

# MEMO



Town of Seabrook Island

To: Town Council

Date: May 24, 2021

CC: Joe Cronin

From: Mayor

Subject: South Carolina Water  
Pollution Control Revolving  
Loan Fund Borrowing

## Background

I remind members of Council that at its April meeting, Town Council approved Resolution No. 2021-19 authorizing the Seabrook Island Utility Commission (“SIUC”) to apply to the South Carolina Water Quality Revolving Fund Authority (“State Authority”) for a loan of approximately \$3,500,000 to finance certain improvements of SIUC’s sewage treatment facility. Pursuant to that resolution, Council is now asked to approve an ordinance to effect financing of the improvements through borrowing by the Town of not exceeding \$3,500,000, including capitalized interest, if any. The improvements to be made are described as installation of a new intermediate pump station to pump effluent from the existing chlorine contact basin to the effluent holding pond, raising the effluent holding pond dikes by five feet to increase the effective storage volume by 9 million gallons (MG) and replacing and raising the existing effluent pump station to be above the FEMA 100-year floodplain elevation. As described, the improvements have been approved and the improvement project was listed on the South Carolina Department of Health and Environmental Control Clean Water State Revolving Fund Priority List on July 31, 2020. The Town’s obligation for this borrowing will be secured by a loan agreement and a promissory note of the Town by which the Town will pledge SIUC revenues for repayment of the loan.

## Ordinance

The proposed ordinance is captioned “Ordinance No. ---- SERIES 2021 NOTE ORDINANCE (appended hereto as the Exhibit). The ordinance authorizes borrowing by the Town from the State Water Pollution Control Revolving Loan Fund, by agreement with the State Authority; authorizes entry by the Town into an agreement to make and accept a loan; provides for the execution and delivery of a Loan Agreement between the Town and the State Authority and for the execution and delivery of a Promissory Note (“Series 2021 SRF Note”) from the Town to the State Authority; and, addresses other matters relating thereto. The Loan Agreement and the improvements (referred to as

the “Project” in the Series 2021 Note Ordinance) are consistent with “Projects” contemplated under the Town’s General Bond Ordinance (enacted February 5, 1997), as amended, (“General Bond Ordinance”). The 2021 SRF Note will constitute a “Bond” as defined by the General Bond Ordinance.

### Payments

The proceeds of the loan will be used by SIUC only to pay the actual eligible costs of the Project plus capitalized interest. Under the Loan Agreement, the Town will agree to pay to the State Authority such amounts as shall be required to provide for the payment of all amounts due with respect to the repayment of the loan. In the event payments are not timely made to the State Authority under the Loan Agreement or the 2021 SRF Note, the State Authority shall require the State Treasurer to pay the State Authority amounts due under the 2021 SRF Note from State appropriations to which the Town may be or may become entitled. Pursuant to the 2021 SRF Note and the Series 2021 Note Ordinance, a statutory lien is created in favor of the holders of the 2021 SRF Note on certain assets of the water and sewer utility. Payments by the Town are to be made solely from the net revenue from the utility (revenues of the water and sewer utility after deducting the expenses (paid or accrued) of operating and maintaining the System including management fees).

### Town’s Related Debt

The Town has previously authorized and created secured payment obligations for the purpose of financing the water and sewer utility and improvements thereof. At present, outstanding obligations include:

2005 Note The \$1,000,717 original principal amount Promissory Note of the Town, dated November 10, 2005, and outstanding as of the effective date of this Ordinance in the principal amount of \$299,121.13 and payable to the South Carolina Water Quality Revolving Fund Authority for South Carolina Drinking Water Revolving Loan Fund Loan No. X3-025-05-1010009-01.

2012 Note The \$1,700,000 original principal amount Promissory Note of the Town, dated January 30, 2012, and outstanding as of the effective date of this Ordinance in the principal amount of \$1,087,239.79 and payable to the South Carolina Water Quality Revolving Fund Authority for South Carolina Clean Water Revolving Loan Fund Loan No. X1-149-12-727-01.

