

OFFICIAL STATEMENT

NEW ISSUE – BOOK-ENTRY-ONLY

Ratings:
Moody's/S&P: Aa3 /AA-
(See "RATINGS" herein)

In the opinion of King Kozlarek Root Law LLC, Bond Counsel, under existing law, (1) assuming compliance by the City and the Issuer with certain requirements of the Internal Revenue Code of 1986, as amended, interest on the Series 2024A Bonds (a) is excludable from gross income for federal income tax purposes, and (b) is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, for tax years beginning after December 31, 2022, interest on the Series 2024A Bonds is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on certain corporations, and (2) interest on the Series 2024A Bonds is exempt from all State of South Carolina ("State"), county, municipal, school district, and all other taxes and assessments, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except, inheritance, estate, or other transfer taxes, provided that the interest thereon may be includable for certain franchise fees or taxes. In the opinion of Bond Counsel, under existing law, interest on the Series 2024B Bonds is (a) taxable as ordinary income for federal income tax purposes, and (b) exempt from all State of South Carolina, county, municipal, school district and other taxes and assessments, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except, inheritance, estate, or other transfer taxes, provided that the interest thereon may be includable for certain franchise fees or taxes. See "TAX TREATMENT" herein.



\$42,425,000
CITY OF GREER, SOUTH CAROLINA
CORPORATION FOR GREER
INSTALLMENT PURCHASE REVENUE BONDS
(CITY IMPROVEMENT PROJECTS)
\$27,770,000 **\$14,655,000**
SERIES 2024A **TAXABLE SERIES 2024B**



Dated: Delivery Date

This cover page and the inside cover page contain certain information for quick reference only. They are not a summary of the issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

Due: September 1, as shown on the inside front cover

Each capitalized term used, but not defined on this cover, has the meaning provided for that term in the Trust Agreement, dated the hereinafter defined Delivery Date ("Trust Agreement"), between Corporation ForGreer ("Issuer") and Regions Bank, as trustee ("Trustee"), or the Installment Purchase and Use Agreement, dated the Delivery Date ("Purchase and Use Agreement"), between the Issuer and City of Greer, South Carolina ("City"), as applicable. The Issuer will issue its Installment Purchase Revenue Bonds (City Improvement Projects) in two series: Series 2024A ("Series 2024A Bonds") and Taxable Series 2024B ("Series 2024B Bonds," with Series 2024A Bonds, collectively, "Series 2024 Bonds") in the par amounts set forth above for the purpose of: (a) financing the costs of the City acquiring, designing, constructing, and furnishing (1) certain facilities ("2024 Projects") to be used by the City, on real property owned, or to be acquired by the City ("2024 Real Property"), and (2) certain projects that will be exempt from the Trust Estate and certain aspects of the Purchase and Use Agreement ("Ancillary Projects"), (b) paying capitalized interest on the Series 2024 Bonds through September 1, 2024, and (c) paying the costs of issuing the Series 2024 Bonds.

The Series 2024 Bonds are obligations of the Issuer secured by and payable from the Issuer's rights in certain amounts, payments, property, agreements, and funds (collectively, "Trust Estate," as more particularly described in the Trust Agreement) under the Trust Agreement. The Trust Estate consists primarily of the Issuer's right, title, and interest in the Revenues (with certain exceptions) including, without limitation, all Installment Payments, which includes (a) Base Payments (as defined herein) payable by the City to the Issuer in amounts calculated to be sufficient to enable the Issuer to pay, when due, the principal of, premium, if any, and interest on the Series 2024 Bonds then due and payable, and (b) Additional Payments (as defined herein), and other amounts receivable by the Issuer under the Purchase and Use Agreement, all of the Issuer's right, title and interest in and to the 2024 Projects, the Purchase and Use Agreement, the Base Lease (as defined herein), and the property rights in the 2024 Real Property evidenced by the Base Lease, certain contract rights, proceeds of insurance and condemnation awards from casualty or takings and all moneys and investments held in certain funds and accounts created under the Trust Agreement.

The Series 2024 Bonds do not, and shall not be deemed to, constitute, or create an indebtedness, liability, or obligation of the City within the meaning of any State constitutional provision or statutory limitation or a pledge of the full faith and credit or taxing power of the City. The Series 2024 Bonds and the interest on the Series 2024 Bonds are payable from and secured by the Trust Estate as described in and subject to limitations set forth in the Trust Agreement for the equal and ratable benefit of the Holders of the Series 2024 Bonds.

THE OBLIGATION OF THE CITY TO PAY INSTALLMENT PAYMENTS UNDER THE PURCHASE AND USE AGREEMENT IS A CURRENT EXPENSE OF THE CITY AND IS DEPENDENT ON A LAWFUL APPROPRIATION OF FUNDS BEING MADE BY THE CITY COUNCIL TO PAY EACH INSTALLMENT PAYMENT DUE IN EACH FISCAL YEAR UNDER THE PURCHASE AND USE AGREEMENT AND IS NOT IN ANY WAY A DEBT OF THE CITY UNDER ANY APPLICABLE CONSTITUTIONAL OR STATUTORY LIMITATION OR REQUIREMENT CONCERNING THE CREATION OF INDEBTEDNESS BY THE CITY, NOR IS ANYTHING IN THE PURCHASE AND USE AGREEMENT A PLEDGE OF THE GENERAL TAX REVENUES, FUNDS, MONEYS OR CREDIT OF THE CITY.

There will be no debt service reserve fund established for or funded with the proceeds of the Series 2024 Bonds.

The Series 2024 Bonds will be issued only as fully registered bonds and initially will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Series 2024 Bonds. Purchases of beneficial interests in the Series 2024 Bonds will be made in book-entry-only form (without certificates) in denominations of \$5,000 or any integral multiple thereof. Principal shall be paid on the maturity dates, as shown on the inside front cover, to the registered owner on presentation and surrender of each Series 2024 Bond at the principal corporate trust office of Regions Bank, as registrar/paying agent ("Registrar/Paying Agent"). So long as DTC or its nominee, Cede & Co., is the registered owner of the Series 2024 Bonds, payment of the principal and interest on the Series 2024 Bonds will be made directly to Cede & Co. Disbursements of payments to Beneficial Owners will be the responsibility of Direct Participants or Indirect Participants described in this Official Statement, and neither the Issuer nor the City shall be responsible for disbursements.

The Series 2024 Bonds will be dated their Delivery Date and will mature on September 1 in each of the years and in the principal amounts and bear interest at the rates shown on the inside front cover from the date of their issuance. Interest on the Series 2024 Bonds is payable on each March 1 and September 1, beginning September 1, 2024, until maturity. The Series 2024 Bonds are subject to optional, special optional and mandatory principal redemption prior to maturity.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION.

The Series 2024 Bonds are offered when, as and if issued and accepted by Raymond James & Associates, Inc., as underwriter, subject to the approving opinion as to legality of King Kozlarek Root Law LLC, Greenville, South Carolina, which is serving as Bond Counsel to the Issuer. Certain legal matters will be passed on for the Issuer by its counsel, King Kozlarek Root Law LLC, Greenville, South Carolina, for the City by its counsel, Duggan & Hughes, LLC, Greer, South Carolina, and for the Underwriter by its counsel, Burr & Forman LLP, Columbia, South Carolina. King Kozlarek Root Law LLC, Greenville, South Carolina, has acted as disclosure counsel in connection with the offering of the Series 2024 Bonds. Stifel, Nicolaus & Company, Incorporated, Columbia, South Carolina serves as Financial Advisor to the City. It is expected that the Series 2024 Bonds in definitive form will be available for delivery on or about May 23, 2024 ("Delivery Date"), through the facilities of DTC against payment therefor.

RAYMOND JAMES

MATURITY DATES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS, PRICES, AND CUSIPS¹

SERIES 2024A BONDS MATURITY SCHEDULE

Term Bonds

\$6,045,000 4.000% Term Bond, due September 1, 2045; Yield: 4.130%; Price: 98.166%; CUSIP¹: 397479AA4
 \$8,680,000 4.125% Term Bond, due September 1, 2049; Yield: 4.270%; Price: 97.766%; CUSIP¹: 397479AB2
 \$13,045,000 4.250% Term Bond, due September 1, 2054; Yield: 4.400%; Price: 97.498%; CUSIP¹: 397479AC0

SERIES 2024B BONDS MATURITY SCHEDULE

\$10,160,000 Serial Bonds

<u>DUE</u> <u>SEPTEMBER 1</u>	<u>PRINCIPAL</u> <u>AMOUNT (\$)</u>	<u>INTEREST</u> <u>RATE (%)</u>	<u>YIELD (%)</u>	<u>PRICE (%)</u>	<u>CUSIP¹</u>
2025	\$460,000	5.390%	5.390%	100.000	397479AD8
2026	485,000	5.290%	5.290%	100.000	397479AE6
2027	510,000	5.210%	5.210%	100.000	397479AF3
2028	540,000	5.100%	5.100%	100.000	397479AG1
2029	565,000	5.150%	5.150%	100.000	397479AH9
2030	595,000	5.150%	5.150%	100.000	397479AJ5
2031	625,000	5.200%	5.200%	100.000	397479AK2
2032	660,000	5.230%	5.230%	100.000	397479AL0
2033	695,000	5.280%	5.280%	100.000	397479AM8
2034	730,000	5.320%	5.320%	100.000	397479AN6
2035	770,000	5.420%	5.420%	100.000	397479AP1
2036	810,000	5.500%	5.500%	100.000	397479AQ9
2037	855,000	5.600%	5.600%	100.000	397479AR7
2038	905,000	5.690%	5.690%	100.000	397479AS5
2039	955,000	5.750%	5.750%	100.000	397479AT3

Term Bond

\$4,495,000 5.770% Term Bond, due September 1, 2042; Yield: 5.770%; Price: 100.000%; CUSIP¹: 397479AU0

⁽¹⁾ CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright © 2024 CUSIP Global Services. All rights reserved. CUSIP numbers are set forth herein for the convenience of reference only and neither the City nor the Underwriter nor their respective agents take responsibility for the accuracy of such data. CUSIP data herein is provided by CGS. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database.

REGARDING USE OF THIS OFFICIAL STATEMENT

This document, including its Appendices (“Official Statement”) constitutes a “Final Official Statement” of the Issuer and the City with respect to the Series 2024 Bonds, as that term is defined in the Securities and Exchange Commission (“SEC”) Rule 15c2-12 under the Securities Exchange Act of 1934, as the same may be amended from time to time (“Rule 15c2-12”). Any addendum shall, on and after the date thereof, be fully incorporated and made a part of this Official Statement by reference.

Raymond James & Associates, Inc., as underwriter (“Underwriter”), has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2024 BONDS AT OR ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET, AND THIS STABILIZING MAY BE DISCONTINUED AT ANY TIME.

Regions Bank, as Trustee and Registrar/Paying Agent, has not provided or undertaken to determine the accuracy of any of the information contained in this Official Statement and makes no representation or warranty, express or implied, as to (i) the accuracy or completeness of information, (ii) the validity of the Series 2024 Bonds, or (iii) the tax status of the interest on the Series 2024 Bonds.

No dealer, broker, salesman or other person has been authorized by the Issuer or the City to give any information or to make any representations with respect to the Series 2024 Bonds other than as contained in this Official Statement, and, if given or made, other information or representations must not be relied on as having been authorized by the Issuer or the City. Certain information contained in this Official Statement may have been obtained from sources other than records of the Issuer and the City, while believed to be reliable, is not guaranteed as to completeness or accuracy. THE INFORMATION AND EXPRESSIONS OF OPINION IN THIS OFFICIAL STATEMENT ARE SUBJECT TO CHANGE, AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE MADE UNDER THE DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE ISSUER OR THE CITY SINCE THE DATE THEREOF.

Reference to laws, rules, regulations, ordinances, resolutions, agreements, reports, and other documents do not purport to be comprehensive or definitive. All references to documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made in this Official Statement. Where full texts have not been included as Appendices to this Official Statement, they will be furnished on request.

