

ORDINANCE NUMBER 16-2010

AN ORDINANCE TO PROVIDE FOR THE ISSUANCE AND SALE OF (I) A NOT EXCEEDING NINE HUNDRED FIFTEEN THOUSAND DOLLARS (\$915,000) CITY OF GREER, SOUTH CAROLINA, GENERAL OBLIGATION REFUNDING BOND, SERIES 2010A AND (II) A NOT EXCEEDING SEVEN HUNDRED EIGHTY THOUSAND DOLLARS (\$780,000) CITY OF GREER, SOUTH CAROLINA, GENERAL OBLIGATION REFUNDING BOND, SERIES 2010B; TO PRESCRIBE THE PURPOSES FOR WHICH THE PROCEEDS SHALL BE EXPENDED; TO PROVIDE FOR THE PAYMENT THEREOF; AND OTHER MATTERS RELATING THERETO.

TABLE OF CONTENTS

ARTICLE I

FINDINGS OF FACT

SECTION 1.01 OBJECTIVES 1
SECTION 1.02 RECITAL OF APPLICABLE CONSTITUTIONAL PROVISIONS 2

ARTICLE II

DEFINITIONS AND CONSTRUCTION

SECTION 2.01 DEFINITIONS 3
SECTION 2.02 CONSTRUCTION..... 4

ARTICLE III

ISSUANCE OF THE BOND

SECTION 3.01 ORDERING THE ISSUANCE OF THE BOND 6
SECTION 3.02 MATURITY SCHEDULE OF THE BOND 6
SECTION 3.03 PROVISION FOR PAYMENT OF INTEREST ON THE BOND 6
SECTION 3.04 MEDIUM OF PAYMENT; FORM AND DENOMINATION OF THE BOND; PLACE OF PAYMENT OF PRINCIPAL..... 6
SECTION 3.05 AGREEMENT TO MAINTAIN REGISTRAR 7
SECTION 3.06 EXECUTION AND AUTHENTICATION 7
SECTION 3.07 RESERVED..... 7
SECTION 3.08 TRANSFERABILITY AND REGISTRY..... 7
SECTION 3.09 TRANSFER OF THE BONDS 7
SECTION 3.10 REGULATIONS WITH RESPECT TO TRANSFERS..... 8
SECTION 3.11 MUTILATED, DESTROYED, LOST AND STOLEN BONDS 8
SECTION 3.12 HOLDER AS OWNER OF THE BONDS 8
SECTION 3.13 CANCELLATION OF THE BONDS..... 8
SECTION 3.14 PAYMENTS DUE ON SATURDAYS, SUNDAYS AND HOLIDAYS 9
SECTION 3.15 STATE TAX EXEMPTION 9
SECTION 3.16 ORDER OF TAX LEVY TO PAY PRINCIPAL AND INTEREST OF THE BONDS 9
SECTION 3.17 FORM OF BOND 9

ARTICLE IV

NO REPAYMENT OF THE BONDS

SECTION 4.01 NO PREPAYMENT OF THE BONDS 10

ARTICLE V

SALE OF THE BONDS

SECTION 5.01 DETERMINATION OF TIME TO RECEIVE BIDS – FORM OF NOTICE OF SALE..... 11
SECTION 5.02 AWARD OF THE BONDS 11

ARTICLE VI

DISPOSITION OF PROCEEDS OF SALE OF THE BONDS

SECTION 6.01 DISPOSITION OF BOND PROCEEDS INCLUDING TEMPORARY INVESTMENTS 12
SECTION 6.02 AUTHORIZATION FOR ESCROW DEPOSIT AGREEMENTS 12
SECTION 6.03 REDEMPTION OF REFUNDED BONDS 12

ARTICLE VII

DEFEASANCE OF THE BONDS

SECTION 7.01 DISCHARGE OF ORDINANCE – WHERE AND HOW BONDS ARE DEEMED TO HAVE BEEN PAID AND
DEFEASED.....13

ARTICLE VIII

CERTAIN TAX CONSIDERATIONS

SECTION 8.01 GENERAL TAX COVENANT.....14
SECTION 8.02 REDEMPTION OF REFUNDED BONDS14
SECTION 8.03 REBATE.....14
SECTION 8.04 QUALIFIED TAX-EXEMPT OBLIGATION.....15

ARTICLE IX

MISCELLANEOUS

SECTION 9.01 FAILURE TO PRESENT BONDS.....16
SECTION 9.02 SEVERABILITY OF INVALID PROVISIONS16
SECTION 9.03 SUCCESSORS16
SECTION 9.04 ORDINANCE TO CONSTITUTE CONTRACT16
SECTION 9.05 FILING OF COPIES OF ORDINANCE.....16
SECTION 9.06 FURTHER ACTION BY OFFICERS OF CITY16
SECTION 9.07 CONTINUING DISCLOSURE17
SECTION 9.08 EFFECTIVE DATE OF THIS ORDINANCE.....17

EXHIBIT A – FORM OF BOND
EXHIBIT B – FORM OF OFFICIAL NOTICE OF SALE
EXHIBIT C – FORM OF SUMMARY NOTICE OF SALE

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

ARTICLE I

FINDINGS OF FACT

As an incident to the enactment of this Ordinance and the issuance of the bond provided for herein, 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 I** exist, and the statements made with respect thereto are true and correct.

Section 1.01 Objectives

(a) By virtue of Chapter 15 of Title 11, as supplemented by Section 11-27-40, Code of Laws of South Carolina 1976, as amended (the "**South Carolina Code**"), the City is empowered to issue general obligation bonds to refund other outstanding bonds of the City. By virtue of Article 5 of Chapter 21 of Title 5 of the South Carolina Code, the City is empowered to issue general obligation bonds for any "corporate purpose" as therein defined. The above-referenced chapters and section of the South Carolina Code are hereinafter collectively referred to as the "**Enabling Act.**"

(b) The City previously issued its \$2,000,000 original principal amount General Obligation Bonds, Series 2000A, dated April 1, 2000 (the "**Series 2000A Bonds**"), to defray a portion of the costs of tourism related recreational capital improvements. There remains outstanding of the Series 2000A Bonds the aggregate principal amount of \$885,000 maturing on May 1 of 2011 to 2015, and bearing interest at the rate per annum of 5.54%.

(c) The City previously issued its \$1,700,000 original principal amount General Obligation Bonds, Series 2000B, dated April 1, 2000 (the "**Series 2000B Bonds**"), to defray a portion of the costs of infrastructure costs for development in an area annexed north of the City, for infrastructure outside the Gateway International Business Center Tax Increment Financing Area, and for infrastructure costs for development of two subdivisions on Ansel School Road. There remains outstanding of the Series 2000B Bonds the aggregate principal amount of \$750,000 maturing on May 1 of 2011 to 2015, and bearing interest at the rate per annum of 5.55%.

