CITY OF GREER, SOUTH CAROLINA

ORDINANCE NO. 41-2017

PROVIDING FOR THE ISSUANCE OF GENERAL OBLIGATION BONDS, IN ONE OR MORE SERIES, TAX-EXEMPT OR TAXABLE, AND THE ALLOCATION OF CITY HOSPITALITY FEES AND CITY ACCOMMODATION FEES AND OTHER CITY REVENUES, TO BE USED UNDER A PLAN OF INSTALLMENT PURCHASE FINANCING TO FUND ONE OR MORE CAPITAL PROJECTS, INCLUDING A CITY PARKING FACILITY, INFRASTRUCTURE, STREETSCAPIING, AND RELATED PUBLIC PROJECTS; AUTHORIZING THE CITY ADMINISTRATOR TO PRESCRIBE THE FORM AND DETAILS OF THE BONDS; PROVIDING FOR THE PAYMENT OF THE BONDS AND THE DISPOSITION OF THE PROCEEDS OF THE BONDS; PROVIDING FOR BORROWING IN ANTICIPATION OF THE ISSUANCE OF THE BONDS; PROVIDING FOR THE CREATION OF ONE OR MORE ENTITIES TO ASSIST IN THE INSTALLMENT PURCHASE FINANCING; PROVIDING FOR THE DISPOSITION OF PROPERTY RELATED TO THE BONDS; PROVIDING AUTHORITY FOR THE CITY TO REIMBURSE ITSELF FOR EXPENDITURES PRIOR TO BORROWING; AND OTHER RELATED MATTERS.

ADOPTED: NOVEMBER 14, 2017
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AN ORDINANCE

PROVIDING FOR THE ISSUANCE OF GENERAL OBLIGATION BONDS, IN ONE OR MORE SERIES, TAX-EXEMPT OR TAXABLE, AND THE ALLOCATION OF CITY HOSPITALITY FEES AND CITY ACCOMMODATION FEES AND OTHER CITY REVENUES, TO BE USED UNDER A PLAN OF INSTALLMENT PURCHASE FINANCING TO FUND ONE OR MORE CAPITAL PROJECTS, INCLUDING A CITY PARKING FACILITY, INFRASTRUCTURE, STREETS CAPING, AND RELATED PUBLIC PROJECTS; AUTHORIZING THE CITY ADMINISTRATOR TO PRESCRIBE THE FORM AND DETAILS OF THE BONDS; PROVIDING FOR THE PAYMENT OF THE BONDS AND THE DISPOSITION OF THE PROCEEDS OF THE BONDS; PROVIDING FOR BORROWING IN ANTICIPATION OF THE ISSUANCE OF THE BONDS; PROVIDING FOR THE CREATION OF ONE OR MORE ENTITIES TO ASSIST IN THE INSTALLMENT PURCHASE FINANCING; PROVIDING FOR THE DISPOSITION OF PROPERTY RELATED TO THE BONDS; PROVIDING AUTHORITY FOR THE CITY TO REIMBURSE ITSELF FOR EXPENDITURES PRIOR TO BORROWING; AND OTHER RELATED MATTERS.

THE CITY OF GREER, SOUTH CAROLINA, CITY COUNCIL ORDAINS:

SECTION 1. Findings. The City Council ("Council") of the City of Greer, South Carolina ("City"), finds and determines:

(a) Article X, Section 14 of the Constitution of the State of South Carolina, 1895, as amended ("Constitution"), provides that each city may incur general obligation bonded indebtedness on such terms and conditions as the General Assembly may prescribe by general law subject to the following limitations: (i) such debt must be incurred only for a purpose which is a public purpose and a corporate purpose, and (ii) unless excepted therefrom, such debt may be issued in an amount not exceeding eight percent of the assessed value of all taxable property of that city ("Bonded Debt Limit").

(b) Pursuant to Title 5, Chapter 21, Code of Laws of South Carolina, 1976, as amended ("Municipal Bond Act"), the city council of any city of the State may issue general obligation bonds for any corporate purpose of that city up to any amount not exceeding that city’s Bonded Debt Limit.

(c) The Municipal Bond Act provides that as a condition precedent to the issuance of bonds an election be held and result favorably thereto. Chapter 27, Title 11, Code of Laws of South Carolina, 1976, as amended ("Article X Enabling Act"), provides that if an election be prescribed by the provisions of the Municipal Bond Act, but is not required by the provisions of Article X of the Constitution, then in every such instance, no election need be held (notwithstanding the requirement therefor) and the remaining provisions of the Municipal Bond Act shall constitute a full and complete authorization to issue bonds in accordance with such remaining provisions.

(d) The City has determined to acquire, design, construct, install, renovate, furnish, equip and make various improvements to new and existing facilities for: (i) downtown infrastructure, downtown street
paving, downtown street lighting, downtown streetscaping, downtown parking facility (garage), surface parking lots, paving projects, Highway 29 corridor improvements, Highway 101 corridor improvements, the Center for the Arts and adjacent park-area, Kids Planet renovation, and biking and walking trails, (ii) and other, related, public projects (collectively, (i) and (ii), “Projects”); the City has determined that it may form and use one or more entities, on the behalf and for the benefit of the City, to accomplish the purposes of this Ordinance (collectively, “Entity”), including the issuance of bonds and the execution and delivery of various documents to effect the transfer of real property interests in the Projects to, or from (or both), the City and other related matters, all intended to accomplish an installment purchase financing.

(e) The assessed valuation of all property in the City as of June 30, 2017 (unaudited), for purposes of computation of the Bonded Debt Limit, is not less than $119,115,664. Eight percent of this assessed valuation is $9,529,253 (“City’s Bonded Debt Limit”). As of June 30, 2017 (unaudited), the City has outstanding no more than $1,130,000 of general obligation indebtedness subject to the City’s Bonded Debt Limit. As of the adoption of this Ordinance, the difference between the City’s Bonded Debt Limit and the principal amount of the outstanding general obligation indebtedness subject to the City’s Bonded Debt Limit is the amount of general obligation indebtedness which the City may incur without a referendum, which is no less than: $8,399,253.

(f) The Council has found it is in the best interest of the City for the Council to provide for the issuance of one or more general obligation bonds of the City, pursuant to the provisions of the Constitution and laws of the State of South Carolina in the aggregate principal amount not to exceed the City’s Bonded Debt Limit for the purpose of: (i) funding the Projects, including by refunding any existing indebtedness related to the Projects; (ii) funding the acquisition of an interest in the Projects, if held by the Entity; (iii) providing for capitalized interest, if any, on the Bonds or BANs; (iv) defraying additional costs of the Projects; and (v) paying the costs of issuance related to the Bonds or BANs (defined below).

SECTION 2. Authorization and Details of Bonds and the Projects. Pursuant to the Constitution and laws of the State of South Carolina, the City is authorized to issue not exceeding the City’s Bonded Debt Limit in general obligation bonds of the City to be designated “General Obligation Bonds of the City of Greer, South Carolina” (“Bonds”) for the purposes set forth in Section 1(f). The Bonds also may be issued in one or more series, taxable or tax-exempt, from time to time as may be determined in the manner provided below with such further designation of each series to identify the year in which such bonds are issued.

The Bonds may be issued as fully-registered bond; dated the date of their delivery or such other date as may be selected by the City Administrator; may be in denominations of $5,000 or any integral multiple thereof not exceeding the principal amount of the Bonds maturing in each year; shall be numbered from R-1 upward; shall bear interest, if any, from their date as may be determined by the City Administrator; and shall mature as determined by the City Administrator.

SECTION 3. Delegation of Certain Details of the Bonds to the City Administrator. The Council expressly delegates to the City Administrator determinations regarding the Bonds as are necessary or appropriate, including the form of the Bonds (or BANs), whether to issue taxable or tax-exempt bonds, and whether to issue bonds as provided by any state or federal economic recovery or “stimulus” laws. The City Administrator is further directed to consult with Parker Poe Adams & Bernstein LLP, the City’s bond counsel, in making any such decisions.

SECTION 4. Registrar/Paying Agent. Both the principal installments of and interest on the Bonds shall be payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for public and private debts. The City Clerk or a qualified financial institution shall serve as
the Registrar/Paying Agent for the Bonds ("Registrar/Paying Agent") and shall fulfill all functions of the Registrar/Paying Agent enumerated herein.