CERTAIN INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT MAY HAVE BEEN OBTAINED FROM SOURCES OTHER THAN RECORDS OF ISSUER AND THE CITY AND, WHILE BELIEVED TO BE RELIABLE, IS NOT GUARANTEED AS TO COMPLETENESS OR ACCURACY. REFERENCES TO WEB SITE ADDRESSES PRESENTED HEREIN ARE FOR INFORMATIONAL PURPOSES ONLY AND MAY BE IN THE FORM OF A HYPERLINK, WHICH ARE NOT INTENDED TO BE ACTIVE, SOLELY FOR THE READER'S CONVENIENCE. UNLESS SPECIFIED OTHERWISE, SUCH WEB SITES AND THE INFORMATION OR LINKS CONTAINED THEREIN ARE NOT INCORPORATED INTO, AND ARE NOT PART OF, THIS OFFICIAL STATEMENT.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. Further, certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements.” These types of statements are generally identifiable by the terminology used such as “plan,” “expect,” “anticipate,” “estimate,” “budget,” “forecast,” “project” or similar words. Forward-looking statements are included in various portions of this Official Statement.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES, AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE, OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE, OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY THE FORWARD-LOOKING STATEMENTS. NEITHER THE ISSUER NOR THE CITY PLANS TO ISSUE ANY UPDATES OR REVISIONS TO THESE FORWARD-LOOKING STATEMENTS IF OR WHEN CHANGES TO EXPECTATIONS, OR EVENTS, CONDITIONS, OR CIRCUMSTANCES, ON WHICH THE FORWARD-LOOKING STATEMENTS ARE BASED, OCCUR.

THE SERIES 2024 BONDS WILL NOT BE REGISTERED OR QUALIFIED WITH THE SEC UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE TRUST AGREEMENT HAS NOT BEEN REGISTERED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2024 BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE SERIES 2024 BONDS HAVE BEEN REGISTERED OR QUALIFIED, AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES, SHALL NOT BE REGARDED AS A RECOMMENDATION THEREOF.

THE SERIES 2024 BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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APPENDIX B – Forms of the Base Lease, the Installment Purchase and Use Agreement, and the Trust Agreement

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APPENDIX D – Form of Continuing Disclosure Undertaking

SUMMARY STATEMENT

The following Summary Statement is qualified in its entirety by the more detailed information and financial statements contained elsewhere in this Official Statement, which includes its Appendices. The offering of the Series 2024 Bonds to potential investors is made only by means of this entire Official Statement, and no person is authorized to detach this Summary Statement from the Official Statement or to otherwise use it without the entire Official Statement. Each capitalized term used, but not defined in this Summary Statement, has the meaning provided for that term in the Trust Agreement dated the Delivery Date ("Trust Agreement"), between the Issuer and the Trustee, or the Installment Purchase and Use Agreement, dated the Delivery Date ("Purchase and Use Agreement"), between the Issuer and the City, as applicable.²

The Issuer: Corporation ForGreer ("Issuer") is a nonprofit corporation organized and existing under the laws of the State of South Carolina ("State").

The City: City of Greer, South Carolina ("City"), a body politic and municipal corporation founded in 1876, is located in the foothills of the Upstate region of the State, approximately 12 miles northeast of Greenville, South Carolina, 100 miles northwest of Columbia, South Carolina, 159 miles northeast of Atlanta, Georgia, and 90 miles southwest of Charlotte, North Carolina. The City is located in both Greenville and Spartanburg counties. The City has a land area of approximately 26 square miles and is empowered by State law to levy a property tax on both real and personal property within its boundaries. The City estimates 2023 population was over 38,000.

Details of the

Series 2024 Bonds: The \$27,770,000 Corporation ForGreer Installment Purchase Revenue Bonds (City Improvement Projects) Series 2024A ("Series 2024A Bonds") and the \$14,655,000 Corporation ForGreer Installment Purchase Revenue Bonds (City Improvement Projects) Taxable Series 2024B ("Series 2024B Bonds" with Series 2024A Bonds, collectively "Series 2024 Bonds") will be Installment Purchase Revenue Bonds of the Issuer; will be issued in the form of registered bonds, book-entry system; will be issued in the denomination of \$5,000 or any whole multiple thereof, not exceeding the principal amount of the Series 2024 Bonds maturing in that year; will be dated the date of their delivery; and will mature and will bear interest from their date at the rates shown on the inside front cover (calculated on the basis of a 360-day year of 12 months of 30 days each) with interest payable each March 1 and September 1, until maturity, commencing September 1, 2024.

Maturities: The Series 2024A Bonds mature on September 1, 2045, 2049 and 2054, as indicated on the inside front cover. The Series 2024B Bonds mature on September 1, 2025, through and including 2039 and 2042, as indicated on the inside front cover.

Redemption: The Series 2024 Bonds are subject to optional, special optional, and mandatory principal redemption prior to maturity, as provided herein.

Security: For the payment of principal of and interest on the Series 2024 Bonds, the Issuer has assigned to the Trustee and granted a security interest in the Trust Estate, which includes, all right, title and interest of the Issuer in and to the Revenues (with certain exceptions) including, without limitation, all Installments Payments, which includes (a) Base Payments (as defined herein) payable by the City to the Issuer in amounts calculated to be sufficient to enable the Issuer to pay, when due, the principal of, premium, if any, and interest on the Series 2024 Bonds then due and payable, and (b) Additional Payments (as defined herein), and other amounts receivable by or on behalf of the Issuer under the Purchase and Use Agreement, all of the Issuer's right, title and interest in the 2024 Projects, the Purchase and Use Agreement (except certain reserved rights), the Base Lease and Conveyance Agreement, to be dated the Delivery Date ("Base Lease")², each between the City and the Issuer, and the property rights in the 2024 Real Property evidenced by the Base Lease, certain contract rights, proceeds of insurance and condemnation awards from casualty or takings, except with respect to the Ancillary Projects, and all moneys and investments held in certain funds and accounts created under the Trust Agreement.

²Complete copies of the form of the Trust Agreement, the form of the Base Lease, and the form of the Purchase and Use Agreement are attached as part of Appendix B.

The Series 2024 Bonds do not and shall not be deemed to constitute or create an indebtedness, liability, or obligation of the City within the meaning of any State constitutional provision or statutory limitation or a pledge of the full faith and credit or taxing power of the City. The Series 2024 Bonds and the interest thereon are payable from and secured by the Trust Estate as described in and subject to limitations set forth in the Trust Agreement for the equal and ratable benefit of the Holders of the Series 2024 Bonds.

There will be no debt service reserve fund established for or funded with the proceeds of the Series 2024 Bonds.

THE OBLIGATION OF THE CITY TO PAY INSTALLMENT PAYMENTS UNDER THE PURCHASE AND USE AGREEMENT IS A CURRENT EXPENSE OF THE CITY AND IS DEPENDENT ON A LAWFUL APPROPRIATION OF FUNDS BEING MADE BY THE CITY COUNCIL TO PAY EACH INSTALLMENT PAYMENTS DUE IN EACH FISCAL YEAR UNDER THE PURCHASE AND USE AGREEMENT AND IS NOT IN ANY WAY A DEBT OF THE CITY UNDER ANY APPLICABLE CONSTITUTIONAL OR STATUTORY LIMITATION OR REQUIREMENT CONCERNING THE CREATION OF INDEBTEDNESS BY THE CITY, NOR IS ANYTHING IN THE PURCHASE AND USE AGREEMENT A PLEDGE OF THE GENERAL TAX REVENUES, FUNDS, MONEYS OR CREDIT OF THE CITY.

Purpose: The proceeds derived from the sale of the Series 2024 Bonds will be used to: (a) finance the costs of the City acquiring, designing, constructing, and furnishing (1) certain facilities (“2024 Projects”) to be used by the City, on real property owned, or to be acquired by the City (“2024 Real Property”), and (2) certain projects that will be exempt from the Trust Estate and certain aspects of the Purchase and Use Agreement (“Ancillary Projects”), (b) pay capitalized interest on the Series 2024 Bonds through September 1, 2024, and (c) pay the costs of issuing the Series 2024 Bonds.

Tax Status: Under existing law and assuming the Issuer’s and the City’s compliance with certain requirements of the Internal Revenue Code of 1986, as amended (“Code”), in the opinion of King Kozlarek Root Law LLC: (i) interest on the Series 2024A Bonds (a) is excludable from gross income for federal income tax purposes, and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; (ii) interest on the Series 2024B Bonds is taxable as ordinary income for federal income tax purposes, and (iii) interest on the Series 2024 Bonds is exempt from all State, county, municipal and school district all other taxes and assessments, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except, inheritance, estate, or other transfer taxes, provided that the interest thereon may be includable for certain franchise fees or taxes.

Professionals: Regions Bank, as trustee (“Trustee”), will act as trustee, registrar, and paying agent for the Series 2024 Bonds under the Trust Agreement. Raymond James & Associates, Inc., Atlanta, Georgia, is serving as Underwriter. Burr & Forman LLP, Columbia, South Carolina, serves as counsel to the Underwriter. Stifel, Nicolaus & Company Incorporated, Columbia, South Carolina serves as Financial Advisor to the City. King Kozlarek Root Law LLC, Greenville, South Carolina, serves as counsel to the Issuer. Duggan & Hughes, LLC, Greer, South Carolina, serves as counsel to the City. King Kozlarek Root Law LLC, Greenville, South Carolina, serves as Bond/Disclosure Counsel to the Issuer.

Authorization: The Series 2024 Bonds will be issued under and pursuant to the Trust Agreement.

Terms of Offering: The Series 2024 Bonds are being issued in book-entry-only form. It is expected that the Series 2024 Bonds will be delivered through the facilities of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), at the offices of DTC, on or about May 23, 2024, and will be available for credit to the accounts of the participants and, through them, the Beneficial Owners on that date.

General: This Official Statement speaks only as of its date, and the information contained in it is subject to change. A copy of the Preliminary Official Statement and the Official Statement will be placed on

<http://emma.msrb.org>.³ Copies of the Preliminary Official Statement, the Official Statement, and related documents and information are available by contacting Todd L. Barnes, Managing Director, Raymond James & Associates, Inc., 3050 Peachtree Road NW, Suite 702, Atlanta, Georgia, telephone: 404.279.5724, email: Todd.Barnes@RaymondJames.com, or Bond Counsel, Michael E. Kozlarek, Esquire, King Kozlarek Root Law LLC, 210 Riverplace, Suite 500, Greenville, South Carolina 29601, telephone: 864.527.5941, email: michael@kingkozlarek.com.

The Official Statement, including the cover page and the attached Appendices, contains specific information relating to the Series 2024 Bonds, the Issuer, the City, and other information pertinent to this issue.

All information included in this Official Statement has been provided by the City except where attributed to other sources. Information related directly to the Issuer has been provided by the Issuer. The summaries and references to all documents, statutes, reports, and other instruments referred to do not purport to be complete, comprehensive, or definitive, and each reference or summary is qualified in its entirety by reference to each document, statute, report, or other instrument.

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³None of the Uniform Resource Locators contained in this Official Statement are intended to be an active hyperlink.

INTRODUCTION

This Introduction briefly describes the contents of this Official Statement and is qualified by reference to its entire contents, including Appendices, as well as of the documents summarized or described in this Official Statement.

The purpose of this Official Statement, which includes the cover page, the inside cover page, and Appendices hereto, is to furnish certain information in connection with the issuance of the Series 2024 Bonds. The information furnished in this Official Statement includes a brief description of the Series 2024 Bonds, the Issuer, the City and its indebtedness, tax information, economic data, financial information, and other matters. Also included are certain information and data pertaining to the Issuer and the City, and to the State. Each capitalized term used, but not defined in this Official Statement, has the meaning provided for that term in the Trust Agreement, to be dated May 23, 2024 (“Trust Agreement”), between Corporation ForGreer (“Issuer”) and Regions Bank, as trustee (“Trustee”); or the Installment Purchase and Use Agreement, to be dated May 23, 2024 (“Purchase and Use Agreement”), between the Issuer and the City, as applicable.⁴

THE SERIES 2024 BONDS

Description of the Series 2024 Bonds

The Series 2024 Bonds constitute obligations of the Issuer. The Series 2024 Bonds shall be issued as registered bonds and held pursuant to a book-entry system. The Series 2024 Bonds will be dated the date of their delivery, which is anticipated to be May 23, 2024, shall mature, and shall bear interest at the rates and shall be initially priced as shown on the inside front cover. Interest on the Series 2024 Bonds shall be first payable on September 1, 2024, and thereafter on March 1 and September 1 of each year (“Bond Payment Dates”) until final payment of the principal thereof.

The Series 2024 Bonds will be issued in denominations of \$5,000 or any whole multiple thereof, not exceeding the principal amount of the Series 2024 Bonds maturing in each year. The Series 2024 Bonds shall be numbered from one upwards in such a fashion as to maintain a proper record thereof. All 2024 Bonds will be registered on the registration books of the Issuer which are to be kept for this purpose at the office of the Trustee at which its primary corporate trust business is administered.

Authorization for the Series 2024 Bonds

The Series 2024 Bonds will be issued under and pursuant to the Trust Agreement, a Resolution adopted by the Board of Directors of the Issuer, effective March 29, 2024 (“Resolution”) and the ordinance enacted by the City Council for the City (“City Council”) on March 26, 2024 (“City Ordinance”), and a resolution adopted by the City Council on April 9, 2024 (“City Resolution”), each relating to the Series 2024 Bonds.

Use of Proceeds

The proceeds derived from the sale of the Series 2024 Bonds will be utilized for the principal purpose of (a) acquiring, constructing, improving, expanding, installing, and equipping the 2024 Projects and Ancillary Projects, (b) paying capitalized interest on the Series 2024 Bonds through September 1, 2024, and (c) paying costs of issuance of the Series 2024 Bonds.

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⁴A complete copy of the form of the Trust Agreement and the form of the Purchase and Use Agreement are each attached as part of Appendix B.

Net Debt Service Requirements

Set forth below are the principal and interest payment requirements with respect to the Series 2024A Bonds and the Series 2024B Bonds. For purposes of calculating the principal payable in any year, the relevant maturity or mandatory principal redemption amount is used. A description of the City's outstanding debt is set forth under "DEBT STRUCTURE."

SERIES 2024A BONDS

Period <u>Ending</u>	<u>Principal</u>	<u>Interest</u>	Capitalized <u>Interest</u>	<u>Net Debt Service</u>
9/1/2024	-	\$314,215.90	\$(314,215.90)	\$0.00
9/1/2025	-	1,154,262.50	-	1,154,262.50
9/1/2026	-	1,154,262.50	-	1,154,262.50
9/1/2027	-	1,154,262.50	-	1,154,262.50
9/1/2028	-	1,154,262.50	-	1,154,262.50
9/1/2029	-	1,154,262.50	-	1,154,262.50
9/1/2030	-	1,154,262.50	-	1,154,262.50
9/1/2031	-	1,154,262.50	-	1,154,262.50
9/1/2032	-	1,154,262.50	-	1,154,262.50
9/1/2033	-	1,154,262.50	-	1,154,262.50
9/1/2034	-	1,154,262.50	-	1,154,262.50
9/1/2035	-	1,154,262.50	-	1,154,262.50
9/1/2036	-	1,154,262.50	-	1,154,262.50
9/1/2037	-	1,154,262.50	-	1,154,262.50
9/1/2038	-	1,154,262.50	-	1,154,262.50
9/1/2039	-	1,154,262.50	-	1,154,262.50
9/1/2040	-	1,154,262.50	-	1,154,262.50
9/1/2041	-	1,154,262.50	-	1,154,262.50
9/1/2042	\$385,000.00	1,154,262.50	-	1,539,262.50
9/1/2043	1,815,000.00	1,138,862.50	-	2,953,862.50
9/1/2044	1,885,000.00	1,066,262.50	-	2,951,262.50
9/1/2045	1,960,000.00	990,862.50	-	2,950,862.50
9/1/2046	2,040,000.00	912,462.50	-	2,952,462.50
9/1/2047	2,125,000.00	828,312.50	-	2,953,312.50
9/1/2048	2,210,000.00	740,656.26	-	2,950,656.26
9/1/2049	2,305,000.00	649,493.76	-	2,954,493.76
9/1/2050	2,395,000.00	554,412.50	-	2,949,412.50
9/1/2051	2,500,000.00	452,625.00	-	2,952,625.00
9/1/2052	2,605,000.00	346,375.00	-	2,951,375.00
9/1/2053	2,715,000.00	235,662.50	-	2,950,662.50
9/1/2054	2,830,000.00	120,275.00	-	2,950,275.00
	<u>\$27,770,000.00</u>	<u>\$29,127,203.42</u>	<u>\$(314,215.90)</u>	<u>\$56,582,987.52</u>

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SERIES 2024B BONDS

<u>Period</u> <u>Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Capitalized</u> <u>Interest</u>	<u>Net Debt Service</u>
9/1/2024	-	\$219,624.53	\$(219,624.53)	\$0.00
9/1/2025	\$460,000.00	806,784.00	-	1,266,784.00
9/1/2026	485,000.00	781,990.00	-	1,266,990.00
9/1/2027	510,000.00	756,333.50	-	1,266,333.50
9/1/2028	540,000.00	729,762.50	-	1,269,762.50
9/1/2029	565,000.00	702,222.50	-	1,267,222.50
9/1/2030	595,000.00	673,125.00	-	1,268,125.00
9/1/2031	625,000.00	642,482.50	-	1,267,482.50
9/1/2032	660,000.00	609,982.50	-	1,269,982.50
9/1/2033	695,000.00	575,464.50	-	1,270,464.50
9/1/2034	730,000.00	538,768.50	-	1,268,768.50
9/1/2035	770,000.00	499,932.50	-	1,269,932.50
9/1/2036	810,000.00	458,198.50	-	1,268,198.50
9/1/2037	855,000.00	413,648.50	-	1,268,648.50
9/1/2038	905,000.00	365,768.50	-	1,270,768.50
9/1/2039	955,000.00	314,274.00	-	1,269,274.00
9/1/2040	1,535,000.00	259,361.50	-	1,794,361.50
9/1/2041	1,625,000.00	170,792.00	-	1,795,792.00
9/1/2042	1,335,000.00	77,029.50	-	1,412,029.50
	<u>\$14,655,000.00</u>	<u>\$9,595,545.03</u>	<u>\$(219,624.53)</u>	<u>\$24,030,920.50</u>

Book-Entry System

THE DESCRIPTION WHICH FOLLOWS OF THE PROCEDURES AND RECORDKEEPING WITH RESPECT TO BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2024 BONDS, PAYMENT OF INTEREST AND PRINCIPAL ON THE SERIES 2024 BONDS TO DIRECT AND INDIRECT PARTICIPANTS (AS DEFINED BELOW) OR BENEFICIAL OWNERS OF THE SERIES 2024 BONDS, CONFIRMATION AND TRANSFER OF BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2024 BONDS, AND OTHER RELATED TRANSACTIONS BY AND BETWEEN DTC (AS DEFINED BELOW), THE DIRECT AND INDIRECT PARTICIPANTS AND BENEFICIAL OWNERS OF THE SERIES 2024 BONDS IS BASED SOLELY ON INFORMATION FURNISHED BY DTC TO THE ISSUER AND THE CITY FOR INCLUSION IN THIS OFFICIAL STATEMENT. ACCORDINGLY, THE ISSUER AND THE CITY NEITHER MAKE NOR CAN MAKE ANY REPRESENTATIONS CONCERNING THESE MATTERS.

Beneficial ownership interests in the Series 2024 Bonds will be available only in book-entry form. Beneficial owners of the Series 2024 Bonds (“Beneficial Owners”) will not receive a physical bond certificate representing their interests in the Series 2024 Bonds purchased. So long as Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”) or its nominee is the registered owner of the Series 2024 Bonds, references in this Official Statement to the owners of the Series 2024 Bonds shall mean DTC or its nominee and shall not mean the Beneficial Owners. Unless and until the book-entry-only system has been discontinued, the Series 2024 Bonds will be available only in book-entry-only form in principal amounts of \$5,000 or any integral multiple thereof.

The following description of DTC, its procedures and record keeping on beneficial ownership interests in the Series 2024 Bonds, payment of interest and other payments on the Series 2024 Bonds to DTC Participants or to Beneficial Owners, confirmation, and transfer of beneficial ownership interests in the Series 2024 Bonds and of other transactions by and between DTC, DTC Participants and Beneficial Owners is based on information furnished by DTC.

Depository Trust Company. DTC will act as securities depository for the Series 2024 Bonds. The Series 2024 Bonds will be issued as fully registered bonds registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Bond in the aggregate principal amount of each maturity of the Series 2024 Bonds will be deposited with DTC.

DTC Participants and Indirect Participants. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, 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. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of certificated bonds. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard and Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business (“S&P”) rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission (“SEC”). More information about DTC can be found at www.dtcc.com.

Beneficial Owners. Purchases of the Series 2024 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2024 Bonds on DTC’s records. The ownership interest of each Beneficial Owner is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2024 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2024 Bonds, unless the use of the book-entry system for the Series 2024 Bonds is discontinued.

Transfers and Exchanges. To facilitate subsequent transfers, all of the Series 2024 Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2024 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2024 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such 2024 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series 2024 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2024 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Resolution. For example, Beneficial Owners of 2024 Bonds may wish to ascertain that the nominee holding the Series 2024 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners, in the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar/Paying Agent and request that copies of the notices be provided directly to them.

Notices; Redemption. Redemption notices shall be sent to DTC. If less than all of the Series 2024 Bonds are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in the Series 2024 Bonds to be redeemed.

Consent and Voting. Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Series 2024 Bonds unless authorized by a Direct Participant in accordance with DTC’s procedures. Under its usual procedures, DTC mails an omnibus proxy to the Registrar/Paying Agent as soon as possible after the record date. The omnibus proxy assigns Cede & Co.’s consenting and voting rights to those Direct Participants to whose accounts the Series 2024 Bonds are credited on the record date (identified in a listing attached to the omnibus proxy).

Because DTC is treated as the Owner of the Series 2024 Bonds for substantially all purposes under the Trust Agreement, Beneficial Owners may have a restricted ability to influence in a timely fashion remedial action or the giving or withholding

of requested consents or other directions. In addition, because the identity of the Beneficial Owners is unknown to the Issuer, to DTC or to the Registrar/Paying Agent, it may be difficult to transmit information of potential interest to Beneficial Owners in an effective and timely manner. Beneficial Owners should make appropriate arrangements with their broker or dealer regarding distribution of information regarding the Series 2024 Bonds that may be transmitted by or through DTC.

Principal and Interest Payments. Payments of principal, interest and any redemption premiums on the Series 2024 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the Registrar/Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the Registrar/Paying Agent or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the Registrar/Paying Agent's responsibility, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants. The Issuer can give no assurance that Direct and Indirect Participants will promptly transfer payments to Beneficial Owners.

A Beneficial Owner shall give notice to elect to have the Series 2024 Bonds purchased or tendered, through its Participant, to the Tender Agent, and shall effect delivery of such 2024 Bonds by causing the Direct Participant to transfer the Participant's interest in the Series 2024 Bonds, on DTC's records to the Tender Agent. The requirement for physical delivery of the Series 2024 Bonds in connection with an option tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series 2024 Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered 2024 Bonds to the Tender Agent's DTC account.

DTC may discontinue providing its service as depository with respect to the Series 2024 Bonds at any time by giving reasonable notice to the Registrar/Paying Agent or the Issuer. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Issuer may decide to discontinue the use of the system of book-entry-only transfers through DTC (or a successor depository). In that event, 2024 Bond certificates will be printed and delivered to DTC.

The Issuer and the Registrar/Paying Agent have no responsibility or obligation to DTC, the Direct Participants, the Indirect Participants or the Beneficial Owners with respect to (1) the accuracy of any records maintained by DTC or any Participant, or the maintenance of any records; (2) the payment by DTC or any Participant of any amount due to any Beneficial Owner in respect of the Series 2024 Bonds, or the sending of any transaction statements; (3) the delivery or timeliness of delivery by DTC or any Participant of any notice to any Beneficial Owner which is required or permitted under the Trust Agreement to be given to Owners; (4) the selection of the Beneficial Owners to receive payments upon any partial redemption of the Series 2024 Bonds; or (5) any consent given or other action taken by DTC or its nominee as the registered owner of the Series 2024 Bonds, including any action taken pursuant to an omnibus proxy.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

The Issuer, the City and the Registrar/Paying Agent cannot and do not give any assurances that DTC, Direct Participants or Indirect Participants will distribute to the Beneficial Owners of the Series 2024 Bonds (i) payments of principal of, premium, if any, and interest with respect to the Series 2024 Bonds, (ii) confirmations of their ownership interests in the Series 2024 Bonds or (iii) prepayment or other notices sent to DTC or Cede & Co., its partnership nominee, as the registered owner of the Series 2024 Bonds, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve and act in the manner described in this Official Statement.