(d) The Council has made an assessment of market conditions now prevailing, and has determined that a savings in the debt service of the outstanding Series 2000A Bonds maturing in the years 2011 to 2105, inclusive, in the amount of \$855,000 and the outstanding Series 2000B Bonds maturing in the years 2011 to 2015, inclusive, in the amount of \$750,000 (such maturities of the Series 2000A Bonds and of the Series 2000B Bonds are hereinafter referred to as the "**Refunded Bonds**") can be achieved through a current refunding of the Refunded Bonds and calling the same at the first practicable permissible redemption dates thereof. In accordance with the terms of the Original Ordinances (as defined in **Section 2.01** hereof), but subject to the provisions of **Section 3.01** hereof, the Refunded Bonds shall be redeemed on such dates at the applicable redemption prices thereof plus accrued interest thereon.

(e) In order to defray the cost of refunding the Refunded Bonds, the Council has determined to issue two series of general obligation refunding bonds in the aggregate principal amount of not exceeding \$1,695,000.

Section 1.02 Recital of Applicable Constitutional Provisions

(a) Section 14 of Article X of the Constitution of the State of South Carolina 1895, as amended (the “*State Constitution*”) provides that the municipalities of the State of South Carolina (the “*State*”) may issue bonded indebtedness in an amount not exceeding 8% of the assessed value of all taxable property therein, and provides further that no bonded indebtedness incurred on or prior to November 30, 1977 shall be charged against such 8% debt limitation. Paragraph (6) of Section 14 of Article X of the State Constitution further provides that general obligation debt authorized by a majority of the qualified electors of the issuer may be issued without consideration of the 8% limit otherwise imposed by Section 14 of Article X. The Council is informed that the assessed value of all taxable property located within the City for the year 2009, which is the last completed assessment thereof, is not less than the sum of \$90,781,556, exclusive of new industrial property exempt from taxation pursuant to Section 3(g) of Article X of the Constitution. Thus, the 8% debt limit of the City is not less than \$7,262,524. At present, there is \$3,251,500 of general obligation debt chargeable against this limit. The City also has outstanding \$885,000 of general obligation debt that was issued pursuant to a referendum and is not chargeable against this limit.

(b) The Series 2000A Bonds were issued pursuant to a referendum and are not chargeable against the City’s debt limit pursuant to Article X, Section 14(6) of the State Constitution. The principal of the Bonds in the amount necessary to accomplish the purposes of this Ordinance in refunding the Series 2000A Bonds does not count against the City’s debt limit pursuant to Article X, Section 14(6) of the State Constitution.

(c) The Series 2000B Bonds were issued within the 8% debt limit referred to above without a referendum, and currently count against the limit in the amount of \$750,000. The principal of the Bonds in the amount necessary to accomplish the purposes of this Ordinance in refunding the Series 2000B Bonds does not count against the City’s debt limit in any amount in excess of that amount already charged.

[End of Article I]

ARTICLE II

DEFINITIONS AND CONSTRUCTION

Section 2.01 Definitions

As used in this Ordinance unless the context otherwise requires, the following terms shall have the following respective meanings:

“Administrator” means the City Administrator of the City or the Interim City Administrator or the Acting City Administrator, as the case may be.

“Authorized Investments” means any investments that are at the time legal for investment of the City’s funds under the laws of the State and of the United States.

“Authorized Officer” means the Mayor or the Administrator and any other officer or employee of the Council designated from time to time as an Authorized Officer by resolution of the Council, and when used with reference to any act or document also means any other person authorized by resolution of the Council to perform such act or sign such document.

“Bond” or **“Bonds”** means any of the Bonds of the City authorized by this Ordinance.

“Bondholder” or **“Holder”** or **“Holders of Bonds”** or **“Owner”** or similar term means, when used with respect to a Bond or Bonds, any person who shall be registered as the owner of any Bond Outstanding.

“Bond Payment Date” means each May 1 and November 1 on which interest on any of the Bonds shall be payable or on which both a Principal Installment and interest shall be payable on any of the Bonds.

“City” means the City of Greer, South Carolina.

“City Clerk” means the City Clerk of the City or the Interim City Clerk or the Acting City Clerk, as the case may be.

“Code” means the Internal Revenue Code of 1986, as amended.

“Council” means the City Council of the City of Greer, South Carolina, the governing body of the City or any successor governing body of the City.

“Enabling Act” means Title 11, Chapter 15, as amended, and the Municipal Bond Act (Title 5, Chapter 21, Article 5 of the South Carolina Code, as amended) as amended and continued by Section 11-27-40 of the South Carolina Code.

“Escrow Agent” means a financial institution selected by the City.

“Government Obligations” means and includes direct general obligations of the United States of America or agencies thereof or obligations, the payment of principal or interest on which is fully and unconditionally guaranteed by the United States of America.

“**Mayor**” means the Mayor of the City, or in the absence of the Mayor for any reason, the Mayor Pro Tempore.

“**Ordinance**” means this Ordinance as the same may be amended or supplemented from time to time in accordance with the terms hereof.

“**Original Ordinances**” means, collectively, the ordinances of the City pursuant to which the Series 2000A Bonds and the Series 2000B Bonds were issued.

“**Outstanding,**” when used in this Ordinance with respect to the Bond means, as of any date, the Bond theretofore authenticated and delivered pursuant to this Ordinance except:

(i) any Bond cancelled or delivered to the Registrar for cancellation on or before such date;

(ii) any Bond (or any portion thereof) deemed to have been paid in accordance with the provisions of **Section 7.01** hereof; and

(iii) any Bond in lieu of or in exchange for which another Bond shall have been authenticated and delivered pursuant to **Section 3.11** of this Ordinance.

“**Person**” means an individual, a partnership, a corporation, a trust, a trustee, an unincorporated organization, or a government or an agency or political subdivision thereof.

“**Principal Installment**” means, as of any date of calculation, the principal amount of the Bond due on a specified date.

“**Record Date**” means the 15th day of the month immediately preceding each Bond Payment Date.

“**Refunded Bonds**” has the meaning provided in **Section 1.01(d)** hereof.

“**Registrar**” means the City Clerk of the City.

“**Series 2000A Bonds**” has the meaning provided in **Section 1.01(b)** hereof.

“**Series 2000B Bonds**” has the meaning provided in **Section 1.01(c)** hereof.

“**South Carolina Code**” means the Code of Laws of South Carolina 1976, as amended.

