues of the System”** means:

(a) All receipts, income, and revenues derived from or paid on account of the operation of the System (but excluding those revenues allocable to the operation of Special Facilities to the extent the same have been pledged to the payment of Special Facilities Bonds) including without limitation all services fees, connection fees, tap fees, availability fees and impact fees;

(b) all proceeds from the sale or other disposition of any property owned directly or beneficially by the County in connection with the operation of the System;

(c) all interest and other income received directly or indirectly by the County from the investment of moneys or accounts relating to the System; excluding, however, investment

income restricted to a purpose inconsistent with the payment of operating expenses or debt service, and specifically excluding (whether or not so restricted) interest earned on any Project Fund created with the proceeds of any borrowing by the County;

(d) all other money to which the County may become entitled from any source whatsoever in connection with the operation of the System which may be used to pay Principal Installments of and interest on Bonds, Operation and Maintenance Expenses, or both; and

(e) all Interest Payment Subsidies to the extent such monies are not otherwise used to pay debt service on a Series of Bonds. Any Interest Payment Subsidies received by the County and used to pay debt service on a Series of Bonds shall not be included in Gross Revenues.

All amounts received as *ad valorem* taxes shall not be included in Gross Revenues.

“Independent Consultant” means such firm or firms, professional engineers, architects, financial advisors, accountants, rate consultants, or other professionals who are nationally recognized and have a favorable reputation for consulting services for utility systems similar to the System. Such Independent Consultant shall not be an employee of the County and shall be engaged by the County to perform the tasks set forth to be performed by such Independent Consultant under the provisions of this Bond Ordinance.

“Insurance Consultant” means a person or firm who is not, and no member, director, officer, or employee of which is, an officer or employee of the County, which is qualified to survey risks and to recommend insurance coverage for public utilities and services and organizations engaged in such operations. The Insurance Consultant shall be selected by the County.

“Insurer,” with respect to any Series of Bonds, means an insurance company that has written a Municipal Bond Insurance Policy covering such Series of Bonds.

“Interest Payment Date” means, for a particular Series of Bonds, each February 1 and August 1 on which interest shall be due, or such other date as may be established, or established in a manner otherwise delegated, in accordance with the Series Ordinance authorizing such Bonds.

“Interest Payment Subsidies” means refundable tax credit subsidies or direct payments payable to the County from the federal government under any section of the Code that authorizes such tax credits or sums borrowed in a Series of Bonds for the purpose of paying all or a portion of the interest due on a Series of Bonds on specific Bond Payment Dates, as applicable.

“Junior Lien Bonds” means any revenue bonds issued by the County or other obligations entered into by the County including such obligations under the provisions of long-term contracts, which are secured by pledges of the revenues of the System which are junior and subordinate in all respects to the pledges and liens made to secure Bonds, to the payment of debt service on Bonds, and to the payment by the County of all Operation and Maintenance Expenses.

Such term includes the payment obligation of the County pursuant to the Capital Financing Obligations.

“**Municipal Agreements**” has the meaning given such term in Section 1.01 hereof, and also includes (i) any amendments to existing agreements, and (ii) future agreements with political subdivisions of the State under which the County obtains wastewater treatment services, capacity in any wastewater treatment plant, or both.

“**Municipal Bond Insurance Policy**” means any municipal bond insurance policy insuring the payment, when due, of the Principal Installments of and interest on a Series of Bonds.

“**Net Earnings**” means, for the period in question, the net income of the System, determined in accordance with Accounting Principles, but whether or not Accounting Principles so require, it shall be adjusted as follows:

- (1) revenue derived from service fees, including connection and tap fees, availability fees, impact fees, meter purchases, and other fees imposed in connection with the operation of the System shall be included in income;
- (2) investment income not restricted to a purpose inconsistent with the payment of operating expenses or debt service shall be included in income;
- (3) investment income restricted to a purpose inconsistent with the payment of Operation and Maintenance Expenses or debt service including (whether or not so restricted) interest earned on any construction fund or construction account created with the proceeds of borrowing by the County in connection with the System, shall be excluded as income;
- (4) any amounts received as Interest Payment Subsidies, to the extent credited against interest on Bonds, shall be excluded as income;
- (5) any amounts received from property taxes imposed by the County, including, without limitation, the annual three mill levy of *ad valorem* taxes upon all taxable property within the District under Ordinance No. 164, shall be excluded as income;
- (6) gains on the sale or other disposition of investments or fixed or capital assets which do not result from the ordinary course of business, shall be excluded as income;
- (7) any amounts received by way of federal or state government grants or aids-to-construction shall be excluded as income;
- (8) revenues derived from the operation of Special Facilities shall be excluded as income;

- (9) unrealized gains resulting from changes in the value of investments and swap agreements shall be excluded as income;
- (10) with regard to transfers from the Rate Stabilization Fund:
 - (a) amounts transferred into the Operation and Maintenance Fund from the Rate Stabilization Fund shall be included in income, and
 - (b) amounts transferred from Rate Stabilization Fund into any other fund, excluding the Operation and Maintenance Fund as provided in (1) above shall be excluded from income;
- (11) There shall be added back to such net income:
 - (a) losses on the sale or other disposition of investments or fixed assets which do not result from the ordinary course,
 - (b) depreciation allowances,
 - (c) amortization (including Bond principal) allowances, including the portion of any payment under a Municipal Agreement corresponding to the principal portion of a financing contemplated thereunder,
 - (d) principal and interest payments with respect to capital leases or other lease financing arrangements under Section 6.03 hereof; the fees and charges of the Trustee or trustee of any fund, including reasonable attorneys fees; the costs of audits required hereunder; the costs of computation and payment of any arbitrage rebate; and the premiums for all insurance and fidelity bonds required by this Bond Ordinance,
 - (e) amounts paid as interest on Bonds, Junior Lien Bonds, Special Facilities Bonds, Bond Anticipation Notes, or the portion of any payment under a Municipal Agreement corresponding to the interest portion of a financing contemplated thereunder,
 - (f) Operation and Maintenance Expenses paid from *ad valorem* taxes,
 - (g) expenses resulting directly from then operation of Special Facilities to the extent that the revenues derived therefrom have been pledged to secure, and used for, the payment of Special Facilities Bonds,
 - (h) any non-cash expenses related to net pension liabilities, other post-employment benefit liabilities, or similar accounting determinations under Accounting Principles that do not result in any actual disposition of cash, and

- (i) amortization of financing expenses, underwriting discounts, call premiums, gains or losses on the extinguishment of debt due to the refinancing of the same, and other related or incidental non-recurring expenses resulting from the issuance or refinancing of Bonds, Junior Lien Bonds, Special Facilities Bonds, or Bond Anticipation Notes.

“*Net Revenues*” means the Gross Revenues of the System, less Operation and Maintenance Expenses.

“*Office of State Treasurer*” means the Office of State Treasurer of the State.

“*Operation and Maintenance Expenses*” means, for the period in question, all expenses incurred in connection with the administration and the operation of the System, including, without limiting the generality of the foregoing, such expenses as may be reasonably necessary to preserve the System in good repair and working order.

“*Operation and Maintenance Fund*” means the fund established by the provisions of Section 7.03 hereof and which is designed to provide for the payment of all Operation and Maintenance Expenses.

“*Outstanding*,” when used with reference to any Bonds, subject to Section 16.01 hereof, and except as may be modified for any Series of Bonds pursuant to the provisions of a Series Ordinance, means, as of any date, all such Bonds theretofore or then being authenticated and delivered except:

- (1) Bonds cancelled at or prior to such date;
- (2) Bonds in lieu of or in substitution for which other Bonds shall have been executed and delivered;
- (3) Bonds deemed to have been paid as provided in Article XVI hereof; and
- (4) for purposes of any consent or other action to be taken by the Holders of a specified percentage of Bonds, Bonds, as to which a Responsible Officer has actual knowledge, held by, or for the account of, the County, or by any person controlling, controlled by, or under common control with the County (unless all Bonds are so held).

“*Paying Agent*” means the financial institution which is authorized in writing by the County Council to pay the Principal Installments of or interest on and redemption premium, if any, on any Bonds and having the duties, responsibilities and rights provided for in this Bond Ordinance and any Series Ordinance, and its successor or successors and any other corporation or association which at any time may be substituted in its place pursuant to this Bond Ordinance. Pursuant to the provisions of Section 15.02 of this Bond Ordinance, the Trustee appointed for a Series of Bonds shall serve as Paying Agent.

“Principal Installment” means, as of any date of calculation, (i) the aggregate principal amount of Outstanding Bonds due on a Bond Payment Date, reduced by the aggregate principal amount of such Bonds which would be retired by reason of the payment when due of, and application in accordance with, any mandatory sinking fund payment payable before such future date, plus (ii) any mandatory sinking fund payment due on such certain future date, together with the aggregate amount of the premiums, if any, applicable to such mandatory sinking fund payments, plus (iii) with respect to any Capital Appreciation Bonds required to be paid on such certain date, the Accreted Value as of such certain date of such Capital Appreciation Bonds; and in this latter respect, any reference to “principal” of Bonds in this Bond Ordinance means, with respect to Capital Appreciation Bonds, the Accreted Value of such Capital Appreciation Bonds as of the date of calculation.

“Principal Payment Date” means, for a particular Series of Bonds, each August 1 on which a Principal Installment shall be due, or such other date or dates as may be established, or established in a manner otherwise delegated, in accordance with the Series Ordinance authorizing such Bonds.

“Project Fund” means any fund created by and designated as such in a Series Ordinance, in accordance with Section 7.09 hereof.

“Rate Stabilization Fund” means the fund established pursuant to Section 7.08 hereof and which is designed to provide for the stabilization of sewer rates by carrying forward surplus revenues.

“Record Date” means the 15th day of the month immediately preceding each Bond Payment Date (or such other time or times as shall be prescribed by any applicable Series Ordinance).

“Redemption Price” means, with respect to Bonds of any Series or a portion thereof, the principal amount of such Bonds or portion thereof plus the applicable premium, if any, and accrued interest payable upon redemption thereof in the manner contemplated in accordance with its terms, this Bond Ordinance, and the applicable Series Ordinance.

“Registrar” means the Trustee or any bank, trust company, or national banking association which is authorized in writing by the County to maintain an accurate list of those who from time to time shall be the Holders of Bonds of a particular Series and to effect the transfer of such Bonds in accordance with the provisions of this Bond Ordinance and having the duties, responsibilities, and rights provided for in this Bond Ordinance and any Series Ordinance, and its successor or successors and any other corporation or association which at any time may be substituted in its place pursuant to this Bond Ordinance; however, the County Council may, pursuant to a Series Ordinance, authorize the County to serve as Registrar for the applicable Series of Bonds, in lieu of the Trustee, if any, or institutions referred to above.

“Reserve Requirement” means as of any date of calculation, the debt service reserve requirement, if any, established by a Series Ordinance authorizing a Series of Bonds.

“Responsible Officer” means, when used with respect to the Trustee, any vice president, assistant vice president, senior associate, associate or other officer of the Trustee having direct responsibility for the administration of this Bond Ordinance.

“Securities Depository” means The Depository Trust Company, New York, New York, or any other recognized securities depository selected by the County, which securities depository maintains a book-entry system in respect of the Bonds of any Series, and shall include any substitute for or successor to the securities depository initially acting as Securities Depository.

“Securities Depository Nominee” means, as to any Securities Depository, such Securities Depository or the nominee of such Securities Depository in whose name there shall be registered on the registration books maintained by any Registrar, the Bond certificates to be delivered to and immobilized at such Securities Depository during the continuation with such Securities Depository of participation in its book-entry system.

“Serial Bonds” means the Bonds of any Series which are stated to mature in installments and for which there are no mandatory sinking fund provisions.

“Series” means all of the Bonds authenticated and delivered on original issuance in a simultaneous transaction and designated as a single Series by the authorizing Series Ordinance, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for (but not to refund) such Bonds as herein provided, regardless of variations in maturity, interest rate or other provisions.

“Series Ordinance” means an ordinance enacted by County Council authorizing the issuance of a Series or multiple Series of Bonds pursuant to this Bond Ordinance in accordance with the terms and provisions hereof, in accordance with Article IV hereof.

“South Carolina Code” means the Code of Laws of South Carolina 1976, as from time to time amended.

“Special Facilities” means those facilities financed with the proceeds of Special Facilities Bonds as described in Section 6.02 hereof.

“Special Facilities Bonds” means those obligations issued in accordance with Section 6.02 hereof.

“State” has the meaning given such term in Section 1.01.

“System” means the sewer system of the County now and in the future, including all property real and personal used in connection therewith, all capacity and contractual rights necessary or convenient in connection therewith, all apparatus and equipment used in connection therewith, and all acquisitions, replacements, enlargements, improvements, extensions, additions, and betterments that may be made thereto at any time hereafter; provided that during

such time as any Special Facilities Bonds issued to finance Special Facilities are outstanding, the term “System” shall not include such Special Facilities.

“**Term Bonds**” means the Bonds of any Series which are stated to mature in a single year and which are subject to mandatory sinking fund redemption prior to the stated maturity date.

“**Trustee**” means the financial institution serving as Trustee in accordance with this Bond Ordinance, and which shall have such other duties, privileges and functions as are set forth herein. Such term shall include any successor and any corporation or association resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at the time serving as successor trustee hereunder. Such term shall include any successor and any corporation or association resulting from or surviving any consolidation or merger to which it or its successors may be a party.

“**Variable Rate Bonds**” means, for any period of time, any Bonds which during such period bear interest at a variable rate; provided that Bonds, the interest rate on which has been fixed for the remainder of the term thereof, shall no longer be Variable Rate Bonds.

“**Water Quality Authority**” means the South Carolina Water Quality Revolving Fund Authority.

Section 2.03 Interpretations.

In this Bond Ordinance, unless the context otherwise requires:

(a) Articles, Sections, and paragraphs referred to by number mean the corresponding Articles, Sections, and paragraphs of this Bond Ordinance.

(b) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations, or other legal entities, including public bodies, as well as natural persons.

(c) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder,” and any similar terms, as used in this Bond Ordinance, refer to this Bond Ordinance or Sections or paragraphs of this Bond Ordinance and the term “hereafter” mean any date after the date of enactment of this Bond Ordinance.

(d) Unless otherwise specified herein, all accounting terms used herein without definition shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared, in accordance with Accounting Principles. In the event of changes to Accounting Principles which become effective after the date of enactment of this Bond Ordinance, the County may in good faith effect appropriate amendments to this Bond Ordinance so as to perpetuate the meaning and effect of Accounting Principles as in effect on the date of enactment of this Bond Ordinance.

(e) References to the payment of principal of Bonds shall be deemed to include payment of principal at maturity, at redemption pursuant to optional redemption, and by mandatory redemption pursuant to any sinking fund payment obligations.

(f) The Trustee and any other fiduciary shall be deemed to hold an Authorized Investment in which money is invested pursuant to the provisions of this Bond Ordinance, even though such Authorized Investment is evidenced only by a book entry or similar record of investment in the name of the Trustee or such other fiduciary.

(g) Three asterisks mark the end of each Article.

* * *

ARTICLE III

FISCAL YEAR

Section 3.01 Establishment and Modification of Fiscal Year.

The System shall be operated on a Fiscal Year basis, which shall commence on the 1st day of July of each year and shall end on the 30th day of June of the following year. The County may, by Ordinance duly enacted by the County Council, change the Fiscal Year at any time from that now existing to a different twelve-month period. Upon any change to the Fiscal Year, the County shall provide the Trustee, if any, and the Bondholders if no Trustee has been appointed, a copy of the Ordinance authorizing such change.

* * *

ARTICLE IV

THE BONDS

Section 4.01 Authorization for Bonds in Series.

- (a) From time to time and for the purposes of:
 - (1) Obtaining funds for the acquiring, purchasing, constructing, improving, enlarging, and repairing of the System and improvements and additions thereto, including the recoupment or reimbursement of funds already so expended;
 - (2) Providing funds for the payment of any Bond Anticipation Note issued in order to defray the cost of expansions, additions, and improvements to the System and that were issued in anticipation of the issuance and sale of Bonds;
 - (3) Refunding Bonds or other obligations issued to provide land or facilities or equipment which are or are to become a part of the System or which are or were payable in whole or in part from revenues of the System;
 - (4) Providing funds for the payment of interest due on any Bonds during the period permitted by the Enabling Act;
 - (5) Funding any Debt Service Reserve Fund or restoring the value of the cash and securities in any Debt Service Reserve Fund to the amount equal to its Reserve Requirement, and reimbursing amounts owed to any providers of a surety bond, line of credit, insurance policy or letter of credit established pursuant to Section 7.05(d) hereof; and
 - (6) Paying the costs of issuance of Bonds, including any costs of credit enhancement therefor;

but subject to the terms, limitations, and conditions herein, the County Council may authorize the issuance of a Series of Bonds by the enactment of a Series Ordinance, and the Bonds of any such Series may be issued and delivered upon compliance with the provisions of this Article. Except as otherwise provided herein, the Bonds of each Series shall be issued in fully-registered form, without coupons, and may be issued in the form of book-entry bonds. The Bonds shall, in addition to the title “Anderson County, South Carolina Sewer System Revenue Bonds” (or such other appropriate designation to denote the purpose of such Series of Bonds), bear a letter or number Series designation as may be necessary to distinguish them from the Bonds of every other Series and shall designate the year in which the Series is issued. Bonds of any Series may be authorized to be issued in the form of Serial Bonds or Term Bonds, with or without mandatory sinking fund payments, or Capital Appreciation Bonds, or a combination of any of them, and may bear interest in whatever manner and payable at whatever frequency as shall be prescribed by the applicable Series Ordinance.

(b) Each Series Ordinance shall include a determination to the effect that the issuance of such Series of Bonds is necessary to provide funds to be used and expended for one or more of the purposes enumerated in subsection (a) above. In addition, in each Series Ordinance the County Council shall specify and determine, and, as applicable, may delegate to an Authorized Officer or other person the authority to determine, the following:

- (1) The then period of usefulness of the System;
- (2) The Date of Issue of such Series of Bonds or the manner or method for determining the Date of Issue and the official authorized to make such determination;
- (3) The maximum authorized principal amount of such Series of Bonds, and the manner or method of determining the precise principal amount and the official authorized to make such determination;
- (4) The Bond Payment Dates, the Record Dates, and the date or dates of maturity and the amounts thereof, for the Bonds in such Series or the manner of determining such dates and amounts and the official authorized to make such determinations, and further provided that the Series Ordinance shall specify a date beyond which the final maturity of such Series shall not extend, which date shall not be longer than 45 years from the Date of Issue of such Series of Bonds;
- (5) The purposes for which such Series of Bonds are being issued;
- (6) The title and designation of such Series of Bonds;
- (7) The manner in which such Series of Bonds are to be sold and provisions for the sale thereof and, as applicable, the official authorized to cause such sale, or to determine the manner or method of making such determination and the official authorized to make such determination;
- (8) The interest rate or rates, or the manner of determining such rate or rates, of the Bonds of such Series, including whether and on what terms there shall be entered by the County an agreement for any form of interest rate swap or similar transaction with respect to such Series or manner or method of making such determination and, as applicable, the official authorized to make such determination;
- (9) The portion of such Series that are Serial Bonds and that are Term Bonds and that are Capital Appreciation Bonds, if any, including the amount and date of each mandatory redemption or sinking fund installment, if any, required by such Series Ordinance to be paid for the retirement of any such Bonds, or the manner or method of making such designations and determinations by an authorized official;
- (10) The Redemption Price or Redemption Prices and the redemption date or redemption dates and other terms of redemption, if any, applicable to any of the

Bonds of such Series for such payments, or the manner or method of determining such dates and prices and the official authorized to make such determination;

- (11) The Paying Agent and the Registrar for such Bonds and if other than the Trustee, the manner of determining the Paying Agent and the Registrar and officials authorized to make such determinations;
- (12) The form or forms of the Bonds of such Series, and the officials authorized to make any revisions thereto upon the advice of Bond Counsel;
- (13) The manner of numbering and lettering, and the denomination or denominations of the Bonds of such Series or the manner or method of determining such matters;
- (14) Whether the Bonds of such Series shall be issued in book-entry form pursuant to Section 4.20 hereof;
- (15) That the then applicable Reserve Requirement, if any, for all Series of Bonds Outstanding have been met;
- (16) The Reserve Requirement, if any, for the Series of Bonds authorized thereby, or method for determining the same and the officials authorized to make such determination;
- (17) The disposition or application of the proceeds of the sale of the Bonds of such Series and the manner of their application;
- (18) That a Debt Service Fund Account (within the Debt Service Fund) shall be established and a Debt Service Reserve Fund may be established for the Series of Bonds, and that a Project Fund be established if the proceeds of the Bonds of any Series are intended to be used for the expansion or improvement of the System, and that a capitalized interest account and/or a cost of issuance account be established as a standalone account or within any such Project Fund or applicable Debt Service Fund Account, as set forth in a Series Ordinance, if interest for any period is to be paid from proceeds of such Series of Bonds;
- (19) An estimate of the cost of the purchasing, constructing, improving, enlarging, or repairing of the System, or any combination thereof, to be funded with the proceeds of the Bonds of such Series; and
- (20) Any other provisions or funds deemed advisable by the County for the Bonds and any other applicable redemption requirement for the Bonds of such Series and the method of satisfying the same and not in conflict with or in substitution for the provisions of this Bond Ordinance.

Section 4.02 Conditions to Issuance of Bonds of a Series.

All Bonds shall be issued in compliance with the following provisions of this Section 4.02 and in compliance with any further conditions set forth in any Series Ordinance with respect to any Bonds then Outstanding:

- (1) Bonds shall be stated to mature and/or have mandatory or sinking fund redemptions on such day or days in the years and amounts prescribed or determined in the manner approved by the Series Ordinance.
- (2) Bonds shall bear interest at the rate or rates and be payable on the occasions prescribed or determined in the manner approved by the Series Ordinance.
- (3) Bonds shall be issued for a purpose or purposes set forth in Section 4.01(a) herein.
- (4) There shall exist, on the occasion of the issuance of the Bonds, no default in the payment of the Principal Installments of or interest on any Bonds or any Junior Lien Bonds and Special Facilities Bonds then Outstanding.
- (5) On the date of delivery of such Series of Bonds there shall be on deposit in each Debt Service Reserve Fund such amounts as may be necessary to make the value of the moneys and securities in such Debt Service Reserve Fund equal to the Reserve Requirement applicable to the Series of Bonds for which such Debt Service Reserve Fund was created, unless:
 - (A) the applicable Series Ordinance and any previous Series Ordinances shall have provided for successive monthly payments beginning in the first month following the date of the issuance of the Bonds of any such Series in substantially equal monthly amounts (the “*Monthly Series Payments*”) so that within ten years from the date of issuance of such Series of Bonds, or such shorter period of time as set forth in the Series Ordinance, there shall be in the applicable Debt Service Reserve Fund an amount equal to the applicable Reserve Requirement with respect to such Bonds; and
 - (B) there shall be no unremedied defaults of any Monthly Series Payments required to have been made.
- (6) Except in the case of the first Series of Bonds issued under this Bond Ordinance, and in the case of any additional Bonds issued for the purpose of refunding Bonds, or in the event no Bonds are Outstanding, the County may issue additional Bonds if:
 - (A) Net Earnings during the most recent Fiscal Year for which audited financial statements of the System are completed shall not be less than 120% of the maximum Annual Principal and Interest Requirements on all Bonds Outstanding and on such proposed Series of Bonds, with such

calculation to be made by an Authorized Officer upon the basis of such audited financial statements for the Fiscal Year preceding the Fiscal Year in which the proposed Series of Bonds are to be issued; or

- (B) for each of the three Fiscal Years following the later of the date of delivery of the proposed Series of Bonds, or the period (if any) for which interest is funded from the proceeds of such Bonds, Net Earnings, as has been forecasted by an Authorized Officer, taking into account such circumstances and factors as he finds appropriate including, without limitation, rate adjustments, or acquisitions or improvements to expand the System, will not be less than 120% of the maximum Annual Principal and Interest Requirements on all Bonds Outstanding and on such proposed Series of Bonds.

The Authorized Officer making the calculations described in this paragraph (6) may, but is not required to, rely on a report, calculation, or projection of the Accountants or Independent Consultants.

Whenever this paragraph (6) requires a calculation based on the most recent Fiscal Year for which audited financial statements are available, the County may, in its discretion, provide for a special audit and based upon such special audit, in lieu of the audit for such Fiscal Year, provided such special audit covers twelve consecutive calendar months of the eighteen full consecutive calendar months preceding the date of issuance of the proposed Series of Bonds.

The 2024 Agreement shall be executed prior to or contemporaneously with the delivery of the initial Series of Bonds hereunder.

- (7) In the case of Bonds issued for the purpose of refunding any Bonds, Series of Bonds, or a portion of a Series of Bonds:
 - (A) the Annual Principal and Interest Requirement of the refunding Bonds shall not exceed 120% of the Annual Principal and Interest Requirement of the refunded Bonds for any Fiscal Year until a time subsequent to the last maturity of Bonds issued prior to the issuance of such refunding Bonds which are not refunded and which remain Outstanding following the issuance of the refunding Bonds;
 - (B) the additional Bonds test prescribed by paragraph (6) herein shall be complied with; or
 - (C) an overall net present value savings results from the issuance of the refunding Bonds.
- (8) If any Series of Bonds shall contain Variable Rate Bonds:

- (A) The Series Ordinance shall provide for and specify a maximum interest rate on (i) such Bonds and (ii) any reimbursement obligation to a liquidity provider for such Bonds;
 - (B) The liquidity provider for such Bonds shall be rated within the highest two short-term rating categories by any rating agency then rating any Series of Bonds; and
 - (C) Any accelerated principal payments or any interest computed at a rate in excess of that on such Bonds due to the liquidity provider for such Bonds pursuant to any reimbursement agreement with such liquidity provider shall be subordinate to the payment of debt service on all Bonds; provided, however, if the tests referred to in Sections 4.02(6) and 4.02(7) of this Bond Ordinance are calculated (and met) assuming such accelerated principal payment and such excess interest amount to the liquidity provider, then such accelerated principal payment and excess interest amount may be on a parity with the payment of debt service on all Bonds.
- (9) All amounts then due under a reimbursement agreement with any provider of a surety bond, line of credit, insurance policy or letter of credit as contemplated under Section 7.05(d) hereof shall have been paid.
- (10) Any Series Ordinance authorizing a Series of Bonds may prescribe, in addition to the requirements set forth in Sections 4.02(6) and 4.02(7) hereof, further requirements that must be met for the issuance of Bonds on a parity with all Series of Bonds then Outstanding.

Section 4.03 Reliance Upon Certificates.

The County, the Trustee, and any purchaser of any Bonds shall be entitled to conclusively rely upon certificates or reports of the Accountants, an Authorized Officer, an Independent Consultant and any Insurance Consultant, made in good faith, pursuant to any provision of this Bond Ordinance.

Section 4.04 Execution of Bonds.

(a) Unless otherwise prescribed by any Series Ordinance, the Bonds shall be executed in the name of and on behalf of the County by the Chairman or in his absence the Vice Chairman, the corporate seal of the County shall be impressed or reproduced thereon and the same shall be attested by the Clerk. Such officers may employ facsimiles of their signatures and also a Series Ordinance may specify the manner of executing the Bonds by electronic signature.

(b) In case any officer whose signature or facsimile signature shall appear on the Bonds shall cease to be such officer before the delivery of any Bond, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office.

Section 4.05 Authentication.

Only such Bonds as shall have endorsed thereon a certificate of authentication duly executed by the Registrar shall be entitled to any right or benefit under this Bond Ordinance. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Registrar, and such executed certificate of the Registrar upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Bond Ordinance. The Registrar's certificate of authentication on any Bond shall be deemed to have been duly executed if signed by any authorized signatory of the Registrar.

Section 4.06 Medium of Payment.

The Bonds shall be payable with respect to Principal Installments, interest on, and premium, if any, in lawful money of the United States of America, unless otherwise provided in a Series Ordinance.

Section 4.07 Mutilated, Lost, Stolen or Destroyed Bonds.

In the event any Bond is mutilated, lost, stolen or destroyed, the County may execute and the Registrar may authenticate a new Bond of the same Series of like date, maturity and denomination as that mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Registrar, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the County and to the Registrar evidence of or affidavit as to such loss, theft or destruction satisfactory to the County and the Registrar together with indemnity satisfactory to them. In the event any such Bond shall have matured, instead of issuing a duplicate Bond, the County shall pay the same. The County and the Registrar may charge the Holder or owner of such Bond with their reasonable fees and expenses (including reasonable attorney's fees, costs and expenses) in connection with such actions.

Section 4.08 Transfer and Registry; Persons Treated as Owners.

(a) As long as any Bonds shall be Outstanding, the County shall cause books for the registration and for the transfer of Bonds to be kept. Such books shall be kept by the Trustee unless there shall have been appointed a Registrar other than the Trustee to keep the books of registration for any particular Series of Bonds, in which case such Registrar shall promptly notify the Trustee of any registration or transfer of the Bonds. The transfer of each Bond may be registered only upon the registration books of the County kept for that purpose by the Holder thereof in person or by his duly authorized attorney upon surrender thereof and an assignment with a written instrument of transfer satisfactory to the Registrar, duly executed by the Holder or his duly authorized attorney. Upon the registration or transfer of any Bond, the County shall cause to be issued, subject to the provisions of Section 4.11 hereof, in the name of the transferee a new Bond or Bonds of the same aggregate principal amount, maturity and interest rate as the surrendered Bond.

(b) Any of the County, the Trustee, any Registrar, and any Paying Agent may deem and treat the person in whose name any Bond shall be registered upon the registration books of the County as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the Principal Installment of, premium (if any) and interest on such Bond and for all other purposes, and all such payments so made to any such Holder or, upon his order, shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid; and none of the County, the Trustee, any Registrar, or the Paying Agent shall be affected by any notice to the contrary.

(c) Notwithstanding anything in subsections (a) and (b) of this Section 4.08 to the contrary, Bonds may be issued in the form of contractual obligations which are not instruments and which may be transferred as provided in such contracts.

Section 4.09 Date and Payment Provisions.

Unless otherwise provided in any Series Ordinance with respect to Bonds issued thereunder, each Bond of a Series shall be authenticated on such dates as they shall, in each case, be delivered. Each Bond shall bear interest from the Date of Issue if no interest has yet been paid; otherwise from the last date to which interest has been paid and which date is on or prior to the date of such Bond's authentication.

Holders of at least \$1,000,000 principal amount of a Series of Bonds may, by written notice containing wiring instructions filed with the Trustee or Registrar, as the case may be, at least 20 days prior to any Bond Payment Date, provide for the payment of the interest on such Bonds by wire transfer to an account at a bank located in the continental United States.

Section 4.10 Transferability of Bonds.

Bonds of a Series, upon surrender thereof at the office of the Registrar for the Bonds of such Series with a written instrument of transfer satisfactory to the Registrar, duly executed by the Holder or his duly authorized attorney, may, at the option of the Holder and upon payment by such Holder of any charges made pursuant to Section 4.11 hereof, be exchanged for an equal aggregate principal amount of Bonds of such Series of like maturity and interest rate of any other authorized denominations.

Section 4.11 Regulations with Respect to Exchanges and Transfer.

In all cases in which the privilege of exchanging or transferring Bonds is exercised, the County shall execute and the Registrar shall authenticate and deliver Bonds in accordance with the provisions of this Bond Ordinance. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled and destroyed and shall not be reissued, and a counterpart of the certificate of destruction evidencing such destruction shall be furnished by the Registrar to the County. All Bonds so destroyed shall thereafter no longer be considered Outstanding for any purposes of this Bond Ordinance. There shall be no charge to the Holder for such exchange or transfer of Bonds except that the Registrar may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or transfer. Neither the County nor the Registrar, as the case may be, shall be required to register, transfer or

exchange Bonds of a Series during the period between a Record Date and its related Bond Payment Date, or to register, transfer or exchange any Bonds called for redemption after the mailing of any notice of redemption of such Bond.

Section 4.12 Cancellation and Destruction of Mutilated, Paid or Surrendered Bonds.

Upon the surrender of mutilated Bonds pursuant to Section 4.07 hereof, or Bonds paid or surrendered, the same shall be cancelled and destroyed and shall not be reissued, and a counterpart of the certificate evidencing such destruction shall be furnished by the Trustee or the Registrar, as the case may be, to the County. All Bonds so destroyed shall thereafter no longer be considered Outstanding for any purposes of this Bond Ordinance.

Section 4.13 Notice of Redemption.

If any of the Bonds, or portions thereof, are called for redemption, the Registrar, at the written direction of an Authorized Officer, shall give written notice to the Holders of any Bonds to be redeemed, in the name of the County, of the redemption of such Bonds, or portions thereof. Notice of each redemption of Bonds is required to be mailed by the Registrar by first class mail, postage prepaid, at least 30 but no more than 60 days prior to the redemption date to each of the Bondholders to be redeemed, at the address of such owner recorded on the bond register and to be otherwise given in accordance with, among others, the following requirements:

- (1) notices must contain, at a minimum, whether the redemption is conditioned on any event, the complete official name of the Bonds, CUSIP numbers (if any), Bond numbers, principal amount of each Bond to be redeemed (if less than all), publication date, redemption date, Redemption Price, redemption agent's name and address with contact person and phone number, Registrar's name and address, date of the Bonds, interest rate, maturity date, the place or places where amounts due will be payable, and any other descriptive information deemed necessary by the Registrar;
- (2) except in the case of a Bond held by a single Holder, in which case notice need only be provided as stated in the first paragraph to this Section 4.13, notices must be sent to Bondholders of \$1,000,000 or more, to the Municipal Securities Rulemaking Board, if necessary (via its Electronic Municipal Market Access (EMMA) system, or its successor, as may be amended or modified), and any Securities Depository (if such Bonds are registered in the name of a Securities Depository or the nominee of such Securities Depository) by such method or such other method as is standard in the industry; in addition, any Bondholder holding in excess of \$1,000,000 principal amount of Bonds may request the Registrar to send notices to any additional addressee specified;
- (3) a second notice to Holders of the Bonds must be mailed by the means specified above to any Bondholder who has not presented Bonds for redemption 60 days after the redemption date;

- (4) notice of redemptions effected by advance refundings must also be given in accordance with the above requirements at least 30 days but no more than sixty (60) days prior to the actual redemption date; and
- (5) CUSIP number identification, if any, with appropriate dollar amounts for each CUSIP number must accompany all redemption payments and interest payments, whether by check or by wire transfer.

The obligation to provide notice shall not be conditioned upon the prior payment to the Paying Agent of money or the delivery to the Paying Agent of Authorized Investments or Government Obligations sufficient to pay the Redemption Price of the Bonds to which such notice relates or the interest thereon to the redemption date.

If at the time of mailing of a notice of redemption, there shall not have been deposited with the Paying Agent moneys sufficient to redeem all the Bonds or portions thereof called for redemption, which moneys are or will be available for redemption of such Bonds, such notice is required to state that it is conditional on the deposit of the redemption moneys with the Paying Agent not later than the opening of business on the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

The failure of the Registrar to give notice to a Bondholder or any defect in such notice shall not affect the validity of the redemption of any other Bonds for which notice is properly given. Any Bondholder may waive notice of redemption by delivery of a written waiver to the Registrar.

Any Series Ordinance providing for the issuance of Bonds consisting of contractual obligations not in the form of an instrument or not registered in the name of a Securities Depository or the nominee of such Securities Depository or providing for Bonds in bearer form may provide for or authorize alternative methods for delivery of notice of redemption, and the Trustee shall be entitled to conclusively rely on such Series Ordinance as being consistent with the provisions of this Bond Ordinance.

Provided sufficient funds for such redemption are on deposit with the Paying Agent, all Bonds so called for redemption shall cease to bear interest on the specified redemption date and shall no longer be deemed to be Outstanding hereunder. If said money shall not be so available on the redemption date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

Section 4.14 Cancellation of Bonds Which Have Been Redeemed.

All Bonds which have been redeemed shall be cancelled and destroyed by the Registrar and shall not be reissued, and a counterpart of the certificate of destruction evidencing such destruction shall be furnished by the Registrar to the County. All Bonds so destroyed shall thereafter no longer be considered Outstanding for any purposes of this Bond Ordinance.

Section 4.15 Restriction on Optional Redemption.

Notwithstanding anything in this Bond Ordinance to the contrary, no optional redemption of Bonds may occur unless all amounts payable by the County owing under a reimbursement agreement with any provider of a surety bond, line of credit, insurance policy or letter of credit as contemplated under Section 7.05(d) hereof shall have been paid in full.

Section 4.16 Selection of Bonds to be Redeemed.

In the event that less than all of the Bonds of any Series are to be redeemed at the option of the County, Bonds to be redeemed shall be in such order of maturity as selected by the County. In the event of redemption of less than all of the Bonds of a Series of any maturity, the Bonds or portions of Bonds to be redeemed, shall be selected by lot by the Trustee. The portion of any Bond of a denomination which is larger than the minimum denomination for the Bonds of such Series shall be in the principal amount of such minimum denomination or a multiple thereof, and that, in selecting portions of such Bonds for redemption, the Trustee shall treat each such Bond as representing that number of Bonds of minimum denomination which is obtained by dividing the principal amount of such Bond to be redeemed in part by the amount of the minimum denomination; provided further that, if less than all of the beneficial interests in a Bond of a single maturity registered in the name of a Securities Depository or a Securities Depository Nominee are to be redeemed, the beneficial interests to be redeemed shall be selected by lot or in such manner as may be directed by the Securities Depository. If there shall be drawn for redemption less than all of a Bond, the County shall execute and the Trustee shall authenticate and deliver, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of the Bond so surrendered, Bonds of the same Series in any authorized denomination. The procedures for selection of Bonds of a Series for redemption set forth in this Section 4.16 are subject, however, to any alternative provisions set forth in a Series Ordinance applicable to such Series of Bonds.

Section 4.17 Purchase of Bonds.

The County may, or the Trustee for a Series of Bonds at the written direction of the County, shall, if and to the extent practicable, purchase Bonds at such time, in such manner and at such price as may be specified by the County. The Trustee may so purchase Bonds with any money then held by the Trustee which is available for the redemption or purchase of Bonds and in excess of that set aside for the payment of Bonds called for redemption; provided, that the Trustee is provided with an opinion of Bond Counsel to the effect that such redemption or purchase complies with any limitations or restrictions on such redemption or purchase contained in this Bond Ordinance.

Section 4.18 Bonds Issued as Taxable Obligations.

Notwithstanding anything in this Bond Ordinance to the contrary, the County may from time to time, pursuant to one or more Series Ordinances, provide for the issuance of Bonds and Junior Lien Bonds the interest on which may be includable in gross income of the Holders of such Bonds for federal income taxation purposes.

Section 4.19 Security for Payment of Bonds; Priority of Lien.

(a) The Bonds, together with the interest thereon, shall be payable solely from and secured equally and ratably by a pledge of and a lien upon the Net Revenues. Such pledge and lien securing the Bonds shall at all times and in all respects be and remain superior to pledges and liens made and given to secure any other bonds or other obligations payable from the revenues of the System. The Bonds shall not constitute an indebtedness of the County within the meaning of any provision, limitation, or restriction of the Constitution or the laws of the State, other than those provisions authorizing indebtedness payable solely from a revenue-producing project not involving revenues from any tax or license, and the faith, credit, and taxing power of the County are expressly not pledged therefor. The County is not obligated to pay any of the Bonds or the interest thereon except from the Net Revenues.

(b) To further secure the Bonds, there is hereby granted to the Holders of Bonds Outstanding from time to time, a statutory lien on the System until payment in full of such Bonds as may be Outstanding from time to time. Such lien shall extend to the entirety of the System as currently constituted and as expanded from time to time unless otherwise provided in the Series Ordinance authorizing a Series of Bonds for a specific improvement to or expansion of the System. The Trustee, may, either at law or in equity, by suit, action, mandamus or other proceedings, protect and enforce such statutory lien and may, by suit, action, mandamus or other proceedings, enforce and compel performance of all duties of the officials of the County, including the fixing of sufficient rates, the collection of Gross Revenues, the proper segregation of the Gross Revenues of the System and the proper application thereof. But such statutory lien shall not be construed to give the Trustee or any such Bondholder authority to compel the sale of the System or any part thereof.

Section 4.20 Bonds in Book-Entry Form.

Notwithstanding any other provision of this Bond Ordinance with respect to the form of Bonds to the contrary, a Series Ordinance may provide for the issuance of one or more Series of Bonds solely in fully-registered form registerable to a Securities Depository, a Securities Depository Nominee or the beneficial owner of the Bonds. A Series Ordinance may further provide that such Series of Bonds shall be evidenced by one or more certificates or by a system of book entries in a form satisfactory to an Authorized Officer and to provide for payment, redemption, notices, and like provisions in a manner consistent with such system of registration.

Section 4.21 Waiver of Certain Provisions.

Notwithstanding anything in this Bond Ordinance to the contrary, whenever all of the debt issued or all of the obligations incurred by the County under a Series Ordinance are acquired by and are held by a single entity, that single entity, at its sole option, may waive any provision or requirement of this Bond Ordinance that relates separately to the governance of such Series and is for the protection and benefit of such single entity only and not for the protection or benefit of any other Holder or Holders of Bonds; provided that if such Series of Bonds is insured by an Insurer, then any such waiver shall require the prior written approval of such Insurer.

Section 4.22 Bonds Not in the Form of an Instrument.

The County may from time to time issue a Series of Bonds as contractual obligations not in the form of an instrument, and in such event such contract shall recite that it is authorized under the provisions of this Bond Ordinance and shall be authorized through the enactment of a Series Ordinance therefor, and the provisions regarding redemption or prepayment of such Bonds, notices to Bondholders, and transfers of such Bonds contained herein may be altered or supplemented by the provisions of the Series Ordinance pursuant to which such Bonds are issued or the contract pursuant to which such obligations are created.

* * *

ARTICLE V

RATES AND CHARGES

Section 5.01 Rate Covenant.

(a) It is hereby determined that the rates for services and facilities furnished by the System shall, until otherwise revised pursuant to the provisions of this Bond Ordinance, be as now established. Said rates and charges are determined to be sufficient to meet the requirements of this Bond Ordinance but they shall be revised whenever necessary in order that they shall at all times be maintained on a basis sufficient to meet the requirements of this Bond Ordinance, and the County specifically covenants and agrees to maintain rates and charges for all services furnished by the System which shall at all times be sufficient:

- (1) to provide for the payment of the Operation and Maintenance Expenses;
- (2) to maintain the Debt Service Fund and the Debt Service Fund Accounts and thus provide for the punctual payment of the Principal Installments of and interest on the Bonds;
- (3) to maintain the Debt Service Reserve Funds in the manner prescribed herein and in any applicable Series Ordinance;
- (4) to pay all amounts owing under a reimbursement agreement with any provider of a surety bond, insurance policy, or letter of credit as contemplated under Section 7.05(e) hereof;
- (5) to provide for the punctual payment of the principal of and interest on all Junior Lien Bonds that may from time to time hereafter be outstanding;
- (6) to build and maintain the Depreciation and Contingent Fund; and
- (7) to discharge all obligations imposed by the Enabling Act and by this Bond Ordinance and any applicable Series Ordinance.

(b) The County covenants and agrees that it will, at all times, prescribe and maintain and thereafter collect rates and charges for the services and facilities furnished by the System which, together with other income, are reasonably expected to yield annual Net Earnings in the current Fiscal Year equal to at least the sum of 120% of the Annual Principal and Interest Requirements for all Series of Bonds Outstanding in such Fiscal Year. Promptly upon any material change in the circumstances which were contemplated at the time such rates and charges were most recently reviewed, but not less frequently than once in each Fiscal Year, shall review the rates and charges for its services and shall promptly revise such rates and charges as necessary to comply with the foregoing requirement. Prior to the beginning of each Fiscal Year, the County shall adopt an Annual Budget including amended rate schedules for such Fiscal Year which shall set forth in reasonable detail the estimated revenues and operating expenses and other expenditures of the System for such Fiscal Year and the amount to be deposited during

such Fiscal Year in the Depreciation and Contingent Fund. The County may at any time adopt an amended Annual Budget for the remainder of the then current Fiscal Year.