SECTION 5. Registration and Transfer. The City shall cause books ("registry books") to be kept at the offices of the Registrar/Paying Agent, for the registration and transfer of the Bonds. Upon presentation at its office for such purpose, the Registrar/Paying Agent shall register or transfer, or cause to be registered or transferred, on such registry books, the Bonds under such reasonable regulations as the Registrar/Paying Agent may prescribe.

The Bonds shall be transferable only upon the registry books of the City, which shall be kept for such purpose at the principal office of the Registrar/Paying Agent, by the registered owner thereof in person or by his duly authorized attorney upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar/Paying Agent, duly executed by the registered owner or his duly authorized attorney. Upon the transfer of the Bonds, the Registrar/Paying Agent on behalf of the City shall issue in the name of the transferee new fully registered Bonds, of the same aggregate principal amount, interest rate and maturity as the surrendered Bonds. Any Bond surrendered in exchange for a new registered Bond pursuant to this Section shall be canceled by the Registrar/Paying Agent.

The City and the Registrar/Paying Agent may deem or treat the person in whose name the fully registered Bonds shall be registered upon the registry books as the absolute owner of such Bonds, whether such Bonds shall be overdue or not, for the purpose of receiving payment of the principal of and interest on such Bonds and for all other purposes, and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bonds to the extent of the sum or sums so paid, and neither the City nor the Registrar/Paying Agent shall be affected by any notice to the contrary. In all cases in which the privilege of transferring the Bonds is exercised, the City shall execute and the Registrar/Paying Agent shall authenticate and deliver the Bonds in accordance with the provisions of this Ordinance. Neither the City nor the Registrar/Paying Agent shall be obliged to make any such transfer of the Bonds during the period beginning on the Record Date (as defined in Section 6 hereof) and ending on an interest payment date.

SECTION 6. Record Date. The City establishes a record date ("Record Date") for the payment of interest or for the giving of notice of any proposed redemption of the Bonds, and such Record Date shall be the 15th day of the calendar month next preceding an interest payment date on the Bonds or, in the case of any proposed redemption of the Bonds, such Record Date shall not be more than 15 days prior to the mailing of notice of redemption of the Bonds.

SECTION 7. Lost, Stolen, Destroyed or Defaced Bonds. In case the Bonds shall at any time become mutilated in whole or in part, or be lost, stolen or destroyed, or be so defaced as to impair the value thereof to the owner, the City shall execute and the Registrar/Paying Agent shall authenticate and deliver at the principal office of the Registrar/Paying Agent, or send by registered mail to the owner thereof at his request, risk and expense, a new Bond of the same interest rate and maturity and of like tenor and effect in exchange or substitution for and upon the surrender for cancellation of such defaced, mutilated or partly destroyed Bond, or in lieu of or in substitution for such lost, stolen or destroyed Bond. In any such event the applicant for the issuance of a substitute Bond shall furnish the City and the Registrar/Paying Agent evidence or proof satisfactory to the City and the Registrar/Paying Agent of the loss, destruction, mutilation, defacement or theft of the original Bond, and of the ownership thereof, and also such security and indemnity in such amount as may be required by the laws of the State of South Carolina or such greater amount as may be required by the City and the Registrar/Paying Agent. Any duplicate Bond issued under the provisions of this Section in exchange and substitution for any defaced, mutilated or partly destroyed Bond or in substitution for any allegedly lost, stolen or wholly destroyed Bond shall be
entitled to the identical benefits under this Ordinance as was the original Bond in lieu of which such duplicate Bond is issued.

All expenses necessary for the providing of any duplicate Bond shall be borne by the applicant therefor.


(a) Notwithstanding anything to the contrary herein, so long as the Bonds are being held under a book-entry system of a securities depository, transfers of beneficial ownership of the Bonds will be effected pursuant to rules and procedures established by such securities depository. The initial securities depository for the Bonds will be The Depository Trust Company ("DTC"), New York, New York. DTC and any successor securities depositories are hereinafter referred to as the "Securities Depository." The Bonds shall be registered in the name of Cede & Co., as the Securities Depository nominee for the Bonds. Cede & Co. and successor Securities Depository nominees are hereinafter referred to as the "Securities Depository Nominee."

