CITY OF GREER, SOUTH CAROLINA

ORDINANCE NUMBER 31-2013

AN ORDINANCE CONSENTING TO AND APPROVING THE ISSUANCE OF A NOT EXCEEDING $10,000,000 THE GREER TRUST INSTALLMENT PURCHASE REVENUE REFUNDING BOND, SERIES 2013 BY THE GREER TRUST TO PROVIDE FUNDS TO REFUND THE OUTSTANDING PRINCIPAL AMOUNT OF THE $9,800,000 THE GREER TRUST INSTALLMENT PURCHASE REVENUE BOND (CITY OF GREER MUNICIPAL COMPLEX PROJECT), SERIES 2006B BOND; CONSENTING TO AND APPROVING THE EXECUTION OF (I) A BASE LEASE AGREEMENT AND (II) A MUNICIPAL FACILITIES PURCHASE AND OCCUPANCY AGREEMENT, RELATING THERETO BOTH BY AND BETWEEN THE CITY OF GREER, SOUTH CAROLINA AND THE GREER TRUST; CONSENTING TO THE FORM OF AN INDENTURE TO BE ENTERED INTO BY THE GREER TRUST AND THE PURCHASER OF THE SERIES 2013 BOND; AND TOGETHER THEREWITH AN ASSIGNMENT TO THE PURCHASER OF CERTAIN RIGHTS TO PAYMENT AND OTHER RIGHTS OF THE GREER TRUST, UNDER THE MUNICIPAL FACILITIES PURCHASE AND OCCUPANCY AGREEMENT; AUTHORIZING THE EXECUTION AND DELIVERY OF AMENDMENTS TO VARIOUS AGREEMENTS RELATED TO THE SERIES 2006B BOND; AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS RELATING THERETO; AND MAKING PROVISION FOR ALL OTHER MATTERS RELATING TO THE FOREGOING.

September 10, 2013
BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GREER, SOUTH CAROLINA IN MEETING DULY ASSEMBLED:

ARTICLE I

FINDINGS OF FACT

SECTION 1.01. Findings of Fact. As an incident to the enactment of this Ordinance, the City Council of the City of Greer (the “Council”), the governing body of the City of Greer, South Carolina (the “City”), finds that the facts set forth in this Article exist, and the statements made with respect thereto are true and correct.

(a) The Greer Trust, a South Carolina nonprofit corporation (the “Corporation”), has been incorporated for the purpose of supporting certain activities of the City.

(b) The City entered into a Base Lease Agreement dated as of March 15, 2006, as subsequently supplemented and amended (collectively, the “2006 Base Lease”) whereby the City leased the Real Property (as defined in the 2006 Base Lease) to the Corporation.

(c) The Corporation entered into a Municipal Facilities Purchase and Occupancy Agreement dated as of March 15, 2006, as subsequently supplemented and amended (collectively, the “2006 Facilities Agreement”) whereby the Corporation sold the Project Facilities (as defined in the 2006 Facilities Agreement) to the City.

(d) There are currently outstanding the following series of installment purchase revenue bonds issued by the Corporation:

   (i) $9,800,000 The Greer Trust Installment Purchase Revenue Bond (City of Greer Municipal Complex Project) Series 2006B (the “Series 2006B Bond” or the “Prior Bond”); and

   (ii) $7,552,250 The Greer Trust Installment Purchase Revenue Refunding Bond, Series 2008 (the “Series 2008 Bond”) which currently refunded (1) the $2,200,000 The Greer Trust Taxable Installment Purchase Revenue Bond (City of Greer Municipal Complex Project) Series 2006A (the “Series 2006A Bond”) and (2) the $5,000,000 The Greer Trust Taxable Installment Purchase Revenue Bond (City of Greer Municipal Complex Project), Series 2006C (the “Series 2006C Bond”).

(e) The Series 2006A Bond, the Series 2006B Bond and the Series 2006C Bond (collectively, the “Original Bonds”) were used to provide funds with which to defray the cost of the design, acquisition, construction, equipping and installation of the Project Facilities to be used by the City on the Real Property owned by the City, under and by the terms of an Indenture dated as of March 15, 2006, as subsequently supplemented and amended (collectively, the “2006 Indenture”) by and between the Corporation and Bank of America, N.A., the purchaser of the Original Bonds and the Series 2008 Bond.