NEITHER THE ISSUER, THE CITY, NOR THE REGISTRAR/PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (i) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (ii) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL

OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2024 BONDS; (iii) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS OF THE SERIES 2024 BONDS UNDER THE TERMS OF THE TRUST AGREEMENT; (iv) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2024 BONDS; OR (v) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC.

Beneficial Owners of the Series 2024 Bonds may experience some delay in their receipt of distributions of principal and interest on the Series 2024 Bonds since such distributions will be forwarded by the Registrar/Paying Agent to DTC and DTC will credit such distributions to the accounts of Direct Participants, which will thereafter credit them to the accounts of Beneficial Owners either directly or indirectly through Indirect Participants. Issuance of the Series 2024 Bonds in book-entry form may reduce the liquidity of the Series 2024 Bonds in the secondary trading market since investors may be unwilling to purchase 2024 Bonds for which they cannot obtain physical certificates. In addition, because transactions in the Series 2024 Bonds can be effected only through DTC, Direct Participants, Indirect Participants and certain banks, the ability of a Beneficial Owner to pledge 2024 Bonds to persons or entities that do not participate in the DTC system, or otherwise to take action in respect of such 2024 Bonds, may be limited due to the lack of a physical certificate. Beneficial Owners will not be recognized by the Registrar/Paying Agent as registered owners for purposes of the Trust Agreement, and Beneficial Owners will not be permitted to exercise the rights of registered owners only indirectly through DTC and the Direct or Indirect Participants.

Redemption of the Series 2024 Bonds

Optional Redemption. If the City exercises its option pursuant to the Purchase and Use Agreement to purchase the Issuer’s interest in the 2024 Projects and pay the amounts required to redeem the Series 2024 Bonds or to prepay Base Payments, or if the City makes a voluntary prepayment under the Purchase and Use Agreement, then the Series 2024 Bonds maturing on or after September 1, 2035, are subject to redemption in whole or in part on any date on or after September 1, 2034, by the Issuer, at a redemption price equal to the par amount thereof (to the extent not previously redeemed), plus accrued interest to the redemption date.

Special Optional Redemption.

If the City elects to prepay Installment Payments using Net Proceeds of applicable insurance policies, performance bonds, or condemnation awards pursuant to the provisions of the Purchase and Use Agreement because (a) any part of the 2024 Projects is totally destroyed or is damaged to an extent that the rebuilding or repairing of that part of the 2024 Projects would be impracticable, (b) there is discovered a material defect in the construction of the 2024 Projects or any portion of the 2024 Projects that renders the 2024 Projects or any portion unusable by the City for its intended purposes, (c) all or substantially all of the 2024 Projects relating to a particular building is taken by eminent domain, or (d) the City is deprived of the use of any part of the 2024 Projects by reason of a defect in title thereto, the Series 2024 Bonds will be subject to redemption in whole or in part on any date, as selected by the Trustee, at the direction of the Issuer, at a redemption price equal to the par amount thereof (to the extent not previously redeemed), plus accrued interest to the redemption date.

Mandatory Principal Redemption. The Series 2024A Bonds maturing on September 1, 2045, 2049 and 2054 (“2024A Term Bonds”), are subject to mandatory principal redemption, prior to maturity, on September 1 in each of the years shown below, at a redemption price equal to the par amount thereof (to the extent not previously redeemed), plus accrued interest to the redemption date:

<u>2024A Term Bonds Maturing on September 1, 2045</u>	
<u>Year</u>	<u>Amount</u>
2042	\$ 385,000
2043	1,815,000
2044	1,885,000
2045†	1,960,000

†Final Maturity

2024A Term Bonds Maturing on September 1, 2049

<u>Year</u>	<u>Amount</u>
2046	\$2,040,000
2047	2,125,000
2048	2,210,000
2049 [†]	2,305,000

[†] Final Maturity

2024A Term Bonds Maturing on September 1, 2054

<u>Year</u>	<u>Amount</u>
2050	\$2,395,000
2051	2,500,000
2052	2,605,000
2053	2,715,000
2054 [†]	2,830,000

[†] Final Maturity

Mandatory Principal Redemption. The Series 2024B Bonds maturing on September 1, 2042, are subject to mandatory principal redemption, prior to maturity, on September 1 in each of the years shown below, at a redemption price equal to the par amount thereof (to the extent not previously redeemed), plus accrued interest to the redemption date:

<u>Year</u>	<u>Amount</u>
2040	\$1,535,000
2041	1,625,000
2042 [†]	1,335,000

[†] Final Maturity

Notice of Redemption. The notice of the call for redemption of the Series 2024 Bonds will be given by the Trustee by first class mail, postage prepaid, at least 30 days, but not more than 60 days, prior to the date fixed for redemption to the registered owner of each Series 2024 Bond subject to redemption at such owner's address shown on the registration books of the Issuer on the 15th day preceding that mailing. Notice of redemption of the Series 2024 Bonds subject to redemption may only be given if funds for such redemption are irrevocably deposited with the Trustee prior to rendering notice of redemption to the Holders of such Series 2024 Bonds, or, in the alternative, the notice given by the Trustee to such Bondholders expressly states that such redemption is conditioned on the deposit of funds sufficient for the redemption by the Issuer and that failing such deposit no redemption will take place.

Partial Redemption. If less than all of the Series 2024 Bonds of any one series and maturity are called for redemption, the Series 2024 Bonds to be redeemed will be selected in the manner that the Issuer determines as set forth in a certificate of the Issuer filed with the Trustee. If less than all Series 2024 Bonds of any one series and maturity are called for redemption, the Trustee will select the Series 2024 Bonds to be redeemed by lot, each \$5,000 portion of the principal being counted as one Series 2024 Bond for this purpose; provided, however, that so long as the only registered owner of the Series 2024 Bond is Cede & Co., such selection shall be made by the Securities Depository consistent with its rules and procedures.

Procedure in the Event of Revision or Discontinuation of Book-Entry Transfer System

In the event that the Issuer determines that it is in the best interest of the Issuer not to continue the book-entry system or that the interest of the Beneficial Owners of the Series 2024 Bonds may be adversely affected if the book-entry system is continued, then the Issuer will notify the Securities Depository and the Trustee of such determination and the Securities Depository will immediately notify the Participants of the availability, through the Securities Depository, of physical Series 2024 Bonds. In such event, the Issuer will execute, and the Trustee will authenticate, register, and deliver physical Series 2024 Bonds as requested by the Securities Depository or any Participant or Beneficial Owner of Series 2024 Bonds in

appropriate authorized denominations in exchange for the Series 2024 Bonds registered in the name of Securities Depository Nominee. The Securities Depository may determine to discontinue providing its services as such with respect to the Series 2024 Bonds at any time by giving notice to the Issuer and the Trustee and discharging its responsibilities with respect thereto under applicable laws or the Issuer may determine that the Securities Depository is incapable of discharging its duties as such and may so notify the Securities Depository. In either such event, the Issuer will either (i) engage the services of another Securities Depository or (ii) deliver physical Series 2024 Bonds in the manner described above; provided, however, that the discontinuation of the book entry system of registration and transfer with respect to the Series 2024 Bonds or the replacement of the Securities Depository or any successor depository shall be subject to the applicable rules and procedures of the Securities Depository or such successor depository on file or otherwise approved by the SEC.

Mutilated, Lost, Stolen or Destroyed Bonds

In the event that any Series 2024 Bond is mutilated, lost, stolen or destroyed, the Issuer will execute and the Trustee may authenticate a new Series 2024 Bond of the same date, maturity and denomination as that mutilated, lost, stolen or destroyed Series 2024 Bond; provided that, in the case of any mutilated Series 2024 Bond, such mutilated Series 2024 Bond will first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Series 2024 Bond, there will be first furnished to the Issuer and to the Trustee evidence of such loss, theft or destruction satisfactory to the Issuer and the Trustee together with such indemnity satisfactory to them. In the event any such mutilated, lost, stolen, or destroyed Series 2024 Bond has matured, instead of issuing a duplicate Series 2024 Bond, the Issuer may pay the same. The Issuer and the Trustee may charge the holder or owner of such mutilated, lost, stolen, or destroyed Series 2024 Bond with their reasonable fees and expenses in connection therewith.

PLAN OF FINANCE

The City has an extensive and well-documented history of master planning over the last quarter century with the ForGreer initiative representing the latest adaptation of intentional development of public infrastructure and the informed use of public funds. The four projects constituting the ForGreer initiative (the Public Safety Training Facility, the Depot Street Parking Garage, the Groce Meadow Road Fire Station, and the Sports and Events Center) are the result of prioritized needs identified by City Council. The City has commenced the initial design of the Public Safety Training Facility which will include a 50-yard indoor firing range, a new fire training tower, and seminar/classroom space serving both the City of Greer Police Department and City of Greer Fire Department. The Depot Street Parking Garage will allow for additional parking (approximately 500 spaces) in the City's downtown area. The Groce Meadow Road Fire Station will serve a growing population around the lakes in the northern part of the City and is anticipated to house water rescue apparatus and regional quick response vehicle medical teams. The Sports and Events Center will replace current recreation facilities of the City and is being designed to serve as a sports tourism venue in the Upstate of South Carolina. Current design concepts for the Sports and Events Center include basketball/volleyball courts, community rooms, e-sports amenities, and indoor batting cages. The City currently anticipates funding the Sports and Events Center and the Groce Meadow Fire Station projects with the proceeds of an additional installment purchase revenue bond financing ("Future IPRB") contemplated to occur in 2025 or 2026. In total, the formalized ForGreer initiative is the City's commitment and effort to deliver these four projects, within four years.

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Estimated Sources and Uses of Funds

The sources and uses of funds in connection with the issuance of the Series 2024 Bonds are estimated below.

Series 2024A Bonds

Estimated Sources of Funds:

Par Amount of Series 2024A Bonds	\$27,770,000.00
Less Original Issue Discount	<u>- (631,162.40)</u>
<u>Total Sources of Funds</u>	<u>\$27,138,837.60</u>

Estimated Uses of Funds:

Deposit to Project Fund	\$26,000,000.00
Deposit to Capitalized Interest Account	314,215.90
Costs of Issuance and Rounding ¹	<u>824,621.70</u>
<u>Total Uses of Funds</u>	<u>\$27,138,837.60</u>

¹Includes legal fees, accounting fees, Underwriter's discount, initial fees of the Trustee, Registrar/Paying Agent, printing costs, rating agency fees, other costs related to the Series 2024A Bonds' issuance, and a rounding figure.

Series 2024B Bonds

Estimated Sources of Funds:

Par Amount of Series 2024B Bonds	\$14,655,000.00
<u>Total Sources of Funds</u>	<u>\$14,655,000.00</u>

Estimated Uses of Funds:

Deposit to Project Fund	\$14,000,000.00
Deposit to Capitalized Interest Account	219,624.53
Costs of Issuance and Rounding ²	<u>435,375.47</u>
<u>Total Uses of Funds</u>	<u>\$14,655,000.00</u>

²Includes legal fees, accounting fees, Underwriter's discount, initial fees of the Trustee, Registrar/Paying Agent, printing costs, rating agency fees, other costs related to the Series 2024B Bonds' issuance, and a rounding figure.

The 2024 Projects are subject to the Purchase and Use Agreement and are a part of the Trust Estate. The 2024 Projects will be funded from proceeds of the Series 2024 Bonds. The 2024 Projects will primarily consist of the following projects with an estimated cost (from bond proceeds) as indicated:

Series 2024A Bonds

Public Safety Training Facility, estimated cost \$17,000,000, and expected completion August 31, 2025.

Series 2024B Bonds

Depot Street Parking Garage, estimated cost \$14,000,000, and expected completion May 30, 2025.

Ancillary Projects

The Ancillary Projects are exempt from the Trust Estate and are not subject to the Purchase and Use Agreement. The Ancillary Projects will be funded from proceeds of the Series 2024A Bonds and will primarily consist of the following:

Land acquisition for Sports and Events Center, estimated cost \$4,700,000.

Startup costs and expense reimbursement for Sports and Events Center, estimated cost \$4,300,000.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS

General

The Series 2024 Bonds are obligations of the Issuer, secured by and payable from the Trust Estate. The Trust Estate includes, among other things, all right, title and interest of the Issuer in and to the Revenues (with certain exceptions) including, without limitation, all Installments Payments (as described herein) and other amounts receivable by or on behalf of the Issuer under the Purchase and Use Agreement, all of the Issuer's right, title and interest in and to the 2024 Projects, the Purchase and Use Agreement (except certain reserved rights), the Base Lease and the property rights evidenced by the Base Lease in the 2024 Real Property, certain contract rights, proceeds of insurance and condemnation awards from casualty or takings and all moneys and investments held in certain of the funds and accounts created under the Trust Agreement.

