

ORDINANCE #03-12-17

AN ORDINANCE AUTHORIZING THE ISSUANCE OF A NOT EXCEEDING \$7,500,000 AGGREGATE PRINCIPAL AMOUNT OF SPECIAL SOURCE REFUNDING REVENUE BOND (NEWBERRY COUNTY MEMORIAL HOSPITAL), SERIES 2017, OF NEWBERRY COUNTY, SOUTH CAROLINA; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AND LOAN AGREEMENT AND THE GRANT OF A MORTGAGE UPON CERTAIN HOSPITAL FACILITIES; AUTHORIZING PROPER OFFICERS TO DO ALL THINGS NECESSARY OR ADVISABLE; AND OTHER MATTERS RELATING THERETO.

WHEREAS, Newberry County, South Carolina (the “*County*”), acting by and through its County Council (the “*County Council*”), is authorized and empowered under and pursuant to the provisions of Title 44, Chapter 7, Article 11, Code of Laws of South Carolina 1976, as amended (the “*Act*”), to promote the public health and welfare by providing for the financing, refinancing, acquiring, enlarging, improving, constructing, equipping and providing of Hospital Facilities (as defined in the Act) to serve the people of the State of South Carolina (the “*State*”) and to make accessible to them modern and efficient Hospital Facilities at the lowest possible expense to those utilizing such Hospital Facilities; and

WHEREAS, the County is further authorized to issue bonds to refinance or refund outstanding bonds or obligations made or given by a hospital or public agency for the cost of Hospital Facilities; to mortgage any Hospital Facilities and the site thereof for the benefit of the holders of such bonds; and to do all things necessary or convenient to carry out the purposes of the Act; and

WHEREAS, the County is further authorized to make the proceeds of any revenue bonds available by way of a loan to a hospital agency or public agency pursuant to a loan agreement; and

WHEREAS, Newberry County Memorial Hospital (the “*Hospital*”) was created by Act Nos. 808 and 809 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, for the year 1971, as amended (together, the “*Act*”), and is a “public agency” as defined in the Act and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and is empowered under the Act and the laws of the State to operate and maintain Hospital Facilities; and

WHEREAS, the Board of Trustees of the Hospital (the “*Board*”) has deemed it necessary and desirable to refund all or a portion of the outstanding principal amount of the County’s (i) originally issued \$10,985,000 Special Source Refunding Revenue Bonds (Newberry County Memorial Hospital), Series 2005, and (ii) originally issued \$1,100,000 Hospital Revenue Bond (Newberry County Memorial Hospital), Series 2008 (collectively, the “*Prior Bonds*”) and has requested that the County authorize the issuance of a series of Bonds on behalf of the Board to be designated, “Newberry County, South Carolina Special Source Refunding Revenue Bond

(Newberry County Memorial Hospital), Series 2017” (the “**Bond**”), through a private sale to a financial institution (the “**Purchaser**”), for the purpose of refunding the Prior Bonds (the “**Refunding**”); and

WHEREAS, the Bond will be issued and sold to the Purchaser pursuant to a Bond Purchase and Loan Agreement, dated on or about the date of issuance of the Bond (the “**Bond Purchase and Loan Agreement**”), among the County, the Hospital, and the Purchaser, pursuant to which the proceeds from the sale of the Bond will be loaned by the County to the Hospital and the Hospital will agree to make payments to the County at the time and in the amounts necessary to pay principal of and interest on the Bond when due; and

WHEREAS, the Bond will be secured by (i) a pledge of the “Gross Receipts” under and as defined in the Master Trust Indenture, dated as of December 1, 1999, as amended and/or supplemented, between the Hospital and U.S. Bank National Association (the “**Master Trustee**”), as evidenced by a Series 5 Note issued to the Purchaser pursuant Supplemental Indenture No. 5, from the Hospital to the Master Trustee, dated as of the date of delivery of the Bond, and (ii) a mortgage on certain real property of the Hospital granted pursuant to a Mortgage, Security Agreement and Assignment of Leases, Rents and Profits dated as of the date of delivery of the Bond (the “**Mortgage**”); and

WHEREAS, the County and the Hospital now desire to proceed with the Refunding.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNTY COUNCIL OF NEWBERRY COUNTY, SOUTH CAROLINA, AS FOLLOWS:

Section 1. In order to effect the Refunding, the issuance of the Bond and the grant of the Mortgage are hereby authorized subject to the provisions of this Ordinance, the Bond Purchase and Loan Agreement and the Mortgage. The Bond shall be dated; shall be issued in such denominations; shall be payable as to principal, interest and redemption premium, if any; shall bear interest; shall mature; shall be in the form; and shall contain provisions for execution, authentication, payment, registration, redemption and numbering as shall be set forth in the Bond Purchase and Loan Agreement.

Section 2. The Bond shall be a limited obligation of the County payable solely from and secured by a pledge of the gross revenues and receipts derived by the County from or in connection with the Bond Purchase and Loan Agreement hereinafter authorized. The Bond does not and shall never constitute an indebtedness of the County within the meaning of any State constitutional provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the County or a charge against its general credit or taxing power.

Section 3. The Chairman of the County Council is hereby authorized and directed to execute and deliver the Bond Purchase and Loan Agreement, in substantially the form submitted to the County Council at this meeting, with such changes, insertions and omissions as may be approved by said Chairman upon advice of counsel, said execution being conclusive evidence of such approval; and the Clerk to County Council is hereby authorized and directed to affix the corporate seal of the County to the Bond Purchase and Loan Agreement and to attest the same.

Section 4. The Chairman of the County Council, the County Administrator, and the Clerk to County Council, and any other proper officer of the County, be and each of them is hereby authorized and directed to execute and deliver any and all documents, certificates, and instruments and to do and to cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Ordinance.

Section 5. All orders, resolutions, ordinances and parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

Section 6. This Ordinance shall become effective and be in full force immediately.

NEWBERRY COUNTY, SOUTH CAROLINA

By: \_\_\_\_\_  
Chairman, County Council

(SEAL)

ATTEST:

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Clerk to County Council

First Reading:            March 29, 2017  
Second Reading:  
Public Hearing:  
Third Reading: