

# North Augusta



*South Carolina's Riverfront*

## MINUTES OF MARCH 15, 2021

*Robert A. Pettit, Mayor*

*J. Robert Brooks, Councilmember  
Pat C. Carpenter, Councilmember  
Fletcher L. Dickert, Councilmember  
David W. McGhee, Councilmember  
Eric H. Presnell, Councilmember  
Kevin W. Toole, Councilmember*

## **ORDER OF BUSINESS**

### **VIRTUAL REGULAR MEETING**

The regular meeting of the City Council of the City of North Augusta of March 15, 2021 having been duly publicized was called to order by Mayor Pettit at 7:01 p.m. and streamed online for public viewing at the City Facebook page: "City of North Augusta – Public Information" and City YouTube page: "City of North Augusta Public Information" then adjourned at 7:43 p.m. Per Section 30-4-80, (e) notice of the meeting by email was sent out to the current maintained "Agenda Mailout" list consisting of news media outlets and individuals or companies requesting notification. Notice of the meeting was also posted on the outside doors of the Municipal Center, the main bulletin board of the Municipal Center located on the first floor, and the City of North Augusta website.

Mayor Pettit rendered the invocation and the Pledge of Allegiance.

Members present were Mayor Pettit, Councilmembers Brooks, Carpenter, Dickert, McGhee, Presnell, and Toole.

Also in attendance were James S. Clifford, City Administrator; Rachele Moody, Assistant City Administrator; Kelly F. Zier, City Attorney; Cammie T. Hayes, Chief Financial Officer; Richard

L. Meyer, Director of Parks, Recreation, and Tourism; John C. Thomas, Director of Public Safety; Lillian E. (Libby) Hodges, Director of Planning and Development; J.D. McCauley, Manager of Human Resources; Ricky Jones, Manager of Information Technology and Sharon Lamar, City Clerk.

The minutes of the Virtual Study Session and City Council meeting of March 1, 2020 were approved by general consent.

**ITEM 5. PROCLAMATION: Disabilities Awareness Month**

Mayor Pettit proclaimed March as Disabilities Awareness Month in the City. Please see a copy of the proclamation below:

***DISABILITIES AWARENESS MONTH***

*WHEREAS, many North Augusta families are impacted by severe lifelong disabilities including autism, traumatic brain injuries, spinal cord injuries, and intellectual and related disabilities; and*

*WHEREAS, people with lifelong disabilities are productive citizens, deserving of respect and the opportunity for economic self-sufficiency, independence, and personal growth; and*

*WHEREAS, it is important for all North Augusta citizens, those with and those without disabilities, work together, play together, worship together, learn together, and grow together; and*

*WHEREAS, family members, caregivers, and service providers selflessly offer daily care, assistance, supervision, and physical and emotional support to individuals with disabilities to help them enjoy full participation in community life; and*

*WHEREAS, the 2021 observance of Disabilities Awareness Month celebrates 32 years of advocacy for and successes of people with disabilities in education, employment, and community activities.*

*NOW, THEREFORE, I, Robert A. Pettit, Mayor of the great city of North Augusta, do hereby proclaim March 2021 as*

**DISABILITIES AWARENESS MONTH**

*to encourage all citizens of North Augusta to work together to promote increased opportunities for people with disabilities, to recognize the many contributions made by people with disabilities in our communities, and to honor the dedication of the caregivers who bring support and hope to their fellow citizens.*

**ITEM 6. ANNEXATION: Ordinance No. 2021-03 – To Change the Corporate Limits of the City of North Augusta by Annexing ±0.40 Acres of Property Fronting on Gregory Lake Road and Owned by the City of North Augusta; Ordinance – Final Reading**

On the motion of Councilmember McGhee, second of Councilmember Brooks, Council considered an ordinance on final reading to change the corporate limits of the City of North Augusta by annexing ±0.40 acres of property fronting on Gregory Lake Road and owned by the City of North Augusta. There were no comments from citizens. The final reading was approved with a unanimous vote of 7-0.

Please see a copy of the proposed ordinance below:

ORDINANCE NO. 2021-03  
TO CHANGE THE CORPORATE LIMITS OF THE CITY OF  
NORTH AUGUSTA BY ANNEXING ± 0.40 ACRES OF PROPERTY,  
FRONTING ON GREGORY LAKE ROAD AND OWNED BY  
THE CITY OF NORTH AUGUSTA

WHEREAS, Section 5-3-150(3) of the Code of Laws of the State of South Carolina provides that: "Notwithstanding the provisions of subsections (1) and (2) of this section, any area or property which is contiguous to a municipality may be annexed to the municipality by filing with the municipal governing body a petition signed by all persons owning real estate in the area requesting annexation. Upon the agreement of the governing body to accept the petition and annex the area, and the enactment of an ordinance declaring the area annexed to the municipality, the annexation is complete"; and

WHEREAS, the Mayor and City Council of the City of North Augusta, have approved Resolution No. 2020-02 dated January 6, 2020 authorizing the City Administrator to execute any documents necessary to request annexation of the property and determined that such Petition should be accepted and the property annexed into the City; and

WHEREAS, the Mayor and City Council of the City of North Augusta, have approved Ordinance No. 2020-04 dated February 3, 2020 authorizing the change to the corporate limits of the City of North Augusta by annexing 148 +/- acres of property generally known as the North Augusta Country Club property; and

WHEREAS, a Scribner's error occurred in Ordinance No. 2020-04 omitting one number from identifying Tax Parcel No. 004-18-02-013, the small portion of property located in Aiken County; and

WHEREAS, the zoning classification recommended for the properties proposed for annexation has been reviewed for consistency with the Future Land Use Classification of the properties as specified in the Land Use Element of the North Augusta 2017 Comprehensive Plan;

NOW, THEREFORE, BE IT ORDAINED by the Mayor and City Council of the City of North Augusta, South Carolina, in meeting duly assembled and by the authority thereof that:

- I. The Petition was previously accepted with the approval of Resolution No. 2020-04 and the following described property shall be annexed into the City of North Augusta:

The property to be annexed is also shown on a map identified as "Exhibit A" titled map of property sought to be annexed by the City of North Augusta dated February 17, 2021 and prepared by the City of North Augusta.

Being a portion of the land conveyed by DWT Properties, LLC to the City of North Augusta by deed dated the 29<sup>th</sup> day of October, 2019 and recorded in the Office of the RMC for Aiken County, South Carolina in Record Book 4812 at Pages 2047-2051. The said property is known pursuant to the tax parcel numbers for the Office of the RMC for Aiken County as Tax Parcel No: 004-18-02-013.

- II. This property is intended for use by the City as recreational property and the zoning classification recommended for said property has been reviewed by the Planning Commission for consistency with the future land use classification of the property as specified in the North Augusta 2017 Comprehensive Plans; Therefore, the property shall be zoned "P", public use on a map identified as "Exhibit B" Plat prepared by the City of North Augusta dated February 17, 2021. Such zoning classification was approved by the Planning Commission at its meeting held on November 21, 2019.
- III. All Ordinances or parts of Ordinances in conflict herewith are, to the extent of such conflict, hereby repealed.
- IV. This Ordinance shall become effective immediately upon its adoption on second and final reading.

DONE, RATIFIED AND ADOPTED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH AUGUSTA, SOUTH CAROLINA, ON THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2021.

**ITEM 7. PLANNING AND DEVELOPMENT: Resolution No. 2021-08 – Accepting a Deed of Dedication for the Streets, Sanitary Sewer, Stormwater Collection and Fire Suppression Systems, and Associated Easements and Rights of Way, along with a Maintenance Guarantee and Cash Deposit for Gregory Landing, Section 2**

On the motion of Councilmember Carpenter, second of Councilmember Toole, Council considered a resolution to accept a Deed of Dedication for the streets, sanitary sewer, Stormwater collection and fire suppression systems, and associated easements and rights of way, along with a Maintenance Guarantee and cash deposit for Gregory Landing, Section 2. There were no comments from citizens. The resolution was approved with a vote of 7-0.

