CITY OF GREER, SOUTH CAROLINA

TWELFTH SUPPLEMENTAL ORDINANCE NO. 11-2017

A TWELFTH SUPPLEMENTAL ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF CITY OF GREER, SOUTH CAROLINA, COMBINED UTILITY SYSTEM REFUNDING REVENUE BONDS, IN ONE OR MORE SERIES, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING $15,500,000; AUTHORIZING THE MAYOR OR CITY ADMINISTRATOR AND THE GENERAL MANAGER OF THE GREER COMMISSION OF PUBLIC WORKS TO DETERMINE CERTAIN MATTERS WITH RESPECT TO THE BONDS; PRESCRIBING THE FORM AND DETAILS OF THE BONDS; AND OTHER MATTERS RELATING THERETO.

Enacted: March 28, 2017
BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GREER, SOUTH CAROLINA, IN COUNCIL ASSEMBLED:

Section 1. Definitions. The terms in this Section 1 and all words and terms defined in General Bond Ordinance No. 27-97 (the “General Bond Ordinance”) enacted by the Council on July 22, 1997 (such General Bond Ordinance as from time to time amended or supplemented by Supplemental Ordinances being defined in the Ordinance as the "Ordinance") (except as herein otherwise expressly provided or unless the context otherwise requires), shall for all purposes of this Twelfth Supplemental Ordinance have the respective meanings given to them in the Ordinance and in Section 1 hereof.

“2004 SRF Note” shall mean the $9,258,873 final principal amount Promissory Note of the City, Series 2004, dated June 24, 2004, and outstanding as of the date hereof in the principal amount of $6,331,678 and payable to the State Authority for South Carolina Drinking Water Revolving Fund Loan No.3-018-04-2310005-02.

“2005 SRF Note” shall mean the $7,412,143 final principal amount Promissory Note of the City, Series 2005, dated June 30, 2005, and outstanding as of the date hereof in the principal amount of $5,280,834 and payable to the State Authority for South Carolina Drinking Water Revolving Fund Loan No. 3-022-05-2310005-03.

“2007 SRF Note” shall mean the $13,484,454 final principal amount Promissory Note of the City, Series 2007, dated November 16, 2007, and outstanding as of the date hereof in the principal amount of $8,916,168 and payable to the State Authority for South Carolina Water Pollution Control Revolving Fund Loan No. X1-110-07-463-11.

“2009 SRF Note” shall mean the $5,310,485 final principal amount Promissory Note of the City, Series 2009, dated September 25, 2009, and outstanding as of the date hereof in the principal amount of $4,335,826 and payable to the State Authority for South Carolina South Carolina Drinking Water Revolving Fund Loan No. S3-043-09-2310005-04.

“2017 Debt Service Funds” shall mean the Fund or Funds (with an appropriate series designation) established pursuant to Section 8 hereof to provide for the payment of the principal of and interest on the Series 2017 Bonds.

“Bond of 2007” shall mean the $5,700,000 original principal amount Combined Utility System Revenue Bond, Series 2007, dated May 24, 2007, and outstanding as of the date hereof in the principal amount of $3,676,828.

“Bond of 2009” shall mean the $24,230,000 original principal amount Combined Utility System Refunding Revenue Bond, Series 2009, dated June 4, 2009, and outstanding as of the date hereof in the principal amount of $16,055,000.

“Bond of 2015” shall mean the $4,590,000 original principal amount Combined Utility System Refunding Revenue Bond, Series 2015, dated September 1, 2015, and outstanding as of the date hereof in the principal amount of $4,175,000.

“Bonds of 2002” shall mean the $25,060,000 original principal amount Combined Utility System Revenue Bonds, Series 2002, dated May 15, 2002, and outstanding as of the date hereof in the principal amount of $23,075,000.
"Bond to be Refunded" shall mean the principal amounts of the Bond of 2009 to be refunded with a portion of the proceeds of the Series 2017 Bonds.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Commission" shall mean the Board of Commissioners of Public Works of the City of Greer, South Carolina.

"Commission Representative" shall mean those persons designated by certificate of the General Manager of the Commission as persons authorized to act as representatives of the Commission with respect to the Resolution, the General Bond Ordinance, this Twelfth Supplemental Ordinance and the Series 2017 Bonds, for the purpose of performing any act of the Commission hereunder.

"Cost of Issuance Accounts" shall mean the account or accounts (with an appropriate series designation) established pursuant to Section 9 hereof to pay Costs of Issuance on the Series 2017 Bonds.

"Custodian" shall mean the bank, depository or trust company selected by the General Manager or Finance Director of the Commission as custodian of the Cost of Issuance Accounts.


"Eleventh Supplemental Ordinance" shall mean Eleventh Supplemental Ordinance No. 13-2015 enacted on April 14, 2015, by the Council of the City authorizing the issuance of the Bond of 2015.

"Escrow Agent" shall mean Branch Banking and Trust Company as escrow agent under the Refunding Trust Agreements.

"Fifth Supplemental Ordinance" shall mean Fifth Supplemental Ordinance No. 20-2005 enacted on May 24, 2005, by the Council of the City authorizing the issuance of the 2005 SRF Note.

"Fourth Supplemental Ordinance" shall mean the Fourth Supplemental Ordinance No. 7-2004 enacted on May 25, 2004, by the Council of the City authorizing the issuance of the 2004 SRF Note.

"General Bond Ordinance" shall mean General Bond Ordinance No. 27-97 duly enacted on July 22, 1997, by the Council of the City authorizing and providing for the issuance of Combined Utility System Revenue Bonds, as such Ordinance has been amended, and as such Ordinance may be modified, amended or supplemented from time to time.

"General Manager" shall mean the General Manager of the Commission, or any interim General Manager of the Commission, as applicable.

"Interest Payment Date" shall mean March 1 and September 1 of each year commencing March 1, 2018, or such other date or dates, or such other year, as the Mayor or the City Administrator and the General Manager of the Commission may determine pursuant to Section 4 hereof.

"Ninth Supplemental Ordinance" shall mean Ninth Supplemental Ordinance No. 20-2009 enacted on September 8, 2009, by the Council of the City authorizing the issuance of the 2009 SRF Note.

"Parity Bonds" shall mean, collectively, the Bonds of 2002, the 2004 SRF Note, the 2005 SRF
Note, the 2007 SRF Note, the Bond of 2007 Bond, the 2009 SRF Note, and the Bond of 2015.

"Paying Agent" shall mean Branch Banking and Trust Company, in Wilson, North Carolina, as Paying Agent for the Series 2017 Bonds.

"Principal Payment Date" shall have the meaning given to such term in Section 3(a) hereof.

"Purchasers" shall mean the original purchaser or purchasers of the Series 2017 Bonds and their successors or assignees.

"Refunding Trust Agreements" shall mean the Refunding Trust Agreement or Refunding Trust Agreements (if any) dated the date of their execution between the City and the Escrow Agent.

"Refunding Trust Funds" shall mean the fund or funds (with an appropriate series designation) of that name created pursuant to the Refunding Trust Agreements.

"Registrar" shall mean Branch Banking and Trust Company, in Wilson, North Carolina, as Registrar for the Series 2017 Bonds.

"Series 2017 Bonds" shall mean the City of Greer, South Carolina, Combined Utility System Refunding Revenue Bonds, Series 2017 (or such other year and further descriptive terms, as applicable), in the aggregate principal amount of not exceeding $15,500,000 authorized to be issued hereunder. The Series 2017 Bonds may be issued in one or more series.

"Seventh Supplemental Ordinance" shall mean Seventh Supplemental Ordinance No. 45-2007 enacted on October 23, 2007, by the Council of the City authorizing the issuance of the 2007 SRF Note.


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


Section 2. Certain Findings and Determinations.

The City hereby finds and determines:

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

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

(c) Pursuant to a Resolution adopted on February 27, 2017 (the "Resolution"), the Commission requested the City Council to enact this Twelfth Supplemental Ordinance and issue the Series 2017 Bonds.

(d) The Series 2017 Bonds must be issued pursuant to the terms and conditions of the General Bond Ordinance in order for the Series 2017 Bonds to be issued on a parity in all respects to the pledge
securing the Parity Bonds.

(e) The Council is enacting this Twelfth Supplemental Ordinance in order to:

(i) authorize the execution and delivery on behalf of the City of the Series 2017 Bonds;

(ii) evidence the approval of the refunding of the Bond to be Refunded and the issuance of the Series 2017 Bonds; and

(iii) authorize the execution and delivery by, and on behalf of, the City of such other agreements and certificates and the taking of such other action by the City and its officers as shall be necessary or desirable in connection with the refunding in order to carry out the intent of this Twelfth Supplemental Ordinance.

(f) This Twelfth Supplemental 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.

(g) The Series 2017 Bonds constitute and are "Bonds" within the meaning of the quoted word as defined and used in the General Bond Ordinance.

(h) The Net Revenues pledged under the 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 the following Supplemental Ordinances: (i) the Third Supplemental Ordinance for payment and security of the Bonds of 2002; (ii) the Fourth Supplemental Ordinance for payment and security of the 2004 SRF Note; (iii) the Fifth Supplemental Ordinance for payment and security of the 2005 SRF Note; (iv) the Sixth Supplemental Ordinance for payment and security of the Bond of 2007; (v) the Seventh Supplemental Ordinance for the payment and security of the 2007 SRF Note; (vi) the Eighth Supplemental Ordinance for the payment and security of the Bond of 2009; (vii) the Ninth Supplemental Ordinance for the payment and security of the 2009 SRF Note; (viii) the Eleventh Supplemental Ordinance for the payment and security of the Bond of 2015; and (ix) upon the issuance of the Series 2017 Bonds, the lien and charge thereon and pledge thereof created by the General Bond Ordinance and this Twelfth Supplemental Ordinance for payment and security of the Series 2017 Bonds.

