

ORDINANCE NUMBER 21-2010

CITY OF GREER, SOUTH CAROLINA

TENTH SUPPLEMENTAL ORDINANCE NO. 21 -2010

A TENTH SUPPLEMENTAL ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF CITY OF GREER, SOUTH CAROLINA, COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2010, IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING \$6,750,000; AUTHORIZING THE MAYOR AND CITY ADMINISTRATOR TO DETERMINE CERTAIN MATTERS WITH RESPECT TO THE BONDS; PRESCRIBING THE FORM AND DETAILS OF SUCH BONDS; MAKING CERTAIN AMENDMENTS TO GENERAL BOND ORDINANCE NO. 27-97; AND OTHER MATTERS RELATING THERETO.

Enacted: September 28, 2010

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 Tenth Supplemental Ordinance have the respective meanings given to them in the Ordinance and in Section 1 hereof.

"1999 SRF Note" shall mean the \$1,750,850 original principal amount Promissory Note of the City, Series 1999, dated May 28, 1999, and outstanding as of the effective date of this Tenth Supplemental Ordinance in the principal amount of \$983,159 and payable to the State Authority for South Carolina Water Pollution Control Revolving Fund Loan No. 1-049-99-463-10.

"2004 SRF Note" shall mean the \$9,211,590 original principal amount Promissory Note of the City, Series 2004, dated June 24, 2004, and outstanding as of the effective date of this Tenth Supplemental Ordinance in the principal amount of \$8,095,027 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 \$7,500,000 original principal amount Promissory Note of the City, Series 2005, dated June 30, 2005, and outstanding as of the effective date of this Tenth Supplemental Ordinance in the principal amount of \$6,763,589 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 \$13,600,000 original principal amount Promissory Note of the City, Series 2007, dated November 16, 2007, and outstanding as of the effective date of this Tenth Supplemental Ordinance in the principal amount of \$12,766,332 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 \$5,310,417 original principal amount Promissory Note of the City, Series 2009, dated September 25, 2009, and outstanding as of the effective date of this Tenth Supplemental Ordinance in the principal amount of \$3,430,879 and payable to the State Authority for South Carolina South Carolina Drinking Water Revolving Fund Loan No. S3-043-09-2310005-04.

"2010 Debt Service Fund" shall mean the Fund established pursuant to Section 7 hereof to provide for the payment of the principal of and interest on the Series 2010 Bonds.

"2010 Debt Service Reserve Fund" shall mean the Fund, if any, established pursuant to Section 8 hereof (a) to insure the timely payment of the principal of and interest on the Series 2010 Bonds and (b) to provide for the redemption of the Series 2010 Bonds.

“2010 Projects” shall mean certain improvements, extensions and enlargements to the System, to wit: (a) construction of North Highway 101 Substation; (b) Wards Creek Outfall Sewer and Inflow and Infiltration Project; (c) inflow and infiltration rehabilitation of sewer collection lines; and (d) any other improvements relating to the foregoing and such other improvements as the Commission may deem necessary or incidental to the System.

“2010 Reserve Fund Requirement” shall mean, subject to Section 8 hereof, an amount as of the date of its calculation equal to the least of (a) ten percent (10%) of the original principal amount of the Series 2010 Bonds (less any original issue discount when such original issue discount represents more than a *de minimis* amount); (b) the maximum annual debt service on the Series 2010 Bonds for the then current or any future Fiscal Year; or (c) 125% of the average annual debt service on the Series 2010 Bonds for the then current or any future Fiscal Year.

“Beneficial Owner” shall mean any purchaser who acquires beneficial ownership interest in any Initial Bond held by the Depository. In determining any Beneficial Owner the City, the Registrar and the Paying Agent may rely exclusively upon written representations made and information given to the City, the Registrar and the Paying Agent, as the case may be, by the Depository or its Participants with respect to any Series 2010 Bond held by the Depository or its Participants in which a beneficial ownership interest is claimed.

“Bond Insurance Policy” shall mean the Financial Guaranty Insurance Policy (if any) issued by the Bond Insurer guaranteeing the scheduled payment of principal of and interest on the Series 2010 Bonds.

“Bond Insurer” shall mean Assured Guaranty Corp., a Maryland-domiciled insurance company, or any successor thereto or assignee thereof.

“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 effective date of this Tenth Supplemental Ordinance in the principal amount of \$5,103,597.

“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 effective date of this Tenth Supplemental Ordinance in the principal amount of \$23,990,000.

“Bond Purchase Agreement” shall mean one or more Bond Purchase Agreements (if any) relating to the sale of the Series 2010 Bonds, to be dated the date of execution and delivery thereof between the Underwriters and the City, as amended or supplemented thereto.

“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 effective date of this Tenth Supplemental Ordinance in the principal amount of \$24,185,000.

“Book-Entry Form” or “Book-Entry System” shall mean with respect to the Series 2010 Bonds, a form or system, as applicable, under which (a) the ownership of beneficial interests in the Series 2010 Bonds may be transferred only through a book-entry and (b) physical Series 2010 Bond certificates in fully registered form are registered only in the name of a Depository or its nominee as Holder, with the physical Series 2010 Bond certificates “immobilized” in the custody of the Depository. The book-entry maintained by the Depository is the record that identifies the owners of participatory interests in the Series 2010 Bonds, when subject to the Book-Entry System.

“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.

“Construction Fund of 2010” shall mean the Fund established pursuant to Section 10 hereof into which a portion of the proceeds of the Series 2010 Bonds will be deposited and from which such proceeds will be disbursed to pay the Cost of Acquisition and Construction in connection with the 2010 Projects and Cost of Issuance.

“Continuing Disclosure Undertaking” shall have the meaning given that term in Section 14 hereof.

“Custodian” shall mean the bank, depository or trust company selected by the General Manager of the Commission as custodian of the Construction Fund of 2010.

“Debt Service Reserve Policy” shall mean, subject to Section 11, the Financial Guaranty Insurance Policy (Reserve Fund), if any, issued by the Bond Insurer simultaneously with the issuance of the Series 2010 Bonds and payable to the Paying Agent.

“Depository” shall mean any securities depository that is a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended, operating and maintaining, with its Participants or otherwise, a Book-Entry System to record ownership of beneficial interests in the Series 2010 Bonds, and to effect transfers of the Series 2010 Bonds, in Book-Entry Form, and includes and means initially The Depository Trust Company (a limited-purpose trust company), New York, New York.

“Eighth Supplemental Ordinance” shall mean Eighth Supplemental Ordinance No. 14-2009 enacted on May 26, 2009, by the Council of the City authorizing the issuance of the Bond of 2009.

“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.

“Initial Bonds” shall mean the Series 2010 Bonds initially issued in Book-Entry Form as provided in Section 4 hereof.

“Insurer Default” shall mean any of the following: (a) there shall occur a default in the payment by the Bond Insurer of principal of or any interest on any Series 2010 Bond when required to be made by the Bond Insurance Policy or Debt Service Reserve Policy, as the case may be; (b) the Bond Insurance Policy or the Debt Service Reserve Policy, as the case may be, shall have been declared null and void or unenforceable in a final determination by a court of law; (c) a proceeding shall have been instituted in a court having jurisdiction in the premises seeking a decree or order for relief in respect of the Bond Insurer in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect or for the appointment of a receiver, liquidator, assignee, custodian, trustee or sequestrator (or other similar official) of the Bond Insurer or for any substantial part of its property or for the winding-up or liquidation of its affairs and such proceeding shall remain undismissed or unstayed and in effect for a period of 30 consecutive days or such court shall enter a decree or order granting the relief sought in such proceeding; or (d) the Bond Insurer shall voluntarily suspend transaction of its business, shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, shall consent to the entry of an order for relief in an involuntary case under any such law or shall consent to the appointment of or taking possession by a liquidator, assignee, trustee, custodian or sequestrator (or other similar official) of the Bond Insurer or for any substantial part of its property, or shall make a general assignment for the benefit of creditors.

“Interest Payment Date” shall mean March 1 and September 1 of each year commencing March 1, 2011, or such other date as the Mayor and City Administrator may determine pursuant to Section 11 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.

“Paying Agent” shall mean Branch Banking and Trust Company, in Wilson, North Carolina, as Paying Agent for the Series 2010 Bonds.

“Permitted Investments” shall have the meaning set forth in the General Bond Ordinance; provided, however, that if and to the extent a Bond Insurance Policy is in effect with respect to the

Series 2010 Bonds, “Permitted Investments” shall mean, with respect to the 2010 Debt Service Fund and 2010 Debt Service Reserve Fund (if any) established for such Series 2010 Bonds, only such Permitted Investments, as defined in the General Bond Ordinance, as also qualify under the following:

1. (a) Cash (fully insured by the Federal Deposit Insurance Corporation); (b) Direct obligations (other than any obligation subject to variation in principal repayment) of the United States of America (“U.S. Treasury Obligations”), (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America; (d) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America; or (e) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

2. Federal Housing Administration debentures.

3. The listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America:

(a) Federal Home Loan Mortgage Corporation (FHLMC) senior debt obligations and Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts).

(b) Farm Credit System (formerly Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives) consolidated system-wide bonds and notes.

(c) Federal Home Loan Banks (FHL Banks) consolidated debt obligations.

(d) Federal National Mortgage Association (FNMA) senior debt obligations and mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts).

4. Unsecured certificates of deposit, time deposits, and bankers’ acceptances (having maturities of not more than 365 days) of any bank the short-term obligations of which are rated “A-1+” or better by S&P and “Prime-1” by Moody’s.

5. Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation, in banks which have capital and surplus of at least \$15

million.

6. Commercial paper (having original maturities of not more than 270 days) rated “A-1+” by S&P and “Prime-1” by Moody’s.

7. Money market funds rated “Aam” or “AAM-G” by S&P, or better and if rated by Moody’s rated “Aa2” or better.

8. “State Obligations”, which means:

(a) Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated at least “A3” by Moody’s and at least “A-” by S&P, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

(b) Direct general obligations of any state agency or subdivision or agency thereof described in (a) above and rated “A-1+” by S&P and “MIG-1” by Moody’s.

(c) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state or state agency described in (b) above and rated “AA-” or better by S&P and “Aa3” or better by Moody’s.