Please see a copy of the proposed resolution below:

RESOLUTION NO. 2021-08  
ACCEPTING A DEED OF DEDICATION FOR THE STREETS,  
SANITARY SEWER, STORMWATER COLLECTION AND FIRE SUPPRESSION SYSTEMS,  
AND ASSOCIATED EASEMENTS AND RIGHTS OF WAY, ALONG  
WITH A MAINTENANCE GUARANTEE AND CASH DEPOSIT,  
FOR GREGORY LANDING, SECTION 2

WHEREAS, Metro Homesites, LLC developed Gregory Landing, Section 2 according to the requirements of the North Augusta Planning Commission and the City, and owns the streets, utilities and easements; and

WHEREAS, pursuant to §5.8.4.3 of the North Augusta Development Code, the Director of Planning and Development and the City Engineer approved the final subdivision plat for recording on January 6, 2021 and

WHEREAS, it is the policy of the City that, upon approval of a final subdivision plat, the City will, following inspection by the City's Engineering department, accept a deed of dedication for the streets, utilities, etc. for the purpose of ownership and maintenance when said deed is accompanied by a maintenance guarantee; and

WHEREAS, a maintenance guarantee and supporting letter of credit accompany the deed; and

WHEREAS, the City Engineer has made final inspection of the subject improvements and these improvements meet City standards.

NOW THEREFORE, BE IT RESOLVED that the Mayor and City Council of the City of North Augusta, South Carolina, in meeting duly assembled and by the authority thereof, do hereby accept a deed of dedication for:

ANY AND ALL portion of the aforesaid described property containing and encompassing all of the water lines, sanitary sewer lines, storm water collection systems, valves, connections, and related infrastructure, and appurtenances to said premises belonging or in any way incident or appertaining, located within said property in accordance with and as shown on the above-referenced plat.

TOGETHER WITH all (a) curbs and gutters located within the aforesaid right of way of the streets and roadways; (b) sidewalks located within the aforesaid right of way of the

streets and roadways; (c) sanitary sewerage collection systems including lift stations, if applicable, located on the property shown on the aforesaid plat; (d) storm water collection system including storm water detention areas located on the property shown on the aforesaid plat; and (e) greenways or other pedestrian connections outside the road rights-of-way but located on the property shown on the aforesaid plat, and (f) a perpetual and non-exclusive easement and right-of-way for streets, sidewalks, water lines, sanitary sewerage and storm water collection systems located on the property shown on the aforesaid plat, as well as the necessary ingress and egress to reach and enter the aforesaid.

TOGETHER WITH the following streets: Mottled Duck Drive, Merganser Court, and Gregory Landing Drive, all as shown on the aforesaid plat.

Portion of Map/Parcel No. 106-00-00-009-000 and  
Portion of Map/Parcel No. 106-00-00-010-000

BE IT FURTHER RESOLVED that a Maintenance Guarantee and cash deposit in the amount of \$80,000.00 are hereby accepted.

DONE, RATIFIED AND ADOPTED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH AUGUSTA, SOUTH CAROLINA, ON THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2021.

**ITEM 8. FINANCE: Ordinance No. 2021-04 – Providing for the Issuance and Sale of Waterworks and Sewer System Revenue Refunding Bonds of the City of North Augusta, South Carolina in the Aggregate Principal Amount of Not Exceeding Eighteen Million Five Hundred Thousand Dollars (\$18,500,000); and Other Matters Relating Thereto; Ordinance – First Reading**

On the motion of Councilmember Presnell, second of Councilmember Dickert, Council agreed to consider an ordinance on first reading to provide for the issuance and sale of waterworks and sewer system revenue refunding bonds of the City of North Augusta in the aggregate principal amount of not exceeding eighteen million five hundred thousand dollars and other matters relating thereto. There were no comments from citizens. The first reading of the ordinance was approved with a unanimous 7-0 vote.

Please see ATTACHMENT #8 for a copy of the proposed ordinance.

**ITEM 9. PLANNING AND DEVELOPMENT: Resolution No. 2021-09 – Authorizing Funding for Transportation Plans and Studies for the Planning and Development Department**

On the motion of Councilmember Carpenter, second of Councilmember Brooks, Council agreed to consider a resolution to authorize funding for transportation plans and studies for the Planning and Development department. There were no comments from citizens. The resolution was approved with a unanimous 7-0 vote.

Please see a copy of the proposed resolution below:

RESOLUTION NO. 2021-09  
AUTHORIZING FUNDING FOR TRANSPORTATION PLANS AND  
STUDIES FOR THE PLANNING AND DEVELOPMENT DEPARTMENT

WHEREAS, on July 20, 2020, City Council adopted an adjusted budget for the fiscal year that began on January 1, 2020 and ended on December 31, 2020 which included professional service expenditures for the Planning and Development Department; and

WHEREAS, COVID-19 impacted the pace at which transportation plans and studies were able to begin and receive approval at the state level; and

WHEREAS, there remains a balance of \$63,000 in Planning and Development's professional services account for the 2020 budget year; and

WHEREAS, Council believes it to be in the best interest of the City to authorize funding from the 2020 General Fund surplus for the following professional services:

City Transportation Plan	20,000	Total cost of project is \$100,000 with ARTS funding covering 80%
GA Avenue Traffic Calming Study	43,000	Any remaining funds to be designated for incidental professional services related to transportation
	63,000	Total to be reserved in the Capital Projects Fund from 2020 budget year surplus

NOW THEREFORE BE IT RESOLVED by the Mayor and City Council for the City of North Augusta, in meeting duly assembled and by the authority thereof, that \$63,000 is authorized in the Capital Projects Fund from 2020 budget surplus for the Planning and Development Department's plans and studies as identified in the table above.

DONE, RATIFIED AND ADOPTED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH AUGUSTA, SOUTH CAROLINA, ON THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2021.

**ITEM 10. ENGINEERING AND PUBLIC WORKS: Resolution No. 2021-10 – Authorizing the City Administrator to Execute a Municipal Lighting Agreement with Dominion Energy South Carolina, Inc. for the Conversion of Street Lights from High Intensity Discharge (HID) to Light Emitting Diode (LED) Type Fixtures and Setting Aside Projected Cost Savings to Offset Potential Future Cost Increases**

On the motion of Mayor Pettit, second of Councilmember Brooks, Council considered a resolution to authorize the City Administrator to execute a Municipal Lighting Agreement with Dominion Energy South Carolina, Inc. for the conversion of street lights from High Intensity Discharge (HID) to Light Emitting Diode (LED) type fixtures and setting aside projected cost savings to offset potential future cost increases. City Administrator, Jim Clifford, explained the conversion would take place in lights owned by Dominion Energy. Future consideration would need to be given for decorative lights and lights owned by the City. There were no comments from citizens. The resolution was approved with a unanimous 7-0 vote.