(i) 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.

(j) The Commission has advised the City that the period of usefulness of the System is in excess of forty (40) years from the date hereof.

(k) The estimated cost of refunding the Bond to be Refunded is not exceeding $15,500,000.

(l) Section 3.1 of the General Bond Ordinance provides that Bonds may be issued in accordance with the terms, conditions and limitations set forth therein in such amounts and from time to time as the City may deem to be necessary or advisable for any corporate purpose of the Commission and upon compliance with certain conditions. Bonds issued upon compliance with Section 3.2 and Section 3.3 or Section 3.4 of the General Bond Ordinance shall be issued on a parity with respect to the pledge and lien of the Net Revenues of the System *inter sese*.  

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(m) Section 3.4(B) of the General Bond Ordinance provides that Bonds may be issued at any time for the purpose of refunding (including by purchase) other Bonds, including amounts to pay principal, redemption premium and interest to the date of redemption (or purchase) of the refunded Bonds and the Costs of Issuance; provided that (i) the aggregate Debt Service on all Bonds to be Outstanding after the issuance of the proposed Series of refunding Bonds in any Fiscal Year shall not be greater than would have been the Debt Service of all Bonds not then refunded and the Bonds to be refunded in such Fiscal Year; or (ii) the requirements of parts (A), (B), (C) and (E) of Section 3.3 of the General Bond Ordinance are met with respect to the refunding Series.

(n) Section 12.1 of the General Bond Ordinance provides that the obligations of the City under the Ordinance and the liens, pledges, charges, trusts, covenants and agreements of the City made or provided for therein shall be fully discharged and satisfied as to any Bond, and such Bond or Series of Bonds shall no longer be deemed to be Outstanding under the General Bond Ordinance when payment of the principal of, redemption premium, if any, and interest on such Bond or Series of Bonds either (i) shall have been made or caused to be made in accordance with the terms thereof; or (ii) shall have been provided for by irrevocably depositing with the Trustee in trust and irrevocably set aside exclusively for such payment (1) moneys sufficient to make such payment, or (2) Government Obligations maturing as to principal and interest in such amounts and at such times as will ensure the availability of sufficient moneys to make such payment, and all necessary and proper fees, compensation and expenses of the Paying Agent and the Registrar for such Bonds.

(o) A Debt Service Reserve Fund will not be established for the Series 2017 Bonds.

(p) The proceeds of the Series 2017 Bonds are being used for the purpose of (i) refunding the Bond to be Refunded; and (ii) paying the Cost of Issuance of the Series 2017 Bonds.

(q) It is necessary and in the best interest of the City to undertake the refunding of the Bond to be Refunded and to issue the Series 2017 Bonds in the principal amount of not exceeding $15,500,000 in accordance with the General Bond Ordinance, the Act and this Twelfth Supplemental Ordinance for the purposes set forth above.


(a) There is hereby authorized to be issued one or more Series of Bonds designated "City of Greer, South Carolina, Combined Utility System Revenue Bonds, [Taxable] Series 20[____]" (the "Series 2017 Bonds"), in the aggregate principal amount of not exceeding $15,500,000. The Series 2017 Bonds may be issued in a year subsequent to calendar year 2017, and may be issued in one or more series. Accordingly, the Series 2017 Bonds may have such other descriptive terms in its series designation as may be necessary to properly identify the applicable series of Series 2017 Bonds. The proceeds of the Series 2017 Bonds shall be used for the purposes set forth in Section 2(p) hereof.

Unless otherwise determined by the Mayor and City Administrator pursuant to Section 4 hereof, the Series 2017 Bonds shall mature on September 1 in each of the years (the "Principal Payment Dates") and in the principal amounts, and bear interest at the rates per annum (calculated on the basis of a 360-day year comprised of twelve 30-day months), as determined by the Mayor or City Administrator and the General Manager of the Commission, pursuant to Section 4 hereof.

(b) Each separate series of the Series 2017 Bonds shall be represented by a single fully registered bond; shall be registered in the name of the respective Purchaser thereof; shall be dated the date
of its delivery; and shall be payable on each Interest Payment Date.

(c) Principal of and redemption premium, if any, and interest on the Series 2017 Bonds shall be payable at the designated corporate trust office of the Paying Agent, or such other location as the Paying Agent determines. Such payment shall be made to the applicable Purchaser or subsequent Holders as of the immediately preceding Record Date by the Paying Agent by check or draft mailed to each Holder at the address as it appears on the Books of Registry maintained at the designated corporate trust office of the Registrar, or such other location as the Registrar determines, or, in the case of a Holder of $1,000,000 or more in principal amount of Series 2017 Bonds, by wire transfer to an account within the continental United States upon the timely receipt of a written request of such Holder.