“**State**” means the State of South Carolina.

Section 2.02 Construction

In this Ordinance, unless the context otherwise requires:

(a) Articles and Sections referred to by number shall mean the corresponding Articles and Sections of this Ordinance.

(b) The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms refer to this Ordinance, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before, the date of enactment of this Ordinance.

(c) Words of the masculine gender shall mean and include correlative words of the female and neuter genders, and words importing the singular number shall mean and include the plural number and vice versa.

[End of Article II]

ARTICLE III

ISSUANCE OF THE BOND

Section 3.01 Ordering the Issuance of the Bond

Pursuant to the provisions of the Enabling Act, and for the purpose of obtaining funds to defray the costs of the refunding described in **Section 1.01** hereof, there shall be issued (i) not exceeding Nine Hundred Fifteen Thousand Dollars (\$915,000) aggregate principal amount of general obligation refunding bonds of the City to be designated “\$915,000 City of Greer, South Carolina General Obligation Refunding Bond, Series 2010A” and (ii) not exceeding Seven Hundred Eighty Thousand Dollars (\$780,000) aggregate principal amount of general obligation refunding bonds of the City to be designated (ii) “\$780,000 City of Greer, South Carolina General Obligation Refunding Bond, Series 2010B.”

Section 3.02 Maturity Schedule of the Bond

Unless determined otherwise by the Administrator, interest on the Bonds shall be payable on November 1, 2010 and semiannually thereafter on May 1 and November 1 of each year until payment of the principal thereof. Subject to the requirements of the Enabling Act, the Bonds shall mature on May 1 of such years, beginning not later than May 1, 2012 and ending not later than May 1, 2017, and in such amounts, as shall be determined by the Administrator.

Section 3.03 Provision for Payment of Interest on the Bond

The original issue date of the Bond shall be the delivery date of the Bond, or such other date as may be selected by the Administrator. The Bond shall be authenticated on the date as it shall be delivered. The Bond shall bear interest from the original issue date if no interest has yet been paid; otherwise from the last date to which interest has been paid and which date is on or prior to the date of such Bond’s authentication. The interest payment on the Bond shall be made in accordance with **Section 3.04(c)** hereof to the Person in whose name the Bond is registered in accordance with **Section 3.08** hereof at the close of business on the Record Date with respect to such payment.

Section 3.04 Medium of Payment; Form and Denomination of the Bond; Place of Payment of Principal

(a) The Bond shall be payable as to Principal Installment and interest at the rate per annum determined in the manner prescribed by **Section 5.02** hereof (on the basis of a 360 day year of twelve 30-day months) in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

(b) The Bonds shall be issued in the form of a single, fully registered, typewritten bond per series and shall be identified by certificate number R-1 per series.

(c) The Principal Installment and interest on the Bonds shall be payable to the Person appearing on the Record Date on the registration books of the City, which books shall be held by the Registrar as provided in **Section 3.08** hereof, as the registered owner thereof, by check or draft mailed to such registered owner at his address as it appears on such registration books in sufficient time to reach such registered owner on the Bond Payment Date.

Section 3.05 Agreement to Maintain Registrar

As long as the Bonds remain Outstanding, the City Clerk shall be the Registrar and shall upon request inform the Holder as to where (i) the Bonds may be presented for registration of transfers and (ii) notices and demands to or upon the City in respect of the Bonds may be served.

Section 3.06 Execution and Authentication

(a) The Bonds shall be executed in the name and on behalf of the City by the manual or facsimile signature of an Authorized Officer, with its corporate seal impressed, imprinted or otherwise reproduced thereon, and attested by the manual or facsimile signature of the City Clerk or other Authorized Officer (other than the officer executing the Bonds). The Bonds bearing the manual or facsimile signature of any Person who shall have been such an Authorized Officer at the time the Bonds was so executed shall bind the City notwithstanding the fact that he may have ceased to be such Authorized Officer prior to the authentication and delivery of the Bonds or was not such Authorized Officer at the date of the authentication and delivery of the Bonds.

(b) No Bond shall be valid or obligatory for any purpose or shall be entitled to any right or benefit hereunder unless there shall be endorsed on such Bond a certificate of authentication in the form set forth in this Ordinance, duly executed by the manual signature of the Registrar; and such certificate of authentication upon any Bond executed on behalf of the City shall be conclusive evidence that the Bond so authenticated has been duly issued hereunder and that the Holder thereof is entitled to the benefit of the terms and provisions of this Ordinance.

Section 3.07 Reserved

Section 3.08 Transferability and Registry

The Bonds shall at all times, when the same are Outstanding, be payable, both as to Principal Installment and interest to a Person, and shall be transferable, only in accordance with the provisions for registration and transfer contained in this Ordinance and in the Bonds. So long as the Bonds remain Outstanding, the City shall maintain and keep, at its office, books for the registration and transfer of the Bonds, and, upon presentation thereof for such purpose, the City shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it may prescribe, the Bonds, except that under no circumstances shall the Bonds be registered or transferred to bearer. So long as the Bonds remain Outstanding, the City shall make all necessary provisions to permit the transfer of the Bonds.

Section 3.09 Transfer of the Bonds

The Bonds shall be transferable only upon the books of the City, which shall be maintained for such purpose by the Registrar, upon presentation and surrender thereof by the Holder of such Bonds in person or by his attorney duly authorized in writing, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered Holder or his duly authorized attorney. Upon surrender for transfer of the Bonds, the City shall execute and the Registrar shall authenticate and deliver, in the name of the Person who is the transferee, one new Bond of the same aggregate principal amount and maturity and rate of interest as the surrendered Bond.

Section 3.10 Regulations with Respect to Transfers

The Bonds surrendered in any transfer shall forthwith be cancelled by the Registrar. For each such transfer of the Bonds, the City may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such transfer, which sum or sums shall be paid by the Holder requesting such transfer as a condition precedent to the exercise of the privilege of making such transfer. The City shall not be obligated to issue or transfer the Bonds after the Record Date with respect to any Bond Payment Date of the Bond.

Section 3.11 Mutilated, Destroyed, Lost and Stolen Bonds

(a) If any Bond is surrendered to the City or if the City receives evidence to its satisfaction of the destruction, loss or theft of any Bond, and there is delivered to the City such security or indemnity as may be required by it to save it harmless, then, in the absence of notice that such Bond has been acquired by a *bona fide* purchaser, the City shall execute, and the Registrar shall authenticate and deliver, in exchange for any such mutilated Bond or in lieu of the destroyed, lost or stolen Bond, a new Bond of like tenor and principal amount, bearing a number unlike that of the mutilated, lost or stolen Bond. The Registrar shall thereupon cancel the mutilated Bond so surrendered. In case the mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the City in its discretion may, instead of issuing a new Bond, pay such Bond.