9. Pre-refunded municipal obligations rated “AAA” by S&P and “Aaa” by Moody’s meeting the following requirements:

(a) the municipal obligations are (1) not subject to redemption prior to maturity or (2) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

(b) the municipal obligations are secured by cash or U.S. Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

(c) the principal of and interest on the U.S. Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations (“Verification Report”);

(d) the cash or U.S. Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal

obligations;

(e) no substitution of a U.S. Treasury Obligation shall be permitted except with another U.S. Treasury Obligation and upon delivery of a new Verification Report; and

(f) the cash or U.S. Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

10. Repurchase agreements: with (1) any domestic bank, or domestic branch of a foreign bank, the long term debt of which is rated at least "A-" by S&P and "A3" by Moody's; (2) any broker-dealer with "retail customers" or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least "A-" by S&P and "A3" by Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (3) any other entity rated at least "A-" by S&P and "A3" by Moody's and acceptable to the Bond Insurer (each an "Eligible Provider"), provided that:

(a) (i) permitted collateral shall include U.S. Treasury Obligations, or senior debt obligations of GNMA, FNMA or FHLMC (no collateralized mortgage obligations shall be permitted for these providers), and (ii) collateral levels must be at least 102% of the total principal when the collateral type is U.S. Treasury Obligations, 103% of the total principal when the collateral type is GNMA or 104% of the total principal when the collateral type is FNMA and FHLMC ("Eligible Collateral");

(b) a third party acting solely as agent for the City (the "Investment Custodian") has possession of the collateral or the collateral has been transferred to the Investment Custodian in accordance with applicable state and federal laws (other than be means of entries on the transferor's books) and such collateral shall be marked to market;

(c) the collateral shall be marked to market on a daily basis and the provider or Investment Custodian shall send monthly reports to the City and Bond Insurer setting forth the type of collateral, the collateral percentage required for that collateral type, the market value of the collateral on the valuation date and the name of the Investment Custodian holding the collateral;

(d) the repurchase agreement (or guaranty, if applicable) may not be assigned or amended without the prior written consent of Bond Insurer;

(e) the repurchase agreement shall state and an opinion of counsel shall be rendered at the time such collateral is delivered that the Investment Custodian has a perfect first priority security interest in the collateral, any substituted collateral and all proceeds thereof;

(f) the repurchase agreement shall provide that if during its term the provider's rating by either Moody's or S&P is withdrawn or suspended or falls below "A-")

by S&P or “A3” by Moody’s, as appropriate, the provider must, notify the City and the Bond Insurer within five (5) days of receipt of such notice. Within ten (10) days of receipt of such notice, the provider shall either: (i) provide a written guarantee acceptable to the Bond Insurer, (ii) post Eligible Collateral; or (iii) assign the agreement to an Eligible Provider. If the provider does not perform a remedy within ten (10) Business Days, the provider shall, at the direction of any custodian or trustee (who shall give such direction if so directed in writing by the Bond Insurer) repurchase all collateral and terminate the repurchase agreement, with no penalty or premium to the City.

11. Investment Agreements: with a domestic or foreign bank or corporation the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated at least “AA-” by S&P and “Aa3” by Moody’s, and acceptable to the Bond Insurer (each an “Eligible Provider”); provided that:

(a) interest payments are to be made to the Paying Agent at times and in amounts as necessary to pay debt service (or, if the investment agreement is for the Construction Fund of 2010, to the Custodian for construction draws) on the Series 2010 Bonds;

(b) the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven (7) days’ prior written notice; the City and the Paying Agent hereby agree to give or cause to be given notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

(c) the provider shall send monthly reports to the Paying Agent, the City and the Bond Insurer setting forth the balance the City or Paying Agent has invested with the provider and the amounts and dates of interest accrued and paid by the provider;

(d) the investment agreement shall state that is an unconditional and general obligation of the provider, and is not subordinated to any other obligation of, the provider thereof, or if the provider is a bank, the agreement or the opinion of counsel shall state that the obligation of the provider to make payments thereunder ranks pari passu with the obligations of the provider to its other depositors and its other unsecured and subordinated creditors;

(e) the investment agreement (or guaranty, if applicable) may not be assigned or amended without the prior written consent of the Bond Insurer;

(f) the City and the Bond Insurer shall receive an opinion of domestic counsel to the provider that such investment agreement is legal, valid, binding and enforceable against the provider in accordance with its terms;

(g) the City and the Bond Insurer shall receive an opinion of foreign

counsel to the provider (if applicable) that (i) the investment agreement has been duly authorized, executed and delivered by the provider and constitutes the legal, valid and binding obligation of the provider, enforceable against the provider in accordance with its terms, (b) the choice of law of the state set forth in the investment agreement is valid under that country's laws and a court in such country would uphold such choice of law, and (c) any judgment rendered by a court in the United States would be recognized and enforceable in such country;

(h) the investment agreement shall provide that if during its term:

(i) the provider's rating by either S&P or Moody's falls below "AA-" or "Aa3", the provider shall, at its option, within ten (10) days of receipt of publication of such downgrade, either (i) provide a written guarantee acceptable to the Bond Insurer, (ii) post Eligible Collateral with the City, or a third party acting solely as agent for a custodian (the "Custodian") free and clear of any third party liens or claims, or (iii) assign the agreement to an Eligible Provider, or (iv) repay the principal of and accrued but unpaid interest on the investment;

(ii) the provider's rating by either S&P or Moody's is withdrawn or suspended or falls below "A-" or "A3", the provider must, at the direction of the City (who shall give such direction if so directed in writing by the Bond Insurer), within ten (10) days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the City.

(i) in the event the provider is required to collateralize, permitted collateral shall include U.S. Treasury Obligations, or senior debt obligations of GNMA, FNMA or FHLMC (no collateralized mortgage obligations shall be permitted for these providers) and collateral levels must be 102% of the total principal when the collateral type is U.S. Treasury Obligations, 103% of the total principal when the collateral type is GNMA's and 104% of the total principal when the collateral type is FNMA and FHLMC ("Eligible Collateral"). In addition, the collateral shall be marked to market on a daily basis and the provider or Investment Custodian shall send monthly reports to the City and the Bond Insurer setting forth the type of collateral, the collateral percentage required for that collateral type, the market value of the collateral on the valuation date and the name of the Investment Custodian holding the collateral;

(j) the investment agreement shall state and an opinion of counsel shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement, at the time such collateral is delivered, that the Custodian has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof;

(k) the investment agreement must provide that if during its term: (i) the provider shall default in its payment obligations, the provider's obligations under the

investment agreement shall, at the direction of the City (who shall give such direction if so directed by the Bond Insurer), be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the City or the Paying Agent, as appropriate, and (ii) the provider shall become insolvent, not pay its debt as they become due, be declared or petition to be declared bankrupt, etc. (“event of insolvency”), the provider’s obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the City or the Paying Agent, as appropriate.

“Principal Payment Date” shall have the meaning given to such term in Section 3(b) hereof.

“Registrar” shall mean Branch Banking and Trust Company, in Wilson, North Carolina, as Registrar for the Series 2010 Bonds.

“Reimbursement Agreement” shall mean, subject to Section 11, the Reimbursement Agreement (Reserve Fund), if any, between the City and the Bond Insurer relating to the Debt Service Reserve Policy, if any.

“Second Supplemental Ordinance” shall mean Second Supplemental Ordinance No. 31-99 enacted on May 25, 1999, by the Council of the City authorizing the issuance of the 1999 SRF Note.

“Series 2010 Bonds” shall mean the City of Greer, South Carolina, Combined Utility System Revenue Bonds, Series 2010, in the aggregate principal amount of not exceeding \$6,750,000 authorized to be issued hereunder.

“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.

“Sixth Supplemental Ordinance” shall mean Sixth Supplemental Ordinance No. 15-2007 enacted on May 8, 2007, by the Council of the City authorizing the issuance of the Bond of 2007.

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

“Tenth Supplemental Ordinance” shall mean this Tenth Supplemental Ordinance No. ____ enacted by the Council of the City authorizing the issuance of the Series 2010 Bonds.

“Third Supplemental Ordinance” shall mean Third Supplemental Ordinance No. 10-2002 enacted on May 14, 2002, by the Council of the City authorizing the issuance of the Bonds of 2002.

“Underwriters” shall mean the original purchaser or underwriters for the Series 2010 Bonds.

“Value” or “Values” means, if a Bond Insurance Policy is in effect, with respect to any Permitted Investments for the 2010 Debt Service Fund and 2010 Debt Service Reserve Fund

established for the Series 2010 Bonds, the amount calculated under the Ordinance determined as of any date of calculation as follows:

- (a) the bid price published by a nationally recognized pricing service as selected by the City in its sole discretion;
- (b) as to certificates of deposit and bankers acceptances: the face amount thereof, plus accrued interest; and
- (c) as to any investment not specified above: the value thereof established by prior agreement between the City and the Bond Insurer.

Section 2. Certain Findings and Determinations.

The City hereby finds and determines:

(a) This Tenth 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.

(b) The Series 2010 Bonds constitute and are "Bonds" within the meaning of the quoted word as defined and used in the Ordinance.

(c) 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 Second Supplemental Ordinance for payment and security of the 1999 SRF Note; (ii) the Third Supplemental Ordinance for payment and security of the Bonds of 2002; (iii) the Fourth Supplemental Ordinance for payment and security of the 2004 SRF Note; (iv) the Fifth Supplemental Ordinance for payment and security of the 2005 SRF Note; (v) the Sixth Supplement Ordinance for payment and security of the Bond of 2007; (vi) the Seventh Supplemental Ordinance for the payment and security of the 2007 SRF Note; (vii) the Eighth Supplemental Ordinance for the payment and security of the Bond of 2009; (viii) the Ninth Supplemental Ordinance for the payment and security of the 2009 SRF Note; and (ix) the lien and charge thereon and pledge thereof created by the General Bond Ordinance and this Tenth Supplemental Ordinance for payment and security of the Series 2010 Bonds.

(d) 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.

(e) 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.

(f) The Commission has advised the City that the estimated Cost of Acquisition and Construction of the 2010 Projects is not less than \$7,000,000.

(g) Section 3.3 of the Ordinance provides that one or more Series of Bonds (exclusive of refunding Bonds) may be issued for such purposes as may be permitted by the Act upon compliance with certain provisions of the Ordinance for the purpose of paying the Cost of Acquisition and Construction of one or more Projects at the written request of the Commission. Bonds issued upon compliance with Section 3.3 and Section 3.2 of the General Bond Ordinance shall be issued on a parity with respect to the pledge and lien upon Net Revenues of the System inter sese, but not with regard to the particular Debt Service Fund or Debt Service Reserve Fund in all respects inter sese.

(h) In compliance with the provisions of Section 3.3 of the Ordinance, the Council further finds and determines the following:

- (i) The issuance of the Series 2010 Bonds is authorized under and pursuant to an ordinance supplemental to the General Bond Ordinance as provided in Article III and Article IX of the General Bond Ordinance.
- (ii) Prior to the issuance of the Series 2010 Bonds there shall be executed the certificate required by paragraph A of Section 3.3 of the General Bond Ordinance.
- (iii) There shall be delivered a report, based upon the latest available audit of the System as required by Section 7.4 of the General Bond Ordinance, from an Accountant or Consulting Engineer stating that either (i) the amount of the Net Revenues of the System is not less than 120% of the Maximum Debt Service on Bonds then Outstanding and the Bonds then proposed to be issued (i.e., the Series 2010 Bonds), or (ii) the amount of the Net Revenues of the System, as shall have been forecasted by the Consulting Engineer, is not less than 120% of the actual Debt Service on all Bonds then Outstanding and the Bonds then proposed to be issued (i.e., the Series 2010 Bonds), for each of the three (3) Fiscal Years following the later of the date of the delivery of the Bonds of such Series, or the period (if any) for which interest is funded from the proceeds of such Bonds.
- (iv) The Series 2010 Bonds are being used for the purpose of improving the System, i.e., the 2010 Projects.