(d) To the extent agreed to by the applicable Purchaser, the Series 2017 Bonds may be sold or transferred by the initial Purchaser only to purchasers ("Qualified Investors") who execute an investment letter delivered to the City and the Commission, in form satisfactory to the City and the Commission (the "Investment Letter"), containing certain representations, warranties and covenants as to the suitability of such purchasers to purchase and hold the Series 2017 Bonds to be transferred. Such restriction shall be set forth on the face of the Series 2017 Bonds and shall be complied with by each transferee of the Series 2017 Bonds.

(e) The Series 2017 Bonds shall be in substantially the form set forth in Exhibit A hereto, with such necessary or appropriate variations, omissions and insertions as are incidental to the issuance of a Series of Bonds or as are otherwise permitted or required by law or by the Ordinance, including this Twelfth Supplemental Ordinance, including, but not limited to, any variations, omissions and insertions made as a result of any determination of the Mayor or City Administrator and General Manager of the Commission in accordance with the authority granted herein. The Series 2017 Bonds shall be executed in the name and on behalf of the City by the manual or facsimile signatures of the Mayor (or in his or her absence, the Mayor Pro Tempore) and Clerk of the City.

Section 4. Sale and Issuance of Series 2017 Bonds; Authority of the Mayor or City Administrator and General Manager of the Commission.

(a) Without further authorization, the Council hereby authorizes and directs the Mayor or City Administrator and General Manager of the Commission to:

(i) determine the original issue date of each of the Series 2017 Bonds;

(ii) determine whether to issue the Series 2017 Bonds in one or more series;

(iii) determine the aggregate principal amount of the applicable Series 2017 Bonds if less than authorized by this Twelfth Supplemental Ordinance;

(iv) determine the portion or portions of the Bond to be Refunded which will be refunded by the respective Series 2017 Bonds, and determine the date or dates upon which the Bond to be Refunded will be redeemed;

(v) determine the principal repayment schedule for the applicable Series 2017 Bonds and the Principal Payment Dates of the applicable Series 2017 Bonds if different from that set forth herein;

(vi) determine the date and time of sale of the applicable Series 2017 Bonds;
(vii) determine the Interest Payment Dates and initial Interest Payment Date for the applicable Series 2017 Bonds if different from that set forth herein;

(viii) determine the optional and mandatory redemption dates and terms of redemption for the applicable Series 2017 Bonds;

(ix) approve the forms of one or more Requests for Proposals with respect to the applicable Series 2017 Bonds and the distribution of such Requests for Proposals to various banks and other financial institutions in the City and other areas as the General Manager and Finance Manager of the Commission determine;

(x) determine the dates and times for receipt of bids under the applicable Request for Proposals;

(xi) award the sale of the applicable Series 2017 Bonds to the bidder or bidders providing the most advantageous proposals therefor in accordance with the terms of the applicable Requests for Proposals; and

(xii) determine whether the applicable Series 2017 Bonds will be issued as an obligation the interest on which is exempt from federal income taxation; and

(xiii) agree to any other covenants, terms, provisions and matters necessary or advisable to effect the issuance of the Series 2017 Bonds, including such terms as may be requested by the respective Purchasers.

(b) A copy of this Twelfth Supplemental Ordinance shall be filed with the minutes of the Council meeting at which this Twelfth Supplemental Ordinance was enacted.

(c) The Council hereby authorizes and directs all of the officers and employees of the City to carry out or cause to be carried out all obligations of the City hereunder and to perform such other actions as they shall consider necessary or advisable in connection with the issuance, sale and delivery of the Series 2017 Bonds.

Section 5. Recording and Transfer of Ownership of the Series 2017 Bonds. Each of the applicable Series 2017 Bonds will be issued in fully-registered form, as a single Bond representing the entire principal amount of the applicable Series 2017 Bonds in the name of the respective Purchaser thereof. The City, the Paying Agent and the Registrar may treat the respective Purchaser or subsequent Holder of such Series 2017 Bonds as the sole and exclusive owner of such Series 2017 Bonds registered in its name for the purpose of payment of the principal of, and interest or premium, if any, on the Series 2017 Bonds, giving any notice permitted or required to be given to the Purchaser or subsequent Holder under the General Bond Ordinance or this Twelfth Supplemental Ordinance, registering the transfer of the applicable Series 2017 Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever, and shall not be affected or by any notice to the contrary.

Section 6. Optional Redemption of Series 2017 Bonds. Such of the applicable Series 2017 Bonds as may be determined by the Mayor or City Administrator and the General Manager of the Commission, pursuant to Section 4 hereof shall be subject to redemption prior to maturity on such terms as shall be determined by the Mayor or City Administrator and the General Manager of the Commission, pursuant to Section 4 hereof. In the event a particular Series 2017 Bond is called for redemption, the Registrar shall give notice of redemption by first-class mail, postage prepaid, to the registered Holder thereof as shown on
the Books of Registry of the City not less than five (5) Business Days or such other time period as the Purchaser of such Series 2017 Bond and the City agree upon prior to the date fixed for redemption thereof.