Please see a copy of the proposed resolution below:

RESOLUTION NO. 2021-10  
AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE A MUNICIPAL LIGHTING  
AGREEMENT WITH DOMINION ENERGY SOUTH CAROLINA, INC. FOR THE  
CONVERSION OF STREET LIGHTS FROM HIGH INTENSITY DISCHARGE (HID) TO LIGHT  
EMITTING DIODE (LED) TYPE FIXTURES AND SETTING ASIDE PROJECTED COST  
SAVINGS TO OFFSET POTENTIAL FUTURE COST INCREASES

WHEREAS, Dominion Energy South Carolina, Inc. (Dominion) furnishes and maintains over 2,000 HID street lights in the City; and

WHEREAS, the City pays monthly service charges for street lights in accordance with the applicable rates established by the Public Service Commission of South Carolina (PSC); and

WHEREAS, Dominion has proposed to convert approximately 1,300 eligible street lights to LED fixtures; and

WHEREAS, advantages of LED fixtures include lower energy consumption, better quality lighting, longer service life, and communication capability; and

WHEREAS, the current PSC rate for LED fixtures is approximately 20% higher than HID fixtures; and

WHEREAS, the PSC has approved a Demand Side Management (DSM) incentive program offered by Dominion that would reduce the City's annual street lighting cost by approximately \$14,000 annually for five years with the proposed LED conversion; and

WHEREAS, City staff and the City Attorney have reviewed the Municipal Lighting Agreement for the LED conversion and found it to be acceptable.

NOW THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of North Augusta, South Carolina, in meeting duly assembled and by the authority thereof that, the City Administrator is authorized to execute the Agreement Covering Municipal Lighting with Dominion.

BE IT FURTHER RESOLVED that street lighting savings resulting from the conversion of HID to LED fixtures, estimated at approximately \$14,000 per year for five years, totaling \$70,000, be



designated in the Capital Projects Fund and restricted for future street lighting costs upon conclusion of the incentive period.

DONE, RATIFIED AND ADOPTED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH AUGUSTA, SOUTH CAROLINA, ON THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2021.

**ITEM 11. FINANCE: Resolution No. 2021-11 – A Resolution Authorizing Funding Allocation Recommendations of the Accommodations Tax Advisory Committee for the Disbursements of Revenues from the Accommodations Tax Year 2019-2020**

On the motion of Councilmember Dickert, second of Councilmember Toole, Council considered a resolution to authorize funding allocation recommendations of the Accommodations Tax Advisory Committee for the disbursements of revenues from the Accommodations Tax Year 2019-2020. Mayor Pettit read the names and amounts of the awarded grants. There were no comments from citizens. The resolution was approved with a unanimous 7-0 vote.

Please see a copy of the proposed resolution below:

RESOLUTION NO. 2021-11  
A RESOLUTION AUTHORIZING FUNDING ALLOCATION RECOMMENDATIONS  
OF THE ACCOMMODATIONS TAX ADVISORY COMMITTEE FOR THE DISBURSEMENT OF  
REVENUES FROM THE ACCOMMODATIONS  
TAX YEAR 2019-2020

HEREAS, the City of North Augusta receives state accommodations tax funding from the state of South Carolina; and

WHEREAS, the City receives more than fifty thousand dollars in state accommodations taxes and pursuant to Section 6-4-25 Code of Laws of South Carolina, formed a local advisory committee consisting of seven members via Resolution 2019-32 and updated via Resolution 2020-45; and

WHEREAS, Section 6-4-10(4) provides, in part, that the funds received by a municipality collecting more than fifty thousand dollars from the state accommodations tax must allocate the remaining balance, after statutory directed allocations to the General Fund and advertising and promotion funds, to the special fund to use for tourism related expenditures; and

HEREAS, the local accommodations tax advisory committee received ten applications for funding for accommodations tax year 2019-2020; and

19-2020 to be allocated to applicants totaling \$74,244.35; and

WHEREAS, the local accommodations tax advisory committee met and reviewed the applications, spoke with applicants and voted to recommend the following funding allocations for Council's consideration:

Project Name	Organization	Amount Requested	Allocated Amount
North Augusta Map & Lifestyle Guide	North Augusta Chamber of Commerce	\$7,000	\$7,000
Carrsville Historic District Visitors & Welcome Center, Advertisement, Mural Wall	First Providence Foundation 29841 Inc.	\$25,000	\$12,500
Palmetto Peach State Run Advertisement and Operations	North Augusta Forward	\$10,500	\$10,500
Living History Park Advertisement	Olde Towne Preservation Association	\$5,800	\$5,800
Rowing News Magazine Advertisement for Langley Pond	Aiken County PRT	\$1,147.50	\$1,147.50
Inaugural Augusta Rowing Club Coaches Conference Advertisement and Operations	Augusta Rowing Club	\$15,000	\$7,500
Concerts On The River	FWB Fund Inc.	\$30,000	\$0 *
Sharon Jones Amphitheater Concert Event Operations	North Augusta PRT	\$10,000	\$10,000
Riverview Park Activities Center Live Streaming Facility Upgrade	North Augusta PRT	\$6,000	\$6,000
Peach Jam Advertisement and Operations	Van Johnson/Game Plan Sports	\$13,800	\$13,796.85
*denotes incomplete application	<b>TOTAL</b>		<b>\$74,244.35</b>

NOW THEREFORE BE IT RESOLVED by the Mayor and City Council for the City of North Augusta, in meeting duly assembled and by the authority thereof that funding be allocated as recommended by the local accommodations tax advisory committee and that the funding source be the Accommodations Tax Fund for tax year 2019-2020.

DONE, RATIFIED AND ADOPTED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH AUGUSTA, SOUTH CAROLINA, ON THIS \_\_\_\_\_ DAY OF March, 2021.

**ITEM 12. ADMINISTRATIVE REPORTS:**

There were no administrative reports.

**ITEM 13. PRESENTATIONS/COMMUNICATIONS/RECOGNITION OF VISITORS:**

**A. Citizen Comments:**

There were no citizen comments.

B. Council Comments:

Councilmember Presnell asked about delaying the 2021 ENVISION Leadership Retreat. He also asked about when in-person Council meetings would begin again.

Mayor Pettit advised COVID 19 is still active and the City must remain diligent and cautious. He relayed the next in-person meeting is planned May 3, 2021.

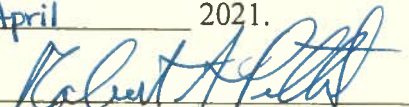
Councilmember Brooks relayed his personal family experience with COVID 19.

Councilmember Dickert requested an update on the Greenway marking system for 911. Rick Meyer, Director of Parks, Recreation, and Tourism, commented installation of the markers began last Friday; however, this week's weather may cause a delay. Markers are being placed every 1/10<sup>th</sup> mile for easy location identification in case of an emergency. City GIS Analyst, Kevin Whaley and PRT Superintendent of Facilities and Programs, Karl Waldhauer, are working jointly with Public Safety on this project.


Mayor Pettit announced the Sharon Jones Amphitheater dedication is scheduled for Saturday, April 24<sup>th</sup>.

There being no further business, Council adjourned at 7:43 p.m.

APPROVED THIS 5<sup>th</sup> DAY OF  
April 2021.