(b) As long as a book-entry system is in effect for the Bonds, the Securities Depository Nominee will be recognized as the holder of the Bonds for the purposes of (i) paying the principal, interest and premium, if any, on such Bonds, (ii) if the Bonds are to be redeemed in part, selecting the portions of such Bonds to be redeemed, (iii) giving any notice permitted or required to be given to bondholders under this ordinance, (iv) registering the transfer of the Bonds, and (v) requesting any consent or other action to be taken by the holder of such Bonds, and for all other purposes whatsoever, and the City shall not be affected by any notice to the contrary.

(c) The City shall not have any responsibility or obligation to any participant, any beneficial owner or any other person claiming a beneficial ownership in the Bonds which are registered to a Securities Depository Nominee under or through the Securities Depository with respect to any action taken by the Securities Depository as holder of the Bonds.

(d) The City shall pay all principal, interest and premium, if any, on the Bonds issued under a book-entry system, only to the Securities Depository or the Securities Depository Nominee, as the case may be, for such Bonds, and all such payments shall be valid and effectual to fully satisfy and discharge the obligations with respect to the principal of and premium, if any, and interest on such Bonds.

(e) In the event that the City determines that it is in the best interest of the City to discontinue the book-entry system of transfer for the Bonds, or that the interests of the beneficial owners of the Bonds may be adversely affected if the book-entry system is continued, then the City shall notify the Securities Depository of such determination. In such event, the City shall appoint a Registrar/Paying Agent which shall authenticate, register and deliver physical certificates for the Bonds in exchange for the Bonds registered in the name of the Securities Depository Nominee.

(f) In the event that the Securities Depository for the Bonds discontinues providing its services, the City shall either engage the services of another Securities Depository or arrange with a Registrar/Paying Agent for the delivery of physical certificates in the manner described in (e) above.

(g) In connection with any notice or other communication to be provided to the holder of the Bonds by the City or by the Registrar/Paying Agent with respect to any consent or other action to be taken by the holder of the Bonds, the City or the Registrar/Paying Agent, as the case may be, shall establish a record date for such consent or other action and give the Securities Depository Nominee notice of such record
date not less than 15 days in advance of such record date to the extent possible.

SECTION 9. Execution of Bonds. The Bonds shall be executed in the City’s name with the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the Clerk to City Council under a facsimile of the seal of the City which shall be impressed, imprinted or reproduced thereon. The Bonds shall not be valid or become obligatory for any purpose unless there shall have been endorsed thereon a certificate of authentication. The Bonds shall bear a certificate of authentication manually executed by the Registrar/Paying Agent in substantially the form set forth herein.

SECTION 10. Form of Bond. The Bonds shall be in the form as determined by the City Administrator under Section 3.

SECTION 11. Security for Bond. The full faith, credit and taxing power of the City are irrevocably pledged for the payment of the principal and interest of the Bonds as they mature and to create a sinking fund to aid in the retirement and payment thereof. There shall be levied and collected annually upon all taxable property in the City an ad valorem tax, without limitation as to rate or amount, sufficient for such purposes.

SECTION 12. Exemption from Taxation. Both the principal and interest on the Bonds shall be exempt, in accordance with the provisions of Section 12-2-50 of the Code of Laws of South Carolina, 1976, as amended, from all State, county, municipal, school district and all other taxes or assessments, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate and transfer taxes, but the interest thereon may be includable in certain franchise fees or taxes.

SECTION 13. Sale of Bond, Form of Notice of Sale. The Bonds may be sold at a public or private sale, as authorized by Section 11-27-40(4) of the Code of Laws of South Carolina, 1976, as amended, as the City Administrator may determine, using a Notice of Sale or other similar Notice, as the City Administrator may determine.

SECTION 14. Deposit and Application of Proceeds. It is expected that proceeds of the Bonds will be fully drawn at Closing. The proceeds of the Bonds or of BANs (authorized under Section 16 of this Ordinance), when drawn, will be deposited in a bond account fund for the City and shall be expended and made use of as follows:

(a) any accrued interest, if any, shall be applied to the payment of the first installment of interest to become due on the Bonds or BANs; and

(b) the remaining proceeds shall be expended and made use of to defray the cost of issuing the Bonds or BANs and to defray the costs of the Project. Pending the use of such proceeds, the same shall be invested and reinvested in such investments as are permitted under State law. Earnings on such investments shall be applied either to defray Project costs or, if not so required, to pay principal on the Bonds.