(b) Upon the issuance of any new Bond under this **Section 3.11**, the City may require the payment of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto and any other expenses, including counsel fees or other fees, of the City connected therewith.

(c) Each new Bond issued pursuant to this **Section 3.11** in lieu of any destroyed, lost or stolen Bond, shall constitute an additional contractual obligation of the City, whether or not the destroyed, lost or stolen Bond shall at any time be enforceable by anyone, and shall be entitled to all the benefits hereof. All Bonds shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of a mutilated, destroyed, lost or stolen Bond and shall preclude (to the extent lawful) all other rights or remedies with respect to the replacement or payment of a mutilated, destroyed, lost or stolen Bond or securities.

Section 3.12 Holder as Owner of the Bonds

The City may treat the Holder of any Bond as the absolute owner thereof, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the Principal Installment of and interest on such Bond and for all other purposes, and payment of the Principal Installment and interest shall be made only to, or upon the order of, such Holder. All payments to such Holder shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and the City shall not be affected by any notice to the contrary.

Section 3.13 Cancellation of the Bonds

The Registrar shall destroy any Bond upon surrender of the same to it for cancellation and shall deliver a certificate to that effect to the City. Such Bond shall not be deemed Outstanding under this Ordinance and no Bond shall be issued in lieu thereof.

Section 3.14 Payments Due on Saturdays, Sundays and Holidays

In any case where the Bond Payment Date shall be a Saturday or Sunday or shall be, at the place designated for payment, a legal holiday or a day on which banking institutions are authorized by law to close, then payment of interest on or Principal Installment of the Bonds need not be made on such date but may be made on the next succeeding business day not a Saturday, Sunday or a legal holiday or a day upon which banking institutions are authorized by law to close, with the same force and effect as if made on the Bond Payment Date and no interest shall accrue for the period after such date.

Section 3.15 State Tax Exemption

Both the Principal Installment and interest on the Bonds shall be exempt from all State, county, municipal, school district, and all other taxes or assessments of the State, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate, transfer and certain franchise taxes.

Section 3.16 Order of Tax Levy to Pay Principal and Interest of the Bonds

For the payment of the Principal Installment and interest on the Bonds and for the creation of such sinking fund as may be necessary therefor, the full faith, credit and taxing power of the City are hereby irrevocably pledged, and there shall be levied and collected annually by the City, in the same manner as City taxes are levied and collected, a tax on all taxable property in the City, sufficient to pay the Principal Installment and interest on the Bonds as they mature, and to create such sinking fund as may be necessary therefor.

The City anticipates paying the principal and interest of the Series 2010A Bond from the revenues generated by the local accommodations tax and local hospitality tax levied by the City pursuant to Title 6, Chapter 1, Articles 5 and 7 of the South Carolina Code. Resort to the levy described above for the payment of the principal and interest on the Series 2010A Bond is to be effective only if the City fails to deposit local accommodations tax revenues and local hospitality tax revenues sufficient to pay the principal and interest on the Series 2010A Bond when due and prior to the time necessary to levy ad valorem property taxes for such fiscal year.

Section 3.17 Form of Bond

The form of the Bond, and registration provisions to be endorsed thereon shall be substantially as set forth in *Exhibit A* attached hereto and made a part of this Ordinance.

[End of Article III]

ARTICLE IV

NO REPAYMENT OF THE BONDS

Section 4.01 No Prepayment of the Bonds

The Bonds will not be subject to prepayment prior to their maturity.

[End of Article IV]

ARTICLE V

SALE OF THE BONDS

Section 5.01 Determination of Time to Receive Bids – Form of Notice of Sale

The Bonds shall be sold at public sale, at a price of not less than par. Bids shall be received until noon (local time) on a date to be selected by the Mayor or the Administrator. The form of the Official Notice of Sale, and the conditions of sale, shall be substantially those set forth in ***Exhibit B*** attached hereto and made a part hereof. The Bonds shall be advertised for sale in, at the discretion of the Mayor or the Administrator, *The Bond Buyer* or *The Greenville News*, or both, which advertisement(s) shall each appear at least once, not less than seven (7) days before the date set for said sale. The date of sale may be adjusted in accordance with Section 11-27-40 of the South Carolina Code. The form of the advertisement(s) may be an abbreviated form of the Official Notice of Sale as shown in ***Exhibit C*** attached hereto and made a part hereof.

Section 5.02 Award of the Bonds

Upon the receipt of bids for the purchase of the Bonds, unless all bids are rejected, the Mayor or the Administrator shall award the Bonds to the bidder offering to purchase it at the lowest net interest cost to the City. For the purpose of determining lowest net interest cost, the aggregate of interest on the Bonds of a Series from the dated date of the Bonds, which is the original issue date, until their respective maturity, less any sum named by way of premium, shall be determined on each bid and the smallest amount to be paid by the City shall reflect lowest net interest cost.

[End of Article V]

ARTICLE VI

DISPOSITION OF PROCEEDS OF SALE OF THE BONDS

Section 6.01 Disposition of Bond Proceeds Including Temporary Investments

The proceeds derived from the sale of the Bonds issued pursuant to this Ordinance shall be deposited in a Bond Account Fund of the City, and shall be expended and made use of by the City as follows:

- (a) any premium shall be applied to the payment of the first installment of principal of such Bonds;
- (b) the sums necessary to effect the refunding and redemption of the Refunded Bonds shall be deposited immediately upon receipt in a special trust fund established pursuant to the provisions of one or more escrow agreements described in **Section 6.02** below and used to retire the Refunded Bonds;
- (c) remaining proceeds shall be expended and made use of by the Council to defray the cost of issuing the Bonds. Pending the use of Bond proceeds, the same shall be invested and reinvested by the City in Authorized Investments. All earnings from such investments shall be applied, at the direction of the Council, either (i) to defray the cost of issuance of the Bonds and if not required for this purpose, then (ii) to pay the first maturing installments of interest on the Bond; and
- (d) if any balance remains, it shall be held by the City in a special fund and used to effect the retirement of the Bond authorized by this Ordinance;

provided, that neither the purchaser nor any Holder of the Bond shall be liable for the proper application of the proceeds thereof.