2015 Bonds The \$5,300,000 original principal amount Water and Sewer System Refunding Revenue Bonds, Series 2015, dated July 1, 2015, and outstanding as of the effective date of this Ordinance in the principal amount of \$2,275,000.

The 2021 SRF Note is a special obligation of the Town and does not constitute indebtedness of the Town under State Constitutional provisions other than those provisions authorizing obligations payable solely from special sources not involving revenues from any tax or license. The pledge of and lien upon net revenues from the water and sewer utility is on a parity in all respects with the 2005 Note, 2012 Note and

2015 Bonds, meaning that no preference is created for payments of the 2021 SRF Note over payments for those other obligations of the Town.

Pursuant to the Series 2021 Note Ordinance, and in accordance with the General Bond Ordinance as amended, it is contemplated that a 2021 Debt Service Fund and/or a 2021 Debt Service Reserve Fund will be created as the State Authority may require.

### Loan Terms

Currently, the South Carolina Clean Water State Revolving Fund standard interest rate is 1.60% for a loan term of twenty (20) years. Final terms of the loan will be as set forth in the version of the Loan Agreement and 2021 SRF Note as they will be agreed by the State Authority and the Town and will be appended to the Series 2021 Note Ordinance.

### Covenants

#### *Town's Covenants*

In accordance with the General Bond Ordinance, the Town makes certain covenants (enforceable undertakings) including:

- i) to cause SIUC to operate the water and sewer utility in an efficient and economical manner;
- ii) to pay, or cause to be paid by SIUC, out of the pledged revenues of the water and sewer utility, the principal and interest on the loan (as has been done with the Town's prior related debt, SIUC is making the required payments);
- iii) to cause SIUC to establish, levy, maintain, revise and collect such fees, rates and other charges for the use of the services and facilities it furnishes to provide an amount not less than amounts to be deposited in certain required accounts to: operate and maintain the facilities of the utility; pay principal and interest on outstanding debts; and, as reserves for payment of outstanding debt;
- iv) not to issue any bonds, notes, certificates or other obligations or evidences of indebtedness other than obligations authorized or permitted under the General Bond Ordinance secured by a pledge of the revenues of the water and sewer utility, and it will not create or cause to be created any lien or charge on said revenues other than the liens and charges created or permitted to be created under the General Bond Ordinance hereby, and will not sell, mortgage, lease or otherwise dispose of any part of the System will be sold, mortgaged, leased or otherwise disposed of or encumbered provided, however, SIUC may abandon, sell, lease any part of the System but only if:
  - (a) The Town nor the SIUC is in default under the General Bond Ordinance of the Series 2021 Note Ordinance; and
  - (b) The net revenues of the System for the preceding fiscal year shall not be less than one hundred and ten percent (110%) of the debt service for the preceding fiscal year.

- v) to comply with all provisions of the Internal Revenue Code of 1986, as amended, as shall be necessary to assure the continued exclusion from gross income, for purposes of federal income taxation, of interest on Bonds.

*SIUC's Covenants*

In Accordance with the General Bond Ordinance, the SIUC makes certain covenants (enforceable undertakings) including:

- i) SIUC shall at all times operate the water and sewer utility properly and in an efficient and economical manner and will maintain, preserve and keep the same with the appurtenances and every part and parcel thereof (hereinafter "System") in good repair, working order and condition;
- ii) SIUC will keep proper books of records and accounts (separate from all other records and accounts), in which complete and correct entries shall be made of all transactions relating to the System. A complete financial statement of the water and sewer utility shall be prepared within 180 days after the end of each Fiscal Year and shall be prepared in accordance with generally accepted accounting principles for governmental bodies and audited by an independent certified public accountant;
- iii) SIUC shall make provision to maintain adequate insurance on the works, plants, facilities and properties comprising the System against the risks, accidents or casualties, of the kinds and in at least the amounts which are usually and customarily carried on similar plants, properties and systems which are owned and operated by a public or municipal corporation, including without limiting the generality of the foregoing, flood, earthquake, fire, extended coverage, general liability and workmen's compensation, and also all additional insurance covering such risks as may be deemed necessary or desirable by the Commission or recommended by a competent independent engineer or other advisor employed for the purpose of making such recommendations;
- iv) SIUC will not furnish free service of the water and sewer utility to the Town or to any agency, instrumentality or person. The reasonable costs and value of any services rendered to the Town through the operation of the System shall be charged against the Town and shall be paid as the service accrues from the current funds and such funds, when so paid, shall be accounted for in the same manner as other Revenues of the System.