(c) If the County Council, in adopting the Annual Budget, determines that revenues may not be sufficient to meet the rate covenant established hereinabove or if the audited financial statements of the County indicate that the County did not satisfy such rate covenant for the prior year, the County shall, within 45 days, engage an Independent Consultant to prepare a report recommending such actions which will provide sufficient revenues in the following Fiscal Year to permit the County to meet the rate covenant. Copies of such report shall be made available to the County and the Trustee, if any, no later than sixty days after the engagement of the Independent Consultant.

The County agrees that it shall use its best efforts to effect such changes recommended by the Independent Consultant in its report. So long as the County uses its best efforts to comply with such recommendations, failure to comply with the rate covenant shall not constitute an Event of Default under Article XIII hereof; provided however, a failure to comply with the rate covenant for a period of three consecutive Fiscal Years shall constitute an Event of Default.

* * *

ARTICLE VI

JUNIOR LIEN BONDS AND SPECIAL FACILITIES BONDS

Section 6.01 Junior Lien Bonds; Junior Lien Bonds as Contracts; Accession.

(a) Notwithstanding that Bonds may be Outstanding, subject to compliance with the conditions and limitations expressly set forth herein and in any Series Ordinance, the County may at any time, and without further limitation and free of all conditions, issue Junior Lien Bonds for any corporate purpose of the County, in such amount as it may from time to time determine, payable from the revenues of the System, provided that the pledge of and lien upon the revenues of the System granted for the protection of said Junior Lien Bonds, shall at all times be and remain subordinate and inferior in all respects to the pledge of and lien upon the Net Revenues made or authorized for the Bonds and to the payment of all Operation and Maintenance Expenses; and provided, further, that the maturity of Junior Lien Bonds may not be accelerated or paid in full unless all of the Bonds shall have been paid or provision therefor has been made pursuant to Article XVI hereof.

(b) The County may provide for Junior Lien Bonds in the form of contractual obligations, and not as instruments, and in such event such contracts shall recite that it is authorized under the provisions of this Bond Ordinance as a Junior Lien Bond and shall be authorized through the enactment of an ordinance therefor. The Capital Financing Obligations under the Municipal Agreements that relate to the payment of principal of and interest on borrowings contemplated thereunder shall be Junior Lien Bonds, provided, however, that Capital Financing Obligations under a Municipal Agreement may be given the status of a Bond pursuant to Section 4.22 hereof by enactment of a Series Ordinance.

(c) By proceedings authorizing the issuance of Junior Lien Bonds, the County may provide for the accession of such Junior Lien Bonds to the status of Bonds provided all of the following conditions are met. Any such subsequent proceedings adopted by the County Council providing for such accession shall make the findings provided in the below paragraphs (1) through (4) and state whether and to what extent a Debt Service Reserve Fund shall be established as set forth in paragraph (5).

- (1) The Junior Lien Bonds were issued for a purpose or purposes set forth in Section 4.01(a) hereof.
- (2) There shall exist on the date of accession (a) no default in the payment of the Principal Installments of or interest on any Bonds Outstanding or any Junior Lien Bonds then outstanding, (b) no default in the performance of any duties required under the provisions of this Bond Ordinance, and (c) no amount owed by the County with respect to the full funding of a Debt Service Reserve Fund, either by way of cash or reimbursement of any other funding mechanism, except in accordance with paragraph (6)(A) of Section 4.02 hereof.
- (3) There shall be deposited in the Debt Service Fund Account for such Series of newly-acceded Bonds the amounts which would have been required under the

provisions of Section 8.03 hereof to be accumulated therein on the date of accession if said Junior Lien Bonds had originally been issued as Bonds.

- (4) On the date of accession, an earnings test prescribed by paragraph (6) of Section 4.02 hereof shall have been met.
- (5) In the event such proceedings require a Reserve Requirement to be maintained for such Series of newly-acceded Bonds, then in such event, there shall be on deposit on the date of accession in a Debt Service Reserve Fund an amount equal to the Reserve Requirement established for such Junior Lien Bonds which are being acceded to the status of Bonds.
- (6) The County shall obtain an opinion of Bond Counsel to the effect that: (a) this Bond Ordinance and the proceedings authorizing such Junior Lien Bonds have been duly adopted and are in full force and effect; (b) the Junior Lien Bonds have been duly and lawfully authorized and executed by the County and are valid and binding upon, and enforceable against, the County (except to the extent that the enforceability thereof may be limited by the operation of bankruptcy, insolvency and similar laws affecting rights and remedies of creditors); and (c) with respect to such Junior Lien Bonds, this Bond Ordinance creates the valid pledge of, and lien which it purports to create on, the Net Revenues and of moneys and securities on deposit in any of the funds established hereunder subject to the application thereof to the purposes and on the conditions permitted by this Bond Ordinance.
- (7) In the event such Junior Lien Bonds were issued with variable rates, the provisions of paragraph (8) of Section 4.02 shall have been met.

Section 6.02 Right to Issue Special Facilities Bonds.

The County shall have at all times the right to enter into contracts, leases or other agreements pursuant to which it will agree to construct, operate and pay the costs of Special Facilities to be financed by its issuance of Special Facilities Bonds, subject to the following conditions:

- (1) it shall have been determined to the satisfaction of the County Council that the rents, revenues, or receipts to be derived from the Special Facilities shall be at least equal to the principal, interest and any reserve requirements contained in the ordinance authorizing such Special Facilities Bonds and to pay all operation, maintenance and other costs and expenses applicable to such Special Facilities;
- (2) the revenues derived from Special Facilities need not be deposited in the Gross Revenue Fund and may be pledged to secure Special Facilities Bonds; but no debt service on, or other costs or expense related to, any Special Facilities Bonds may be paid from System revenues deposited in the Gross Revenue Fund except pursuant to Section 8.08 hereof;

- (3) the County Council shall have determined that the issuance of the Special Facilities Bonds and the application of revenues from the Special Facilities to the payment thereof shall not have a detrimental effect on the System or the Bondholders; and
- (4) the County shall timely notify the Trustee of the planned issuance of any such Special Facilities Bonds;

For purposes of this Section 6.02, the term “Special Facilities” shall include all or a portion of sewer facilities and rights to all or a portion of the use of, or the capacity available from, any such facilities.

Section 6.03 Lease Financing Agreements.

The County shall have at all times the right to enter into capital leases or other lease financing agreements secured by a lien on the property, plant and equipment comprising a part of the System; provided, however, that (i) (a) such capital lease or other lease financing agreement shall be payable solely from amounts available for such purpose in the Operations and Maintenance Fund and the aggregate principal amount of all such leases or other financing agreements outstanding at any time shall not exceed 10% of the value of the System, less accumulated depreciation, as shown on the audited financial statements of the County for the most recent Fiscal Year for which audited financial statements are available, and (b) the loss of the property secured by the lien will not materially adversely affect the ability of the County to meet its financial obligations under this Bond Ordinance; or (ii) the capital lease or other financing agreement constitutes Bonds, Junior Lien Bonds, or Special Facilities Bonds and is entered into pursuant to and in accordance with the provisions of this Bond Ordinance.

* * *

ARTICLE VII

ESTABLISHMENT OF FUNDS

Section 7.01 Requirement for Special Funds.

For so long a time as any sum remains due and payable by way of Principal Installments or interest on Bonds, the following funds or accounts of the System shall be established and maintained, and deposits shall be made therein in the manner herein required.

Section 7.02 The Gross Revenue Fund.

(a) There shall be established and maintained a fund or account designated as the Gross Revenue Fund held and administered by the County. This account shall be so maintained as to accurately reflect:

- (1) Gross Revenues of the System; and
- (2) Net Earnings.

(b) Except as otherwise specifically directed or permitted herein, all Gross Revenues of the System shall be deposited in accordance with and in the manner prescribed by Article VIII hereof into the Gross Revenue Fund. Money in the Gross Revenue Fund shall be withdrawn and made use of only in the manner and in the order of priority specified in Article VIII hereof. So long as the County establishes, under Accounting Principles, proper records of receipts and disbursements from the Gross Revenue Fund, the Gross Revenue Fund may be used for the purposes of the Operation and Maintenance Fund and the Depreciation and Contingent Fund, subject, in the case of the Depreciation and Contingent Fund, to the prior applications of the amounts in the Gross Revenue Fund for the purposes set forth in Sections 7.03 and 7.04 hereof.

Section 7.03 The Operation and Maintenance Fund.

(a) There shall be established and maintained an Operation and Maintenance Fund held and administered by the County. The Operation and Maintenance Fund is intended to provide for the payment of the Operation and Maintenance Expenses.

(b) Withdrawals from the Operation and Maintenance Fund shall be made by or on the order of the County in accordance, as nearly as may be practicable, with the Annual Budget then in effect.

Section 7.04 The Debt Service Fund.

(a) There shall be established and maintained a Debt Service Fund held by the Trustee. Within the Debt Service Fund there shall be established a Debt Service Fund Account for each Series of Bonds Outstanding. Each Debt Service Fund Account is intended to provide for the ratable payment of the Principal Installments of, redemption premium, if any, and interest on the respective Series of Bonds as the same fall due. Payments into the Debt Service Fund

shall be made in the manner prescribed by this Bond Ordinance, including the applicable provisions of Article VIII of this Bond Ordinance, and, except as herein provided, all money in the applicable Debt Service Fund Accounts shall be used solely to pay the Principal Installments of, redemption premium, if any, and interest on the applicable Series of Bonds, and for no other purpose. Each Debt Service Fund Account shall bear a number or alphanumeric Series designation as may be necessary to distinguish each Debt Service Fund Account. Within each Debt Service Fund Account, the Trustee may, but is not required, to further create an interest account, principal account, and bond redemption account with respect to each such Series of Bonds.

(b) The Debt Service Fund and each Debt Service Fund Account shall be kept in the complete custody and control of the Trustee, and withdrawals from each Debt Service Fund Account shall be made only by such Trustee who shall transmit to each Bondholder, at the direction of an Authorized Officer, at such times as may be appropriate, the sums required to pay the Principal Installments of, redemption premium, if any, and interest on the applicable Series of Bonds. Amounts held by the Trustee due to non-presentment of Bonds on any redemption date must be retained by the Trustee for a period of at least one year after the final maturity of such Bonds. Funds retained for more than one year shall be remitted to the Office of State Treasurer as unclaimed property. Further, subject to the written consent of the County, payment on a Series of Bonds may be made without presentation and surrender of the physical Bond; in such event, the Trustee assumes no liability to any person and no obligation shall be imposed on the Trustee to seek the return of such Series of Bonds from the Holder thereof. Provided, however, in the event (i) a Series of Bonds is purchased by a single institution and thereafter held by a single Bondholder, and (ii) there is not established for such Series of Bonds a Reserve Requirement, the Debt Service Fund Account established for such Series of Bonds may be held by the Holder of that Series of Bonds, and the Holder of any such Series of Bonds must provide to the Trustee, as and when requested by the Trustee, a written certificate containing current information as to the principal Outstanding, the redemption premium, if any, and accrued interest on such Series of Bonds, and, if the Holder of such Series of Bonds does not provide the Trustee such written certificate within five Business Days of a request by the Trustee, the Trustee, for all purposes of this Bond Ordinance, shall conclusively assume that such Series of Bonds has been paid in accordance with the original tenor of such Series of Bonds. Furthermore, if a Series of Bonds is sold to an agency of the United States of America, including the United States Department of Agriculture – Rural Development, withdrawal from the applicable Debt Service Fund Account may be made to a custodial or checking account from which such entity may directly withdraw payments of Principal Installments and interest on such Series of Bonds.

(c) Moneys in the Debt Service Fund shall be invested and reinvested by the Trustee at the written direction of an Authorized Officer in Authorized Investments, maturing not later than the date on which such money is required to pay the Principal Installments of, premium, if any, and interest on the next occurring maturity of the Bonds. The Trustee shall have no responsibility for the investment of money in the Debt Service Fund that is not held by the Trustee. Unless otherwise provided in a Series Ordinance, all earnings from such investments shall be added to and become a part of the Debt Service Fund Account in which such investments are held, but shall be credited against payments that would otherwise be made to such Debt Service Fund Account pursuant to the provisions of Section 8.03 hereof.

(d) There may be established in the applicable Debt Service Fund Accounts from time to time a capitalized interest account to provide for the payment of interest on the Bonds of a particular Series. Any such account shall be created by the Series Ordinance relating to the issuance of such Series of Bonds. Any earnings from the investment of funds in the capitalized interest account not required to pay interest on the Bonds of any Series during the period for which interest on the Bonds of such Series is capitalized shall be deposited in the Project Fund created by the Series Ordinance relating to such Bonds or, if such Project Fund has been terminated or no such fund was created, such earnings shall be retained in the appropriate Debt Service Fund Account.

(e) All monies received by the Trustee or by the County as Interest Payment Subsidies shall be deposited in the Debt Service Fund Account for such Series of Bonds and used to pay debt service on the Series of Bonds with respect to which such Interest Payment Subsidy was received.

(f) Within each Debt Service Fund Account, the Trustee, or as otherwise provided in the Series Ordinance, is authorized to create sub-accounts, as requested by the County for the timely payment of the principal of, interest on, and sinking fund installments due on the Bonds.

Section 7.05 The Debt Service Reserve Funds.

(a) Each Series Ordinance may create a Debt Service Reserve Fund for the Series of Bonds authorized thereby. Any such Debt Service Reserve Fund shall be for the equal and ratable benefit only of Bonds of that Series. Each such Debt Service Reserve Fund is intended to insure the timely payment of the Principal Installments of, and premium, if any, and interest on, that Series of Bonds, and to provide for the redemption of such Bonds prior to their stated maturities. Any Debt Service Reserve Fund shall be maintained in an amount equal to the Reserve Requirement established by the Series Ordinance for such Series of Bonds. Unless otherwise provided in a Series Ordinance, money in a Debt Service Reserve Fund shall be used for the following purposes, and for no other:

- (1) To prevent a default in the payment of the Principal Installments of or interest on the applicable Series of Bonds, by reason of the fact that money in the applicable Debt Service Fund Account is insufficient for such purposes;
- (2) To pay the Principal Installments of, interest on, and redemption premium, if any, of the applicable Series of Bonds in the event that all Outstanding Bonds of such Series are to be defeased or redeemed as a whole; or
- (3) To effect partial redemption of the applicable Series of Bonds; but subject to the restrictions of Section 4.15 hereof and provided that subsequent to said partial redemption, the market value of the cash and securities in such Debt Service Reserve Fund shall be not less than the Reserve Requirement therefor.

Notwithstanding the above provisions of paragraphs (1) through (3) of this Section 7.05(a) and as permitted by the Code and Section 4.21 hereof, if the Debt Service Reserve Fund was funded with cash generated by the System, then, upon the written consent of the Holder of such Series of

Bonds secured by such Debt Service Reserve Fund, the monies in such Debt Service Reserve Fund may be returned to the County prior to the final maturity of such Series. The requirements for and provisions governing any Debt Service Reserve Fund in the remainder of this Bond Ordinance, in references to “the Debt Service Reserve Fund,” “the Reserve Requirement,” the “Debt Service Fund(s)” and “the Bonds”, shall be deemed to refer to each such Debt Service Reserve Fund created by a Series Ordinance, if any, and in each case to the Reserve Requirement for the applicable Series of Bonds, and to Bonds only of that applicable Series and not to any other Bonds.

(b) (i) Each Debt Service Reserve Fund shall be kept in the complete custody and control of the Trustee, and withdrawals from each Debt Service Reserve Fund shall be made only by such Trustee, who, at the direction of an Authorized Officer, shall transmit to each Bondholder the sums required to pay the Principal Installments of, redemption premium, if any, and interest on such Series of Bonds; or

(ii) If a Series of Bonds is held by the Water Quality Authority, then the Debt Service Reserve Fund for such Series of Bonds may be kept in the custody and control of the Office of State Treasurer and invested in the South Carolina Local Government Investment Pool in Authorized Investments. Withdrawals therefrom shall be made only as directed by the Water Quality Authority at such times as may be required to pay the principal and interest on such Series of Bonds. Any withdrawal of the monies in a Debt Service Reserve Fund that exceeds the Reserve Requirement shall be transferred in accordance with the provisions of Section 7.05(c) hereof.

(c) Except as provided in Section 7.05(b)(ii) of this Bond Ordinance, money in a Debt Service Reserve Fund shall be invested and reinvested by the Trustee at the written direction of an Authorized Officer in Authorized Investments. Subject to the remaining provisions of this paragraph (c), the earnings from such investments in a particular Debt Service Reserve Fund shall be added to and become a part of that Debt Service Reserve Fund. Except as provided in a Series Ordinance, if as of any date of calculation (as described in Section 8.03 hereof), the value of the securities and money in any Debt Service Reserve Fund shall exceed its Reserve Requirement, such excess shall first be fully used to raise the level of any other Debt Service Reserve Funds that are then underfunded to their applicable Reserve Requirements, and then any remaining excess shall either be used to effect partial redemption of such Series of Bonds, or shall be removed from such Debt Service Reserve Fund and, either (i) transferred into the applicable Debt Service Fund Account, as directed in writing by the Authorized Officer, or (ii) transferred to the Gross Revenue Fund, as permitted by the provisions of the Code.

(d) In the event a Series Ordinance requires a Debt Service Reserve Fund to be established for a Series of Bonds, unless otherwise required by such Series Ordinance, the County, in lieu of the deposit of moneys into a Debt Service Reserve Fund, may alternatively satisfy the applicable Reserve Requirement by causing to be credited to such Debt Service Reserve Fund an irrevocable and unconditional surety bond, line of credit, letter of credit or insurance policy equal to the Reserve Requirement therefor.

(e) In the event the amount on deposit in, or credited to, a Debt Service Reserve Fund, in addition to the amount available under a surety bond, line of credit, insurance policy, or letter of

credit (the “*Original Funding Instrument*”) also includes amounts available under another surety bond, line of credit, insurance policy, or letter of credit (the “*Additional Funding Instrument*”), draws on the Original Funding Instrument and the Additional Funding Instrument shall be made on a pro rata basis to fund any insufficiency in the Debt Service Fund Account. In the event a Debt Service Reserve Fund is funded with both monies and a surety bond, line of credit, insurance policy or letter of credit, (i) any withdrawals from such Debt Service Reserve Fund shall be made first from such monies (or the liquidation of investments made therewith) and second from such surety bond, line of credit, insurance policy or letter of credit, and (ii) cash deposits to such Debt Service Reserve Fund shall be used first to restore the cash balance and second to reinstate the surety bond, line of credit, insurance policy, or letter of credit. The surety bond, line of credit, insurance policy, or letter of credit shall be payable (upon the giving of notice as required thereunder) on any Bond Payment Date on which moneys will be required to be withdrawn from such Debt Service Reserve Fund and applied to the payment of the Principal Installments of or interest on the Outstanding Series of Bonds to which such surety bond, line of credit, insurance policy or letter of credit relates when such payments cannot be made by amounts otherwise credited to such Debt Service Reserve Fund.

Section 7.06 The Depreciation and Contingent Fund.

(a) There shall be established and maintained a Depreciation and Contingent Fund to be held and administered by the County. This fund, which shall constitute both the “Depreciation Fund” and the “Contingent Fund” as referred to in Title 6, Chapter 21 of the Enabling Act, shall be maintained in an amount to be established not less frequently than annually by the County Council in order to provide a reasonable reserve for depreciation of the System, for contingencies and improvements, and betterments and extensions of the System.

(b) Money in this fund shall be used solely:

- (1) For the purpose of restoring depreciated or obsolete items of the System;
- (2) For improvements, betterments, and extensions of the System other than for those things which are reasonably necessary to maintain the System in good repair and working order;
- (3) To defray the costs of unforeseen contingencies;
- (4) To prevent defaults in Bonds and Junior Lien Bonds; and
- (5) For optional redemption of Bonds and Junior Lien Bonds.

(C) Withdrawals from this fund shall be made by or on order of an Authorized Officer.

Section 7.07 Reserved.

Section 7.08 Rate Stabilization Fund.

The County Council may establish a Rate Stabilization Fund, as needed, and, if created, shall hold and administer such fund under the provisions of this Bond Ordinance and State law.

Section 7.09 Establishment of Project Funds.

There shall be established a Project Fund with respect to each Series of Bonds issued to finance acquisition of, additions or improvements to, or equipment for the System in the Series Ordinance providing for the issuance of such Series of Bonds, the moneys in which shall be used to defray the costs of and to pay any costs incurred or to be incurred with respect to the project so financed and costs of issuance incurred in connection therewith. Any such Project Fund may be held by the Trustee or the County, as required by any Series Ordinance or as may be required by the purchaser of any Series of Bonds. The Project Fund for any Bonds issued with a draw-down structure may be held by the purchaser. The County may but shall not be required to establish a capitalized interest account and a cost of issuance account in any Project Fund so created. On the occasion of the delivery of any such Series of Bonds, the proceeds therefrom shall be paid into the Project Fund established for such Series as set forth in the Series Ordinance authorizing their issue. Withdrawals from a Project Fund shall not be made except as provided in the Series Ordinance establishing such Project Fund.

Section 7.10 Investments of Funds.

Whenever, in the opinion of the County, it becomes desirable to invest money in any of the funds established by this Article (other than the Debt Service Reserve Funds and the Debt Service Fund, and any capitalized interest account) for which provisions are made above, the County may make Authorized Investments. Earnings resulting from the investment of money in a particular fund shall be deposited into the Gross Revenue Fund (i) except as otherwise provided in Sections 7.03, 7.04, and 7.05 hereof, and (ii) unless the County Council shall have determined pursuant to the Annual Budget that any such earnings on amounts in the Depreciation and Contingent Fund shall remain therein.

Notwithstanding anything contained herein to the contrary and as limited solely to the funds held or invested by the Trustee, the Trustee shall have no obligation to enter into any repurchase agreement, investment agreement or any similar agreements with respect to the investment of any monies held under this Bond Ordinance unless (i) such agreement is in form and content acceptable to the Trustee in its sole discretion, (ii) any liability of the Trustee under such agreement is limited to loss occasioned by the negligence or willful misconduct of the Trustee, and (iii) the County shall pay to the Trustee an additional fee established by the Trustee in accordance with its customary practices.

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ARTICLE VIII

DISPOSITION OF REVENUES

Section 8.01 Deposits to Gross Revenue Fund; Dispositions Therefrom.

The Gross Revenues of the System, excluding that money the disposition of which is controlled by other provisions of this Bond Ordinance, are declared to be a part of the Gross Revenue Fund and shall from time to time be promptly deposited in a bank or company selected by the County in an account which will reflect the fact that they are a part of the Gross Revenue Fund. If Bonds are Outstanding, the dispositions from the Gross Revenue Fund required by the remaining Sections of this Article shall be made on or before the last Business Day of each month following the delivery of the first Series of Bonds issued pursuant to this Bond Ordinance and in the order of priority established by the sequence of the remaining Sections of this Article.

Any amounts representing *ad valorem* taxes appropriated to pay System expenses shall be deposited in the Operation and Maintenance Fund or the Depreciation and Contingent Fund.

Section 8.02 Deposits to the Operation and Maintenance Fund.

There shall be deposited in the Operation and Maintenance Fund, either from the Gross Revenue Fund or the Rate Stabilization Fund, the amounts budgeted for Operation and Maintenance Expenses for the ensuing month and any amounts required for an operational reserve. Such transfer shall be made by or on the order of the County in accordance, as nearly as may be practicable, with the Annual Budget then in effect.

Section 8.03 Payments for Bonds.

Provision shall be made for the payment of the Principal Installments of, premium, if any, and interest on all Bonds then Outstanding without priority of any other Bonds but ratably as to each Series of Bonds. To that end:

- (1) There shall be deposited into the Debt Service Fund and thereafter transferred into the applicable Debt Service Fund Account as directed in writing by an Authorized Officer (and thereafter to the applicable interest sub-account, if any) the monthly fraction of the aggregate amount of interest to become due on the applicable Series of Bonds on the next ensuing Bond Payment Date, or with respect to any Series of Bonds for which Bond Payment Dates occur on a monthly basis, the full amount of the interest to become due on such Bond Payment Date; provided, however, that if provision has been made for the payment of all or part of the next installment of interest to become due on any Bonds, including if Interest Payment Subsidies are on deposit, pursuant to any other provision of this Bond Ordinance or any Series Ordinance, or by reason of investment earnings or otherwise, then, in such event, the deposits required by this paragraph may be omitted, or reduced accordingly.

- (2) There shall be deposited into the Debt Service Fund and thereafter transferred into the applicable Debt Service Fund Account, as directed in writing by an Authorized Officer (and thereafter to the applicable principal sub-account, if any), the monthly fraction of the Principal Installment of the applicable Series of Bonds becoming due and payable on the next ensuing principal maturity date (whether at stated maturity or by sinking fund installments), or with respect to any Series of Bonds for which principal is payable on a monthly basis, the full amount of the principal to become due on the applicable principal maturity date, so that on each principal maturity date, the amount of principal to be paid shall have been accumulated and be on hand; provided, however, that if provision has been made for the payment of all or part of the next Principal Installment to become due on the applicable Series of Bonds, pursuant to any other provision of this Bond Ordinance or any Series Ordinance, or by reason of investment earnings or otherwise, then, in such event, the deposits required by this paragraph may be omitted, or reduced accordingly.
- (3) If, on the occasion when the deposits required by paragraphs (1) and (2) of this Section 8.03, are to be made, the sum total of the deposits required thereby plus previous monthly deposits and the remaining deposits to be made prior to the next succeeding principal and interest payment dates, will be less than the sum required to effect the payment of the next succeeding installment of either principal or interest, or both on the applicable Series of Bonds, as the case may be, a sum equal to such deficiency shall be added to the deposits so to be made.

Section 8.04 Deposits for the Debt Service Reserve Funds; Valuation.

Deposits shall next be made in the amounts required by this Section 8.04 or Section 4.02(5) into the applicable Debt Service Reserve Funds. Except as provided in Section 7.05(b)(ii), the Trustee shall calculate the Value of the cash and securities in each Debt Service Reserve Fund forty-five days prior to each Bond Payment Date in order to determine if each Debt Service Reserve Fund contains the Reserve Requirement therefor, and the extent to which payments therefor or withdrawals must be made therefrom, and the timing thereof, pursuant to this Bond Ordinance and the applicable Series Ordinances. To the extent the Trustee or an Authorized Officer, as applicable, determines that a deficiency exists, but such deficiency is solely the result of accounting practices governing the valuation of securities in the Debt Service Reserve Fund, the Trustee or Authorized Officer, as applicable, may alternatively calculate the value of the securities in each Debt Service Reserve Fund as of the maturity date of such securities, so long as such securities mature on or prior to the Bond Payment Date. Unless a Debt Service Reserve Fund is being funded pursuant to paragraph (5)(a) of Section 4.02 of this Bond Ordinance or then contains in cash and securities (or a surety bond, insurance policy, line of credit or letter of credit as herein described) an amount at least equal to its Reserve Requirement, unless otherwise provided in the Series Ordinance, there shall be paid into such Debt Service Reserve Fund on the last Business Day of each of the 24 months following a determination of a deficiency in such Debt Service Reserve Fund 1/24th of the amount necessary to re-establish in such Debt Service Reserve Fund its Reserve Requirement; provided, however, nothing herein shall preclude the County from fully re-establishing such Reserve Requirement in a more timely fashion than as so prescribed. Any surety bond, line of credit, insurance policy or letter of credit

being used to meet the Reserve Requirement of a Debt Service Reserve Fund shall be valued at the amount still remaining to be drawn thereon; and in the event that any such surety bond, line of credit, insurance policy or letter of credit has been drawn upon, the amount necessary to restore the principal balance thereof shall be paid by the County in the same manner and on a parity with the payments described in this Section 8.04 or as provided in an insurance agreement or applicable Series Ordinance.

For purpose of this Section and Section 7.05, “*Value*” means, with respect to any investment, the value calculated as follows:

- (1) as to investments the bid and asked prices of which are published on a regular basis in The Wall Street Journal (or, if not published therein, then in The New York Times): the average of the bid and asked prices for such investments so published on or most recently prior to such time of determination;
- (2) as to investments the bid and asked prices of which are not published on a regular basis in The Wall Street Journal or The New York Times: the average bid price at such time of determination for such investments by any two nationally recognized government securities dealers (selected by the Trustee in its absolute discretion) at the time making a market in such investments or the bid price published by a nationally recognized pricing service;
- (3) as to certificates of deposit and bankers acceptances: the face amount thereof, plus accrued interest; and
- (4) as to any investment not specified above, the value thereof established by prior agreement between the County and the Trustee.

Section 8.05 Reimbursement of Interest on Amounts Advanced by Credit Providers for the Debt Service Reserve Fund.

Provision shall then be made for payment of interest and any fees or penalties on amounts advanced by the provider of any surety bond, line of credit, insurance policy or letter of credit as contemplated in Section 7.05(e) hereof.

Section 8.06 Payments for Junior Lien Bonds.

Provision shall then be made for the payment of Junior Lien Bonds.

Section 8.07 Deposits for the Depreciation and Contingent Fund.

There shall be deposited into the Depreciation and Contingent Fund that sum which is 1/12th of the sum which has been currently determined by the County Council to be the budgeted requirement therefor for the then current Fiscal Year.

Section 8.08 Use of Surplus Money.

All money remaining after making the payments required by Sections 8.01 to 8.07, shall be disposed of for any lawful purpose in such manner as the County Council shall from time to time determine.

The County Council may determine, at any time, to deposit any percentage or any set amount of surplus money under this Section 8.08 into the Rate Stabilization Fund. Amounts on deposit in the Rate Stabilization Fund may be used to make deposits into the Operation and Maintenance Fund required by Section 8.02 hereof. Amounts on deposit in the Rate Stabilization Fund may, at the option of the County Council, be withdrawn and used for any other required purpose of the System, but in such event, such withdrawal, if for a purpose other than the payments of Operation and Maintenance Expenses, shall be excluded from Net Earnings.

* * *

ARTICLE IX

AGREEMENT TO FURNISH INFORMATION WITH RESPECT TO SYSTEM

Section 9.01 Keeping Records.

The County recognizes that those who may from time to time hereafter be Bondholders will, throughout the life of the Bonds, require full information with respect to the System, the fiscal affairs of the County, and all matters incident to each. To that end the County hereby covenants and agrees that it will create and thereafter at all times maintain proper books of records and accounts, separate and distinct from all other records and accounts, in which complete and correct entries shall be made of all transactions relating to the System, and all revenues and receipts derived therefrom, directly or indirectly. Such books and records shall be kept in such fashion as to reveal in detail:

- (1) The number of customers who may from time to time make use of the System;
- (2) The Gross Revenues of the System and the source from whence derived;
- (3) The purpose of all expenses incurred in the operation of the System;
- (4) The Net Earnings of the System;
- (5) All expenditures made from the several funds established by this Bond Ordinance, and Series Ordinances authorizing the issuance of the Bonds; and
- (6) The rate schedules that may from time to time be in force.

Section 9.02 Audit Required.

The County further covenants and agrees that so long as any Bonds are Outstanding, it will, not later than the first day of the eighth month after the close of each Fiscal Year, cause to be made and completed by the Accountants, an audit of the records, books and accounts pertaining to the System, made in accordance with Accounting Principles, showing, among other things, Gross Revenues and Net Earnings; and that it will furnish a copy of such audit to the Trustee, if any. Such audit shall comment upon any violation of any provision of any ordinance authorizing the issuance of any Bonds or Junior Lien Bonds and any violation of any provision of this Bond Ordinance noted by the Accountants, and such other matters as to them seem pertinent. The cost of such audit shall be treated as an Operation and Maintenance Expense. Any audits made available to the County shall not otherwise be restricted as to their subsequent dissemination to any party. Any copies so furnished need not be certified. Pursuant to the Enabling Act, the County will make available, upon request, for inspection during regular business hours an unaudited balance sheet and income statement and other information required thereby within three months of the close of the Fiscal Year.

* * *

ARTICLE X
INSURANCE

Section 10.01 Requirement of Insurance.

- (a) The County covenants and agrees that so long as any Bonds are Outstanding:
 - (1) To the extent insurance coverage is available, that it will insure and at all times keep the System insured against physical loss or damage with a responsible insurance company or companies, authorized and qualified under the laws of the State, to assume the risks insured against, in such amount as private corporations engaged in similar endeavors would customarily insure for, provided, however, that such requirement shall not apply to in-ground assets;
 - (2) That it will secure adequate fidelity bonds (blanket or individual) of a surety company doing business in the State, indemnifying the County against defalcation of all persons handling money derived from the System or signing checks on any bank accounts relating to the System, other than the Trustee or any Registrar;
 - (3) That all premiums on all bonds or insurance policies shall be deemed an Operation and Maintenance Expense and paid out of Gross Revenues of the System;
 - (4) That all insurance policies shall be open to the inspection of any Bondholder (or the Trustee on behalf of any Bondholder) at any reasonable time;
 - (5) That all money received by the County as a consequence of any defalcation, covered by any fidelity bond, shall be used to restore the fund depleted by the defalcation. All sums received by the County from insurance policies covering the System may, to the extent necessary, be applied to the repair and replacement of the damaged or destroyed property, but, in the event that such money is not used for such purposes, then the same shall be deposited in the Depreciation and Contingent Fund; and
 - (6) That it will comply with the requirements of State law regarding the mandatory purchase of liability insurance contained in Section 15-78-140(b) of the South Carolina Code.

(b) Insurance required by this Section 10.01 may be provided through the South Carolina Insurance Reserve Fund. The County may obtain or adopt alternative risk management programs which an Insurance Consultant determines to be reasonable, including, without limitation, self-insurance in whole or in part individually or in connection with other institutions, participation in programs of captive insurance companies; participation with other governmental entities in mutual or other cooperative insurance or other risk management programs, participation in state or federal insurance programs, taking advantage of state or federal laws

now or hereafter in existence limiting liability, or establishing or participating in other alternative risk management programs; all as may be approved by the Insurance Consultant as reasonable and appropriate risk management by the County. If the County shall be self-insured for any coverage, the County shall obtain a report of an Insurance Consultant stating whether the anticipated funding of any self-insurance fund is actuarially sound, and if not, the required funding to produce such result and such coverage shall be reviewed by the Insurance Consultant not less frequently than annually. Any self-insurance program shall be subject to annual review by the Insurance Consultant who shall provide a written report to the County which shall include recommendations relating to such self-insurance program. The County shall provide to the Trustee annual certification evidencing compliance with the Insurance Consultant's recommendations. The Trustee has no duty or obligation to make any determination as to the sufficiency of the insurance required to be maintained hereunder.

* * *

ARTICLE XI

ADDITIONAL COVENANTS

Section 11.01 Additional Covenants to Secure Bonds.

The County further covenants and agrees:

- (1) That neither the System, nor any part thereof, nor any of the revenues derived from the System, have been or will be hypothecated, mortgaged, otherwise pledged or encumbered, save and except in accordance with the provisions hereof;
- (2) That it will permit no free service to be rendered, or use to be made of the services and facilities of the System, and for the services and facilities of the System used by the County, the reasonable cost and value of such services and facilities shall be paid as such services accrue. The revenue so received from the County shall be deemed revenue derived from the operation of the System, and shall be accounted for in the same manner as other revenues of the System;
- (3) That it will permit no customer to be connected to the System, or to receive any service afforded by the System, unless a proper account is established and charges are levied against such account for services rendered, and such customer shall become obligated to pay for the service rendered at the appropriate rate according to the rate schedule then in force;
- (4) That so long as there are any Bonds Outstanding and unpaid, it will perform all duties with reference to the System required by the Constitution and the South Carolina Code;
- (5) That it will not pledge, mortgage, or otherwise encumber the System or any portion thereof, or any revenues therefrom except in the manner herein authorized, and (except as provided in Section 11.03 herein) it will not sell, lease or otherwise dispose of all or any portion of the System, necessary or useful (as determined by the Independent Consultants; provided, however, if the fair market value of any such portion does not exceed \$200,000, such determination may be made by the County) in the operation of the System, until all Bonds shall be paid in full, or unless and until provision shall have been made for the payment of all Bonds and the interest thereon in full, and the County further obligates itself and covenants and agrees with the Bondholders to maintain in good condition and to operate said System, and to collect and charge such rates for the services and facilities of the System so that the income and revenues of the System will be sufficient at all times to meet the requirements of this Bond Ordinance. If, pursuant to this Section 11.01, anything belonging to the System which is not deemed by the County to be necessary or useful therefor shall be sold or disposed

of, the proceeds of such sale or disposition shall be deposited in the Depreciation and Contingent Fund;

- (6) That it will permit, so long as there are any Bonds Outstanding, any Bondholder to inspect the System and all records and accounts thereof under reasonable terms and conditions and after reasonable notice has been given;
- (7) That it will not make any use, and it shall direct the Trustee and any fiduciary not to make any use, of the proceeds of any Series of Bonds which Bonds were intended upon the issuance thereof to be exempt from federal income taxation, which, if such use had been reasonably expected on the date of the issuance of the Bonds of such Series would have caused such Bonds or any other Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code and will observe and not violate the requirements of Section 148 of the Code;
- (8) That, as to any Series of Bonds that was intended at the time of their issuance to be exempt from federal income taxation, it will take all actions required of it under the Code that are necessary to preserve the tax-exempt status of such Series of Bonds, including without limitation, actions necessary to comply with all information reporting requirements and any obligation to rebate arbitrage earnings on the proceeds of such Bonds to the United States Government;
- (9) That it will make all payments or deposits required under Articles VII and VIII of this Bond Ordinance in a timely manner; and
- (10) That no payments on account of appropriations to the general fund of the County shall be made except as permitted under Section 8.08 hereof.

Section 11.02 Acquisition of Additional Systems.

No provision of this Bond Ordinance shall prevent the combining of the System with any other sewer systems. The County shall have the right, from time to time, to add other sewer systems, provided that it complies with the additional Bonds test set forth at paragraph (6) of Section 4.02 of this Bond Ordinance.

Section 11.03 Sale, Exchange, Removal or Disposal of Component of System.

(a) The County may from time to time sell, exchange, remove or dispose of (but not lease, contract, or agree for the use thereof) an entire component or a material portion of the facilities or related appurtenances comprising the System, if the County Council determines by Ordinance:

- (1) that the sale, exchange, removal or other disposition thereof would not materially reduce Net Earnings; or

- (2) that the sale, exchange, removal or other disposition thereof (i) would not materially adversely affect the ability of the County to comply with the rate covenant, set forth in Section 5.01 hereof, for the current and next succeeding Fiscal Year, and (ii) would be for a consideration of not less than reasonable value as may be determined in the sole discretion of the County Council.

(b) In addition to the provisions of Section 11.03(a) hereof, if the County Council determines to sell, exchange, remove or dispose of an entire component comprising a part of the System the following conditions shall also be met:

- (1) the County shall obtain an opinion of Bond Counsel to the effect that the sale, exchange, removal or disposal of a component of the System from the System has been effected in accordance with the terms of this Bond Ordinance; and
- (2) notice shall be provided by the County to any rating agency, if any, then rating any Series of Bonds regarding the sale, exchange, removal or disposal of such component from the System.

(c) If the County sells, exchanges, removes or otherwise disposes a component of the System, the proceeds, if any, of such transaction may be applied, at the discretion of the County Council, as follows:

- (1) to the payment or satisfaction, in whole or in part, of (i) Bonds associated with or related to such component and (ii) any other type of indebtedness of the County associated with or related to such component; or
- (2) to the payment or satisfaction, in whole or in part, of the amount due under any type of contractual obligations of the County associated with or related to such component; or
- (3) to the payment of the construction or purchase of additional improvements or expansions to the System.

* * *

ARTICLE XII

MODIFICATION OF ORDINANCE

Section 12.01 Modification without Bondholder Approval.

(a) Provided always that the security of the Bonds shall not be diminished, or in any manner impaired, the County Council may for any one or more of the following purposes at any time, or from time to time, enact an Ordinance, amending or supplementing this Bond Ordinance, which supplemental Ordinance shall be fully effective in accordance with its terms:

- (1) to provide for the issuance of a Series of Bonds in accordance with Article IV of this Bond Ordinance;
- (2) to add to the covenants and agreements of the County in this Bond Ordinance, other covenants and agreements thereafter to be observed;
- (3) to surrender any right, power or privilege reserved to or conferred upon the County by this Bond Ordinance;
- (4) to cure, correct and remove any ambiguity or inconsistent provisions contained in this Bond Ordinance;
- (5) to implement an addition to the System pursuant to Section 11.02 hereof; and
- (6) for any other purpose which, in the opinion of Bond Counsel, does not materially affect the interests of the Bondholders.

(b) It is further provided that such supplemental Ordinance shall not become effective until (i) a copy thereof, duly certified, shall have been filed in the office of the Clerk of Court for the County, and (ii) the County shall have received an opinion of Bond Counsel to the effect that such supplemental Ordinance has been lawfully enacted in accordance with the provisions hereof and is in full force and effect. The Trustee, if any, will promptly give notice of adoption and a copy of any modification made hereunder to any Insurer.

Section 12.02 Modification with Bondholder Approval.

The rights and duties of the County and the Bondholders and the terms and provisions of this Bond Ordinance may be modified or altered in any respect by an Ordinance enacted by the County Council with the consent of the Holders of a majority in principal amount of all Bonds of each Series which would be affected by such modification or alteration then Outstanding and the prior written consent of the Insurer, if any, of each such Series of Bonds, such consent to be evidenced by an instrument or instruments executed by such Holders and duly acknowledged or proved before a notary public or other public officer authorized to take oaths, but no such modification or alteration shall, without the consent of the Holders of all Bonds affected by such change or modification:

- (1) extend the maturity of any payment of a Principal Installment of or interest due upon any Bond;
- (2) effect a reduction in the amount which the County is required to pay by way of principal, interest or redemption premium on any Bond;
- (3) effect a change as to the type of currency in which the County is obligated to effect payment of the Principal Installment, interest and redemption premium of any Bond;
- (4) permit the creation of a pledge of or lien upon the revenues of the System prior to or equal to the Bonds except as may be permitted under the provisions of this Bond Ordinance;
- (5) permit preference or priority of any Bonds to others;
- (6) alter or modify the provisions of Section 4.02 or of Articles V, VII, and VIII of this Bond Ordinance; or
- (7) reduce the percentage required for the written consent to the modification or alteration of the provisions of this Bond Ordinance, without the consent of the Holders of all Bonds affected by such change or modification.

Section 12.03 Procedure for Procuring Bondholder Approval.

The County and the Trustee may rely upon the registry books maintained by the Registrar to determine who are the Holders of the Bonds. Any and all modifications made pursuant to Section 12.02 shall not become effective until (i) there has been filed with the Clerk of Court for the County and with the Trustee, if any, a copy of such amendatory or supplemental Ordinance hereinabove provided for, duly certified, (ii) there has been filed with the Trustee, if any, an opinion of Bond Counsel stating that such amendatory or supplemental Ordinance has been duly and lawfully adopted by the County in accordance with the provisions of this Bond Ordinance and is valid and binding upon the County and (iii) proof of consent to such modification by the Holders (depending on the type of type of type of modification) of a majority in principal amount of the Bonds of each Series then Outstanding shall be filed with the Trustee, if any. In the event that any Series of Bonds are held under a book-entry system pursuant to Section 4.20, the approvals of Bondholders may be obtained in the manner provided in the agreement with the Securities Depository.

Section 12.04 Notice to Rating Agencies.

Any rating agency rating a Series of Bonds shall be provided notice by the County and a copy of any amendment to this Bond Ordinance or to any Series Ordinance within 15 days of its execution or enactment; notice electronically filed on the Municipal Securities Rulemaking Board's EMMA system shall be deemed sufficient upon such filing for purposes of this Section 12.04.

Section 12.05 Consent of Trustee.

No amendment, modification or alternation of this Master Bond Ordinance may adversely modify the rights or duties of the Trustee or Registrar hereunder without the express written consent of the Trustee.