(i) Subject to Section 8 and Section 11 hereof, if the 2010 Debt Service Reserve Fund is established hereunder, it shall secure only the Series 2010 Bonds, and the 2010 Reserve Fund Requirement will either be satisfied through the deposit of cash (at such time as may determined by the Mayor and the City Administrator, upon direction from the Commission, pursuant to Section 11

hereof), or be permanently satisfied through the purchase of a Debt Service Reserve Policy, or any combination of the foregoing, for the benefit of the Holders of the Series 2010 Bonds.

(j) The Series 2010 Bonds are being issued for one or more of the following purposes: (i) defraying the Cost of Acquisition and Construction of one or more of the 2010 Projects; (ii) funding the 2010 Debt Service Reserve Fund, if necessary, in an amount equal to the 2010 Reserve Fund Requirement (if funded upon the initial delivery of the Series 2010 Bonds) through the deposit of cash, the purchase of the Debt Service Reserve Policy or any combination thereof; and (iii) paying the Cost of Issuance, including the premium on the Bond Insurance Policy, if purchased, of the Series 2010 Bonds.

(k) It is necessary and in the best interest of the City for the Commission to undertake one or more of the 2010 Projects and for the City to issue the Series 2010 Bonds in the principal amount of not exceeding \$6,750,000 in accordance with the General Bond Ordinance, the Act and this Tenth Supplemental Ordinance for the purposes set forth above.

Section 3. Authorization of Series 2010 Bonds.

(a) There is hereby authorized to be issued a Series of Bonds designated "City of Greer, South Carolina, Combined Utility System Revenue Bonds, Series 2010" (the "Series 2010 Bonds"), in the aggregate principal amount of not exceeding \$6,750,000. The proceeds of the Series 2010 Bonds shall be used for the purposes set forth in Section 2(j) hereof.

Unless otherwise determined by the Mayor and City Administrator pursuant to Section 11 hereof, the Series 2010 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 and City Administrator, pursuant to Section 11 hereof.

(b) Such of the Series 2010 Bonds as the Mayor and City Administrator shall determine pursuant to Section 11 hereof shall be subject to mandatory redemption at a redemption price equal to the principal amount of the Series 2010 Bonds to be redeemed, together with interest accrued from the date of redemption, in the years and in the amounts determined by the Mayor and the City Administrator, pursuant to Section 11 hereof.

At its option, to be exercised on or before the sixtieth (60th) day prior to any mandatory redemption date, the City may (i) deliver to the Registrar for cancellation Series 2010 Bonds which are subject to mandatory redemption in any aggregate principal amount desired or (ii) receive a credit in respect of its mandatory redemption obligation for any such Series 2010 Bonds which, prior to such date, have been purchased or redeemed (otherwise than through the operation of the mandatory redemption requirement) by the City and cancelled by the Registrar and not theretofore applied as a credit against any mandatory redemption obligation. Each Series 2010 Bond so delivered or previously purchased or redeemed shall be credited by the Registrar, at one hundred percent (100%) of the principal amount thereof, to the obligation of the City on

those respective mandatory redemption obligations in chronological order, and the principal amount of the Series 2010 Bonds to be redeemed by operation of the mandatory redemption requirement shall be accordingly reduced.

(c) The Registrar, without further authorization or direction from the City, shall give notice of all mandatory redemptions within the time periods and in the manner specified in Article V of the General Bond Ordinance.

(d) The Series 2010 Bonds shall originally be dated the date of delivery of the Series 2010 Bonds, or such other date as the Mayor and City Administrator shall determine pursuant to Section 11 hereof, and shall be issued as fully registered Bonds in the denominations of \$5,000 and integral multiples of \$5,000. The Series 2010 Bonds shall be numbered and lettered in such a fashion as to maintain a proper record thereof.

(e) Principal of and redemption premium, if any, on the Series 2010 Bonds shall be payable at the designated corporate trust office of the Paying Agent. Interest on the Series 2010 Bonds shall be payable on each Interest Payment Date, in each case to the Holders as of the immediately preceding Record Date, such interest to be paid 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 Paying Agent, and in the case of a Holder of \$1,000,000 or more in principal amount of Series 2010 Bonds, by wire transfer to an account within the continental United States upon the timely receipt of a written request of such Holder. In the event the Series 2010 Bonds are privately placed with a bank or other financial institution, payment of the principal of and interest on such Series 2010 Bonds may be payable to the Holder thereof without presentation and surrender of such Series 2010 Bonds.

(f) The Series 2010 Bonds and the assignment provisions pertaining thereto 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 series, numbers, denominations, maturities, dates, interest rate or rates, redemption provisions, the purpose of issuance and other details thereof or as are otherwise permitted or required by law or by the Ordinance, including this Tenth Supplemental Ordinance.

(g) In the event the Series 2010 Bonds are privately placed with a bank or other financial institution, unless otherwise agreed to by the Mayor and City Administrator, the Series 2010 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 2010 Bonds. Such restriction shall be set forth on the face of the Series 2010 Bonds and shall be complied with by each transferee of the Series 2010 Bonds.

(h) If the City elects to purchase the Bond Insurance Policy, the following Statement of Insurance shall be attached to each Series 2010 Bond:

STATEMENT OF INSURANCE

Assured Guaranty Corp. (“Assured Guaranty”), a Maryland-domiciled insurance company, has delivered its financial guaranty insurance policy (the “Policy”) with respect to the scheduled payments of principal of and interest on the Bonds to Branch Banking and Trust Company, as trustee, on behalf of the holders of the Series 2010 Bonds (the “Trustee”). Such Policy is on file and available for inspection at the principal office of the Trustee and a copy thereof may be obtained from Assured Guaranty or the Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this obligation acknowledges and consents to the subrogation rights of Assured Guaranty as more fully set forth in the Policy.

(i) A copy of the approving opinion to be rendered on the Series 2010 Bonds shall be attached to each Series 2010 Bond, preceding the same a certificate shall appear, which shall be signed on behalf of the City by a manual or facsimile signature of the Clerk of the City. Such certificate shall be in the form substantially as follows:

IT IS HEREBY CERTIFIED that the following is a true and correct copy of the approving opinion of McNair Law Firm, P.A., Greenville, South Carolina, the original of which was manually executed, dated and issued as of the date of the delivery of and payment for the bonds, and a copy of which is on file with the City of Greer, South Carolina.

CITY OF GREER, SOUTH CAROLINA

By: _____
Tammela V. Duncan, Municipal Clerk

Section 4. Book-Entry System; Recording and Transfer of Ownership of the Series 2010 Bonds.

The Initial Bonds will be eligible securities for the purposes of the Book-Entry System of transfer maintained by the Depository, and transfers of beneficial ownership of the Initial Bonds shall be made only through the Depository and its participants in accordance with rules specified by the Depository. Such beneficial ownership must be of \$5,000 principal amount of Bonds of the same maturity or any integral multiple of \$5,000.

The Initial Bonds will be issued in fully-registered form, as a single Bond representing the entire principal amount of the Series 2010 Bonds or one Series 2010 Bond for each of the maturities of the Series 2010 Bonds, in the name of Cede & Co., as the nominee of the Depository. When any principal of, premium, if any, or interest on the Initial Bonds becomes due, the City shall

transmit or cause the Paying Agent to transmit to the Depository an amount equal to such installment of principal, premium, if any, and interest. Such payments will be made to Cede & Co. or other nominee of the Depository as long as it is owner of record on the applicable Record Date. Cede & Co. or other nominee of the Depository shall be considered to be the owner of the Initial Bonds so registered for all purposes of this Tenth Supplemental Ordinance, including, without limitation, payments as aforesaid and receipt of notices. The Depository shall remit such payments to the Beneficial Owners of the Series 2010 Bonds or their nominees in accordance with its rules and regulations.

Notices of redemption of the Initial Bonds or any portion thereof shall be sent to the Depository in accordance with the provisions of the General Bond Ordinance.

The Depository is expected to maintain records of the positions of Participants in the Initial Bonds, and the Participants and persons acting through Participants are expected to maintain records of the Beneficial Owners in the Initial Bonds. The City, the Registrar and the Paying Agent make no assurances that the Depository and its Participants will act in accordance with such rules or expectations on a timely basis, and the City, the Registrar and the Paying Agent shall have no responsibility for any such maintenance of records or transfer of payments by the Depository to its Participants, or by the Participants or persons acting through Participants to the Beneficial Owners.

The City, the Paying Agent, the Registrar and the Trustee may treat the Depository (or its nominee) as the sole and exclusive owner of the Series 2010 Bonds registered in its name for the purpose of payment of the principal of, interest or premium, if any, on the Series 2010 Bonds, giving any notice permitted or required to be given to Bondholders under the General Bond Ordinance or this Tenth Supplemental Ordinance, registering the transfer of the Series 2010 Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever, and shall not be affected by any notice to the contrary. The City, the Paying Agent, the Registrar and the Trustee shall not have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Series 2010 Bonds under or through the Depository or any Participant, or any other person which is not shown on the Books of Registry of the City maintained by the Registrar as being a Bondholder, with respect to: the accuracy of any records maintained by the Depository or any Participant or the maintenance of any records; the payment by the Depository or any Participant of any amount in respect of the principal of, interest or premium, if any, on the Series 2010 Bonds; the sending of any transaction statements; the delivery or timeliness of delivery by the Depository or any Participant of any notice which is permitted or required to be given to Bondholders thereunder; the selection of Bondholders to receive payments upon any partial redemption of the Series 2010 Bonds; or any consent given or other actions taken by the Depository as a Bondholder.

If (a) the Depository determines not to continue to act as securities depository for the Series 2010 Bonds, and gives reasonable notice to the Registrar or the City, or (b) the City has advised the Depository of the City's determination that the Depository is incapable of discharging its duties, then the City shall attempt to retain another qualified securities depository to replace the Depository. Upon receipt by the City or the Registrar of the Initial Bonds together with an assignment duly

executed by the Depository, the City shall execute and deliver to the successor depository, the Series 2010 Bonds of the same principal amount, interest rate and maturity. If the City is unable to retain a qualified successor to the Depository, or the City has determined that it is in its best interest not to continue the Book-Entry System of transfer or that interests of the Beneficial Owners of the Series 2010 Bonds might be adversely affected if the Book-Entry System of transfer is continued (the City undertakes no obligation to make any investigation to determine the occurrence of any events that would permit it to make any such determination), and has made provision to so notify Beneficial Owners of the Series 2010 Bonds by mailing an appropriate notice to the Depository, upon receipt by the City of the Initial Bonds together with an assignment duly executed by the Depository, the City shall execute, authenticate and deliver to the Depository Participants the Series 2010 Bonds in fully-registered form, in authorized denomination; provided, however, that the discontinuation of the Book-Entry System of registration and transfer with respect to the Series 2010 Bonds or the replacement of the Depository or any successor depository shall be subject to the applicable rules and procedures of the Depository or such successor depository on file or otherwise approved by the Securities and Exchange Commission.