Section 6.02 Authorization for Escrow Deposit Agreements

In accordance with the provisions of the applicable defeasance provisions of the Original Ordinances, the paying agents for such Refunded Bonds as are to be refunded shall enter into one or more escrow deposit agreements with the City (the “*Escrow Deposit Agreements*”), whereby one of such paying agents (or, in the Administrator’s discretion, any other bank or trust company) shall act as holder of escrow accounts for the purpose of paying the redemption price and accrued interest on the first practicable permissible redemption date of the Refunded Bonds to be refunded. The Escrow Deposit Agreements shall, in the opinion of bond counsel to the City, comport with the requirements of the Enabling Act and the applicable defeasance provisions of the Original Ordinances. The execution of the Escrow Deposit Agreements by an Authorized Officer on behalf of the City is hereby approved and authorized.

Section 6.03 Redemption of Refunded Bonds

The Council hereby irrevocably elects to redeem the Refunded Bonds on the first practicable (as determined by the Administrator, in his discretion) permissible redemption dates thereof and ratifies and approves the actions of the Administrator in giving notice of such redemption in the name of the City.

[End of Article VI]

ARTICLE VII

DEFEASANCE OF THE BONDS

Section 7.01 Discharge of Ordinance – Where and How Bonds are Deemed to Have Been Paid and Defeased

If all of the Bonds issued pursuant to this Ordinance and all interest thereon shall have been paid and discharged, then the obligations of the City under this Ordinance and all other rights granted hereby shall cease and determine. The Bonds shall be deemed to have been paid and discharged within the meaning of this **Section 7.01** if the City shall elect to provide for the payment of the Bonds prior to their final Bond Payment Date and shall have deposited with the Escrow Agent in an irrevocable trust moneys which shall be sufficient, or Government Obligations, the principal of and interest on which when due will provide moneys, which together with moneys, if any, deposited with the Escrow Agent at the same time, shall be sufficient to pay when due the Principal Installment and interest due and to become due on the Bonds as the same matures.

Neither the Government Obligations nor moneys deposited pursuant to this **Section 7.01** nor the principal installment or interest payments thereon shall be withdrawn or used for any purpose other than, and shall be held in trust by the Escrow Agent for, the payment of the Principal Installment of and interest on the Bonds; provided that any cash received from such principal installment or interest payments on Government Obligations so deposited, if not then needed for such purpose, shall to the extent practicable, be invested and reinvested in Government Obligations maturing at times and in amounts sufficient to pay when due the Principal Installment and interest to become due on the Bonds on the maturity dates thereof and interest earned from such reinvestments not required for the payment of the Principal Installment and interest may be paid over to the City, as received by the Escrow Agent, free and clear of any trust, lien or pledge.

[End of Article VII]

ARTICLE VIII

CERTAIN TAX CONSIDERATIONS

Section 8.01 General Tax Covenant

The City will comply with all requirements of the Code in order to preserve the tax-exempt status of the Bonds, including without limitation, the requirement to file the information report with the Internal Revenue Service. In this connection, the City covenants to execute any and all agreements or other documentation as it may be advised by bond counsel will enable it to comply with this **Section 8.01**, including its certification on reasonable grounds that the Bonds are not “arbitrage bonds” within the meaning of Section 148 of the Code.

Section 8.02 Redemption of Refunded Bonds

The City hereby represents and covenants that it will not take any action which will, or fail to take any action which failure will, cause interest on the Bonds to become includable in the gross income of the Holder thereof for federal income tax purposes pursuant to the provisions of the Code and regulations promulgated thereunder. Without limiting the generality of the foregoing, the City represents and covenants that:

(a) All property financed or refinanced by the net proceeds of the Bonds will be owned by the City in accordance with the rules governing the ownership of property for federal income tax purposes.

(b) The City shall not permit the proceeds of the Bonds or any facility financed or refinanced with the proceeds of the Bonds to be used in any manner that would result in (a) ten percent (10%) or more of such proceeds being considered as having been used directly or indirectly in any trade or business carried on by any natural person or in any activity carried on by a person other than a natural person other than a governmental unit as provided in Section 141(b) of the Code, or (b) five percent (5%) or more of such proceeds being considered as having been used directly or indirectly to make or finance loans to any person other than a governmental unit as provided in Section 141(c) of the Code.

(c) The City is not a party to, nor will the City enter into, any contracts with any person for the use or management of any facility financed or refinanced with the proceeds of the Bonds that do not conform to the guidelines set forth in Revenue Procedure 97-13.

(d) The City will not sell or lease any property financed or refinanced with the proceeds of the Bond to any person unless it obtains the opinion of nationally recognized bond counsel that such lease or sale will not affect the tax exemption of the Bonds.

(e) The Bond will not be federally guaranteed within the meaning of Section 149(b) of the Code. The City will not enter into any leases or sales or service contracts with respect to any facility financed or refinanced with the proceeds of the Bonds with any federal government agency unless it obtains the opinion of nationally recognized bond counsel that such action will not affect the tax exemption of the Bonds.

Section 8.03 Rebate

1. In addition to the covenants contained in **Sections 8.01** and **8.02** hereof, the City covenants that:

(a) It will comply with the provisions of Section 148(f) of the Code and applicable Treasury Regulations pertaining to the rebate of certain investment earnings on the proceeds of the Bonds to the United States Government. In this connection, the City covenants to compute, on or before the dates required of it in Section 148(f) of the Code and the applicable Treasury Regulations, the rebateable amounts, if any, pertaining to the Bonds and to pay to the United States Government in a timely fashion all amounts required to be so paid under said Section 148(f) and applicable Treasury Regulations with respect to the Bonds. In this respect, the City will pay to the United States Government in the manner described in subparagraph (b) below an amount equal to the sum of:

(i) the excess of:

a. The amount earned on all non-purpose investments (as defined in the Treasury Regulations) with respect to the Bonds over

b. The amount which would have been earned if such non-purpose investments were invested at a rate equal to the yield (as defined in the Treasury Regulations) on the Bonds, plus

(ii) any income attributable to such excess.

(b) Such payments shall be made to the United States Government, at the address prescribed in Section 148(f) of the Code and applicable Treasury Regulations, as follows:

(i) Not less frequently than once each five (5) years after the date of issuance of the Bonds, an amount such that, together with prior amounts paid to the United States Government, the total paid to the United States Government is equal to ninety percent (90%) of the amount due as of the date of such payments, and

(ii) Not later than sixty (60) days after the date on which the Bonds have been paid in full, all of the amount due as of the date of payment.

2. In connection with the above, the Mayor or the Administrator is hereby authorized to make the necessary findings and elections to enable the City to elect to proceed with any spend down exemptions to rebate as may be permitted under said Section 148(f) of the Code and applicable Treasury Regulations as he shall determine in his discretion to be in the best interests of the City.