* * *

ARTICLE XIII

EVENTS OF DEFAULT

Section 13.01 Events of Default.

- (a) Each of the following events is hereby declared to be an Event of Default:
 - (1) payment of the Principal Installments of any of the Bonds shall not be made within 5 days of when the same shall become due and payable, either at maturity or by proceedings for redemption;
 - (2) payment of any installment of interest on any Bonds shall not be made within 5 days of when the same becomes due and payable;
 - (3) except as provided in Section 5.01(c) hereof, the County shall not comply with the rate covenant in Section 5.01(b) herein;
 - (4) the County shall for any reason be rendered incapable of fulfilling its obligations hereunder;
 - (5) an order or decree shall be entered with the consent or acquiescence of the County appointing a receiver, or receivers, of the System, or of the revenues thereof, or any proceedings shall be instituted with the consent or acquiescence of the County for the purpose of effecting a composition between the County and its creditors whose claims relate to the System, or for the purpose of adjusting claims of such creditors, pursuant to any federal or State statute now or hereafter enacted, or if such order or decree, having been entered without the consent or acquiescence of the County, shall not be vacated or discharged or stayed on appeal within 60 days after entry thereof, or if such proceeding having been instituted without the consent or acquiescence of the County, shall not be withdrawn or any orders entered shall not be vacated, discharged, or stayed on appeal within 60 days after the institution of such proceedings, or the entry of such orders;
 - (6) the County shall fail to operate the System in an efficient and businesslike fashion so as to materially impair the operations of the System or shall default in the due and punctual performance of any other of the covenants, conditions, agreements or provisions contained in the Bonds or in any Series Ordinance or in this Bond Ordinance (except as provided in Section 5.01(b) and (c) hereof), and such default as to efficient operation or otherwise shall continue for 30 days after written notice, specifying such default and requiring the same to be remedied, shall have been given to the County by any Bondholder, provided that in the case of default specified in this paragraph (6), if the default be such that it cannot be corrected within the said 30-day period, it shall not constitute an Event of Default if

corrective action is instituted by the County within said 30-day period and diligently pursued until the default is corrected;

(b) The occurrence of an Event of Default on the part of the County under any reimbursement agreement between the County and a provider of a surety bond, line of credit, insurance policy or letter of credit as contemplated under Section 7.05(d) hereof; and

(c) Such other events of default as may be specified in a Series Ordinance.

In determining whether a default in payment has occurred under paragraphs (1) or (2) of subsection (a) and in determining whether a payment on Bonds has been made under any other provision of this Bond Ordinance, no effect shall be given to payments made under a Municipal Bond Insurance Policy.

(d) The foregoing provisions of paragraphs (4), (5), and (6) of the preceding subsection (a) are subject to the following limitations: If by reason of “force majeure” the County is unable in whole or in part to carry out its agreements herein contained (other than the obligations on the part of the County contained in any of Section 4.02 or Articles V, VII and VIII hereof as to which this paragraph shall have no application), the County shall not be deemed in default during the continuance of such inability attributable to such force majeure. The term “force majeure” as used herein means, without limitation, the following: acts of God; strikes; lockouts or other industrial disturbances; acts of public enemies; orders of any kind of the government of the United States of America or of the State or any of their departments, agencies, or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquake; fire; hurricanes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accident to machinery, tunnels or canals; partial or entire failure of utilities; or any other cause or event not reasonably within the control of the County Council, it being agreed that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the Board, and the County shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of the County unfavorable to the County.

* * *

ARTICLE XIV

REMEDIES

Section 14.01 Acceleration; Annulment of Acceleration.

(a) Upon the occurrence of an Event of Default pursuant to Section 13.01(a)(1) and (2), the Trustee shall, upon the written request of the Holders of not less than a majority in aggregate principal amount of Bonds Outstanding, by notice in writing to the County, declare all Bonds Outstanding immediately due and payable, and such Bonds shall become and be immediately due and payable, anything in the Bonds or in this Bond the County to the contrary notwithstanding. In such event, there shall be due and payable on the Bonds an amount equal to the total principal amount of all such Bonds, plus all interest accrued thereon and which will accrue thereon to the date of payment.

(b) At any time after the principal of the Bonds shall have been so declared to be due and payable and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under this Bond Ordinance, the Trustee may annul such declaration and its consequences with respect to any Bonds not then due by their terms if:

- (1) moneys shall have been deposited in the Debt Service Fund and appropriately apportioned among each Debt Service Fund Account sufficient to pay all matured installments of interest and principal (other than principal then due only because of such declaration) of all Outstanding Bonds;
- (2) moneys shall have been deposited with the Trustee sufficient to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee;
- (3) all other amounts then payable by the County hereunder shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee; and
- (4) every Event of Default actually known to the Trustee (other than a default in the payment of a Principal Installment of such Bonds then due only because of such declaration) shall have been remedied to the satisfaction of the Trustee.

No such annulment shall extend to or affect any subsequent Event of Default or impair any right consequent thereon.

Section 14.02 Additional Remedies and Enforcement of Remedies.

(a) Upon the occurrence and continuance of any Event of Default, the Trustee shall, upon the written request of the Holders of not less than a majority in aggregate principal amount of the Bonds Outstanding, together with indemnification of the Trustee to its satisfaction therefor, proceed forthwith to protect and enforce its rights and the rights of the Bondholders

under this Bond Ordinance by such suits, actions or proceedings as the Trustee, being advised by counsel, shall deem expedient, including but not limited to:

- (1) seeking a *writ of mandamus*, requiring the County to carry out its duties and obligations under the terms of this Bond Ordinance and under the Enabling Act;
- (2) suit upon all or any part of the Bonds;
- (3) civil action to require the County to account as if it were the trustee of an express trust for the Holders of Bonds;
- (4) civil action to enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of the Bonds; or
- (5) enforcement of any other right of the Bondholders conferred by law or by this Bond Ordinance including the right to make application for the appointment of a receiver to administer and operate the System.

(b) Regardless of the happening of an Event of Default, the Trustee, if requested in writing by the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding, and upon receipt of assurances of indemnification of the Trustee, the sufficiency of which shall be determined in the Trustee's sole discretion, shall institute and maintain such suits and proceedings as it may be advised by counsel shall be necessary or expedient:

- (1) To prevent any impairment of the security under this Bond Ordinance by any acts which may be unlawful or in violation of this Bond Ordinance; or
- (2) To preserve or protect the interests of the Bondholders, provided that such request is in accordance with law and the provisions of this Bond Ordinance and, in the sole judgment of the Trustee, is not unduly prejudicial to the interests of the Holders of Bonds not making such request.

(C) When the Trustee incurs costs or expenses (including legal fees, costs and expenses) or renders services after the occurrence of an Event of Default, such costs and expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

Section 14.03 Application of Revenues and Other Moneys After an Event of Default.

(a) The County covenants that if an Event of Default shall happen and shall not have been remedied, the County, upon demand of the Trustee, shall pay or cause to be paid over to the Trustee:

- (1) Forthwith, all moneys and securities then held by the County which are credited to any fund under this Bond Ordinance. Any moneys and securities in any Project Fund created with proceeds of Bonds if construction of the projects to be paid for thereby has been completed or terminated but exclusive of any amounts remaining in such Project Fund that are in dispute between the County and any contractor; provided however, any monies in a Debt Service Fund Account or Debt Service Reserve Fund shall be applied only toward the applicable Series of Bonds for which such Debt Service Fund Account or Debt Service Reserve Fund was established; and
- (2) As promptly as practicable after receipt thereof, all Gross Revenues.

(b) During the continuance of an Event of Default, the Trustee shall apply all moneys, securities, Gross Revenues, payments and receipts in its possession and the income therefrom as follows and in the following order:

- (1) to the payment of the reasonable and proper charges of the Trustee and its reasonable counsel fees and expenses;
- (2) to the payment of Operation and Maintenance Expenses;
- (3) to the payment of the interest and principal (and redemption premium, if any) then due on the Bonds, as follows:
 - (A) unless the principal of all of the Bonds shall have become or have been declared due and payable,
 - (i) first: to the payment of the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon to the persons entitled thereto, without any discrimination or preference;
 - (ii) second: to the payment to the persons entitled thereto of the unpaid Principal Installments (and redemption premiums, if any) of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, and if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal (plus redemption premium, if any) due on such date, to the persons entitled thereto, without any discrimination or preference;

- (B) if the principal of all of the Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any differences as to the applicable rates of interest specified in the Bonds;
- (4) to the payment of the amounts required by Section 8.02, ratably, according to the amounts due thereon to the persons entitled thereto;
- (5) to the payment of the amounts required by Section 8.05, ratably, according to the amounts due thereon to the persons entitled thereto;
- (6) to the payment of the amounts required by Section 8.06, ratably, according to the amounts due thereon to the persons entitled thereto; and
- (7) to the payment of the required deposits to the Depreciation and Contingent Fund under Section 8.07.

Section 14.04 Remedies Not Exclusive.

No remedy by the terms of this Bond Ordinance conferred upon or reserved to the Trustee or the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Bond Ordinance or existing at law or in equity or by statute (including the Enabling Act) on or after the date hereof.

Section 14.05 Remedies Vested in Trustee.

All rights of action (including the right to file proof of claims) under this Bond Ordinance or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto. Any such suit or proceedings instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Holders of the Bonds. Subject to the provisions of Section 14.04 hereof, any recovery of judgment shall be for the equal benefit of the Holders of the Outstanding Bonds.

Section 14.06 Majority of Bondholders Control Proceedings.

If an Event of Default shall have occurred and be continuing, notwithstanding anything in this Bond Ordinance to the contrary, the Holders of at least a majority in aggregate principal amount of Bonds then Outstanding shall have the right, at any time, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting any

proceeding to be taken in connection with the enforcement of the terms and conditions of this Bond Ordinance or for the appointment of a receiver or any other proceedings hereunder, provided that such direction is in accordance with law and the provisions of this Bond Ordinance (including indemnity satisfactory to the Trustee) and, in the sole judgment of the Trustee, is not unduly prejudicial to the interests of the Bondholders not joining in such direction and provided further that nothing in this Section 14.06 shall impair the right of the Trustee in its discretion to take any other action under this Bond Ordinance which it may deem proper and which is not inconsistent with such direction by the Holders of at least a majority in principal amount of Bonds then Outstanding.

Section 14.07 Individual Bondholder Action Restricted.

(a) No Holder of any Bond shall have any right to institute any suit, action, or proceeding in equity or at law for the enforcement of this Bond Ordinance or for the execution of any trust hereunder or for any remedy under this Bond Ordinance unless:

- (1) an Event of Default has occurred:
 - (A) under paragraph (1) or (2) of subsection (a) of Section 13.01 hereof;
 - (B) as to which the Trustee has actual notice; and
 - (C) as to which the Trustee has been notified in writing.
- (2) the Holders of at least 25% in aggregate principal amount of Bonds Outstanding shall have made written request to the Trustee to proceed to exercise the powers granted in this Bond Ordinance or to institute such action, suit or proceeding in its own name;
- (3) such Bondholders shall have provided assurances of indemnification of the Trustee, the sufficiency of which shall be determined in the Trustee's sole discretion; and
- (4) the Trustee shall have failed or refused to exercise the powers herein granted or to institute such action, suit or proceedings in its own name for a period of 60 days after receipt by it of such request and offer of indemnity.

(b) No one or more Holders of Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the security of this Bond Ordinance or to enforce any right hereunder except in the manner herein provided and for the equal benefit of the Holders of all Bonds Outstanding.

(c) Nothing contained in this Bond Ordinance shall affect or impair, or be construed to affect or impair, the right of the Holder of any Bond:

- (1) to receive payment of the Principal Installments of or interest on such Bond on the due date thereof; or
- (2) to institute suit for the enforcement of any such payment on or after such due date.

Section 14.08 Termination of Proceedings.

In case any proceeding taken by the Trustee or any Bondholder on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Bondholders, the County, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee and the Bondholders shall continue as if no such proceeding had been taken.

Section 14.09 Waiver and Nonwaiver of Event of Default.

(a) No delay or omission of the Trustee or of any Holder of the Bonds to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein. Every power and remedy given by this Article XIV to the Trustee and the Holders of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

(b) The Trustee may waive any Event of Default which in its opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of this Bond Ordinance, or before the completion of the enforcement of any other remedy under this Bond Ordinance.

(c) Notwithstanding anything contained in this Bond Ordinance to the contrary but subject to the provisions of Section 17.01 hereof, the Trustee, upon the written request of the Holders of at least a majority of the aggregate principal amount of Bonds then Outstanding (including, if more than one Series of Bonds shall at the time be Outstanding, the Holders of a majority in principal amount of all Bonds then Outstanding of each such Series), shall waive any Event of Default hereunder and its consequences; provided, however, that except under the circumstances set forth in subsection (b) of Section 14.01 hereof or subsection (b) of this Section 14.09, a default in the payment of the principal of, premium, if any, or interest on, any Bond, when the same shall become due and payable by the terms thereof or upon call for redemption, may not be waived without the written consent of the Holders of all the Bonds at the time Outstanding.

(d) In case of any waiver by the Trustee of an Event of Default hereunder, the County, the Trustee, each Insurer and the Bondholders shall be restored to their former positions and rights under this Bond Ordinance, respectively, but no such waiver shall extend to any subsequent or other Event of Default or impair any right consequent thereon. The Trustee shall not be responsible to anyone for waiving or refraining from waiving any Event of Default in accordance with this Section 14.09.

Section 14.10 Notice of Events of Default.

- (a) Within 30 days after:
 - (1) the receipt of notice of an Event of Default as provided in Section 14.07(a)(1)(B) or (C) hereof; or
 - (2) the occurrence of an Event of Default under paragraphs (1) or (2) of Section 13.01(a) hereof, as to which the Trustee shall be deemed to have notice,

the Trustee shall, unless such Event of Default shall have theretofore been cured, give written notice thereof by first class mail to each Insurer of any Series of Bonds then Outstanding, if any, and to each Bondholder, provided that, except in the case of a default in the payment of Principal Installments of, together with premium, if any and interest on any of the Bonds, the Trustee may withhold such notice if, in its sole judgment, it determines that the withholding of such notice is in the best interests of the Bondholders.

(b) The Trustee shall promptly notify the County and each Insurer of any Series of Bonds then Outstanding of any Event of Default actually known to the Trustee.

Section 14.11 Rights of Insurers.

Any Series Ordinance may provide that any Insurer, insuring the applicable Series of Bonds, upon the occurrence of an Event of Default and with respect to all remedies provided herein, may prevent the acceleration of the Bonds of all Series or may prevent the annulment of the acceleration of the Bonds of all Series. Such Insurer may be subrogated to the rights to payment of the Holders of any Bonds with respect to which it pays any principal or interest on the Bonds owned by that Holder.

* * *

ARTICLE XV

TRUSTEE AND ITS FUNCTIONS; OTHER FIDUCIARIES

Section 15.01 Appointment and Vesting of Powers in Trustee; Limitation of Rights of Bondholders to Appoint Trustee.

Prior to the delivery of any Bonds pursuant to this Bond Ordinance, the County shall appoint the Trustee. Such appointment shall be made by means of the Series Ordinance adopted by the County Council in connection with the issuance of the first Series of Bonds pursuant to this Bond Ordinance or as otherwise permitted under the provisions of this Bond Ordinance. The Trustee shall be and is hereby vested with all rights and powers necessary to enable it to discharge its duties hereunder but the right of the Bondholders to appoint a Trustee hereunder is limited to the circumstances contemplated by Section 15.10 hereof.

Section 15.02 Functions of Trustee.

The Trustee shall have the following additional functions:

- (1) to authenticate, as applicable, the Bonds of all Series that may be issued;
- (2) to act as custodian of the Debt Service Fund and each Debt Service Fund Account (and any subaccounts) established thereunder;
- (3) except as otherwise provided herein, to act as custodian of the Debt Service Reserve Funds, if any;
- (4) except as otherwise provided herein, to act as Paying Agent for the Bonds;
- (5) unless otherwise prescribed by any Series Ordinance, to act as Registrar for the Bonds, and to maintain a set of registration books therefor, which shall at all times accurately reflect the names and addresses of all those who may be Holders of any Bonds;
- (6) to make reports to the County on a monthly or such other basis as may be requested by the County, but not less often than semi-annually:
 - (A) listing balances for any funds or accounts held by the Trustee;
 - (B) listing investments made for any fund held by the Trustee;
 - (C) listing the market value of the Debt Service Reserve Funds; and
 - (D) listing all securities, if any, pursuant to Section 15.13 hereof.

Section 15.03 Duty of Trustee with Respect to Deficits in Debt Service Funds.

It shall be the further duty of the Trustee to give written notice to the County three Business Days prior to each Bond Payment Date, if there is any deficiency in any Debt Service Fund Account which would result in a need for further moneys to meet the payment of interest and/or principal falling due on the next ensuing Bond Payment Date, and the extent, if any, to which resort must be had to the applicable Debt Service Reserve Fund to meet such deficiency.

Section 15.04 Acceptance by Trustee Required.

Prior to the delivery of any Bonds, the Trustee appointed pursuant to Section 15.01 hereof shall signify its acceptance of the powers, duties and obligations conferred and imposed upon it by this Bond Ordinance, by executing and delivering to the County a written acceptance thereof.

Section 15.05 No Liability as to Recitals in Bond Ordinance and Bonds.

(a) The recitals of fact made in this Bond Ordinance, in any Series Ordinance, and in the Bonds shall be taken as statements of the County, and the Trustee shall not be deemed to have made any representation as to the correctness of the same, nor shall the Trustee be deemed to have made any representation whatsoever as to the validity or sufficiency of this Bond Ordinance or of the Bonds issued hereunder except with respect to the authentication of any Bonds, as applicable. Nor shall the Trustee be under any responsibility or duty with respect to the operation of the System, any offering document or memorandum related to the marketing or sale of Bonds, or the issuance of Bonds or the application of the proceeds thereof, except to the extent provided for herein. Nor shall the Trustee be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct.

(b) Prior to the occurrence of an Event of Default of which the Trustee has or is deemed to have notice hereunder, and after the curing of any Event of Default which may have occurred:

- (1) the Trustee shall undertake to perform such duties and only such duties as are specifically set forth in this Bond Ordinance or any Series Ordinance, as applicable, and no implied covenants or obligations shall be read into this Bond Ordinance or any Series Ordinance, as applicable, against the Trustee; and
- (2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Bond Ordinance or any Series Ordinance, as applicable.

(c) In case an Event of Default of which the Trustee has or is deemed to have notice hereunder has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Bond Ordinance or any Series Ordinance, as applicable, and use the

same degree of care and skill in their exercise, as a prudent person would exercise or use in the conduct of such person's own affairs.

Section 15.06 Trustee May Rely on Notices, Etc.

The Trustee shall at all times be protected in acting upon any notice, ordinance, request, consent, order, certificate, statement, opinion, bond, or other paper or document believed to be genuine and to have been signed by the proper party or parties.

Section 15.07 Trustee Permitted to Resign.

The Trustee may, at any time, resign and be discharged of its duties and obligations hereunder by giving to the County and the Bondholders written notice of such resignation, specifying a date (not less than 60 days after such notice) when such resignation is intended to take effect. Such resignation shall take effect immediately upon but not before the appointment and qualification of its successor. If after 60 days no successor has been appointed, the Trustee may petition a court of competent jurisdiction to appoint a successor.

Section 15.08 Removal of Trustee.

(a) The Trustee may be removed at any time by the Holders of not less than a majority in aggregate principal amount of Bonds Outstanding upon 30 days written notice to the Trustee.

(b) Provided an Event of Default has not occurred and is not continuing, the Trustee may be removed at any time by the County upon thirty days written notice to the Trustee.

(c) Any such removal shall take effect immediately (after the 30 day notice period) upon, but not before the appointment and qualification of its successor.

Section 15.09 Appointment of Successor Trustee Upon Resignation or Removal of Trustee.

(a) In case at any time the Trustee shall resign, or be removed or become incapable of acting, or be adjudged bankrupt or insolvent, or a receiver of its property shall be appointed, or any public officer shall take charge or control of its property or affairs, a successor thereto shall be promptly appointed by the County by Ordinance duly enacted. The successor shall in all instances be a bank or a trust company, and duly chartered pursuant to the laws of the United States or of any state and shall have a combined capital and surplus of not less than \$500,000,000.

(b) Immediately following such appointment the County shall give written notice of such appointment to the Bondholders and any Registrar other than the Trustee.

Section 15.10 When Bondholder May Seek Successor Trustee.

If, in a proper case, no appointment of a successor Trustee shall be promptly made pursuant to Section 15.09, any Bondholder, the resigning or removed Trustee may make application to any court of competent jurisdiction for the appointment of a successor and said court may thereupon, after such notice, if any, as such court may prescribe, appoint a successor.

Section 15.11 Acceptance by Successor Trustee.

Any successor Trustee appointed hereunder shall execute and deliver to its predecessor and to the County a written acceptance of such appointment, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of its predecessor hereunder with like effect as if originally named as such Trustee and its predecessor shall be obligated to pay over, transfer, assign and deliver all moneys, securities and other property held by it to its successor, and on the written request of the County, or the successor, shall execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may be reasonably required for the vesting and confirming in such successor all the right, title and interest of the predecessor in and to any property held by it.

Section 15.12 Effect of Trustee Merging with Another Bank.

Any bank or trust company into which the Trustee may be merged, or with which it may be consolidated, or any bank or trust company resulting from any merger or consolidation to which it shall be a party, or any bank or trust company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, shall become the successor without the execution or filing of any paper or the performance of any further act; provided, always, that if the County shall be dissatisfied with the institution resulting from the merger, consolidation or other action spoken of above, then the County may at any time within 30 days after such action name a new Trustee (with the qualifications prescribed by Section 15.09 hereof) in lieu of the Trustee then acting.

Section 15.13 Trustee to Secure Funds and Securities Held in Trust.

Unless the same be secured as trust funds in the manner provided by the regulations of the Comptroller of the Currency as from time to time in effect, all funds or securities in the custody of the Trustee, in excess of the amount of such deposit insured by the Federal Deposit Insurance Corporation, shall be invested in Authorized Investments at the written direction of the County.

Section 15.14 Disposition of Paid Bonds.

It shall be the duty of the Trustee to cancel all Bonds which shall have been paid, whether upon their maturity or redemption prior to maturity; such cancellation shall be done in such fashion as to render such Bonds incapable of further negotiation or hypothecation. In any event it shall furnish appropriate certificates or documents to the County indicating the disposition of such Bonds.

Section 15.15 Appointment of Substitute Registrar.

The County may, from time to time, appoint a Registrar or Registrars to act in the place and stead of the Trustee as Registrar of the Bonds of one or more Series. The County shall cause written notice of such appointment to be mailed to the Holders of all Bonds affected by such appointment 30 days prior to the effective date of such appointment.

Section 15.16 Additional Provisions Regarding the Trustee.

(a) The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Bond Ordinance, and no implied covenants or obligations should be read into this Bond Ordinance against the Trustee.

(b) The Trustee agrees to perform the trust functions provided herein upon and subject to the expressed terms and conditions of this Section 15.16.

(c) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents or receivers appointed with due care.

(d) The permissive items assigned to the Trustee as enumerated herein shall not be construed as a duty.

(e) The Trustee shall not be accountable for the use or application by the County of any money paid over by the Trustee in accordance with the provisions of this Bond Ordinance.

(f) Before taking any action under this Bond Ordinance relating to an Event of Default or in connection with its duties under this Bond Ordinance other than making payments of principal and interest on the Bonds as they become due or causing an acceleration of the Bonds whenever required by this Bond Ordinance, the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all costs and expenses to which it may be subject (including legal fees, costs and expenses) and to protect it against all liability, including, but not limited to, any liability arising directly or indirectly under any federal, state or local statute, rule, law or ordinance related to the protection of the environment or hazardous substances and except liability which is adjudicated to have resulted from its own negligence or willful misconduct in connection with any action so taken.

(g) The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds and shall have no responsibility for compliance with any state or federal tax or securities laws in connection with the Bonds.

(h) None of the provisions of this Bond Ordinance shall require the Trustee to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers if it

shall have reasonable grounds for believing that repayment of such funds cannot be assured to the Trustee's satisfaction.

(i) So long as investments are made in Authorized Investments, the Trustee may conclusively rely upon the County's written instructions as to both the suitability and legality of all investments directed hereunder. To the extent invested in Authorized Investments, the Trustee shall have no responsibility to monitor the ratings of investments after the initial purchase of such investments or to confirm whether an investment continues to be an Authorized Investment and shall have no liability if such investment ceases to be an Authorized Investment. The Trustee may, but it not required to, make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge reasonable fees for such trades, including cash sweep accounts. Notwithstanding anything to the contrary herein, in the absence of written investment instructions from the County, the Trustee shall not be responsible or liable for keeping moneys held by it hereunder fully invested. The Trustee shall not be liable for any losses from or diminution in the value of such investments executed pursuant to the written direction of the County. Broker confirmations of investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered.

(j) The Trustee shall have no duty to review or analyze any financial statements delivered to it hereunder (including the audit required by Section 9.02 hereof) or verify the accuracy thereof and shall hold such financial statements solely as a repository for the benefit of the Bondholders; the Trustee shall not be deemed to have notice of any information contained therein or Event of Default which may be disclosed therein.

(k) The County shall pay to the Trustee reasonable compensation for all services performed by it hereunder and also its reasonable expenses, charges and other disbursements and the fees, costs, and expenses of its attorneys, agents and employees incurred in and about the administration and the performance of its powers and duties hereunder. If the Trustee is required by a governmental agency or court proceeding initiated by a third party to undertake efforts beyond that which is set forth herein but related thereto, the Trustee shall notify the County of same in writing. Payment for such extraordinary fees, costs and expenses (including but not limited to reasonable attorney's fees, costs and expenses) shall be made promptly by the County only after said notice.

(l) The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Bond Ordinance arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation: acts of God; earthquakes; fire; flood; hurricanes or other catastrophic storms; wars; terrorism; similar military disturbances; sabotage; epidemic; pandemic; riots; interruptions; loss or malfunctions of utilities, computer (hardware or software) or communications services; labor disputes; acts of civil or military authority or governmental action; it being understood that the Trustee shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

(m) Upon request from any Bondholder and absent any further direction or consent of the County, the Trustee may disseminate a copy of the financial statements to such requester.

(n) The Trustee shall have the right to accept and act upon directions or instructions delivered using Electronic Means; provided, however, that the County shall provide to the Trustee an incumbency certificate listing qualified officers with the authority to provide such directions or instructions (each a “*Qualified Officer*”) and containing specimen signatures of such Qualified Officers, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the County elects to give the Trustee directions or instructions using Electronic Means and the Trustee in its discretion elects to act upon such directions or instructions, the Trustee’s understanding of such directions or instructions shall be deemed controlling. The County understands and agrees that the Trustee cannot determine the identity of the actual sender of such directions or instructions and that the Trustee shall conclusively presume that directions or instructions that purport to have been sent by a Qualified Officer listed on the incumbency certificate provided to the Trustee have been sent by such Qualified Officer. The County shall be responsible for ensuring that only Qualified Officers transmit such directions or instructions to the Trustee and that all Qualified Officers treat applicable user and authorization codes, passwords and/or authentication keys as confidential and with extreme care. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee’s reliance upon and compliance with such directions or instructions notwithstanding such directions or instructions conflict or are inconsistent with a subsequent written direction or written instruction. The County agrees: (i) to assume all risks arising out of the use of Electronic Means to submit directions or instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized directions or instructions, and the risk of interception and misuse by third parties, (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting directions or instructions to the Trustee and that there may be more secure methods of transmitting directions or instructions, and (iii) that the security procedures (if any) to be followed in connection with its transmission of directions or instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances.

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ARTICLE XVI

DEFEASANCE

Section 16.01 Defeasance Generally.

Subject to the provisions of any Series Ordinance, if all of the Bonds issued pursuant to this Bond Ordinance and any other amounts required to be paid to the Trustee and a provider of a surety bond, line of credit, insurance policy or letter of credit hereunder shall have been paid and discharged, then the obligations of the County under this Bond Ordinance, the pledge of Net Revenues made hereby, and all other rights granted hereby shall cease and determine. Subject to the provisions of any Series Ordinance, Bonds shall be deemed to have been paid and discharged within the meaning of this Article under each of the following circumstances:

- (1) The Trustee shall hold, at the stated maturities of such Bonds (or properly noticed redemption or prepayment dates), in trust and irrevocably appropriated thereto, sufficient money for the payment thereof,
- (2) If default in the payment of the Principal Installments of such Bonds or the interest thereon shall have occurred and thereafter tender of such payment shall have been made, and the Trustee shall then hold in trust and irrevocably appropriated thereto, sufficient money for the payment thereof to the date of the tender of such payment, or
- (3) If the County shall have deposited with the Trustee, or any other bank or trust company which would otherwise meet the chartering and capital and surplus requirements contained in Section 15.09(a) hereof (after properly establishing an escrow account therefor), in irrevocable trust money or Defeasance Obligations, the principal of and interest on which when due (without reinvestment thereof) will, as certified in a verification report provided by an independent entity providing such services and selected by the County, provide money which, together with the money, if any, deposited at the same time, shall be sufficient to pay, when due, the principal, interest and redemption premium, if any, due and to become due on and prior to the maturity, or, if the County has irrevocably elected to redeem Bonds, on and prior to the redemption date, of such Bonds.

Section 16.02 Money to be Held in Trust - When Returnable to the County.

Any money which at any time shall be deposited with the Trustee or other escrow holder authorized under paragraph (3) of Section 16.01 by or on behalf of the County for the purpose of paying and discharging any Bonds or the interest thereon, shall be and is hereby assigned, transferred and set over to the Trustee or such other escrow holder in trust for the applicable Holders of the Bonds, and such money shall be and is hereby irrevocably appropriated to the payment and discharge thereof. But if, through lapse of time or otherwise, the Holders of said Bonds shall no longer be entitled to enforce payment of their obligations, then, in such event, it

shall be the duty of the Trustee or such other escrow holder to forthwith return said funds to the County.

Section 16.03 Deposits with Trustee Subject to Conditions of Article XVI.

The County covenants and agrees that any money which it shall deposit with the Trustee shall be deemed to be deposited in accordance with, and subject to, the applicable provisions of this Article, and that whenever it shall have elected to redeem Bonds it will irrevocably bind and obligate itself to give notice of redemption thereof, and will further authorize and direct the Trustee to cause the publication of such notice of redemption in its name and on its behalf.

Section 16.04 No Defeasance of Series of Bonds Paid by Insurer.

In the event that the Principal Installments and/or interest due on a Series of Bonds shall be paid by an Insurer pursuant to a Municipal Bond Insurance Policy, such Series of Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the County until the Insurer has been reimbursed in full therefor in accordance with the terms of the Municipal Bond Insurance Policy, and the assignment and pledge of the Net Revenues of the System and all covenants, agreements and other obligations of the County to the registered Holders shall continue to exist and shall run to the benefit of the Insurer, and the Insurer shall be subrogated to the rights of such registered Holders.

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ARTICLE XVII

MISCELLANEOUS

Section 17.01 Miscellaneous Rights of an Insurer.

(a) Notwithstanding any provision of this Bond Ordinance to the contrary, each Insurer shall be deemed the exclusive Holder of all Bonds insured by that Insurer, for the purposes of all approvals, consents, waivers, institution of any action, and the direction of all remedies. No rights granted to an Insurer by this Bond Ordinance or any Series Ordinance shall be effective at any time that such Insurer is in breach of its obligations under the Municipal Bond Insurance Policy, has committed a default under the Municipal Bond Insurance Policy or is subject to bankruptcy or receivership proceedings. Additionally, this paragraph (a) shall be effective only in the event the Insurer's Municipal Bond Insurance Policy results in being rated at least investment grade by either Standard & Poor's or Moody's Investors Service, Inc.

(b) Any provision of this Bond Ordinance expressly recognizing or granting rights in or to an Insurer may not be amended in any manner which affects the rights of such Insurer hereunder without the prior written consent of each such Insurer.

(c) To the extent that an Insurer makes payment of the principal of or interest on any Bonds, it shall become the owner and Holder of such Bonds, appurtenant coupons or right to payment of such principal of or interest on such Bonds and shall be fully subrogated to all of the registered Holders' rights thereunder, including the registered Holders' rights to payment thereof. To evidence such subrogation (i) in the case of subrogation as to claims for past due interest, the Trustee shall note Insurer's rights as subrogee on the registration books of the County maintained by the Trustee or Registrar upon receipt of proof from the Insurer as to payment of interest thereon to the registered Holders of the Bonds, and (ii) in the case of subrogation as to claims for past due principal, the Trustee shall note the Insurer's rights as subrogee on the registration books of the County maintained by the Trustee or Registrar upon surrender of the Bonds by the registered Holders thereof to the Insurer or its agent.

(d) In the event that the principal of and/or interest on any Bonds shall be paid by the Insurer pursuant to the terms of its Municipal Bond Insurance Policy, (i) such Bonds shall continue to be "Outstanding" under this Bond Ordinance, and (ii) the assignment and pledge of the Gross Revenues and all covenants, agreements and other obligations of the County to the registered Holders shall continue to exist, and the Insurer shall be fully subrogated to all of the rights of such registered Holders in accordance with the terms and conditions of subparagraph (c) above and the Insurer's Municipal Bond Insurance Policy.

(e) The terms and provisions of this Bond Ordinance or of any applicable Series Ordinance may not be terminated as long as there are any moneys owed to an Insurer under such terms and provisions of this Bond Ordinance or the applicable Series Ordinance or any agreement between such Insurer and the County.

Section 17.02 Purpose of Covenants in Bond Ordinance.

Every covenant, undertaking and agreement made on behalf of the County, as set forth in this Bond Ordinance and any Series Ordinance is made, undertaken and agreed to, for the proper securing of the payment of the principal of and interest on the Bonds. Each shall be deemed to partake of the obligation of the contract between the County and the Bondholders and shall be enforceable accordingly. In this connection, any provider of a surety bond, line of credit, insurance policy or letter of credit as contemplated under Section 7.05(e) hereof may enforce the terms, conditions and obligations under this Bond Ordinance as a third-party beneficiary hereunder. Nothing in this Bond Ordinance and any Series Ordinance expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the County, the Insurers, the Trustee, and the Holders of the Bonds, any right, remedy or claim under or by reason of this Bond Ordinance and any Series Ordinance or any covenant, condition or stipulation thereof, and all covenants, stipulations, promises and agreements in this Bond Ordinance contained by and on behalf of the County shall be for the sole and exclusive benefit of the County, the Insurers, the Trustee, and the Holders of the Bonds.

Section 17.03 Severability.

If any Section, paragraph, clause or provision of this Bond Ordinance shall be held invalid, the invalidity of such Section, paragraph, clause or provision shall not affect any of the remaining provisions of this Bond Ordinance.

Section 17.04 Remedies Granted by Ordinance Not Being Available to Holders of Other Bonds.

If it shall be held by any court of competent jurisdiction that any right or remedy granted by this Bond Ordinance or any Series Ordinance to the Holders of any Bond is not available to the Holders of all other Bonds, then such rights and remedies are herewith conferred upon the Holders of such other Bonds.

Section 17.05 Authorization to Sign.

For purposes of all consents and other necessary documentation associated with the issuance of Bonds, the Authorized Officers and the Clerk shall be authorized to sign on behalf of the County.

Section 17.06 Repealing Clause.

All ordinances, or parts thereof, inconsistent herewith shall be and the same are hereby repealed to the extent of such inconsistencies.

Section 17.07 Governing Law.

The provisions of this Bond Ordinance shall be governed by the laws of the State, without regard to conflict of law principles.

Section 17.08 Date Effective.

The provisions of this Bond Ordinance shall become effective upon third reading hereof.

* * *

ORDAINED in meeting duly assembled this 28th day of June 2024.

ATTEST:

ANDERSON COUNTY COUNCIL

Rusty Burns
Anderson County Administrator

Tommy Dunn, Chairman

Renee Watts
Anderson County Clerk to Council

Approved as to form:

Leon C. Harmon
Anderson County Attorney

First Reading: June 18, 2024
Second Reading: June 20, 2024
Third Reading: June 28, 2024

ORDINANCE NO. 2024-027

A SERIES ORDINANCE OF ANDERSON COUNTY, SOUTH CAROLINA PROVIDING FOR THE ISSUANCE AND SALE OF SEWER SYSTEM REVENUE BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING \$25,000,000; AUTHORIZING A PROJECT MANAGEMENT AGREEMENT AND AN INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF CLEMSON AND THE TOWN OF PENDLETON REGARDING IMPROVEMENTS TO WASTEWATER TREATMENT FACILITIES TO BE FINANCED IN PART WITH SUCH BONDS; AND PROVIDING FOR OTHER MATTERS RELATING THERETO

2024 SERIES ORDINANCE

Enacted June 28, 2024

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NOW THEREFORE, BE IT ORDAINED BY THE COUNTY COUNCIL OF ANDERSON COUNTY, IN MEETING DULY ASSEMBLED, THAT:

ARTICLE I

FINDINGS AND DETERMINATIONS

Section 1.01 Findings and Determinations.

Incident to the enactment of this Series Ordinance (this “**2024 Series Ordinance**”), and the issuance of the bonds provided for herein, the County Council of Anderson County (the “**County Council**”), the governing body of Anderson County, South Carolina (the “**County**”), finds that the facts set forth in this Article exist and the following statements are in all respects true and correct:

(a) The County Council has made general provision for the issuance of sewer system revenue bonds of the County (“**Bonds**”), through the means of an ordinance enacted on June 28, 2024, entitled “A MASTER BOND ORDINANCE OF ANDERSON COUNTY, SOUTH CAROLINA PROVIDING FOR THE ISSUANCE AND SALE OF SEWER SYSTEM REVENUE BONDS; AND OTHER MATTERS RELATING THERETO” (the “**Bond Ordinance**”). Capitalized terms used herein and not otherwise defined shall have the meaning given to such term in the Bond Ordinance.

(b) It is provided in and by the Bond Ordinance that, upon enactment of a “Series Ordinance,” there may be issued one or more Series of Bonds for the purpose of, *inter alia*: (1) obtaining funds for the acquiring, purchasing, constructing, improving, enlarging, and repairing of the System and improvements and additions thereto, including the recoupment or reimbursement of funds already so expended; (2) providing funds for the payment of any Bond Anticipation Note issued in order to defray the cost of expansions, additions, and improvements to the System and that were issued in anticipation of the issuance and sale of Bonds; (3) refunding Bonds or other obligations issued to provide land or facilities or equipment which are or are to become a part of the System or which are or were payable in whole or in part from revenues of the System; (4) providing funds for the payment of interest due on any Bonds; (5) funding any Debt Service Reserve Fund or restoring the value of the cash and securities in any Debt Service Reserve Fund to the amount equal to its Reserve Requirement, and reimbursing amounts owed to any providers of a surety bond, line of credit, insurance policy or letter of credit established pursuant to Section 7.05(d) of the Bond Ordinance; and (6) paying the costs of issuance of Bonds, including any costs of credit enhancement therefor.

(c) Pursuant to agreements dated as of May 19, 1978, and June 7, 1978, the City of Clemson, South Carolina (“**Clemson**”) and the Town of Pendleton, South Carolina (“**Pendleton**”) jointly constructed a wastewater treatment plant (the “**Pendleton Plant**”) located on S.C. Highway 279 within the municipal limits of Pendleton. By agreement dated December 19, 1988, and July 21, 2015, the County obtained certain capacity in the Pendleton Plant by agreement with Clemson and Pendleton.

(d) The current permitted treatment capacity of the Pendleton Plant is 2 million gallons per day (“**MGD**”), which has been allocated 50% to Clemson, 40% to Pendleton, and 10% to the County. Approximately 93% of available capacity (1.86 MGD) is currently allocated at the Pendleton Plant, leaving limited availability for future development.

(e) The County, Pendleton, and Clemson seek to undertake a capacity and performance upgrade of the Pendleton Plant, with planned upgrades increasing average daily flow capacity to 5.0 MGD and improving the water quality of treated effluent to Eighteen Mile Creek (the “**Pendleton Plant Project**”). The cost of the Pendleton Plant Project is estimated to total \$64,328,198, with \$9,400,000 to be defrayed from the proceeds of a State grant, and \$54,928,198 to be financed by the County, Pendleton, and Clemson through bond issued by each entity.

(f) The County explicitly finds that the Pendleton Plant Project is a joint project among the County, Pendleton, and Clemson under the provisions of Section 6-21-70 of the South Carolina Code and by and through this 2024 Series Ordinance, in addition to authorizing certain Bonds, the County is authorizing two agreements: (i) an Intergovernmental Wastewater Capacity and Services Agreement (the “**Intergovernmental Agreement**”) to memorialize each party’s right to capacity in the Pendleton Plant, the payment obligations of the parties, and various other matters necessary to provide a comprehensive agreement whereby the parties join together to provide wastewater services from the Pendleton Plant for their mutual benefit, and (ii) a separate project agreement (the “**Project Agreement**”), to memorialize the parties’ agreements with regard to the procurement, management, and cost-sharing responsibility of each party related to the construction of the Pendleton Plant Project.

(g) The Intergovernmental Agreement provides for an allocation of sewer treatment capacity in the Plant at substantial completion of the Pendleton Plant Project as follows: (i) 1.5 MGD for the County, (ii) 1.5 MGD for Pendleton, and (iii) 2 MGD for Clemson. The Intergovernmental Agreement grants the right to such capacity to the respective parties for an initial term of 30 years, subject to extension thereof.

(h) The Project Agreement provides for a Pendleton Plant Project cost allocation of 43.33% to Anderson, 23.33% to Pendleton, and 33.34% to Clemson, and further provides that any grant funds that have or will be obtained shall reduce the overall Pendleton Plant Project cost prior to allocation, except that the first \$600,000 of the initial grant funds received shall be paid or applied against amounts due by Pendleton. The Project Agreement will be finalized and executed prior to issuing the notice to proceed for the Pendleton Plant Project.

(i) On the basis of the authority provided in the Bond Ordinance, the County has determined to issue the Series 2024 Bonds (as defined herein) to provide funds: (i) to defray or reimburse the costs of the County’s share of the Pendleton Plant Project, including its acquisition of Allocated Capacity (as defined in the Intergovernmental Agreement) and other rights with respect to the Pendleton Plant (the “**Project**”), and (ii) to pay certain costs and expenses relating to the issuance of the Series 2024 Bonds. Based on the County’s 43.33% share of the Pendleton Plant Project, the Project is expected to cost approximately \$23,800,388.

(j) By reason of the foregoing, the County has determined to enact this 2024 Series Ordinance in accordance with the terms and provisions of the Bond Ordinance in order to issue Bonds for the purposes described in paragraph (i) above.

Section 1.02 Determinations Required by Section 4.01(b) of the Bond Ordinance.