  
\_\_\_\_\_  
Robert A. Pettit  
Mayor

Respectfully submitted,

  
\_\_\_\_\_  
Sharon Lamar  
City Clerk

---

**ORDINANCE NO. 2021-04**  
**A SERIES ORDINANCE**

**PROVIDING FOR THE ISSUANCE AND SALE OF WATERWORKS AND SEWER SYSTEM REVENUE REFUNDING BONDS OF THE CITY OF NORTH AUGUSTA, SOUTH CAROLINA IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING EIGHTEEN MILLION FIVE HUNDRED THOUSAND DOLLARS (\$18,500,000); AND OTHER MATTERS RELATING THERETO.**

---

---

2021 SERIES ORDINANCE

---

Enacted \_\_\_\_\_, 2021

---

**TABLE OF CONTENTS**

---

**ARTICLE I  
FINDINGS OF FACT**

Section 1.01 Findings ..... 1  
Section 1.02 Determinations Required by Section 4.01(B) of the Bond Ordinance.....2

**ARTICLE II  
DEFINITIONS AND CONSTRUCTION**

Section 2.01 Definitions ..... 5  
Section 2.02 Authority for this 2021 Series Ordinance.....6

**ARTICLE III  
USEFUL LIFE**

Section 3.01 Determination of the Useful Life of the System.....7

**ARTICLE IV  
AUTHORIZATION AND TERMS OF THE SERIES 2021 BONDS**

Section 4.01 Principal Amount; Designation of Series 2021 Bonds..... 8  
Section 4.02 Purposes of the Series 2021 Bonds ..... 8  
Section 4.03 Date of Issue; Interest Rates; Maturity; Redemption..... 8  
Section 4.04 Authentication; Payment of Series 2021 Bonds ..... 9  
Section 4.05 Denomination of the Series 2021 Bonds ..... 9  
Section 4.06 Establishment of 2021 Debt Service Fund ..... 10  
Section 4.07 2021 Debt Service Reserve Fund..... 10  
Section 4.08 Appointment of Trustee, Paying Agent and Registrar ..... 10  
Section 4.09 Form of Series 2021 Bond ..... 11  
Section 4.10 Book-Entry System ..... 11

**ARTICLE V  
CERTAIN DELEGATIONS AND AUTHORIZATIONS**

Section 5.01 Certain Delegations ..... 13  
Section 5.02 Authorization to Redeem the Refunded Bond ..... 14  
Section 5.03 Authorization to Execute Escrow Deposit Agreement..... 14  
Section 5.04 Authorization for Chief Financial Officer to Act ..... 14

**ARTICLE VI  
EXECUTION; NO RECOURSE**

Section 6.01 Execution of the Series 2021 Bonds ..... 15  
Section 6.02 No Recourse on the Series 2021 Bonds ..... 15

**ARTICLE VII  
APPLICATION OF BOND PROCEEDS**

Section 7.01 Use and Disposition of Bond Proceeds ..... 16  
Section 7.02 Establishment of 2021 COI Fund..... 16

**ARTICLE VIII  
SALE OF BONDS**

Section 8.01 Sale of Bonds ..... 17

**ARTICLE IX  
TAX AND DISCLOSURE COVENANTS**

Section 9.01 Tax Covenants..... 18  
Section 9.02 Disclosure Covenants ..... 20

**ARTICLE X  
MISCELLANEOUS**

Section 10.01 Severability ..... 21  
Section 10.02 Further Action ..... 21  
Section 10.03 Professional Services..... 21  
Section 10.04 Table of Contents and Section Headings Not Controlling ..... 21  
Section 10.05 Ordinance to Constitute Contract..... 21  
Section 10.06 Ratification of Prior Action ..... 22  
  
Exhibit A FORM OF BOND ..... A-1

**NOW THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH AUGUSTA, SOUTH CAROLINA, IN MEETING DULY ASSEMBLED, THAT:**

**ARTICLE I**

**FINDINGS OF FACT**

Section 1.01 Findings.

Incident to the enactment of this series ordinance (this "**2021 Series Ordinance**"), and the issuance of the waterworks and sewer system revenue refunding bonds provided for herein, the City Council of the City of North Augusta (the "**City Council**"), the governing body of the City of North Augusta, South Carolina (the "**City**"), finds that the facts set forth in this Article exist and the following statements are in all respects true and correct:

(a) The City Council has made general provision for the issuance from time to time of Waterworks and Sewer Revenue Bonds (the "**Bonds**") of the City by a bond ordinance entitled "AN ORDINANCE AMENDING AND RESTATING ORDINANCE NO. 92-18 TO PROVIDE FOR THE ISSUANCE AND SALE OF WATERWORKS AND SEWER SYSTEM REVENUE BONDS OF THE CITY OF NORTH AUGUSTA, SOUTH CAROLINA, AND OTHER MATTERS RELATING THERETO" enacted by the City Council on March 3, 2014 (the "**Bond Ordinance**"). Terms with initial capitals and not otherwise defined herein shall have the meanings ascribed thereto 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 any of the following purposes: (1) obtaining funds for expansions, additions and improvements of the System, including the recoupment of funds already so expended; (2) providing funds for the payment of any bond anticipation notes; (3) refunding Bonds and certain other obligations; (4) providing funds for the payment of interest due on any Bonds; (5) funding or restoring the value of a Debt Service Reserve Fund, if any, or otherwise meeting the applicable Reserve Requirement; and (6) paying the costs of issuance of Bonds, including payment of any premium due on any Municipal Bond Insurance Policy or other credit enhancement.

(c) The City currently has the following Series of Bonds Outstanding in the principal amounts set forth below:

- (1) the \$[13,000,000] final principal amount Waterworks and Sewer System Improvement Revenue Bond, Series 2014A (State Drinking Water Revolving Loan Fund, Loan Number 3-060-14-0210003-01), dated March 20, 2014 (the "**Series 2014A Bond**"), currently outstanding in the principal amount of \$9,411,368.60 (the "**2014A Refunded Bond**"); and
- (2) the \$[13,000,000] final principal amount Waterworks and Sewer System Improvement Revenue Bond, Series 2015A (State Drinking Water Revolving

Loan Fund, Loan Number X3-065-14-0210003-02), dated February 17, 2015 (the "*Series 2015A Bond*"), currently outstanding in the principal amount of \$8,273,560.59 (the "*2015A Refunded Bond*" and together with the 2014A Refunding Bond, the "*Refunded Bonds*").

(d) The City Council has determined at this time, due to prevailing conditions in the municipal bond market and upon advice of its Financial Advisor (as defined herein) that the conditions of Section 4.02(7) of the Bond Ordinance may be met by refunding the Refunded Bonds and that pursuant to the terms of the proceedings authorizing the Refunded Bonds the Debt Service Reserve Funds may be released to the City upon the redemption of the Refunded Bonds, all of which City Council finds to be financial advantageous.

(e) On the basis of the authority provided in the Bond Ordinance, the City has determined to issue the Series 2021 Bonds (as defined herein) to provide funds: (1) to refund the Refunded Bonds; and (2) to pay the costs of issuance thereof.

(f) In order to provide the moneys necessary to redeem the outstanding principal of and interest on the Refunded Bonds, the City Council has determined to enact this 2021 Series Ordinance as a "Series Ordinance" in accordance with the terms and provisions of the Bond Ordinance.

(g) Assuming the full redemption of the Refunded Bonds, upon the issuance of the Series 2021 Bonds, the Series 2021 Bonds shall be the only Outstanding Bonds issued under the authority of the Bond Ordinance.

(h) By reason of the foregoing, the City has determined to enact this 2021 Series Ordinance in accordance with the terms and provisions of the Bond Ordinance in order to issue Series 2021 Bonds for the purposes described in Paragraph (e) above.