TOWN OF SEABROOK ISLAND, SOUTH CAROLINA

ORDINANCE NO. 2021-06

SERIES 2021 NOTE ORDINANCE

APPROVING THE FINANCING OF THE IMPROVEMENT, EXTENSION AND ENLARGEMENT OF THE WATER AND SEWER SYSTEM OF THE TOWN OF SEABROOK ISLAND, SOUTH CAROLINA, THROUGH THE BORROWING BY THE TOWN OF NOT EXCEEDING \$3,500,000, INCLUDING CAPITALIZED INTEREST, IF ANY, FROM THE STATE WATER POLLUTION CONTROL REVOLVING LOAN FUND, BY AGREEMENT WITH THE SOUTH CAROLINA WATER QUALITY REVOLVING FUND AUTHORITY, PURSUANT TO TITLE 48, CHAPTER 5, CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED; PROVIDING FOR AN AGREEMENT TO MAKE AND TO ACCEPT A LOAN, THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT BETWEEN THE TOWN AND THE SOUTH CAROLINA WATER QUALITY REVOLVING FUND AUTHORITY, THE EXECUTION AND DELIVERY OF A PROMISSORY NOTE FROM THE TOWN TO THE SOUTH CAROLINA WATER QUALITY REVOLVING FUND AUTHORITY; AND OTHER MATTERS RELATING THERETO.

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

BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF SEABROOK ISLAND, SOUTH CAROLINA:

SECTION 1. Definitions. The terms in this Section 1 and all words and terms defined in the hereinafter defined General Bond Ordinance (except as herein otherwise expressly provided or unless the context otherwise requires), shall for all purposes of this Series 2021 Note Ordinance have the respective meanings given to them in the General Bond Ordinance and in Section 1 hereof.

"2005 Note" shall mean the \$1,000,717 original principal amount Promissory Note of the Town, dated November 10, 2005, and outstanding as of the effective date of this Ordinance in the principal amount of \$299,121.13 and payable to the South Carolina Water Quality Revolving Fund Authority for South Carolina Drinking Water Revolving Loan Fund Loan No. X3-025-05-1010009-01.

"2012 Note" shall mean the \$1,700,000 original principal amount Promissory Note of the Town, dated January 30, 2012, and outstanding as of the effective date of this Ordinance in the principal amount of \$1,087,239.79 and payable to the South Carolina Water Quality Revolving Fund Authority for South Carolina Clean Water Revolving Loan Fund Loan No. X1-149-12-727-01.

"2015 Bonds" shall mean the \$5,300,000 original principal amount Water and Sewer System Refunding Revenue Bonds, Series 2015, dated July 1, 2015, and outstanding as of the effective date of this Ordinance in the principal amount of \$2,275,000.

"2021 Debt Service Reserve Fund" shall mean the fund of that name established pursuant to Section 6.7 of the General Bond Ordinance and Section 4.2 of the Loan Agreement to insure the timely payment of the principal of and interest on the 2021 SRF Note.

"2021 Reserve Fund Requirement" shall mean, initially, the maximum amount of principal and interest on the 2021 SRF Note due during any calendar year as provided in Section 4.2.1 of the Loan Agreement or, as applicable, any such other amount as may be permitted by Section 4.2.2 of the Loan Agreement.

"2021 SRF Note" shall mean the not exceeding \$3,500,000 Promissory Note of the Town, Series 2021, payable to the State Authority.