Section 7. Payment of the Series 2017 Bonds. The Series 2017 Bonds, 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 Ordinance and this Twelfth Supplemental Ordinance. The applicable Series 2017 Bonds shall be secured by a pledge of Net Revenues on a parity with the pledge of Net Revenues securing the Parity Bonds, any other Series 2017 Bonds issued hereunder, and any other Bonds (as defined in the General Bond Ordinance) issued pursuant to the General Bond Ordinance.

The Series 2017 Bonds do not constitute an indebtedness of the City 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. The Series 2017 Bonds shall not be a debt of the City, nor a charge, lien or encumbrance, legal or equitable, upon any property of the City or upon any income, receipts or revenues thereof, other than the aforesaid Net Revenues of the System pledged thereto. No recourse shall be had for the payment of the Series 2017 Bonds or the interest thereon against the general fund of the City, nor shall the credit or taxing power of the City be deemed to be pledged thereto. The full faith, credit and taxing powers of the City are not pledged to the payment of the principal or interest on the Series 2017 Bonds.

Section 8. Establishment of 2017 Debt Service Funds. In accordance with Section 6.4 of the General Bond Ordinance, one or more 2017 Debt Service Funds (with an appropriate series designation) are hereby directed to be established by the Trustee on the date of the original delivery of the applicable Series 2017 Bonds for the benefit of the Purchaser or subsequent Holders of the applicable Series 2017 Bonds.

Section 9. Cost of Issuance Accounts. There is hereby authorized to be created one or more "Cost of Issuance Account for the Series 2017 Bonds" (hereinafter referred to and defined as the "Cost of Issuance Accounts") with an appropriate series designation. The Cost of Issuance Accounts shall be held by the Custodian designated by the General Manager of the Commission. The moneys on deposit in the Cost of Issuance Accounts shall be used and applied to the payment of Cost of Issuance for the Series 2017 Bonds. Withdrawals from the Cost of Issuance Accounts shall be made in the manner withdrawals from other funds of the Commission are made. Moneys on deposit in the Cost of Issuance Accounts shall be invested upon direction of the Commission in Permitted Investments. Amounts remaining in the applicable Cost of Issuance Account one year after the date of issue of the applicable Series 2017 Bonds shall be transferred to the 2017 Debt Service Fund relating to such Series 2017 Bonds, and shall be used to pay the next interest coming due on such Series 2017 Bonds until such amount is depleted.

Section 10. Authorization to Effect Refunding; Redemption of the Bond to be Refunded. Upon delivery of the Series 2017 Bonds, a portion of the principal proceeds thereof, together with all or a portion of the amounts (if any) deposited in the debt service fund with respect to the Bond to be Refunded, and other funds of the Commission, may be paid directly to the holder of the Bond to be Refunded, or may be deposited with the Escrow Agent and held by it under the applicable Refunding Trust Agreement in the applicable Refunding Trust Fund. Subject to the terms of the applicable Refunding Trust Agreement, it shall be the duty of the Escrow Agent to keep such proceeds invested and reinvested to the extent that it shall be practical in Government Obligations and to apply the principal and interest of the trust so established in the manner prescribed in such Refunding Trust Agreement.
The Mayor and City Administrator are hereby authorized and directed for and on behalf of the City to execute such agreements and give such directions as shall be necessary to carry out the provisions of this Twelfth Supplemental Ordinance, including, if necessary, the execution and delivery of the Refunding Trust Agreements. The applicable Refunding Trust Agreement shall be dated the date of delivery of the respective Series 2017 Bonds to which it relates, and shall be in such form as the City Administrator and the General Manager of the Commission approve. The execution thereof shall be evidence of the approval.

The Registrar is hereby directed to call the Bond to be Refunded for redemption on such date as directed by the Mayor or City Administrator and the General Manager of the Commission. If a Refunding Trust Agreement is executed in connection with the refunding of the Bond to be Refunded, the Escrow Agent is directed to pay the principal of and interest on the Bond to be Refunded, when due and upon the redemption thereof, from the moneys and obligations deposited in the applicable Refunding Trust Fund established pursuant to the provisions of the applicable Refunding Trust Agreement authorized herein. All moneys and obligations deposited with the Escrow Agent pursuant to the Refunding Trust Agreements and the income therefrom shall be held, invested, and applied in accordance with the provisions of this Twelfth Supplemental Ordinance and the Refunding Trust Agreements.


Section 12. Disposition of Proceeds of Series 2017 Bonds. The proceeds derived from the sale of the Series 2017 Bonds shall be used for the following purposes:

(a) Either (i) there shall be paid over to the Escrow Agent, for deposit under the Refunding Trust Agreements, or (ii) there shall be paid directly to the holder of the Bond to be Refunded, an amount which the Mayor or City Administrator and the General Manager of the Commission determine to be required, together with amounts (if any) transferred from the debt service fund for the Bond to be Refunded and other moneys of the Commission, to provide for the payment of the principal of, redemption premium on and interest on the Bond to be Refunded upon the redemption thereof; and/or

(b) A portion of the proceeds of the Series 2017 Bonds may be deposited with the Custodian at the direction of the General Manager of the Commission into the applicable Cost of Issuance Accounts established in Section 9 hereof to be used and applied to the payment of Cost of Issuance as provided in that Section.