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

The City Council hereby specifies and determines that:

- (1) the current period of usefulness of the System is as set forth in Article III hereof;
- (2) the Date of Issue of the Series 2021 Bonds shall be the date that the Series 2021 Bonds are delivered, or as otherwise determined by an Authorized Officer pursuant to Article V hereof;
- (3) the maximum authorized principal amount of the Series 2021 Bonds is set forth at Section 4.01 hereof, and the exact principal amount of the Series 2021 Bonds shall be determined by an Authorized Officer at the closing of the Series 2021 Bonds pursuant to Article V hereof;
- (4) the Bond Payment Dates, the Record Dates, and the dates of maturity and principal amounts thereof of such Series 2021 Bonds, shall be determined by an Authorized Officer at the closing of such Series 2021 Bonds pursuant to Article V hereof,



provided, however, no such Series 2021 Bonds shall mature later than specified in Section 4.03 hereof;

- (5) Series 2021 Bonds are being issued for the purposes set forth at Section 4.02 hereof, as authorized by Section 4.01(A) of the Bond Ordinance;
- (6) the title and designation of the Series 2021 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 2021 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 2021 Bonds shall bear interest at rates as determined by an Authorized Officer, subject to Section 4.03 hereof, through the sale procedures of Article VIII hereof, and the City will not enter into any interest rate swap or similar transaction with respect to the Series 2021 Bonds;
- (9) Series 2021 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 2021 Bonds shall be as determined by an Authorized Officer at the closing of such Series 2021 Bonds pursuant to Article V hereof;
- (11) [The Bank of New York Mellon Trust Company, N.A.] (the “*Trustee*”) shall serve as Trustee, Paying Agent, and Registrar for the Series 2021 Bonds;
- (12) Series 2021 Bonds shall be in the form as provided at Section 4.09 hereof;
- (13) the initial maturity of any Series of the Series 2021 Bonds shall be numbered “R-1” and any other Series 2021 Bonds thereafter shall be sequentially numbered upward “R-” thereafter; and the Series 2021 Bonds 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 2021 Bonds;
- (14) Series 2021 Bonds shall not be issued in book-entry form;
- (15) the Reserve Requirements for all Outstanding Bonds have been met;
- (16) the proceeds of Series 2021 Bonds shall be applied as set forth at Article VII hereof;
- (17) the 2021 Debt Service Fund is established pursuant to Section 4.06 hereof, no Debt Service Reserve Fund shall be established with respect to the issuance of the Series 2021 Bonds and therefore, no Reserve Requirement shall be required; and

(18) the 2021 COI Fund is established pursuant to Section 7.02 hereof.

[End of Article I]

## 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 the same in this 2021 Series Ordinance.

(b) As used in this 2021 Series Ordinance, unless the context shall otherwise require, the following terms shall have the following respective meanings:

“*2021 COI Fund*” means that fund created pursuant to Section 7.02 hereof.

“*2021 Debt Service Fund*” means the fund of that name established by this 2021 Series Ordinance pursuant to Section 7.03 of the Bond Ordinance.

“*2021 Series Ordinance*” means this Series Ordinance of the City Council authorizing the Series 2021 Bonds.

“*Authorized Officer*” means the Mayor, the City Administrator, and the Chief Financial Officer of the City, any of whom may act individually as the Authorized Officer, but for purposes of making the determinations provided for under Article V of this 2021 Series Ordinance, the [Chief Financial Officer] shall constitute the sole Authorized Officer.

“*Bond Payment Date*” means, with respect to Series 2021 Bonds, the dates selected by the Authorized Officer pursuant to Article V hereof.

“*Clerk*” means the City Clerk of the City, including any acting, interim or temporary City Clerk.

“*Date of Issue*” means, with respect to Series 2021 Bonds, the date of delivery thereof, or such alternate date determined pursuant to Article V hereof.

“*FDIC*” means the Federal Deposit Insurance Corporation.

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

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

“*Series 2021 Bonds*” means Bonds authorized under this 2021 Series Ordinance.

“*Taxable Bonds*” has the meaning given such term in Section 9.01(f) hereof.

*“Trustee”* means [The Bank of New York Mellon Trust Company, N.A.], its successors and assigns. The Trustee shall also serve as Paying Agent and Registrar with respect to the Series 2021 Bonds.

Section 2.02 Authority for this 2021 Series Ordinance.

This 2021 Series Ordinance is enacted pursuant to the provisions of the Bond Ordinance.

[End of Article II]

**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 40 years from the date of enactment of this 2021 Series Ordinance.

[End of Article III]

## ARTICLE IV

### AUTHORIZATION AND TERMS OF THE SERIES 2021 BONDS

#### Section 4.01 Principal Amount; Designation of Series 2021 Bonds.

(a) Pursuant to the provisions of the Bond Ordinance, Bonds of the City 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 Eighteen Million Five Hundred Thousand Dollars (\$18,500,000); such Bonds so authorized shall be designated as the "City of North Augusta, South Carolina Waterworks and Sewer System Revenue Refunding Bonds, Series 2021" (the "*Series 2021 Bonds*") and shall bear such 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 2021 Bonds may be sold and issued as a single Series or from time to time as multiple Series bearing any such designation as appropriate. References herein to the Series 2021 Bonds shall include all Series of Bonds authorized by this 2021 Series Ordinance. As authorized by Section 9.01(f) hereof, any Series of the Series 2021 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 2021 Bonds not be issued in calendar year 2021, the designation for the Series 2021 Bonds and all other references to "2021" recited herein shall be changed to appropriately reflect the year of such actual issuance. References herein to the Series 2021 Bonds shall include all Series of Bonds authorized hereunder.

#### Section 4.02 Purposes of the Series 2021 Bonds.

The Series 2021 Bonds are authorized for the principal purposes of:

- (1) providing the necessary funds that, together with other available moneys of the City, if any, will be sufficient to effect a refunding of the Refunded Bonds; and
- (2) paying certain costs and expenses with respect to the issuance of the Series 2021 Bonds.

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

(a) The Date of Issue of each Series of Series 2021 Bonds shall be the date of delivery thereof, subject to an alternate designation by the Authorized Officer pursuant to Article V hereof. Series 2021 Bonds shall mature in such principal amounts and shall bear interest at such rates, not to exceed 3% per annum, as may be determined by an Authorized Officer pursuant to Article V hereof provided that the final maturity of Series 2021 Bonds shall not extend beyond December 1, 2036. Series 2021 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 2021 Bonds.

(b) Interest on any Series of Series 2021 Bonds shall be payable on such Bond Payments 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 2021 Bonds shall be the 15th day of the month prior to each Bond Payment Date.

(c) Series 2021 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 2021 Bonds.

Section 4.04 Authentication; Payment of Series 2021 Bonds.

(a) Each of the Series 2021 Bonds shall be authenticated by the Trustee on such date as they shall, in each case, be delivered. Each of the Series 2021 Bonds shall bear interest from its respective Date of Issue if no interest has yet been paid; otherwise from the last Bond Payment Date to which interest has been paid and which date is on or prior to the date of authentication of such Series 2021 Bonds.

(b) The Principal Installments of, Redemption Price, if any, and interest on the Series 2021 Bonds shall be payable in any coin or currency of the United States which at the time of payment is legal tender for the payment of public and private debts. Principal Installments of and interest on Series 2021 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 2021 Bonds is registered at the close of business on the Record Date; provided, however, that any Holder of Series 2021 Bonds in the aggregate principal amount of \$1,000,000 or more may request (in writing, at least 20 days prior to the applicable Record Date, delivered to the Paying Agent), 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) Payment of the Principal Installments or Redemption Price of all Series 2021 Bonds shall be made upon the presentation and surrender for cancellation of such Series 2021 Bonds as the same shall become due and payable, unless mutually agreed-upon by the City, the Trustee, and the Holder of such Series 2021 Bonds.

Section 4.05 Denomination of the Series 2021 Bonds.

Series 2021 Bonds shall be issued either (i) in denominations of \$1,000 or any integral multiple thereof, or (ii) as single, typewritten bond or bonds in the aggregate principal amount of such Series of Series 2021 Bonds. Each Series 2021 Bond shall be numbered by the Trustee in such a fashion as to reflect the fact that it is one of the Series 2021 Bonds, and to identify the owner thereof on the books kept by the Registrar. The initial maturity of each Series of Series 2021 Bonds shall be numbered R-1, and thereafter sequentially "R-" numbered for identification.

Section 4.06 Establishment of 2021 Debt Service Fund.