- (a) The County Council hereby specifies and determines that:
- (1) the System is expected to have a period of usefulness of not less than 45 years;
 - (2) the Date of Issue of the Series 2024 Bonds shall be the date that the Series 2024 Bonds are executed and delivered, or such other date as shall be determined by an Authorized Officer pursuant to Article V hereof;
 - (3) the maximum aggregate authorized principal amount of the Series 2024 Bonds is set forth at Section 4.01 hereof, and the exact principal amount of the Series 2024 Bonds shall be determined by an Authorized Officer at the closing of the Series 2024 Bonds pursuant to Article V hereof;
 - (4) the Bond Payment Dates, the Record Dates, and the date or dates of maturity and amounts of maturity of the Series 2024 Bonds shall be determined by an Authorized Officer at the closing of such Series 2024 Bonds pursuant to Article V hereof, provided, however, no such Series 2024 Bond shall mature later than 45 years from the Date of Issue of the Series 2024 Bonds;
 - (5) Series 2024 Bonds are necessary to provide funds to be used and expended for purposes set forth in Section 4.01(a) of the Bond Ordinance, as such purposes are particularly described at Section 4.02 hereof;
 - (6) the title and designation of the Series 2024 Bonds shall be as set forth at Section 4.01 hereof or as otherwise determined by an Authorized Officer pursuant to Article V hereof;
 - (7) Series 2024 Bonds shall be sold in accordance with Article VIII hereof in the manner determined by an Authorized Officer as authorized by Article V hereof;
 - (8) Series 2024 Bonds shall bear interest at rates as determined by an Authorized Officer through the sale procedures of Article VIII hereof, and the County will not enter into any interest rate swap or similar transaction with respect to the Series 2024 Bonds;
 - (9) Series 2024 Bonds may be issued as either Serial Bonds or Term Bonds (with appropriate mandatory redemption provisions), but not Capital Appreciation Bonds, as determined by an Authorized Officer pursuant to Article V hereof;

- (10) the Redemption Prices and dates applicable to any Series of Series 2024 Bonds shall be as determined by an Authorized Officer at the closing of such Series 2024 Bonds pursuant to Article V hereof;
- (11) U.S. Bank Trust Company, National Association (the “*Trustee*”) shall serve as Trustee, Paying Agent, and Registrar for the Series 2024 Bonds;
- (12) Series 2024 Bonds shall be in the form as provided at Section 4.09 hereof and Exhibit A hereof, with such revisions as may be approved by an Authorized Officer pursuant to Article V hereof upon the advice of Bond Counsel, the execution thereof being conclusive evidence of such approval;
- (13) the initial maturity of the Series 2024 Bonds shall be numbered R-1 and any other Series 2024 Bonds thereafter shall be sequentially numbered “R- ” thereafter, and shall be issued in denominations of \$1,000 or any integral multiple thereof in one or more Series in the denomination of the principal amount of such Series of Series 2024 Bonds;
- (14) Series 2024 Bonds may be issued in book-entry form, as permitted by Section 4.20 of the Bond Ordinance, as determined by an Authorized Officer at the closing of such Series 2024 Bonds pursuant to Article V hereof;
- (15) the County has no outstanding bonded indebtedness, therefore there is no Reserve Requirement;
- (16) no Reserve Requirement is being required and therefore no Debt Service Reserve Fund shall be established in connection with the Series 2024 Bonds;
- (17) the proceeds of Series 2024 Bonds shall be applied as set forth at Article VII hereof;
- (18) the 2024 Debt Service Fund Account is established pursuant to Section 4.06 hereof; and
- (19) the County estimates that the cost of the Project to be funded with the Series 2024 Bonds, exclusive of financing and related costs, will be approximately \$23,800,388.

* * *

ARTICLE II

DEFINITIONS AND CONSTRUCTION

Section 2.01 Definitions.

(a) Except as provided in subsection (b) below, all capitalized terms which are defined in Section 2.02 of the Bond Ordinance shall have the meanings given thereby in this 2024 Series Ordinance.

(b) As used in this 2024 Series Ordinance, unless the context shall otherwise require, the following terms shall have the following respective meanings:

“2024 Debt Service Fund Account” means the account of that name established by this 2024 Series Ordinance pursuant to Section 7.04 of the Bond Ordinance.

“2024 Reserve Requirement” means \$0.

“2024 Series Ordinance” has the meaning ascribed thereto in Section 1.01 hereof.

“Authorized Officer” has the meaning ascribed thereto in the Bond Ordinance.

“Bond Payment Date” means February 1 and August 1 of each year, or such other dates as may be determined under the provisions of Article V hereunder.

“Book-Entry System” means, with respect to the Series 2024 Bonds, a form or system, as applicable, under which (i) the ownership of beneficial interests in the Series 2024 Bonds may be transferred only through a book-entry, and (ii) physical Series 2024 Bonds in fully registered form are registered only in the name of a Securities Depository or its Securities Depository Nominee. The book-entry maintained by the Securities Depository is the record that identifies the owners of participatory interests in the Series 2024 Bonds, when subject to the Book-Entry System.

“Date of Issue” means with respect to a Series of Series 2024 Bonds the date of delivery thereof, or the date determined under Article V in accordance with Section 4.03 hereof.

“DTC” means The Depository Trust Company, New York, New York.

“Governmental Unit” means a state or local governmental unit within the meaning of Section 141(b) of the Code.

“Intergovernmental Agreement” has the meaning given such term in Section 1.01(f) hereof.

“Nongovernmental Person” means any Person other than a Governmental Unit.

“**Person**” or “**person**” means firms, associations, partnerships (including limited partnerships), trusts, corporations, or other legal entities, including public bodies, as well as natural persons.

“**Pendleton Plant Project**” has the meaning given such term in Section 1.01(e) hereof.

“**Project**” has the meaning given such term in Section 1.01(i) hereof.

“**Project Agreement**” has the meaning given such term in Section 1.01(f) hereof.

“**Rule 15c2-12**” means United States Securities and Exchange Commission Rule 15c2-12, as amended.

“**Securities Depository**” means DTC, or another recognized securities depository selected by the County, which securities depository maintains a Book-Entry System in respect of the Series 2024 Bonds, and shall include any substitute for or successor to the securities depository initially acting as Securities Depository.

“**Securities Depository Nominee**” means, as to any Securities Depository, such Securities Depository or the nominee of such Securities Depository in whose name there shall be registered on the registration books maintained by the Registrar the Series 2024 Bond certificates to be delivered to and immobilized at such Securities Depository during the continuation with such Securities Depository of participation in its Book-Entry System. Cede & Co. shall serve as the initial Securities Depository Nominee hereunder.

“**Serial Bonds**” means any Series of the 2024 Bonds which are stated to mature in installments and for which there are no mandatory sinking fund provisions.

“**Series 2024 Bonds**” means the one or more Series of Bonds authorized and designated by Section 4.01 of this 2024 Series Ordinance.

“**Taxable Bonds**” has the meaning given such term in Section 10.01(f) hereof.

“**Term Bonds**” means any of the Series 2024 Bonds which are stated to mature in a given year and which are subject to mandatory sinking fund redemption prior to the stated maturity date.

“**Trustee**” means U.S. Bank Trust Company, National Association, its successors and assigns.

Section 2.02 Authority for this 2024 Series Ordinance.

This 2024 Series Ordinance is enacted pursuant to the provisions of the Bond Ordinance.

* * *

ARTICLE III

USEFUL LIFE

Section 3.01 Determination of the Useful Life of the System.

The period of usefulness of the System is hereby determined to be not less than 45 years.

* * *

ARTICLE IV

AUTHORIZATION AND TERMS OF THE SERIES 2024 BONDS

Section 4.01 Principal Amount; Designation of Series 2024 Bonds.

(a) Pursuant to the provisions of the Bond Ordinance, the Series 2024 Bonds of the County entitled to the benefits, protection, and security of the provisions of the Bond Ordinance are hereby authorized in the aggregate principal amount of not exceeding \$25,000,000; such Series of Bonds so authorized shall be designated as the “Anderson County, South Carolina Sewer System Revenue Bonds, Series 2024,” and shall bear a numeric or alphanumeric Series designation as may be necessary to distinguish them from the Bonds of every other Series, and shall designate the year in which the Series is issued. The Series 2024 Bonds may be sold as a single Series or from time to time as multiple Series bearing any such designation as appropriate. References herein to the Series 2024 Bonds shall include all Series of Bonds authorized by this 2024 Series Ordinance. As authorized by Section 10.01(g) hereof, any Series of the Series 2024 Bonds may be issued as Taxable Bonds and in such event it shall bear an appropriate designation so as to distinguish its tax status.

(b) Should the Series 2024 Bond not be issued in calendar year 2024, the designation for the Series 2024 Bond and all other references to “2024” recited herein shall be changed to appropriately reflect the year of such actual issuance.

Section 4.02 Purposes of the Series 2024 Bonds.

The Series 2024 Bonds are authorized for the principal purposes of:

- (1) defraying or reimbursing the cost of the Project; and
- (2) paying costs of issuance of the Series 2024 Bonds.

Section 4.03 Date of Issue; Interest Rates; Maturity; Redemption.

(a) The Date of Issue of each Series of Series 2024 Bonds shall be the date of delivery thereof, subject to an alternate designation by the Authorized Officer pursuant to Article V hereof. Series 2024 Bonds shall mature on such dates and in such principal amounts, and shall bear interest at such rates, as may be determined by an Authorized Officer pursuant to Article V hereof, provided that the final maturity of any Series of Series 2024 Bonds shall not extend beyond August 1, 2054. Series 2024 Bonds shall mature as Serial Bonds or Term Bonds, with such mandatory sinking fund installments as are set forth in a schedule approved by the Authorized Officer prior to or simultaneously with the issuance of such Series 2024 Bonds.

(b) Interest on any Series of Series 2024 Bonds shall be payable on such Bond Payment Dates as are determined by the Authorized Officer pursuant to Article V hereof. Such interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. Consistent with

the terms of the Bond Ordinance, the Record Dates for the payment of interest on Series 2024 Bonds shall be the 15th day of the month prior to each Bond Payment Date.

(c) Series 2024 Bonds may be subject to redemption prior to maturity, upon such terms and conditions, and at such Redemption Prices, as may be established by an Authorized Officer pursuant to Article V hereof, prior to or simultaneously with the issuance of the applicable Series of Series 2024 Bonds.

Section 4.04 Authentication; Payment of Series 2024 Bonds.

(a) The Series 2024 Bonds shall be authenticated by the Registrar on or before such date as it shall, in each case, be delivered. Each of the Series 2024 Bonds shall bear interest from its respective Date of Issue if no interest has yet been paid; otherwise from the last date to which interest has been paid and which date is on or prior to the date of authentication of such Series 2024 Bonds.

(b) The interest on the Series 2024 Bonds shall be paid by check or draft mailed from the office of the Trustee to the person in whose name each of the Series 2024 Bonds is registered at the close of business on the Record Date; provided, however, that any Holder of such Series 2024 Bonds in the aggregate principal amount of \$1,000,000 or more may request (in writing, delivered to the paying agent at least 20 days prior to the applicable Bond Payment Date) that interest payments be made by wire transfer to such Holder at an account maintained by a financial institution located in the continental United States specified in such request.

(c) Presentment of the Series 2024 Bonds for payment shall not be required, except for the final payment of the principal and interest thereon or upon such other condition or indicia of satisfaction as may be mutually agreed upon by the County and the Holder of such Series 2024 Bonds, notice of which shall be provided to the Trustee in advance of such final payment.

Section 4.05 Denomination of the Series 2024 Bonds.

(a) Series 2024 Bonds shall be issued in denominations of \$5,000 or any multiple thereof. Each Series 2024 Bond shall be numbered by the Trustee in such a fashion as to reflect the fact that it is one of the Series 2024 Bonds, and to identify the owner thereof on the books kept by the Registrar. The initial maturity of the Series 2024 Bonds shall be numbered R-1, and thereafter sequentially "R-" numbered for identification.

(b) As necessary for the marketability and sale of the Series 2024 Bonds, the Authorized Officer may determine to authorize any Serial Bonds to be issued with split serial maturities.

Section 4.06 Establishment of 2024 Debt Service Fund Account.

In accordance with Section 7.03 of the Bond Ordinance, the Trustee is hereby directed to establish the 2024 Debt Service Fund Account under the Debt Service Fund on the Date of Issue of the Series 2024 Bonds for the benefit of the Holders of the Series 2024 Bonds. In the event that

more than one Series of Bonds is issued pursuant to the terms of this 2024 Series Ordinance, a Debt Service Fund Account (and any applicable subaccounts permitted under the Bond Ordinance) shall be established for each such Series.

Section 4.07 No Debt Service Reserve Fund.

No Debt Service Reserve Fund shall be established in connection with the Series 2024 Bonds.

Section 4.08 Appointment of Trustee, Paying Agent and Registrar.

U.S. Bank Trust Company, National Association is hereby appointed as Trustee, Paying Agent, and Registrar under the Bond Ordinance and this 2024 Series Ordinance. The Trustee shall signify its acceptance of the duties of Trustee, Paying Agent, and Registrar upon delivery of the Series 2024 Bonds. The County shall pay to the Trustee from time to time reasonable compensation based on the then-standard fee schedule of such parties for all services rendered under the Bond Ordinance and this 2024 Series Ordinance, and also all reasonable expenses, charges, counsel fees, and other disbursements, including those of its attorneys, agents, and employees, incurred in and about the performance of their powers and duties under the Bond Ordinance and this 2024 Series Ordinance.

The Series 2024 Bonds shall be presented for registration of transfers and exchanges, and notices and demands to or upon the Trustee and the County in respect of the Series 2024 Bonds shall be served, at the corporate trust office of the Trustee.

The Trustee (or any affiliate thereof which holds the funds and accounts hereunder as depository on behalf of the Trustee) shall be a member of the Federal Deposit Insurance Corporation (the “*FDIC*”) and shall remain such a member throughout the period during which it shall act as Trustee, Paying Agent, and Registrar. The Trustee, in its capacity as Trustee, Paying Agent, and Registrar, shall accept its appointment by a written instrument embodying its agreement to remain, or maintain an affiliate that serves as depository that is, a member of the FDIC. Unless the same be secured as trust funds in the manner provided by the applicable regulations of the Comptroller of the Currency of the United States of America, and unless otherwise provided for in the Bond Ordinance and in this 2024 Series Ordinance, all moneys in the custody of the Trustee (or such affiliate thereof) in excess of the amount of such deposit insured by the FDIC shall be secured in Authorized Investments at the written direction of the Authorized Officer that are at least equal to the sum on deposit and not insured by the FDIC.

Section 4.09 Form of Series 2024 Bonds.

Series 2024 Bonds, together with the certificate of authentication, certificate of assignment and/or statement of insurance, if any, are to be in substantially the form attached hereto as Exhibit A with such necessary and appropriate variations, omissions and insertions as permitted or required upon advice of Bond Counsel and as determined by an Authorized Officer, or as otherwise authorized by the Bond Ordinance or this 2024 Series Ordinance. The execution of the

Series 2024 Bonds shall constitute conclusive evidence of the approval of any changes to the form of any Series 2024 Bond.

Section 4.10 Book-Entry System.

Pursuant to Section 4.20 of the Bond Ordinance, any Series of Series 2024 Bonds may be held under a Book-Entry System of a securities depository as determined pursuant to Article V hereof.

(a) Notwithstanding anything to the contrary herein, so long as the Series 2024 Bonds are being held under a Book-Entry System of a Securities Depository, transfers of beneficial ownership of the Series 2024 Bonds will be effected pursuant to rules and procedures established by such Securities Depository. If held under a Book-Entry System, the initial securities depository for the Series 2024 Bonds will be DTC. DTC and Cede & Co., and any-successor securities depositories and successor securities depository nominees, are hereinafter referred to as the “Securities Depository” and “Securities Depository Nominees,” respectively.

(b) As long as a Book-Entry System is in effect for the Series 2024 Bonds, the Securities Depository Nominee will be recognized as the Holder of the Series 2024 Bonds for the purposes of: (i) paying the Principal Installments, interest, and Redemption Price, if any, on such Series 2024 Bonds, (ii) selecting the portions of such Series 2024 Bonds to be redeemed, if Series 2024 Bonds are to be redeemed in part, (iii) giving any notice permitted or required to be given to Bondholders under this 2024 Series Ordinance, (iv) registering the transfer of Series 2024 Bonds, and (v) requesting any consent or other action to be taken by the Holders of such Series 2024 Bonds, 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 any Series 2024 Bonds which are 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 such Series 2024 Bonds.

(d) The Paying Agent shall pay all Principal Installments, interest and redemption price, if any, on Series 2024 Bonds issued under a Book-Entry System, only to the Securities Depository or the Securities Depository Nominee, as the case may be, for such Series 2024 Bonds, and all such payments shall be valid and effectual to fully satisfy and discharge the obligations with respect to the Principal Installments of, interest on, and redemption price, if any, of such Series 2024 Bonds.

(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 Series 2024 Bonds, or that the interests of the beneficial owners of the Series 2024 Bonds 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 Registrar shall authenticate, register, and deliver physical certificates for the

Series 2024 Bonds in exchange for the Series 2024 Bonds registered in the name of the Securities Depository Nominee.

(f) In the event that the Securities Depository for the Series 2024 Bonds discontinues providing its services, the County shall either engage the services of another Securities Depository or arrange with the Registrar for the delivery of physical certificates in the manner described in subsection (e) above.

(g) In connection with any notice or other communication to be provided to the Holders of Series 2024 Bonds by the County or by the Registrar with respect to any consent or other action to be taken by the Holders of Series 2024 Bonds, the County or the Registrar, 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.

(h) At the closing of any Series 2024 Bonds and the delivery of the same to the purchaser thereof through the facilities of DTC, the Registrar may maintain custody of Bond certificates on behalf of DTC in accordance with DTC's "FAST" closing procedures.

* * *

ARTICLE V

CERTAIN DELEGATIONS AND AUTHORIZATIONS

Section 5.01 Certain Delegations.

The County Council hereby expressly delegates to the Authorized Officer the authority, with respect to the Series 2024 Bonds, to determine, in connection with any Series of Series 2024 Bonds issued hereunder:

- (1) whether to issue the Series 2024 Bonds as a single Series or from time to time in several Series;
- (2) whether to create and distribute preliminary and final Official Statements in connection with the issuance of such Series 2024 Bonds;
- (3) the selection of any successor or replacement underwriter or financial institution purchaser if other than the underwriter identified at Section 8.01 hereof;
- (4) the final form of such Series 2024 Bonds, whether to modify the Series designation in accordance with Section 4.01 hereof, and the exact principal amount of any Series of such Series 2024 Bonds, provided that the aggregate principal amount of all Series 2024 Bonds shall not exceed \$25,000,000;
- (5) whether and the extent to which such Series of Series 2024 Bonds shall be issued as Term Bonds or Serial Bonds;
- (6) the Date of Issue (if other than the date of delivery), Bond Payment Dates, rate or rates of interest obtained using the sale procedures of Article VIII hereof, provided that no coupon rate of interest shall exceed 6%, the maturity schedule, and the final maturity of each Series of Series 2024 Bonds, provided, however, that no Series 2024 Bonds shall mature later than June 1 2054;
- (7) whether any Series of the Series 2024 Bonds shall be subject to optional or mandatory redemption prior to maturity, and if so, the redemption provisions and Redemption Prices applicable thereto;
- (8) whether such Series 2024 Bonds shall be issued in book-entry form and held under a Book-Entry System as permitted by Section 4.20 of the Bond Ordinance and as further described in Section 4.10 hereof;
- (9) whether to use bond insurance, and if so, to make appropriate arrangements therefor;
- (10) whether one or more Series of the Series 2024 Bonds will be designated as “qualified tax-exempt obligations” pursuant to the Code;

- (11) whether such Series 2024 Bonds (or any Series thereof) shall be issued as a Taxable Bond; and
- (12) such other matters regarding the Series 2024 Bonds as are necessary or appropriate to effect the issuance and sale thereof.

Section 5.02 Authorization to Enter into Pendleton Plant Project Agreements.

The Authorized Officer is hereby expressly authorized, empowered, and directed to execute, acknowledge, and deliver, the Intergovernmental Agreement and the Project Agreement attached hereto as Exhibit C and Exhibit D, respectively, in the name of and on behalf of the County, in order to carry out the Project. The County explicitly finds that the Intergovernmental Agreement and the Project Agreement are being entered into under the authority of Title 6, Chapter 15 and Title 5, Chapter 31, Article 9 of the South Carolina Code, particularly Sections 6-15-20 and 5-31-890 thereof. The County further finds that entering into the Intergovernmental Agreement and the Project Agreement is in the best interest of the County.

The Intergovernmental Agreement and the Project Agreement are to be in substantially the form now before this meeting and hereby approved, or with such changes therein as shall be approved by the Authorized Officer. Such changes shall be made only after receipt of the advice of legal counsel and may include such terms and conditions as are useful or necessary to carry out the purposes of this 2024 Series Ordinance. The execution thereof by an Authorized Officer constitutes conclusive evidence of approval of any and all changes or revisions therein from the form of Intergovernmental Agreement and the Project Agreement now before this meeting.

* * *

ARTICLE VI

EXECUTION; NO RECOURSE

Section 6.01 Execution of the Series 2024 Bonds.

The Series 2024 Bonds shall be executed and attested by the Chairman and the Clerk, respectively, in accordance with the applicable provisions of the Bond Ordinance; however, in the absence of the Chairman or the Clerk for any reason, an Authorized Officer shall be authorized to either execute the Series 2024 Bonds or attest to the execution of the Series 2024 Bonds on behalf of the absent party; however, in no event shall the same Authorized Officer be permitted to both execute and attest to the Series 2024 Bonds. If acting on behalf of an absent person, such Authorized Officer shall be authorized to execute, sign, certify or attest any documentation otherwise required of the Chairman or Clerk respecting the issuance and delivery of the Series 2024 Bonds.

Facsimile or electronic signatures by the Chairman, the Vice Chairman, the Clerk, or any Authorized Officer are expressly authorized and permitted with respect to the Series 2024 Bonds and all closing documents and certificates associated therewith.

Section 6.02 No Recourse on the Series 2024 Bonds.

All covenants, stipulations, promises, agreements and obligations of the County contained in the Bond Ordinance or in this 2024 Series Ordinance shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the County and not those of any officer or employee of the County in his or her individual capacity, and no recourse shall be had for the payment of the principal or Redemption Price of or interest on the Series 2024 Bonds or for any claim based thereon or on the Bond Ordinance or on this 2024 Series Ordinance, either jointly or severally, against any officer or employee of the County or any person executing the Series 2024 Bonds.

* * *

ARTICLE VII

APPLICATION OF BOND PROCEEDS

Section 7.01 Use and Disposition of Bond Proceeds.

Upon the delivery of any Series 2024 Bonds and receipt of the proceeds thereof, net of underwriter's discount or premium, such funds shall be disbursed to the Trustee pursuant to a closing memorandum authorized by an Authorized Officer and applied as follows:

- (1) an amount representing all or a portion of the Project costs previously incurred by the County shall be disbursed to the County to reimburse such Project costs;
- (2) the amount of the County's Project Costs Share shall be deposited to the Anderson Account of the Project Fund (as each term is defined in the Project Agreement) held by the Trustee and governed under the terms of the Project Agreement; and
- (3) the remaining net proceeds shall be used to pay the costs of issuance of the Series 2024 Bonds.

Section 7.02 Excess Funds.

If any excess amounts under Section 7.01(2) remain six months following the delivery of a Series of Series 2024 Bonds, such funds shall be transferred to the 2024 Debt Service Fund Account and used to pay principal of and interest on the Series 2024 Bonds as the same come due.

* * *

ARTICLE VIII
SALE OF BONDS

Section 8.01 Sale of Bonds.

(a) The Series 2024 Bonds shall be sold to Wells Fargo Bank, National Association (or any successor or additional underwriter selected by an Authorized Officer, the “*Underwriter*”) pursuant to the terms of a bond purchase agreement for resale in the public capital markets. The Underwriter was selected following a competitive solicitation on the basis of its relative experience with similar municipal bond offerings, financial strength, and pricing. Compensation thereof and reimbursement for expenses shall be substantially as set forth in the proposal thereof. The execution of the bond purchase agreement by an Authorized Officer is hereby authorized and shall constitute conclusive evidence of his or her approval thereof.

(b) The County Council hereby authorizes an Authorized Officer to prepare, or cause to be prepared, a preliminary official statement and authorizes the distribution of the preliminary official statement by the Underwriter. The County Council authorizes an Authorized Officer to “deem final” the preliminary official statement for purposes of Rule 15c2-12 and an Authorized Officer is further authorized to see to the completion of the final form of the official statement upon the sale of such Series 2024 Bonds so that it may be provided to the Underwriter. The physical or electronic execution and delivery of the final official statement by an Authorized Officer shall constitute conclusive evidence of the County’s approval thereof. An Authorized Officer is authorized to perform all actions necessary to comply with Rule 15c2-12 and any other applicable securities laws.

* * *

ARTICLE IX

SERIES 2024 NOTES

Section 9.01 Authority to Issue Series 2024 Note.

(a) If the Authorized Officer should determine that issuance of a Series 2024 Note, in one or more series, pursuant to the BAN Act would be in the best interest of the County, upon the advice of the Financial Advisor, the Authorized Officer is hereby directed and authorized to effect the issuance of a Series 2024 Note pursuant to the BAN Act. If a Series 2024 Note is issued and if, upon the maturity thereof the Authorized Officer should determine that renewal or refunding of any Series 2024 Note would be in the best interest of the County, the Authorized Officer is directed and authorized to continue the renewal or refunding of the Series 2024 Note until the Authorized Officer determines to issue Series 2024 Bonds on the basis as aforesaid, and such Series 2024 Bonds are issued. The aggregate stated principal amount of all Series 2024 Notes outstanding from time to time shall not exceed \$25,000,000.

(b) The proceeds of any Series 2024 Note issued hereunder shall be applied for the purpose for which proceeds of the Series 2024 Bonds may be applied pursuant to Section 7.01 hereof, to provide for the renewal or refunding of any Series 2024 Note, or to provide for the costs of issuance thereof, or any combination thereof.

Section 9.02 Details of Series 2024 Note.

Subject to changes in terms required for any particular issue of Series 2024 Notes, a Series 2024 Note and additional series thereof, if any, shall be subject to the following particulars:

(a) Series 2024 Notes shall be dated and bear interest either from the original date of delivery thereof or in such manner as shall be determined by the Authorized Officer; shall be payable upon the stated maturity thereof at the interest rate or rates determined by the Authorized Officer in the manner prescribed by Sections 9.02(c) or 9.02(d) below on the basis determined by an Authorized Officer; and shall mature on such date, not to exceed one year from the date of delivery thereof. Series 2024 Notes may be issued as draw-down obligations, in which event interest shall accrue and be payable thereon based on the dates of and principal amounts advanced.

(b) Series 2024 Notes shall be numbered from R-1 upwards for each issue and shall be in the denomination of \$1,000 or any integral multiple thereof requested by the purchaser thereof or as may be specified by the Authorized Officer. The Authorized Officer shall determine the paying agent and registrar for any Series 2024 Note, if any, prior to the sale thereof. Series 2024 Notes shall be payable, both as to principal and interest, in legal tender upon maturity.

(c) Series 2024 Notes shall bear such rate or rates of interest as shall at the sale of Series 2024 Note referred to in Section 9.02(d) hereof be determined by the Authorized Officer to be in the best interest of the County; provided, however, that:

- (1) the interest rate named shall be expressed as 1/1000 of one percent;

(2) all other restrictions as may be imposed by the Authorized Officer prior to the sale of the Series 2024 Note that are deemed to be in the best interest of the County shall apply; and

(3) no rate of interest shall exceed 6% per annum.

(d) In the discretion of the Authorized Officer, Series 2024 Notes may be sold at a time certain after public notice or through negotiation.

(e) Series 2024 Notes shall be sold as tax-exempt obligations pursuant to the Code, subject to the tax covenants set forth at Section 10.01 hereof, unless the Authorized Officer determines, upon the advice of Bond Counsel, to issue such Series 2024 Notes as taxable obligations. The Authorized Officer may further designate any Series 2024 Note as a “qualified tax-exempt obligation” pursuant to the Code.

(f) Series 2024 Notes shall be issued in fully registered form, in substantially the form attached hereto as Exhibit B, provided, however, that such form may be substantially revised upon advice of Bond Counsel to achieve the objectives of the County as determined by the Authorized Officer, including any modification to accommodate a draw-down structure. Each series of the Series 2024 Notes shall state on their face that they are issued in anticipation of the issuance of the Series 2024 Bonds and are payable, both as to principal and interest, from the proceeds thereof.

(g) In the event any Series 2024 Note is mutilated, lost, stolen or destroyed, the County may execute a new Series 2024 Note of like date and denomination as that mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Series 2024 Note, such mutilated Series 2024 Note shall first be surrendered to the County or to its designated agent, and in the case of any lost, stolen or destroyed Series 2024 Note, there shall be first furnished to the County or its agent evidence of such loss, theft or destruction satisfactory to the County or its agent, together with indemnity satisfactory to it; provided that, in the case of a holder which is a bank or insurance company, the agreement of such bank or insurance company to indemnify shall be sufficient. In the event any such Series 2024 Note shall have matured, instead of issuing a duplicate Series 2024 Note, the County may pay the same without surrender thereof. The County or its agent may charge the holder of such Series 2024 Note with its reasonable fees and expenses in this connection.

(h) Any Series 2024 Note issued in fully-registered form shall be transferable only upon the books of registry of the County, which shall be kept for that purpose at the office of the registrar (the “**Note Registrar**”), by the registered owner thereof or by his attorney, duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Note Registrar, duly executed by the registered owner or his duly authorized attorney. Upon the transfer of any Series 2024 Note, the Note Registrar shall issue, subject to the provisions of Paragraph (i) below, in the name of the transferee, a new Series 2024 Note or Series 2024 Notes of the same aggregate principal amount as the unpaid principal amount of the surrendered Series 2024 Note or Series 2024 Notes. Any holder of a Series 2024 Note in fully registered form requesting any transfer shall pay any tax or other governmental charge required to be paid with respect thereto. As to any Series 2024 Note in fully registered form, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal and interest of any Series 2024 Note in

fully-registered form shall be made only to or upon the order of the registered holder thereof, or his duly authorized attorney, and the County, the Note Registrar shall not be affected by any notice to the contrary, but such registration may be changed as herein provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Series 2024 Note to the extent of the sum or sums so paid.

(i) Any Series 2024 Note issued in fully-registered form, upon surrender thereof at the office of the Note Registrar, with a written instrument of transfer satisfactory to the Note Registrar, duly executed by the holder of the Series 2024 Note or his duly authorized attorney, may, at the option of the holder of the Series 2024 Note, and upon payment by such holder of any charges which the County or the Note Registrar may make as provided in Paragraph (j) below, be exchanged for a principal amount of Series 2024 Note in fully-registered form of any other authorized denomination equal to the unpaid principal amount of surrendered Series 2024 Note.

(j) In all cases in which the privilege of exchanging or transferring Series 2024 Note in fully registered form is exercised, the County shall execute and deliver a Series 2024 Note in accordance with the provisions hereof. All Series 2024 Notes in fully-registered form surrendered in any such exchanges or transfers shall forthwith be cancelled by the County. There shall be no charge to the holder of such Series 2024 Note for such exchange or transfer of a Series 2024 Note in fully registered form except that the County and Note Registrar may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or transfer.

(k) The Authorized Officer, in his discretion and on advice received, shall determine whether the Series 2024 Note shall be subject to redemption prior to maturity at the option of the County, including applicable redemption dates and prices. In the event that the County shall elect to redeem a Series 2024 Note, it shall give notice to the Note Registrar and paying agent, if any, of such optional redemption. Such notice shall specify the date fixed for redemption.

Section 9.03 Security for Series 2024 Note.

The County hereby obligates itself to issue the Series 2024 Bonds in an amount and in time sufficient to pay the principal of and interest on any Series 2024 Note. For the payment of any Series 2024 Note, there are hereby pledged the proceeds derived from the sale of the Series 2024 Bonds issued pursuant to this 2024 Series Ordinance or if such Series 2024 Bonds are not issued prior to the maturity of any Series 2024 Note, from the sale, issuance and delivery of renewal or refunding Series 2024 Note. The proceeds of such Series 2024 Bonds, when received by the County, shall be applied first to the payment of principal of and interest on any Series 2024 Notes and shall be paid to or for the account of the holder thereof, prior to the disbursements set forth at paragraphs (1) – (3) of Section 7.01 hereof. The County shall either issue such Series 2024 Bonds and apply the proceeds to the redemption of any Series 2024 Notes or shall provide funds therefor from other sources, including the issuance of renewal or refunding Series 2024 Notes.

* * *

ARTICLE X

TAX AND DISCLOSURE COVENANTS

Section 10.01 Tax Covenants.

(a) *General Tax Covenant.* The County will comply with all requirements of the Code in order to preserve the tax-exempt status of the Series 2024 Bonds, including without limitation, (i) the requirement to file Form 8038-G, *Information Return for Tax-Exempt Government Obligations*, with the Internal Revenue Service, and (ii) the requirement to rebate certain arbitrage earnings to the United States Government pursuant to Section 148(f) of the Code. In this connection, the County covenants to execute any and all agreements or other documentation as it may be advised by Bond Counsel will enable it to comply with this Section 10.01, including its certification on reasonable grounds that the Series 2024 Bonds are not “arbitrage bonds” within the meaning of Section 148 of the Code.

(b) *Tax Representations.* The County hereby represents and covenants that it will not take any action which will, or fail to take any action which failure will, cause interest on the Series 2024 Bonds to become includable in the gross income of the Holders thereof for federal income tax purposes pursuant to the provisions of the Code and the United States Treasury Regulations (the “**Regulations**”). Without limiting the generality of the foregoing, the County represents and covenants that:

(i) All property financed or refinanced with the proceeds of the Series 2024 Bonds will be owned by the County or another political subdivision of the State so long as the Series 2024 Bonds are Outstanding in accordance with the rules governing the ownership of property for federal income tax purposes.

(ii) The County shall not use, and will not permit any party to use, the proceeds of the Series 2024 Bonds, or any bonds refunded thereby, in any manner that would result in (i) 10% or more of such proceeds being considered as having been used directly or indirectly in any trade or business carried on by any Nongovernmental Person, (ii) 5% or more of such proceeds being considered as having been used directly or indirectly in any trade or business of any Nongovernmental Person that is either “unrelated” or “disproportionate” to the governmental use of the financed facility by the County or by any other Governmental Unit (as the terms “unrelated” and “disproportionate” are defined for purposes of Section 141(b)(3) of the Code) or (iii) 5% or more of such proceeds being considered as having been used directly or indirectly to make or finance loans to any Nongovernmental Person.

(iii) The County is not a party to, and will not enter into or permit any other party to enter into, any contract with any person involving the management of any facility financed or refinanced with the proceeds of the Series 2024 Bonds or by notes paid by the Series 2024 Bonds that does not conform to the guidelines set forth in Revenue Procedure 2017-13, or a successor revenue procedure, Code provision or Regulations.

(iv) The County will not sell, or permit any other party to sell, any property financed or refinanced with the Series 2024 Bonds to any person unless it obtains an opinion of nationally recognized bond counsel that such sale will not affect the tax-exempt status of the Series 2024 Bonds.

(v) The Series 2024 Bonds will not be “federally guaranteed” within the meaning of Section 149(b) of the Code. The County shall not enter into, or permit any other party to enter into, any leases or sales or service contract with any federal government agency with respect to any facility financed or refinanced with the proceeds of the Series 2024 Bonds and will not enter into any such leases or contracts unless it obtains the opinion of nationally recognized bond counsel that such action will not affect the tax-exempt status of the Series 2024 Bonds.

(c) *Arbitrage Bonds, Rebate.* The County covenants that no use of the proceeds of the sale of the Series 2024 Bonds shall be made which, if such use had been reasonably expected on the date of issue of such Series 2024 Bonds, would have caused the Series 2024 Bonds to be “arbitrage bonds” as defined in the Code, and to that end the County shall:

(i) comply with the applicable regulations of the Treasury Department previously promulgated under Section 103 of the Internal Revenue Code of 1954, as amended, and any regulations promulgated under the Code, so long as the Series 2024 Bonds are Outstanding;

(ii) establish such funds, make such calculations and pay such amounts, in the manner and at the times required in order to comply with the requirements of the Code and Regulations relating to required rebate of certain amounts to the United States Government;

(iii) make such reports of such information at the time and places required by the Code and Regulations; and

(iv) take such other action as may be required to assure that the tax-exempt status of the Series 2024 Bonds will not be impaired.

(d) *Tax Certificate.* An Authorized Officer is hereby authorized and directed to execute, at or prior to delivery of any Series of Bonds, a certificate or certificates specifying actions taken or to be taken by the County, and the reasonable expectations of such officials, with respect to such Series of Bonds, the proceeds thereof, or the County.

(e) *Bank Qualified.* A Series of Series 2024 Bonds may be designated by the Authorized Officer pursuant to Article V hereof as “qualified tax-exempt obligations” in accordance with Section 265(b)(3)(B) of the Code.

(f) *Reimbursement Declaration.* The County hereby declares its intention to reimburse itself for a portion of the costs of the Project with the proceeds of Series 2024 Bonds. To that end, the County Council determines and declares as follows:

(i) no funds from any sources other than the Series 2024 Bonds are or are reasonably expected to be, reserved, allocated on a long-term basis or otherwise set aside

by the County pursuant to the budget or financial policies of the County for the financing of the portion of the costs of acquisition, construction, and equipping of the Project to be funded with the Series 2024 Bonds;

(ii) the County reasonably expects that all or a portion of the expenditures incurred for the Project and the issuance of the Series 2024 Bonds will be paid prior to the issuance of the Series 2024 Bonds;

(iii) the County intends and reasonably expects to reimburse itself for all such expenditures paid by it with respect to the Project prior to the issuance of the Series 2024 Bonds from the proceeds of the Series 2024 Bonds, and such intention is consistent with the budgetary and financial circumstances of the County;

(iv) all of the costs to be paid or reimbursed from the proceeds of the Series 2024 Bonds will be for costs incurred in connection with the issuance of the Series 2024 Bonds, or will, at the time of payment thereof, be properly chargeable to the capital account of the Project (or would be so chargeable with a proper election) under general federal income tax principles; and

(v) this 2024 Series Ordinance shall constitute a declaration of official intent under United States Department of the Treasury Regulation Section 1.150-2.

(g) *Taxable Bonds.* Prior to the issuance of a Series of Series 2024 Bonds, the Authorized Officer may, pursuant to Article V hereof, in consultation with Bond Counsel, designate such Series of Bonds as taxable under the Code. The election to issue a Series of Taxable Bonds shall be clearly indicated by including the phrase “Taxable Series,” or words to that effect, in the series designation of such Taxable Bonds. The above provisions of this Section 10.01 shall not be applicable to any Series of Taxable Bonds.

(h) The Trustee shall have no responsibility to monitor the County’s compliance with the covenants set forth in this Section 10.01.

Section 10.02 Disclosure Covenants.

(a) The County hereby covenants and agrees that it will comply with and carry out all of the provisions of any continuing disclosure certificate or agreement, executed by an Authorized Officer and dated the date of delivery of the Series 2024 Bonds, which will meet the requirements, as applicable, of Section 11-1-85 of the South Carolina Code, which may require, among other things, that the County file with a central repository when requested:

- (1) a copy of its annual independent audit within 30 days of its receipt and acceptance, and
- (2) event-specific information, within 30 days of an event adversely affecting more than five percent of its revenues or five percent of its tax base.

The only remedy for failure by the County to comply with the covenants in this Section 10.02 shall be an action for specific performance of this covenant. The County specifically reserves the right to amend this covenant to reflect any change in Section 11-1-85 of the South Carolina Code, without the consent of any Bondholder.

(b) The County hereby covenants and agrees that it will comply with and carry out all of the provisions of any continuing disclosure certificate, executed by an Authorized Officer and dated the date of delivery of the Series 2024 Bonds, which will meet the requirements, as applicable, of Rule 15c2-12 (the “*Continuing Disclosure Undertaking*”). Notwithstanding any other provision of this 2024 Series Ordinance, failure of the County to comply with the Continuing Disclosure Undertaking shall not be considered an event of default hereunder; however, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the County to comply with its obligations under this Section. The execution of the Continuing Disclosure Undertaking shall constitute conclusive evidence of the approval by the person executing the same of any and all modifications and amendments thereto. Additionally, an Authorized Officer is authorized to contract with a dissemination agent for certain dissemination services associated with the execution and delivery of the Continuing Disclosure Undertaking.

(c) In the event any Series 2024 Bonds are not sold as securities, but rather sold to a financial institution as a commercial loan, no Continuing Disclosure Undertaking shall be required as to such Series 2024 Bonds, but the County may covenant to provide information to such purchaser, as may be mutually agreed upon by and between the Authorized Officer and such purchaser.

(d) The Trustee shall have no responsibility to monitor the County’s compliance with the covenants set forth in this Section 10.02.

* * *

ARTICLE XI

MISCELLANEOUS

Section 11.01 Severability.

If any one or more of the covenants or agreements provided in this 2024 Series Ordinance on the part of the County or any fiduciary to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this 2024 Series Ordinance.

Section 11.02 Further Action.

The County Council authorizes the Authorized Officers to execute and sign all other documents, certificates, and agreements necessary or convenient to effect the purchase and sale of the Series 2024 Bonds.

Section 11.03 Professional Services.

The County Council hereby authorizes, approves, or ratifies, as applicable, the engagement of First Tryon Advisors to act as Financial Advisor (the “*Financial Advisor*”) and Pope Flynn, LLC to act as Bond Counsel and Disclosure Counsel (if applicable) in connection with the issuance of the Series 2024 Bonds and authorizes (or ratifies, as applicable) an Authorized Officer to engage the services of such other professionals and institutions of a type and in a manner customary in connection with the issuance of municipal bonds, including, but not limited to, contractual arrangements with other professionals, rating agencies, verification agents, financial and trust institutions, printers and the suppliers of other goods and services in connection with the sale, execution and delivery of the Series 2024 Bonds, as is necessary and desirable.

Section 11.04 Table of Contents and Section Headings Not Controlling.

The Table of Contents and the headings of the several articles and sections of this 2024 Series Ordinance have been prepared for convenience of reference only and shall not control, affect the meaning of, or be taken as an interpretation of any provision of this 2024 Series Ordinance.

Section 11.05 2024 Series Ordinance to Constitute Contract.

In consideration of the purchase and acceptance of Series 2024 Bonds by those who shall purchase and hold the same from time to time, the provisions of this 2024 Series Ordinance shall be deemed to be and shall constitute a contract between the County and the Holder from time to time of the Series 2024 Bonds, and such provisions are covenants and agreements with such Holder which the County hereby determines to be necessary and desirable for the security and payment thereof. The pledge hereof and the provisions, covenants and agreements herein set forth to be performed on behalf of the County shall be for the benefit, protection, and security of the Holder of the Series 2024 Bonds.

Section 11.06 Series 2024 Bonds Issued as Multiple Series.

In the event Series 2024 Bonds are sold in more than one Series, separate funds and accounts shall be created and maintained for each Series of Series 2024 Bonds and appropriate numeric or alphanumeric designations shall be established so as to appropriately account for such funds and accounts. Notwithstanding anything in the 2024 Series Ordinance to the contrary, in the event that Series 2024 Bonds are sold in more than one Series, all references in this 2024 Series Ordinance to Series 2024 Bonds shall, as the context may require, be read as referring to the applicable Series of Series 2024 Bonds.

Section 11.07 Ratification of Prior Action.

All prior actions of Authorized Officers in furtherance of the purposes of this 2024 Series Ordinance (including, but not limited to, any negotiated sale of Series 2024 Bonds or any solicitation of bids under the provisions of Article VIII hereof) are hereby approved, ratified, and confirmed.

* * *

ORDAINED in meeting duly assembled this 28th day of June 2024.

ATTEST:

ANDERSON COUNTY COUNCIL

W. Russell Burns
Anderson County Administrator

Tommy Dunn, Chairman

Renee Watts
Anderson County Clerk to Council

Approved as to form:

Leon C. Harmon
Anderson County Attorney

First Reading: June 18, 2024
Second Reading: June 20, 2024
Public Hearing: June 20, 2024
Third Reading: June 28, 2024

**EXHIBIT A
FORM OF BOND**

ANDERSON COUNTY, SOUTH CAROLINA
SEWER SYSTEM REVENUE BONDS
SERIES 2024

No. R-1

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Issue Date</u>	<u>CUSIP</u>
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Registered Holder: Cede & Co.

Principal Amount: _____ (\$_____)

ANDERSON COUNTY, SOUTH CAROLINA (the “*County*”), acknowledges itself indebted and for value received hereby promises to pay, solely as hereinafter provided, to the Registered Holder named above, or registered assigns, the Principal Amount stated above, on the Maturity Date set forth above, unless this bond be subject to redemption and shall have been redeemed prior thereto as hereinafter provided, upon presentation and surrender of this bond at the Corporate Trust Office of U.S. Bank Trust Company, National Association (the “*Paying Agent*”), and to pay interest on such principal sum at the Interest Rate set forth above (calculated on the basis of a 360-day year of twelve 30-day months), until the obligation of the County with respect to the payment of such principal sum shall be discharged.

