

**EAST ARGENT MUNICIPAL IMPROVEMENT DISTRICT**

**CITY OF HARDEEVILLE, SOUTH CAROLINA**

**ANNUAL ASSESSMENT REPORT AND  
AMENDMENT OF THE ASSESSMENT ROLL FOR  
2022-2023 ASSESSMENT YEAR**

Prepared By:

**MUNICAP, INC.**

September 2, 2022

**East Argent Municipal Improvement District  
City of Hardeeville, South Carolina**

**Annual Assessment Report and  
Amendment of the Assessment Roll for  
2022-2023 Assessment Year**

**INTRODUCTION**

The East Argent Municipal Improvement District (the “District”), located in the City of Hardeeville, South Carolina (the “City”), was created by Ordinance No. 2000-12-10C (the “Improvement District Ordinance”) enacted by the City Council of the City of Hardeeville (the “City Council”) on January 7, 2021. The Improvement District Ordinance also authorized the imposition of the Assessment on the Assessed Property within the District and approved an Assessment Roll listing the parcels in the District and the amount of the Assessment imposed upon each such parcel.

To defray the costs of public improvements to be provided for the District, the City issued its East Argent Improvement District Assessment Revenue Bonds, Series 2021 in the principal amount of \$11,000,000 (the “*Series 2021 Bond*”), by the terms of Ordinance No. 2021-2-18B enacted by the City Council on March 4, 2021.

Payment of the principal and interest on the Series 2021 Bond is secured by the Bond Assessment which has been levied on each parcel of Assessed Property in the District and the amount of the Assessment are set forth on the Assessment Roll, which has been recorded with the Register of Deeds of Jasper County, South Carolina. The Bond Assessment that has been allocated to each Parcel and recorded in the Assessment Roll are determined in accordance with that certain Rate and Method of Apportionment of Assessment (the “*Rate and Method*”), which is attached to the Assessment Roll as Appendix A.

Pursuant to the Rate and Method, the portion of the Assessment to be billed and collected in each year shall be calculated pursuant to the Rate and Method.

In order to facilitate the billing and collection of the Assessment, the Administrator shall prepare for approval by City Council an update to the Assessment Roll each Assessment Year to reflect (i) the current Parcels in the District, (ii) the total Assessment, including the specific Bond Assessment that has been allocated to each Parcel, (iii) the total Principal Portion of Bond Assessment, including the specific Principal Portion of Bond Assessment that has been allocated to each Parcel, (iv) the Annual Installment, including the specific Annual Installment that has been assigned to each Parcel, (v) the Annual Payment to be collected from each Parcel for the current Assessment Year, including the Bond Annual Payment and the Administrative Expense Annual Payment, (vi) prepayments of the Bond Assessment and (vii) termination of the Assessment, along with other information helpful to the City in the administration of the District. This report has been prepared to meet these requirements for the 2022–2023 Assessment Year. Through its approval of this report, City Council is confirming the Annual Payment and the updated Assessment Roll.

Capitalized terms used but not defined herein are defined in the Rate and Method.

**I - CURRENT PARCELS IN THE DISTRICT**

Based on information provided to the City by the owner of the real property in the District, one subdivision occurred in 2021 after the establishment of the District, as described in Table A below.

**Table A  
2021 Subdivision**

<b>Parcels</b>	<b>Acres</b>	<b>Expected Residential Units</b>
<i>Before Subdivision</i>		
Portion of 066-00-00-016*	153.76	
<i>After Subdivision</i>		
066-00-00-021	46.31	70
066-00-00-022	107.45	300
	153.76	370

\* At the creation of the District, only a 153.76 acre portion of the real property parcel 066-00-00-016 was included in the District; a separate portion of this real property parcel was not included in the District and remains outside of the District.

Based on information provided to the City by Jasper County, two Parcels (066-00-00-003 and 066-00-00-017) were consolidated (combined into one Parcel) in calendar year 2021, after the establishment of the District. The combined Parcel is identified as 066-00-00-003.

The updated Appendix B-1, attached to this report, lists the Parcels in the District for which the Annual Payment for the 2022-2023 Assessment Year may be billed, including the two new Parcels specified in the table above.