In accordance with Section 7.03 of the Bond Ordinance, the 2021 Debt Service Fund is hereby directed to be established by the Trustee on the date of original delivery of the Series 2021 Bonds for the benefit of the Holders of the Series 2021 Bonds. In the event that more than one Series of Series 2021 Bonds is issued pursuant to the terms of this 2021 Series Ordinance, a Debt Service Fund (and any applicable subaccounts permitted under the Bond Ordinance) shall be established for each such Series.

Section 4.07 Debt Service Reserve Fund; Reserve Requirement.

No Debt Service Reserve Fund shall be established and no Reserve Requirement shall be required in connection with the issuance of the Series 2021 Bonds.

Section 4.08 Appointment of Trustee, Paying Agent, and Registrar.

[The Bank of New York Mellon Trust Company, N.A.] is hereby appointed as Trustee, Paying Agent, and Registrar under the Bond Ordinance and this 2021 Series Ordinance. The Trustee shall signify its acceptance of the duties of Trustee, Paying Agent and Registrar upon delivery of the Series 2021 Bonds. The City 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 2021 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 2021 Series Ordinance.

The Series 2021 Bonds shall be presented for registration of transfers and exchanges, and notices and demands to or upon the Trustee, and the City in respect of the Series 2021 Bonds may be served, at the corporate trust office of the Trustee.

The Trustee shall be a member of 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 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 2021 Series Ordinance, all uninvested moneys in the custody of the Trustee in excess of the amount of such deposit insured by the FDIC, shall be secured by Government Obligations at least equal to the sum on deposit and not insured by the FDIC.

Section 4.09 Form of Series 2021 Bond.

Series 2021 Bonds, together with the certificate of authentication and certificate of assignment 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 2021 Series Ordinance. The execution of the Series 2021 Bonds shall constitute conclusive evidence of the approval of any changes to the form of any Series 2021 Bond.

[End of Article IV]

## ARTICLE V

### CERTAIN DELEGATIONS AND AUTHORIZATIONS

#### Section 5.01 Certain Delegations.

The City Council hereby expressly delegates to an Authorized Officer the authority, with respect to the Series 2021 Bonds, to determine, in connection with any Series of Series 2021 Bonds issued hereunder:

- (1) whether to issue the Series 2021 Bonds as a single Series or from time to time in several Series;
- (2) the manner of sale of such Series 2021 Bonds in accordance with Article VIII hereof;
- (3) the award, or selection of the Purchaser, of such Series 2021 Bonds in accordance with Article VIII hereof;
- (4) the final form of such Series 2021 Bonds, whether to modify the Series designation in accordance with Section 4.01 hereof, and the exact principal amount of such Series 2021 Bonds necessary to accomplish the purposes set forth at Section 4.02 hereof, not to exceed \$18,500,000 in the aggregate together with any other Series of Series 2021 Bonds;
- (5) whether and the extent to which such Series of Series 2021 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, maturity schedule, and the final maturity of each Series of Series 2021 Bonds; provided, however, that no Series 2021 Bonds shall mature later than December 1, 2036;
- (7) whether such Series 2021 Bonds shall be subject to optional or mandatory redemption prior to maturity, and if so, the Redemption Prices applicable thereto;
- (8) whether such Series 2021 Bonds (or any Series thereof) shall be issued as Taxable Bonds;
- (9) whether and to what extent to direct the Trustee to apply moneys on deposit in the funds created for the Refunded Bonds under Article VII of the Bond Ordinance for the defeasance or redemption of the Refunded Bonds; and
- (10) such other matters regarding the Series 2021 Bonds as are necessary or appropriate.

Section 5.02 Authorization to Redeem the Refunded Bonds; Release of Debt Service Reserve Funds.

(a) The City Council does hereby determine that the Refunded Bonds to be refunded by the Series 2021 Bonds may be called for redemption, either conditionally or irrevocably, on such date as determined by the Authorized Officer. The Authorized Officer is hereby authorized acting alone or through the Trustee, provide for the notice of redemption in such manner, form and time as required by the proceedings authorizing the issuance of the Refunded Bonds and the Enabling Act.

(b) In accordance with the proceedings authorizing the Refunded Bonds, and with specific reference to Section 4.5.4 of the loan agreements pertaining thereto, the moneys in the Debt Service Reserve Funds for the Refunded Bonds shall be released to the City upon satisfaction of the terms of such Section 4.5.4.

[End of Article V]

## ARTICLE VI

### EXECUTION; NO RECOURSE

#### Section 6.01 Execution of the Series 2021 Bonds.

The Series 2021 Bonds shall be executed and attested by the Mayor and the Clerk, respectively, in accordance with the applicable provisions of the Bond Ordinance; however, in the absence of the Mayor or the Clerk for any reason, an Authorized Officer shall be authorized to either execute the Series 2021 Bonds or attest to the execution of the Series 2021 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 2021 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 Mayor or Clerk respecting the issuance and delivery of the Series 2021 Bonds.

Facsimiles or electronic signatures by the Mayor, the Clerk or any Authorized Officer are expressly authorized and permitted with respect to the Series 2021 Bonds and all closing documents and certificates associated therewith.

#### Section 6.02 No Recourse on the Series 2021 Bonds.

All covenants, stipulations, promises, agreements and obligations of the City contained in the Bond Ordinance or in this 2021 Series Ordinance shall be deemed to be the covenants, stipulation, promises, agreements and obligations of the City and not those of any officer or employee of the City 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 2021 Bonds or for any claim based thereon or on the Bond Ordinance or on this 2021 Series Ordinance, either jointly or severally, against any officer or employee of the City or any person executing the Series 2021 Bonds.

[End of Article VI]

## ARTICLE VII

### APPLICATION OF BOND PROCEEDS

#### Section 7.01 Use and Disposition of Bond Proceeds.

Upon the delivery of any Series 2021 Bonds and receipt of the proceeds thereof, such funds shall be applied as follows:

- (1) the sum necessary to redeem the Refunded Bonds shall be disbursed by the Purchaser, either (i) directly to the holder of the Refunded Bonds, or (ii) to the Trustee, for ultimate distribution to the holder of the Refunded Bonds. Any payoff directly to the holder of the Refunded Bonds shall be made in accordance with the terms and conditions of a closing memorandum dated as of the date of closing of such Series 2021 Bonds. Any payoff provided to the Trustee shall be made in accordance with the terms and conditions of such closing memorandum; and
- (2) all remaining funds shall be disbursed at closing in accordance with the closing memorandum for such Series 2021 Bonds (i) to pay costs of issuance directly, or (ii) for deposit in the 2021 COI Fund and used to defray costs of issuance.

#### Section 7.02 Establishment of 2021 COI Fund.

There is hereby established, in accordance with Section 4.01(B)(18) of the Bond Ordinance, the "2021 COI Fund." There shall be paid into the 2021 COI Fund the sums prescribed by Section 7.01(2) hereof. The 2021 COI Fund shall be held and controlled by the Trustee, unless otherwise determined by the Authorized Officer at the closing of the Series 2021 Bonds. Withdrawals for the payment of costs of issuance from the 2021 COI Fund shall be made upon written order of the City by any Authorized Officer. The City shall requisition funds, including any funds required for the reimbursement of costs previously incurred, from the 2021 COI Fund upon written request to the Trustee. The Trustee shall be fully protected in releasing moneys from the 2021 COI Fund based upon such written orders of the City.

Subject to Section 15.13 of the Bond Ordinance, moneys in the 2021 COI Fund shall be invested and reinvested at the written direction of the City in Authorized Investments. Upon written notification from the City by any Authorized Officer that the payment of all costs of issuance for the Series 2021 Bonds have been paid, the remaining sums therein shall be transferred and applied to the 2021 Debt Service Fund.