SECTION 15. Defeasance.

(a) If a series of bonds issued pursuant to this Ordinance shall have been paid and discharged, then the obligations of the Ordinance hereunder, and all other rights granted thereby shall cease and determine with respect to such series of bonds. A series of bonds shall be deemed to have been paid and discharged within the meaning of this Section under any of the following circumstances:
(i) If the Registrar/Paying Agent (or, if the City is the Registrar/Paying Agent, a bank or other institution serving in a fiduciary capacity) ("Escrow Agent") shall hold, at the stated maturities of the bonds, in trust and irrevocably appropriated thereto, moneys for the full payment thereof; or

(ii) If default in the payment of the principal of such series of bonds or the interest thereon shall have occurred, and thereafter tender of payment shall have been made, and the Escrow Agent shall hold, in trust and irrevocably appropriated thereto, sufficient moneys for the payment thereof to the date of the tender of payment; or

(iii) If the City shall have deposited with the Escrow Agent, in an irrevocable trust, either moneys in an amount which shall be sufficient, or direct general obligations of the United States of America, which are not subject to redemption by the issuer prior to the date of maturity thereof, as the case may be, the principal of and interest on which, when due, and without reinvestment thereof, will provide moneys, which, together with the moneys, if any, deposited with the Escrow Agent at the same time, shall be sufficient to pay, when due, the principal, interest, and redemption premium or premiums, if any, due and to become due on such series of bonds and prior to the maturity date or dates of such series of bonds, or, if the City shall elect to redeem such series of bonds prior to the stated maturities, and shall have irrevocably bound and obligated itself to give notice of redemption thereof in the manner provided in the form of the bonds, on and prior to the redemption date or dates of such series of bonds, as the case may be; or

(iv) If there shall have been deposited with the Escrow Agent either moneys in an amount which shall be sufficient, or direct general obligations of the United States of America the principal of and interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Escrow Agent at the same time, shall be sufficient to pay, when due, the principal and interest due and to become due on such series of bonds on the maturity thereof.

(b) In addition to the above requirements of paragraph (a), in order for this Ordinance to be discharged with respect to a series of bonds, all other fees, expenses and charges of the Escrow Agent have been paid in full at that time.

(c) Notwithstanding the satisfaction and discharge of this Ordinance with respect to a series of bonds, the Escrow Agent shall continue to be obligated to hold in trust any moneys or investments then held by the Escrow Agent for the payment of the principal of, premium, if any, and interest on, such series of bonds, to pay to the owners of such series of bonds the funds so held by the Escrow Agent as and when payment becomes due.

(d) Any release under this Section shall be without prejudice to the rights of the Escrow Agent to be paid reasonable compensation for all services rendered under this Ordinance and all reasonable expenses, charges, and other disbursements and those of their respective attorneys, agents, and employees, incurred on and about the performance of the powers and duties under this Ordinance.

(e) Any moneys which at any time shall be deposited with the Escrow Agent by or on behalf of the City for the purpose of paying and discharging any bonds shall be and are assigned, transferred, and set over to the Escrow Agent in trust for the respective holders of such bonds, and the moneys shall be and are irrevocably appropriated to the payment and discharge thereof. If, through lapse of time or otherwise, the holders of such bonds shall no longer be entitled to enforce payment of their obligations, then, in that event, it shall be the duty of the Escrow Agent to transfer the funds to the City.

(f) In the event any bonds are not to be redeemed within the 60 days next succeeding the date the
deposit required by Section 15(a)(iii) or (iv) is made, the City shall give the Escrow Agent irrevocable instructions to mail, as soon as practicable by registered or certified mail, a notice to the owners of the bonds at the addresses shown on the registry books that (i) the deposit required by subparagraph (a)(iii) or (a)(iv) of this Section 15 has been made with the Escrow Agent, (ii) the bonds are deemed to have been paid in accordance with this Section and stating the maturity or redemption dates upon which moneys are to be available for the payment of the principal of, and premium, if any, and interest on, the bonds, and (iii) stating whether the City has irrevocably waived any rights to redeem the bonds, or any of them, prior to the maturity or redemption dates set forth in the preceding clause (ii).