"General Bond Ordinance" shall mean Ordinance No. 1997-01 duly enacted on February 5, 1997, as amended by Ordinance No. 2005-01 duly enacted on April 26, 2005 and Ordinance No. 2011-06 duly enacted on December 13, 2011, by the Council of the Town authorizing and providing for the issuance of Water and Sewer System Revenue Bonds, as the same may be hereafter amended and supplemented from time to time.

"Loan" shall mean the loan from the State Authority to the Town in the amount of not exceeding \$3,500,000.

"Loan Agreement" shall mean the Loan Agreement evidencing the Loan to be dated the date of its execution and delivery between the State Authority and the Town.

"Project" shall mean the improvement, extension and enlargement of the System to wit: installation of a new intermediate pump station to pump effluent from the existing chlorine contact basin to the effluent holding pond, raising the effluent holding pond dikes by five feet to increase the effective storage volume by 9 million gallons (MG) and replacing and raising the existing effluent pump station to be above the FEMA 100-year floodplain elevation.

"Revenue Bond Act for Utilities" shall mean Title 6, Chapter 21, Code of Laws of South Carolina 1976, as amended.

"Revolving Fund" shall mean the State Water Pollution Control Revolving Loan Fund created by the Revolving Fund Act.

"Revolving Fund Act" shall mean the South Carolina Water Quality Revolving Fund Authority Act, Title 48, Chapter 5, Code of Laws of South Carolina 1976, as amended.

"Series 2005 Note Ordinance" shall mean Ordinance No. 2005-04 of the Town enacted September 27, 2005, authorizing the 2005 Note.

"Series 2012 Note Ordinance" shall mean Ordinance No. 2011-07 of the Town enacted January 24, 2012, authorizing the 2012 Note.

"Series 2015 Bond Ordinance" shall mean Ordinance No. 2015-05 of the Town enacted on June 23, 2015, authorizing the issuance of the 2015 Bonds.

"Series 2021 Note Ordinance" shall mean this Ordinance enacted by the Town on \_\_\_\_\_, 2021, authorizing the issuance of the 2021 SRF Note.

"State Authority" shall mean the South Carolina Water Quality Revolving Fund Authority.

SECTION 2. Findings and Determinations. The Council hereby finds and determines:

(a) The Town is an incorporated municipality located in the State of South Carolina, and as such has all powers granted to municipalities by the Constitution and the general law of this State.

(b) The System is operated by and under the control and management of the Commission.

(c) Either the Town or the Commission, or both, has the power to possess and operate utility systems and is empowered by the provisions of the Revolving Fund Act (i) to

undertake the Project; (ii) to make application for and to receive assistance; (iii) to comply with regulations relating to the receipt and disposition of money of the Revolving Fund; (iv) to apply for and receive state grants; (v) to enter into loan agreements; and (vi) to comply with all terms and conditions of any loan agreement.

(d) The Commission has requested the Council of the Town to enact this Series 2021 Note Ordinance and issue a Water and Sewer System Revenue Bond in the form of the 2021 SRF Note.

(e) Pursuant to the Act, the Town has enacted the General Bond Ordinance which sets forth certain conditions which the Town must satisfy in order to issue additional indebtedness secured by a pledge of Net Revenues of the System. Under the General Bond Ordinance, the term "Act" is defined to include Title 6, Chapter 17, Code of Laws of South Carolina 1976, as amended, and all other relevant statutory authorizations, which would include the Revenue Bond Act for Utilities.

(f) The Act permits the incurrence of debt for the purpose of financing wastewater treatment facilities and permits the securing of such indebtedness with a pledge of Net Revenues of the System, and with the creation of statutory liens on the system or project and the appurtenances and extensions thereto to be purchased, constructed, improved, enlarged, extended or repaired with the proceeds of bonds issued thereunder.

(g) On April 27, 2021, the Council adopted a Resolution authorizing application to the State Authority for the Loan to provide for the financing of the Project.

(h) The State Authority has upon review of the Town's loan application conditionally approved the Loan.

(i) The Loan must be incurred pursuant to the terms and conditions of the General Bond Ordinance in order for the Loan to be issued on a parity in all respects to the pledge of Net Revenues securing the 2005 Note, the 2012 Note, the 2015 Bonds and any other Bonds issued on a parity therewith.