The Series 2024 Bonds do not, and shall not be deemed to, constitute, or create an indebtedness, liability or obligation of the City within the meaning of any State constitutional provision or statutory limitation, or a pledge of the full faith and credit of the City. The Series 2024 Bonds and the interest thereon are payable from and secured by the Trust Estate as described in and subject to limitations set forth in the Trust Agreement for the equal and ratable benefit of the Holders of the Series 2024 Bonds.

THE OBLIGATION OF THE CITY TO PAY INSTALLMENT PAYMENTS UNDER THE PURCHASE AND USE AGREEMENT IS A CURRENT EXPENSE OF THE CITY AND IS DEPENDENT ON A LAWFUL APPROPRIATION OF FUNDS BEING MADE BY THE CITY COUNCIL TO PAY THE INSTALLMENT PAYMENTS DUE IN EACH FISCAL YEAR UNDER THE PURCHASE AND USE AGREEMENT AND IS NOT IN ANY WAY A DEBT OF THE CITY UNDER ANY APPLICABLE CONSTITUTIONAL OR STATUTORY LIMITATIONS OR REQUIREMENTS CONCERNING THE CREATION OF INDEBTEDNESS BY THE CITY, NOR IS ANYTHING IN THE PURCHASE AND USE AGREEMENT A PLEDGE OF THE GENERAL TAX REVENUES, FUNDS, MONEYS OR CREDIT OF THE CITY.

Base Lease

The City intends to lease the 2024 Real Property to the Issuer pursuant to the Base Lease. Under the terms of the Base Lease, the Issuer will pay an amount of \$40.00 representing prepayment of the Base Lease Rent for the Base Lease Term. No additional Base Lease Rent is due under the Base Lease. See Appendix B for the form of the Base Lease.

Purchase and Use Agreement

The City intends to purchase the 2024 Facilities (as described below) from the Issuer pursuant to the Purchase and Use Agreement, which obligates the City to make Installment Payments consisting of (a) semiannual installment payments of purchase price ("Base Payments") to the Issuer in amounts calculated to be sufficient to enable the Issuer to pay, when due, the principal of, premium, if any, and interest on the Series 2024 Bonds, and (b) Additional Payments due under the Purchase and Use Agreement. The City expects to pay the Installment Payments from any lawfully available source, and when necessary, with the proceeds of certain general obligation bonds that will be issued from time to time ("General Obligation Bonds"). See "PURCHASE AND USE AGREEMENT" and Appendix B for the form of the Purchase and Use Agreement.

2024 Facilities

The 2024 Facilities consist primarily of (a) those certain improvements presently existing on the 2024 Real Property and any Additional Real Property, as defined in the Purchase and Use Agreement (collectively "Conveyed Improvements"), (b) improvements to be made by the 2024 Projects, (c) any fixtures and future additions, modifications and substitutions to any facilities located on the 2024 Real Property, and (d) any facility related personal property, but only to the extent such items have been acquired with proceeds of the Series 2024 Bonds. The Ancillary Projects are not part of the 2024 Facilities, are exempt from the Trust Agreement and certain aspects of the Purchase and Use Agreement and do not provide security for the Series 2024 Bonds. See "PURCHASE AND USE AGREEMENT" for a description of the 2024 Facilities and the Ancillary Projects.

Additional Bonds

Under certain circumstances, the Trust Agreement permits the Issuer to issue Additional Bonds which will be equally and ratably secured on a parity basis with the Series 2024 Bonds under the Trust Agreement. See “TRUST AGREEMENT” herein and see Appendix B for the form of the Trust Agreement.

INVESTMENT CONSIDERATIONS

In analyzing the Series 2024 Bonds and the security and sources of payment therefor and in order to make an informed investment decision, potential investors should carefully review the following investment considerations prior to deciding to purchase the Series 2024 Bonds. The following investment considerations are not intended to be exhaustive of the general or specific investment considerations relating to the purchase of the Series 2024 Bonds. Additional investment considerations relating to the purchase of the Series 2024 Bonds are described throughout this Official Statement, whether or not specifically designated as investment considerations. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

Property Acquisition, Title and Environmental Matters

The City anticipates acquiring the real property related to the 2024 Facilities according to one or more purchase and sale agreements into which the City may enter. Each such agreement provides that the final property description for each parcel of real property will be determined by a survey of the applicable property prior to transfer of that property to the City. As a result, to reflect the final description of the real property related to the 2024 Facilities, the Base Lease and the Purchase and Use Agreement may be amended following the sale, issuance, and delivery of the Series 2024 Bonds to reflect such final real property descriptions. Despite the City’s present intention to close on each parcel of real property so identified, the City can provide no guarantee that the acquisition of any or all of such real property will occur. Further, the City may identify environmental or other considerations with respect to one or more parcels of real property that the City currently owns or may acquire in connection with the 2024 Projects; as a condition to acquiring any such real property or making the first disbursement of Series 2024 Bond proceeds for any applicable portion of the 2024 Projects, the City is required to make available to the Trustee certain deliverables, including (1) a title insurance policy or title opinion as to the vesting of fee simple title to such real property in the name of the City, subject only to Permitted Encumbrances, and (2) a Phase 1 environmental report (an “ESA”) as to such real property, along with undertakings to conduct subsequent environmental investigation to address any Recognized Environmental Conditions identified in such ESA and demonstrate performance of corrective or mitigative measures recommended to address such Recognized Environmental Conditions and permit the construction and operation of any portion of the 2024 Projects as a parking facility. For additional information, please see Section 5.3(d) of the Trust Agreement (as attached in Appendix B of this Official Statement) and, generally, the various real property purchase and sale agreements.

Nonappropriation

Debt service on the Series 2024 Bonds will be payable from Installment Payments made by the City pursuant to the Purchase and Use Agreement. The obligation of the City to make Installment Payments under the Purchase and Use Agreement is limited to funds that are specifically budgeted and appropriated annually for that purpose. The City may terminate the Purchase and Use Agreement annually without any penalty thereunder other than the partition of the 2024 Projects as described herein.

Each Base Payment made by the City will cause title to an undivided interest in the 2024 Facilities, equal to that percentage of the Purchase Price (as defined herein) represented by such payment, to transfer from the Issuer to the City. The Purchase and Use Agreement provides that, on its termination either by reason of default or nonappropriation, the 2024 Facilities (with preference given to entire components thereof, whenever possible and thereafter, portions of the 2024 Projects) will be partitioned between the Issuer and the City based on their respective percentages of undivided interests in the title to the 2024 Facilities. The Purchase and Use Agreement sets forth the value assigned to particular components of the 2024 Facilities and the percentage of the 2024 Facilities being purchased on an annual basis, subject to adjustment as provided therein, which values will be used for purposes of any partition rather than the current market or other valuation of components of the 2024 Facilities. The determination of which particular components of the 2024 Facilities will remain with the Issuer and which components will be transferred to the City will be made by the Trustee, which may, in its sole

discretion, select a Partition Consultant to assist, consult with, and make recommendations to Trustee concerning the division of the 2024 Projects.

The Purchase and Use Agreement obligates the City to relinquish its right of possession to the components of the 2024 Facilities partitioned to the Issuer and obligates the Issuer to release from the Base Lease the components of the 2024 Facilities partitioned to the City.

The decision by the City to budget and appropriate funds to make Installment Payments may be made on the basis of various factors, including but not limited to the continuing need of the City for that portion of the 2024 Facilities which has not transferred to the City.

Construction Risk

Not all of the construction contracts for the 2024 Projects have been bid, and various circumstances could result in cost overruns. The Purchase and Use Agreement provides that the City will take action as may be necessary to ensure that the 2024 Projects are completed, furnished and occupied by the City and, in the event the amounts available from the proceeds of the Series 2024 Bonds are insufficient for such purpose, the City will use its best efforts to take one or more of the following steps: (i) cooperate with the Issuer to make such modifications or changes in the 2024 Projects as will allow the cost thereof to be funded within the amount available from such Series 2024 Bond proceeds (provided, that the prior written consent of the Trustee is required to substantially reduce or alter the scope of the 2024 Projects); (ii) make arrangements with the Issuer for the sale of Additional Bonds; or (iii) provide for the payment of costs from other sources legally available to the City. However, the Purchase and Use Agreement does not require the City to expend any of its own funds for the completion of the 2024 Projects, and the Issuer has no source of funds for the completion of the 2024 Projects other than the proceeds of the Series 2024 Bonds or any Additional Bonds issued under the Trust Agreement. In addition, no assurance can be given that any Additional Bonds could or would be sold, as events or other legislative amendments or changes to credit market conditions could prevent the sale of such Additional Bonds. The Purchase and Use Agreement provides that, subject to the right of nonappropriation, the City's obligation to make Installment Payments will be absolute and unconditional, regardless of whether the Issuer is able to complete the 2024 Projects.

Continuing Need for Decreasing Interest in the 2024 Facilities

As the City makes Installment Payments over the term of the Series 2024 Bonds, its undivided interest in the 2024 Facilities will increase and the Issuer's undivided interest in the 2024 Facilities will decrease. As a result, the City's need for the portion of the 2024 Facilities retained by the Issuer will potentially diminish as the Issuer's undivided interest in the 2024 Facilities decreases. Moreover, as Installment Payments are made, the City's proportionate undivided interest in the 2024 Facilities will increase at a relatively faster rate than the outstanding principal amount of the Series 2024 Bonds will be reduced. In the later years of the term of the Series 2024 Bonds, the unpaid principal amount of the Series 2024 Bonds might exceed the fair market value of the Issuer's undivided interest in the 2024 Facilities. In the event the Purchase and Use Agreement is terminated, and the 2024 Projects are partitioned between the Issuer and the City, the Purchase and Use Agreement directs that Trustee (or a Partition Consultant (if any) selected by Trustee) will direct the partition proceedings.

Ability to Issue Future General Obligation Debt

The ability of the City, should it choose to do so, to issue its general obligation debt during the term of the Series 2024 Bonds to provide funds to make Base Payments under the Purchase and Use Agreement will depend on, among other things, future credit market conditions, the future credit condition of the City, the future credit market access of the City, and the ability of the City to preserve its capacity to issue general obligation debt that does not require voter approval. The City has represented in the Purchase and Use Agreement that it presently intends to maintain its capacity to issue general obligation debt that does not require voter approval in amounts and at times sufficient to make such Base Payments when due. All amounts paid by the City under the Purchase and Use Agreement may be derived from any available source, including the proceeds of the General Obligation Bonds. By adopting the Ordinance enacted March 26, 2024, PROVIDING FOR THE ISSUANCE OF GENERAL OBLIGATION BONDS, IN ONE OR MORE SERIES, TAX-EXEMPT OR TAXABLE, IN AN AMOUNT NOT TO EXCEED THE CITY'S CONSTITUTIONAL DEBT LIMITATION, TO PROVIDE FOR THE FUNDING OF VARIOUS CAPITAL PROJECTS AS PART OF AN INSTALLMENT PURCHASE-TYPE ARRANGEMENT; AUTHORIZING THE CITY ADMINISTRATOR TO PRESCRIBE THE FORM AND DETAILS OF THE BONDS;

PROVIDING FOR THE PAYMENT OF THE BONDS AND THE DISPOSITION OF THE PROCEEDS OF THE BONDS; PROVIDING FOR BORROWING IN ANTICIPATION OF THE ISSUANCE OF THE BONDS; PROVIDING FOR THE DISPOSITION OF PROPERTY RELATED TO THE BONDS; PROVIDING AUTHORITY FOR THE CITY TO REIMBURSE ITSELF FOR EXPENDITURES PRIOR TO BORROWING; PROVIDING FOR THE CREATION AND/OR UTILIZATION OF ONE OR MORE ENTITIES TO FACILITATE AN INSTALLMENT PURCHASE-TYPE ARRANGEMENT; PROVIDING FOR OTHER RELATED MATTERS, including the Exhibits thereto ("Ordinance"), the City has undertaken all necessary administrative approvals that would be conditions precedent to the issuance of any future general obligation bonds.