Section 8.04 Qualified Tax-Exempt Obligation

It is expected that during calendar year 2010 the City and all entities subordinate thereto, including the City's Commission of Public Works, will not borrow on a tax-exempt basis (other than private activity bonds) in the aggregate an amount exceeding \$30,000,000. The Bonds are hereby accordingly designated as "qualified tax-exempt obligations" in accordance with Section 265(b)(3)(B) of the Code.

[End of Article VIII]

ARTICLE IX

MISCELLANEOUS

Section 9.01 Failure to Present Bonds

Anything in this Ordinance to the contrary notwithstanding, any money held by the Escrow Agent in trust for the payment and discharge of the Bonds, or the interest thereon, which remains unclaimed for such period of time, after the date when such Bonds have become due and payable, that the Holder thereof shall no longer be able to enforce the payment thereof, the Escrow Agent shall at the written request of the City pay such money to the City as its absolute property free from trust. The Escrow Agent shall thereupon be released and discharged with respect thereto and the Bondholder shall look only to the City for the payment of such Bond. Provided, however, the Escrow Agent shall forward to the City all moneys which remain unclaimed during a period five (5) years from a Bond Payment Date; and further provided, however, that before being required to make any such payment to the City, the Escrow Agent, at the expense of the City, may conduct such investigations as in the opinion of the Escrow Agent may be necessary to locate the Holders or those who would take if the Holder shall have died.

Section 9.02 Severability of Invalid Provisions

If any one or more of the covenants or agreements provided in this Ordinance should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this Ordinance.

Section 9.03 Successors

Whenever in this Ordinance the City is named or referred to, it shall be deemed to include any entity, which may succeed to the principal functions and powers of the City; and all the covenants and agreements contained in this Ordinance by or on behalf of the City shall bind and inure to the benefit of said successor whether so expressed or not.

Section 9.04 Ordinance to Constitute Contract

In consideration of the purchase and acceptance of the Bonds by those who shall purchase and hold the same from time to time, the provisions of this Ordinance shall be deemed to be and shall constitute a contract between the City and the Holders from time to time of the Bonds. Such provisions are covenants and agreements with such Holders which the City hereby determines to be necessary and desirable for the security and payment thereof.

Section 9.05 Filing of Copies of Ordinance

Copies of this Ordinance shall be filed in the office of the City Clerk and the offices of the Clerks of Court for Greenville County and Spartanburg County (as a part of the Transcript of Proceedings).

Section 9.06 Further Action by Officers of City

The proper officers of the City are fully authorized and empowered to take the actions required to implement the provisions of this Ordinance and to furnish such certificates and other proofs as may be required of them.

Section 9.07 Continuing Disclosure

Pursuant to Section 11-1-85 of the South Carolina Code, the City covenants to file with a central repository for availability in the secondary bond market when requested:

- (1) An annual independent audit, within thirty days of the City’s receipt of the audit;
and
- (2) Event specific information within thirty days of an event adversely affecting more than five percent of revenue or the City’s tax base.

The only remedy for failure by the City to comply with the covenant in this **Section 9.07** shall be an action for specific performance of this covenant. The City specifically reserves the right to amend this covenant to reflect any change in (including any repeal of) said Section 11-1-85, without the consent of any Bondholder.

Section 9.08 Effective Date of this Ordinance

This Bond Ordinance shall take effect upon its second reading and shall be forthwith codified in the Code of City Ordinances and indexed under the general heading “Bond Issues – Not Exceeding \$915,000 General Obligation Refunding Bond, Series 2010A, of the City of Greer, South Carolina” and “– Not Exceeding \$780,000 General Obligation Refunding Bond, Series 2010B, of the City of Greer, South Carolina.”

[End of Article IX]

DONE in meeting duly assembled, this 22nd day of June, 2010.

CITY OF GREER, SOUTH CAROLINA

Richard W. Danner, Mayor

(SEAL)

Attest:

Tammela Duncan, Municipal Clerk

Approved as to form:

John B. Duggan, City Attorney

Introduced by: Councilman Jay Arrowood

First reading: June 8, 2010

Second reading: June 22, 2010

This Bond is in the principal amount of _____ Dollars (\$_____) and is issued pursuant to and in accordance with the Constitution and statutes of the State of South Carolina, including particularly the provisions of Title 11, Chapter 15 and Title 5, Chapter 21, Article 5, as supplemented by Section 11-27-40, of the Code of Laws of South Carolina 1976, as amended (collectively, the “*Enabling Act*”), and an Ordinance duly enacted by the City Council of the City on June 22, 2010 (the “*Ordinance*”).

Certain capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Ordinance. Certified copies of the Ordinance are on file in the office of the City Clerk of the City and in the offices of the Clerks of Court of Greenville County and Spartanburg County.

For the prompt payment thereof, both principal and interest, as the same shall become due, the full faith, credit and taxing power of the City are irrevocably pledged.

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

The Bond is issuable only as a single fully registered Bond in the principal amount of \$_____.

This Bond is transferable, as provided in the Ordinance, only upon the books of the City kept for that purpose at its office by the Registered Holder in person or by his duly authorized attorney, upon (i) surrender of this Bond together with a written instrument of transfer satisfactory to the City duly executed by the Registered Holder or his duly authorized attorney and (ii) payment of the charges, if any, prescribed in the Ordinance. Thereupon a new fully registered Bond of like maturity, interest rate and redemption provisions and in a like aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Ordinance. The City may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal and interest due hereon and for all other purposes.

For every transfer of the Bond, the City may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such transfer.

It is hereby certified and recited that all conditions, acts and things required by the Constitution and Statutes of the State of South Carolina to exist, be performed or happen precedent to or in the issuance of the Bond in order to make the Bond the legal, valid and binding general obligation of the City in accordance with its terms, do exist, have been performed and have happened in regular and due form as required by law; and that the amount of the Bond, together with all other indebtedness of the City, does not exceed any limit prescribed by such Constitution or Statutes, and that provision has been made for the allocation, on an annual basis, of sufficient tax revenues to provide for the punctual payment of the principal of and interest on the Bond.

This Bond shall not be valid or obligatory for any purpose until the Certificate of Authentication hereon shall have been duly executed by the Registrar.

IN WITNESS WHEREOF, the City of Greer, South Carolina has caused this Bond to be signed in its name by the Mayor of the City of Greer, South Carolina, and its corporate seal to be hereunto reproduced and attested to by the City Clerk of the City of Greer, South Carolina.

(SEAL)

CITY OF GREER, SOUTH CAROLINA

Richard W. Danner, Mayor

Attest:

Tammela Duncan, Municipal Clerk

CERTIFICATE OF AUTHENTICATION

This Bond is the Bond described in the within mentioned Ordinance.