Notwithstanding the foregoing, at the request of the Underwriter, the Series 2010 Bonds may be issued as one single fully registered bond and not issued through the book-entry system.

Section 5. Optional Redemption of Series 2010 Bonds. Such of the Series 2010 Bonds as may be determined by the Mayor and City Administrator, pursuant to Section 11 hereof shall be subject to redemption prior to maturity, at the option of the City upon the written direction of the City, in whole or in part at any time in such order of their maturities as the City shall determine and by lot within a maturity, at the respective redemption prices with respect to each Series 2010 Bond, expressed as a percentage of principal amount of the Series 2010 Bonds to be redeemed, as shall be determined by the Mayor and City Administrator pursuant to Section 11 hereof, together, in each such case, with the interest accrued on such principal amount to the date fixed for redemption. In the event the Series 2010 Bonds are privately placed with a bank or other financial institution, the Registrar shall give notice of redemption of the Series 2010 Bonds by first-class mail, postage prepaid, to the Underwriter or other Holder thereof 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.

Section 6. Payment of the Series 2010 Bonds. The Series 2010 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 Tenth Supplemental Ordinance. The Series 2010 Bonds shall be secured by a pledge of Net Revenues on a parity with the pledge of Net Revenues securing the 1999 SRF Note, the Bonds of 2002, the 2004 SRF Note, the 2005 SRF Note, the Bond of 2007, the 2007 SRF Note, the Bond of 2009, and the 2009 SRF Note (each as defined in this Tenth Supplemental Ordinance) and any other Bonds (as defined in the General Bond Ordinance) issued pursuant to the General Bond Ordinance.

The Series 2010 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 2010 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 2010 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 of or interest on the Series 2010 Bonds.

Section 7. Establishment of 2010 Debt Service Fund. In accordance with Section 6.4 of the General Bond Ordinance, the 2010 Debt Service Fund is hereby directed to be established by the Trustee on the date of the original delivery of the Series 2010 Bonds for the benefit of the Underwriter or Holders of the Series 2010 Bonds.

Section 8. Establishment of the 2010 Reserve Fund Requirement and 2010 Debt Service Reserve Fund.

In accordance with Section 11 hereof and Section 6.5 of the General Bond Ordinance, the Mayor and the City Administrator may determine whether it is necessary or desirable to establish the 2010 Debt Service Reserve Fund for the benefit of the Holders of the Series 2010 Bonds and the amount and timing of funding of the 2010 Reserve Fund Requirement, and, if so, such 2010 Debt Service Reserve Fund shall be established on the date of the original delivery of the Series 2010 Bonds and held by the Trustee, all as provided in the General Bond Ordinance; provided, however, that in the event of any full or partial defeasance of the Series 2010 Bonds under Article XII of the General Bond Ordinance, then the 2010 Reserve Fund Requirement established for the Series 2010 Bonds shall be recalculated based on the then Outstanding principal amount of such Series. If the 2010 Debt Service Reserve Fund is established, the 2010 Reserve Fund Requirement will be either satisfied by the City on the date of issuance of the Series 2010 Bonds by the deposit of cash into the 2010 Debt Service Reserve Fund (which may, as designated by the Mayor and the City Administrator, pursuant to Section 11 hereof, be funded from the proceeds of the Series 2010 Bonds on the date of delivery thereof or from Net Revenues of the System on the date thereof or thereafter), permanently satisfied with the purchase of the Debt Service Reserve Policy, or any combination of the foregoing, in each case for the benefit of the Holders of the Series 2010 Bonds.

Section 9. Designation of Registrar and Paying Agent. The Council hereby designates Branch Banking and Trust Company as Registrar for the Series 2010 Bonds. The Council hereby further designates Branch Banking and Trust Company as Paying Agent for the Series 2010 Bonds. The Registrar and Paying Agent shall signify their acceptances of their respective duties upon delivery of the Series 2010 Bonds.

Section 10. Construction Fund of 2010. There is hereby established the Construction Fund of 2010 which fund shall be held by the Custodian appointed by the General Manager of the Commission. Payments from the Construction Fund of 2010 shall be made by the Custodian only upon receipt of a requisition, in substantially the form attached hereto as Exhibit B, signed by the General Manager of the Commission or his designee.

In making any such payment from the Construction Fund of 2010, the Custodian may rely on such directions, requisitions and certifications delivered to it pursuant to this Section, and the Custodian shall not have any liability with respect to making such payments in accordance with such directions, requisitions and certifications for any liability with respect to the proper application thereof by the Commission.

The moneys on deposit in the Construction Fund of 2010 shall be used and applied to the payment of the Cost of Acquisition and Construction of one or more of the 2010 Projects and Cost of Issuance. Moneys on deposit in the Construction Fund of 2010 shall be invested in Permitted Investments.

If after the payment in full of the costs of the 2010 Projects or after adequate provision has been made for such payment any moneys remain in the Construction Fund of 2010, such excess may be applied to the payment of the principal of the Series 2010 Bonds.

Section 11. Sale and Issuance of Series 2010 Bonds; Delegation of Certain Authority to the Mayor and the City Administrator.

(a) The Mayor and City Administrator, or either of them acting alone, upon direction from the Chairman and General Manager of the Commission, or either of them acting alone, are hereby authorized and empowered to undertake any one or more of the following actions: (a) determine the original issue date of the Series 2010 Bonds; (b) determine the aggregate principal amount of the Series 2010 Bonds, if less than authorized by this Tenth Supplemental Ordinance; (c) determine the principal amount of each maturity of the Series 2010 Bonds; (d) determine the initial Interest Payment Date if different from that set forth herein; (e) determine the optional redemption date and terms of redemption of the Series 2010 Bonds; (f) determine the interest rates for the Series 2010 Bonds; (g) determine the Series 2010 Bonds to be subject to mandatory and optional redemption; (h) determine whether the Bond Insurance Policy will be purchased with respect to the Series 2010 Bonds; (i) determine whether the 2010 Debt Service Reserve Fund will be established and funded with respect to the Series 2010 Bonds and, if so, the manner and timing in which the 2010 Reserve Fund Requirement will be satisfied; (j) determine the redemption prices of the Series 2010 Bonds subject to optional redemption; (k) determine whether the Series 2010 Bonds will be privately placed with a bank or other financial institution, or publicly offered and sold through a competitive sale or negotiated sale to the Underwriters; (l) approve any Underwriters' or original issue discount or original issue premium at which the Series 2010 Bonds will be sold, if any; (m) designate the Underwriters and execute and deliver a Bond Purchase Agreement, upon such terms and conditions as approved by the Mayor and City Administrator, with the Underwriters if the Series 2010 Bonds are publicly offered and sold through a negotiated sale to the Underwriters; (n) approve the form of a Request for Proposals under which the Series 2010 Bonds will be offered for sale by private placement with a bank or other financial institution, or the form of a Notice of Sale under which the Series 2010 Bonds will be publicly offered for sale by competitive sale to the Underwriters; (o) approve the form of a Private Placement Offering Memorandum to be distributed to various banks and other financial institutions as the Finance Manager of the Commission determines; (p) approve the form of a Preliminary Official Statement relating to the Series 2010 Bonds and "deem final" such Preliminary Official Statement related to the Series 2010 Bonds for

purposes of complying with the requirements set forth in Rule 15c2-12 of the Securities and Exchange Commission, promulgated under the Securities Exchange Act of 1934, as amended; (q) determine the date and time for receipt of bids under the Request for Proposals or Notice of Sale; (r) award the sale of the Series 2010 Bonds to the successful bidder therefor in accordance with the terms of the Request for Proposals or Notice of Sale; (s) determine whether the Series 2010 Bonds will be issued as a traditional tax-exempt bond or as a Build America Bond (“BAB”) or a Recovery Zone Economic Development Bond (“RZEDB”) pursuant to the authority of the American Recovery and Reinvestment Act of 2009 (the “ARRA”) or other legislation similar thereto; and (t) agree to any other terms, provisions and matters necessary or advisable to effect the issuance of the Series 2010 Bonds.

(b) The Council hereby authorizes one or more Final Official Statements of the City to be dated of even date with the execution and delivery of the Bond Purchase Agreement, if any, relating to the Series 2010 Bonds, substantially in the form of the Preliminary Official Statement with such modifications as the Mayor and City Administrator, or either of them acting alone, approve, upon direction from the Chairman and General Manager of the Commission, or either of them acting alone, as well as any amendments or supplements thereto dated the date thereof (as so amended and supplemented, the “Final Official Statement”); the Mayor and the City Administrator, or either of them acting alone, is hereby authorized and directed to execute copies of the Final Official Statement and deliver the same to the Underwriters, which execution and delivery shall be conclusive evidence of the approval of any such modifications; and the City hereby authorizes the use of the Preliminary Official Statement, the Final Official Statement, the Ordinance (including this Tenth Supplemental Ordinance) and the information contained herein and therein in the connection with the public offering and sale of the Series 2010 Bonds by the Underwriters.

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

(d) The Council hereby authorizes the Mayor and the City Administrator, or either of them acting alone, upon direction from the Chairman and General Manager of the Commission, or either of them acting alone, to negotiate the terms of, and execute, in the name and on behalf of the City, and deliver investment agreements, forward delivery agreements, repurchase agreements and other agreements in connection with the Series 2010 Bonds, to prepare and solicit bids for providers of such agreements and to execute, in the name and on behalf of the City, written confirmations of any such agreements and other documents as may be necessary in connection therewith.

(e) The Council hereby authorizes the Mayor and the City Administrator, or either of them acting alone, upon direction from the Chairman and General Manager of the Commission, or either of them acting alone, to make application the Debt Service Reserve Policy relating to the 2010 Reserve Fund Requirement, other credit enhancements, and liquidity arrangements relating to the Series 2010 Bonds from municipal bond insurance companies or financial institutions, and further authorizes the Mayor and City Administrator, or either of them acting alone, upon direction from the Chairman and General Manager of the Commission, or either of them acting alone, to enter into, execute and deliver on behalf of the City, such loan, insurance, reimbursement or guaranty agreements as shall be necessary and advisable, with advice of counsel, in connection with the

transactions and other matters referred to herein.

(f) 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 2010 Bonds.

Section 12. Federal Tax Covenant. The City hereby covenants and agrees with the Underwriters or subsequent Holders of the Series 2010 Bonds that it will not take any action which will, or fail to take any action which failure will, cause interest on the Series 2010 Bonds to become includable in the gross income of the Underwriters or subsequent Bondholders for federal income tax purposes pursuant to the provisions of the Code and regulations promulgated thereunder in effect on the date of original issuance of the Series 2010 Bonds; provided, however, that for purposes of this covenant only, the City shall not be in violation of this covenant solely because it makes the irrevocable election under the Code with respect to the Series 2010 Bonds to be issued as a BAB or a RZEDB. The City further covenants with the Holders of the Series 2010 Bonds so long as the Series 2010 Bonds are outstanding that no use of the proceeds of the Series 2010 Bonds shall be made which, if such use had been reasonably expected on the date of issue of the Series 2010 Bonds would have caused the Series 2010 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 54AA, Section 103 and Sections 141 through 150 of the Code and any regulations promulgated thereunder so long as the Series 2010 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.