The respective amounts specified in this Section 12 shall be determined by the General Manager of the Commission upon delivery of the applicable Series 2017 Bonds.

Section 12. Federal Tax Covenant. To the extent that a series of Series 2017 Bonds is issued on a federal tax-exempt basis, as determined pursuant to Section 4 hereof, the City hereby covenants and agrees with the Purchaser or subsequent Holders of such Series 2017 Bonds that it will not take any action which will, or fail to take any action which failure will, cause interest on such Series 2017 Bonds to become includable in the gross income of the Purchaser or subsequent Holders for federal income tax purposes pursuant to the applicable provisions of Section 103 and Sections 141 through 150 of the Code and regulations promulgated thereunder in effect on the date of original issuance so long as any of such Series 2017 Bonds are Outstanding. The City further covenants and agrees that no use of the proceeds of such Series 2017 Bonds shall be made which, if such use had been reasonably expected on the date of issue of
such Series 2017 Bonds would have caused such Series 2017 Bonds to be "arbitrage bonds," as defined in the Code; and to that end the City hereby shall:

(a) comply with the applicable provisions of Section 103 and Sections 141 through 150 of the Code and any regulations promulgated thereunder so long as any of the Series 2017 Bonds are Outstanding;

(b) establish such funds, make such calculations and pay such amounts, if necessary, in the manner and at the times required in order to comply with the requirements of the Code relating to required rebate of certain amounts to the United States; and

(c) make such reports of such information at the times and places required by the Code.

The Mayor or City Administrator and the General Manager of the Commission are hereby authorized to adopt written procedures to ensure the City’s and the Commission’s compliance with federal tax matters relating to the Series 2017 Bonds.

Section 14. Series 2017 Bonds May be Designated as a Qualified Tax-Exempt Obligation. The Mayor or City Administrator, and the General Manager of the Commission are authorized to determine whether one or more of the Series 2017 Bonds shall be issued and designated (or deemed designated) as a "qualified tax-exempt obligation" as defined in Section 265(b)(3)(B) of the Code.

Section 15. Filings with Central Repository. The City covenants, so long as and to the extent required pursuant to Section 11-1-85 of the Code of Laws of South Carolina 1976, as amended ("Section 11-1-85"), that it will file with a central repository for availability in the secondary bond market when requested:

(i) An annual independent audit, within 30 days of the City's receipt of the audit; and

(ii) Event-specific information within 30 days of an event adversely affecting more than 5% of Revenues or the City's tax base.

The only remedy for failure by the City to comply with this Section 15 shall be an action for specific performance of this covenant; and failure to comply shall not constitute a default or an "Event of Default" under the General Bond Ordinance or this Twelfth Supplemental Ordinance. The Trustee shall have no responsibility to monitor the City's compliance with this covenant. The City specifically reserves the right to amend or delete this covenant in order to reflect any change in Section 11-1-85, without the consent of the Purchaser, the Paying Agent, the Registrar or the Trustee or any subsequent Holders of the Series 2017 Bonds.

Section 16. Headings. The headings and titles of the several sections hereof shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of this Twelfth Supplemental Ordinance.

Section 17. Further Actions. The Mayor (or in his or her absence the Mayor Pro Tempore), City Administrator, City Clerk, City Attorney and any Commission Representative are hereby authorized and directed to take any and all such further actions as shall be deemed necessary or desirable in order to effectuate issuance of the Series 2017 Bonds to effect the refunding of the Bond to be Refunded, and to carry out the provisions of this Twelfth Supplemental Ordinance.
Section 18. Notices. All notices, certificates or other communications hereunder shall be given or made in writing and shall be delivered personally, or sent by registered mail, postage prepaid, return receipt requested, or overnight delivery service, to the party to whom they are directed at the following addresses, or at such other addresses as may be designated by notice from such party to all other parties:

If to the City:

    City of Greer
    Attn: City Administrator
    301 E. Poinsett Street
    Greer, South Carolina 29651-3708

If to the Commission:

    Greer Commission of Public Works
    Attn: General Manager
    301 McCall Street
    Greer, South Carolina 29650

If to the Paying Agent:

    Branch Banking and Trust Company
    Department Attention: Corporate Trust
    223 West Nash Street
    Wilson, North Carolina 27893

If to the Registrar:

    Branch Banking and Trust Company
    Department Attention: Corporate Trust
    223 West Nash Street
    Wilson, North Carolina 27893

If to the Trustee:

    Branch Banking and Trust Company
    Department Attention: Corporate Trust
    223 West Nash Street
    Wilson, North Carolina 27893

The City, the Commission, the Paying Agent, the Registrar and the Trustee may, 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 19. Repeal of Inconsistent Ordinances and Resolutions. All ordinances and resolutions of the City, and any part of any ordinance or resolution, inconsistent with this Twelfth Supplemental Ordinance are hereby repealed to the extent of such inconsistency.