Contestability Period for City General Obligation Debt

Should the City choose to make Base Payments utilizing the proceeds of its general obligation debt, two contestability periods may affect the issuance of the general obligation debt: (i) a 20-day contestability period of the issuance of the general obligation bonds under South Carolina Code Annotated section 11-15-30 and (ii) a 60-day contestability period of the ordinance authorizing the issuance of the general obligation bonds through the initiative and referendum provisions found in South Carolina Code Annotated sections 4-9-1220 and 11-27-40.

The 20-day contestability period commences from the date the record of the proceedings with respect to such general obligation bonds is filed and indexed in the offices of the clerk of court of the Spartanburg County, South Carolina and Greenville County, South Carolina. At the conclusion of the contestability period, State law prohibits the filing of actions to contest the issuance of any such general obligation bonds. Should the City choose to issue general obligation bonds to make Base Payments, the City will file a record of the proceedings relating to the general obligation bonds as soon as possible in order to commence the contestability period and close the issuance of the bonds after the contestability period has expired.

The 60-day contestability period for a general obligation bond ordinance and repeal by referendum commences from the date of enactment by City Council of any ordinance authorizing the issuance of bonds which requires a pledge of the full faith and credit of the City.

Should the City choose to enact future ordinances authorizing the issuance of general obligation bonds in order to make Base Payments, the risk of such ordinance being repealed using the initiative and referendum provisions could be mitigated by the running of an additional 60-day contestability period with respect to such future bond ordinance or by City Council publicizing a notice of the adoption of such ordinance in a newspaper of general circulation in the City. Publication of a notice of adoption reduces the time period in which a petition seeking repeal of the bond ordinance by referendum may be filed to 20 days, although such petition need be signed by only 5 qualified electors as opposed to 15% of qualified electors in the case of the 60-day contestability period.

There are no reported cases in South Carolina in which an issuance of bonds has been invalidated or overturned either by application of the contestability provisions under South Carolina Code Annotated section 11-15-30, or the initiative and referendum provisions contained in South Carolina Code Annotated sections 4-9-1220 and 11-27-40.

Remedies on Nonappropriation

The Issuer has not mortgaged the 2024 Real Property or the 2024 Facilities to secure the Series 2024 Bonds. If the City terminates the Purchase and Use Agreement, the Series 2024 Bonds will be payable from such moneys, if any, as may be held or made available by the Trustee, until the expiration of the Base Lease (June 30, 2064), from the leasing of the portion of components of the 2024 Facilities that remain with the Issuer after the partitioning described above is accomplished. This restriction as to the use of the 2024 Projects may limit the potential tenants to which the 2024 Facilities could be leased and could reduce the revenues generated from leasing the remaining 2024 Facilities. The 2024 Facilities are designed to be used solely for and can only be used for civic and public purposes. There can be no assurance of the value of the 2024 Projects for any use other than public purposes in the event of termination of the Purchase and Use Agreement. In this event, the revenues from leasing the portion of components of the 2024 Facilities remaining with the Issuer, if any, may be substantially less than the amount of remaining debt service on the Series 2024 Bonds. The Purchase and Use Agreement obligates the City to relinquish its right of possession to the components of the 2024 Facilities partitioned to the Issuer and obligates the Issuer to release from the Base Lease the components of the 2024 Facilities partitioned to the City.

Changes in Law

From time to time, legislation has been introduced for consideration by the General Assembly designed to modify or, in some cases, prohibit the use of the installment purchase financing structure by local governments in South Carolina. Additionally, the South Carolina Attorney General has issued a non-precedential opinion questioning the legality of the installment purchase revenue bond structure but has not opined definitively as to the legality of the installment purchase revenue structure. Such opinions and legislation are indicative of the potential for changes in law that could affect the installment purchase financing structure in South Carolina. Changes in law are rarely applied retroactively. Neither the City nor the Issuer can predict if any changes in State law affecting the installment purchase financing structure are on the horizon, or if such changes would have a material impact on the Series 2024 Bonds.

Cyber-Security

Computer networks and data transmission and collection are vital to the efficient operations of the City security measures, information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance, or other disruptions. Any such breach could compromise networks and the information stored there could be disrupted, accessed, publicly disclosed, lost, or stolen. Any such disruption, access, disclosure, or other loss of information could result in disruptions in operations and the services provided by the City, legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties and the services provided, and cause a loss of confidence in the operations of the City, which could materially adversely affect the operations of the City.

On April 19, 2017, the Governor of the State issued Executive Order No. 2017-08, establishing the South Carolina Critical Infrastructure Cybersecurity ("SCCIC") Executive Oversight Group to develop, execute and implement a comprehensive program and operational effort to evaluate, enhance, and protect the State's critical infrastructure and key resources and to protect it from cyber threats or attacks.

On September 9, 2022, the Governor of the State issued Executive Order No. 2022-27, formalizing the State's Cybersecurity Ecosystem Coordination Initiative and directing the State's Department of Commerce to implement a strategic statewide initiative and collaborative effort involving critical stakeholders across the State's private industries, nonprofit organizations, academia and federal, state, and local government entities to include expanding the State's cyber-related workforce and economic development activities.

Global Health Crisis

The City, like many countries, states and local governments across the world, was impacted by COVID-19 as a global health crisis. Future outbreaks, epidemics, contagions, pandemics, or events outside of the City's control may affect its financial performance.

PURCHASE AND USE AGREEMENT

Description of 2024 Facilities

The 2024 Facilities consist primarily of the Conveyed Improvements and the 2024 Projects, plus any (i) fixtures and future additions, modifications and substitutions to any facilities located on the 2024 Real Property, and (ii) any facility related personal property financed with the Series 2024 Bonds. The 2024 Projects are described below:

- *Acquisition and construction of a new parking deck and public safety training facilities.*

Ancillary Projects

The Ancillary Projects are exempt from the Trust Estate and certain aspects of the Purchase and Use Agreement. The Ancillary Projects will be funded from proceeds of the Series 2024A Bonds and will primarily consist of the following:

- *Sports and events center land acquisition, reimbursement, and startup expenses*

The City anticipates that a portion of the Sports and Event Center to be financed as part of the Series 2024A Bonds as an Ancillary Project, but that initial portion along with the remainder of the Sports and Event Center being financed as part of

the Future IPRB will be, in total, a project for purposes of treatment under a subsequent base lease, purchase and use agreement, and trust agreement.

Construction Process

The timely completion of the 2024 Projects is dependent on, among other factors, promptly obtaining approvals and permits from various governmental agencies and the absence of delays due to strikes, shortages of labor and materials, and adverse weather conditions. The cost of the 2024 Projects may be affected by factors beyond the control of the City or the Issuer, including strikes, energy, labor, and material shortages, contractor and subcontractor defaults, bidder protests, disputes with contractors, adverse weather conditions, and other unforeseen contingencies. There can be no assurance that the Issuer or the City will complete the 2024 Projects according to a construction schedule and construction budget. The Purchase and Use Agreement provides that, subject to the right of nonappropriation, the City's obligation to make Installment Payments thereunder will be absolute and unconditional, regardless of whether the 2024 Projects are completed.

Payment Obligations and Conveyance of Property Interests

Pursuant to the Purchase and Use Agreement, the City will agree to pay Installment Payments for the 2024 Facilities, which consist of (a) Base Payments in such amounts and at such times as will be sufficient to enable the Issuer to pay the principal of, premium, if any, and interest on the Series 2024 Bonds, as and when the same shall become due and payable, amounts budgeted as reserves for the repair and replacement of the 2024 Projects then due and payable, and (b) Additional Payments due under the Purchase and Use Agreement.

Under the terms of the Purchase and Use Agreement, on each payment or prepayment of Base Payments (other than from Bond proceeds and investment income thereof), title to an undivided interest in the 2024 Facilities, equal to that percentage of the Purchase Price represented by such payment or prepayment, will transfer from the Issuer to the City. Under the terms of the Purchase and Use Agreement, payment by the City of Base Payments also entitles the City to the use and occupancy of all of the 2024 Facilities during the applicable fiscal year in which such Base Payments are made. The Purchase and Use Agreement obligates the City to relinquish its right of possession to the components of the 2024 Facilities partitioned to the Issuer and obligates the Issuer to release from the Base Lease the components of the 2024 Facilities partitioned to the City.

The Issuer and the City understand and intend that the obligation of the City to pay Installment Payments under the Purchase and Use Agreement constitutes a current expense of the City, is dependent on lawful appropriations of funds being made by the City Council to pay Installment Payments due in each fiscal year, and will not in any way be construed to be a debt of the City in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by the City, nor shall anything contained in the Purchase and Use Agreement constitute a pledge of the general tax revenues, funds, moneys or credit of the City.

The Purchase and Use Agreement provides that the City will represent that it has no reason to believe, as of the Delivery Date, that it will not continue making Installment Payments through the entire term of the Purchase and Use Agreement, and that it reasonably believes that it will (1) pay the Installment Payments due or coming due under the Purchase and Use Agreement in order to continue to use the 2024 Facilities, (2) have adequate amounts through the proceeds of general obligation bonds issued by the City, in amounts and at times sufficient to make Base Payments when due, and (3) have adequate capacity to issue general obligation debt that does not require voter approval in amounts and at times sufficient to pay Base Payments in their entirety when due. The Purchase and Use Agreement also provides that the City will represent and covenant that it presently intends to maintain on an annual basis its capacity under the constitutional debt limit to issue general obligation bonds without the need for a referendum in amounts and at all times sufficient to make such annual Base Payments in their entirety when due. The representations and covenants contained therein are subject to the ability of the City to terminate the Purchase and Use Agreement and all obligations thereunder, as provided in the Purchase and Use Agreement.

Subject to the right of the City to terminate the Purchase and Use Agreement pursuant to the provisions of the Purchase and Use Agreement, the City has covenanted that it will adopt by June 30 of each year either an operating budget reflecting the levying of sufficient revenues or a debt service budget providing for the issuance of general obligation debt in a principal amount sufficient to make Base Payments coming due in the next succeeding fiscal year (in addition to all other general

obligation debt service coming due in such fiscal year), and, subject to such provisions of the Purchase and Use Agreement apply such proceeds to the payment of Base Payments coming due in the next succeeding fiscal year.

Termination of Purchase and Use Agreement

ON THE OCCURRENCE OF AN EVENT OF NONAPPROPRIATION, THE PURCHASE AND USE AGREEMENT MAY BE TERMINATED AS OF THE END OF THE LAST FISCAL YEAR, WHICH IS NOT AFFECTED BY SUCH EVENT OF NONAPPROPRIATION, AND THE CITY WILL NOT BE OBLIGATED TO MAKE PAYMENT OF THE INSTALLMENT PAYMENTS PROVIDED FOR IN THE PURCHASE AND USE AGREEMENT BEYOND THE END OF SUCH FISCAL YEAR (EXCEPT AS OTHERWISE PROVIDED THEREIN). The obligation of the City to make Installment Payments and to perform and observe the covenants and agreements contained in the Purchase and Use Agreement are absolute and unconditional in all events, except as expressly provided under the Purchase and Use Agreement. The Purchase and Use Agreement obligates the City to relinquish its right of possession to the components of the 2024 Facilities partitioned to the Issuer and obligates the Issuer to release from the Base Lease the components of the 2024 Facilities partitioned to the City.

Conveyance of Property Interest and Partition of 2024 Facilities

The Purchase and Use Agreement provides that on its termination, either by reason of default or nonappropriation, at the written direction of Trustee, the City and the Issuer will proceed to partition the 2024 Facilities so that the percentage of undivided interests in the title to the 2024 Facilities will be converted, to the extent feasible, into like percentages of title to entire Facilities Components in accordance with the Purchase and Use Agreement. The date on which Trustee gives such written direction will be the "Partition Date." Within a reasonable time after the Partition Date, Trustee will propose a division of the 2024 Facilities. Trustee may in its sole discretion select a Partition Consultant to assist, consult with and make recommendations to Trustee in the division of the 2024 Facilities. Trustee and the Partition Consultant, if selected, will endeavor, to the extent practicable, to allocate the 2024 Facilities between the City and the Issuer in a fair and equitable fashion taking into account the following factors: (1) entire Facilities Components, if possible, will be assigned to each of the City and the Issuer; and (2) if portions of the 2024 Facilities and Facilities Components will be assigned to each of the Issuer and the City, Trustee and the Partition Consultant, if selected, will propose such partition as will, in the aggregate, best protect the interests of the Holders of the Series 2024 Bonds, subject to the provisions of the Purchase and Use Agreement.