The City is unaware of any real property parcels created from subdivisions in calendar year 2022. To the extent that any Parcels were or are created by subdivision in calendar year 2022, such Parcels will be added to the Assessment Roll for the 2023-2024 Assessment Year.

**II – TOTAL ASSESSMENT ON EACH PARCEL**

The Bond Assessment for each Parcel is shown on Appendix B-1, attached to this report. The Bond Assessment on each Parcel shown on Appendix B-1 has been updated in accordance with the Rate and Method. Pursuant to the Assessment Roll, including the Rate and Method, the Administrative Expense Assessment has been levied on all Parcels in the District but is not allocated to specific Parcels.

Pursuant to the Rate and Method, the Bond Assessment shall be reduced to an amount equal to the costs to be incurred to pay the scheduled debt service on the Series 2021 Bond. Through its approval of this report and the updated Appendices B-1 and B-2 attached, City Council is reducing the Bond Assessment on each Parcel in an equal percentage such that the resulting total of the Bond Assessment on all Parcels is equal to the remaining debt service on the Series 2021 Bond, all pursuant to the Rate and Method. As a result of this reduction, the total Bond Assessment will equal \$18,691,675.03, equaling the total principal and interest due on the Series 2021 Bond, as shown

on Appendix B-1 and Appendix B-2. The Principal Portion of Assessment has not been reduced and remains the same as initially levied.

The Bond Assessment on the two Parcels resulting from the subdivision described in Section I above has been allocated to these two Parcels pursuant to the Rate and Method, as shown in Table B below. The Bond Assessment on the parent parcel (the "Portion of 066-00-00-016") prior to the subdivision shown in Table B below is reflective of the reduction described in the paragraph above.

**Table B**  
**Allocation of Assessment for the 2021 Subdivision**

Parcels	Expected Residential Units	Bond Assessment	Principal Portion of Assessment
<i>Before Subdivision</i>			
Portion of 066-00-00-016	NA	\$7,258,343.38	\$4,271,515.37
<i>After Subdivision</i>			
066-00-00-021	70	\$1,373,200.10	\$808,124.53
066-00-00-022	300	\$5,885,143.28	\$3,463,390.84
	370	\$7,258,343.38	\$4,271,515.37

The Bond Assessment on the one Parcel resulting from the consolidation of the two Parcels described in Section I above has been determined pursuant to the Rate and Method and is shown in Table C below. The Bond Assessment on the two Parcels prior to the consolidation shown in Table C below are reflective of the reduction described earlier in this Section II.

**Table C**  
**Allocation of Assessment for the 2021 Consolidation**

Parcels	Bond Assessment	Principal Portion of Assessment
<i>Before Combination</i>		
066-00-00-003	\$2,002,301.63	\$1,178,349.07
066-00-00-017	\$2,002,301.63	\$1,178,349.07
	\$4,004,603.25	\$2,356,698.14
<i>After Combination</i>		
066-00-00-003	\$4,004,603.25	\$2,356,698.14

**III - TOTAL PRINCIPAL PORTION OF BOND ASSESSMENT**

The Principal Portion of Bond Assessment on each Parcel is shown on Appendix B-1, attached to this report. The Principal Portion of Bond Assessment on each Parcel shown on Appendix B-1 has been updated in accordance with the Rate and Method, including the allocation

shown in Table B above. The sum of the Principal Portion of Bond Assessment equals \$11,000,000, as shown on Appendix B-1 and Appendix B-2.

#### **IV - ANNUAL INSTALLMENT**

The Annual Installment for each Parcel for the 2022-2023 Assessment Year is shown on Appendix B-1, attached to this report.

#### **V - ANNUAL PAYMENT**

The Annual Payment for each Parcel for the 2022-2023 Assessment Year is shown on Appendix B-1, attached to this report. The Annual Payment for each Parcel has been calculated pursuant to the Rate and Method. The Annual Payment for each Parcel represents the sum of the Bond Annual Payment and the Administrative Expense Annual Payment, as shown on Appendix B-1. Additional information on the calculation of each component is provided below.