This bond bears interest from the February 1 or the August 1 to which interest has been paid next preceding the authentication date hereof, unless the authentication date hereof is a February 1 or an August 1, in which event this bond will bear interest from the earlier of such authentication date or the date to which interest has last been paid; provided that if the authentication date hereof precedes February 1, 2025, or if the County shall fail to pay interest on February 1, 2025, then this bond will bear interest from [Date of Delivery]. Interest on this bond is payable on February 1 and August 1 of each year beginning February 1, 2025. The interest so payable on any February 1 or August 1 will be paid to the person in whose name this bond is registered at the close of business on the 15th day of the January or July as the case may be next preceding such February 1 or August 1.

Interest hereon is payable by check or draft mailed at the times provided herein from the Corporate Trust Office of the Paying Agent to the person in whose name this bond is registered on the Record Date at the address shown on the registration books kept by U.S. Bank Trust Company, National Association (the “*Registrar*”). The principal of, redemption premium, if any, and interest on this bond are payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

**EXHIBIT A
FORM OF BOND**

This bond is a Series 2024 Bond issued pursuant to and in accordance with the Constitution and statutes of the State of South Carolina (the “*State*”) including particularly Title 6, Chapter 21 of the Code of Laws of South Carolina 1976, as amended (the “*South Carolina Code*”), and by an ordinance entitled, “A MASTER BOND ORDINANCE OF ANDERSON COUNTY, SOUTH CAROLINA PROVIDING FOR THE ISSUANCE AND SALE OF SEWER SYSTEM REVENUE BONDS; AND OTHER MATTERS RELATING THERETO,” enacted by the County Council of Anderson County (the “*County Council*”), the governing body of the County, on June 28, 2024 (the “*Bond Ordinance*”), and a Series Ordinance entitled, “A SERIES ORDINANCE OF ANDERSON COUNTY, SOUTH CAROLINA PROVIDING FOR THE ISSUANCE AND SALE OF SEWER SYSTEM REVENUE BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING \$25,000,000; AUTHORIZING A PROJECT MANAGEMENT AGREEMENT AND AN INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF CLEMSON AND THE TOWN OF PENDLETON REGARDING IMPROVEMENS TO WASTEWATER TREATMENT FACILITIES TO BE FINANCED IN PART WITH SUCH BONDS; AND PROVIDING FOR OTHER MATTERS RELATING THERETO” (the “*2024 Series Ordinance*”) duly enacted by the County Council on June 28, 2024 (the Bond Ordinance and the 2024 Series Ordinance are hereinafter together referred to as the “*Ordinances*”).

Certain capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Ordinances. Certified copies of the Ordinances are on file in the office of the Trustee and in the offices of the County.

So long as Cede & Co., as nominee of The Depository Trust Company, is the Registered Holder of the Bonds, references in this Bond to the Bondholders or Registered Holders of the Series 2024 Bonds shall mean Cede & Co. and shall not mean the beneficial owners.

For the payment of the principal of and interest on this bond issued pursuant to the Bond Ordinance, there are hereby irrevocably pledged the Net Revenues. As permitted by the Enabling Act, the payment of the principal of and interest on this bond shall be additionally secured by a statutory lien upon the System. Such pledge securing this bond shall have priority over all other pledges except those made to secure any Bonds (as defined hereinbelow) as may be currently outstanding or issued from time to time in the future.

THIS BOND SHALL NOT IN ANY EVENT CONSTITUTE AN INDEBTEDNESS OF THE COUNTY WITHIN THE MEANING OF ANY PROVISION, LIMITATION OR RESTRICTION OF THE CONSTITUTION OR STATUTES OF THE STATE, OTHER THAN THOSE PROVISIONS AUTHORIZING INDEBTEDNESS PAYABLE SOLELY FROM A REVENUE-PRODUCING PROJECT NOT INVOLVING REVENUES FROM ANY TAX OR LICENSE; AND THE FAITH, CREDIT AND TAXING POWER OF THE COUNTY ARE EXPRESSLY NOT PLEDGED THEREFOR. THE COUNTY IS NOT OBLIGATED TO PAY THIS BOND, OR THE INTEREST HEREON, SAVE AND EXCEPT FROM THE NET REVENUES.

The Bond Ordinance authorizes the issuance of additional bonds on a parity with the Series 2024 Bonds and any outstanding parity bonds which, when issued in accordance with the

**EXHIBIT A
FORM OF BOND**

provisions of the Bond Ordinance, will rank equally and be on a parity herewith and therewith (“**Additional Bonds**” and together with this bond and any parity bonds, collectively the “**Bonds**”).

The County has covenanted to continuously operate and maintain the System and fix and maintain such rates for the services and facilities furnished by the System as shall at all times be sufficient (i) to provide for the payment of Operation and Maintenance Expenses, (ii) to maintain the Debt Service Fund and Debt Service Fund Accounts and thus provide for the punctual payment of the principal of and interest on all Bonds, (iii) to maintain the Debt Service Reserve Funds, if any, in the manner prescribed in the applicable Series Ordinance, (iv) to pay all amounts owing under a reimbursement agreement with any provider of a surety bond, insurance policy or letter of credit as contemplated under Section 7.05(e) of the Bond Ordinance, (v) to provide for the punctual payment of the principal of and interest on all Junior Lien Bonds that may from time to time hereafter be outstanding, (vi) to build and maintain a reserve for depreciation of the System, for contingencies and for improvements, betterments and extensions to the System other than those necessary to maintain the same in good repair and working order, and (vii) to discharge all obligations imposed by the Enabling Act and by the Bond Ordinance and any applicable Series Ordinance.

The Bond Ordinance provides that, in addition to other remedies, upon a default in payment of principal of or interest on any Bond, the Trustee shall, upon the written request of the Holders of not less than fifty-one percent (51%) in aggregate principal amount of Bonds Outstanding, declare all Bonds Outstanding immediately due and payable.

This bond is transferable, as provided in the Bond Ordinance, only upon the registration books of the County kept for that purpose and maintained by the Registrar, by the holder hereof in person or by his duly authorized attorney, upon (i) surrender of this bond and an assignment with a written instrument of transfer satisfactory to the Trustee or any other Registrar, as the case may be, duly executed by the Holder hereof or his duly authorized attorney and (ii) payment of the charges, if any, prescribed in the Ordinances. Thereupon a new Series 2024 Bond of the then outstanding principal amount, then current maturity schedule and interest rate shall be issued to the transferee in exchange therefor as provided in the Bond Ordinance. The County, the Trustee, and the Registrar may deem and treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal or redemption price hereof and interest due hereon and for all other purposes.

For every exchange or transfer of the Series 2024 Bonds, the County or the Trustee or Registrar, as the case may be, may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer.

[The Series 2024 Bonds maturing on or prior to ____ 1, 20__ are not callable for redemption prior to their stated maturities.]

[The Series 2024 Bonds maturing after ____ 1, 20__ may be redeemed at 100% of par prior to their respective maturities at the option of the County on and after ____ 1, 20__, in whole or in part at any time, and, if in part, in those maturities designated by the County and by lot within

**EXHIBIT A
FORM OF BOND**

a maturity (but only in integral multiples of \$5,000) upon 30 days written notice at the principal amount thereof and the interest accrued on such principal amount to the date fixed for redemption.]

[If less than all of the Series 2024 Bonds are to be redeemed, the particular Series 2024 Bonds or portions of Series 2024 Bonds to be redeemed will be selected by the Trustee. Series 2024 Bonds in denomination of more than \$5,000 may be redeemed in part from time to time in one or more units of \$5,000 in the manner provided in the Ordinances.]

This bond and the interest hereon are exempt from all State, county, municipal, school district, and all other taxes or assessments imposed within the State, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate, transfer and certain franchise taxes.

It is hereby certified and recited that all conditions, acts, and things required by the Constitution and statutes of the State to exist, be performed or happen precedent to or in the issuance of this bond, exist, have been performed and have happened, that the amount of this bond, together with all other indebtedness of the County, does not exceed any limit prescribed by such Constitution or statutes.

IN WITNESS WHEREOF, ANDERSON COUNTY, SOUTH CAROLINA, has caused this bond to be signed by the signature of the Chairman of the County Council, its corporate seal to be reproduced hereon and the same to be attested by the signature of the Clerk to County Council.

ANDERSON COUNTY, SOUTH CAROLINA

(SEAL)

Tommy Dunn, Chairman of County Council

Renee Watts
Clerk to County Council

**EXHIBIT A
FORM OF BOND**

CERTIFICATE OF AUTHENTICATION

This bond is a Series 2024 Bond as described in the within mentioned Ordinances.

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as Registrar

By: _____
Authorized Officer

Date: _____, 2024

**EXHIBIT A
FORM OF BOND**

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(please print or type name and address of Transferee and Social Security or other identifying number of Transferee)

the within Bond and all rights and title thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____
(Signature Guaranty)

Authorized Individual or Officer

NOTICE: Signature(s) to the assignment must correspond with the name of the registered owner as it appears upon the face of the within bond in every particular, without alteration or any change whatever.

Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agents Medallion Program ("STAMP") or similar program enlargement.

**EXHIBIT B
FORM OF BAN**

[WITH THE CONSENT OF THE PURCHASER, AND NOTWITHSTANDING ANY CONTRARY PROVISION CONTAINED IN THE 2024 SERIES ORDINANCE, THIS SERIES 2024 NOTE MAY BE SOLD OR TRANSFERRED ONLY TO PURCHASERS WHO EXECUTE AN INVESTMENT LETTER DELIVERED TO THE COUNTY, IN FORM SATISFACTORY TO THE COUNTY, CONTAINING CERTAIN REPRESENTATIONS, WARRANTIES AND COVENANTS AS TO THE SUITABILITY OF SUCH PURCHASERS TO PURCHASE AND HOLD THIS SERIES 2024 NOTE. SUCH RESTRICTION SHALL BE COMPLIED WITH BY EACH TRANSFEREE OF THIS SERIES 2024 NOTE.]

ANDERSON COUNTY, SOUTH CAROLINA
SEWER SYSTEM REVENUE
BOND ANTICIPATION NOTE
SERIES 2024

No. _____

REGISTERED HOLDER: _____

PRINCIPAL SUM: _____ \$ _____

ANDERSON COUNTY, SOUTH CAROLINA (the "*County*"), hereby acknowledges itself indebted, and for value received, promises to pay to _____ at its principal offices in _____, South Carolina, the sum of _____ (\$_____), [MATURITY DATE], or on the occasion of the issuance and delivery of a refunding sewer system revenue bond anticipation note issued for the purposes of refunding this Sewer System Revenue Bond Anticipation Note, Series 2024 (this "*Note*") or the \$_____ Sewer System Revenue Bond, Series 20__ of Anderson County, South Carolina (the "*Series 20__ Bond*"), and to pay interest on said principal sum, from the delivery date hereof, at the rate of _____ per centum (____%) per annum (computed on the basis of [an actual over 365-day year]), payable upon the stated maturity or earlier redemption date of this Note.

[This Note shall be redeemable upon payment of the principal amount due hereon, plus interest hereon to the redemption date, upon written notice of redemption to the payee hereof, seven (7) days prior to the date fixed for redemption.]

Both the principal of and interest on this Note are payable in any coin or currency of the United States of America, which is, at the time of payment, legal tender for the payment of public and private debts.

This Note is issued pursuant to and in accordance with the Constitution and laws of the State of South Carolina, including Title 11, Chapter 17, Code of Laws of South Carolina 1976, as amended (the "*Act*"), a Bond Ordinance enacted by the County Council of the County (the "*County Council*"), the governing body of the County, on June 28, 2024, and a Series Ordinance enacted by the County Council on June 28, 2024, in anticipation of the issuance of the Series 20__ Bond to be issued by the County pursuant to Title 6, Chapter 21 of the Code of Laws of South Carolina 1976, as amended. The proceeds of this Note shall be used to provide interim financing pending

**EXHIBIT B
FORM OF BAN**

issuance of the Series 20__ Bond for a portion of the cost of certain improvements to the Sewer system of the County.

For the payment of the principal of and interest on this Note, there shall be irrevocably pledged a sufficient amount of the proceeds of a Refunding Note or the Series 20__ Bond.

This Note is issued in fully registered form shall be transferable only upon the books of registry of the County, which shall be kept for that purpose at the office of the County, as note registrar (the "**Note Registrar**"), by the registered owner thereof or by his attorney, duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Note Registrar, duly executed by the registered owner or his duly authorized attorney.

This Note and the interest hereon are exempt from all state, municipal, school, city and all other taxes or assessments of the State of South Carolina, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate, transfer or certain franchise taxes.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and laws of the State of South Carolina to exist, to happen, or to be performed precedent to or in the issuance of this Note and the Series 20__ Bond, do exist, have happened and have been performed in regular and due time, form and manner, and that the County has irrevocably obligated itself to issue and sell prior to the stated maturity hereof, in the manner prescribed by law, a Refunding Note or the Series 20__ Bond, in anticipation of which this Note is issued.

IN WITNESS WHEREOF, ANDERSON COUNTY, SOUTH CAROLINA has caused this Note to be signed by the signature of the Chairman of the County Council, its corporate seal to be reproduced hereon and the same to be attested by the signature of the Clerk to County Council.

ANDERSON COUNTY, SOUTH CAROLINA

(SEAL)

By: _____
Chairman, County Council

Attest:

Clerk to County Council

CERTIFICATE OF AUTHENTICATION

This Note is one of the Notes of the issue described in the within-mentioned Ordinances.

NOTE REGISTRAR

By: _____
Authorized Officer

Date of Authentication: _____, 2024

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Please print or typewrite Name, Social Security or Taxpayer
Identification Number and address of Transferee)

the within Series 2024 Note and does hereby irrevocably constitute and appoint
_____ attorney to transfer the within Series 2024 Note on the books kept
for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guarantee:

Signature(s) must be guaranteed by
a member firm of the New York Stock
Exchange or a commercial bank or
trust company

NOTICE: The signature to this assignment must
correspond with the name of the registered holder
as it appear upon the face of the within Series 2024
Note in every particular, without alteration or
enlargement or any change whatever.

EXHIBIT C
FORM OF INTERGOVERNMENTAL AGREEMENT

INTERGOVERNMENTAL
WASTEWATER CAPACITY AND SERVICES
AGREEMENT

among the

Town of Pendleton, South Carolina

and

City of Clemson, South Carolina, and
Anderson County, South Carolina

_____, 2024

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This **INTERGOVERNMENTAL WASTEWATER CAPACITY AND SERVICES AGREEMENT** (the “*Agreement*”) is made this ____ day of _____, 2024 (the “*Effective Date*”), by and among the **CITY OF CLEMSON, SOUTH CAROLINA** (“*Clemson*”), **ANDERSON COUNTY, SOUTH CAROLINA** (“*Anderson*”) (collectively the “*Purchasers*” and each, individually, a “*Purchaser*”), and the **TOWN OF PENDLETON, SOUTH CAROLINA** (“*Pendleton*,” or the “*Seller*,” as the context requires). Each entity may hereinafter be referred to as a “*Party*” or collectively as the “*Parties*.”

BACKGROUND AND FINDINGS

(A) Capitalized terms used in this Agreement shall have the meanings given to such terms in Section 1.1 of this Agreement. In the event that a capitalized term is defined elsewhere in this Agreement and is also defined in Section 1.1 of this Agreement, and there is any inconsistency between such definitions, the definition in Section 1.1 of this Agreement shall control.

(B) Clemson is a municipal corporation and a political subdivision of the State of South Carolina (the “*State*”) and possesses all general powers granted by the Constitution of the State of South Carolina 1895, as amended (the “*State Constitution*”) and statutes of the State to municipal corporations. Clemson has heretofore lawfully established and now operates a municipal water and wastewater system, which generally serves the entire area of the City of Clemson and certain populated areas adjacent to its corporate limits.

(C) Anderson is a county and a political subdivision of the State, and possesses all general powers granted by the State Constitution and statutes of the State to counties thereof. Anderson has heretofore lawfully established and now operates a wastewater system, which generally serves portions of the unincorporated area of Anderson, and certain areas within the municipalities of Iva, Anderson, and Pendleton by agreement, however Anderson’s Designated Service Area (as defined herein) consists of the entire unincorporated area of Anderson, except as depicted in Exhibit C hereto and as set forth herein.

(D) Pendleton is a municipal corporation and a political subdivision of the State and possesses all general powers granted by the State Constitution and statutes of the State to municipal corporations. Pendleton has heretofore lawfully established and now operates a municipal water and wastewater system, which generally serves the entire area of Pendleton and certain populated areas adjacent to its corporate limits. Pendleton has lawfully established and now operates a wastewater treatment and disposal system that provides service to the wastewater systems operated by Clemson and Anderson.

(E) Pursuant to agreements dated as of May 19, 1978, and June 7, 1978, Clemson and Pendleton jointly constructed a wastewater treatment plant (the “*Plant*”) located on S.C. Highway 279 within the municipal limits of Pendleton. By agreements dated December 19, 1988, and July 21, 2015, Anderson obtained certain capacity in the Plant by agreement with Pendleton.

(F) The current permitted treatment capacity of the Plant is 2,000,000 gallons per day (“*GPD*”), which has been allocated 50% to Clemson, 40% to Pendleton, and 10% to Anderson. The Parties seek to expand the treatment capacity of the Plant to 5,000,000 GPD (the “*Project*”) in order to meet existing and anticipated future wastewater treatment needs of the Parties, to promote economic growth, to provide cost effective sewer service to the Parties’ respective customers, and prepare for continued population growth in and around the Parties. Capacity in the Plant following the Date of Substantial Completion (as defined herein) of the Project shall be as set forth at Exhibit A hereof.

(G) Through a separate project agreement (the “*Project Agreement*”) of even date herewith, the Parties have memorialized the procurement, management, and cost-sharing responsibility of each Party related to the Project. The total cost of the Project is \$64,328,198.00. The Parties expect the Project Agreement to provide for a Project cost allocation of 43.33% to Anderson, 23.33% to Pendleton, and 33.34% to Clemson, and further provide that any grant funds that have or will be obtained shall reduce the overall Project cost prior to allocation, except that the first \$600,000 of the initial grant funds received shall be paid or applied against amounts due by Pendleton.

(H) Through this Agreement, the Parties seek to memorialize each Party’s right to capacity in the Plant, the payment obligations of the Parties, and various other matters necessary to provide a comprehensive agreement whereby the Parties join together to provide wastewater services from the Plant for their mutual benefit. Each Party (i) has found this Agreement to be in the best interest of the public, the Parties, and the consumers to be served; and (ii) has been duly authorized by its respective governing body to sign this Agreement. The undersigned officers have been duly authorized to sign on behalf of their respective Parties.

NOW, THEREFORE, in consideration of the premises hereinabove set forth and the agreements of the Parties hereunder, the Parties agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. In addition to any words and terms elsewhere defined in this Agreement, the following words and terms shall have the following meanings unless some other meaning is plainly intended:

“*2009 SRF Loan*” means the obligation issued by Pendleton and purchased by the South Carolina Water Quality Revolving Fund Authority (loan assistance number F1-123-09-472-05) to finance improvements to the Plant, issued in the original principal amount of approximately \$1,620,850, dated November 12, 2009, with final maturity on January 1, 2031.

“*Accounting Principles*” means generally accepted accounting principles (“*GAAP*”) and practices applicable to governmental entities in the United States, including those applicable to enterprise funds that relate to governmentally owned and operated utility systems, as may be amended or revised from time to time.

“Advisory Board” means the three-member board comprised of the County Administrator of Anderson, the City Administrator of Clemson, and the Town Administrator of Pendleton, and any person acting in an interim capacity as one of the foregoing. Each member shall serve on an *ex officio* basis while employed in such capacity and no person shall serve on the Advisory Board in a holdover capacity.

“Agreement” has the meaning given such term in the preamble to this Agreement.

“Allocated Capacity” or **“Allocated Capacities”** means, for the applicable period, the amount of the capacity of the Plant granted to Purchasers or retained by Seller. The Allocated Capacity for each Party, including the timeframe in which such Allocated Capacity is in effect, is set forth in Exhibit A to this Agreement. Allocated Capacity may be amended from time-to-time in accordance with Article III hereof. Allocated Capacity is expressed in MGD and is the maximum amount of wastewater that Seller is committed to accept from the holder of such Allocated Capacity in a day, as that term is defined in this Agreement.

“Allocated Percentage” or **“Allocated Percentages”** means, for the applicable period, the percentage derived by dividing each Purchaser’s or Seller’s Allocated Capacity by the capacity in the Plant. The Allocated Percentage for each Party, including the timeframe in which such Allocated Percentage is in effect, is set forth in Exhibit A to this Agreement.

“Anderson” has the meaning given such term in the preamble to this Agreement.

“Anderson’s System” means Anderson’s system for the collection and transmission of wastewater.

“Annual Budget” means, with respect to any given Fiscal Year, the budget prepared for the revenues and expenses of the Plant, exclusive of Seller’s System, for such Fiscal Year. The Annual Budget shall contain detail comparable to the utility fund portion of Pendleton’s annual budget for such Fiscal Year, and shall include a projection of the Revenue Requirement (including a line-item projection of the components thereof) for such Fiscal Year.

“Bonds” means any bonds, notes, loans, or other debt obligations issued or incurred by or on behalf of the Seller for purposes of financing or refinancing capital improvements to the Plant to the extent such capital improvements are necessary in order to provide the Wastewater Services to the Parties. Such term shall include only those Bonds listed on Exhibit B to this Agreement and such additional Bonds as may be authorized as provided in Sections 3.6 and 3.7 of this Agreement.

“Business Day” means any day other than a Saturday, Sunday, federal holiday in the United States of America, or day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close.

“Capital Charge” means 1/12 of a charge calculated to recover from a Party its share of Capital Component for a given Fiscal Year, computed in compliance with the terms of this Agreement, it being understood that the Future Capital Component for a given Fiscal Year may be

allocated by agreement among the Parties on a basis other than the then applicable Allocated Percentages.

“**Capital Component**” means, with respect to a given Fiscal Year, an amount equal to the sum of the Current Capital Component and the Future Capital Component described below:

- (1) “**Current Capital Component**” means the Current Capital Costs for such Fiscal Year; and
- (2) “**Future Capital Component**” means the Future Capital Improvement Costs for such Fiscal Year that are not defrayed by Bonds.

“**Clemson**” has the meaning given such term in the preamble to this Agreement.

“**Clemson’s System**” means Clemson’s system for the collection and transmission of wastewater.

“**Connecting Meters**” means the meters at the point or points of connection from Purchasers’ Systems to Seller’s System. Connecting Meters shall be installed or configured so as to accurately measure flow from each Party individually.

“**Contingency Fund**” means the fund of that name established and maintained by Seller for purposes of meeting contingency requirements during a given Fiscal Year, as described in Section 3.4(I) of this Agreement.

“**Contingency Fund Amount**” means, with respect to any Fiscal Year, an amount equal to that percentage of the aggregate Operation and Maintenance Expenses for the immediately preceding Fiscal Year as approved by a unanimous determination of the Advisory Board as part of the Annual Budget, as may be amended from time to time. Initially, for the first Fiscal Year, such amount shall be 0%.

“**Current Capital Costs**” means all capital costs treated as capital expenditures under Accounting Principles required in a given Fiscal Year to enable Seller to maintain the Plant’s capability to accept the Parties’ wastewater for treatment and to comply with all applicable regulatory standards, except for those capital expenses and costs that constitute Future Capital Improvement Costs.

“**Date of Substantial Completion**” means the date on which the Project is completed and is legally and actually capable of providing 5 MGD of Wastewater Services to the Parties.

“**Debt Service Charge**” means 1/12 of a charge calculated to recover from a Party its share of Debt Service Expenses for a Fiscal Year, computed in compliance with the terms of this Agreement.

“**Debt Service Expenses**” means an amount equal to the sum of the components described below:

- (1) **“Prior Bonds Component”** means the amount of Debt Service Expenses associated with the 2009 SRF Loan listed on Exhibit B. Each Purchaser’s share of the Prior Bonds Component is listed on Exhibit B.
- (2) **“New Bonds Component”** means the amount of Debt Service Expenses associated with each series of Bonds (other than those Bonds listed on Exhibit B on the Effective Date) issued to defray the cost of Future Capital Improvement Costs as authorized by Sections 3.6 and 3.7 of this Agreement. Each Purchaser’s share of the New Bonds Component shall be allocated as provided in Sections 3.6 and 3.7.
- (3) **“Debt Service Coverage Component”** means an additional percentage applied proportionally to the Debt Service Expenses associated with each series of Bonds for which a Party is responsible for paying, that shall be sufficient to allow the Seller to comply with the reasonable debt service coverage ratios imposed in the authorizing documents under which those Bonds are issued. The Debt Service Coverage Component shall not exceed 20% of the Prior Bonds Component plus the New Bonds Component.

“Depreciation Charge” means 1/12 of a charge calculated to recover from a Party its share of the Depreciation Component for a given Fiscal Year, computed in compliance with the terms of this Agreement.

“Depreciation Component” means, with respect to any given Fiscal Year, the amount set forth in Seller’s Annual Budget as the amount necessary and sufficient to fund the Plant Renewal and Replacement Fund for such Fiscal Year. The Depreciation Component shall be calculated to provide funds necessary and sufficient to provide a reasonable reserve for the repair, renewal, and replacement of the Plant.

“Designated Service Area” has the meaning given such term in Section 5-7-60 of the South Carolina Code and also includes the area within the municipal limits of the applicable municipality.

“DHEC” means the South Carolina Department of Health and Environmental Control, or any successor agency of the State with jurisdiction over the Plant.

“Effective Date” has the meaning given such term in the preamble to this Agreement.

“Fiscal Year” means the fiscal year of the Seller as it may be officially established or changed from time to time. The current Fiscal Year of the Seller begins each July 1 and ends on the following June 30.

“Force Majeure” means, to the extent beyond the control of the Party claiming an event of Force Majeure, any of the following: acts of God or nature; strikes, lockouts, or other industrial disturbances; acts of a public enemy; orders of any kind of the government of the United States or the State or the courts thereof, or any civil or military authority; insurrections, riots, epidemics, pandemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, and

explosions; malfunctions of machinery and pipe lines; partial or entire failure of electric supply; or the inability of Seller to receive wastewater or operate the Plant hereunder, or a Purchaser to control wastewater flows hereunder, on account of any other causes not reasonably within the control of the Party claiming such inability.

“Future Capital Improvement Costs” means all capital costs treated as capital expenditures under Accounting Principles to be completed in the then subsequent Fiscal Years, whether or not expenses are incurred in the then current Fiscal year, for projects needed to maintain or expand the capacity of the Plant as provided for in Sections 3.6 and 3.7 of this Agreement.

“Good Utility Practices” means any of the practices, methods, and acts engaged in or approved by a significant portion of the wastewater treatment industry in the United States during the relevant time period, or any of the practices, methods, and acts that, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired results at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good Utility Practices do not require use of the optimum or a specific practice, method, or act, but only require use of practices, methods, or acts generally accepted in the wastewater treatment industry in the United States.

“Independent Consultants” means such firm or firms, consisting of or employing registered engineers, architects, rate consultants, accountants, or other professionals having skill and experience in utility financing and rate design, maintenance, operation, or evaluation of the costs and appropriate charges therefor of facilities such as Seller’s System, and which are engaged by Seller in its discretion to perform such services.

“Metered Flow” means the actual measured flow of a Party’s wastewater treated at the Plant.

“MGD” means millions of gallons per day, with the term “day” being understood to refer to the 24-hour period commencing at 12:00 a.m. (midnight) Eastern Time of a given calendar day.

“Operation and Maintenance Charge” means 1/12 of a charge calculated to recover from a Party its share of Operation and Maintenance Expenses for a Fiscal Year, computed in compliance with the terms of this Agreement.

“Operation and Maintenance Expenses” means reasonable and necessary direct expenses required (i) to operate the Plant for the provision of Wastewater Services; (ii) to maintain the Plant so that it will have a reasonable useful life; (iii) to defray the costs of current repairs to the Plant necessary for the delivery of Wastewater Services; (iv) to provide accounting, auditing, clerical and other related services relating to the foregoing, including the determination of and invoicing for all charges and expenses set forth in this Agreement; and (v) to replenish and maintain the Contingency Fund, all in accordance with this Agreement, and all as calculated in accordance with Accounting Principles. Operation and Maintenance Expenses do not include expenses that can be recovered as Depreciation Charges, Capital Charges, or Debt Service Charges.

“**Party**” or “**Parties**” has the meaning given such term in the preamble to this Agreement.

“**Pendleton**” has the meaning given such term in the preamble to this Agreement.

“**Plant**” has the meaning given such term in the preamble to this Agreement, as the same may be improved or expanded from time to time in accordance herewith.

“**Plant Renewal and Replacement Fund**” means the fund established by Seller to account for payments of Depreciation Charges and any analogous charges paid by the Parties.

“**Prior Agreements**” means the following agreements:

- (1) June 7, 1978 agreement between Pendleton and Clemson regarding the construction of the Plant;
- (2) June 7, 1978 agreement between Pendleton and Clemson regarding the operation of the Plant;
- (3) June 2, 1980 agreement between Pendleton and Clemson regarding the operation of the Plant;
- (4) May 19, 1988 agreement between Pendleton and Clemson regarding the Plant;
- (5) December 19, 1988 agreement among Pendleton, Clemson, and Anderson regarding Anderson’s capacity in the Plant;
- (6) November 17, 1989 agreement between Pendleton and Clemson regarding capacity allocation in the Plant and other matters;
- (7) March 10, 1992 agreement between Pendleton and Clemson regarding certain reimbursements;
- (8) May 31, 2001 letter of understanding between Pendleton and Clemson regarding staffing at the Plant and other matters;
- (9) July 1, 2001 agreement among Pendleton, Clemson, and Anderson regarding capacity leasing;
- (10) November 12, 2009 agreement among Pendleton, Clemson, and Anderson regarding debt service payments in connection with the Plant; and
- (11) July 21, 2015 agreement between Pendleton and Anderson regarding capacity in the Plant, service areas, and related matters.

“**Purchaser**” means, together or individually as the context requires, Anderson or Clemson, or both, and their respective successors and assigns.

“**Purchaser’s System**” or “**Purchasers’ Systems**” means, individually or collectively, as the context requires, Anderson’s System or Clemson’s System, or both.

“**Revenue Requirement**” means, for each Fiscal Year or period in question, all revenue necessary to recover the Operation and Maintenance Expenses, Debt Service Expenses, Capital Component, and Depreciation Component. An illustrative calculation of the Revenue Requirement in the detail required to be provided to the Advisory Board is attached as Exhibit D.

“**Seller**” means the Town of Pendleton, South Carolina.

“**Seller’s System**” means Seller’s entire system for the collection, transmission, treatment, discharge, management, and disposal of wastewater, including the Plant.

“**Service Area**” means, with respect to each Party, the area within which each Party is permitted by applicable law to provide wastewater services. The Service Areas of the respective Parties are shown in Exhibit C hereto.

“**South Carolina Code**” means the Code of Laws of South Carolina 1976, as amended.

“**State**” has the meaning given such term in the Background and Findings of this Agreement.

“**State Constitution**” has the meaning given such term in the Background and Findings of this Agreement.

“**Wastewater Services**” means Seller’s collection, transmission, treatment, discharge, management, and disposal of wastewater through the Plant.

Section 1.02 Construction. In this Agreement, unless context otherwise requires:

- (1) Articles and Sections referred to by number mean the corresponding Articles and Sections of this Agreement.
- (2) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder,” and any similar terms refer to this Agreement, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before, the Effective Date of this Agreement.
- (3) Words of the masculine gender shall mean and include correlative words of the female and neuter genders, and words importing the singular number shall mean and include the plural number and vice versa, unless context clearly dictates otherwise.
- (4) Exhibits to this Agreement constitute an integral part of this Agreement.

- (5) Where Business Days are not specified in this Agreement, days should be interpreted as actual calendar days, and time periods shall be computed so as to exclude the reference day for the period and include the day on which the act or event is to happen.
- (6) Three asterisks mark the end of each Article.

* * *

ARTICLE II

GENERAL REPRESENTATIONS AND COVENANTS

Section 2.1 Representations of Seller. Seller hereby represents that it is a municipal corporation and political subdivision of the State and as such it is a validly created governmental entity and a public body politic and corporate of the State and that it has the power, authority, and legal right to own and operate Seller's System and is capable of providing Wastewater Services as contemplated by this Agreement; that it has all necessary powers and authority to undertake and perform its obligations under this Agreement; that the execution and delivery of, and its performance under, this Agreement will not violate any judgment, decree, order, law, rule, permit, contract, or regulation; that no consent, permission, or approval that has not already been given is required for the valid execution and delivery of this Agreement by Seller; that this Agreement has been duly authorized, executed, and delivered by Seller, and constitutes a legal, valid, and binding obligation of Seller, enforceable in accordance with its terms (but subject to the provisions of bankruptcy, insolvency, reorganization, moratorium and similar laws affecting the enforcement of creditors' rights and to usual equity principles, which may limit the specific enforcement of certain remedies); that, as of the Effective Date, there is no litigation or proceeding pending or, to its knowledge, threatened against or affecting Seller that (i) seeks to enjoin the performance of its obligations under this Agreement; or (ii) if adversely determined, would materially adversely affect its ability to perform such obligations; and that it has taken all necessary action to authorize the execution and delivery of this Agreement and to perform its obligations under this Agreement.

Section 2.2 Representations of Each Purchaser. Each Purchaser hereby represents that it is a duly organized and existing political subdivision of the State and has all necessary power and authority to own and operate the Purchaser's System and to perform its obligations under this Agreement; that the execution and delivery of, and its performance under, this Agreement will not violate any judgment, decree, order, law, rule, permit, contract, or regulation; that no consent, permission, or approval that has not already been given is required for the valid execution and delivery of this Agreement by Purchaser; that this Agreement has been duly authorized, executed, and delivered by Purchaser, and constitutes a legal, valid, and binding obligation of Purchaser, enforceable in accordance with the terms hereof, particularly Section 3.3(E) (but subject to the provisions of bankruptcy, insolvency, reorganization, moratorium and similar laws affecting the enforcement of creditors' rights and to usual equity principles, which may limit the specific enforcement of certain remedies); that, as of the Effective Date, there is no litigation or proceeding pending or, to its knowledge, threatened against or affecting Purchaser that (i) seeks to enjoin the performance of its obligations under this Agreement; or (ii) if adversely determined, would materially adversely affect its ability to perform such obligations; and that Purchaser has taken all necessary action to authorize the execution and delivery of this Agreement.

Section 2.3 Discharge Rights. Seller represents that it has all rights, powers, authority, experience, and skills necessary to operate the Plant and to treat and dispose of wastewater and to perform its obligations under this Agreement as evidenced by, but specifically subject to, the provisions of the applicable wastewater construction, operating, and surface water discharge ("NPDES") permits issued by the DHEC Bureau of Water (a "NPDES Permit").

Seller maintains sole responsibility for maintaining its NPDES Permit and for renewals of the permit as required by State and federal law. In addition, Seller retains sole responsibility for operating within the requirements of its NPDES Permit. Any enforcement actions by federal or State agencies in the nature of fines, penalties, and facility upgrades which are required by a federal or state agency for failure of the Seller to comply with its NPDES Permit will be the sole responsibility of Seller and any such fines and penalties shall not be included as part of the Operation and Maintenance Charges, or any other charges, to the Purchasers.

Section 2.4 Purchasers' Rate Covenant. Each Purchaser covenants that at all times during the term of this Agreement it will impose fees for services provided by such Purchaser's System sufficient at all times to enable such Purchaser to meet its obligations hereunder.

Section 2.5 Seller's Rate Covenant. Seller covenants that at all times during the term of this Agreement it will impose fees for services provided to the customers of Seller's System, other than the Purchasers, that, when combined with the fees and revenues generated under this Agreement, shall be sufficient at all times to enable the Seller to meet its obligations hereunder. Without limiting the foregoing, Seller covenants that it and all other customers of Seller's System shall be charged rates or amounts computed on a similar basis as those charged to Purchasers, that such amounts shall be sufficient to cover Seller's proportionate share of the charges set forth at Section 3.3(A), and that receipts from such charges shall be deposited and used for the purposes of the charges set forth at Section 3.3(A).

* * *

ARTICLE III

SALE AND PURCHASE OF WASTEWATER SERVICES AND ALLOCATED CAPACITY

Section 3.1 Term of Agreement. This Agreement shall be effective upon the Effective Date and shall extend for an initial period of 30 years from that date. Absent receipt of Notice from a Party of its intent not to renew, this Agreement shall be automatically extended, to the extent permitted by law, for two separate ten-year periods thereafter. In the event any Party intends not to renew at the end of a term, such Party shall notify the other Parties of its intent, in writing, not less than two years prior to the end of such term. At the termination of this Agreement and any successor agreements, Purchasers shall retain their rights to the Allocated Capacity granted hereunder and shall be entitled to continue to use the same, and shall be required to pay for such use in the amounts and at the times provided by this Agreement, pending negotiation of a successor agreement.

Section 3.2 Sale of Wastewater Services.

(A) Seller shall make available to each Purchaser an amount of treatment capacity in the Plant equal to such Purchaser's Allocated Capacity set forth on Exhibit A and shall provide Wastewater Services delivered hereunder in compliance with all applicable State and federal laws and regulations.

(B) Seller shall receive and transmit wastewater from the Connecting Meters to the Plant in compliance with all applicable State and federal laws and regulations.

(C) At any time, if Seller determines that the daily delivery of wastewater by a Purchaser has exceeded such Purchaser's Allocated Capacity for at least 30 days during any 12-month period (whether or not such days are consecutive), Seller shall notify such Purchaser. Thereupon Seller and such Purchaser shall meet and exchange information concerning the demand for wastewater treatment services on such Purchaser's System and the availability of unused capacity in the Plant. If this information indicates to Seller that such Purchaser's demand is likely to exceed its Allocated Capacity on an on-going basis, then Seller may require that such Purchaser, and such Purchaser shall, obtain additional Allocated Capacity as permitted under the terms of this Agreement, either through purchase or transfer of capacity rights from another Party or through Plant expansion.

Section 3.3 Payment for Wastewater Services; Calculation of Revenue Requirement.

(A) Beginning on the Effective Date and in each succeeding month during the term of this Agreement, Seller shall invoice each Purchaser not later than the 5th day of each month and Purchaser shall pay by the 15th day of each month, an amount equal to:

- (1) the Operation and Maintenance Charge,
- (2) the Capital Charge,
- (3) the Debt Service Charge, and
- (4) the Depreciation Charge.

While Section 3.3(B)(1) is in effect, invoices for all or a portion of the Fiscal Year may be compiled and sent in advance at the beginning of each Fiscal Year and shall be payable for the applicable months on or before the 15th day of such month as described above.

(B) Operation and Maintenance Charges shall be established each Fiscal Year as follows:

(1) From the Effective Date through June 30 of the second full Fiscal Year following the Date of Substantial Completion, Operation and Maintenance Charges shall be established through the Annual Budget and shall be billed monthly as non-volumetric charges on the basis of each Party's Allocated Percentage. Seller shall perform a true-up at the end of its Fiscal Year based on the audited financial statements for Seller's System. If, based on such audit, a Purchaser has paid more than its Allocated Percentage of Operation and Maintenance Charges, Seller shall return the overage within 30 days of the date of such audit. If, based on such audit, a Purchaser has paid less than its Allocated Percentage of Operation and Maintenance Charges, such Purchaser shall pay such additional amount to Seller within 30 days of Notice of the same. Seller shall provide to Purchasers six months into each Fiscal Year a schedule based on such audit comparing actual revenues and expenses to budgeted amounts with the same detail provided in the Annual Budget.

(2) Beginning July 1 of the Fiscal Year immediately following the second full Fiscal Year following the Date of Substantial Completion, Operation and Maintenance Charges shall be based on such Purchaser's Metered Flow divided by all Parties' Metered Flows and shall be billed monthly. Seller shall perform a true-up at the end of its Fiscal Year based on the audited financial statements for Seller's System. If, based on such audit, a Purchaser has paid more than its share of Operation and Maintenance Charges, Seller shall return the overage within 30 days of the date of such audit. If, based on such audit, a Purchaser has paid less than its share of Operation and Maintenance Charges, such Purchaser shall pay such additional amount to Seller within 30 days of Notice of the same. Seller shall provide to Purchasers six months into each Fiscal Year a schedule based on such audit comparing actual revenues and expenses to budgeted amounts with

the same detail provided in the Annual Budget.

(C) Capital Charges, Debt Service Charges, and Depreciation Charges shall be established each Fiscal Year as follows through the Annual Budget and shall be billed monthly as non-volumetric charges on the basis of each Party's Allocated Percentage. Debt Service Charges will automatically be adjusted at any time that Seller's actual Debt Service Expenses change. Seller shall perform a true-up at the end of its Fiscal Year based on the audited financial statements for Seller's System. Amounts representing the Debt Service Coverage Component paid by a Purchaser, shall be returned to such Purchaser within 30 days of the completion of Seller's audited financial statements for a given Fiscal Year.

(D) In calculating the Revenue Requirement and Annual Budget, Seller shall include in its calculations projected income to be derived during the Fiscal Year in question from the treatment of septage waste and other sales of treatment services to customers that do not have an assignment of Allocated Capacity. Such projected income shall be allocated based on Allocated Capacities to offset Operation and Maintenance Expenses during such Fiscal Year.

(E) Each Purchaser hereby agrees to pay all amounts due hereunder from the revenues of its Purchaser's System. The obligation of each Purchaser to pay all of the charges set forth at Section 3.3(A) hereof shall be absolute and unconditional and shall not be suspended or discontinued for any cause whatsoever, including without limiting the generality of the foregoing, the failure of Seller to complete the acquisition, construction, improvement, or upgrading of any portion of the Plant; any acts or circumstances that may constitute failure of consideration, destruction of or damage to any portion of the Plant; and any failure on the part of Seller to perform and observe any agreement, whether expressed or implied, under this Agreement. Each Purchaser hereby covenants to impose rates and charges of the respective Purchaser's System to make 100% of the payments of its portion of the Revenue Requirement each Fiscal Year as required hereunder.

(F) The obligations hereunder shall not in any event constitute an indebtedness of a Party within the meaning of any provision, limitation, or restriction of the State Constitution or statutes of the State and the faith, credit and taxing power of each Purchaser is expressly not pledged therefor. Each Purchaser is not obligated to pay the amounts provided for hereunder, save and except from the revenues of its Purchaser's System.

Section 3.4 Annual Budget; Contingency Fund.

(A) The Parties will form the Advisory Board to make decisions concerning the operation of the Plant and recommendations regarding the Annual Budget, provided, however, the Plant will continue with its current operations until such time as the Advisory Board decides otherwise. Voting on the Advisory Board shall be on a one vote per Party basis, with a majority of all votes entitled to be cast required to approve any item, unless unanimity is specified for the particular approval or action.

(B) The Advisory Board will meet monthly or at some other interval that the Advisory Board may agree upon, provided that the Advisory Board must meet at least quarterly. Professionals, advisors, and employees of each Party may attend meetings of the Advisory Board

along with the Advisory Board member of such Party. Seller shall prepare a monthly financial statement and a monthly operating report and the same will be provided to the Advisory Board not more frequently than monthly, and not less frequently than quarterly; in each case such reports shall be made available within 15 days of the close of the applicable period. Such monthly report shall include a comparison of actual revenues and expenses to budgeted amounts with the same detail provided in the Annual Budget.

(C) Every year, the Advisory Board will discuss possible structural changes to the Advisory Board, the ownership of the Plant, and the Parties' Service Areas and Designated Service Areas. Notwithstanding the foregoing or anything else in this Agreement, the Parties agree to diligently pursue, on terms reasonably agreeable to all Parties, the formation of a Joint Sewer Authority pursuant to Title 6, Chapter 25 of the South Carolina Code in order to purchase, construct, acquire, own, operate, maintain, repair, and improve the Plant.