CITY OF GREER, SOUTH CAROLINA, as Registrar

By: _____
Tammela Duncan, Municipal Clerk

Date: _____

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

_____ (please print or type name and address of Transferee and Social Security or other identifying number of Transferee) the within Bond and all rights and title thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed

NOTICE: Signature(s) must be guaranteed by an institution which is a participation in the Securities Transfer Agents Medallion Program ("STAMP") or similar program enlargement.

Authorized Individual or Officer

NOTICE: The signature to the assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

OFFICIAL NOTICE OF SALE
\$ _____
GENERAL OBLIGATION REFUNDING BOND, SERIES 2010A,
OF THE CITY OF GREER, SOUTH CAROLINA

AND

\$ _____
GENERAL OBLIGATION REFUNDING BOND, SERIES 2010B,
OF THE CITY OF GREER, SOUTH CAROLINA

Notice is hereby given that sealed bids will be received by the City of Greer, South Carolina (the “City”), for the purchase of all, but not a part, of the City’s (i) \$ _____ General Obligation Refunding Bond, Series 2010A (the “*Series 2010A Bond*”) and (ii) \$ _____ General Obligation Refunding Bond, Series 2010B (the “*Series 2010B Bond*” and together with the Series 2010A Bond, the “*Bonds*”), as more fully described herein. The bids will be received at the place and until the time specified below (unless postponed as described herein):

Time: _____, 2010
12:00 Noon

Place: City of Greer
106 South Main Street
Greer, South Carolina, 29650

Delivery of Bids:

Proposals may be delivered by hand, by mail or by facsimile transmission, but no proposal shall be considered which is not actually received by the City at the place, date and time appointed, and the City shall not be responsible for any failure, misdirection, delay or error resulting from the selection by any bidder of any particular means of delivery of bids. The City will take reasonable steps to ensure the confidentiality of all bids transmitted to it by facsimile transmission, but cannot guarantee the confidentiality of all bids transmitted by such means. No agent or employee of the City will undertake to receive proposals by means of oral communication.

Mailed Bids: All mailed bids should be enclosed in a sealed envelope marked on the outside “Proposal for Series 2010A and Series 2010B General Obligation Refunding Bonds” addressed to:

City of Greer
106 South Main Street
Greer, South Carolina, 29650
Attention: City Administrator
Telephone: (864) 848-2150

Bids Sent by
Hand Delivery: Hand delivery of bids will be accepted at the address set forth above.

Bids Sent by
Facsimile:

Bids may be sent by facsimile received at (864) 968-7006. Bids sent by facsimile transmission will be considered timely only if transmission and printing are complete by 12:00 Noon, local time, on _____, 2010. (Please be advised that there is a single fax machine connected to the number provided above. It is highly recommended that bidders call the City to confirm receipt of a bid sent via facsimile.)

Either the City Administrator or his designee will publicly open and read the bids at the time, place and date set forth above. Unless all bids are rejected, the Bonds will be awarded to the bidder offering the lowest net interest cost to the City.

Bonds: The Series 2010A Bond will be issued as a single, fully registered Bond in the denomination of \$_____; will be dated as of the date of its delivery; and will mature as to principal as set forth below. The Series 2010B Bond will be issued as a single, fully registered Bond in the denomination of \$_____; will be dated as of the date of its delivery; and will mature as to principal as set forth below.

The Bonds will be payable as to principal on May 1 in each of the years and in the principal amounts as follows:

SERIES 2010A BOND

<u>Year</u>	<u>Principal Amount</u>
-------------	-------------------------

SERIES 2010B BOND

<u>Year</u>	<u>Principal Amount</u>
-------------	-------------------------

The Bonds will bear interest from their date of delivery thereof, payable November 1, 2010 and semiannually on May 1 and November 1 of each year thereafter.

No Prepayment: The Bonds are not subject to prepayment prior to their respective maturity.

Additional Covenants and Terms: The covenants of the City with respect to the Bonds are set forth in the Ordinance enacted on June 22, 2010, authorizing the issuance of the Bonds (the “**Bond Ordinance**”) which will be available from the City or Bond Counsel. A bidder must specify any additional covenants, restrictions or conditions in its response.

Bid Requirements: The Series 2010A Bond shall be sold at a price not less than par at a single, fixed rate of interest. The Series 2010B Bond shall be sold at a price not less than par at a single, fixed

rate of interest. A bid for less than all of the Bonds will not be considered. The City Administrator reserves the right to reject any and all bids or to waive irregularities in any bid. Bids will be accepted or rejected no later than 24 hours after the time established for the receipt of bids.

Legal Fees: The City will not be responsible for the legal fees, if any, of the purchaser.

Legal Authority and Security: The Bonds will be issued pursuant to Title 11, Chapter 15 and Title 5, Chapter 21, Article 5, and Section 11-27-40 of the Code of Laws of South Carolina 1976, as amended, and the Bond Ordinance. The Bonds will constitute binding general obligations of the City. For the payment of the principal and interest thereof, as they respectively mature, and to create such sinking fund to aid in the retirement and payment thereof, the full faith, credit and taxing power of the City will be irrevocably pledged, and there will 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.

Purpose: The proceeds of the Bonds will be used to current refund (i) the City's \$2,000,000 original principal amount General Obligation Bonds, Series 2000A, dated April 1, 2000 and (ii) the City's \$1,700,000 original principal amount General Obligation Bonds, Series 2000B, dated April 1, 2000.

Basis for Award: If satisfactory bids are received, the Bonds will be awarded to the lowest responsible bidder by the City not later than 24 hours after the time established for the receipt of bids. The lowest bidder shall be the bidder offering to purchase the Bonds at the lowest net interest cost to the City. For the purpose of determining lowest net interest cost, the aggregate of interest on the Bonds of a Series from the dated date of the Bonds, which is the original issue date, until their respective maturity, less any sum named by way of premium, shall be determined on each bid and the smallest amount to be paid by the City shall reflect lowest net interest cost. In the event that two or more bidders have bid the same net interest cost, the award shall be made by lot. The determination by the City of the net interest cost of each bid and the City's award of the bid will be final.

Legal Opinions: The issuance of the Bonds are subject to the approving opinion of Haynsworth Sinkler Boyd, P.A., Greenville, South Carolina, Bond Counsel, as to the validity of the issuance of the Bonds under the Constitution and laws of the State of South Carolina. Certain legal matters will be passed upon for the City by its Counsel, John B. Duggan, Esq.