#### **Bond Annual Payment:**

For a given Assessment Year, the Bond Annual Payment for a Parcel shall be the lesser of (1) the Annual Installment assigned to the Parcel or (2) the amount calculated from the following formula:

$$A = B \times C$$

Where the terms have the following meanings:

- A = the Bond Annual Payment of the Parcel
- B = the Principal Portion of Bond Assessment for the Parcel
- C = the Annual Payment Rate

For a given Assessment Year, the Annual Payment Rate shall equal the Annual Revenue Requirement divided by the sum of the Principal Portion of Bond Assessment for all Parcels. The Annual Revenue Requirement is defined in the Rate and Method as follows:

"Annual Revenue Requirement means, for any Assessment Year, the sum of the following: (1) regularly scheduled debt service on the Bonds; and (2) periodic costs associated with such Bonds, including but not limited to rebate payments and credit enhancement on the Bonds; less (a) any other funds available pursuant to the Indenture to apply to the Annual Revenue Requirement, such as capitalized interest and interest earnings on any account balances and (b) any other funds available to the District that may be applied to the Annual Revenue Requirement."

Table D below provides a calculation of the Annual Revenue Requirement for the 2022–2023 Assessment Year, which is equal to \$625,437.50.

**Table D**  
**Annual Revenue Requirement**

Regularly scheduled debt service payments	
Interest payment on 5/1/2023	\$209,293.75
Interest payment on 11/1/2023	\$206,143.75
Principal payment on 5/1/2023	\$210,000.00
Subtotal regularly scheduled debt service payments	\$625,437.50
Periodic costs associated with County borrowings	\$0.00
Available funds pursuant to the bond indenture	
Estimated balance in the Capitalized Interest Account	\$0.00
Estimated balance in the Revenue Fund	\$0.00
Estimated balance in the Interest Account	\$0.00
Subtotal available funds pursuant to the bond indenture	\$0.00
Other available funds	\$0.00
<b>Annual Revenue Requirement</b>	<b>\$625,437.50</b>

As indicated in Section III above, the sum of the Principal Portion of Bond Assessment for all Parcels is \$11,000,000.00.

As such, for the 2022-2023 Assessment Year, the Annual Payment Rate equals \$0.056857955, equal to \$625,437.50 divided by \$11,000,000.00.

For this 2022-2023 Assessment Year, utilizing the Annual Payment Rate of \$0.056857955 in the formula specified above generates a calculation of the Bond Annual Payment that is equal to the Annual Installment for each Parcel. As such, the Bond Annual Payment for each Parcel is equal to the Annual Installment for the Parcels, as shown in Appendix B-1. The sum of the Bond Annual Payment for all Parcels equals \$625,437.50, which is equal to the Annual Revenue Requirement.

**Administrative Expense Annual Payment:**

For a given Assessment Year, the Administrative Expense Annual Payment for a Parcel shall be calculated from the following formula:

$$A = B \times C$$

Where the terms have the following meanings:

- A = the Administrative Expense Annual Payment of the Parcel
- B = the Principal Portion of Bond Assessment for the Parcel
- C = the Administrative Expense Annual Payment Rate

For a given Assessment Year, the Administrative Expense Annual Payment Rate shall equal the Annual Administrative Expense Requirement divided by the sum of the Principal Portion of Bond Assessment for all Parcels. The Annual Administrative Expense Requirement is defined in the Rate and Method as follows:

"Annual Administrative Expense Requirement means, for any Assessment Year, the Administrative Expenses, less any other funds available, including funds available pursuant to the Indenture, to be utilized to fund the Administrative Expenses."

Administrative Expenses is defined in the Rate and Method as follows:

"Administrative Expenses means the actual or estimated costs, as applicable, directly related to the administration of the District, including but not limited to: the costs of the recurring updates to the Assessment Roll; the costs of computing the Annual Installment and Annual Payment; the costs of billing and collecting the Annual Payment; the costs of remitting the Annual Payment to the Trustee; the costs of the Administrator and Trustee (including their legal counsel) in the discharge of their duties; the costs of the City of complying with arbitrage rebate requirements; the costs of the City of complying with securities disclosure requirements; City or Jasper County expenses for the billing, collection and enforcement of the Bond Assessment or Administrative Expense Assessment or in any other way related to the District; and any other costs of the City related to the administration and operation of the District, including, without limitation, the costs of legal counsel and other consultants and advisors, and costs related to commencing foreclosure and pursuing collection of delinquent Annual Payments."