The Purchase and Use Agreement further provides that, for purposes of any partition, the 2024 Facilities will be valued in the respective amounts as set forth on Exhibit D to the Purchase and Use Agreement (that is, amounts that will not be reduced or adjusted over time) and the percentage of the 2024 Facilities being purchased on an annual basis is also set forth therein, each being subject to adjustment as stated therein. In allocating the 2024 Facilities to the percentage of undivided interests in the entire 2024 Facilities to be conveyed to the City or retained by the Issuer, such values and percentages will be used rather than the current market or other valuation of Facilities Components associated therewith. The determination of which particular components of the 2024 Facilities will remain subject to the leasehold interest of the Issuer and which components will be transferred to the City will be made by Trustee as set forth in the Purchase and Use Agreement. The Purchase and Use Agreement obligates the City to relinquish its right of possession to the components of the 2024 Facilities partitioned to the Issuer and obligates the Issuer to release from the Base Lease the components of the 2024 Facilities partitioned to the City.

Prior to the expiration of the Waiver Period, an Event of Nonappropriation may, in certain circumstances, be waived by the Issuer or the Trustee and must, in certain circumstances, be waived regardless of whether any other party consents.

Source of Installment Payments

The City is required by law to levy an unlimited *ad valorem* tax to pay the City's general obligation debts and the City may issue its general obligation debt, either in the form of general obligation bonds or bond anticipation notes, from time to time, to provide funds to make Installment Payments when due. The City is authorized by the State Constitution to incur general obligation debt without voter approval in an amount not exceeding eight percent of the assessed value of all taxable property of the City.

The City expects to make Base Payments from a combination of available sources, including general obligation debt, if necessary.

TRUST AGREEMENT

As security for its obligations under the Series 2024 Bonds, the Issuer will assign to the Trustee, and grant a security interest in, the Trust Estate. Under the Trust Agreement, a Facilities Purchase Account will be created in the Bond Fund. The Trustee, on receipt of Base Payments from the City under the terms of the Purchase and Use Agreement, shall deposit in the Bond Fund (and credited, as required by this Trust Agreement or the Purchase and Use Agreement, to appropriate Accounts and subaccounts therein), amounts sufficient to pay the principal and premium, if any, of and interest on the Series 2024 Bonds.

In the event the City terminates the Purchase and Use Agreement, the Series 2024 Bonds will be payable from such moneys, if any, as may be held or made available by the Trustee from the leasing of the 2024 Facilities, that remain with the Issuer after the partitioning thereof is accomplished until the expiration of the Base Lease (the earlier of (a) June 30, 2064, or (b) the date on which the Series 2024 Bonds are discharged within the meaning of the provisions of the Trust Agreement) as described under Purchase and Use Agreement. The Base Lease will require the 2024 Facilities to always be operated for a civic or public purpose. This restriction, as to the use of the 2024 Facilities, will limit the potential tenants to which the 2024 Facilities could be leased and could reduce the revenues, if any, generated from leasing the 2024 Facilities. Under certain circumstances, the Series 2024 Bonds will also be payable from the Net Proceeds of insurance policies, surety bonds, or condemnation awards or proceeds received as a consequence of awards resulting from defaults under construction contracts.

Payment Obligations of the Issuer and the City

The Series 2024 Bonds are obligations of the Issuer secured by and payable from the Trust Estate pledged under the Trust Agreement. The Series 2024 Bonds do not, and will not be deemed to, constitute, or create an indebtedness, liability, or obligation of the City within the meaning of any State constitutional provision or statutory limitation or a pledge of the full faith and credit of the City. The Series 2024 Bonds and the interest thereon are payable from and secured by the Trust Estate as described in and subject to limitations set forth in the Trust Agreement for the equal and ratable benefit of the Holders, from time to time, of the Series 2024 Bonds.

The obligation of the City to pay Installment Payments under the Purchase and Use Agreement is a current expense of the City and is dependent on lawful appropriations of funds being made by the City Council to pay the Installment Payments due in each fiscal year under the Purchase and Use Agreement and will not in any way be construed to be a debt of the City in contravention of any applicable constitutional provisions or statutory limitations or requirements concerning the creation of indebtedness by the City, nor will anything contained therein constitute a pledge of the general tax revenues, funds, moneys or credit of the City.

Parity Obligations

Under certain circumstances, the Trust Agreement permits the Issuer, for specified purposes, and subject to the provisions of applicable law, to issue Additional Bonds, which will be equally and ratably secured on a parity basis with the Series 2024 Bonds under the Trust Agreement. Prior to the delivery of any Additional Bonds, the Trust Agreement provides that there must be executed and delivered an amendment or supplement to the Purchase and Use Agreement and the Base Lease, as applicable, pursuant to which the Installment Payments must be increased and the terms thereof must be extended, if necessary, so as to assure that the additional Installment Payments will adequately provide for the retirement of the Additional Bonds by making available sufficient money for the payment when due of principal and interest thereon.

ENFORCEABILITY OF REMEDIES

The realization of value from the pledge of the Trust Estate under the Trust Agreement on any default or nonappropriation of sufficient funds to make Installment Payments due under the Purchase and Use Agreement will depend on the exercise of various remedies specified by the Trust Agreement and the Purchase and Use Agreement. These and other remedies may require judicial actions, which are often subject to discretion and delay, and which may be difficult to pursue. The enforceability of rights and remedies with respect to the Series 2024 Bonds may be limited by state and federal laws, rulings, and decisions affecting remedies and by bankruptcy, reorganization, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereafter enacted. Under existing law (including particularly federal bankruptcy law), certain remedies specified by the Trust Agreement, or the Purchase and Use Agreement may not be

readily available or may be limited. A court may decide not to order the specific performance of the covenants contained in the Trust Agreement or the Purchase and Use Agreement.

The various legal opinions to be delivered concurrently with the delivery of the Series 2024 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by state and federal laws, rulings, and decisions affecting remedies and by bankruptcy, insolvency, reorganization, fraudulent conveyance, or other similar laws affecting the enforcement of creditors' rights generally.

The undertakings of the City should be considered with reference to Chapter 9 of the Bankruptcy Code, 11 U.S.C. § 901, *et seq.*, and South Carolina Code Annotated section 6-1-10, each as amended, and other laws affecting creditors' rights and municipalities generally. Chapter 9 permits a municipality, political subdivision, public agency, or other instrumentality of a state that is insolvent or unable to meet its debts as such debts mature to file a petition in the United States Bankruptcy Court for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of its creditors; provides that the filing of the petition under that Chapter operates as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; directs a petitioner to file a plan for the adjustment of its debts; permits the petitioner in its plan to modify the rights to payment of its creditors; and provides that the plan must be accepted in writing by or on behalf of creditors; and provides that the plan must be accepted in writing by or on behalf of creditors of each impaired class of claims holding at least two-thirds in amount and more than one-half in number of the creditors which have accepted or rejected the plan. The plan may be confirmed notwithstanding the negative vote of one or more classes of claims if the court finds that the plan is in the best interest of creditors, is feasible, and is fair and equitable with respect to the dissenting classes of creditors. A petitioner has the right to reinstate indebtedness under its plan according to the original maturity schedule of such indebtedness notwithstanding any provision in the documents under which the indebtedness arose relating to the insolvency or financial condition of the debtor before the confirmation of the plan, the commencement of a case under the Bankruptcy Code, or the appointment of or taking possession by a trustee in a case under the Bankruptcy Code or by a receiver or other custodian prior to the commencement of a case under the Bankruptcy Code.

THE ISSUER

Organization and Corporate Powers

The Issuer was incorporated as a nonprofit corporation on March 26, 2024, pursuant to the provisions of the Nonprofit Corporation Act of 1994, Title 33, Chapter 31 of the South Carolina Code Annotated ("Nonprofit Corporation Act"). The Articles of Incorporation and Bylaws of the Issuer provide that the Issuer has been organized exclusively for public and charitable purposes, specifically:

(a) acquire or lease real and personal property and develop, finance, refinance, construct, acquire, install, and operate certain public facilities to be used by the City and such other projects located in and for the benefit of the City as may be permitted by applicable law;

(b) acquire, by gift, lease, or purchase, and to sell, lease, sublease, convey, assign, mortgage, pledge or otherwise encumber any property, real or personal, incidental to carrying out such projects;

(c) finance or refinance the costs of acquiring, constructing, and installing projects by the issuance and sale from time to time of bonds in one or more series, or other financing means as is necessary, and desirable in accordance with applicable law;

(d) convey to the City unencumbered fee title and exclusive possession and use of the applicable projects, including any additions to such projects, on terms agreed on between the Issuer and the City; and

(e) carry on or engage in any other activities which the Issuer may deem necessary, proper, or convenient in connection with the above powers so long as the Issuer is at all times operated as a nonprofit corporation as provided in the Nonprofit Corporation Act.

THE ISSUER HAS NO OPERATING HISTORY, HAS NO ASSETS, AND IS NOT ANTICIPATED TO HAVE ANY ASSETS OTHER THAN THE ISSUER'S INTEREST IN THE 2024 FACILITIES. THE BENEFICIAL OWNERS OF THE SERIES 2024 BONDS HAVE NO RECOURSE AGAINST ANY ASSETS OTHER THAN THE 2024 FACILITIES, AS SPECIFICALLY PROVIDED IN THE BASE LEASE, PURCHASE AND USE AGREEMENT, AND TRUST AGREEMENT.

The Articles of Incorporation of the Issuer provide that, on the dissolution of the Issuer, the remaining assets of the Issuer will be distributed to the City, exclusively for public purposes or only to the extent that the City refuses to accept some or all of the same, for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (“Code”), or shall be distributed to the federal government, or to a state or local government, for a public purpose.

Governing Body

The Issuer’s Bylaws provide for five members of the Board of Directors (“Issuer Board”). The number of directors of the Issuer Board may be increased or decreased, and the positions held by persons comprising directors may be modified, as may be determined from time to time by the majority vote of the Issuer Board. The Issuer’s Bylaws provide that the Issuer Board is self-perpetuating.

Information concerning the current members of the Issuer Board is set forth below:

<u>Name, Board Position/Office</u>	<u>Occupation</u>
Jameel Allen, Board Chair/President	Vice President
Jeff Howard, Vice Chair/Vice-President	Real Estate
Monica Munoz, Secretary/Treasurer	Human Resources
William Crosby	Vice President
Ann Drayton Lister	Educator

THE CITY

Description of the City

The City owes its creation to the Southern Railroad, which completed a train line that stopped in downtown Greer in 1873. The City was incorporated shortly thereafter on March 25, 1876. The City is approximately 26 square miles and is located in Greenville County, South Carolina (“Greenville County”) and Spartanburg County, South Carolina (“Spartanburg County”, together with Greenville County, “Counties”) at the southern portion of the Piedmont Plateau near the foothills of the Blue Ridge Mountains. Situated on the I-85 corridor between Charlotte and Atlanta, the City has become an established coordination center for east coast transportation. With a current estimated population of over 38,000, Greer is one of South Carolina’s fastest growing cities with the population between 2019 and 2023 alone growing 24%. Strong population growth continues to drive residential and commercial economic development thereby driving increases in the City’s tax base and assessment values. The impact of this economic and development growth occurring in the City continues to result in higher-than-expected property and business licenses taxes. The City is a part of the Greenville- Spartanburg-Anderson, South Carolina, Combined Statistical Area (“Greenville-Spartanburg-Anderson CSA”), which includes the counties of Anderson, Cherokee, Greenville, Oconee, Pickens, Spartanburg, Abbeville, Greenwood, Laurens, and Union. The Greenville-Spartanburg-Anderson CSA had an estimated 2022 population of 1,537,109.

Form of Government

The City operates under the Council form of government. The legislative authority rests with the Mayor (elected at-large) and six Council members (elected in single-member districts). The Mayor and City Council hire the City Administrator who serves as Chief Administrative Officer and has responsibility for the day-to-day operations of the City. The duties and responsibilities of the City Administrator are defined by Greer city ordinance and an employment contract with the Administrator. The present members of the City Council, their occupations and the expiration of their current terms are as follows:

<u>Name</u>	<u>Occupation</u>	<u>Expiration of Current Term</u>
Richard W. Danner, Mayor	VP/Business Development, County Bank	Dec. 2027
Wryley Bettis	Small business owner	Dec. 2027
Judy Albert	Realtor	Dec. 2025
Jay Arrowood	Construction Contractor	Dec. 2027
Karuam Booker	Civil Engineer	Dec. 2025
Lee Dumas	Real Estate Broker/Owner	Dec. 2025
Mark Hopper	Financial Planner	Dec. 2027

Richard W. Danner has been Mayor of the City since 1999. His current term expires December 31, 2027. Mayor Danner's tenure has included industrial and commercial growth, including the construction and opening of the South Carolina Inland Port. Mayor Danner has been instrumental in forming two Greer Community Master Plans that have paralleled his tenure as Mayor. The most recent plan, adopted in 2015, is a blueprint for the community through the year 2030. In addition to his service to local organizations such as the Greater Greer Chamber of Commerce, Mayor Danner was selected from among 200 leaders to serve on the 20-member Local Leaders Council for Smart Growth America. He is a current and founding board member of Ten at the Top, a regional organization seeking to strengthen the Upstate through collaboration, coordination and cooperation across communities. He is the longest-serving board member (including, serving as president) of the Municipal Association of South Carolina. The Association honored him in 2012 with its Alison B. Farlow Award in recognition of his contributions to advancing municipal government in South Carolina.