(f) The Series 2006B Bond was sold with interest payable at a fixed rate of 3.79%. Section 11-27-110 (A)(11) of the Code of Laws of South Carolina, 1976, as amended, requires that the refunding of the Prior Bond be accomplished such that the sum of all payments to be made after such a refinancing is accomplished is less than the sum of all payments to be made under the current financing structures. The
Council has been advised that a current refunding of the Prior Bond will result in aggregate payments which will be significantly lower than those would result if the Prior Bond was not refunded.

(g) The Corporation now proposes to refund the Prior Bond by arranging for the issuance and sale of a note not exceeding $10,000,000 The Greer Trust Installment Purchase Revenue Refunding Bond Series 2013 (the “Series 2013 Bond”), which will be used to provide funds to retire the Prior Bond, including providing for the prepayment penalties, accrued interest and costs of issuance, under the terms of an Indenture (the “2013 Indenture”) between the Corporation and STI Institutional & Government, Inc., or one of its affiliates, its successors and assigns, as purchaser (the “2013 Purchaser”), to be dated on or around September 1, 2013.

(h) In order to effectuate the refinancing of the Prior Bond, the City will be requested to enter into (i) a Base Lease Agreement to be dated on or around September 1, 2013 (the “2013 Base Lease”) with the Corporation and (ii) a Municipal Facilities Purchase and Occupancy Agreement to be dated on or around September 1, 2013 (the “2013 Facilities Agreement”) with the Corporation.

(i) As part of the refinancing of the Prior Bond, (i) the 2006 Indenture, (ii) the 2006 Facilities Agreement and (iii) the 2006 Base Lease will each need to be amended in order to remove a portion of the Real Property and a portion of the Project Facilities from the security of the Corporation’s Series 2008 Bond and include such removed portion of the Real Property and portion of the Project Facilities as part of the security for the Series 2013 Bond.

ARTICLE II

PLAN OF REFUNDING

SECTION 2.01. Plan of Refunding. The Council authorizes the City Administrator and staff of the City to proceed to take such action as is desirable to effect the refunding of the Prior Bond so long as the final maturity date of the Series 2013 Bond is no later than May 1, 2028. The intent of the Council in adopting this Ordinance is to approve the Corporation’s refunding of the Prior Bond and the actions of the Corporation related thereto, and to authorize the execution and delivery of all documents required in connection therewith.

ARTICLE III

AUTHORIZATION OF AND CONSENT TO FINANCING DOCUMENTS

SECTION 3.01. 2013 Base Lease and 2013 Facilities Agreement. The Mayor of the City is hereby authorized, empowered and directed to execute, acknowledge and deliver and the City Clerk is hereby authorized, empowered and directed to attest the 2013 Base Lease and the 2013 Facilities Agreement and deliver them to the Corporation upon advice of counsel that such documents are in the forms necessary to accomplish the purposes of the transactions contemplated therein and in this Ordinance and as shall not be inconsistent with or contrary to such purpose. The execution of the 2013 Base Lease and the 2013 Facilities Agreement shall constitute conclusive evidence of the persons executing the same of their approval.

SECTION 3.02. Consent to 2013 Indenture. The Council hereby consents to and approves the execution and delivery by the Corporation of the 2013 Indenture which will include provisions describing the financing set forth in Section 2.01 hereof. In the event it is determined to be necessary to execute and
deliver an assignment in a document separate from the 2013 Indenture, the Council hereby consents to and approves the execution and delivery of such an assignment by the Corporation.

SECTION 3.03. Consent to and Approval of the Series 2013 Bond. The Council hereby consents to the actions to be undertaken by the Corporation with respect to the refunding of the Prior Bond and the issuance of the Series 2013 Bond. The Council hereby consents to and approves the issuance, sale, execution and delivery of the Series 2013 Bond in the amount set forth in Section 1.01 herein and in a resolution adopted by the Board of Directors of the Corporation on September 6, 2013, such aggregate amount not to exceed $10,000,000, to provide for the payment of the costs of refinancing the Prior Bond, and the costs of issuance of the Series 2013 Bond and all expenses in connection therewith.