(g) The City covenants and agrees that any moneys which it shall deposit with the Escrow Agent shall be deemed to be deposited in accordance with, and subject to, the applicable provisions of this Section, and whenever it shall have elected to redeem bonds, it will irrevocably bind and obligate itself to give notice of redemption thereof, and will further authorize and empower the Escrow Agent to cause notice of redemption to be given in its name and on its behalf.

SECTION 16. Authority to Issue Bond Anticipation Notes. If the City Administrator should determine that issuance of BANs pursuant to Chapter 17 of Title 11 of the Code ("BAN Act") rather than the Bonds would result in a substantial savings in interest under prevailing market conditions or for other reasons would be in the best interest of the City, the City Administrator is further requested and authorized to effect the issuance of one or more series of BANs pursuant to the BAN Act. If BANs are issued and if, upon the maturity thereof, the City Administrator should determine that further issuance of BANs rather than the Bonds would result in a substantial savings in interest under then prevailing market conditions or for other reasons would be in the City's best interest, the City Administrator is requested to continue the issuance of BANs until the City Administrator determines to issue the Bonds on the basis as aforesaid, and the Bond is issued.

SECTION 17. Details of Bond Anticipation Notes. Subject to changes in terms required for any particular issue of BANs, the BANs shall be subject to the following particulars:

(a) The BANs shall be dated and bear interest from the date of delivery thereof or, if the BAN is issued on a draw-down basis, from the date of each such advance, payable upon the stated maturity thereof, at the rate negotiated by the City Administrator and shall mature on such date, not to exceed one year from the issue date thereof, as shall be determined by the City Administrator.

(b) The BANs shall be numbered from one upwards for each issue and shall be in the denomination of $5,000 or any integral multiple thereof requested by the purchaser thereof. The BANs shall be payable, both as to principal and interest, in legal tender upon maturity, at the principal office of a bank designated by the City or, at the option of the City, by the purchaser thereof.

The BANs also may be issued as one or more fully registered "draw-down" style instruments in an aggregate face amount not exceeding the maximum amount permitted hereunder, to a lending institution under terms which permit the balance due under such note or notes to vary according to the actual cash needs of the City, as shall be determined by the City Administrator. In such event, the City may draw upon such note or notes as it needs funds so long as the maximum outstanding balance due under such note or notes does not exceed the aggregate face amount thereof.

(c) The City Administrator is authorized to negotiate or to arrange for a sale of the BANs and to determine the rate of interest to be borne thereby.

(d) The BANs shall be in the form as determined by the City Administrator under Section 3.
(e) The BANs shall be issued in fully registered or bearer certificated form or a book-entry-only form as specified by the City, or at the option of the City, by the purchaser thereof; provided that once issued, the BANs of any particular issue shall not be reissued in any other form and no exchange shall be made from one form to the other.

(f) In the event any BAN is mutilated, lost, stolen or destroyed, the City may execute a new BAN of like date and denomination as that mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated BAN, such mutilated BAN shall first be surrendered to the City, and in the case of any lost, stolen or destroyed BAN, there shall be first furnished to the City evidence of such loss, theft or destruction satisfactory to the City, together with indemnity satisfactory to it; provided that, in the case of a holder which is a bank or insurance company, the agreement of such bank or insurance company to indemnify shall be sufficient. In the event any such BAN shall have matured, instead of issuing a duplicate BAN, the City may pay the same without surrender thereof. The City may charge the holder of such BAN with its reasonable fees and expenses in this connection.

(g) Any BAN issued in fully-registered form shall be transferable only upon the books of registry of the City, which shall be kept for that purpose at the office of the City as note registrar (or its duly authorized designee), by the registered owner thereof or by his attorney, duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the City as note registrar, duly executed by the registered owner or his duly authorized attorney. Upon the transfer of any BAN, the City shall issue, subject to the provisions of paragraph (h) below, in the name of the transferee, a new BAN or BANs of the same aggregate principal amount as the unpaid principal amount of the surrendered BAN. Any holder of a BAN in fully-registered form requesting any transfer shall pay any tax or other governmental charge required to be paid with respect thereto. As to any BAN in fully-registered form, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal and interest of any BAN in fully-registered form shall be made only to or upon the order of the registered holder thereof, or his duly authorized attorney, and the City shall not be affected by any notice to the contrary, but such registration may be changed as herein provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such BAN to the extent of the sum or sums so paid.