Section 13. Series 2010 Bonds Designated as a Qualified Tax-Exempt Obligation. The City covenants that, in accordance with the applicable provisions of the Code, the Series 2010 Bonds are designated as a "qualified tax-exempt obligation" as defined in the Code. The City and all subordinate entities thereof do not anticipate issuing more than \$30,000,000 in tax-exempt bonds or other tax-exempt obligations in calendar year 2010 other than private activity bonds except for qualified 501(c)(3) bonds. The City represents that the sum of all tax-exempt obligations (other than

such private activity bonds) issued by the City and all subordinate entities thereof during calendar year 2010 is not reasonably expected to exceed \$30,000,000.

Section 14. Continuing Disclosure.

(a) In the event the Series 2010 Bonds are publicly offered and sold, in compliance with the Securities and Exchange Commission Rule 15c2-12, the City covenants and agrees for the benefit of the Holders from time to time of the Bonds to execute and deliver prior to closing, and to thereafter comply with the terms of, a Continuing Disclosure Undertaking. Notwithstanding any other provision of the General Bond Ordinance or this Tenth Supplemental Ordinance, failure of the City to comply with the provisions of the Continuing Disclosure Undertaking shall not be considered an Event of Default under the General Bond Ordinance or this Tenth Supplemental Ordinance. In such event, the sole remedy of any Holder shall be an action to compel performance by the City.

(b) 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"), the City covenants 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% percent of Revenues or the City's tax base.

The only remedy for failure by the City to comply with the covenant of this Section 14 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 Ordinance or this Tenth 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 Trustee, the Underwriters or subsequent Holders of any Series 2010 Bond.

Section 15. Amendments to the General Bond Ordinance. The amendments to the General Bond Ordinance hereinafter set forth shall not become effective until the earlier of: (1) all the 1999 SRF Note, the Bonds of 2002, the 2004 SRF Note, the 2005 SRF Note, the Bond of 2007, the 2007 SRF Note, the Bond of 2009 and the 2009 SRF Note shall cease to be Outstanding; or (2) the Holders of 66 2/3% in principal amount of the Bonds then Outstanding assent to and authorize any modification or amendment to the General Bond Ordinance in accordance with

Article IX of the General Bond Ordinance. Any Bonds, including the Series 2010 Bonds, issued after the date of enactment of this Tenth Supplemental Ordinance shall contain a reference to the amendments herein made.

(1) The definition of “Debt Service” shall be amended by adding the following text at the end thereof:

; provided, further, that in the case of Bonds which have been or shall be issued as taxable obligations, for which the City has or shall be entitled to receive a payment that effectively reduces the City’s debt service payment obligation therefor (including but not limited to Build America Bonds (“BABs”) or Recovery Zone Economic Development Bonds (“RZEDBs”) issuable pursuant to the authority of the American Recovery and Reinvestment Act of 2009 (the “ARRA”) or other legislation similar thereto), the amount to be paid or set aside in the applicable Debt Service Fund in each Fiscal Year for such payment of Debt Service shall be reduced by the payment that the City has or shall be entitled to receive for such purpose.

(2) The definition of “Maximum Debt Service” shall be amended by adding the following text at the end thereof:

; provided, further, that in the case of Bonds which have been or shall be issued as taxable obligations, for which the City has or shall be entitled to receive a payment that effectively reduces the City’s debt service payment obligations therefor (including but not limited to BABs or RZEBs issuable pursuant to the authority of the ARRA or legislation similar thereto (as such terms are referred to in the definition of “Debt Service” above)), the highest aggregate principal and interest requirements for such Bonds during any Fiscal Year shall be reduced by the payment that the City has or shall be entitled to receive therefor.

(3) Section 7.1 of the General Bond Ordinance is hereby amended by adding the following text at the end of the first paragraph thereof:

; provided, that for purposes of determining the amounts required to be deposited into a Debt Service Fund pursuant to clause (b), to provide for payment of Junior Bonds pursuant to clause (d) or otherwise as provided in clause (e) above, in the case of Bonds or Junior Bonds which have been or shall be issued as taxable obligations, for which the City has or shall be entitled to receive a payment that effectively reduces the City’s debt service payment obligation therefor (including but not limited to BABs or RZEDBs issuable pursuant to the authority of the ARRA), the debt service requirements for such Bonds or Junior Bonds shall be reduced by the payment that the City has or shall be entitled to receive therefor.

Section 16. Bond Insurance Policy and Special Provisions Required Thereby. If the City elects to purchase the Bond Insurance Policy, the provisions of this Section 16 shall apply. All

capitalized terms used in this Section 16 but not specifically defined in the General Bond Ordinance or this Tenth Supplemental Ordinance shall have the meanings assigned such terms in the Bond Insurance Policy.

(1) So long as there shall be Series 2010 Bonds Outstanding and no Insurer Default has occurred and is continuing, the City has covenanted to the Bond Insurer as follows:

A. Notices and Other Information

(i) Any notice that is required to be given to Holders of the Series 2010 Bonds (the “Bondholders”), any entity required pursuant to Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission or pursuant to the General Bond Ordinance shall also be provided to the Bond Insurer, simultaneously with the sending of such notices. In addition, to the extent that the City has entered into a continuing disclosure agreement, covenant or undertaking with respect to the Series 2010 Bonds, all information furnished pursuant to such agreements shall be provided to the Bond Insurer, simultaneously with the furnishing of such information.

(ii) All demands, notices or other information required to be given to the Bond Insurer shall be in writing and shall be sent by registered or certified mail or personally delivered or telecopied to the recipient as follows:

Assured Guaranty Corp.
31 West 52nd Street, 28th Floor
New York, New York 10019
Attention: Risk Management Department – Public Finance Surveillance
(Re: Policy No. _____)
Telecopy No.: (212) 581-3268
Confirmation: (212) 974-0100
Email: riskmanagementdept@assuredguaranty.com

In each case in which notice or other communication refers to an Event of Default, a claim on the Bond Insurance Policy or any event with respect to which failure on the part of the Bond Insurer to respond shall be deemed to constitute consent or acceptance, then such demand, notice or other communication shall be marked to indicate "URGENT MATERIAL ENCLOSED" and shall also be sent to the attention of the General Counsel at the same address and telecopy number above or at generalcounsel@assuredguaranty.com.

(iii) The Bond Insurer shall have the right to receive such additional information as it may reasonably request.

(iv) The City will permit the Bond Insurer to discuss the affairs, finances and accounts of the City with respect to the System or any information the Bond Insurer may reasonably request regarding the security for the Series 2010 Bonds with appropriate officers of the City and will use commercially reasonable efforts to enable the Bond Insurer to have access to the facilities, books and records of the City on any Business Day upon reasonable prior notice.

(v) The Trustee shall notify the Bond Insurer of any failure of the City to provide notices, certificates and other information as provided herein or under the General Bond Ordinance.

B. Defeasance

(i) In the event that the principal and/or interest due on the Series 2010 Bonds shall be paid by the Bond Insurer pursuant to the Bond Insurance Policy, the Series 2010 Bonds shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the City, and the pledge of the Net Revenues and all covenants, agreements and other obligations of the City to the Bondholders shall continue to exist and shall run to the benefit of the Bond Insurer, and the Bond Insurer shall be subrogated to the rights of such Bondholders including, without limitation, any rights that such Bondholders may have in respect of securities law violations arising from the offer and sale of the Series 2010 Bonds.

In addition to the requirements set forth in the General Bond Ordinance, the following provisions shall apply with respect to any defeasance of the Series 2010 Bonds:

(a) An opinion of Bond Counsel to the effect that (i) the defeasance will not adversely impact the exclusion from gross income for federal income tax purposes of interest on the Series 2010 Bonds; and (ii) the Series 2010 Bonds are no longer Outstanding.

(b) A refunding trust or escrow agreement (the "Escrow Agreement") shall be executed in connection therewith and there shall be delivered to the Trustee an opinion of counsel regarding the validity and enforceability of the Escrow Agreement.

(c) The Escrow Agreement shall provide that:

(i) any substitution of securities shall require a verification of an independent certified public accountant and the prior written consent of the Bond Insurer.

(ii) the City will not exercise any optional redemption of Series 2010 Bonds secured by the Escrow Agreement or any other redemption other than mandatory sinking fund redemption unless (a) the right to make any such redemption has been expressly reserved in the Escrow Agreement and such reservation has been disclosed in detail in the official statement for the refunding bonds, and (b) as a condition of any such redemption there shall be provided to the Bond Insurer a verification of an Accountant as to the sufficiency of escrow receipts without reinvestment to meet the escrow requirements remaining following such redemption.

(iii) the City shall not amend the Escrow Agreement or enter into a forward purchase agreement or other agreement with respect to rights in the escrow without the prior written consent of the Bond Insurer.

C. Trustee

(i) The Trustee shall provide prior written notice of any name change of the Trustee or the resignation or removal of the Registrar to the Bond Insurer.

(ii) To the extent otherwise permitted by the General Bond Ordinance, no removal, resignation or termination of the Trustee shall take effect until a successor, acceptable to the Bond Insurer, shall be appointed.

(iii) The Trustee may be removed at any time, at the written request of the Bond Insurer, for any breach of its obligations hereunder or under the General Bond Ordinance.

(iv) Notwithstanding any other provision hereof or of the General Bond Ordinance, in determining whether the rights of Bondholders will be adversely affected by any action taken pursuant to the terms and provisions thereof, the Trustee shall consider the effect on the Bondholders as if there were no Bond Insurance Policy.

D. Amendments and Supplements

With respect to amendments or supplements to the General Bond Ordinance which do not require the consent of the Bondholders, the Bond Insurer must be given prior written notice of any such amendments or supplements. With respect to amendments or supplements to the General Bond Ordinance which do require the consent of the Bondholders, the Bond Insurer's prior written consent is required. Copies of any amendments or supplements to this Eighth Supplemental Ordinance which are consented to by the Bond Insurer shall be sent to the rating agencies that have assigned a rating to the Series 2010 Bonds.

E. Bond Insurer as Third Party Beneficiary

The Bond Insurer is explicitly recognized as being a third party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder.

F. Control Rights

The Bond Insurer shall be deemed to be the sole Holder of all of the Series 2010 Bonds for purposes of (a) exercising all remedies and directing actions or for any other purposes following an Event of Default; and (b) granting any consent, waiver, direction or approval or taking any action permitted by or required hereunder or under the General Bond Ordinance to be granted or taken by the Holders of such Series 2010 Bonds.

G. Consent Rights of Bond Insurer

(i) *Consent of Bond Insurer.* Any provision herein expressly recognizing or granting rights in or to the Bond Insurer may not be amended in any manner that affects the rights of the Bond Insurer hereunder without the prior written consent of the Bond Insurer.