The City has determined that the Annual Administrative Expense Requirement for the 2022-2023 Assessment Year is \$70,150.00.

As indicated in Section III above, the sum of the Principal Portion of Bond Assessment for all Parcels is \$11,000,000.00.

As such, for the 2022-2023 Assessment Year, the Administrative Expense Annual Payment Rate equals  $\$0.0063772730$ , equal to  $\$70,150.00$  divided by  $\$11,000,000.00$ .

The calculation of the Administrative Expense Annual Payment for each Parcel for the 2022-2023 Assessment Year is shown on Appendix B-1. The sum of the Administrative Expense Annual Payment for all Parcels equals  $\$70,150.00$ , which is equal to the Annual Administrative Expense Requirement.

**Annual Payment:**

The calculation of the Annual Payment for each Parcel is provided on Appendix B-1. The sum of the Annual Payment for all Parcels equals  $\$695,587.50$ .

**VI - PREPAYMENTS OF THE BOND ASSESSMENT**

As of the date of this report, there has been no prepayment of the Bond Assessment.

**VII - TERMINATION OF THE ASSESSMENT**

The Rate and Method specifies the following regarding the termination of the Assessment.

“Except for any delinquent Annual Payments and related penalties, the Assessment on each Parcel may not be collected after the earlier of (a) if Bonds have been issued, the end of the stated term of the Bonds and (b) the date on which such Bond Assessment is prepaid in full or paid in full as provided for herein”.

The final maturity of the Series 2021 Bond is May 1, 2052. As indicated above, there have been no prepayments of the Bond Assessment. The Bond Assessment has not been paid in full. As such, there has been no termination of the Assessment on any Parcel.

## **CONCLUSION**

Appendix B-1 and Appendix B-2 are shown on the following pages. There is no Appendix A.



*Assessment Roll  
East Argent Municipal Improvement District  
Appendix B-1*

**Bond Assessment**

Parcel Identification	Bond Assessment	Principal Portion of Bond Assessment	2022-2023 Annual Installment	2022-2023 Bond Annual Payment
066-00-00-015	\$1,364,638.21	\$803,085.88	\$45,661.82	\$45,661.82
081-00-01-036	\$1,364,638.21	\$803,085.88	\$45,661.82	\$45,661.82
081-00-01-039	\$2,588,058.28	\$1,523,065.27	\$86,598.38	\$86,598.38
066-00-00-013	\$411,406.25	\$242,111.46	\$13,765.96	\$13,765.96
081-00-01-038	\$498,606.48	\$293,428.56	\$16,683.75	\$16,683.75
066-00-00-003	\$4,004,603.25	\$2,356,698.14	\$133,997.04	\$133,997.04
066-00-00-012	\$1,201,380.97	\$707,009.44	\$40,199.11	\$40,199.11
066-00-00-021	\$1,373,200.10	\$808,124.53	\$45,948.31	\$45,948.31
066-00-00-022	\$5,885,143.28	\$3,463,390.84	\$196,921.32	\$196,921.31
<b>Total</b>	<b>\$18,691,675.03</b>	<b>\$11,000,000.00</b>	<b>\$625,437.50</b>	<b>\$625,437.50</b>

**Administrative Expense Assessment**

Parcel Identification	Principal Portion of Bond Assessment	2022-2023 Administrative Expense Annual Payment Rate	2022-2023 Administrative Expense Annual Payment
066-00-00-015	\$803,085.88	\$0.0063772730	\$5,121.50
081-00-01-036	\$803,085.88	\$0.0063772730	\$5,121.50
081-00-01-039	\$1,523,065.27	\$0.0063772730	\$9,713.00
066-00-00-013	\$242,111.46	\$0.0063772730	\$1,544.01
081-00-01-038	\$293,428.56	\$0.0063772730	\$1,871.28
066-00-00-003	\$2,356,698.14	\$0.0063772730	\$15,029.30
066-00-00-012	\$707,009.44	\$0.0063772730	\$4,508.79
066-00-00-021	\$808,124.53	\$0.0063772730	\$5,153.63
066-00-00-022	\$3,463,390.84	\$0.0063772730	\$22,086.99
<b>Total</b>	<b>\$11,000,000.00</b>		<b>\$70,150.00</b>