(D) Seller shall as soon as practicable deliver to the Advisory Board a proposed Annual Budget; provided, that the proposed Annual Budget shall be provided to the Advisory Board no later than the earlier of either (i) April 1 of a Fiscal Year, or (ii) the time when the utility fund portion of the Pendleton's proposed annual budget is publicly presented to Pendleton's governing body for approval. The Advisory Board shall provide a formal written recommendation regarding the proposed Annual Budget within 30 days of receipt from Seller. The proposed Annual Budget shall specify all expense items, charges, and other financial data necessary to compute the Revenue Requirement for such Fiscal Year and the charges payable by each Purchaser, and shall include the comparable data for each entry for the prior Fiscal Year and an explanation of any material variances.

(E) At the request of a Purchaser, Seller will cause the senior management official to meet with such Purchaser, prior to Pendleton's public hearing on the ordinance adopting its annual budget, in order to discuss the Annual Budget in detail. In the event that a Purchaser objects to any part of the proposed Annual Budget, Seller will permit that Purchaser to present its objections to Pendleton's governing body, in open or executive session, prior to final approval of Pendleton's annual budget. Exercise of this right of petition shall not be a precondition of seeking other relief for improper charges.

(F) As part of compiling its Annual Budget and the information provided to the Advisory Board under Section 3.4(B), Seller shall compute and provide a calculation of the Revenue Requirement and the charges to be paid by each Purchaser according to the terms of this Agreement and using a generally accepted cost-of-service rate-making methodology which categorizes costs on a functional basis and allocates them on a cost-causation basis. Charges under Section 3.3(A) shall be computed for each Fiscal Year to be adequate to recover from all Parties sufficient revenues to operate and maintain the Plant on an on-going basis. All revenues received by Seller's System attributable to the Plant shall be reflected in the calculations.

(G) Mid-period adjustments to the Annual Budget and resulting changes to the Section 3.3(A) charges may be implemented by Seller in cases of clearly demonstrated need based on unforeseen costs or circumstances, following submission of the adjustment to the Advisory Board and receiving a recommendation from the Advisory Board regarding such Annual Budget amendment and revisions to charges. Such adjustments shall be calculated

consistent with the Accounting Principles, ratemaking methodologies and cost allocation provisions referenced above. Any such adjustment shall require Notice to the Purchasers with a detailed description on the reasons for the change and accounting and other data supporting the need for the adjustment and the calculation of new Section 3.3(A) charges, with such Notice to be given no later than 30 days prior to the first reading of an ordinance of the Town Council of Pendleton to adjust Section 3.3(A) charges. The recommendation of the Advisory Board shall be provided to Seller's governing body on or before first reading of such ordinance amending the Annual Budget.

(H) If necessary, but only in cases of clerical, metering, or computation error, Seller may issue a corrected billing statement to Purchasers together with a detailed description of the corrections. In such event, Purchasers shall pay to Seller the corrected billing statement within 30 days of the issuance thereof.

(I) Seller shall establish and maintain a Contingency Fund, to be funded at all times in the amount of the Contingency Fund Amount. The Annual Budget shall determine the amount necessary to replenish or maintain the amount on deposit in the Contingency Fund, which amount shall be included in the Operation and Maintenance Charge. Amounts on deposit in the Contingency Fund may be used only for purposes of paying Operation and Maintenance Expenses during periods in which revenues generated by the Operation and Maintenance Charges are insufficient for such purpose. At any time that the amount on deposit in the Contingency Fund exceeds the Contingency Fund Amount, the Seller, in its discretion, shall either refund to the Purchasers the excess amounts or apply them as a credit against the Operation and Maintenance Expenses for the next ensuing billing period.

(J) The Advisory Board shall develop a five-year capital improvement plan for the Plant addressing capital projects, particularly those to be funded under Section 3.6 or 3.7 of this Agreement, and update it annually no later than the time it provides its recommendation regarding the Annual Budget. Upon development and at each update, the five-year capital improvement plan shall encompass the immediately succeeding five full Fiscal Years.

Section 3.5 Plant Renewal and Replacement Fund; Investment Earnings; Initial Funding. There is hereby established the Plant Renewal and Replacement Fund, which may only be used upon the approval of the Advisory Board. Revenues generated by Depreciation Charges, and analogous charges to other customers of Seller's System, shall be credited to the Plant Renewal and Replacement Fund by Seller. Amounts deposited into the Plant Renewal and Replacement Fund may be used from time to time to pay for renewal and replacement of capital improvements of the Plant. Appropriate records of expenditures from this fund shall be maintained by Seller. Allocations into the Plant Renewal and Replacement Fund shall be set forth in the Annual Budget. Allocations into the Plant Renewal and Replacement Fund attributable to Seller's Allocated Capacity shall be billed to Seller's customers and treated as provided in Section 3.3. No Depreciation Charge shall be due when the balance in the Plant Renewal and Replacement Fund equals or exceeds 5% of the replacement value of the Plant as determined by an Independent Consultant or as may be agreed by the Advisory Board. Earnings on the Plant Renewal and Replacement Fund shall be retained in such fund and become exclusively part of such fund.

Section 3.6 Capital Costs Not Related to Increases of a Purchaser's Allocated Capacity in Plant.

(A) Seller shall make all capital improvements necessary to maintain Seller's ability to provide Purchasers Wastewater Service consistent with each Party's Allocated Capacity, including improvements necessary to satisfy applicable regulatory agency requirements, and shall provide information regarding the need for any such capital improvement to the Advisory Board. All capital improvements under this Section 3.6 shall be reviewed by the Advisory Board, which shall provide a recommendation regarding the same, which shall be distributed to the Parties in the same manner as Notice. The costs therefor will be paid as follows:

- (1) First, such costs shall be paid from annual Current Capital Component revenues;
- (2) Second, remaining costs shall be paid from the Plant Renewal and Replacement Fund; and
- (3) Third, remaining costs shall be paid as Future Capital Improvement Costs, with each Purchaser's share of the remaining cost of such improvements to be computed based on its Allocated Percentages. Purchasers shall pay such Future Capital Improvement Costs over the duration of the construction project in amounts reflecting the cash flow requirements of the project (and which may be paid in whole or in part from bonds issued by a Purchaser).

(B) Upon recommendation of the Advisory Board, and in order for the Parties to spread out the costs of capital costs under this Section 3.6 over multiple Fiscal Years, the Parties may agree either (i) for the Seller to issue Bonds to defray the costs of identified capital improvements and make the required payments thereafter to cover the associated Future Capital Improvement Costs on terms agreeable to the Seller and Purchasers, the debt service on which will be paid by such Purchasers as Debt Service Charges, or (ii) for each Party to provide its share of the required sum for the capital improvements by a date certain through any legally available funds, including the issuance of bonds of such Party. Such agreement and terms regarding the provision of funds shall be approved by the governing body of each Party by either resolution or ordinance. Upon the issuance of any Bonds, Exhibit B hereto shall be updated within 30 days of the issuance of such Bonds and provided to the Parties in the same manner as Notice. All amounts payable under this Section 3.6 shall be based on Allocated Percentages. In the absence of such agreement, charges under this Section 3.6 shall be imposed pursuant to paragraphs (1)-(3) of Section 3.6(A). Improvements to expand the capacity of the Plant shall not be included in any calculation under this Section.

(B) Seller shall promptly provide each Purchaser Notice and copies of all correspondence and documents related to any regulatory deficiency in the Plant the correction of which might result in Future Capital Improvement Costs, within five days following its receipt thereof, provided that this requirement shall not apply to any documents protected by the attorney-client privilege. As soon as practicable following such Notice, Seller shall procure an estimate of cost from an Independent Consultant and, upon completion thereof, provide the same to the Purchasers with an estimate of the related Future Capital Component.

Section 3.7 Expansion of the Plant to Provide Additional Capacity.

(A) Additional Allocated Capacity needed by any Party shall be made available from time to time by Seller, if feasible as reasonably determined by unanimous approval of the Advisory Board, with the costs of providing such additional capacity being assumed on a *pro rata* basis by the Party or Parties requesting or needing such additional capacity. If any Party shall determine that it requires additional capacity in the Plant, then it shall provide Notice to the other Parties in writing setting forth its estimated requirement for additional capacity and the time at which it estimates such additional capacity will be required. Seller shall promptly provide Notice of any such request to all other Parties. Within 60 days of the receipt of the initial Notice requesting capacity, representatives of the Seller, the requesting Party, and other interested Parties shall meet and exchange information in order for Seller to determine (i) the total capacity required by all Parties, (ii) the time for providing additional capacity, (iii) the manner of providing such capacity, (iv) the feasibility of the expansion, and (v) such other matters relating to the provision of such capacity as any Party may deem necessary.

(B) Seller agrees to undertake the design and construction of the improvements necessary to provide the additional capacity requested or needed by a Purchaser in a timely manner and diligently pursue the completion thereof such that such capacity will be available on or before the date set forth in such Notice. Provided, however, that, prior to Seller's undertaking of such obligations, the following conditions are met:

- (1) The requested availability date shall be not less than 30 months following the date of the notice of approval of expansion by the applicable regulatory authorities;
- (2) Seller shall not be required to add capacity to the Plant in increments of less than one MGD;
- (3) Purchaser shall advance to Seller such funds as are required to cover the design and engineering expenses of the improvements necessary, and related consulting and legal fees, to provide the additional capacity requested by such Purchaser, following the review of the engineering scope of work and contract for such work by the Advisory Board and recommendation by the Advisory Board regarding the same prior to the award of such contract;
- (4) Purchaser shall make provision for the payment of the costs of construction, construction management, permitting, and related consulting and legal fees of such expansion through (i) the payment of such Purchaser's share of the Future Capital Improvement Costs of such expansion for deposit into and administration under an escrow account during the construction period; or (ii) an amendment to this Agreement among the Parties providing for Seller to issue Bonds on terms agreeable to the Seller and such Purchaser, the allocable portion of the proceeds of which will be deposited into an escrow account and the allocable portion of the debt service on which will be paid by such Purchaser as Debt Service Charges; and

- (5) Seller shall be able to obtain all necessary discharge or other permits required to support the expansion and operate the Plant after such expansion.

(C) In case of expansion, the Parties agree that Exhibit A to this Agreement will be modified by mutual agreement to the extent necessary to set forth the new Allocated Capacities and the Allocated Percentages required as a result of any expansion.

Section 3.8 Additional Future Capacity. Should capacity in the Plant increase beyond that then contemplated in Exhibit A, as may be amended from time to time, by any means other than pursuant to Section 3.7, including, without limitation and by way of example only, improvements funded through a grant, technological enhancements added as part of normal operations, or otherwise, such additional capacity shall be allocated on the basis of then applicable Allocated Capacities unless otherwise agreed among all Parties in writing. Any change in Plant capacity and the resulting changes in Allocated Capacities and Allocated Percentages shall be promptly reflected in an amendment to Exhibit A hereto.

Section 3.9 Response to Capacity Limitations. The Parties recognize that circumstances may arise in which the Purchasers may request additional capacity to serve the needs of wholesale or direct industrial customers under either Section 3.7 or Section 3.8 of this Agreement, and that these requests may come at a time when Seller has reasonably determined that the ability of the Plant to meet projected future needs for sewer treatment capacity is limited by environmental, regulatory, or other engineering constraints. In cases where capacity in the Plant cannot be expanded to meet both the reasonably projected needs within the Parties' respective Service Areas and the request for additional capacity to serve the needs of wholesale or direct industrial customers located outside of the Parties' respective Service Areas, then the Seller shall provide the Purchasers with a capacity needs and expansion study prepared by an engineer licensed in the State of South Carolina selected by the Advisory Board. The purpose of this study shall be to validate and test the estimated needs within the Parties' respective Service Areas and the environmental or engineering limitations that prevent the expansion of capacity in the Plant to meet all of those needs. Such study shall reflect a planning horizon of no greater than five years and shall reflect the independent professional judgment of the engineer who prepared it as to the reasonableness and suitability of all data and assumptions contained in it. In cases where the report validates the inability to serve both sets of needs, the Seller may limit the provision of additional capacity to serve the needs of wholesale or direct industrial customers located outside of the Parties' respective Designated Service Areas in order to ensure that the needs within the Parties' respective Designated Service Areas are met on a priority basis. However, in no case shall Seller offer to provide additional service to wholesale or direct industrial customers located outside of Pendleton's Designated Service Area, or provide capacity to others for doing so, until the Purchasers' prior requests for additional capacity have been met. Should the study indicate capacity may be added, the Parties shall proceed under Section 3.7 hereof.

Section 3.10 Measurement of Wastewater Flows. Each Purchaser's flow shall be individually measured at the applicable Connecting Meters, all as reasonably specified by Seller from time to time. The Connecting Meters shall be selected and installed, if necessary and as applicable, by Seller after consultation with the appropriate Purchaser to permit such Purchaser to provide input into the selection, installation and calibration of such Connecting Meters.

Purchasers shall have the right to observe and inspect the installation of Connecting Meters. The cost of the Connecting Meters and all installation, repair, and maintenance costs thereto as well as the cost of the activities necessary to accurately calculate the Metered Flows shall be paid by the appropriate Purchaser. Seller agrees to permit the Purchasers to conduct such inspection of the Connecting Meters as reasonably requested by Purchasers. Seller further agrees to provide to the Purchasers copies of all data regarding total flows treated at the Plant and the Connecting Meters as reasonably requested by Purchasers. Seller further agrees to provide routine testing and calibration of Connecting Meters no less frequently than once every six months. A Purchaser may request testing outside of the six-month testing cycle. If this out-of-cycle testing shows the Connecting Meters to be accurate within 5% of actual flow, the Purchaser shall pay the costs associated with such testing. If the Connecting Meters are found to be inaccurate by 5% or more, Seller shall pay the costs for such testing and subsequent recalibration.

Section 3.11 Operation and Maintenance of Plant.

(A) Seller agrees to operate and maintain the Plant in a good and proper manner in accordance with all applicable requirements of state and federal regulatory agencies, consistent with Good Utility Practices, and in such a manner as to enable it to comply with its obligations under the Agreement.

(B) Seller shall obtain and maintain, or cause to be obtained and maintained, with responsible insurers such insurance on the Plant (to the extent applicable insurance is available) that is customarily maintained with respect to properties of like character against accident to, loss of, or damage to such properties in an amount, less reasonable deductibles, sufficient to restore the Plant to operation in case of casualty loss.

Section 3.12 Books and Records. Seller shall maintain separate accounting records for both Seller's System and the Plant which records shall be maintained in accordance with Accounting Principles and audited annually by a licensed certified public accountant. All books and records of Seller pertaining to both Seller's System and the Plant and to the Revenue Requirements, and the components thereof, charged hereunder shall be available to each Purchaser for inspection at all reasonable times upon reasonable notice, with Purchaser to pay Seller's reasonable costs for providing Purchaser with such books and records. Seller shall collect data necessary to allocate costs in conformity with cost allocation principles established in this Agreement.

Section 3.13 Sale of Wastewater Services and Allocated Capacity.

(A) Seller and Purchasers agree that this Agreement shall in no way limit or prohibit the sale by any Party within its respective Service Area of wastewater collection or disposal services to the Parties' respective current or future customers using the Wastewater Services provided under this Agreement.

(B) A Party may sell or lease all or any portion of its Allocated Capacity to any other Party on such terms and conditions as shall be agreed to by such Parties.

(C) A Party may sell or lease all or any portion of its Allocated Capacity to a person who is not a Party, as a sale of capacity rights separate and apart from the sale of bundled Wastewater Services to that person, but only upon written consent of all Parties, and compliance with the following conditions:

(1) the Allocated Capacity shall first be offered to the other Parties on the same offered terms for a period of 30 days following Notice of such offer unless extended by the Party selling such Allocated Capacity;

(2) if all of the Parties elect not to purchase any portion, then that portion may then be offered to a new purchaser who is not a Party;

(3) as a condition to such sale or lease, such new purchaser shall become a Purchaser under this Agreement; and

(4) no such sale, lease, or other disposition of Allocated Capacity shall relieve any Party of primary responsibility for the performance of its obligations under this Agreement absent express written consent of all Parties.

(D) Notwithstanding any other provision of this Agreement to the contrary, each Purchaser hereby acknowledges that (i) Seller may finance costs of Seller's System with the proceeds of Bonds and that the interest paid to the holders of certain of the Bonds is tax exempt pursuant to Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended (the "**Code**") and Treasury Regulations promulgated thereunder (the "**Regulations**") and (ii) the Code and Regulations prescribe certain limitations (the "**Private Business Use Limitations**") on the amount of Wastewater Services supplied by Seller's System that Seller is permitted to sell, directly or indirectly, to a person or entity other than a state or local governmental unit as defined by the Code and Regulations ("**Private Persons**") (such direct or indirect sales shall hereinafter be referred to as "**Private Business Use**"). For purposes of this Section, the United States of America and any agency or instrumentality of the United States of America are Private Persons, and providing Wastewater Services by Seller's System to the United States of America and any agency or instrumentality of the United States of America may constitute Private Business Use.

Purchaser hereby further acknowledges that any direct or indirect sale by Purchaser of such Purchaser's Allocated Capacity that constitutes Private Business Use in excess of the Private Business Use Limitations (i) may cause Bonds to be deemed to be private activity bonds under the Code and Regulations, and (ii) may cause the interest on Bonds to be included in gross income of the holders of the Bonds retroactively to the issue date of the Bonds.

The Parties hereby represent, warrant, and covenant as follows:

(1) Each Party shall ensure that for any Fiscal Year (i) not in excess of 10% of the amount its Metered Flows is subject to Private Business Use, if, in addition, the payment of more than 10% of its payments hereunder arise out of such use.

(2) To the extent permitted by law, in the event a Party enters into any contract, arrangement, or agreement, whether formal or informal, that may cause, or

causes, any of the Bonds to fail to satisfy the Private Business Use Limitations, that Party will pay, or cause to be paid, on behalf of the Seller, all amounts required to be paid in order to preserve the tax-exempt status of the Bonds under the Code and the Regulations, including without limitation, (i) all amounts determined to be due and payable to the United States of America with respect to the Bonds in connection with any examination of the Bonds by the Internal Revenue Service, (ii) all amounts determined to be due and payable to the United States of America with respect to the Bonds in connection with the Internal Revenue Service Voluntary Compliance Program, (iii) all amounts determined to be due and payable to the United States of America arising out of any other method or manner of determination by the Internal Revenue Service that the interest on the Bonds is included in the gross income of the holders of the Bonds due to the failure of the Bonds to comply with the Private Business Use Limitations, and (iv) all reasonable attorneys' fees, charges, and costs incurred by the Seller to protect and maintain the tax-exempt status of the Bonds.

(3) The terms of any direct or indirect sale by Purchaser of such Purchaser's Allocated Capacity shall be deemed to include the terms of this Section which shall be binding on all purchasers including all subsequent purchasers. Any transfer of Allocated Capacity or of any other rights arising under this Agreement which transfer is not subject to the terms of this Section shall be void *ab initio*.

Section 3.14 Pretreatment.

(A) The Purchasers grant to the Seller full authority to administer and manage Pendleton's industrial pretreatment program in the Service Areas of Clemson and Anderson, and to their significant industrial users, to be served by the Plant.

(B) The Purchasers grant to the Seller full responsibility and authority of issuing new industrial user permits to all of the Purchaser's existing and future significant industrial customers to be served by the Plant.

(C) The Purchasers grant to the Seller full responsibility and authority for monitoring and sampling all significant industrial users to be served by the Plant in the Purchasers' Service Areas for compliance with the Seller's industrial pretreatment program.

(D) The Purchasers grant to the Seller all rights and remedies in their Service Areas, including the levying of fines, administering civil penalties, and administering criminal penalties as prescribed in the Seller's sewer use ordinance to enforce compliance with the Seller's industrial pretreatment program by customers of the Purchasers served by the Plant. The Advisory Board shall review and approve the imposition of all civil and criminal penalties to be imposed by Seller on a customer of a Purchaser.

(E) The Purchasers grant to the Seller full authority to levy and collect fees and charges from the Purchasers' significant industrial users in their Service Areas to be served by the Plant as are required to cover the costs of Seller's industrial pretreatment program on an equitable basis with all customers of Seller's System.

(F) The Seller agrees to accept the administration, management, monitoring, and enforcement duties and responsibilities of its industrial sewer use ordinance as it relates to the Purchasers' Systems and Service Areas for industrial user customers only and will endeavor to keep the Purchasers fully informed of its permitting activities and proposed enforcement actions relating thereto, subject to Section 3.14(D).

(G) The Purchasers agree to keep the Seller fully informed on all significant industrial user customers of Purchaser in their respective Service Areas served by the Plant, to cooperate regarding the administration and management of the Seller's sewer use ordinance as it applies to significant industrial user customers of the Purchasers, and to assist the Seller regarding compliance and enforcement within the Purchasers' applicable respective Service Areas.

(H) The Parties agree that nothing herein grants Seller the right to waive the terms of any Purchaser ordinance or resolution, or the imposition and collection of any fee or charge imposed by a Purchaser.

Section 3.15 Service Areas.

(A) Anderson, by ordinance, has designated the entire unincorporated area of Anderson as the Designated Service Area of Anderson's System, and provides service within certain areas of the unincorporated area of the County and within certain municipalities as described at paragraph (C) of the Background and Findings hereof.

(B) Anderson consents to Pendleton providing sewer service, at Pendleton's sole expense, within that portion of Anderson's Designated Service Area shown in Exhibit C hereto regardless of whether Pendleton annexes such areas or not (the "*Consented Service Area*"). Consent to Pendleton providing service in such Consented Service Area in no way transfers ownership of any part or portion of Anderson's System and Anderson retains the right to utilize its trunk lines within the Consented Service Area for the conveyance of wastewater. In the portion of the Consented Service Area where Anderson has sewer lines, e.g. the School District area, Pendleton shall exercise reasonable efforts to utilize such existing sewer lines for transportation of wastewater to the Plant and pay Anderson a mutually agreed upon transportation fee as contemplated in that Memorandum of Understanding among Anderson, Pendleton, and Anderson County School District Four dated January 26, 2017. Any wastewater transported by Anderson to the Plant from such area will not count against Anderson's Allocated Capacity.

(C) If Pendleton becomes aware that development is planned in areas outside of the Consented Service Area that does not presently have sewer service and are contiguous to Pendleton's municipal boundaries or the Consented Service Area, and desires to provide such service, Pendleton will immediately provide Notice to Anderson of such development and its interest in providing service. Anderson shall review such Notice and consider whether to grant additional consent for Pendleton to provide service within Anderson's Designated Service Area, with any consent requiring an ordinance of Anderson's County Council.

(D) If Clemson seeks to provide sewer service in Anderson or Pendleton, Clemson will provide Notice to Anderson or Pendleton of such interest in providing service. Anderson or

Pendleton shall review such Notice and consider whether to grant consent for Clemson to provide service within Anderson's Designated Service Area or within Pendleton, with any consent requiring an ordinance of Anderson's County Council or Pendleton's Town Council, as applicable.

(E) If Anderson seeks to provide sewer service in Clemson or Pendleton, Anderson will provide Notice to Clemson or Pendleton of such interest in providing service. Clemson or Pendleton shall review such Notice and consider whether to grant consent for Anderson to provide service within Clemson or Pendleton, with any consent requiring an ordinance of Clemson's City Council or Pendleton's Town Council, as applicable.

* * *

ARTICLE IV

EVENTS OF DEFAULT; REMEDIES

Section 4.1 Events of Default; Remedies.

(A) To the extent permitted by law:

(1) In the event that a Purchaser fails to make any monetary payment required by this Agreement when due, Seller may institute such action as may be necessary to enforce payment of such amounts, including interest on past due amounts, from the date such amount becomes due until paid in full at a default interest rate of 10% per annum. In addition, if such Purchaser fails to make payment when due, upon 60 days Notice from the Seller, the defaulting Purchaser shall forfeit its capacity rights under this Agreement immediately following such 60-day period and does hereby appoint Seller as its agent for the purpose of transferring such Purchaser's Allocated Capacity to the nondefaulting Parties in proportion to their relative Allocated Percentages (for example, if Allocated Percentages were split in thirds, the nondefaulting Parties would each get half of the defaulting Party's Allocated Capacity). Should the defaulting Party pay all amounts due and otherwise comply with the terms of this Agreement, a nondefaulting Party may transfer Allocated Capacity to such Party upon such terms as may be mutually agreeable, or not at all.

(2) In the event that Purchaser fails to perform any non-monetary covenant, obligation, term, or promise in this Agreement after 30 days from the date of Notice to Purchaser of such failure, Seller may bring action against Purchaser for the specific performance by Purchaser of such covenant, obligation, term, or promise.

(3) In the event that a failure by Purchaser to perform any covenant, obligation, term, or promise in this Agreement is the proximate cause of any physical damage to Seller's Plant, then Purchaser shall be responsible for the cost of repairing such damages, and Seller may bring an action therefor.

(B) To the extent permitted by law:

(1) In the event that Seller fails to make any monetary payment required by this Agreement within 30 days from the date when due, Purchasers may institute such action as may be necessary to enforce payment of such amounts, including interest on past due amounts, from the date such amount becomes due until paid in full at a default interest rate of 10% per annum.

(2) In the event that Seller fails to perform any non-monetary covenant, obligation, term, or promise in this Agreement after 30 days from the date of Notice to Seller of such failure, Purchaser may bring action against Seller

for the specific performance by Seller of such covenant, obligation, term, or promise.

(3) In the event that a failure by Seller to perform any covenant, obligation, term, or promise in this Agreement is the proximate cause of any physical damage to Purchaser's System, Seller shall be responsible for the cost of repairing such damages, and Purchaser may bring an action therefor.

(4) If Seller shall become indebted to Purchaser by reason of any provision in this Agreement, Purchaser shall have no right to offset such indebtedness against its obligations to make payments under the provisions of Article III of this Agreement. Seller shall not be liable in any event for consequential, incidental, punitive, economic, or third-party damages. The fact that the obligations of Purchaser to make payments under this Agreement are absolute and unconditional shall not be construed to diminish the exclusive remedies provided by this Section 4.1 for any failure by Seller to perform under this Agreement.

* * *

ARTICLE V

MISCELLANEOUS

Section 5.1 Effects of Force Majeure. If by reason of Force Majeure any Party shall be rendered unable wholly or in part to carry out its obligations under this Agreement, other than the obligations of Purchaser to make the payments required under Section 3.3 of this Agreement, then if such Party shall give notice and full particulars of such Force Majeure in writing to the other Parties within a reasonable time after occurrence of the event or cause relied on, the obligation of such Party giving such notice, so far as it is affected by such Force Majeure, shall be suspended during the continuance of the inability then claimed, but for no longer period, and any such Party shall endeavor to remove or overcome such inability with all reasonable diligence.

Section 5.2 Ownership and Sale of the Plant; Purchaser Right of First Refusal. The Plant shall at all times be the sole and absolute property of Seller; provided, however, Seller acknowledges that each Purchaser has the right to its Allocated Capacity within the Plant in accordance with the provisions of this Agreement. In the event that Seller determines to sell the Plant, and receives written consent from each Purchaser to solicit or receives proposals for the purchase of the Plant, Seller hereby grants to each Purchaser a right of first refusal and agrees to obtain a written proposal from the entity offering to purchase the Plant and will offer the Plant to each Purchaser on the same terms. Seller shall provide Notice and a copy of the proposal to each Purchaser, and each Purchaser may elect in writing within 90 days of Notice of the proposal, to purchase the Plant on the terms indicated. If more than one Purchaser seeks to purchase the Plant, then the Purchasers so electing shall purchase the Plant in shares determined by their relative Allocated Percentages. If a Purchaser does not respond to Notice of Seller's written offer within 90 days from the date of Seller's offer, that Purchaser shall be deemed to have waived its right to purchase the Plant and to have consented to the sale thereof. Seller agrees not to undertake a sale of any of the Plant to any entity unless Seller provides to each Purchaser an opinion of counsel experienced in matters of tax-exempt bonds to the effect that such sale will not adversely affect the tax-exempt status of bonds issued or to be issued by either Purchaser.

Section 5.3 Cooperation in Issuance of Obligations by Each Party. Each Party covenants and agrees that it will cooperate with each other Party in the issuance of any bonds or other obligations proposed to be issued by a Party and secured by revenues of such Purchaser's System or Seller's System. In connection therewith, each Party shall promptly comply with all reasonable requests of each other Party and will, upon request:

- (1) Make available general financial and operational information about itself and its Seller's System or Purchaser's System;
- (2) Consent to publication and distribution of its financial information;
- (3) Certify that information provided by it is accurate, does not contain an untrue statement of a material fact, and does not omit to state a material fact necessary in order to make the statements in that information, in light of the circumstances under which they were made, not misleading;

- (4) Make available certified copies of official proceedings and records, if applicable;
- (5) Provide reasonable certifications to be used in a transcript of closing documents;
- (6) Provide reasonably requested opinions of counsel as to the validity of its actions taken with respect to and the binding effect of this Agreement, its title to its Seller's System or Purchaser's System, pending or threatened litigation that could materially affect its performance hereunder, and any other reasonably requested opinions; and
- (7) Provide such other information, documents, and certifications as each Party may reasonably request.

Provided, however, that each Party's obligation to cooperate as set forth herein shall be conditional upon agreement by the requesting Party to reimburse any and all reasonable costs associated with such request, provided the requesting Party shall have first received an estimate of such costs from the Party receiving such request.

Section 5.4 Waiver of Jury Trial; Jurisdiction and Venue.

THE PARTIES HERETO HAVE EACH, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IRREVOCABLY WAIVED ANY RIGHT THEY MAY HAVE TO A JURY TRIAL WITH REGARD TO ANY DISPUTE HEREUNDER. ALL PARTIES HEREBY CONSENT TO VENUE IN THE STATE COURTS IN ANDERSON COUNTY, SOUTH CAROLINA.

Section 5.5 Notices. "*Notice*" is duly given hereunder: (a) if by transmission by hand delivery, when delivered; (b) if mailed via the official governmental mail system, three Business Days after the post mark, *provided* said notice is sent first class, postage pre-paid, via certified or registered mail, with a return receipt requested; (c) if mailed by an internationally recognized overnight express mail service such as Federal Express, UPS, DHL Worldwide or a similar organization, one Business Day after deposit therewith prepaid; or (d) by e-mail upon delivery with receipt confirmed. Notices shall be transmitted to the principal addresses of the Parties as follows:

If to the Town of Pendleton:

Town of Pendleton
Attn: Town Administrator
310 Greenville Street
Pendleton, SC 29670
Email: stevem@townofpendleton.org
with a copy (which is not Notice) to:

Town of Pendleton
Attn: Town Attorney

If to the City of Clemson:

City of Clemson
Attn: City Administrator
1250 Tiger Boulevard, Suite 1
Clemson, SC 29631
Email: ablondeau@cityofclemson.org

City of Clemson
Attn: Utilities Director
300 Cochran Road
Clemson, SC 29631
Email: bmcgill@cityofclemson.org

with a copy (which is not Notice) to:

City of Clemson
Attn: City Attorney
1250 Tiger Boulevard, Suite 1
Clemson, SC 29631

If to Anderson County:

Anderson County
Attn: County Administrator
P.O. Box 8002
Anderson, SC 29622
Email: rburns@andersoncountysc.org

Anderson County
Attn: Wastewater Manager
P.O. Box 8002
Anderson, SC 29622
Email: dbsingleton@andersoncountysc.org

with a copy (which is not Notice) to:

Anderson County
Attn: Anderson County Attorney
P.O. Box 8002
Anderson, SC 29622
Email: lharmon@andersoncountysc.org

Rejection or other refusal to accept or inability to deliver because of a changed address of which no Notice was given shall be deemed to be receipt of the Notice, request, or other communication. Any Party hereto may, by written notice given to the other Parties to this

Agreement, designate any further or different addresses to which subsequent Notice, certificates or other communications shall be sent.

Section 5.6 Authority/Beneficiaries. Each Party hereto hereby represents and warrants that all appropriate action has been taken by their respective governing bodies to authorize the execution of and the performance of the obligations set forth in this Agreement and that the person executing the Agreement on their behalf has been duly authorized to do so. This Agreement shall inure to the benefit of and shall be binding upon Seller and Purchasers and their respective successors or assigns.

Section 5.7 Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision of this Agreement.

Section 5.8 Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 5.9 Governing Law. This Agreement is prepared and entered into with the intention that the law of the State shall govern its performance and construction, and such performance and construction shall be governed by such law.

Section 5.10 Amendments. This Agreement may not be amended, changed, modified or terminated without in each instance the prior written consent of the Parties hereto. Seller shall promptly circulate all executed amendments to this Agreement to the Parties with the Notice thereof.

Section 5.11 No Adverse Presumption. Seller and Purchasers hereby acknowledge that this Agreement arose as the result of arm's length negotiations between the Parties and that this Agreement was prepared with the advice, consent, recommendation and review of each and all Parties and their counsel, and is the product of input by all Parties. As a result, any ambiguity or uncertainty is not to be construed against the Party whose counsel prepared this Agreement on the grounds that such Party's representatives drafted this Agreement or any part thereof.

Section 5.12 Third Parties. This Agreement does not and is not intended to confer in favor of any persons or entities other than Seller and Purchasers any rights or remedies whatsoever, the Parties hereto intending by the provisions hereof to confer no such benefits or status.

Section 5.13 Captions. The Section headings of this Agreement are inserted for convenience only and shall not constitute a part of this Agreement in construing or interpreting any provisions hereof.

Section 5.14 Further Assurances. The Parties agree to give such further assurances, and to execute, acknowledge and deliver such other instruments as shall be reasonably necessary or appropriate in the judgment of the other Parties to carry out the intent of this Agreement.

Section 5.15 Fully Integrated Agreement, Prior Agreements Superseded. The Parties agree that this Agreement constitutes the entire agreement between or among the Parties related to any aspect of the subject matter hereof, particularly the Plant and Designated Service Areas within Anderson. Reference is made to Section 3.15 regarding Anderson's Designated Service Areas and the requirement of consent to provide service therein. This Agreement shall supersede all existing agreements, understandings, and courses of dealings related to the purchase and sale of Wastewater Services among the Parties hereto. All prior agreements and understandings between or among the Parties related to any aspect of the Plant, and Designated Service Areas within Anderson, are hereby terminated and superseded in full by this Agreement. Specifically, and without limitation, the Prior Agreements are no longer of any force or effect.

(Signature Pages Follow)

IN WITNESS WHEREOF, the Parties hereto have caused this Intergovernmental Wastewater Capacity and Services Agreement to be signed in their names by their duly authorized officers as of the Effective Date.

TOWN OF PENDLETON, SOUTH CAROLINA

By: _____ [Seal]

Print Name: _____

Title: _____

Witness:

IN WITNESS WHEREOF, the Parties hereto have caused this Intergovernmental Wastewater Capacity and Services Agreement to be signed in their names by their duly authorized officers as of the Effective Date.

CITY OF CLEMSON, SOUTH CAROLINA

By: _____ [Seal]

Print Name: _____

Title: _____

Witness:

IN WITNESS WHEREOF, the Parties hereto have caused this Intergovernmental Wastewater Capacity and Services Agreement to be signed in their names by their duly authorized officers as of the Effective Date.

ANDERSON COUNTY, SOUTH CAROLINA

By: _____ [Seal]

Print Name: _____

Title: _____

Witness:

EXHIBIT A

ALLOCATED CAPACITY AND ALLOCATED PERCENTAGE

Prior to the Date of Substantial Completion of the Pendleton Plant Project

<u>Capacity Held By:</u>	<u>Allocated Capacity (MGD)</u>	<u>Allocated Percentage</u>
Pendleton	0.80	40.00%
Clemson	1.00	50.00
Anderson	<u>0.20</u>	<u>10.00</u>
Total Capacity	2.00	100.00%

Upon the Date of Substantial Completion of Pendleton Plant Project

<u>Capacity Held By:</u>	<u>Allocated Capacity (MGD)</u>	<u>Allocated Percentage</u>
Pendleton	1.50	30.00%
Clemson	2.00	40.00
Anderson	<u>1.50</u>	<u>30.00</u>
Total Capacity	5.00	100.00%

EXHIBIT B

PRIOR BONDS COMPONENT AND DEBT SERVICE

Issue	Original Principal Amount	Annual Debt Service	Debt Service Allocation (Anderson)	Debt Service Allocation (Clemson)	Final Maturity
2009 SRF Loan (F1-123-09- 472-05)	\$1,620,850	\$97,099.92	10.00%	50.00%	1/1/2031

EXHIBIT C
SERVICE AREAS MAP

PROPOSED PENDLETON SERVICE AREA

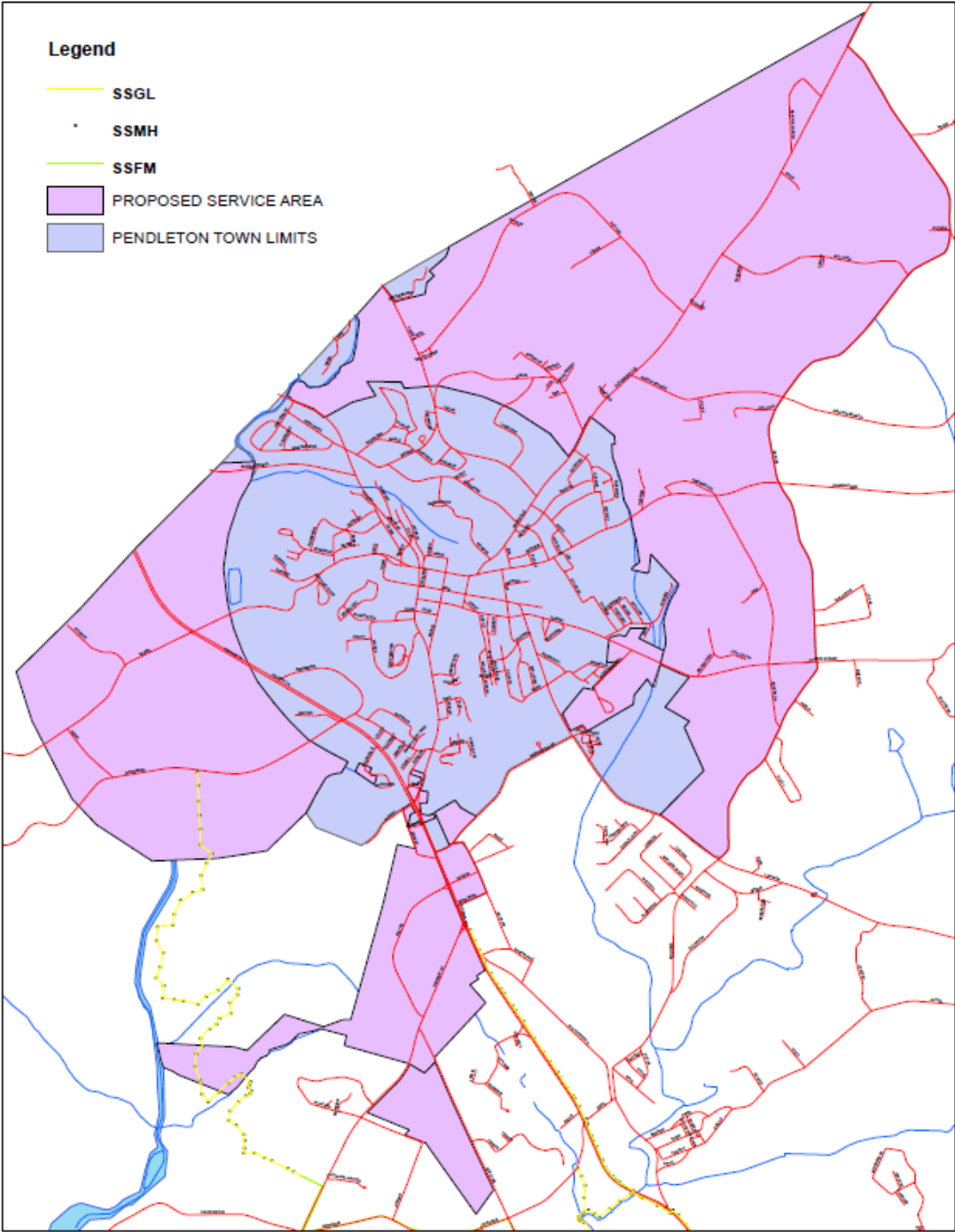


EXHIBIT D
REVENUE REQUIREMENT CALCULATION

EXHIBIT D
FORM OF PROJECT AGREEMENT

PROJECT MANAGEMENT AGREEMENT FOR
WASTEWATER TREATMENT PLANT EXPANSION

among the

Town of Pendleton, South Carolina,
City of Clemson, South Carolina,
Anderson County, South Carolina,

and

U.S. Bank Trust Company, National Association, as Escrow Agent

_____, 2024

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This **PROJECT MANAGEMENT AGREEMENT FOR WASTEWATER TREATMENT PLANT EXPANSION** (this “*Agreement*”) is made this ____ day of _____, 2024 (the “*Effective Date*”), by and among the **CITY OF CLEMSON, SOUTH CAROLINA** (“*Clemson*”), **ANDERSON COUNTY, SOUTH CAROLINA** (“*Anderson*”), the **TOWN OF PENDLETON, SOUTH CAROLINA** (“*Pendleton*” and together with Clemson and Anderson, the “*Project Participants*”) and **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION** (the “*Escrow Agent*”). Each entity may hereinafter be referred to as a “*Party*” or collectively as the “*Parties*.”

BACKGROUND AND FINDINGS

(A) Capitalized terms used in this Agreement shall have the meanings given to such terms in Section 1.1 of this Agreement. In the event that a capitalized term is defined elsewhere in this Agreement and is also defined in Section 1.1 of this Agreement, and there is any inconsistency between such definitions, the definition in Section 1.1 of this Agreement shall control.

(B) Clemson is a municipal corporation and a political subdivision of the State of South Carolina (the “*State*”) and possesses all general powers granted by the Constitution of the State of South Carolina 1895, as amended (the “*State Constitution*”) and statutes of the State to municipal corporations. Clemson has heretofore lawfully established and now operates a municipal water and wastewater system, which generally serves the entire area of Clemson and certain populated areas adjacent to its corporate limits.

(C) Anderson is a county and a political subdivision of the State, and possesses all general powers granted by the State Constitution and statutes of the State to counties thereof. Anderson has heretofore lawfully established and now operates a wastewater system, which generally serves portions of the unincorporated area of Anderson, and certain areas within the municipalities of Anderson and Pendleton by agreement as set forth in the hereinafter defined Intergovernmental Agreement.

(D) Pendleton is a municipal corporation and a political subdivision of the State and possesses all general powers granted by the State Constitution and statutes of the State to municipal corporations. Pendleton has heretofore lawfully established and now operates a municipal water and wastewater system, which generally serves the entire area of Pendleton and certain populated areas adjacent to its corporate limits. Pendleton has lawfully established and now operates a wastewater treatment and disposal system that provides service to the wastewater systems operated by Clemson and Anderson.

(E) Section 6-15-20 of the South Carolina Code (as defined herein) provides that:

Every governmental entity shall be empowered to enter into contracts with other governmental entities for the collection of sewage, for the disposal of sewage, and for the treatment of sewage, and to that end shall be jointly and severally empowered to construct, operate, maintain, enlarge and improve sewer facilities

designed for use by the parties to the contract. Such contract may provide for the joint ownership of the sewer facilities or for the ownership of such facilities by any of the contracting parties, provided that, in such event, the remaining parties shall be empowered to utilize such sewer facilities to the extent provided for in the contract.

(F) Section 5-31-890 of the South Carolina Code provides that:

All municipalities in this State owning, controlling, leasing or planning to construct a system of sewage disposal with or without outfalls, rights of way, easements and appurtenances thereto, may, through proper officials, commissioners of public works, sewer commissions or any of them or like bodies, enter into contracts and agreements with persons or political subdivisions outside the corporate limits of such municipalities, whether contiguous thereto or not, for the construction, maintenance, operation, improvement, leasing, controlling or furnishing the use, benefits and facilities thereof upon such terms and at such rates and charges as may be fixed by the contract or agreement between the parties when, in the judgment of the proper officials, commissioners of public works, sewer commissions, or any of them or like bodies, as the case may be, it is for the best interest of the city, town or municipality so to do. But no such contract or agreement shall be for a period exceeding thirty years from the effective date thereof.