(ii) *Consent of Bond Insurer to Bondholder Consent.* Wherever this Tenth Supplemental Ordinance or the General Bond Ordinance requires the consent of Holders of the Series 2010 Bonds, the Bond Insurer's written consent shall also be required.

(iii) *Consent of Bond Insurer in the Event of Insolvency.* Any reorganization or liquidation plan with respect to the City must be acceptable to the Bond Insurer. In the event of any reorganization or liquidation, the Bond Insurer shall have the right to vote on behalf of all Bondholders who hold the Series 2010 Bonds guaranteed by the Bond Insurer, absent an Insurer Default under the Bond Insurance Policy.

(iv) *Consent of Bond Insurer upon Default.* Anything in this Tenth Supplemental Ordinance to the contrary notwithstanding, upon the occurrence and continuance of an Event of Default, the Bond Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the Bondholders or the Trustee for the benefit of the Bondholders under this Tenth Supplemental Ordinance, including, without limitation, (a) the right to accelerate the principal of the Series 2010 Bonds as described in this Tenth Supplemental Ordinance and (b) the right to annul any declaration of acceleration. The Bond Insurer also shall be entitled to approve all waivers of Events of Default with respect to the Series 2010 Bonds.

(v) *Acceleration Rights.* Upon the occurrence of an Event of Default as defined herein, the Bond Insurer may, by written notice to the City, declare the principal of the Series 2010 Bonds to be immediately due and payable, whereupon that portion of the principal of the Series 2010 Bonds thereby coming due and the interest thereon accrued to the date of payment shall, without further action, become and be immediately due and payable, anything in this Tenth Supplemental Ordinance or the Series 2010 Bonds to the contrary notwithstanding.

H. No Purchase by the City

Without the prior written consent of the Bond Insurer, no Series 2010 Bonds insured by the Bond Insurer shall be purchased by the City, or any of its affiliates, in lieu of redemption; unless such Series 2010 Bonds are redeemed, defeased or cancelled.

I. Interest Rate Exchange Agreement

Any interest rate exchange agreement ("Interest Rate Exchange Agreement") entered into by the City and payable from and secured by the Net Revenues shall meet the following conditions: (i) the Interest Rate Exchange Agreement must be entered into to manage

interest costs related to, or a hedge against (a) assets then held, or (b) debt then outstanding or debt reasonably expected to be issued within the next twelve (12) months after the issuance of the Series 2010 Bonds, and (ii) the Interest Rate Exchange Agreement shall not contain any leverage element or multiplier component greater than 1.0x unless there is a matching hedge arrangement which effectively off-sets the exposure from any such element or component. Unless otherwise consented to in writing by the Bond Insurer, any uninsured net settlement, breakage or other termination amount then in effect shall be subordinate to debt service on the Series 2010 Bonds and on any debt on parity with the Bonds. The City shall not terminate an Interest Rate Exchange Agreement unless it demonstrates to the satisfaction of the Bond Insurer prior to the payment of any such termination amount that such payment will not cause the City to be in Default under the Ordinance, including, but not limited to, any monetary obligations thereunder. All counterparts or guarantors to any Interest Rate Exchange Agreement must have a rating of at least “A-“ and “A3” by S&P and Moody’s, respectively. If the counterparty or guarantor’s rating falls below “A-“ or “A3” by either S&P or Moody’s, the counterparty or guarantor shall execute a credit support annex to the Interest Rate Exchange Agreement, which credit support annex shall be acceptable to the Bond Insurer. If the counterparty or the guarantor’s long term unsecured rating falls below “Baa1” or “BBB+” by either Moody’s or S&P, a replacement counterparty or guarantor, acceptable to the Bond Insurer, shall be required.

J. Reporting Requirements

The City will furnish or cause to be furnished to the Bond Insurer:

- (a) the Annual Budget of the City prior to the beginning of each Fiscal Year;
- (b) annual audited financial statements of the System prepared by an independent certified public accountant, within 210 days after the end of the Fiscal Year;
- (c) prior to issuing additional Bonds on parity with the Series 2010 Bonds, any disclosure document or financing agreement pertaining to such additional debt, which disclosure document or financing agreement shall include, without limitation, the applicable maturity schedule, interest rate or rates, redemption and security provisions pertaining to any such additional debt; and
- (d) notice of any material adverse change in the financial condition of the System, including notice of any litigation or investigation that may have a material adverse affect on the financial position of the System, within thirty (30) days following notice of such litigation or investigation.

(2) The City has further covenanted to the Bond Insurer as follows:

A. Reimbursement Obligations.

- (i) The City hereby agrees to pay or reimburse the Bond Insurer, but solely from available Net Revenues and to the extent permitted by applicable law, (a) all amounts paid

by the Bond Insurer under the Bond Insurance Policy, and (b) any and all charges, fees, costs and expenses which the Bond Insurer may reasonably pay or incur, including, but not limited to, fees and expenses of attorneys, accountants, consultants and auditors and reasonable costs of investigations, in connection with (i) any accounts established to facilitate payments under the Bond Insurance Policy, (ii) the administration, enforcement, defense or preservation of any rights in respect of the Ordinance, including defending, monitoring or participating in any litigation or proceeding (including any bankruptcy proceeding in respect of the City or any affiliate thereof) relating to the Ordinance, any party to the Ordinance or the transaction contemplated by the Ordinance, (iii) the foreclosure against, sale or other disposition of any collateral securing any obligations under the Ordinance or any other supplemental ordinance, or the pursuit of any remedies under the Ordinance, to the extent such costs and expenses are not recovered from such foreclosure, sale or other disposition, or (iv) any amendment, waiver or other action with respect to, or related to, the Ordinance whether or not executed or completed. In addition, the Bond Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect to the Ordinance or any other supplemental ordinance. To the extent permitted by law but solely from available Net Revenues, the City will pay interest on the amounts owed in this paragraph from the date of any payment due or paid, at the per annum rate of interest publicly announced from time to time by JP Morgan Chase Bank, National Association at its principal office in New York, New York as its prime lending rate (any change in such prime rate of interest to be effective on the date such change is announced by JP Morgan Chase Bank, National Association) plus three percent (3%) per annum (the “Reimbursement Rate”). The Reimbursement Rate shall be calculated on the basis of the actual number of days elapsed over a 360-day year. In the event JP Morgan Chase Bank ceases to announce its prime rate publicly, the prime rate shall be the publicly announced prime rate or base lending rate of such national bank, as the Bond Insurer shall specify.

(ii) In addition to any and all rights of reimbursement, subrogation and any other rights pursuant hereto or under law or in equity, the City agrees to pay or reimburse the Bond Insurer, to the extent permitted by law, but solely from Net Revenues, any and all charges, fees, costs, claims, losses, liabilities (including penalties), judgments, demands, damages, and expenses which the Bond Insurer or its officers, directors, shareholders, employees, agents and each Person, if any, who controls the Bond Insurer within the meaning of either Section 15 of the Securities Act of 1933, as amended, or Section 20 of the Securities Exchange Act of 1934, as amended, may reasonably pay or incur, including, but not limited to, fees and expenses of attorneys, accountants, consultants and auditors and reasonable costs of investigations, of any nature in connection with, in respect of or relating to the transactions contemplated by the Ordinance by reason of:

a. any omission or action (other than of or by the Bond Insurer) in connection with the offering, issuance, sale, remarketing or delivery of the Series 2010 Bonds;

b. the negligence, bad faith, willful misconduct, misfeasance, malfeasance or theft committed by any director, officer, employee or agent of the City in connection with any transaction arising from or relating to the Ordinance;

c. the violation by the City of any law, rule or regulation, or any judgment, order or decree applicable to it;

d. the breach by the City of any representation, warranty or covenant under the Ordinance or the occurrence, in respect of the City, under the Ordinance of any Event of Default or any event which, with the giving of notice or lapse of time or both, would constitute any Event of Default; or

e. any untrue statement or alleged untrue statement of a material fact contained in the official statement relating to the Series 2010 Bonds, if any, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such claims arise out of or are based upon any untrue statement or omission in information included in an official statement, if any, and furnished by the Bond Insurer in writing expressly for use therein.

B. Payment Procedure Under the Bond Insurance Policy

(i) At least two (2) Business Days prior to each Interest Payment Date and Principal Payment Date on the Series 2010 Bonds, the Paying Agent will determine whether there will be sufficient funds to pay all principal of and interest on the Series 2010 Bonds due on the related payment date and shall immediately notify the Bond Insurer or its designee on the same Business Day by telephone or electronic mail, confirmed in writing by registered or certified mail, of the amount of any deficiency. Such notice shall specify the amount of the anticipated deficiency, the Series 2010 Bonds to which such deficiency is applicable and whether such Series 2010 Bonds will be deficient as to principal or interest or both. If the deficiency is made up in whole or in part prior to or on the payment date, the Trustee shall so notify the Bond Insurer or its designee.

(ii) The Registrar shall, after giving notice to the Bond Insurer as provided above, make available to the Bond Insurer and, at the Bond Insurer's direction, to any fiscal agent (the "Fiscal Agent"), the Books of Registry of the City maintained by the Registrar, and all records relating to the funds maintained pursuant to the Ordinance.

(iii) The Registrar shall provide the Bond Insurer and any Fiscal Agent with a list of registered owners of Series 2010 Bonds entitled to receive principal or interest payments from the Bond Insurer under the terms of the Bond Insurance Policy, and shall make arrangements with the Bond Insurer, the Fiscal Agent or another designee of the Bond Insurer to (i) mail checks or drafts to the registered owners of Series 2010 Bonds entitled to receive full or partial interest payments from the Bond Insurer and (ii) pay principal upon Series 2010 Bonds surrendered to the Bond Insurer, the Fiscal Agent or another designee of the Bond Insurer by the registered owners of Series 2010 Bonds entitled to receive full or partial principal payments from the Bond Insurer.

(iv) The Trustee shall, at the time it provides notice to the Bond Insurer of any deficiency pursuant to clause (a) above, notify registered owners of Series 2010 Bonds entitled

to receive the payment of principal or interest thereon from the Bond Insurer (A) as to such deficiency and its entitlement to receive principal or interest, as applicable, (B) that the Bond Insurer will remit to them all or a part of the interest payments due on the related payment date upon proof of its entitlement thereto and delivery to the Bond Insurer or any Fiscal Agent, in form satisfactory to the Bond Insurer, of an appropriate assignment of the registered owner's right to payment, (C) that, if they are entitled to receive partial payment of principal from the Bond Insurer, they must surrender the related Series 2010 Bonds for payment first to the Paying Agent, which will note on such Series 2010 Bonds the portion of the principal paid by the Paying Agent and second to the Bond Insurer or its designee, together with an appropriate assignment, in form satisfactory to the Bond Insurer, to permit ownership of such Series 2010 Bonds to be registered in the name of the Bond Insurer, which will then pay the unpaid portion of principal, and (D) that, if they are entitled to receive full payment of principal from the Bond Insurer, they must surrender the related Series 2010 Bonds for payment to the Bond Insurer or its designee, rather than the Paying Agent, together with an appropriate assignment, in form satisfactory to the Bond Insurer, to permit ownership of such Series 2010 Bonds to be registered in the name of the Bond Insurer.