(h) BANs issued in fully registered form, upon surrender thereof at the office of the City (or at such office as may be designated by its designee) as note registrar, with a written instrument of transfer satisfactory to the City, duly executed by the holder of the BAN or his duly authorized attorney, may, at the option of the holder of the BAN, and upon payment by such holder of any charges which the City may make as provided in paragraph (i), be exchanged for a principal amount of BANs in fully registered form of any other authorized denomination equal to the unpaid principal amount of surrendered BANs.

(i) In all cases in which the privilege of exchanging or transferring BANs in fully-registered form is exercised, the City shall execute and deliver BANs in accordance with the provisions of such Ordinance. All BANs in fully-registered form surrendered in any such exchanges or transfers shall forthwith be canceled by the City. There shall be no charge to the holder of such BAN for such exchange or transfer of BANs in fully-registered form except that the City may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or transfer.

SECTION 18. Security for Bond Anticipation Notes. For the payment of the principal of and interest on the BANs as the same shall fall due, so much of the principal proceeds of the Bond when issued shall and is directed to be applied, to the extent necessary, to the payment of the BANs; and, further, the City covenants and agrees to effect the issuance of sufficient BANs or bonds in order that the proceeds thereof will be sufficient to provide for the retirement of any BANs issued pursuant hereto.
SECTION 19. Tax and Securities Laws Covenants. To the extent the City determines to issue tax-exempt bonds, with respect to those bonds:

(a) The City covenants that no use of the proceeds of the sale of the Bond or BANs authorized hereunder shall be made which, if such use had been reasonably expected on the date of issue of such Bond or BANs would have caused the Bond or BANs to be “arbitrage bonds,” as defined in the Code, and to that end the City shall comply with all 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 Bond or BANs are outstanding.

(b) The City further covenants to take all action necessary, including the payment of any rebate amount, to comply with Section 148(f) of the Code and any regulations promulgated thereunder.

(c) The City covenants to file Internal Revenue Service (“IRS”) form 8038, if the Code so requires, at the time and in the place required therefore under the Code.

(d) The City may reimburse itself for any expenditures under IRS regulations according to Exhibit A of this Ordinance.

SECTION 20. Building Purchase/Sale and Appropriation of Funds. The Council authorizes the Mayor, Clerk to City Council, City Administrator, and other City Officials to negotiate in good faith to purchase, sell and develop the real property on which the Projects are to be located; to appropriate funds from the various capital project funds City Councils appropriates, accommodations and hospitality fees, and other similar, funds for the purchase, sale and development of the Projects; take all steps reasonably necessary and proper to purchase, sell and develop the Projects. Further, the City Administrator (and his designated appointees) is authorized and directed, in the name of and on behalf of the City, to take whatever further actions and execute whatever further documents, including purchase-sale agreements, option contracts, deeds or other similar agreements, as the City Administrator (and his designated appointees) deems to be reasonably necessary and prudent to effect the intent of this Ordinance, and assist in purchasing, selling and developing the Projects.

Further, the City Administrator (and his designated appointees) is authorized and directed, in the name of and on behalf of the City, to provide for the annual appropriation of the revenues generated by the Projects.

SECTION 21. Authorization for City Officials to Execute Documents. The Council authorizes the Mayor, Clerk to City Council, City Administrator, and other City Officials to execute and consent to such documents and instruments, including, e.g., purchase-sale agreements, option contracts, or other similar agreements, as may be necessary to effect the intent of this Ordinance, the issuance of the Bonds, and any documents related to the transfer to, or acquisition from (or both), the Projects, and the issuance of installment purchase revenue bonds by the Entity.

The Council approves the principal bond documents: (a) Base Lease and Conveyance Agreement, (b) Installment Purchase and Use Agreement, and (c) Trust Agreement, the substantially final form of which are attached to this Ordinance, collectively, as Exhibit B, with those changes acceptable to the City Administrator after consultation with the City’s bond counsel. The execution and attestation by the City officials is evidence of the City’s acceptance of any changes.