[End of Article VII]

## ARTICLE VIII

### SALE OF BONDS

#### Section 8.01 Sale of Bonds.

Any Series 2021 Bonds may be sold to an institution or institutions as a single instrument as a means of making a commercial loan pursuant to negotiation, following distribution of a request for proposals (an "*RFP*"). In such case, the City Council authorizes an Authorized Officer to obtain financing proposals from one or more prospective purchasers of Series 2021 Bonds and award the Series 2021 Bonds after negotiation with prospective purchaser offering the most advantageous terms to the City (the "*Purchaser*"). Such Series 2021 Bonds shall be issued as a single Series (or separate single Bonds if the Series 2021 Bonds are sold in multiple Series), without CUSIP identification (unless otherwise agreed by the Direct Placement Purchaser and an Authorized Officer on behalf of the City). The Purchaser of such Series 2021 Bonds shall execute an investor letter to the City acknowledging its purchase of the Series 2021 Bonds as a means of making a commercial loan.

[End of Article VIII]

## ARTICLE IX

### TAX AND DISCLOSURE COVENANTS

#### Section 9.01 Tax Covenants.

(a) *General Tax Covenant.* The City will comply with all requirements of the Code in order to preserve the tax-exempt status of the Series 2021 Bonds, including without limitation, (1) the requirement to file Form 8038-G, *Information Return for Tax-Exempt Government Obligations*, with the Internal Revenue Service, and (2) the requirement to rebate certain arbitrage earnings to the United States Government pursuant to Section 148(f) of the Code. In this connection, the City 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 9.01, including its certification on reasonable grounds that the Series 2021 Bonds are not “arbitrage bonds” within the meaning of Section 148 of the Code.

(b) *Tax Representations.* The City 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 2021 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 City represents and covenants that:

- (1) All property financed or refinanced with the proceeds of the Series 2021 Bonds will be owned by the City or another political subdivision of the State so long as the Series 2021 Bonds are Outstanding in accordance with the rules governing the ownership of property for federal income tax purposes.
- (2) The City shall not use, and will not permit any party to use, the proceeds of the Series 2021 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 City 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.
- (3) The City 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 2021 Bonds or by notes paid by the Series 2021 Bonds that does not conform to the guidelines set forth in Revenue Procedure 2017-13, or a successor revenue procedure, Code provision or Regulations.

- (4) The City will not sell, or permit any other party to sell, any property financed or refinanced with the Series 2021 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 2021 Bonds.
- (5) The Series 2021 Bonds will not be “federally guaranteed” within the meaning of Section 149(b) of the Code. The City 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 2021 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 2021 Bonds.

(c) *Arbitrage Bonds, Rebate.* The City covenants that no use of the proceeds of the sale of the Series 2021 Bonds shall be made which, if such use had been reasonably expected on the Date of Issue of such Series 2021 Bonds would have caused the Series 2021 Bonds to be “arbitrage bonds” as defined in the Code, and to that end the City shall:

- (1) 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 2021 Bonds are Outstanding;
- (2) 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;
- (3) make such reports of such information at the time and places required by the Code and Regulations; and
- (4) take such other action as may be required to assure that the tax-exempt status of the Series 2021 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 City, and the reasonable expectations of such officials, with respect to such Series of Bonds, the proceeds thereof, or the City.

(e) *Not Bank Qualified.* The Series 2021 Bonds shall not be designated as “qualified tax-exempt obligations” in accordance with Section 265(b)(3)(B) of the Code.

(f) *Taxable Bonds.* Prior to the issuance of a Series of Series 2021 Bonds, an Authorized Officer may, pursuant to Article V hereof, in consultation with Bond Counsel, designate a Series of Series 2021 Bonds as taxable under the Code (“*Taxable Bonds*”). 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 9.01 shall not be applicable to any Series of Taxable Bonds.

Section 9.02 Continuing Disclosure.

(a) The City 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 2021 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 City 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 City to comply with the covenants in this Section 9.02 shall be an action for specific performance of this covenant. The City 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) As may be mutually agreed by an Authorized Officer and the Purchaser, the City shall provide financial information to the Purchaser, including the provision of annual audited financial statements within a fixed period or by a set date. Any failure by the City to comply with this paragraph, or an agreement or covenant authorized hereby, shall be enforceable solely by an action for specific performance to provide the appropriate documents or information, and shall not be a default under this Ordinance or the Bonds.

[End of Article IX]

## ARTICLE X

### MISCELLANEOUS

#### Section 10.01 Severability.

If any one or more of the covenants or agreements provided in this 2021 Series Ordinance on the part of the City 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 2021 Series Ordinance.

#### Section 10.02 Further Action.

The City 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 2021 Bonds.

#### Section 10.03 Professional Services.

The City Council hereby authorizes, approves or ratifies, as applicable, the engagement of Pope Flynn, LLC to act as Bond Counsel in connection with the issuance of the Series 2021 Bonds and authorizes (or ratifies, as applicable) an Authorized Officer to engage such professionals and 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 2021 Bonds, as is necessary and desirable.

#### Section 10.04 Table of Contents and Section Headings Not Controlling.

The Table of Contents and the headings of the several articles and sections of this 2021 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 2021 Series Ordinance.

#### Section 10.05 Ordinance to Constitute Contract.

In consideration of the purchase and acceptance of Series 2021 Bonds by those who shall purchase and hold the same from time to time, the provisions of this 2021 Series Ordinance shall be deemed to be and shall constitute a contract between the City and the Holder from time to time of the Series 2021 Bonds, and such provisions are covenants and agreements with such Holder which the City 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 City shall be for the benefit, protection and security of the Holders of the Series 2021 Bonds.

Section 10.06 Ratification of Prior Action.

All prior actions of Authorized Officers in furtherance of the purposes of this 2021 Series Ordinance are hereby approved, ratified and confirmed.

[End of Article X]

**DONE, RATIFIED AND ENACTED** this \_\_\_\_ day of \_\_\_\_\_ 2021.

**CITY OF NORTH AUGUSTA, SOUTH  
CAROLINA**

(SEAL)

By: \_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk  
City of North Augusta, South Carolina

First Reading: \_\_\_\_\_  
Second Reading: \_\_\_\_\_

EXHIBIT A

(FORM OF BOND)

[WITH THE CONSENT OF THE PURCHASER, AND NOTWITHSTANDING ANY CONTRARY PROVISION CONTAINED IN THE 2021 SERIES ORDINANCE, THIS SERIES 2021 BOND MAY BE SOLD OR TRANSFERRED ONLY TO PURCHASERS WHO EXECUTE AN INVESTMENT LETTER DELIVERED TO THE CITY, IN FORM SATISFACTORY TO THE CITY, CONTAINING CERTAIN REPRESENTATIONS, WARRANTIES AND COVENANTS AS TO THE SUITABILITY OF SUCH PURCHASERS TO PURCHASE AND HOLD THIS SERIES 2021 BOND. SUCH RESTRICTION SHALL BE COMPLIED WITH BY EACH TRANSFEREE OF THIS SERIES 2021 BOND.]

UNITED STATES OF AMERICA  
STATE OF SOUTH CAROLINA  
CITY OF NORTH AUGUSTA  
WATERWORKS AND SEWER SYSTEM REVENUE REFUNDING BOND  
SERIES 2021

No. R-1

REGISTERED OWNER:

PRINCIPAL AMOUNT: \$ \_\_\_\_\_

DATE OF ISSUE:

THE CITY OF NORTH AUGUSTA, SOUTH CAROLINA (the "*City*") acknowledges itself indebted and for value received hereby promises to pay, solely from the sources and as hereinafter provided, to \_\_\_\_\_ or registered assigns (the "*Purchaser*"), as purchaser of this Waterworks and Sewer System Revenue Refunding Bond, Series 2021 (this "*Bond*"), the principal amount of \_\_\_\_\_ (\$ \_\_\_\_\_), at the corporate trust office of The Bank of New York Mellon Trust Company, N.A. (the "*Trustee*") in the City of Jacksonville, Florida, in the manner provided below.