(v) In addition, if the Trustee has actual knowledge that any holder of the Series 2010 Bonds has been required to disgorge payments of principal or interest on the Series 2010 Bonds previously Due for Payment pursuant to a final non-appealable order by a court of competent jurisdiction that such payment constitutes an avoidable preference to such holder within the meaning of any applicable bankruptcy laws, then the Trustee shall notify the Bond Insurer or its designee of such fact by telephone or electronic notice, confirmed in writing by registered or certified mail.

(vi) The Trustee is hereby irrevocably designated, appointed, directed and authorized to act as attorney-in-fact for Holders of the Series 2010 Bonds as follows:

a. If and to the extent there is a deficiency in amounts required to pay interest on the Series 2010 Bonds, the Trustee shall (a) receive as designee of the respective Bondholders (and not as Trustee) in accordance with the tenor of the Bond Insurance Policy payment from the Bond Insurer with respect to the claims for interest so assigned, and (b) disburse the same to such respective Bondholders; and

b. If and to the extent of a deficiency in amounts required to pay principal of the Series 2010 Bonds, the Trustee shall (a) receive as designee of the respective Bondholders (and not as Trustee) in accordance with the tenor of the Bond Insurance Policy payment therefor from the Bond Insurer, and (b) disburse the same to such Bondholders.

(vii) Payments with respect to claims for interest on and principal of Series 2010 Bonds disbursed by the Trustee from proceeds of the Bond Insurance Policy shall not be considered to discharge the obligation of the City with respect to such Series 2010 Bonds, and the Bond Insurer shall become the owner of such unpaid Series 2010 Bonds and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of this

subsection or otherwise.

(viii) Irrespective of whether any such assignment is executed and delivered, the City and the Trustee hereby agree for the benefit of the Bond Insurer that:

a. they recognize that to the extent the Bond Insurer makes payments directly or indirectly (e.g. by paying through the Trustee), on account of principal or interest on the Series 2010 Bonds, the Bond Insurer will be subrogated to the rights of such Holders to receive the amount of such principal and interest from the City, with interest thereon as provided and solely from the sources stated herein and the Series 2010 Bonds; and

b. they will accordingly pay to the Bond Insurer the amount of such principal and interest, with interest thereon as provided in this Eighth Supplemental Ordinance and the Series 2010 Bonds, but only from the sources and in the manner provided herein for the payment of principal of and interest on the Series 2010 Bonds to Holders, and will otherwise treat the Bond Insurer as the owner of such rights to the amount of such principal and interest.

(ix) The Bond Insurer shall be entitled to pay principal or interest on the Series 2010 Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the City and any amounts due on the Series 2010 Bonds as a result of acceleration of the maturity thereof in accordance with this agreement, whether or not the Bond Insurer has received a Notice of Nonpayment or a claim upon the Bond Insurance Policy.

(x) In addition, the Bond Insurer shall to the extent it makes any payment of principal or interest on the Series 2010 Bonds become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy, and to evidence such subrogation (i) in the case of claims for interest, the Registrar shall note the Bond Insurer's rights as subrogee on the Books of Registry of the City maintained by the Registrar upon receipt of proof of payment of interest thereon to the registered Bondholders, and (ii) in the case of claims for principal, the Registrar shall note the Bond Insurer's rights as subrogee on the Books of Registry of the City maintained by the Registrar, upon surrender of the Series 2010 Bonds together with receipt of proof of payment of principal thereof.

Section 17. Debt Service Reserve Policy and Special Provisions Required Thereby. If the City elects to satisfy the 2010 Reserve Fund Requirement by the purchase of the Debt Service Reserve Policy the provisions of this Section 17 shall apply. Notwithstanding anything to the contrary contained in this Tenth Supplemental Ordinance or in the General Bond Ordinance, so long as the Debt Service Reserve Policy is in effect and has not been wrongfully dishonored by the Bond Insurer or the Bond Insurer is owed any amounts in connection with a draw on the Debt Service Reserve Policy and no Insurer Default has occurred and is continuing, the City shall comply with the provisions of the Reimbursement Agreement. The Mayor and the City Administrator, or either of them acting alone, upon direction from the Chairman and General Manager of the Commission, or either of them acting alone, are authorized and directed to

negotiate and execute the Reimbursement Agreement and deliver the Reimbursement Agreement to the Bond Insurer.

(a) *Payments Due under the Debt Service Reserve Policy.* All amounts on deposit under this Tenth Supplemental Ordinance (excluding any amounts not pledged to the Series 2010 Bonds) and lawfully available to pay debt service, shall be used to pay debt service on the Series 2010 Bonds before any drawing may be made on the Debt Service Reserve Policy or any other liquidity facility (other than the Bond Insurance Policy issued by the Bond Insurer).

(b) *Repayment of Draws Under the Debt Service Reserve Policy.* Any amounts available for replenishment of withdrawals from the 2010 Debt Service Reserve Fund shall be applied first to reimburse the Bond Insurer for payments under the Debt Service Reserve Policy (following which the Debt Service Reserve Policy will be reinstated to the “Policy Limit” (as defined therein) to the extent required thereunder) prior to depositing cash and investments to the 2010 Debt Service Reserve Fund. All draws on the Debt Service Reserve Policy shall be repaid no later than twelve (12) months of such drawing.

Section 18. Further Actions. The Mayor, City Administrator, Municipal Clerk and City Attorney 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 2010 Bonds and to carry out the intentions of this Tenth Supplemental Ordinance.

Section 19. 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 Tenth Supplemental Ordinance.

Section 20. Notices. All notices, certificates or other communications hereunder or under the Ordinance shall be sufficiently given and shall be deemed given when mailed by registered mail, postage prepaid, or given when dispatched by telegram addressed as follows:

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 Bond Insurer:

Assured Guaranty Corp.
31 West 52nd Street, 28th Floor
New York, New York 10019
Attention: Risk Management Department – Public Finance Surveillance
(Re: Policy No. _____)
Telecopy No.: (212) 581-3268
Confirmation: (212) 974-0100
Email: riskmanagementdept@assuredguaranty.com

In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of General Counsel and shall be marked to indicate “URGENT MATERIAL ENCLOSED.”

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 21. Repeal of Inconsistent Ordinances and Resolutions. All ordinances and resolutions of the City, and any part of any ordinance or resolution, inconsistent with this Tenth Supplemental Ordinance are hereby repealed to the extent of such inconsistency.

Section 22. Effective Date. This Tenth 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 September, 2010.

CITY COUNCIL OF THE CITY OF GREER,
SOUTH CAROLINA

By: _____
Richard W. Danner, Mayor
City of Greer, South Carolina

(SEAL)

ATTEST:

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

Introduced By: Councilman Lee Dumas

Date of First Reading: September 14, 2010

Date of Second Reading: September 28, 2010

[Signature Page]

EXHIBIT A

FORM OF SERIES 2010 BOND

[PRIVATE PLACEMENT]

TRANSFER RESTRICTED

THIS BOND MAY BE SOLD OR TRANSFERRED IN WHOLE OR IN PART ONLY TO A PURCHASER OR TRANSFEREE CONSTITUTING A QUALIFIED INVESTOR (AS SUCH TERM IS DEFINED IN THE HEREAFTER DEFINED TENTH 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 TENTH SUPPLEMENTAL ORDINANCE

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
CITY OF GREER
COMBINED UTILITY SYSTEM REVENUE BOND
SERIES 2010

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 semiannually 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 RECOURSE 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 making certain improvements, enlargements and extensions to the combined utility system (the "System") which is operated, controlled and managed by the Commission of Public Works of the City, and paying costs of issuance of this Bond. 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, and as amended and supplemented by Tenth Supplemental Ordinance No. ____ of the Council enacted on _____, 2010, (the "Tenth 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 of and lien upon Net Revenues securing the 1999 SRF Note, Bonds of 2002, the 2004 SRF Note, the 2005 SRF Note, the Bond of 2007 and the 2007 SRF Note, the Bond of 2009 and the 2009 SRF Note (collectively, the "Prior Bonds" and as such terms are defined in the Tenth Supplemental Ordinance) 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 maturing on and after _____, _____, shall be subject to prepayment or redemption at the option of the City on and after _____, _____, as a whole at any time at the principal amount thereof 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. 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 Prior Bonds shall cease to be Outstanding (as defined in the General Bond Ordinance); or 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 of or 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. This Bond has been designated a "qualified tax-exempt obligation" pursuant to Section 265(b)(3)(B)(ii) of the Internal Revenue Code of 1986, as amended.

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

(SEAL)

By: _____
Richard W. Danner, Mayor

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

CERTIFICATE

IT IS HEREBY CERTIFIED that the following is a true and correct copy of the complete legal opinion (except for date, letterhead and signature) of McNair Law Firm, P.A., Greenville, South Carolina, the original of which was manually executed, dated and issued as of the date of the delivery of and payment for the bond, and a copy of which is on file with the City of Greer, South Carolina.

CITY OF GREER, SOUTH CAROLINA

By: _____
Tammela V. Duncan, Municipal Clerk

FORM OF SERIES 2010 BONDS

[PUBLIC OFFERING AND SALE]

Unless this certificate is presented by an authorized representative of The Depository Trust Company, New York, New York (“DTC”) to the City of Greer, South Carolina or its agent for registration of transfer, exchange, or payment and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
CITY OF GREER
COMBINED UTILITY SYSTEM REVENUE BONDS
SERIES 2010

REGISTERED

No. R-_____

<u>Original Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>CUSIP</u>
_____ 1, 2010		<i>(As set forth in Schedule A)</i>	

REGISTERED HOLDER: CEDE & CO.

PRINCIPAL AMOUNT: \$_____

The City of Greer, South Carolina (the “City”), is justly indebted and, for value received, hereby promises to pay to the Registered Holder (named above), or registered assigns, but solely from the Net Revenues hereinafter mentioned and not otherwise, the Principal Amount shown above on the Maturity Date shown above (unless the within Bond shall be subject to prior redemption and shall have been duly called for previous redemption and payment of redemption price made or provided for), upon presentation and surrender of this Bond at the principal office of Branch Banking and Trust Company, as paying agent (the “Paying Agent”) in Wilson, North Carolina, and to pay interest, but solely from the Net Revenues hereinafter mentioned and not otherwise, on such principal amount from the date hereof at the Interest Rate per annum shown above until this Bond matures. Interest on this Bond is payable (calculated on the basis of a 360-day year comprised of twelve 30-day months) on _____, and semiannually thereafter on _____ 1 and _____ 1 of each year, until this Bond matures, and shall be payable by wire transfer to the registered holder owning at least \$1,000,000 aggregate principal amount of the Bonds to an account within the

continental United States or by check or draft mailed to the person in whose name this Bond is registered on the registration books of the City maintained by Branch Banking and Trust Company (the "Registrar"), in Wilson, North Carolina, at the close of business on the fifteenth (15th) day of the calendar month preceding each semiannual interest payment date. The principal, redemption premium, if any, and interest on this Bond are payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for public and private debts; provided, however, that interest on this fully registered Bond shall be paid by wire transfer, check or draft as set forth above.