(j) The funds are to be loaned and secured pursuant to the Loan Agreement and a promissory note (herein defined as the 2021 SRF Note) to be executed and delivered by the Town and registered in the name of the State Authority. The 2021 SRF Note will constitute a Bond as defined in the General Bond Ordinance. Pursuant to the Loan Agreement the Commission on behalf of the Town will agree to use the proceeds of the Loan only to pay the actual eligible costs of the Project plus capitalized interest, if any, and the Town will agree to pay to the State Authority such amounts as shall be required to provide for the payment of all amounts due with respect to the repayment of the Loan. Upon any failure of the Town to make any payments to the State Authority pursuant to the Loan Agreement or the 2021 SRF Note, the State Authority shall require the State Treasurer to pay to the State Authority, subject to the provisions of the Act, such amount from state appropriations to which the Town may be or become entitled as may be necessary to provide for the payment of all amounts due with respect to the 2021 SRF Note.

- (k) The Council is enacting this Series 2021 Note Ordinance in order to:
- (i) authorize the execution and delivery on behalf of the Town of the Loan Agreement and the 2021 SRF Note;
  - (ii) evidence the approval of the Project, the 2021 SRF Note and the Loan by the Town; and
  - (iii) authorize the execution and delivery by, and on behalf of, the Town of such other agreements and certificates and the taking of such other action by the Town and its officers as shall be necessary or desirable in connection with the financing of the Project in order to carry out the intent of this Series 2021 Note Ordinance.

(l) The Commission has advised the Council that the most economical means of financing the Project is through the Loan from the State Authority.

(m) This Series 2021 Note Ordinance supplements the General Bond Ordinance, constitutes and is a "Supplemental Ordinance" within the meaning of such quoted term as defined and used in the General Bond Ordinance, and is enacted under and pursuant to the General Bond Ordinance.

(n) The 2021 SRF Note constitutes and is a "Bond" within the meaning of the quoted word as defined and used in the General Bond Ordinance.

(o) The Net Revenues pledged under the General Bond Ordinance are not encumbered by any lien and charge thereon or pledge thereof, other than the lien and charge thereon and pledge created by the General Bond Ordinance and (1) the Series 2005 Note Ordinance for payment and security of the 2005 Note, (2) the Series 2012 Note Ordinance for payment and security of the 2012 Note, (3) the Series 2015 Bond Ordinance for payment and security of the 2015 Bonds and (4) this Series 2021 Note Ordinance for payment and security of the 2021 SRF Note.

(p) There does not exist an Event of Default, nor does there exist any condition which, after the passage of time or the giving of notice, or both, would constitute such Event of Default as defined in Article X of the General Bond Ordinance.

(q) The Commission has advised the Town that the period of usefulness of the System is in excess of thirty (30) years from the date hereof.

(r) The Commission has advised the Town that, following award of construction contracts to the lowest bidders, the estimated Costs of Acquisition and Construction of the Project and Costs of Issuance to be funded by the Loan is approximately \$3,500,000. The Commission has advised the Town that any Costs of Acquisition and Construction or Costs of Issuance not provided for by the Loan shall be funded with internal available resources of the Commission.

(s) Section 3.3 of the General Bond Ordinance provides that one or more Series

of Bonds (exclusive of refunding Bonds) may be issued for such purposes as may be permitted by the Act upon compliance with certain provisions of the General Bond Ordinance for the purpose of paying the Costs of Acquisition and Construction of one or more Projects (as defined in the General Bond Ordinance) authorized to be financed under the Act with Bonds. Bonds issued upon compliance with Sections 3.2 and 3.3 of the General Bond Ordinance shall be issued on a parity in all respects inter sese.