Tax Exemption and Other Matters: The Internal Revenue Code of 1986, as amended (the "*Code*"), includes provisions that relate to tax-exempt obligations, such as the Bonds, including, among other things, permitted uses and investment of the proceeds of the Bonds and the rebate of certain net arbitrage earnings from the investment of such proceeds to the United States Treasury. The City will covenant to comply with the requirements of the Code to the extent required to maintain the exclusion of interest on the Bonds from gross income for federal tax purposes. Failure of the City to comply with such covenant could cause the interest on the Bonds to become subject to federal income taxation retroactively to the date of issuance of the Bonds.

The Code imposes an alternative minimum tax on a taxpayer's alternative minimum taxable income. Interest on the Bonds would not be an item for tax preference for purposes of the individual and corporate alternative minimum tax. However, interest on the Bonds will be includable in the adjusted net book income or adjusted current earnings of a corporation for purposes of computing the alternative minimum tax imposed on corporations.

Purchasers of the Bonds should consult their tax advisors with respect to collateral tax consequences of ownership of the Bonds, such as the calculation of alternative minimum tax, environmental tax or foreign branch profits tax liability, the tax on passive income of S corporations, the

inclusion of Social Security or other retirement payments in taxable income, or the portion of interest expense of a financial institution which is allocable to tax-exempt interest.

South Carolina Taxation: The interest on the Bonds will be exempt from all State of South Carolina taxation except inheritance, estate or other transfer taxes. Section 12-11-20 of the Code of Laws of South Carolina 1976, as amended, imposes upon every bank engaged in business in the State of South Carolina a fee or franchise tax computed at the rate of 4.5% of the entire net income of such bank. Regulations of the South Carolina Department of Revenue require that the term “entire net income” includes income derived from any source whatsoever including interest on obligations of any state and any political subdivision thereof. Interest on the Bonds will be included in such computation.

Qualified Bond: **The Bond is designated as a “qualified tax-exempt obligation” as defined in Section 265 of the Code.**

Investment Letter: The successful purchaser will be requested to execute a letter to the City acknowledging, among other things, that (1) no official statement or other offering material has been furnished other than this Official Notice of Sale; (2) the purchaser had an opportunity to make appropriate inquiries of officials of the City; (3) the purchaser is capable of evaluating the merits and risks of the purchase of the Bond; (4) the purchaser is acquiring the Bond as a vehicle for making a commercial loan and without a present view to the distribution thereof (subject, nevertheless, to any requirement of law that the disposition of its property shall at all times be under its control) within the meaning of the Federal securities laws; and (5) the purchaser is acquiring the Bond solely for its own account and no other person now has any direct or indirect beneficial ownership or interest therein.

The purchaser will also be requested to covenant that it will not voluntarily dispose of all or any portion of the Bonds unless it procures from each assignee thereof representations and covenants in form and content substantially the same as those made by the purchaser.

Delivery: The Bonds will be delivered on or about _____, 2010, in Greer, South Carolina, at the expense of the City. The purchase price then due must be paid in federal funds or other immediately available funds.

Postponement: The City reserves the right to postpone from time to time the date established for receipt of bids. The City will communicate any such change in the sale date through the Bond Buyer Wire or the Bloomberg Wire prior to the time bids are to be received. If any date fixed for the receipt of bids and the sale of the Bond is postponed, any alternative sale date will be announced through the Bond Buyer Wire or the Bloomberg Wire at least 48 hours prior to such alternative sale date. On any such alternative sale date, any bidder may submit a sealed bid for the purchase of the Bonds in conformity in all respects with the provisions of this Official Notice of Sale, except for the date of sale and except for the changes announced through the Bond Buyer Wire or the Bloomberg Wire at the time the sale date and time are announced.

Additional Information: Persons seeking additional information should communicate with David H. Seifert, Director of Finance and Information Technology, of the City of Greer, 106 South Main Street, Greer, South Carolina 29650, telephone (864) 848-2150 or the City’s Bond Counsel, Haynsworth Sinkler Boyd, P.A., Greenville, South Carolina, Brad Love at (864) 240-3388. Financial information is available upon request from the Director of Finance and Information Technology.

CITY OF GREER, SOUTH CAROLINA

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

Dated: _____, 2010

SUMMARY NOTICE OF SALE
\$ _____
GENERAL OBLIGATION REFUNDING BOND, SERIES 2010A
OF THE CITY OF GREER, SOUTH CAROLINA

AND

\$ _____
GENERAL OBLIGATION REFUNDING BOND, SERIES 2010B
OF THE CITY OF GREER, SOUTH CAROLINA

Sealed and facsimile bids will be received by the City of Greer, South Carolina (the “*Issuer*”) pursuant to the Official Notice of Sale dated _____.

Sale Date: _____, 2010

Sale Time: 12:00 Noon, Eastern Time Zone

Bonds Dated: Date of delivery, anticipated to be _____, 2010

Form of Bonds: One fully registered Series 2010A Bond in the denomination of \$_____.

One fully registered Series 2010B Bond in the denomination of \$_____.

Interest Payments: May 1 and November 1, commencing November 1, 2010.

Maturity: Payable May 1, 20__ through May 1, 20__, inclusive.

Redemption Provisions: The Bonds are not subject to redemption prior to their maturity.

Legal Opinion: Haynsworth Sinkler Boyd, P.A., Greenville, South Carolina.

Official Notice of Sale: Available from the Issuer at 106 South Main Street, Greer, South Carolina 29650, telephone (864) 848-2150 or from the Issuer’s Bond Counsel, Haynsworth Sinkler Boyd, P.A., Greenville, South Carolina, Brad Love at (864) 240-3388.

For the payment of principal and interest on the Bonds, as they respectively mature, the full faith, credit, and taxing power of the Issuer are pledged.

This Notice is given to evidence the Issuer’s intent to receive bids for and award the Bonds on the date stated above. Such sale may be postponed upon notice given prior to the time bids are to be received as disseminated by the Bond Buyer Wire or the Bloomberg Wire. If canceled, the sale may be thereafter rescheduled and notice of such rescheduled date of sale will be disseminated at least 48 hours prior to the time for receipt of bids by the Bond Buyer Wire or the Bloomberg Wire.

STATE OF SOUTH CAROLINA

COUNTY OF GREENVILLE

I, the undersigned, Municipal Clerk of the City of Greer, South Carolina (the "*City*"), **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 by the City Council of the City (the "*City Council*"). 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 all/a majority of the membership were notified of each meeting and remained throughout the proceedings incident to the enactment of this Ordinance.

IN WITNESS WHEREOF, I have hereunto set my Hand this 22nd day of June, 2010.

Tammela Duncan, Municipal Clerk
City of Greer, South Carolina

First reading: June 8, 2010
Second reading: June 22, 2010