Section 20. Effective Date. This Twelfth Supplemental Ordinance shall become effective upon its enactment.
[Execution follows on next page]
Enacted by the City Council of the City of Greer, South Carolina, this 28th day of March, 2017.

CITY COUNCIL OF THE CITY OF GREER, SOUTH CAROLINA

By: [Signature]

Richard W. Danner, Mayor
City of Greer, South Carolina

(SFAI.)

ATTEST:

[Signature]

Tammela V. Duncan, Municipal Clerk
City of Greer, South Carolina

Introduced By: Councilman Wryley Bettis

Date of First Reading: March 14, 2017

Date of Second Reading: March 28, 2017

[Signature Page]
FORM OF SERIES 2017 BONDS

TRANSFER RESTRICTED

THIS BOND MAY BE SOLD OR TRANSFERRED IN WHOLE OR IN PART ONLY TO A PURCHASER OR TRANSFEEERE CONSTITUTING A QUALIFIED INVESTOR (AS SUCH TERM IS DEFINED IN THE HEREAFTER DEFINED TWELFTH SUPPLEMENTAL ORDINANCE UNDER WHICH THIS BOND IS ISSUED), AND ONLY UPON SUCH QUALIFIED INVESTOR DELIVERING TO THE CITY AN INVESTMENT LETTER IN THE FORM REQUIRED UNDER THE TWELFTH SUPPLEMENTAL ORDINANCE

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
CITY OF GREER
COMBINED UTILITY SYSTEM REFUNDING REVENUE BOND
[TAXABLE] SERIES 20

The City of Greer, South Carolina (the "City"), is justly indebted and, for value received, hereby promises to pay to ______________, in __________, __________ (the "Purchaser"), its successors or registered assigns, but solely from the Net Revenues hereinafter mentioned and not otherwise, the principal amount of $____________ together with interest, but solely from such Net Revenues and not otherwise, on the outstanding principal balance hereof at the rate of ____% per annum (the "Interest Rate") until this Bond matures. This Bond is payable in annual installments on September 1 in each of the years and in the principal amounts as follows:

[Insert principal repayment schedule]

Interest on the unpaid principal balance of this Bond is payable on _________, ____, and [semi]annually thereafter [on March 1 and] September 1 of each year. Interest on this Bond shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

THIS BOND HAS BEEN ISSUED UNDER THE PROVISIONS OF TITLE 6, CHAPTER 17, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED, AND DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION (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. THIS BOND SHALL NOT BE A DEBT OF THE CITY, NOR A CHARGE, LIEN OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON ANY PROPERTY OF THE CITY OR UPON ANY INCOME, RECEIPTS OR REVENUES THEREOF, OTHER THAN THE AFORESAID NET REVENUES OF THE SYSTEM PLEDGED THERETO. NO RECURSCE SHALL BE HAD FOR THE PAYMENT OF THIS BOND OR THE INTEREST THEREON AGAINST THE GENERAL FUND OF THE CITY, NOR SHALL THE CREDIT OR TAXING POWER OF THE CITY BE DEEMED TO BE PLEDGED THERETO. THE FULL FAITH, CREDIT AND TAXING POWERS OF THE CITY ARE NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS BOND.
Both the principal of and interest on this Bond are payable at the principal office of Branch Banking and Trust Company, in Wilson, North Carolina, without presentation and surrender of this Bond, 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.

This Bond shall not be entitled to any benefit under the Bond Ordinance (hereinafter defined), nor become valid or obligatory for any purpose, until the certificate of authentication hereon shall have been duly executed by the Registrar.

This Bond is issued by the City for the purpose of refunding the Bond of 2009 (as defined in the Twelfth Supplemental Ordinance, set forth below) of the City and paying costs of issuance. This Bond is issued under, pursuant to, and in full compliance with the Constitution and statutes of the State of South Carolina, including particularly Article X, Section 14(10) of the South Carolina Constitution and Title 6, Chapter 17, of the Code of Laws of South Carolina 1976, as amended (collectively, the "Act"). This Bond is issued under and pursuant to a General Bond Ordinance (the "General Bond Ordinance") of the City Council of the City duly enacted on July 22, 1997, as amended, and as supplemented by Twelfth Supplemental Ordinance No. ____ of the Council enacted on __________ __, 2017, (the "Twelfth Supplemental Ordinance," and together with the General Bond Ordinance, the "Bond Ordinance"), under the Act which Bond Ordinance has been duly codified and indexed as prescribed by law.

This Bond and the interest thereon is a special obligation of the City and are secured by and payable solely from, and secured equally and ratably by a pledge of and lien upon, the Net Revenues (as defined in the General Bond Ordinance) derived from the System on a parity with any pledge or lien upon Net Revenues securing the Parity Bonds (as defined in the Twelfth Supplemental Ordinance), the [other Series 2017 Bonds previously issued, if any] and any Series of Bonds hereafter issued under the General Bond Ordinance payable from such Net Revenues on a parity and equally and ratably secured therewith.

The principal amounts of this Bond [are subject to prepayment and redemption, in whole or in part, at any time at the principal amount thereof to be redeemed, and interest accrued on such principal amount to be redeemed, to the date fixed for redemption, without payment of any premium or penalty.] In the event this Bond is called for redemption, the Registrar shall give notice of redemption hereof by first-class mail, postage prepaid, to the Holder hereof as shown on the Books of Registry of the City not less than five (5) Business Days prior to the date fixed for the redemption thereof.

The Bond Ordinance contains provisions defining terms, including the properties comprising the System; sets forth the revenues pledged for the payment of the principal of and interest on this Bond and the Bonds of other series which have heretofore or may hereafter be issued on a parity herewith under the Bond Ordinance; sets forth the nature, extent and manner of enforcement of the security of this Bond and of such pledge, and the rights and remedies of the holder hereof with respect thereto; sets forth the terms and conditions upon which and the extent to which the Bond Ordinance may be altered, modified and amended; sets forth the terms and conditions upon which have been issued or upon which other bonds may be hereinafter issued payable as to principal, premium, if any, and interest on a parity with this Bond and equally and ratably secured herewith; sets forth the rights, duties and obligations of the City thereunder; and sets forth the terms and conditions upon which the pledge made in the Bond Ordinance for the security of this Bond and upon which the covenants, agreements and other obligations of the City made therein may be discharged at or prior to the maturity or redemption of this Bond with provisions for the payment thereof in the manner set forth in the Bond Ordinance. The provisions of the General Bond Ordinance relating to Debt Service Reserve Funds have been amended by the Eighth Supplemental Ordinance and the Ninth Supplemental Ordinance. Further the provisions of the General Bond Ordinance relating to the definition of
Debt Service and Maximum Debt Service have been amended by the Tenth Supplemental Ordinance. Such amendment pursuant to the Tenth Supplemental Ordinance will not become effective until the earlier of: (1) all of the Parity Bonds shall cease to be Outstanding (as defined in the General Bond Ordinance); or (2) the Holders (as defined in the General Bond Ordinance) of 66 2/3% in principal amount of the Bonds then Outstanding assent to and authorize such amendment. Reference is hereby made to the Bond Ordinance to all of the provisions of which any holder of this Bond by the acceptance hereof thereby assents. The provisions of the Act and the Bond Ordinance shall be a contract with the holder of this Bond.

To the extent and in the manner permitted by the terms of the Bond Ordinance, the provisions of this Bond or of the Bond Ordinance, or any ordinance amendatory thereof or supplemental thereto, may be amended or modified by the City in certain cases, without the consent of any Bondholders (as defined in the General Bond Ordinance) and, in other cases, with the written consent of the holders of at least sixty-six and two-thirds percent (66-2/3%) in principal amount of the Bonds of the series of which this Bond is one then outstanding under the Bond Ordinance (including the Bonds of the series of which this Bond is one); provided, that no such amendment or modification shall (i) extend the time of payment of principal or of the interest on any Bond (as defined in the General Bond Ordinance), or reduce the principal amount thereof or the rate of interest thereon or the premium payable upon the redemption thereof, or (ii) give to any Bond or Bonds (as defined in the General Bond Ordinance) any preference over any other Bond or Bonds, or (iii) authorize the creation of any pledge prior to, or except as provided herein for the issuance of Series of Bonds (as defined in the General Bond Ordinance), on a parity with the pledge afforded by the Bond Ordinance, or (iv) reduce the percentage in principal amount of the Bonds (as defined in the General Bond Ordinance) required to assent to or authorize any such modification to the Bond Ordinance.

Under the laws of the State of South Carolina, this Bond and the interest hereon are exempt from all State, county, municipal, school district and all other taxes or assessments, except estate or other transfer taxes, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise.

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and statutes of the State of South Carolina to exist, to happen and to be performed precedent to and in the issuance of this Bond, do exist, have happened and have been performed in due time, form and manner as required by law; that the series of which this Bond is a part does not exceed any constitutional or statutory limitation of indebtedness; and that provision has been made for the payment of the principal of and interest on this Bond and the series of which it is a part, as provided in the Bond Ordinance.
IN WITNESS WHEREOF, the City of Greer, South Carolina, has caused this bond to be executed in its name by the manual signature of the Mayor of the City and attested by the manual signature of the Municipal Clerk of the City under the seal of the City impressed, imprinted or reproduced hereon.

CITY OF GREER, SOUTH CAROLINA

By:  
Richard W. Danner, Mayor

(SEAL)

ATTEST:

Tammela V. Duncan, Municipal Clerk

(FORM OF REGISTRAR’S CERTIFICATE OF AUTHENTICATION)

This bond is the bond described in the within-mentioned Ordinance of City of Greer, South Carolina.

Branch Banking and Trust Company, Registrar

Dated:  

By:  
Authorized Officer