This Bond shall be dated and bear interest from the Date of Issue set forth above, at the rate of \_\_\_\_\_ per centum (\_\_\_\_%) per annum (computed on the basis of a 360-day year consisting of twelve 30-day months). Interest on this Bond is initially payable on \_\_\_\_\_, and thereafter on each \_\_\_\_\_ 1 and \_\_\_\_\_ 1 of each year (each a "*Bond Payment Date*") until \_\_\_\_\_, the final maturity date hereof ("*Final Maturity*") in accordance with the schedule set forth at Schedule A attached hereto and which is incorporated herein by reference. The payments of principal, interest, or both, payable on a Bond Payment Date shall be payable to the person in whose name this Bond is registered at the close of business on the \_\_\_\_\_ 15 or \_\_\_\_\_ 15 immediately preceding such Bond Payment Date (each a "*Record Date*"). [The City and the Purchaser have mutually agreed to waive all requirements for presentation and surrender of this

Bond in connection with the payment thereof except upon final payment (whether at maturity or by redemption, tender or otherwise) (the "**Final Payment**"). Upon the Final Payment of this Bond and absent some other indicia of satisfaction acceptable to the City and the Purchaser, the Purchaser will present and surrender this Bond to the Trustee and execute and deliver a certificate to the City and the Trustee certifying that (i) such payment represents the final payment due on this Bond and (ii) the City owes no further obligation to the Purchaser respecting this Bond; provided however that the Trustee assumes no liability to any person in the event that the Holder should fail to return this Bond and any such liability shall be borne by the Holder and no obligation will be imposed upon the Trustee to seek the return of this Bond from the Holder.] This Bond shall not be valid or obligatory for any purpose until the Certificate of Authentication hereon shall have been duly executed by the Trustee, as Registrar.

Both the principal of and interest on this Bond are payable by check or draft from the designated office of the Trustee to the person in whose name this Bond is registered on the Record Date at the address shown on the registration books. 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. Any Holder of Series 2021 Bonds in the aggregate principal amount of \$1,000,000 or more may request, prior to the applicable Record Date, that interest payments be made by wire transfer to such Holder at an account specified in such request. 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.

This Bond is issued pursuant to and in accordance with the Constitution and statutes of the State of South Carolina (the "**State**"), including particularly Title 6, Chapter 17 of the Code of Laws of South Carolina 1976, as amended, and other statutory authorization authorizing and enabling the enactment of a bond ordinance (the "**Bond Ordinance**") duly enacted by the City Council of the City (the "**City Council**"), the governing body of the City, on March 3, 2014, and a series ordinance duly enacted by the City Council on \_\_\_\_\_, 2021 (the "**Series Ordinance**," and together with the Bond Ordinance, 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 office of the Clerk of Court for Aiken County, South Carolina.

The Series 2021 Bonds are issued for the principal purposes of obtaining funds (a) to effect a current refunding of the Refunded Bonds, and (b) to pay the costs and expenses related to the issuance of the Series 2021 Bonds.

For the payment of the principal of and interest on this Bond issued pursuant to the Bond Ordinance, there are hereby irrevocably pledged the Gross Revenues of the System. Such pledge securing the Series 2021 Bonds 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.

The Gross Revenues of the System are not currently pledged to any Series of Bonds authorized to be issued under the authority of the Bond Ordinance. The Bond Ordinance authorizes the issuance of additional bonds on a parity with the Series 2021 Bonds which, when issued in

accordance with the provisions of the Bond Ordinance, will rank equally and be on a parity herewith and therewith ("*Additional Bonds*" and together with the Series 2021 Bonds, collectively the "*Bonds*").

**THIS SERIES 2021 BOND SHALL NOT IN ANY EVENT CONSTITUTE AN INDEBTEDNESS OF THE CITY 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 FULL FAITH, CREDIT AND TAXING POWER OF THE CITY ARE EXPRESSLY NOT PLEDGED THEREFOR. THE CITY IS NOT OBLIGATED TO PAY THIS SERIES 2021 BOND, OR THE INTEREST HEREON, SAVE AND EXCEPT FROM THE GROSS REVENUES.**

The City 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 (1) to maintain the Debt Service Funds and thus provide for the punctual payment of the principal of and interest on all Bonds, (2) to maintain the Debt Service Reserve Funds, if any, in the manner therein prescribed, (3) to provide for the payment of Operation and Maintenance Expenses, (4) 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, (5) 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 7.04(d) of the Bond Ordinance, (6) 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, and (7) to discharge all obligations imposed by the Enabling Act, 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 may, and upon the written request of the Holders of not less than twenty-five percent (25%) in aggregate principal amount of Bonds Outstanding shall, declare all Bonds Outstanding immediately due and payable.

This Series 2021 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.

This Series 2021 Bond is transferable, as provided in the Ordinances, only upon the registration books of the City kept for that purpose and maintained by the Trustee, by the Holder hereof in person or by his duly authorized attorney, upon surrender of this Series 2021 Bond and an assignment with a written instrument of transfer satisfactory to the Trustee or Registrar, as the case may be, duly executed by the Holder hereof or his duly authorized attorney. Thereupon a new Series 2021 Bond or Series 2021 Bonds of the same aggregate principal amount, maturity and interest rate shall be issued to the transferee in exchange therefor as provided in the Bond Ordinance. The City, the Trustee and the Registrar may deem and treat the person in whose name

this Series 2021 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 2021 Bonds, the City 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.

[Redemption Provisions]

If less than all of the Series 2021 Bonds are to be redeemed, the particular Series 2021 Bonds or portions of Series 2021 Bonds to be redeemed shall be selected in such order of maturity as determined by the City. In the event of redemption of less than all of the Series 2021 Bonds of any maturity, the Series 2021 Bonds or portions of Bonds to be redeemed shall be selected by the Trustee by lot. Series 2021 Bonds in a 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 Bond Ordinance.

If any of the Series 2021 Bonds, or portions thereof, are called for redemption, the Trustee will give notice to the Holders of any such Series 2021 Bonds to be redeemed, in the name of the City, of the redemption of such Series 2021 Bonds, or portions thereof. Notice and redemption conditions shall otherwise comply with Section 4.13 of the Bond Ordinance.]

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 the Series 2021 Bonds, exist, have been performed and have happened, that the amount of the Series 2021 Bonds, together with all other indebtedness of the City, does not exceed any limit prescribed by such Constitution or statutes.

This Bond shall not be valid or obligatory for any purpose until the Certificate of Authentication hereon shall have been duly executed by the Trustee.

IN WITNESS WHEREOF, CITY OF NORTH AUGUSTA, SOUTH CAROLINA, has caused this Bond to be executed by the Mayor of the City of North Augusta, South Carolina, its corporate seal to be impressed hereon and the same to be attested by the City Clerk of said City, all as of the \_\_\_\_ day of \_\_\_\_\_, 2021.

CITY OF NORTH AUGUSTA, SOUTH CAROLINA

(SEAL)

By: \_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk  
City of North Augusta, South Carolina



REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This Series 2021 Bond is one of the Series 2021 Bonds described in the within mentioned Ordinances of the City of North Augusta, South Carolina.

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A., as Registrar

By: \_\_\_\_\_  
Authorized Officer

Date of Authentication: \_\_\_\_\_, 2021

FORM OF ASSIGNMENT

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

---

(please print or type name and address 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.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
(Authorized Officer)

Dated:

Schedule A

Debt Service Schedule