**Total - Bond Assessment plus Administrative Expense Assessment**

Parcel Identification	2022-2023 Annual Payment
066-00-00-015	\$50,783.32
081-00-01-036	\$50,783.32
081-00-01-039	\$96,311.38
066-00-00-013	\$15,309.97
081-00-01-038	\$18,555.03
066-00-00-003	\$149,026.34
066-00-00-012	\$44,707.90
066-00-00-021	\$51,101.94
066-00-00-022	\$219,008.30
<b>Total</b>	<b>\$695,587.50</b>

***Assessment Roll***  
***East Argent Municipal Improvement District***  
***Appendix B-2***  
***Bond Assessment***

Assessment Year	Principal Repayment	Interest Expense	Annual Installment	Bond Annual Payment
2022 - 2023	\$210,000.00	\$415,437.50	\$625,437.50	\$625,437.50
2023 - 2024	\$215,000.00	\$409,062.50	\$624,062.50	TBD
2024 - 2025	\$220,000.00	\$402,537.50	\$622,537.50	TBD
2025 - 2026	\$230,000.00	\$395,787.50	\$625,787.50	TBD
2026 - 2027	\$235,000.00	\$388,812.50	\$623,812.50	TBD
2027 - 2028	\$240,000.00	\$381,087.50	\$621,087.50	TBD
2028 - 2029	\$250,000.00	\$372,512.50	\$622,512.50	TBD
2029 - 2030	\$260,000.00	\$363,587.50	\$623,587.50	TBD
2030 - 2031	\$270,000.00	\$354,312.50	\$624,312.50	TBD
2031 - 2032	\$280,000.00	\$344,687.50	\$624,687.50	TBD
2032 - 2033	\$290,000.00	\$334,168.75	\$624,168.75	TBD
2033 - 2034	\$300,000.00	\$322,737.50	\$622,737.50	TBD
2034 - 2035	\$310,000.00	\$310,918.75	\$620,918.75	TBD
2035 - 2036	\$325,000.00	\$298,615.63	\$623,615.63	TBD
2036 - 2037	\$335,000.00	\$285,828.13	\$620,828.13	TBD
2037 - 2038	\$350,000.00	\$272,556.25	\$622,556.25	TBD
2038 - 2039	\$365,000.00	\$258,703.13	\$623,703.13	TBD
2039 - 2040	\$380,000.00	\$244,268.76	\$624,268.76	TBD
2040 - 2041	\$395,000.00	\$229,253.13	\$624,253.13	TBD
2041 - 2042	\$410,000.00	\$213,400.00	\$623,400.00	TBD
2042 - 2043	\$425,000.00	\$196,700.00	\$621,700.00	TBD
2043 - 2044	\$445,000.00	\$179,300.00	\$624,300.00	TBD
2044 - 2045	\$460,000.00	\$161,200.00	\$621,200.00	TBD
2045 - 2046	\$480,000.00	\$142,400.00	\$622,400.00	TBD
2046 - 2047	\$500,000.00	\$122,800.00	\$622,800.00	TBD
2047 - 2048	\$520,000.00	\$102,400.00	\$622,400.00	TBD
2048 - 2049	\$540,000.00	\$81,200.00	\$621,200.00	TBD
2049 - 2050	\$565,000.00	\$59,100.00	\$624,100.00	TBD
2050 - 2051	\$585,000.00	\$36,100.00	\$621,100.00	TBD
2051 - 2052	\$610,000.00	\$12,200.00	\$622,200.00	TBD
<b>Total</b>	<b>\$11,000,000.00</b>	<b>\$7,691,675.03</b>	<b>\$18,691,675.03</b>	