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 AND THE BONDS OF THE SERIES OF WHICH IT IS ONE SHALL NOT CONSTITUTE A DEBT OF THE CITY, NOR A CHARGE, LIEN OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON ANY PROPERTY OF THE CITY OR ON ANY INCOME, RECEIPTS OR REVENUES THEREOF, OTHER THAN THE AFORESAID NET REVENUES OF THE SYSTEM (AS DEFINED HEREIN) PLEDGED THERETO. NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THIS BOND OR THE INTEREST THEREON AGAINST THE GENERAL FUND OF THE CITY AND NEITHER THE CREDIT NOR THE TAXING POWER OF THE CITY SHALL 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.

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 one of an authorized series of Bonds (as defined in the Bond Ordinance) of the aggregate principal amount of _____ (\$_____) of like date of original issue, tenor and effect, except as to number, date of maturity, principal amount, date of authentication, registered holder, redemption provisions and rate of interest, issued by the City for the purpose of making certain improvements, enlargements and extensions to the City's Combined Utility System (the "System"). This Bond and the series of Bonds of which it is one are authorized to be issued and are 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, and Title 11, Chapter 21 of the Code of Laws of South Carolina, 1976, as amended (collectively the "Act"). This Bond and the series of Bonds of which it is one are also authorized to be issued and are issued under and pursuant to General Bond Ordinance No. 27-97 of the City Council of the City (the "Council") enacted on July 22, 1997 (the "General Bond Ordinance"), as amended by Eighth Supplemental Ordinance No. ____ of the Council enacted on _____ and Ninth Supplemental Ordinance No. ____ of the Council enacted on _____, and as

supplemented by Tenth Supplemental Ordinance No. 2010-____ of the Council enacted on _____, 2010 (the “Supplemental Bond Ordinance,” and together with the General Bond Ordinance, as amended, the “Bond Ordinance”), under the Act which Bond Ordinance has been duly codified and indexed as prescribed by law.

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 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 this Bond is issued 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. 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.

This Bond and the series of Bonds of which it is one and the interest thereon are special obligations 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 by the City from the System; and on a parity with the 1999 SRF Note, the Bonds of 2002, the 2004 SRF Note, the 2005 SRF Note the Bond of 2007, the 2007 SRF Note, the 2009 Bond and the 2009 SRF Note (as such terms are defined in the Supplemental Ordinance) and any Series of Bonds (as defined in the General Bond Ordinance) hereafter issued under the General Bond Ordinance payable from such Net Revenues on a parity and equally and ratably secured therewith.

This Bond and the series of Bonds of which it is one maturing on or prior to _____ 1, ____, shall not be subject to redemption prior to their stated maturities. This Bond and the series of Bonds of which it is one maturing on or after _____ 1, ____, shall be subject to redemption prior to maturity, at the option of the City, on and after _____ 1, ____, in whole or in part at any time in such order of their maturities as the City shall determine and by lot within a maturity, at the redemption prices with respect to each Bond, expressed as a percentage of the principal amount to be redeemed, as set forth below, together, in each such case, with the interest accrued on such principal amount to the date fixed for redemption:

Period During Which
Redeemed (both dates inclusive)

Redemption
Prices

If less than all the Bonds of the series of which this Bond is one of any maturity are called for redemption, the Bonds of such maturity to be redeemed shall be selected by lot by the Registrar. In the event this Bond is redeemable, as aforesaid, and shall be called for redemption, notice of the redemption hereof, describing this Bond and specifying the redemption date and the premium payable upon such redemption, shall be given by the Registrar by first class mail, postage prepaid, to the registered owner thereof not less than thirty (30) days and not more than sixty (60) days prior to the redemption date at the last address appearing upon the registration books of the City. If this Bond be redeemable and shall have been duly called for redemption and notice of the redemption hereof mailed as aforesaid, and if on or before the date fixed for such redemption, payment hereof shall be duly made or provided for, interest hereon shall cease to accrue from and after the redemption date hereof.

The Bonds of the series of which this Bond is one maturing in the year ____ shall be retired by sinking fund installments which shall be accumulated in the 2010 Debt Service Fund (as defined in the Supplemental Ordinance) in amounts sufficient to redeem on _____ 1 of each year, at a redemption price equal to the principal amount of the Bond or Bonds to be redeemed, together with interest accrued thereon to the date fixed for redemption, the principal amount of such Bonds specified for each of the years shown below:

Year

Principal Amount

The Bonds of the series of which this Bond is one maturing in the year ____ shall be retired by sinking fund installments which shall be accumulated in the 2010 Debt Service Fund in amounts sufficient to redeem on _____ 1 of each year, at a redemption price equal to the principal amount of the Bond or Bonds to be redeemed, together with interest accrued thereon to the date fixed for redemption, the principal amount of such Bonds specified for each of the years shown below:

Year

Principal Amount

At its option, to be exercised on or before the sixtieth (60th) day prior to any mandatory redemption date, the City may (i) deliver to the Registrar for cancellation Bonds which are subject to mandatory redemption in any aggregate principal amount desired or (ii) receive a credit in respect of its mandatory redemption obligation for any such Bonds which, prior to such date, have been purchased or redeemed (otherwise than through the operation of the mandatory redemption requirement) by the City and cancelled by the Registrar and not theretofore applied as a credit against any mandatory redemption obligation. Each Bond so delivered or previously purchased or redeemed shall be credited by the Registrar, at one hundred 100 percent (100%) of the principal amount thereof, to the obligation of the City on those respective mandatory redemption obligations in chronological order, and the principal amount of the Bonds to be redeemed by operation of the mandatory redemption requirement shall be accordingly reduced.

This Bond is transferable, as provided in the Bond Ordinance, only upon the books of the City kept for that purpose at the principal office of the Registrar by the registered owner in person or by his duly authorized attorney upon surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney. Thereupon a new fully registered Bond or Bonds of the same aggregate principal amount, rate of interest and maturity shall be issued to the transferee in exchange therefor as provided in the Bond Ordinance. The City, the Registrar and the Paying Agent 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 or redemption premium, if any, hereof and interest due hereon and for all other purposes.

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 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 permit a change in the date of maturity of any installment of principal hereof or date of optional or mandatory redemption of any Bond or the date of payment of interest thereon or a reduction in the principal amount or redemption price thereof or rate of interest thereon without the consent of the holder of each such Bond affected thereby, or shall reduce the percentage of the principal amount of Bonds, the consent of the holders of which is required by the Bond Ordinance to effect such an amendment or modification.

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/facsimile signature of the Mayor of the City and attested by the manual/facsimile signature of the 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 one of the Bonds described in the within-mentioned Bond Ordinance of City of Greer, South Carolina.

_____,
Registrar

Dated: _____

By: _____
Authorized Officer

[(STATEMENT OF INSURANCE)]

Assured Guaranty Corp. ("Assured Guaranty"), a Maryland-domiciled insurance company, has delivered its financial guaranty insurance policy (the "Policy") with respect to the scheduled payments of principal of and interest on the Bonds to Branch Banking and Trust Company, as trustee on behalf of the holders of the Bonds (the "Trustee"). Such Policy is on file and available for inspection at the principal office of the Trustee and a copy thereof may be obtained from Assured Guaranty or the Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this obligation acknowledges and consents to the subrogation rights of Assured Guaranty as more fully set forth in the Policy.

(FORM OF ASSIGNMENT)

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

(Name and Address of Transferee)

the within Bond and does hereby irrevocably constitute and appoint _____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed

(Authorized Officer)

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

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

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM - as tenants in common

UNIF GIFT MIN ACT -

TEN ENT - as tenants by the
entireties

_____ Custodian _____
(Cust) (Minor)
under Uniform Gifts to
Minors Act _____
(State)

JT TEN - as joint tenants with
right of survivorship
and not as tenants in common

Additional abbreviations may also be used though not in above list.

CERTIFICATE

IT IS HEREBY CERTIFIED that the following is a true and correct copy of the complete legal opinion (except for date, letterhead and signature) of McNair Law Firm, P.A., Greenville, South Carolina, the original of which was manually executed, dated and issued as of the date of the delivery of and payment for the bonds, and a copy of which is on file with the City of Greer, South Carolina.

CITY OF GREER, SOUTH CAROLINA

By: _____
Tammela V. Duncan, Municipal Clerk

SCHEDULE A
\$ _____
City of Greer, South Carolina
Combined Utility System Revenue Bonds,
Series 2010

Maturity (_____ 1)	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP Number</u>
-----------------------	-----------------------------	--------------------------	-------------------------

EXHIBIT B

REQUISITION FORM

NO. _____

TO:

THIS IS TO CERTIFY:

With regard to the Tenth Supplemental Bond Ordinance No. _____ enacted on _____, 2010, authorizing the issuance of the City \$_____ Combined Utility System Revenue Bond, Series 2010, the following information is submitted with respect to the costs of the 2010 Projects (as defined in the Tenth Supplemental Bond Ordinance) or costs of issuance:

A. Payment should be made by a deposit to C/A# _____ or a check issued to the person, firm or corporation on the attached schedule.

1. The amount to be paid: \$_____.
2. The nature and purpose of the obligation for which payment is requested is set forth on the attached schedule, and a bill or statement of account for such obligation is also attached hereto.
3. The person, firm or corporation to whom such obligation is owed or to whom a reimbursable advance has been made is also set forth on the attached schedule.
4. This obligation has been properly incurred and is a proper charge against the

Construction Fund of 2010 and has not been the basis of any previous withdrawal.

5. Neither the City nor the Commission has received notice of any mechanic's, materialmen's or other liens or right to liens or other obligations (other than those being contested in good faith) which should be satisfied or discharged before payment of such obligation is made.
6. This payment does not include any amount which is then entitled to be retained under any holdbacks or retainages provided for in any agreement.

- B. With respect to costs of the 2010 Projects, this obligation was incurred for work, material or supplies in connection with the acquisition, construction or installation of the 2010 Projects; and such work was actually performed and such materials or supplies were actually used in or for such acquisition, construction or installation or delivered to the 2010 Projects for that purpose in accordance with the approved plans and specifications.

Commission of Public Works of the
City of Greer, South Carolina

By: _____
General Manager

_____, 20____

Document comparison by Workshare Professional on Wednesday, September 22, 2010
3:59:40 PM

Input:	
Document 1 ID	PowerDocs://GREENVILLE/281063/3
Description	GREENVILLE-#281063-v3- Tenth_Supplemental_Ordinance_-_2010_-_Greer_CPW_-_2010_CUSRB
Document 2 ID	PowerDocs://GREENVILLE/281063/4
Description	GREENVILLE-#281063-v4- Tenth_Supplemental_Ordinance_-_2010_-_Greer_CPW_-_2010_CUSRB
Rendering set	Standard

Legend:
<u>Insertion</u>
Deletion
Moved from
<u>Moved to</u>
Style change

Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	20
Deletions	20
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	40