SECTION 22. Consent to Actions by Third Parties. The Council authorizes the creation of the Entity and the undertakings by the Entity on behalf of the City regarding the Projects and the issuance by
the Entity of its own installment purchase revenue bonds, including the form of those bonds. Further, the Council acknowledges that the initial board of directors of the Entity is anticipated to have no more than five members and shall be appointed by the incorporator. The Council consents to and approves the issuance, sale, execution and delivery of installment purchase revenue bonds by the Entity, in one or more series of taxable or tax-exempt obligations, in an amount or amounts to be set pursuant to a resolution to be adopted by the board of directors of the Entity, to provide for the payment of the costs of the Projects and the costs of issuance and all expenses in connection therewith. The Council also agrees to accept the Projects at the time as the bonds issued by the Entity mature or are defeased.

SECTION 23. Publication of Notice of Adoption of Ordinance pursuant to Section 11-27-40, paragraph 8, of the Code of Laws of South Carolina, 1976. Pursuant to the provisions of Section 11-27-40 of the Code, the City Administrator, at his option, is authorized to arrange to publish a notice of adoption of this Ordinance.

SECTION 24. Retention of Bond Counsel and Other Suppliers. The Council authorizes the City Administrator to retain the law firm of Parker Poe Adams & Bernstein LLP, as bond counsel.

The Council further authorizes the City Administrator to enter into other contractual arrangements with printers and the suppliers of other goods and services necessary to the sale, execution and delivery of the Bond as is necessary and desirable. The City Administrator is authorized to make these arrangements without obtaining bids or quotes based on the advice of bond counsel.

SECTION 25. General Repealer. All ordinances, rules, regulations, resolutions and parts thereof, procedural or otherwise, in conflict herewith or the proceedings authorizing the issuance of the Bond are, to the extent of such conflict, repealed and this Ordinance shall take effect and be in full force from and after its enactment.

[Signature Page Follows]
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CITY OF GREER, SOUTH CAROLINA

Richard W. Danner, Mayor

[SEAL]

ATTEST:

Tammela Duncan, Municipal Clerk

Introduced by: Councilwoman Judy Albert
First Reading: October 24, 2017
Second Reading / Final Approval: November 14, 2017

APPROVED AS TO FORM:

John B. Duggan, City Attorney
EXHIBIT A
REIMBURSEMENT FOR PROJECT EXPENSES

The Internal Revenue Service and U.S. Treasury Department have promulgated Treasury Regulation, Section 1.150-2 ("Regulation") that authorizes a political subdivision to reimburse itself for expenditures made with respect to projects prior to the issuance of tax-exempt obligations for those projects;

The Regulation requires the governing body of the political subdivision declare its official intent to reimburse an expenditure prior to the incurrence of the expenditure;

The City anticipates incurring expenditures related to Project as described in the Ordinance to which this Exhibit A is attached prior to the consummation of a federally tax-exempt financing for that purpose.

By adopting the Ordinance, with this Exhibit A, the Council declares its official intent to reimburse itself for any Project-related expenditures, incurred and paid on and after the date occurring 60 days prior to the date of this Ordinance’s enactment, from the proceeds of federally tax-exempt obligations.

The City understands that expenditures, for which the City may reimburse itself, are limited to expenditures, which are (a) properly chargeable to a capital account (or would be so chargeable with a proper election or with the application of the definition of “placed in service” under the Regulation) under general federal income tax principles; and (b) certain de minimis or preliminary expenditures satisfying the Regulation’s requirements.

The City anticipates the source of funds for the pre-borrowing, Project-related expenditures to be the City’s general fund, the City’s hospitality fund and accommodation fund, or one or more designated capital project funds.

To be eligible for reimbursement of the expenditures, the reimbursement allocation must be made not later than 18 months after the later of (a) the date on which the expenditures were paid, or (b) the date the Project was placed in service, but in no event more than three years after the City made the original expenditures.
EXHIBIT B
SUBSTANTIALLY FINAL FORM OF:

BASE LEASE AND CONVEYANCE AGREEMENT
INSTALLMENT PURCHASE AND USE AGREEMENT
TRUST AGREEMENT