(t) In compliance with the provisions of Section 3.3 of the General Bond Ordinance, the Council further finds and determines:

- (i) The issuance of the 2021 SRF Note is authorized under and pursuant to an ordinance supplemental to the General Bond Ordinance as provided in Article III and Article IX of the General Bond Ordinance.
- (ii) Prior to the issuance of the 2021 SRF Note there shall be executed the certificate required by paragraph A of Section 3.3 of the General Bond Ordinance.
- (iii) There shall be delivered a report, based upon the latest available audit of the System, from an independent certified public accountant stating that the amount of the Net Revenues of the System for the most recent Fiscal Year is not less than 115% of the Maximum Debt Service for any succeeding Bond Year of Bonds then Outstanding (e.g., the 2005 Note, the 2012 Note and the 2015 Bonds) and the Bonds then proposed to be issued (e.g., the 2021 SRF Note), subject to adjustment as provided in the General Bond Ordinance.
- (iv) The 2021 SRF Note is being used for the purpose of improving the System, i.e., the Project.
- (v) The 2021 Debt Service Reserve Fund will be established with respect to the 2021 SRF Note, into which the 2021 Reserve Fund Requirement (satisfied by the deposit of funds of the System) will be deposited.

(u) The 2021 SRF Note is being used for the purposes of (i) defraying all or a portion of the costs of the Project; and (ii) paying the Cost of Issuance of the 2021 SRF Note.

(v) It is necessary and in the best interest of the Town for the Commission to undertake the Project and for the Town to issue the 2021 SRF Note in the principal amount of not exceeding \$3,500,000 in accordance with the General Bond Ordinance, the Act and this Series 2021 Note Ordinance for the purposes set forth above.

SECTION 3. Authorization of the Project. There is hereby approved and authorized

the undertaking of the Project. The Commission has advised the Town that the period of usefulness of the System after the completion of the Project is determined to be not less than thirty (30) years from the date hereof. The Council hereby finds that the Project when completed shall constitute and be operated as an integral part of the System.

SECTION 4. Authorization of Loan. The Council hereby authorizes the Town's acceptance of the Loan from the State Authority of not exceeding \$3,500,000 including capitalized interest, if any, pursuant to and in accordance with the provisions of the Loan Agreement the terms of which are incorporated herein.

SECTION 5. Repayment of Loan by the Town; Statutory Lien on System. The Council hereby authorizes the repayment of the Loan by the Town to the State Authority from the Net Revenues of the System, pursuant to and in accordance with the provisions of the General Bond Ordinance, the Loan Agreement and the 2021 SRF Note. Notwithstanding the above, upon any failure of the Town to make any payments to the State Authority pursuant to the Loan Agreement or the 2021 SRF Note, the State Authority shall require the State Treasurer to pay to the State Authority, subject to the provisions of the Act, such amount from state appropriations to which the Town may be or become entitled as may be necessary to provide for all payments with respect to the 2021 SRF Note. To the extent permitted by the Revenue Bond Act for Utilities and as contemplated by the Loan Agreement, there is created a statutory lien on the System in favor of the holders of the 2021 SRF Note.

SECTION 6. Payment of the 2021 SRF Note. The 2021 SRF Note, together with the interest thereon, shall be payable, in such coin or currency of the United States of America which at the time of such payment is legal tender for public and private debts, solely from the Net Revenues of the System, in accordance with the provisions of the General Bond Ordinance and this Series 2021 Note Ordinance. The 2021 SRF Note is a special obligation of the Town payable solely from, and secured by a pledge of and lien upon, the Net Revenues derived from the System on a parity in all respects with the 2005 Note, the 2012 Note, the 2015 Bonds and any Series of Bonds hereafter issued under Section 3.3 of the General Bond Ordinance payable from such Net Revenues on a parity and equally and ratably secured therewith.

The 2021 SRF Note does not constitute an indebtedness of the Town within any State Constitutional provisions (other than Article X, Section 14, Paragraph 10 of the South Carolina Constitution authorizing obligations payable solely from special sources not involving revenues from any tax or license) or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the Town or a charge against its general credit or taxing power. The full faith, credit and taxing powers of the Town are not pledged to the payment of the principal of and interest on the 2021 SRF Note.