(G) Pursuant to an Intergovernmental Wastewater Capacity and Services Agreement (the "*Intergovernmental Agreement*") among the Project Participants dated of even date herewith, the Project Participants have entered into a new agreement regarding the operation and use of the Plant (as defined in the Intergovernmental Agreement), superseding and terminating all prior agreements among the Project Participants with regard to Wastewater Services (as defined in the Intergovernmental Agreement).

(H) The current permitted treatment capacity of the Plant is 2.0 million gallons per day ("*MGD*"), which has been allocated 50% to Clemson, 40% to Pendleton, and 10% to Anderson. The Project Participants seek to expand the treatment capacity of the Plant to 5.0 MGD (the "*Project*," as further defined herein) in order to meet existing and anticipated future wastewater treatment needs of the Project Participants, to promote economic growth, to provide cost effective sewer service to the Project Participants' respective customers, and prepare for continued population growth in and around the Project Participants.

(I) Through this Agreement, the Project Participants seek to memorialize the procurement, management, and cost-sharing responsibilities of each Project Participant related to the Project; provide for a Project cost allocation of 43.33% to Anderson, 23.33% to Pendleton, and 33.34% to Clemson; and further provide that any Project Grants (as defined herein) that have been or will be obtained shall reduce total allocable Project Costs prior to allocation, except that the first \$600,000 of the initial Project Grants received shall be disbursed to or retained by Pendleton.

(J) Each Project Participant has found that this Agreement (i) is in the best interest of the public, the Project Participants, and the consumers to be served; and (ii) has been duly authorized by its respective governing body to sign this Agreement. The undersigned officers have been duly authorized to sign on behalf of their respective Project Participants.

NOW, THEREFORE, in consideration of the premises hereinabove set forth and the agreements of the Parties hereunder, the Parties agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. In addition to any words and terms elsewhere defined in this Agreement, the following words and terms shall have the following meanings unless some other meaning is plainly intended:

“*Accounting Principles*” means generally accepted accounting principles and practices applicable to governmental entities in the United States, including those applicable to enterprise funds that relate to governmentally owned and operated utility systems, as may be amended or revised from time to time.

“*Advisory Board*” has the meaning given in the Intergovernmental Agreement.

“*Agreement*” has the meaning given such term in the Background and Findings to this Agreement.

“*Allocated Capacity*” has the meaning given such term in the Intergovernmental Agreement.

“*Anderson*” has the meaning given such term in the Background and Findings to this Agreement.

“*Anderson Account*” means the Anderson Account of the Project Fund created under Section 4.2 hereof.

“*Anderson Representative*” means the County Administrator of Anderson and the Wastewater Manager of Anderson, either of whom may act independently.

“*Anderson’s System*” means Anderson’s system for the collection and transmission of wastewater.

“*Business Day*” means any day other than a Saturday, Sunday, or federal holiday in the United States of America or a day on which the New York Stock Exchange is closed or a day on which the payment system of the Federal Reserve Bank is not operational.

“*Clemson*” has the meaning given such term in the Background and Findings to this Agreement.

“**Clemson Account**” means the Clemson Account of the Project Fund created under Section 4.2 hereof.

“**Clemson Representative**” means the City Administrator and the Utilities Director of Clemson, either of whom may act independently.

“**Clemson’s System**” means Clemson’s system for the collection and transmission of wastewater.

“**Construction Advisors**” means those representatives from the three Project Participants that will supervise the construction and approve certain matters with regard to the Project; the initial Construction Advisors shall be the Utilities Director of Clemson, the Town Administrator of Pendleton, and the Wastewater Manager of Anderson.

“**Construction Contract**” means the guaranteed maximum price contract with Harper General Contractors, or any successor or assign.

“**Deposit Certificate**” means the certificate of each Project Participant to be executed and delivered in connection with a Project Participant’s deposit of its Project Costs Share in the Project Fund, the form of which is attached as Exhibit B.

“**Disbursement Request**” means a request executed by a representative of a Project Participant to requisition funds from the Project Fund for Project Costs, the form of which is attached hereto as Exhibit C.

“**Effective Date**” has the meaning given such term in the Background and Findings to this Agreement.

“**Escrow Agent**” has the meaning given such term in the Background and Findings to this Agreement.

“**Force Majeure**” means, to the extent beyond the control of the Party claiming an event of Force Majeure, any of the following: acts of God or nature; strikes, lockouts, or other industrial disturbances; acts of a public enemy; orders of any kind of the government of the United States or the State or the courts thereof, or any civil or military authority; insurrections, riots, epidemics, pandemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, and explosions; malfunctions of machinery and pipe lines; partial or entire failure of electric supply; or the inability of Pendleton to receive wastewater or operate the Plant hereunder, or a Participant to control wastewater flows hereunder, on account of any other causes not reasonably within the control of the Party claiming such inability.

“**Intergovernmental Agreement**” has the meaning given such term in the Background and Findings of this Agreement.

“**MGD**” means millions of gallons per day, with the term “day” being understood to refer to the 24-hour period commencing at 12:00 a.m. (midnight) Eastern Time of a given calendar day.

“Operation and Maintenance Expenses” has the meaning given such term in the Intergovernmental Agreement.

“Participant” means, together or individually as the context requires, Anderson or Clemson, or both, and their respective successors and assigns.

“Participant’s System” means, individually or collectively, as the context requires, Anderson’s System or Clemson’s System, or both.

“Party” or **“Parties”** has the meaning given such term in the Background and Findings to this Agreement.

“Pendleton” has the meaning given such term in the Background and Findings to this Agreement.

“Pendleton Account” means the Pendleton Account of the Project Fund created under Section 4.2 hereof.

“Pendleton Representative” means the Town Administrator.

“Pendleton’s System” means Pendleton’s entire system for the collection, transmission, treatment, discharge, management, and disposal of wastewater, including the Plant.

“Plant” has the meaning given such term in the Intergovernmental Agreement.

“Project” has the meaning given such term in Section 3.1 hereof.

“Project Budget” has the meaning and is the amount provided at Section 3.1.

“Project Costs” means, and is limited to, Project expenditures that are treated as capital expenditures under Accounting Principles. In general, costs shall be treated as capital costs if they are incurred for the planning, acquisition, construction, or improvement of property having a useful life of more than one year and include costs related to the planning, acquisition, construction, or improvement of land, buildings, infrastructure improvements, and intangible assets. Capital costs also include costs and expenditures that increase the value of existing property with a useful life of more than one year or that extend the useful life of existing property for a period of more than one year. Capital costs consist of both direct costs and indirect costs.

“Project Costs Share” means, as to a particular Project Participant, such Project Participant’s share of the Project Costs.

“Project Fund” means the fund of such name created under Article IV of this Agreement.

“Project Grants” means any grant to one of the Parties made with respect to the Project, including, but not limited to, the SCIIP Grant.

“Project Participant” has the meaning given such term in the Background and Findings to this Agreement. References herein to the direction of or consent of a Project Participant shall be deemed to mean a direction or consent given by the Representative of such Project Participant.

“Representative” means, individually or collectively as context requires, the Anderson Representative, the Clemson Representative, and the Pendleton Representative.

“SCIIP Grant” means the \$10,000,000 grant awarded to Pendleton in 2023 from the South Carolina Infrastructure Investment Program administered by the South Carolina Rural Infrastructure Authority using State and Local Recovery Funds received through the American Rescue Plan Act

“South Carolina Code” means the Code of Laws of South Carolina 1976, as amended.

“State” has the meaning given such term in the Background and Findings of this Agreement.

“State Constitution” has the meaning given such term in the Background and Findings of this Agreement.

“Wastewater Services” has the meaning given such term in the Intergovernmental Agreement.

Section 1.02 Construction. In this Agreement, unless context otherwise requires:

- (1) Articles and Sections referred to by number mean the corresponding Articles and Sections of this Agreement.
- (2) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder,” and any similar terms refer to this Agreement, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before, the Effective Date of this Agreement.
- (3) Words of the masculine gender shall mean and include correlative words of the female and neuter genders, and words importing the singular number shall mean and include the plural number and vice versa, unless context clearly dictates otherwise.
- (4) Exhibits to this Agreement constitute an integral part of this Agreement.
- (5) Where Business Days are not specified in this Agreement, days should be interpreted as actual calendar days, and time periods shall be computed so as to exclude the reference day for the period and include the day on which the act or event is to happen.
- (6) Three asterisks mark the end of each Article.

* * *

ARTICLE II

REPRESENTATIONS

Section 2.1 Representations of Pendleton. Pendleton hereby represents that it is a municipal corporation and political subdivision of the State and as such it is a validly created governmental entity and a public body politic and corporate of the State and that it has the power, authority, and legal right to own and operate Pendleton's System and is capable of providing Wastewater Services as contemplated by the Intergovernmental Agreement; that it has all necessary powers and authority to undertake and perform its obligations under this Agreement; that the execution and delivery of, and its performance under, this Agreement will not violate any judgment, decree, order, law, rule, permit, contract, or regulation; that no consent, permission, or approval that has not already been given is required for the valid execution and delivery of this Agreement by Pendleton; that this Agreement has been duly authorized, executed, and delivered by Pendleton, and constitutes a legal, valid, and binding obligation of Pendleton, enforceable in accordance with its terms (but subject to the provisions of bankruptcy, insolvency, reorganization, moratorium and similar laws affecting the enforcement of creditors' rights and to usual equity principles, which may limit the specific enforcement of certain remedies); that, as of the Effective Date, there is no litigation or proceeding pending or, to its knowledge, threatened against or affecting Pendleton that (i) seeks to enjoin the performance of its obligations under this Agreement; or (ii) if adversely determined, would materially adversely affect its ability to perform such obligations; and that it has taken all necessary action to authorize the execution and delivery of this Agreement and to perform its obligations under this Agreement.

Section 2.2 Representations of Each Participant. Each Participant hereby represents that it is a duly organized and existing political subdivision of the State and has all necessary power and authority to own and operate the Participant's System and to perform its obligations under this Agreement; that the execution and delivery of, and its performance under, this Agreement will not violate any judgment, decree, order, law, rule, permit, contract, or regulation; that no consent, permission, or approval that has not already been given is required for the valid execution and delivery of this Agreement by Participant; that this Agreement has been duly authorized, executed, and delivered by Participant, and constitutes a legal, valid, and binding obligation of Participant, enforceable in accordance with the terms hereof (but subject to the provisions of bankruptcy, insolvency, reorganization, moratorium and similar laws affecting the enforcement of creditors' rights and to usual equity principles, which may limit the specific enforcement of certain remedies); that, as of the Effective Date, there is no litigation or proceeding pending or, to its knowledge, threatened against or affecting Participant that (i) seeks to enjoin the performance of its obligations under this Agreement; or (ii) if adversely determined, would materially adversely affect its ability to perform such obligations; and that Participant has taken all necessary action to authorize the execution and delivery of this Agreement.

Section 2.3 Project Permits and Related Matters. Pendleton represents that it has obtained or satisfied, or is in the process of obtaining and satisfying, all permits, permissions, approvals, easements, and other requirements necessary to complete the Project.

* * *

ARTICLE III

THE PROJECT

Section 3.1 Scope of Project. The “*Project*” encompasses the scope of work necessary to increase the capacity of the Plant from 2.0 MGD to 5.0 MGD and improve water quality of treated effluent to Eighteen Mile Creek. The Project should be developed in accordance with the following:

- The Project Budget is \$64,328,198.00.
 - \$3,334,000.00 represents design costs incurred and paid by the Project Participants. No further design costs are owing from any Project Participant.
 - \$60,994,198.00 is the cost of the Construction Contract. Of such amount:
 - \$17,620,639.59 represents the portion of the Construction Contract funded in part from the SCIIP Grant; of such amount \$9,400,000 will come from the SCIIP Grant and \$8,220,639.59 will be provided by the Project Participants through their respective Project Costs Shares.
 - \$43,373,558.41 represents the portion of the Construction Contract that is not funded in part from the SCIIP Grant and which shall be provided in whole by the Project Participants through their respective Project Costs Shares.
 - Any increase in the Project Budget or any component thereof recited in this Section 3.1 requires an amendment to this Agreement.
- The substantial completion date of the Project is June 2026.
- Pendleton shall execute the Construction Contract within ten days of:
 - Confirmation from the granting authority of the availability to proceed with expending proceeds of Projects Grants in an amount of not less than \$9,400,000.00, and
 - Receipt of Deposit Certificates in the aggregate amount of \$51,594,198.00.

Section 3.2 Change Orders; Increased Costs.

(A) Pendleton shall not make any material changes in the scope of the Project, the improvements on the site of the Project, or any component part of the Project, without an amendment to this Agreement. Any reduction in the scope of the Project that would cause the capacity of the Plant at substantial completion of the Project to be below 5.0 MGD is a material

change. Nonmaterial changes shall be subject to the review and approval of the Construction Advisors as contemplated in Section 3.3 hereof.

(B) Should Pendleton, after consulting with the Construction Advisors, anticipate that construction costs of the Project will exceed the Project Budget, Pendleton shall provide Notice of the same, and include the proposed change order from the contractor, the amount of the increase in the costs of the Project, and the reason for the change with supporting documentation. Each Project Participant agrees to submit the proposed amendment providing for the amended Project Budget to its governing body for consideration within 30 days of receiving Notice thereof. Nothing herein shall be interpreted to require approval of such request by a Project Participant's governing body.

(C) Following any amendment to this Agreement to provide for an amended Project Budget, each Project Participant shall transfer to the Escrow Agent for deposit to the credit of the Project Fund their allocable share of the increased Project Budget in accordance with the terms of and within the timeline established in such amendment.

(D) The Escrow Agent shall not be liable for any increased amounts or any deficiency in the Project Fund, except as may be caused by its negligence or willful misconduct in the performance of any obligation imposed on it under this Agreement.

Section 3.3 Owner of Plant; Role of Construction Advisors.

(A) The Plant shall at all times be the sole and absolute property of Pendleton, unless otherwise agreed to in writing; provided, however, Pendleton acknowledges that each Participant has the right to its Allocated Capacity within the Plant in accordance with the Intergovernmental Agreement.

(B) In connection with the accomplishment of the Project, the Participants hereby appoint Pendleton as their agent for the purpose of signing and performing any and all agreements and contracts necessary or applicable in connection with all phases of the Project; provided, however, that prior to signing any contract or making any agreement or amendment thereto whether written or oral, including the final form of the Construction Contract, the Construction Advisors shall in each case review and approve such contract or agreement. Approval by the Construction Advisors shall require unanimity thereof, and may be evidenced by mail, email, or other writing in such form as to clearly evidence approval by each of the Construction Advisors.

(C) Pendleton shall keep the Construction Advisors fully informed with regard to, and provided free access to all aspects of, the Project, including, without limitation, planning and budgeting of the construction of the Project, selecting contractors, negotiating contracts, regular monitoring of construction work to assure compliance with plans and specifications for the Project, reviewing and paying of construction invoices, and coordinating required inspections, permits, and licenses for the Project. Pendleton, as the agent of the Participants for the foregoing purposes, shall cause the Project to be completed in accordance with this Agreement, the Construction Contract, the Intergovernmental Agreement, and any applicable requirements of governmental authorities and law.

Section 3.4 Enforcement of Contracts. Pendleton has the right to enforce in its own name and/or in the name of the Participants such purchase orders or contracts, in consultation with and upon approval by the Advisory Board.

Section 3.5 Acceptance. Pendleton, for \$1.00 and other good and valuable consideration in hand received, does hereby accept the foregoing appointment as agent of each of the Participants for the purposes set forth in, and subject to the limitations of, this Agreement.

Section 3.6 Books and Records. Pendleton shall maintain accounting records for the Project which records shall be maintained in accordance with Accounting Principles. All documents, contracts, and other records pertaining to the development of the Project shall be available to each Participant for inspection at all reasonable times upon reasonable notice. Pendleton shall collect data necessary to allocate costs in conformity with cost allocation principles established in this Agreement.

* * *

ARTICLE IV

THE PROJECT FUND

Section 4.1 Project Costs Share. The Project Participants agree that the Project Costs of \$51,594,198.00 (which is equal to the total Project Cost of \$64,328,198.00, less design fees previously expended of \$3,334,000.00 and less Project Grants of \$9,400,000.00) to be allocated among the Project Participants shall be based on the following Project Costs Shares:

Project Participant	Dollar Value of Project Costs Share	Percentage of Project Costs Share
Anderson	\$ 22,355,765.99	43.33%
Clemson	17,201,505.61	33.34
Pendleton	<u>12,036,926.39</u>	<u>23.33</u>
Total:	\$ 51,594,198.00	100.00%

The Project Participants acknowledge and agree that each Project Participant has met all of its obligations with regard to remitting design fees and the same have been fully paid, that no additional design fees are contemplated, and that no moneys required for design fees are being deposited to the Project Fund.

Section 4.2 Creation of Project Fund.

(A) There is hereby created and established with the Escrow Agent a special fund designated the Project Fund to be held in the custody of the Escrow Agent separate and apart from other funds and accounts of the Project Participants and the Escrow Agent. Within the Project Fund, there is hereby created and established with the Escrow Agent the following accounts and subaccounts: (i) the Anderson Account, (ii) the Clemson Account, and (iii) the Pendleton Account. The Escrow Agent shall create additional accounts and subaccounts within the Project Fund on any Project Participant’s written direction, provided that the Escrow Agent may only create a subaccount within a Project Participant’s account of the Project Fund with the written direction of such Participant.

(B) Money in the Project Fund shall be applied to the costs of the Project. The Project Fund, including all accounts and subaccounts thereof, shall remain open until this Agreement is terminated in accordance with Section 6.14 herein. The balance, if any, remaining in the Project Fund, including any account or subaccount thereof, after termination of this Agreement in accordance with Section 6.14 herein, shall be disbursed back to the applicable Project Participant and may be used for any purpose permitted by applicable law and the bond documents authorizing the revenue bonds from which the funds derive.

(C) The Escrow Agent will hold each account and subaccount of the Project Fund as a separate escrow fund wholly segregated from all other funds and accounts held in any capacity and will make disbursements from each account and subaccount of the Project Fund only in accordance with the provisions of this Agreement

(D) Under no circumstances will the Escrow Agent have a lien on the Project Fund for its charges, fees and expenses and under no circumstances will the Escrow Agent make any claim against the Project Fund for such charges, fees, and expenses.

Section 4.3 Deposits to Project Fund. Within 30 days of the Effective Date of this Agreement, each Project Participant shall each cause to be irrevocably deposited with the Escrow Agent, in a single deposit, funds representing the full amount of its Project Costs Share. When depositing funds into the Project Fund, each Project Participant shall execute and deliver to the Escrow Agent a Deposit Certificate, substantially in the form attached hereto as Exhibit B, and the Escrow Agent shall acknowledge its receipt. Upon receipt of funds from the Project Participants which is accompanied by a corresponding Deposit Certificate, the Escrow Agent shall deposit such funds in the applicable account of the Project Fund as directed in such Deposit Certificate.

Section 4.4 Investment. The money in the respective accounts and subaccounts of the Project Fund will be held as cash uninvested or invested as permitted under Section 6-5-10 of the South Carolina Code, at the written direction of the applicable Project Participant depositing such funds to such subaccount. Investment earnings shall accrue only to the subaccount generating such earnings. If the Escrow Agent has not received written investment direction from the applicable Representative with respect to any amounts held by the Escrow Agent, the Escrow Agent shall hold such amounts uninvested in cash, without liability for interest. The Escrow Agent shall be fully protected in relying on the written investment directions it receives from the applicable Representative as to the legality and suitability of such directed investments and their qualification as permitted under Section 6-5-10 of the South Carolina Code. Investments may be made by the Escrow Agent through its own bank investment department and (a) will have maturities or be readily marketable prior to maturity in the amounts and not later than the dates as may be necessary to provide funds for the purpose for which the money in any account is to be used, (b) will be held by or under the control of the Escrow Agent, and (c) will at all times be considered a part of the subaccount for whose benefit the investment was made. Each Project Participant acknowledges that regulations of the Comptroller of the Currency grant the Representatives the right to receive brokerage confirmation of security transactions as they occur. Each Project Participant specifically waives such right to notification to the extent permitted by law and acknowledges that it will receive periodic transaction statements that will detail all investment transactions.

Section 4.5 Requisition and Disbursements.

(A) The Escrow Agent shall disburse the money in the Project Fund to pay Project Costs upon receipt of a properly executed Disbursement Request executed by a Pendleton Representative, an Anderson Representative, and a Clemson Representative. The Project Participants shall have the right to request from Pendleton, and Pendleton shall provide, information related to Disbursement Requests and requisitions from the Project Fund as they determine necessary or convenient to maintain adequate books and records, including but not limited to bills, paid invoices, payroll records, inspections, and certifications.

(B) Upon the receipt of a Disbursement Request, the Escrow Agent shall withdraw from each of the Anderson Account, the Clemson Account, and the Pendleton Account, amounts

based on each Project Participant's Project Costs Share. Under no circumstances shall amounts attributable to one Project Participant's Project Costs Share be withdrawn from another Project Participant's subaccount of the Project Fund. Each Disbursement Request shall reflect the Project Costs Share of each Project Participant with respect to such Disbursement Request on which the Escrow Agent shall be entitled to rely.

(C) For any Disbursement Request that is reimbursed in whole or in part with the proceeds of a Project Grant, including specifically the SCIIP Grant, such reimbursement shall be deposited to the Project Fund and allocated among the Anderson Account, the Clemson Account, and the Pendleton Account on the basis of each Project Participant's Project Costs Share.

Section 4.6 Report. The Escrow Agent shall provide to each Project Participant online access to monthly statements and transaction activity for the accounts and subaccounts related to that Project Participant's accounts and subaccounts of the Project Fund as specified in Section 4.2 above. The Project Participants shall each designate one or more authorized representatives who shall promptly establish online account access and who shall make reasonable efforts to maintain active online account access by accessing at least one account or subaccount every ninety days. In addition, Pendleton hereby directs the Escrow Agent to provide to the Participants online access to all monthly statements and transaction activity for all of the accounts and subaccounts created under 4.2 above. Upon receipt by the Escrow Agent of written direction by Pendleton or by any authorized representative of any Participant, the Escrow Agent shall also cause monthly statements to be delivered to the authorized representative by United States Postal Service. Upon written request by Pendleton, the Escrow Agent will use best efforts to create and provide any specific report reasonably requested.

Section 4.7 Escrow Agent Fees. The Escrow Agent's fees and costs for and in carrying out the provisions of this Agreement are as set forth in Exhibit D hereto, which fees and costs are to be paid by Pendleton annually in advance as part of the Operation and Maintenance Expenses of the Plant and not from funds in the Project Fund. The Escrow Agent is not liable for any loss resulting from any investment made pursuant to the terms and provisions of this Agreement.

Section 4.8 Escrow Agent Generally.

(A) The Escrow Agent has no responsibility to the Project Participants or any person in connection herewith except as specifically provided herein and is not responsible for anything done or omitted to be done by it, except for its own negligence or willful misconduct in the performance of any obligation imposed on it hereunder.

(B) Subject to the exception in paragraph (a) as to its own negligence or willful misconduct, the Escrow Agent has no responsibility for verifying the genuineness, correctness, or competence of any document, instrument or writing, and shall not be charged with knowledge or notice of any fact or circumstance not specifically set forth herein.

(C) The Escrow Agent may conclusively rely and act on any written notice, request, waiver, consent, certificate, receipt, authorization, power of attorney, or other instrument or document received from the Representatives which the Escrow Agent reasonably and in good faith believes to be genuine and to be what it purports to be.

(D) The Escrow Agent has no duty to determine or inquire into the happening or occurrence of any event or contingency or the performance or failure of performance of the Project Participants with respect to arrangements or contracts with others. The Escrow Agent may request from the Project Participants or any person such reasonable evidence as the Escrow Agent in its discretion deems necessary to determine any fact relating to the occurrence of any event or contingency and in this connection may inquire and consult with the Project Participants, among others, at any time. The Project Participants shall provide such evidence to the Escrow Agent and the Escrow Agent is entitled to rely thereon. The Escrow Agent's permissive rights hereunder shall not be construed as duties

(E) The Escrow Agent has no liability for following any instructions given by the Project Participants or in this Agreement or set forth in any court or administrative order.

(F) The Escrow Agent is authorized to comply with orders issued or process entered by any court with respect to the Project Fund, without determination by the Escrow Agent of such court's jurisdiction in the matter. If the Project Fund or any portion is at any time attached or levied on under any court order, or if the payment, assignment, transfer or delivery of any such property is stayed or enjoined by any court order, or if any order, judgment or decree is made or entered by any court affecting such property, then and in any such event, the Escrow Agent is authorized to rely on and comply with any such order, judgment or decree without the need for appeal or other action; and if the Escrow Agent complies with any such order, judgment or decree, it is not liable to any party hereto or to any other person or entity by reason of such compliance even if such order, judgment or decree is subsequently reversed, modified, set aside or vacated.

(G) With respect to the Project Fund, the duties and responsibilities of the Escrow Agent set forth herein shall control over any terms or provisions of any other agreement or undertaking between or among the Parties.

(H) The Escrow Agent may resign and thereby become discharged from the trusts hereby created by providing notice in writing given to the Parties not less than 30 days before such resignation is to take effect. The Escrow Agent agrees to serve as Escrow Agent until a successor is appointed. Such resignation is effective immediately, however, on the appointment of a successor Escrow Agent if such successor Escrow Agent is appointed before the expiration of said notice period. If such appointment of a successor Escrow Agent is not made within 30 days after the date that such resignation was to take effect as provided in the notice thereof given to the Parties, then the Escrow Agent may apply to a court of competent jurisdiction to appoint a successor Escrow Agent. In such event, the Escrow Agent shall give notice thereof to the Parties and not object to the Parties' intervention therein.

(I) The Escrow Agent may be replaced by Pendleton with the consent of the Participants and thereby become discharged from the obligations hereby created by notice in writing given from Pendleton to the Escrow Agent not less than 30 days before such replacement is to take effect. The Escrow Agent agrees to serve as Escrow Agent until a successor is appointed. Such replacement is effective immediately, however, on the appointment of a successor Escrow Agent if such successor Escrow Agent is appointed before the expiration of said notice period.

(J) If a disagreement or dispute arises under this Agreement, or if adverse claims or demands are made in connection with this Agreement or any property involved herein or affected hereby, the Escrow Agent may petition any court of competent jurisdiction within Anderson County, South Carolina to resolve the disagreement or dispute or adverse claims or demands and shall, at the time of filing such petition, give notice thereof to the Parties within 5 Business Days after the date of such filing. In connection therewith, the Escrow Agent may (but is not required to) tender into the custody of the court all money or property in its hands under the terms of this Agreement, and then be discharged from all further duties under this Agreement. The filing of any such legal proceeding does not deprive Escrow Agent of its compensation earned before such filing.

(K) The Escrow Agent may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees but shall be answerable for the conduct of the same in accordance with the standard specified above, and shall be entitled to consult with counsel and act on an opinion of counsel concerning all matters of trust hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers, and employees as may reasonable be employed in connection with the trusts hereof.

(L) The Escrow Agent has no obligation to use its own funds to satisfy any obligations under this Agreement.

(M) Notwithstanding any other provision in this Agreement to the contrary, no provision of this Agreement shall be construed to relieve the Escrow Agent from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that: (i) the Escrow Agent shall not be liable for any error in judgment made in good faith, unless it is proved that the Escrow Agent was negligent in ascertaining the pertinent facts, and (ii) the Escrow Agent is not liable with respect to any action it takes or omits to be taken by it in good faith in accordance with the direction of the Parties under any provision of this Agreement relating to the time, method and place of conducting any proceeding for any remedy available to the Escrow Agent, or exercising any trust or power conferred upon the Escrow Agent under this Agreement.

Section 4.9 Directions to the Escrow Agent; Designation of Representatives. The Escrow Agent may accept and act upon directions or instructions given pursuant to this Agreement and signed by a Representative. Each Project Participant shall provide to the Escrow Agent an incumbency certificate substantially in the form attached hereto as Exhibit A (the “*Incumbency Certificate*”) designating the Representatives for such Project Participant and containing specimen signatures of such Representatives and email and telephone contact information, which incumbency certificate may be amended from time to time by submitting a new Incumbency Certificate to the Escrow Agent. The Escrow Agent shall accept and act upon instructions or directions pursuant to this Agreement sent by unsecured e-mail, facsimile transmission, or other similar unsecured electronic methods from the persons specified in the incumbency certificate. The Escrow Agent shall not be liable for any losses, costs, or expenses arising directly or indirectly from the Escrow Agent’s reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. Each Project Participant agrees to assume all risks arising out of the use of

such electronic methods to submit instructions and directions to the Escrow Agent, including without limitation, the risk of the Escrow Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties; provided that such unauthorized instructions, interception or misuse was not due to the Escrow Agent's gross negligence or the compromise of the Escrow Agent's security systems.

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ARTICLE V

EVENTS OF DEFAULT; REMEDIES

Section 5.1 Events of Default; Remedies.

Events of default and remedies hereunder shall be governed by Article IV of the Intergovernmental Agreement; provided, however, that should any Project Participant fail to make the deposit required by Section 4.3 hereof, each non-defaulting Project Participant shall have the right to withdraw all funds from the Project Fund deposited in its respective subaccount.

* * *

ARTICLE VI

MISCELLANEOUS

Section 6.1 Effects of Force Majeure. If by reason of Force Majeure any Party shall be rendered unable wholly or in part to carry out its obligations under this Agreement, other than the obligations of Participant to make the payments required under Section 4.3 of this Agreement, then if such Party shall give notice and full particulars of such Force Majeure in writing to the other Parties within a reasonable time after occurrence of the event or cause relied on, the obligation of such Party giving such notice, so far as it is affected by such Force Majeure, shall be suspended during the continuance of the inability then claimed, but for no longer period, and any such Party shall endeavor to remove or overcome such inability with all reasonable diligence.

Section 6.2 Waiver of Jury Trial; Jurisdiction and Venue.

THE PARTIES HERETO HAVE EACH, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IRREVOCABLY WAIVED ANY RIGHT THEY MAY HAVE TO A JURY TRIAL WITH REGARD TO ANY DISPUTE HEREUNDER. ALL PARTIES HEREBY CONSENT TO VENUE IN THE STATE COURTS IN ANDERSON COUNTY, SOUTH CAROLINA.

Section 6.3 Notices. “*Notice*” is duly given hereunder: (a) if by transmission by hand delivery, when delivered; (b) if mailed via the official governmental mail system, three Business Days after the post mark, *provided* said notice is sent first class, postage pre-paid, via certified or registered mail, with a return receipt requested; (c) if mailed by an internationally recognized overnight express mail service such as Federal Express, UPS, DHL Worldwide or a similar organization, one Business Day after deposit therewith prepaid; or (d) by e-mail upon delivery with receipt confirmed. Notices shall be transmitted to the principal addresses of the Parties as follows:

If to the Town of Pendleton:

Town of Pendleton
Attn: Town Administrator
310 Greenville Street
Pendleton, SC 29670
Email: stevem@townofpendleton.org

If to the City of Clemson:

City of Clemson
Attn: City Administrator
1250 Tiger Boulevard, Suite 1
Clemson, SC 29631
Email: ablondeau@cityofclemson.org

City of Clemson
Attn: Utilities Director
300 Cochran Road
Clemson, SC 29631
Email: bmcgill@cityofclemson.org

with a copy (which is not Notice) to:

City of Clemson
Attn: City Attorney
1250 Tiger Boulevard, Suite 1
Clemson, SC 29631

If to Anderson County:

Anderson County
Attn: County Administrator
P.O. Box 8002
Anderson, SC 29622
Email: rburns@andersoncountysc.org

Anderson County
Attn: Wastewater Manager
P.O. Box 8002
Anderson, SC 29622
Email: dbsingleton@andersoncountysc.org

with a copy (which is not Notice) to:

Anderson County
Attn: Anderson County Attorney
P.O. Box 8002
Anderson, SC 29622
Email: lharmon@andersoncountysc.org

If to the Escrow Agent:

U.S. Bank Trust Company National Association
1441 Main Street, Suite 775
Columbia, SC 29201
Attn: Corporate Trust

Rejection or other refusal to accept or inability to deliver because of a changed address of which no Notice was given shall be deemed to be receipt of the Notice, request, or other communication. Any Party hereto may, by written notice given to the other Parties to this Agreement, designate any further or different addresses to which subsequent Notice, certificates or other communications shall be sent.

Section 6.4 Authority/Beneficiaries. Each Party hereto hereby represents and warrants that all appropriate action has been taken by their respective governing bodies to authorize the execution of and the performance of the obligations set forth in this Agreement and that the person executing the Agreement on their behalf has been duly authorized to do so. This Agreement shall inure to the benefit of and shall be binding upon Pendleton and Participants and their respective successors or assigns.

Section 6.5 Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision of this Agreement.

Section 6.6 Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 6.7 Governing Law. This Agreement is prepared and entered into with the intention that the law of the State shall govern its performance and construction, and such performance and construction shall be governed by such law.

Section 6.8 Amendments. This Agreement may not be amended, changed, modified or terminated without in each instance the prior written consent of the Parties hereto. Any amendment to this Agreement shall be approved by the governing body of each Party.

Section 6.9 No Adverse Presumption. The Parties hereby acknowledge that this Agreement arose as the result of arm's length negotiations between the Parties and that this Agreement was prepared with the advice, consent, recommendation, and review of each and all Parties and their counsel, and is the product of input by all Parties. As a result, any ambiguity or uncertainty is not to be construed against the Party whose counsel prepared this Agreement on the grounds that such Party's representatives drafted this Agreement or any part thereof.

Section 6.10 Third Parties. This Agreement does not and is not intended to confer in favor of any persons or entities other than Pendleton and Participant any rights or remedies whatsoever, the Parties hereto intending by the provisions hereof to confer no such benefits or status.

Section 6.11 Captions. The Section headings of this Agreement are inserted for convenience only and shall not constitute a part of this Agreement in construing or interpreting any provisions hereof.

Section 6.12 Further Assurances. The Parties agree to give such further assurances, and to execute, acknowledge and deliver such other instruments as shall be reasonably necessary or appropriate in the judgment of the other Parties to carry out the intent of this Agreement.

Section 6.13 Fully Integrated Agreement. The Parties agree that this Agreement represents all agreements between or among the Parties related to the Project, other than the Intergovernmental Agreement.

Section 6.14 Duration; Termination. This Agreement shall be effective on the Effective Date and shall remain in full force and effect until (i) the Project is complete and all remaining costs and expenses related to the Project have been paid, each as certified in writing to the Escrow Agent by a Pendleton Representative, and (ii) no funds remain in the Project Fund. This Agreement may be terminated by the mutual consent of the Parties, provided that if an Event of Default has occurred and is continuing, the provisions of **Error! Reference source not found.**1 herein shall apply

* * *

(Signature Pages Follow)

IN WITNESS WHEREOF, the parties hereto have caused this PROJECT MANAGEMENT AGREEMENT FOR WASTEWATER TREATMENT PLANT EXPANSION to be signed in their names by their duly authorized officers as of the Effective Date.

TOWN OF PENDLETON, SOUTH CAROLINA

By: _____ [Seal]

Print Name: _____

Title: _____

Witness:

IN WITNESS WHEREOF, the parties hereto have caused this **PROJECT MANAGEMENT AGREEMENT FOR WASTEWATER TREATMENT PLANT EXPANSION** to be signed in their names by their duly authorized officers as of the Effective Date.

CITY OF CLEMSON, SOUTH CAROLINA

By: _____ [Seal]

Print Name: _____

Title: _____

Witness:

IN WITNESS WHEREOF, the parties hereto have caused this PROJECT MANAGEMENT AGREEMENT FOR WASTEWATER TREATMENT PLANT EXPANSION to be signed in their names by their duly authorized officers as of the Effective Date.

ANDERSON COUNTY, SOUTH CAROLINA

By: _____ [Seal]

Print Name: _____

Title: _____

Witness:

IN WITNESS WHEREOF, the parties hereto have caused this PROJECT MANAGEMENT AGREEMENT FOR WASTEWATER TREATMENT PLANT EXPANSION to be signed in their names by their duly authorized officers as of the Effective Date.

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION

By: _____ [Seal]

Print Name: _____

Title: _____

Witness:

EXHIBIT A

INCUMBENCY CERTIFICATE

Anderson Representatives

W. Russell Burns, County Administrator
Name and Title

(864) 260-4031
Phone Number

Specimen Signature

rburns@andersoncountysc.org
Email

Derrick B. Singleton, Wastewater Manager
Name and Title

(864) 260-4023
Phone Number

Specimen Signature

dbsingleton@andersoncountysc.org
Email

Clemson Representatives

Andy Blondeau, City Administrator
Name and Title

(864) 653-2030
Phone Number

Specimen Signature

ablondeau@cityofclemson.org
Email

Benjie McGill, Utilities Director
Name and Title

(864) 624-1177
Phone Number

Specimen Signature

bmcgill@cityofclemson.org
Email

Pendleton Representative

Steve Miller, Town Administrator
Name and Title

(864) 646-5425
Phone Number

Specimen Signature

stevem@townofpendleton.org
Email

EXHIBIT B

FORM OF DEPOSIT CERTIFICATE

DEPOSIT CERTIFICATE

The undersigned County Administrator of Anderson County, South Carolina has this day deposited into the Anderson Account of the Project Fund the sum of \$22,355,765.99, which represents the full amount of Anderson’s Project Costs Share as such term is defined in that Project Management Agreement for Wastewater Treatment Expansion among the Town of Pendleton, South Carolina; City of Clemson, South Carolina; Anderson County, South Carolina; and U.S. Bank Trust Company, National Association dated _____, 2024.

ANDERSON COUNTY, SOUTH CAROLINA

By: _____
W. Russell Burns
County Administrator

The undersigned representative of the Escrow Agent hereby acknowledges receipt of the above-referenced deposit of Anderson’s Project Costs Share into the Anderson Account of the Project Fund.

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION

By: _____
Natalie M. Charles
Vice President

_____, 2024

DEPOSIT CERTIFICATE

The undersigned City Administrator of the City of Clemson, South Carolina has this day deposited into the Clemson Account of the Project Fund the sum of \$17,201,505.61, which represents the full amount of Clemson's Project Costs Share as such term is defined in that Project Management Agreement for Wastewater Treatment Expansion among the Town of Pendleton, South Carolina; City of Clemson, South Carolina; Anderson County, South Carolina; and U.S. Bank Trust Company, National Association dated _____, 2024.

CITY OF CLEMSON, SOUTH CAROLINA

By: _____
Andy Blondeau
City Administrator

The undersigned representative of the Escrow Agent hereby acknowledges receipt of the above-referenced deposit of Clemson's Project Costs Share into the Clemson Account of the Project Fund.

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION

By: _____
Natalie M. Charles
Vice President

_____, 2024

DEPOSIT CERTIFICATE

The undersigned Town Administrator of the Town of Pendleton, South Carolina has this day deposited into the Pendleton Account of the Project Fund the sum of \$12,036,926.39, which represents the full amount of Pendleton's Project Costs Share as such term is defined in that Project Management Agreement for Wastewater Treatment Expansion among the Town of Pendleton, South Carolina; City of Clemson, South Carolina; Anderson County, South Carolina; and U.S. Bank Trust Company, National Association dated _____, 2024.

TOWN OF PENDLETON, SOUTH CAROLINA

By: _____
Steve Miller
Town Administrator

The undersigned representative of the Escrow Agent hereby acknowledges receipt of the above-referenced deposit of Pendleton's Project Costs Share into the Pendleton Account of the Project Fund.

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION

By: _____
Natalie M. Charles
Vice President

_____, 2024

EXHIBIT C

FORM OF DISBURSEMENT REQUEST

**REQUISITION
(DISBURSEMENT REQUEST FROM PROJECT FUND)**

U.S. Bank Trust Company, National Association
Columbia, South Carolina

Re: Direction to Make Disbursement from the Project Fund

To the Addressee:

You are hereby directed to disburse from the Project Fund created under that Project Management Agreement for Wastewater Treatment Expansion among the Town of Pendleton, South Carolina; City of Clemson, South Carolina; Anderson County, South Carolina; and U.S. Bank Trust Company, National Association dated _____, 2024 (the "Project Agreement"; capitalized terms used herein and not otherwise defined have the meanings given such terms in the Project Agreement), the amount set forth below in accordance with the instructions set forth below:

1. The amount to be paid: \$_____. Such amount shall be withdraw from each of the Anderson Account, the Clemson Account, and the Pendleton Account based on each Party's percentage of Projects Costs Share, in the following amounts:

- (a) Anderson Project Costs Share: \$_____ (43.33%)
- (b) Clemson Project Costs Share: \$_____ (33.34%)
- (c) Pendleton Project Costs Share: \$_____ (23.33%)

2. The nature of the purpose of the obligation for which this payment is requested is:

3. The name and address of the person, firm, or corporation to whom such obligation is owed or to whom a reimbursable advance has been made:

4. With respect to Project Costs, the undersigned hereby certifies as follows:
- (a) the Project Costs for which payment is being requested (i) have been paid or incurred in the amount and for the purpose specified, (ii) have not been the subject of any previous request for payment, and (iii) if this request is for an amount to reimburse a Project Participant for an expenditure paid by a Project Participant prior to the date on which the Project Fund was established, specifies the prior cost, and
 - (b) all requirements of the Project Agreement relevant to the disbursement of money from the Project Fund have been met.
3. The Project Participants have retained in their records copies of any invoices, receipts, canceled checks, payroll records and other data which are reasonably required to evidence the paying or incurring of any Project Costs for which payment is being requested. Such records will be made available upon request.

Dated this ____ day of _____, 20__.

ANDERSON COUNTY, SOUTH CAROLINA

By: _____
Anderson Representative

CITY OF CLEMSON, SOUTH CAROLINA

By: _____
Clemson Representative

TOWN OF PENDLETON, SOUTH CAROLINA

By: _____
Pendleton Representative

EXHIBIT D
ESCROW AGENT FEE SCHEDULE

Resolution No. 2024-038

A RESOLUTION TO ACCEPT PARD GRANT AWARD—SANDY SPRINGS COMMUNITY PARK AT MT. ZION PRESBYTERIAN CHURCH; AND OTHER MATTERS RELATED THERETO.

WHEREAS, the Anderson County Council has the authority to accept grant awards, and;

WHEREAS, the Anderson County Legislative Delegation has endorsed a PARD grant award in the amount of \$10,000 for site improvements at the Sandy Springs Community Park at Mt. Zion Presbyterian Church, and;

WHEREAS, the Legislative Delegation requires a commitment from local governments prior to official award of PARD funds.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Anderson County Council in a meeting duly assembled that:

1. That the County formally accepts a PARD grant award in the amount of \$10,000 and commits to providing a minimum of \$2,500 in required matching funds.
2. All orders and resolutions in conflict herewith are, to the extent of such conflict only, repealed and rescinded.
3. Should any part or portion of this resolution be deemed unconstitutional or otherwise unenforceable by any court of competent jurisdiction, such finding shall not affect the remainder hereof, all of which is hereby deemed separable.
4. This resolution shall take effect and be in force immediately upon enactment.

RESOLVED this ____ day of June, 2024 in meeting duly assembled.

ATTEST:

Rusty Burns
Anderson County Administrator

Tommy Dunn, Chairman

Renee Watts
Clerk to County Council

APPROVED AS TO FORM:

Leon C. Harmon
Anderson County Attorney

AOP Business & Industry Showcase Board
Board Member Application

County:	Anderson
Category: Business, Economic Development, Education	Education
Applicant Name:	Susan Binninger
Position:	Administrator
Business/Organization:	Anderson County Board of Education
Email Address:	
Phone:	

Has the applicant previously served on the AOP Business & Industry Showcase Board?

no If so, when: _____

Describe how this applicant represents the indicated category (Business, Economic Development or Education):

As Administrator of Anderson County Board of Ed. Ms. BINDERER CAN AND WILL FAIRLY AND EQUITABLY REPRESENT ALL FIVE ANDERSON COUNTY SCHOOL DISTRICTS.