SECTION 3.04. Authorization of Various Amendments and Supplements. The Mayor of the City is hereby authorized, empowered and directed to execute, acknowledge and deliver and the City Clerk is hereby authorized, empowered and directed to attest amendments or supplements to the 2006 Base Lease and the 2006 Facilities Agreement and deliver such amendments to the Corporation upon advice of counsel that such documents are in the form necessary to accomplish the purposes of the transactions contemplated therein and in this Ordinance and as shall not be inconsistent with or contrary to such purpose. The Council hereby consents to any amendments or supplements to the 2006 Indenture that may be necessary to accomplish the refinancing of the Prior Bond. The execution of the amendments or supplements to the 2006 Base Lease and the 2006 Facilities Agreement shall constitute conclusive evidence of the persons executing the same of their approval.

SECTION 3.05. Use of Proceeds of the Series 2013 Bond. The proceeds of the Series 2013 Bond shall be applied, as provided in the 2013 Indenture, to (i) provide the amounts necessary to refund the Prior Bond, including any prepayment penalties and accrued interest and (ii) pay costs of issuance of the Series 2013 Bond.

ARTICLE IV

CONSENT TO SALE OF THE SERIES 2013 BOND

SECTION 4.01. Sale of Series 2013 Bond. The City hereby approves and ratifies the actions of the Corporation in accepting the proposal of the 2013 Purchaser for the placement and sale of the Series 2013 Bond. The Mayor and the City Administrator are each hereby authorized, empowered and directed to accomplish the purposes of the transaction contemplated in the commitment letter of the 2013 Purchaser presented to this meeting (the "Commitment Letter") and in this Ordinance and as shall not be inconsistent with or contrary to such purposes. The City hereby approves and ratifies the actions of the Corporation, and the Mayor, if needed, in executing the Commitment Letter of the 2013 Purchaser which provides for an interest rate of 2.55% per annum for the Series 2013 Bond.

ARTICLE V

GENERAL AUTHORIZATION

SECTION 5.01. General Authorization. The Mayor, the City Administrator, the City Clerk, the Director of Finance and Information Technology and the officials of the City are hereby authorized to execute and deliver such documents, certificates and agreements and take such actions as are required under the 2013 Base Lease, the 2013 Facilities Agreement, the 2013 Indenture, and other documents relating to the Series 2013 Bond or to the Prior Bond to effect the issuance of the Series 2013 Bond.
STATE OF SOUTH CAROLINA  )
COUNTY OF GREENVILLE    )

CERTIFICATE OF ORDINANCE

I, the undersigned, City Clerk, DO HEREBY CERTIFY:

That the foregoing constitutes a true, correct and verbatim copy of an Ordinance which was given two readings on two separate days, with an interval of at least six days between the readings. The original of this Ordinance is duly entered in the permanent records of minutes of meetings of the City Council, in my custody as such Clerk.

That each of said meetings was duly called, and all members of the City Council were notified of the same; that a quorum of the membership remained throughout the proceedings incident to the enactment of this Ordinance.

IN WITNESS WHEREOF, I have hereunto set my Hand this 10th day of September, 2013.

CITY OF GREER, SOUTH CAROLINA

[Signature]
Tammela Duncan, Municipal Clerk

First reading: August 27, 2013
Second reading: September 10, 2013
SECTION 5.02. Effective Date. This Ordinance shall take effect immediately upon its second reading and no further authorization is required to execute and deliver all documents and certificates required to effect the sale, issuance and delivery of the Series 2013 Bond. This Ordinance shall be construed liberally to effect the intent of the Council.

ENACTED this 10th day of September, 2013.

CITY OF GREER, SOUTH CAROLINA

Richard W. Danner, Mayor

ATTEST:

Tammela Duncan, Municipal Clerk

Approved as to form:

City Attorney

Introduced By: Councilman Jay Arrowood

First reading: August 27, 2013
Second reading: September 10, 2013