SECTION 7. Authorization of Loan Agreement and the 2021 SRF Note. The Loan Agreement (including the 2021 SRF Note) in substantially the form attached hereto as Exhibit A, with such changes as the executing officers shall approve (their execution to be conclusive evidence of such approval) are hereby approved and the execution and delivery of the Loan Agreement and the 2021 SRF Note, on behalf of the Town, are hereby authorized and directed. The Loan Agreement and the 2021 SRF Note shall be executed on behalf of the Town by the Mayor (or in his

absence, the Mayor Pro Tempore) and attested by the Town Clerk. Certain duties and responsibilities in the Loan Agreement with respect to the Project and the construction thereof (as set forth in Article I and Article III thereof) shall be exercised and undertaken by the Commission which duties and responsibilities are hereby approved by the Town.

SECTION 8. Approval of Debt Service Fund and Debt Service Reserve Fund Agreement. The Debt Service Fund and Debt Service Reserve Fund Agreement in substantially the form attached hereto as Exhibit B, with such changes as the executing officers shall approve (their execution to be conclusive evidence of such approval), is hereby approved; and the execution and delivery of the Debt Service Fund and Debt Service Reserve Fund Agreement on behalf of the Town is hereby authorized and directed. The Debt Service Fund and Debt Service Reserve Fund Agreement shall be executed on behalf of the Town by the Mayor (or in his absence, the Mayor Pro Tempore) and attested by the Town Clerk.

SECTION 9. Further Actions. The Mayor, Town Administrator, Town Clerk and Town Attorney, or any of them acting alone, are hereby authorized and directed to take any and all such further actions as shall be deemed necessary or desirable in order to effectuate the issuance of the 2021 SRF Note pursuant to the Loan Agreement and to carry out the intentions of this Series 2021 Note Ordinance, and are hereby authorized to execute and deliver such certificates, instruments and agreements as they shall deem necessary or desirable.

SECTION 10. Notices. All notices, certificates or other communications hereunder or under the Ordinance shall be sufficiently given and shall be deemed given when mailed by registered mail, postage prepaid, or given when dispatched by telegram addressed as follows:

If to the Town:

Town of Seabrook Island  
Attention: Mayor/Town Manager  
2001 Seabrook Island Road  
Seabrook Island, South Carolina 29455

If to the Commission:

Seabrook Island Utilities Commission  
Attention: Commission Chairman  
2902-A Seabrook Island Road  
Seabrook Island, South Carolina 29455

If to the State Authority:

Office of Local Government – State Revolving Fund  
Attn: Director  
1201 Main Street, Suite 1600  
Columbia, South Carolina 29201

If to the Registrar or Paying Agent:

U.S. Bank National Association  
Attention: Corporate Trust Services  
60 Livingston Avenue  
St. Paul, Minnesota 55107

If to the Trustee:

U.S. Bank National Association  
Attention: Corporate Trust Department  
1349 West Peachtree Street NW, Suite 1050  
Atlanta, Georgia 30309

The City, the Commission, the State Authority, the Registrar, Paying Agent and the Trustee by notice given to the other parties, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

SECTION 11. Ordinance a Contract. This Series 2021 Note Ordinance shall be a contract between the Town and the State Authority, and shall be enforceable as such against the Town.

SECTION 12. Repeal. All orders, resolutions, ordinances and parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed and this Series 2021 Note Ordinance shall take effect and be in full force from and after its passage and approval.

SECTION 13. Effective Date. This Series 2021 Note Ordinance shall become effective upon its enactment.

[Signature Page Follows]

Enacted by the Town Council of the Town of Seabrook Island, South Carolina, this \_\_\_\_ day of \_\_\_\_\_ 2021.

TOWN OF SEABROOK ISLAND, SOUTH CAROLINA

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

(SEAL)

ATTEST:

\_\_\_\_\_  
Clerk

Date of First Reading: \_\_\_\_\_, 2021

Date of Second Reading: \_\_\_\_\_, 2021

EXHIBIT A

Form of Loan Agreement

EXHIBIT B

Form of Debt Service Fund and Debt Service Reserve Fund Agreement