Nominating Entity:	ANDERSON COUNTY COUNCIL
Email Address:	BELSON@ANDERSONCOUNTYSC.ORG
Phone:	(864) 314-3971



Anderson County Library

Annie Sutton
Director

November 13, 2023

Anderson County Library
300 N. McDuffie St.
Anderson, SC 29621

Dear Anderson County Council,

On November 13th, the Anderson County Library Board voted to nominate Diane Smiley for the Anderson County First Steps Board. Diane is the Head of Youth Services at the Library and has been a contributing member of the Board for the past number of years, recently as the chair. She is a good candidate for this important community asset. We hope you will consider this nomination. Please reach out if you have any questions!

Thank You,

Elaine Stoll
Anderson County Library Board Chair

Annie Sutton
Anderson County Library Director

HOME-ARP PROGRAM
COMMUNITY HOUSING DEVELOPMENT ORGANIZATION AGREEMENT
BETWEEN ANDERSON COUNTY
AND
HOPE MISSIONS OF THE UPSTATE

This HOME-ARP PROGRAM DEVELOPER Agreement (hereinafter “**Agreement**”) is made and entered into this ____ day of _____, 20__, by and between Anderson County (hereinafter “**County**”), and HOPE Missions of the Upstate, a 501 (c)(3) non-profit organization (hereinafter “**Subrecipient**”), having its principal office located at 213 S. Towers Street, Anderson, SC.

WITNESSETH:

WHEREAS, the County administers the HOME-ARP Investment Partnerships American Rescue Plan Program (hereinafter “**HOME-ARP**” or “**HOME-ARP Program**”), with the goal of expanding the supply of decent, safe, and affordable housing for qualifying individuals and families who are homeless, at risk of homelessness, or in other vulnerable populations; and

WHEREAS, the County requested applications on January 4, 2024, for projects to utilize funds to provide supportive services to qualifying populations and the Subrecipient responded by submitting an application for the project referenced in this Agreement, their application response is incorporated by reference herein; and

WHEREAS, the County desires to award HOME-ARP Funds in an amount not to exceed \$214,226 (“**HOME-ARP Funds**”) to serve the project, as described in Attachment A;

NOW, THEREFORE, in consideration of the terms, conditions and mutual agreements by and between the parties, as hereinafter set forth in detail, the parties do hereby mutually agree as follows:

I. PROJECT DESCRIPTION

- A. Scope of Work. The Subrecipient agrees to provide to the County eligible services, activities, and/or programs in accordance with the HOME-ARP regulations set forth in the U.S. Department of Housing and Urban Development (“HUD”) CPD-21-10 Notice (“Notice” or “HOME-ARP Notice”), the County’s HOME-ARP programs as described in the County’s HOME-ARP Allocation Plan and HOMR-ARP policies and procedures, this agreement and as described in Attachment A, Scope of Services, and Attachment B, Program Budget. Unless modified in writing as set forth in Article III by the parties hereto, the duties of the Subrecipient shall not be construed to exceed those services and duties specifically set forth in the Agreement.
- B. Compliance with Approved Scope of Services. HOME-ARP Activities funded under this Agreement will be performed in accordance with the approved Scope of Services as described in Attachment A, the approved Program Budget in Attachment B, the terms of this agreement, and with the legal and administrative regulations governing federal,

state, or other funds used in funding this agreement.

C. Qualifying Populations, Targeting, and Preferences. HOME-ARP requires that funds be used to primarily benefit individuals and families in the following specified “Qualifying Populations.” The HOME-ARP Notice defines qualifying individuals or families as those that are (1) homeless, as defined in section 103(a) of the McKinney-Vento Homeless Assistance Act, as amended (42 U.S.C. 11302(a)) (“McKinney-Vento”); (2) at risk of homelessness, as defined in section 401 of McKinney-Vento; (3) fleeing, or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking; (4) part of other populations where providing supportive services or assistance would prevent a family’s homelessness or would serve those with the greatest risk of housing instability; or (5) veterans and families that include a veteran family member that meet the criteria in one of (1)-(4) above. The Subrecipient agrees that activities funded under this Agreement will be in compliance with the Notice, the County HOME-ARP Allocation Plan, and specified in the Scope of Services in Attachment A.

D. Eligible HOME-ARP Supportive Services. There are three categories specifically included as supportive services under HOME-ARP:

1. McKinney-Vento Supportive Services: McKinney-Vento Supportive Services under HOME-ARP are adapted from the services listed in section 401(29) of McKinney-Vento.
2. Homelessness Prevention Services: HOME-ARP Homelessness Prevention Services are adapted from eligible homelessness prevention services under the regulations at 24 CFR 576.102, 24 CFR 576.103, 24 CFR 576.105, and 24 CFR 576.106, and are revised, supplemented, and streamlined in Section VI.D.4.c.i in the HOME-ARP Notice.
3. Housing Counseling Services: Housing counseling services under HOME-ARP are those consistent with the definition of housing counseling and housing counseling services defined at 24 CFR 5.100 and 5.111, respectively, except where otherwise noted. The requirements at 24 CFR 5.111 state that any housing counseling, as defined in 24 CFR 5.100, required under or provided in connection with any program administered by HUD shall be provided only by organizations and counselors certified by the Secretary under 24 CFR part 214 to provide housing counseling, consistent with 12 U.S.C. 1701x.

HUD has used its discretion in HOME-ARP to include eligible costs for supportive services that are necessary to assist the qualifying populations, prevent homelessness, or to enable qualifying households to obtain and maintain housing. The list of eligible costs associated with McKinney-Vento Supportive Services and Homelessness Prevention Services is in HUD CPD Notice 21-10 Section VI.D.4.C.i. The Subrecipient will provide Supportive Services that meet the eligible activities as described in the County HOME-ARP Allocation Plan for the activity as described in Attachment A.

II. TIME OF PERFORMANCE

The Project shall begin on or after the 28th day of June, 2024, and shall end on the 30th day of June, 2026 (the “Time of Performance”). Any portion of the Grant Award not expended within the Time of Performance may be de-obligated from the Project and reallocated to other eligible uses or projects at the County’s sole discretion. The Time of Performance may be extended upon written request by the Subrecipient to the County and is subject to the County’s approval at the County’s sole discretion.

III. MODIFICATIONS

County or Subrecipient shall not make modifications in this Agreement or in Attachment A, Scope of Services, or Attachment B, Program Budget, except in writing as an amendment to the Agreement. Modifications shall be agreed to by both parties, with scope of work, schedule, and compensation to be negotiated at the time the modification is proposed by either party. Modifications that do not meet these requirements shall not be binding, and no further compensation will be allowed for any work performed.

IV. PROVISIONS RELATED TO OTHER FEDERAL REQUIREMENTS

- A. General HOME-ARP Compliance. The Subrecipient agrees to comply with the requirements in HUD CPD Notice 21-10. The Subrecipient further agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.
- B. Compliance with Federal and State Laws and Regulations. Subrecipient shall comply with all applicable Federal and State laws and regulations in the performance of this Agreement.
- C. Environmental Review. The County has performed the necessary obligations related to this section.
- D. Fair Housing and Equal Opportunity. The following fair housing and nondiscrimination laws and regulations shall apply to the Agreement (each to the extent applicable):
1. Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), as amended and implementing regulations at 24 CFR part 100;
 2. Title VI of the Civil Rights Act of 1964;
 3. The Age Discrimination Act of 1975, as amended and implementing regulations at 24 CFR part 146;
 4. Executive Orders 11063 and 12259 – Equal Opportunity in Housing, and implementing regulations at 24 CFR part 107;
 5. Section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR part 8;
 6. Title II of the American Disabilities Act; and Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity Final Rule
- E. Violence Against Women Act. Subrecipient shall comply with the provisions of the

Violence Against Women Act (“VAWA”). By way of example, but not by way of limitation, VAWA provides that “an applicant for or tenant of housing assisted under a covered housing program may not be denied admission to, denied assistance under, terminated from participation in, or evicted from the housing on the basis that the applicant or tenant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, if the applicant or tenant otherwise qualifies for admission, assistance, participation, or occupancy.”²⁴ CFR 92.359. Further, Subrecipient shall provide tenants with the notice of rights as provided in VAWA. Subrecipients must comply with victims’ right to report crime and emergencies as provided in 34 U.S.C § 12495.

- F. Nondiscrimination in Employment. Subrecipient shall not discriminate against any employee or applicant for employment because of race, color, national origin, sex, or religion, in accordance with Executive Order 11246, as amended and implementing regulations at 41 CFR part 60. In the event Subrecipient employs fifteen (15) or more employees, Subrecipient is prohibited from discriminating against any employee or applicant with a disability, in accordance with Title I of the Americans with Disabilities Act of 1990. Subrecipient shall include nondiscrimination notices in all job postings and post in a visible place in the office.
- G. Equal Opportunity/Affirmative Action. The Subrecipient will, in all solicitations or advertisements for employees placed by or on behalf of the Subrecipient, state that it is an Equal Opportunity or Affirmative Action employer.
- H. Women- and Minority-Owned Businesses (W/MBE). The Subrecipient will use its best efforts to afford small businesses, minority business enterprises, and women’s business enterprises as defined in Title 49 Code of Federal Regulations Part 23, and as it may be amended, the maximum practicable opportunity to participate in the performance of contracts and subcontracts awarded through the County’s HOME-ARP Program. As used in this contract, the terms “small business” means a business that meets the criteria set forth in section 3(a) of the Small Business Act, as amended (15 U.S.C. 632), and “minority and women’s business enterprise” means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, “minority group members” are African Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian Americans, and American Indians. The Subrecipient may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.
- I. Debarment. The Subrecipient certifies that neither it, nor its principals or members, is presently debarred suspended, or proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency; and, that the Subrecipient shall not knowingly enter into any contract or covered transaction with a person who is similarly debarred or suspended from participation in any project that is federally funded.
- J. Conflict of Interest. The Subrecipient agrees to abide by the provisions of 24 CFR

92.356 and 570.611 for non-profit agencies and for government and public agencies, which include (but are not limited to) the following:

1. The Subrecipient shall maintain a written code or standards of conduct that shall govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds. The standards of conduct must include penalties and sanctions for violating these provisions by its employees, agents, or officers.
2. No employee, officer or agent of the Subrecipient shall participate in the selection, or in the award, or administration of, a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved.
3. No covered persons who exercise or have exercised any functions or responsibilities with respect to HOME-ARP-assisted activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any contract, or have a financial interest in any contract, subcontract, or Agreement with respect to the HOME-ARP-assisted activity, or with respect to the proceeds from the HOME-ARP-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of one (1) year thereafter. For purposes of this paragraph, a "covered person" includes any person who is an employee, agent, consultant, officer, or elected or appointed official of the County, the Subrecipient, or any designated public agency.
4. Furthermore, the program shall incorporate, or cause to be incorporated, in all such contracts or subcontracts a provision prohibiting such interest pursuant to the purposes of this certification.

K. Religious Activities. Subrecipient is prohibited from using funds provided herein or personnel employed in relation to this Project for political activities and sectarian or religious activities. If Subrecipient is, or may be deemed to be, a religious or denominational institution or organization, it agrees that:

1. It will not discriminate against any employee or applicant for employment on the basis of religion and will not limit employment or give preference in employment to persons on the basis of religion;
2. It will not discriminate against any person applying for housing on the basis of religion and will not limit such housing or other eligible activities or give preference to persons on the basis of religion; and
3. It will provide no religious instruction or counseling, conduct no religious worship or services, engage in no religious proselytizing, and exert no other religious influence in the provision of shelter and other eligible activities.

V. FINANCIAL MANAGEMENT

A. Accounting Standards. Subrecipient agrees to maintain books, records, documents and other evidence directly pertinent to performance of work in accordance with comply with 24 CFR § 92.508(3), (4) and (7), as applicable and comply with 2 CFR § 200, Subpart D and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs

incurred.

B. Cost Principles. Subrecipient shall administer its program in conformance with 2 CFR § 200, Standards for Financial and Program Management, Cost Principles and Audit Requirements, as detailed in Subparts D, E, and F. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

C. Oversight of Eligible Costs. All supportive service costs paid for by HOME-ARP must comply with the requirements of the HOME-ARP Notice, including requirements in 2 CFR part 200, subpart E, Cost Principles that require costs be necessary and reasonable. If a qualifying household is already receiving the same eligible supportive service or has been approved to receive the same service through another program or provider, the program participant does not have a need for the HOME-ARP service and the costs related to the service do not comply with the Cost Principles.

D. Program Income. Program income as defined at of 24 CFR 92.2 is income received by the Subrecipient that is generated by activities carried out with HOME-ARP funds made available under this contract. It is the County's intent that no program income will be derived or received as a result of the funding being provided under this Agreement. In the event that any program income is received by the Subrecipient, the program income shall be returned to the County.

E. Procurement and Reversion of Assets. The Subrecipient shall comply with 24 CFR Part 85, 2 CFR 200.317-327 and with current County policies concerning the purchase of equipment or materials and shall maintain inventory records of all non-expendable personal property as defined by such policy as may be procured with funds provided herein. All program assets (unexpended program income, equipment, etc.) shall revert to the County upon termination of this Agreement. In all cases in which equipment acquired, in whole or in part with funds under this Agreement is sold, the proceeds shall be program income (prorated to reflect the extent to that funds received under this Agreement were used to acquire the equipment). Equipment not needed by the Subrecipient for activities under this Agreement shall be a) transferred to the County for the HOME-ARP program or b) retained after compensating the County an amount equal to the current fair market value of the equipment less the percentage of non-HOME-ARP funds used to acquire the equipment.

F. Audits & Inspections. Subrecipient shall comply with audit requirements contained in 2 CFR, Subpart F which requires Subrecipient to have an annual audit conducted within nine (9) months of the end of their fiscal year, if Subrecipient has an aggregate expenditure of more than \$750,000 in federal funds in a fiscal year. Subrecipient further agrees to submit a copy of this audit to the County within thirty (30) days of receipt from the auditor. Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within thirty (30) days after receipt of same.

Subrecipients that are not required to perform an audit per the 2 CFR, Subpart F requirements must have and maintain adequate internal financial/cash management principles and reporting policies.

PAYMENT, TERMS AND CONDITIONS

- A. The County shall provide HOME-ARP Funds not to exceed \$214,226 for eligible program and administrative expenses incurred to provide the programs and services as described in Attachment A, Scope of Services, and outlined in the approved Program Budget, described in Attachment B, upon determining satisfactory performance of eligible activities described in Article I of this Agreement.
- B. Payment Procedures. Payments will be made to the Subrecipient quarterly, as necessary, during the period of this Agreement on a reimbursement basis. Prior to release of any payment, and by the 15th day of each quarter's final month, Subrecipient shall present to the County's designee, Steve Newton, Governmental Affairs, a billing statement requesting payment and certifying that services have been provided in compliance with the terms of this Agreement and that the incurred costs for which reimbursement is sought constitute eligible expenditures under this Agreement. No payment to the Subrecipient will be released without the County having first received such a billing statement and all required supporting documentation.
- Once all documentation is received and approved by the County, payment will be made to Subrecipient within 30 days after the receipt of billing for each service rendered during the month or months and required monthly reports. County has the right to appeal or ask for clarification on any Subrecipient billing within 30 days of receipt of billing. Until said appeal is resolved or clarification is accepted, no interest will accrue on that portion of the billing. In the event of a contested billing, only that portion so contested shall be withheld, and the undisputed portion shall be paid in accordance with this Article.
- C. Eligible Expenses. All items of cost for which Subrecipient seeks reimbursement from the County must be contained in the Program Budget that is Attachment B to this Agreement and must be eligible costs that comply with the cost principles as specified in Article III. Any amendments to the approved Program Budget must be both requested and approved in writing.
- D. Use of Funds. Funds provided to the Subrecipient under this Agreement shall be used only for the provision of the services described in the Scope of Services in Attachment A. Any funds paid to Subrecipient and found subsequently not to have been used or needed for said services, shall be returned to the County immediately.
- E. Procurement. The Subrecipient shall comply with 24 CFR Part 85, 2 CFR 200.317-327 and with current County policies concerning the purchase of equipment or materials and shall maintain inventory records of all non-expendable personal property as defined by such policy as may be procured with funds provided herein. All program assets (unexpended program income, equipment, etc.) shall revert to the County upon termination of this Agreement.
- F. Reversion of Assets. Equipment purchased all or in part with HOME-ARP funds if sold, the Subrecipient shall return proceeds to the County. If costs were shared, pro-rate the

amount of HOME-ARP funds to be returned to the County. Excess unused equipment purchased with HOME-ARP funds must be returned to the County or the Subrecipient shall pay the County the current fair market value for retained equipment less the percentage of non-HOME-ARP funds used to acquire the equipment

VI. REPORTING AND RECORD-KEEPING REQUIREMENTS

- A. Records to be Maintained. The Subrecipient shall maintain all records required by the Federal regulations specified in the HOME-ARP Notice that are pertinent to the activities to be funded under this Agreement. Such records shall include but not be limited to:
1. Records providing a full description of each activity undertaken, including compliance with standards for Supportive Services in the HOME-ARP Notice;
 2. Records evidencing that all HOME-ARP funds used for supportive services benefit individuals and families in qualifying populations;
 3. Records, where applicable, demonstrating compliance with the termination of assistance requirement as described in the HOME-ARP Notice;
 4. Records of the types of services provided under the Subrecipient program and the amounts spent on these services;
 5. Financial records of HOME-ARP expenditures.
- B. Access to Records. Subrecipient further agrees that County, HUD, and the Comptroller General of the United States or any of their duly authorized representatives, shall, at any time during normal business hours, as often as deemed necessary, have access to and the right to audit, examine, and reproduce such records and further agrees to include the above provision in all subcontracts. The Subrecipient shall furnish and cause each of its own subcontractors to furnish all information and reports required hereunder and will permit access to its books, records and accounts by the County, HUD or its agent, or other authorized Federal officials for purposes of investigation to ascertain compliance with the rules, regulations and provisions stated herein.
- C. Record Retention. The Subrecipient shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the Agreement for a period of five (5) years. The retention period begins on the date of project completion. Notwithstanding the above, If any litigation, claim, negotiation, audit, monitoring, inspection, or other action has been started before the expiration of the required record retention period records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later.
- D. Beneficiary Data. The following beneficiary data collected shall include:
1. Number of households served.
 2. Housing Status
 3. Veteran status
 4. Ethnicity

5. Race

6. Household Size

7. Household Type

- E. Disclosure. The Subrecipient understands that client information collected under this contract is private and the use or disclosure of such information, when not directly connected with the administration of the County's or Subrecipient's responsibilities with respect to services provided under this contract, is prohibited unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian. This agreement is subject to South Carolina Code sections 37-20-110 *et seq.* and 39-1-90.
- F. Quarterly Reporting. The Subrecipient shall provide to the County Administrator's Office, by the 15th day of the month following the end of each calendar quarter a narrative report on the progress of their program/service in meeting the objectives and outcomes noted in the Program Description, Attachment A to this Agreement, and summary information for the program's beneficiaries listed above. This report should outline outstanding achievements, as well as problems or issues of concern that have been encountered.
- G. Project Monitoring. The County will monitor the performance of the Subrecipient against the goals and performance standards identified in this Agreement to include on-site monitoring visits. Any deficiencies noted in monitoring reports must be fully cleared by the Subrecipient within 30 days after receipt by the Subrecipient. Failure of the Subrecipient to comply with the above monitoring requirements will constitute a violation of this contract and may result in the withholding of future payments.
- H. Close outs. The Subrecipient's obligation to the County shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the County), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Subrecipient has control over HOME-ARP funds, including program income.

VII. TERMINATION OF WORK

- A. County may suspend or terminate all or a portion of the work covered by the Agreement in accordance with 2 CFR 200.340 if the Subrecipient fails to comply with any terms of this Agreement, which include but are not limited to:
1. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;
 2. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Agreement;

3. Ineffective or improper use of funds provided under this Agreement; or
4. Submission by the Subrecipient to the Grantee reports that are incorrect or incomplete in any material respect.

The County may impose sanctions on the Subrecipient for failure to comply with provision of this Agreement. When sanctions are deemed necessary, the County may withhold unallocated funds, require return of unexpended funds, require repayment of expended funds, or cancel the funding Agreement and recover all funds released prior to the date of notice of cancellation.

In accordance with 2 CFR 200.340, this Agreement may also be terminated for convenience by either the County or the Subrecipient, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the County determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the County may terminate the award in its entirety. Either party may terminate work if the other party fails to substantially perform in accordance with the provisions of the Agreement. Termination of the Agreement is accomplished by 15 days' prior written notice from the party initiating termination to the other. Notice of termination shall be delivered by certified mail with receipt for delivery returned to the sender.

The County may impose sanctions on the Subrecipient for failure to comply with provision of this Agreement. When sanctions are deemed necessary, the County may withhold unallocated funds, require return of unexpended funds, require repayment of expended funds, or cancel the funding Agreement and recover all funds released prior to the date of notice of cancellation.

In the event of termination, Subrecipient shall perform such additional work as is necessary for the orderly filing of documents and closing of the project. The time spent on such additional work shall not exceed 10 percent of the time expended on the terminated portion of the project prior to the effective date of termination. Subrecipient shall be compensated for work performed prior to the effective date of termination plus the work required for filing and closing as described in this Article. If no notice of termination is given, relationships and obligations created by this Agreement shall be terminated upon completion of all applicable requirements of this Agreement.

VIII. GENERAL PROVISIONS

- A. Certification Regarding Federal Assistance. Subrecipient certifies that the federal financial assistance amounts contained in the budget are the only amounts of federal assistance that is being contributed to this project. Subrecipient further certifies that if other governmental assistance is sought in the future, Subrecipient will promptly notify the County.
- B. Certification Regarding Lobbying. Subrecipient certifies, to the best of its knowledge

and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of a Federal contract, the making of a Federal grant, the making of a Federal loan, the entering into of a cooperative agreement, and the extension, continuation, renewal, amendment, or modification of a Federal contract, grant, loan, or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal grant or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying, in accordance with its instructions.

The undersigned shall require that the language of this certification be included in the award documents for any subcontracts or sub-awards and that all Subrecipients certify and disclose accordingly.

C. License and Insurance Requirements. Subrecipient shall comply with all applicable licensing requirements and associated business regulations, whether federal, state, or local. Subrecipient shall purchase and maintain worker's compensation insurance as required by state law. Before the Agreement is executed and work begins, the SUBRECIPIENT shall furnish the COUNTY a Certificate of Insurance for the coverage and limits set out below which is to be in force and applicable to the project for the duration of the contract. The issuing insurance companies must have a minimum current A.M. Best rating of A- VII or approved by the COUNTY. The Certificate must state that any insurance coverage shown cannot be suspended, voided, canceled by either party, or reduced in coverage or limits without 30 days prior written notice has been given to the COUNTY.

1. Minimum Scope of Insurance. SUBRECIPIENT insurance coverage shall be at least as broad as:
 - Commercial General Liability: Insurance Services Office (ISO) form CG 0001 with an edition date of 10-2001 or later, providing Commercial General Liability – Occurrence Form. If applicable, with CG 25 03 (Amendment Aggregate Limits of Insurance per Project) or equivalent attached.
 - Automobile Liability: Insurance Services Office (ISO) form CA 0001, providing Business Automobile Coverage on owned, non-owned and hired vehicles.
 - Workers' Compensation Insurance: Insurance as required by South Carolina Revised Statutes and including Employers Liability Insurance.
 - Professional Liability Insurance: on an occurrence or claims made basis with 24-month tail insurance.
 - Sexual Harassment Insurance: TBD ON A CASE-BY-CASE BASIS
2. Minimum Limits of Insurance. SUBRECIPIENT shall maintain limits no less

than

- General Liability: \$2,000,000 Each Occurrence
- \$2,000,000 Personal Injury
- \$3,000,000 General Aggregate
- \$3,000,000 Products / Completed Operations Aggregate
- \$1,000,000 Auto Liability
- \$1,000,000 Professional Liability

- D. Employees, Contractors, and Agents. Pursuant to one or more written agreements, Subrecipient shall require Subrecipient's officers, managers, employees, contractors, subcontractors, agents, representatives, or any other person or entity hired, engaged, or otherwise used by Subrecipient to carry out the Subrecipient's obligations under this Agreement ("**Employees, Contractors, and Agents**") to comply with the applicable requirements in this Agreement in all respects, including but not limited to following all applicable laws and licensure requirements. Pursuant to one or more written agreements, Subrecipient shall require that the Employees, Contractors and Agents are aware of and abide by any applicable terms of this Agreement. Subrecipient shall be responsible for any failure of the Employees, Contractors, and Agents to adhere to the applicable terms of this Agreement. Without limiting the foregoing, such responsibility shall not be deemed to waive any indemnification rights or other rights that Subrecipient may have under other agreements with such Employees, Contractors, and Agents.
- E. Indemnification. Subrecipient agrees to indemnify and hold harmless County and its agents, staff, employees, officers, directors, affiliates, successors and assigns, of and from any and all claims, demands, debts, contracts, expenses, causes of action, lawsuits, damages, and liabilities of every kind and nature, including any claims of owner or employee negligence, whether known or unknown, in law or equity, including any claims against and/or regarding the Subrecipient and its Employees, Contractors, and Agents, which they have, ever had or may have ("**Claims**"), arising from or in any way related to Subrecipient's obligations under this Agreement with respect to the Project. This includes reasonable attorneys' fees County may incur in enforcing this paragraph. In addition, this indemnification and agreement to pay County's reasonable attorneys' fees expressly includes any Claims that may arise from any act or failure to act by any Employees, Contractors, and Agents. However, this indemnification does not apply to any acts of gross negligence, or intentional, willful or wanton misconduct of County.
- F. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the parties hereto and the permitted successors and assigns of the parties. Subrecipient may not assign its interests or obligations under this Agreement without the express, prior written consent of County.
- G. Notices. All notices under this Agreement shall be in writing and sent by certified mail or hand-delivered to the addresses listed below for each party.

If to Subrecipient:
Dave Phillips
CEO & Executive Director
213 S. Towers Street
Anderson, SC 29624

If to County:

Rusty Burns
County Administrator
PO Box 8002
Anderson, SC 29622-8002

- H. Venue. In the event of a dispute or litigation arising out of this Agreement, it is understood and agreed that this Agreement was executed and performed in Anderson County, South Carolina, and as such, it is agreed by both parties that venue for said litigation, including an action for Declaratory Judgment, will be in Anderson County, South Carolina.
- I. Severability. If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected thereby and all other parts of this Agreement shall nevertheless be in full force and effect.
- J. Attorney Fees. If at any time it is necessary for County to undertake any action, whether or not such action involves litigation, to enforce the terms of this Agreement or any documents or exhibits attached hereto or incorporated herein, Subrecipient agrees to pay all reasonable costs of such enforcement by County including reasonable attorney's fees and court costs.
- K. Certification. The person executing this Agreement on behalf of Subrecipient hereby personally certifies that the representations and warranties made herein are true and correct as of the date hereof and that such person is a duly appointed officer of Subrecipient as indicated below, and that Subrecipient shall be lawfully bound hereby.
- L. Counterparts. This Agreement may be executed in counterparts.

[Signature page follows]

IN WITNESS WHEREOF, County and the Subrecipient have caused this Agreement to be duly executed as of the date first above written.

ANDERSON COUNTY

Rusty Burns, County Administrator

By: _____

Date: _____

HOPE MISSIONS

Dave Phillips, CEO & Executive Director

By: _____

Date: _____

ATTACHMENT A

HOME-ARP Supportive Services Application for Funding

Anderson County

HOME-ARP Supportive Services Application for Funding



Anderson County
101 South Main St
Anderson, SC 29624
<https://www.andersoncountysc.org/>

AGENCY INFORMATION

Organization or Agency Legal Name: HOPE Missions of the Upstate

Street Address: 213 South Towers Street

City: Anderson _____ State: SC _____ Zip Code: 29624

Universal Entity ID (UEI): M9DRE1YXB9E9

FEIN Number. # 852752663

Primary Contact: Zoë Hale _____ Title: Chief Operations Officer _____

Telephone No: 864-359-2396 _____ E-mail: zoe@hopeupstate.org

President/Executive Director: Dave Phillips

Telephone No: 864-359-2396 _____ E-mail: dave@hopeupstate.org _____

Location of proposed service/program/project (if different than stated above): as above

Street Address: N/A

City: N/A _____ State: _____ N/A _____ Zip Code: N/A

1. Describe in detail the organization's mission, types of programs and services currently offered, need or problem the program seeks to address, and how HOME-ARP Supportive Services programs will fit within its mission.

HOPE Missions of the Upstate meets basic needs while looking for specific opportunities to improve individual circumstances. We feed the hungry, provide clothing and shelter, empower, and equip by showing each the love of Christ. We operate a day shelter Monday-Saturday. We eliminate barriers to employment and housing by providing free access for SC IDs, duplicate Social Security cards and copies of birth certificates.

Our housing and services navigators, as well as our care coordinator, work diligently with our clients to provide pathways to housing and benefits. We provide assistance with information, transportation, financial literacy (getting banked, understanding, and improving credit scores), administrative support and access to many online agencies and services health insurance and care, employment-specific clothing, and shoes, understanding and responding to formal notices, utility assistance and housing, housing, housing and housing. We spend a lot of attention on finding housing for those we serve -- because it is both hard to find and keep. Employment -- in a job that pays enough -- is a key component to our work.

Our homeless services program has three components: emergency shelter, street outreach and homelessness prevention. Our emergency shelter efforts include our day shelter, which opens at first light of day and provides access to bathrooms and other hygienic needs (and food) (and many gallons of coffee) until county social services offices are open, as well as a seasonally operated shelter during cold weather. This warming center provides a large seating area for people as well as sleeping areas. Street outreach activities meet immediate needs and serve to locate, identify, and build relationships with individuals or families living in unsheltered settings. Our homelessness prevention efforts are tailored to each individual circumstance and work to prevent people from moving into shelter or a place not meant for human habitation.

HOPE Missions, through the actions of their services navigator, care coordinator and housing navigator, assesses, arranges, coordinates, and monitors the delivery of individualized services to achieve housing stability for each program participant who resides in permanent housing or to assist a program participant in overcoming immediate barriers to obtaining housing. These actions are housing search and placement, as well as housing stability case management services and activities, as defined by HOME-ARP Supportive Services programs.

We use a standardized intake form based on the best practices established by HUD, implementing the assessment elements of Homeless Management Information Systems (HMIS).

We conduct an initial evaluation, including verifying and documenting eligibility, for

individuals and families applying for assistance. We record information associated with program participants in HMIS.

Although each situation is unique, our services consistently include assisting program participants in obtaining Federal, State, and local benefits. In some cases program participants lack document literacy or other skill sets that prevent them from successfully navigating and completing an online application for benefits to which they are entitled.

We develop an individualized housing and service plan for our program participants, including a path to permanent housing stability. This plan requires active participation: our services navigator, care coordinator and housing navigator develop next steps for the program participant. This may involve, for example, obtaining information and/or documents required for eligibility verification. If a program participant does not have an SC ID, birth certificate or Social Security card that is required to access those services, we have pathways to get each of these, all at no cost to the program participant. For example, if a program participant does not have an SC ID, we provide a voucher that waives the fee and bus tickets to get to the DMV and back to the mission. For the very few program participants who cannot ride the bus and get off at the right stop, we arrange transportation. Similarly, we can make an appointment for a replacement Social Security card at the local office and provide bus tickets or host a virtual appointment in our spaces.

As part of our housing stability process, as appropriate and tailored to individual circumstances, we give program participants information and referrals to other providers. Additionally, we monitor and evaluate program participant progress – which may be as simple as they take the “next step” and provide a completed form (or information to do so) required for eligibility verification.

2. Briefly describe expected project goals and anticipated results with HOME-ARP Supportive Services.

We only offer services to those who choose to participate. Offering services is always based on a program participant agreeing to partner with our services and/or housing navigator, along with our care coordinator. For those willing to accept case management, we then define "next steps" appropriate for their situation. We find that program participants who do all or most of the next steps are ready to move forward.

The goals of our homeless supportive services project are to partner with people who express a willingness to be case-managed. In partnership, we will navigate those who are unhoused to stable housing; navigate those who are in risky housing situations into stable housing; prevent families or individuals from becoming unhoused; provide job-seeking support to those able to work full or part time; provide access to medical care and or insurance; and navigate people to benefits to which they are entitled.

Our geographic goal is to reach people at risk of becoming homeless and people who are unhoused in our nearby eleven concentrated poverty neighborhoods: we intend to reach 820 persons in a year. Our services and housing navigators have an initial interview with people who come to our day shelter. During this interview, our navigators will recommend case management. For those willing to accept case management, we then define "next steps" appropriate for their situation. Through case management, our navigators can develop an action plan for obtaining housing with our program participants.

Our housing navigator has a curated group of rental housing available and has developed a synthesis of all the requirements to access the housing. This curated list was developed and continues to be refined with outreach to and negotiation with owners and property management firms. He's captured all those elements into one intake form.

He takes each person through an initial needs assessment and evaluation to review the housing intake form with each person, especially the documentation it requires. Reviewing the intake form with our navigator helps people understand if they are missing required documentation, which may be a birth certificate or a type of income verification. It may also reveal that there's insufficient income for any of the housing options available, which may mean a referral to our services navigator, and/or Goodwill Job Connections or Tri County Tech or AIM's Financial Stability programs, as appropriate for the individual circumstances. The intake form cannot be completed until a person has enough income and/or earnings to maintain the available housing.

Once the intake form is completed by an individual seeking housing, people are "housing ready" -- which means they can look for housing appropriate and attainable for their circumstance. With the completed form, people review potential housing options and apply for their housing. Our housing navigator uses his curated housing options along with guidelines for other marketplace options. We measure "number housed" compared to "number completing intake."

Once approved for housing by their chosen housing provider, people may need a small amount of one-time financial or administrative assistance, or both. Some people only need administrative support to get into housing -- they have sufficient income. Administrative assistance includes help with submitting rental applications and understanding leases, as well as assistance with obtaining utilities and making moving arrangements. In a year, in our homeless supportive services program, we expect to have 90 people housed through this process.

3. Describe the organization's intake process to ensure individuals and families meet Qualified Population requirements.

We use a standardized intake form based on the best practices established by HUD, implementing the identification and assessment elements of Homeless Management Information Systems (HMIS). We conduct an initial evaluation, including verifying and

documenting eligibility, for individuals and families applying for assistance. We record information associated with program participants in HMIS.

This process allows us to identify individuals or families with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, alleyway or camping ground. We also can determine if our program participants will imminently lose their primary nighttime residence within 14 days of application for homeless assistance, have no subsequent residence has been identified, and that the individual or family lacks the resources or support networks, such as family, friends, faith-based or other social networks needed to obtain other permanent housing.

Our intake process includes income verification, which allows us to determine if an individual or family is at risk of homelessness as defined by 24 CFR 91.5 and has an income below 30% of median family income for Anderson, as determined by HUD:

Greenville-Anderson, SC MSA								
HUD-determined Area median income	30% AMI 1 person family	30% AMI 2 person family	30% AMI 3 person family	30% AMI 4 person family	30% AMI 5 person family	30% AMI 6 person family	30% AMI 7 person family	30% AMI 8 person family
75200	15800	18050	20300	22550	24400	26200	28000	29800

Some of our services are available to everyone who comes to the day shelter or warming center: they can come and be warm, safe, and dry. They may have access to bathrooms. They may have access to coffee, water, and other beverages. In our day shelter they have access to a meal and take-away non-perishable food. Weekly we provide clothing in our day shelter with no program requirement. Accessing other services, as provided by HUD’s Emergency Solutions or HOME-ARP Supportive Services program, requires program participants to establish eligibility.

Meeting any of local, State, or Federal requirements for any other benefits, entitlements or services is our only requirement for program participants. If there is an income limit or other requirement for those services or programs, our program participants must meet those criteria and program-required documentation to prove it. We work diligently with each program participant to help them gather the required information and provide a secure place to store it, if needed.

- 4. Has the organization adopted a Housing First Policy?
 - Yes

5. Is the organization an active member of the Continuum of Care?
 - Yes
6. Does the organization currently use HMIS?
 - Yes
7. If a victim service provider, does the organization utilize a comparable database?
N/A
8. If HMIS or comparable database is not utilized, how will the organization track reporting requirements for households served?
N/A HOPE Missions of the Upstate uses HMIS.
9. Does this organization participate in the Continuum of Care Coordinated Entry Process?
 - Yes
10. Describe the Applicant's method of receiving referrals. (CE, Hotline, Walk-in, Outreach, etc.)

We receive referrals from the coordinated entry system within the Upstate Continuum of Care, as well as state, regional, local agencies and through our outreach activities.

We perform outreach engagement to individuals and families we hope to serve in a number of ways. We communicate to other ministries and nonprofits, church groups and community groups to educate and inform people of services and resources that are available. On a monthly basis, we update two city and county faith groups, the city of Anderson's "Dream Team" and AnMed's Safety Net council. We provide presentations to civic and faith-based groups up to twenty times a year. We also serve within the county detention center four times a month as well as provide updates to the monthly Criminal Justice Coordinating Council. We host activities at least twice a month featuring New Horizons Mobile Medical Unit as well as DHEC's Community Health team in two separate locations.

We operate low-barrier programs specifically targeted toward unsheltered individuals who may be resistant to accepting other services, including traditional shelters. Accepting outreach efforts, including services that will help homeless Andersonians transition indoors from the streets, is voluntary, and it can take months of persistent and compassionate engagement to successfully connect street homeless individuals with services.

At the mission itself we provide first time guest packets to help us communicate what programs we have including housing, education, employment, medical, mental health, and other support services we offer. We accept walk-in applicants for program participation during open hours.

11. Summarize the professional expertise of project-relevant staff members responsible for implementation of this project in their ability to manage or provide program services and grant management experience. If a staff member does not have prior experience in providing the proposed service, please indicate experience and successes carrying out similar programs. Remember to attach all project-relevant staff resumes to this application.

Our team that serves on this project has a wide array of experience to achieve success. Our Housing and Service navigators, along with our Care Coordinator and Chief Operations Officer have served at HOPE Missions for multiple years.

Stephanie Yelder: Services Navigator. Three decades of experience in a variety of social service fields including certification as a Community Health Worker, a decade at DSS in benefits and services eligibility and recertification, Medicaid and Disability claims knowledge, SC health and other insurance licensed, Affordable Care Act Certified, financial literacy expertise through mortgage loan origination, processing and closing.

Tricia McDougald: Care Coordinator. Three decades of experience in a variety of nonprofits and ministry. Experienced Community Relations Coordinator with a demonstrated history of working in budgeting, grant writing and management, donor development, fundraising, community outreach, event planning and management. Certified as a recovery coach. Graduate of 2016 Leadership South Carolina and Leadership Anderson Class 31.

Graeme Moon: Housing Navigator. HMIS client management. For the purpose of this grant, Graeme's role is to serve as our site's AmeriCorps supervisor. He ensures AmeriCorps members fulfill all aspects of their service contract, to include service hours, training, and professional development. He has supervised AmeriCorps members for three years and served as a member himself.

Dr Zoë Hale: Chief Operating Officer. As Chief Operating Officer, Zoë's responsibilities include evaluating operational performance of the mission by analyzing respective program data and metrics and fulfilling grant requirements. HMIS client management. With 20+ years of military service to the rank of Colonel, Zoë has held fiscal responsibility up to \$300 million, personnel responsibility of 4000 civilian and military individuals and overseen Federal contracts.

AmeriCorps Services Specialists: AmeriCorps service members are proficient in HMIS services reporting. They serve in support of our navigators and care coordinator, performing both client-facing service and data entry and reporting for case management.

Services Support Specialist: Since AmeriCorps service members serve for just one year and have additional service requirements outside of HOPE Missions, this position provides continuity of support in performing both client-facing service and data entry and reporting for case management. This position also provides data entry and support for grant management.

12. Proposed budget details for the HOME-ARP Supportive Services Activities:

	Estimated Project Cost	HOME-ARP Request	Description
Salaries:	207,056	107,083	Services navigator, services support specialist, AmeriCorps member stipends.
Services:	138,300	0	N/A
Other:	19,059	0	N/A
Total:	346,415	107,083	

13. Required Documents:

- a. Financial Statement: Attach proof of your organization’s financial health, such as a year-end financial statement.
- b. IRS 501(c)(3) Status Letter
- c. Form 990
- d. Unique Entity Identifier (SAM.gov Registration Confirmation)
- e. SC Department of State Business/ Incorporation information
- f. List of Current Board Members
- g. By laws
- h. Resumes of Executive Director, Fiscal Officer, Program Administrator, Program Staff, copies of certifications, and consultant contract (if applicable).
- i. Proof of General Liability Coverage

APPLICANT CERTIFICATION

THE UNDERSIGNED CERTIFIES THAT:

- a) The information contained in this document is complete and accurate;
- b) The proposed program/project described in this application will meet the requirements of HOME-ARP,
- c) The applicant shall comply with all Federal, State and County laws, and HOME-ARP Program requirements;

Zoi M Hall
Signature of Authorized Applicant Representative

22 March 2024
Date

ATTACHMENT B

**Anderson County HOME Investments Partnership Program-American Rescue Plan
Program 2024 Program Year Budget**

SUBRECIPIENT: HOPE Missions

PROGRAM OR SERVICE: HOME-ARP Supportive Services

APPROVED HOME-ARP GRANT AWARD: \$ \$107,113

Project Budget Summary (See 24 CFR 570 Subpart J)				
Estimated Total Cost of Project:		\$107,113		
HOME-ARP Funding for Project:		\$107,113		
Total Number of People/ Units Served:		90		
Total HOME-ARP Cost per Person/Unit		\$1190.14 per person		
Amount and Source of Other Funds Leveraged for Project: <i>(Please submit proof of other funding sources)</i>		Source	Year	Amount
Project Budget Detail				
Specific Cost Item/Description	HOME-ARP Grant	Other Funds Source	Other Funds Amount	Total Amount HOME-ARP + Other Sources
Salary	57,699			57,669
Salary	28,849			28,849
AmeriCorps stipends	20,565			20,565



RECREATION FUND APPROPRIATIONS APPLICATION

WHAT DISTRICT(S) ARE YOU REQUESTING FUNDING FROM:

DISTRICT: 2 and 5

Mail/Email/Fax to:

Anderson County Council Clerk
P.O. Box 8002, Anderson, SC 29622
rdwatts@andersoncountysc.org
Fax: 864-260-4356

Tommy Dunn
Chairman, District 5

Brett Sanders
V. Chairman, District 4

John B. Wright, Jr.
Council District 1

Glenn A. Davis
Council District 2

Greg Elgin
Council District 3

Jimmy Davis
Council District 4

Cindy Wilson
Council District 7

Renee Watts
Clerk to Council

Rusty Burns
County Administrator

- Name of entity requesting recreation fund appropriation:
Homeland Park Volunteer Fire Department
- Amount of request (If requesting funds from more than one district, annotate amount from each district):
District 2 - \$2,000.00
District 5 - \$2,000.00
- The purpose for which the funds are being requested: *shirts and food for volunteers*
Fireworks and DJ for 4th of July Celebration
- Is the entity a non-profit corporation in good standing with the South Carolina Secretary of State? If so, please attach evidence of that good standing.
- Contact Person: *Ronald R. Wood*
Mailing Address: *P.O. Box 13138 Anderson, S.C. 29624*
Phone Number: *864-844-1264*
Email: *hpvfd3@gmail.com*
- Statement as to whether the entity will be providing matching funds:
N/A

I certify that the forgoing is true and accurate to the best of my knowledge and that I am authorized to make this application on behalf of the above-named entity.

Ronald R. Wood Ronald R. Wood 06-17-24
Signature Print Name Date