Andy Merriman has served as City Administrator for the City since June of 2020. He serves as chief administrative officer for all municipal departments and operations. Reporting directly to City Council, he is responsible for developing and implementing City policies and procedures to ensure the proper and responsible management of all City operations, resources, and services. Responsible for administering the City budget and performing required financial reporting, he supervises, directs, and evaluates the work of City department managers. Prior to joining the City, Mr. Merriman was the Deputy County Manager in York County, South Carolina, the Deputy County Administrator in Aiken County, South Carolina, the City Manager for the City of Bluefield, West Virginia, and the Planning Director for the Town of Fort Mill, South Carolina. Mr. Merriman holds a master's degree in city and regional planning from Clemson University. He earned his undergraduate degree in political science and psychology from Tusculum College in Greeneville, Tennessee.

David Seifert has served as the City's Chief Financial Officer since June of 2016. Prior to this position, he served as Assistant Finance Director from June 1997 through June 2000, City Controller from June 2000 through June 2004, and Director of Finance and Information Technology from June 2004 through June 2016. Before joining the City in 1997, Mr. Seifert was a governmental auditor for over three years with Brigman, Holcomb, Weeks, & Co. Reporting directly to the City Administrator, Mr. Seifert is responsible for developing and administering the City's \$84.6 million budget, as well as preparing and implementing financial policies and procedures, internal controls, and required financial reporting. He is also responsible for evaluating budgetary and personnel needs, and performing financial analysis to develop revenue, debt, and growth strategies. Mr. Seifert holds a Bachelor of Science degree from Clemson University, and the certifications of Certified Public Accountant, Chartered Global Management Accountant, and Certified Public Finance Administrator.

Services Provided

The City operates and maintains a full range of services and programs which are funded from City revenues, as reflected in its annual budget for fiscal year ended June 30, 2023, a summary of which is shown below under "CERTAIN FISCAL MATTERS – Five Year Revenue-Expenditure Summary." These services and programs include administrative, judicial, public safety, roads, storm water management, sanitation, health and welfare, community and economic development, culture and recreation, conservation, buildings and miscellaneous services.

City's Budgeting and Accounting Process

The City's accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. In developing and evaluating the City's accounting system, consideration is given to the adequacy of the internal control structure. The internal control structure is designed to provide reasonable assurance regarding (1) the safeguarding of assets against loss from unauthorized disposition, and (2) the reliability of financial records for preparing financial statements. The City's management is responsible for establishing and maintaining the internal control structure. The City Administrator submits a proposed budget for the general fund and all other funds to the City Council at least 45 days prior to the beginning of each fiscal year. The Budget is ultimately enacted by an ordinance of the City Council. The City Administrator is authorized to make budget transfers in and between departments. The City Council must pre-approve any budget amendment that would cause a change in the total expenditures. Revenue and expenditure assumptions are based on historical trends. To the extent possible, user fees are maximized to recover costs from recipients of a particular service. The City has dedicated funding of capital project funds and maintains minimum unrestricted (committed, assigned and unassigned) general fund balance of 35% of expenditures. The disaster and recovery fund balance is maintained at 1% of general fund expenditures.

The accounting policies of the City and any discretely presented component unit conform to generally accepted accounting principles as applicable to governmental units. Blended component units, although legally separate entities, are, in substance, part of the City's operations for reporting purposes. As a result, data from these units are combined with the City's data. A discretely presented component unit is reported in a separate column in the City-wide financial statements to emphasize it is legally separate from the City.

The City has one blended component unit and anticipates the Issuer will be a second blended component unit.

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its annual comprehensive financial report for the year ended June 30, 2022. This was the twenty-sixth consecutive year the city has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

Community Master Plan

The Partnership for Tomorrow ("PFT") is an alliance of the City, the Greer Commission of Public Works, the Greer Development Corporation, Greer Station, and the Greater Greer Chamber of Commerce, with over 200 local investors and raised over \$6 million in private and public investment. The PFT inspired the City's developing its first comprehensive Community Master Plan in 1999. The Community Master Plan is the City's long-range vision for development and quality of life enhancement, including several elements: transportation, education, economic development, recreation, infrastructure, public safety, housing, land use and cultural resources ("Master Plan"). The Master Plan, which the City updates annually, helps the City facilitate its annual budget process. There are three main initiatives in the Master Plan.

One initiative focuses on physical space. The City will continue to promote the downtown district, create opportunities for safe bicycling, improve the walkability of the community, and to be transit ready while protecting and promoting the environment. The Master Plan includes an interconnected system of parks, open space, trails, and recreation facilities.

Another initiative focuses on economic opportunity. The City will identify key sites and strategies critical to its continued growth and enhancement. It will continue to define key public improvements and initiatives to catalyze appropriate growth and develop principles to guide future land use and development.

The final initiative focuses on cultural heritage. Arts and culture contribute to the community's quality of life. The City will immerse the community in the arts, enhance things unique to the City, and use its history to shape the future.

Employees, Employee Relations, and Labor Organizations

The City employs approximately 330 full-time equivalent employees and 81 part-time employees in all departments of government. No employees of the City are represented by labor organizations or are covered by collective bargaining agreements, and the City is not aware of any union organizing efforts at the present time.

Retirement Plans

The City participates in the State of South Carolina's retirement plans, which are administered by the South Carolina Public Employee Benefit Authority ("PEBA"). The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012, is the state agency responsible for the administration and management of the various Retirement Systems and retirement programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' five defined benefit pension plans. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the Systems and the assets of the retirement trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds' assets. The Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems

in accordance with generally accepted accounting principles (GAAP). For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

The PEBA issues an Annual Comprehensive Financial Report (“ACFR”) containing financial statements and required supplementary information for the Systems’ Pension Trust Funds. The ACFR is publicly available through the Retirement Benefits’ link on the PEBA’s website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. The PEBA is considered a division of the primary government of the State of South Carolina and therefore, retirement trust fund financial information is also included in the annual comprehensive financial report of the state.

Plan Description

The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts, higher education institutions, other participating local subdivisions of government and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.

The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits to police officers and firefighters. PORS also covers peace officers, coroners, probate judges and magistrates.

Plan Membership

Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirements under each system is presented below.

- SCRS – Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

- PORS – To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; be a coroner in a full-time permanent position; or be a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in the PORS. Magistrates are required to participate in the PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

Plan Benefits

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation/current annual salary. A brief summary of benefit terms for each system is presented below.

- SCRS – A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member’s age and the member’s creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five-

or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

- **PORS** – A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

Plan Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute.

Legislation in 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. However, the General Assembly postponed the one percent increase in the SCRS & PORS employer contribution rates that was scheduled to go into effect beginning July 1, 2020.

If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS and PORS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

Additionally, the PEBA Board is prohibited from decreasing the SCRS and PORS contribution rates until the funded ratio is at least 85 percent. If the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than 85 percent, then the PEBA Board, effective on the following July first, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 85 percent. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than 85 percent, then effective on the following July first, and annually thereafter as necessary, the PEBA Board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 85 percent.

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Required employee contributions rates for the following fiscal years are as follows:

	<u>Fiscal Year 2023¹</u>	<u>Fiscal Year 2022</u>
SCRS		
Employee Class Two	9.00%	9.00%
Employee Class Three	9.00%	9.00%
PORS		
Employee Class Two	9.75%	9.75%
Employee Class Three	9.75%	9.75%

Required employer contribution rates¹ for the following fiscal years are as follows:

	<u>Fiscal Year 2023¹</u>	<u>Fiscal Year 2022</u>
SCRS		
Employer Class Two	17.41%	16.41%
Employer Class Three	17.41%	16.41%
Employer Incidental Death Benefit	0.15%	0.15%
PORS		
Employer Class Two	19.84%	18.84%
Employer Class Three	19.84%	18.84%
Employer Incidental Death Benefit	0.20%	0.20%
Employer Accidental Death Program	0.20%	0.20%

¹Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

Net Pension Liability

The net pension liability ("NPL") is calculated separately for each system and represents that particular system's total pension liability ("TPL") determined in accordance with Governmental Accounting Standards Board ("GASB") No. 67 less that System's fiduciary net position. NPL totals, as of the June 30, 2022, measurement date, for SCRS and PORS are as follows:

<u>Plan</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Employers' Net Pension Liability (Asset)</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
SCRS	\$56,454,779,872	\$32,212,626,932	\$24,242,152,940	57.1%
PORS	\$8,937,686,946	\$5,938,707,767	\$ 2,998,979,179	66.4%

The TPL is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The NPL is disclosed in accordance with the requirements of GASB 67 in the Systems' notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GASB Nos. 67 and 68 are not applicable for other purposes, such as determining the plans' funding requirements.

Other Post-Employment Benefits

The City is a participant in the South Carolina Other Retirement Benefits Employer Trust for medical, dental, and vision coverage, and eligible retirees are allowed to continue coverage in accordance with the City of Greer Other Postemployment

Benefits ("OPEB") Substantive Plan, a single-employer defined benefit plan. It is the City's policy to periodically review its medical and dental coverage to provide the most favorable benefits and premiums for the City employees and retirees.

In 2015, the GASB issued Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" ("GASB No. 75"). GASB No. 75 establishes standards for the measurement, recognition and display of Other Postemployment Benefits ("OPEB") expenditures and related liabilities, note disclosures, and, if applicable, required supplementary information in the financial reports of state and local governmental employers. The City adopted GASB No. 75 in the year ended June 30, 2018 and its implementation had no significant impact to the City since the City currently does not provide any significant OPEB benefits (i.e. retiree health benefits) to its retirees, and, thus, no amounts were recorded for the year ended June 30, 2023.

Insurance

Subject to specific immunity set forth in the South Carolina Tort Claims Act, local governments, including the City, are liable for damages not to exceed \$300,000 per incident/person and \$600,000 per occurrence/aggregate. Insurance protection to units of local government is provided from the South Carolina Insurance Reserve Fund established by the State Budget and Control Board, the South Carolina Municipal Insurance and Risk Financing Fund, private carriers, self-insurance or pooled self-insurance funds. The City currently maintains liability insurance coverage in the amount of \$1,000,000 per occurrence with the South Carolina Municipal Insurance and Risk Financing Fund. The City also maintains property and casualty insurance through the South Carolina Municipal Insurance and Risk Financing Fund at limits that are usual and customary for local governments in South Carolina.

CERTAIN FISCAL MATTERS

Property Taxation and Assessment

Article X of the South Carolina Constitution mandates that the assessment of all property, both real and personal, shall be equal and uniform and that the following ratios shall apply in the appropriate classifications of property:

- (1) Real and personal property owned by or leased to manufacturers, utilities and mining operations and used in the conduct of such business - 10.5% of fair market value;⁵
- (2) Real and personal property owned by or leased to companies primarily engaged in transportation for hire of persons or property and used in the conduct of such business - 9.5% of fair market value;
- (3) Legal residence and not more than five contiguous acres - 4% of fair market value (if the property owner makes proper application and qualifies);
- (4) Agricultural real property used for such purposes owned by individuals and certain corporations - 4% of use value (if the property owner makes proper application and qualifies);
- (5) Agricultural property and timberlands belonging to corporations having more than 10 shareholders - 6% of use value (if property owner makes proper application and qualifies);
- (6) All other real property - 6% of fair market value;
- (7) Business inventories - 6% of fair market value (as of 1988, there is available an exemption from taxation of property in this category, hence this item is no longer significant, except that the assessed value of business inventory as of tax year 1987 is taken into account in determining total assessed value for purposes of the bonded debt limit); and
- (8) (A) Except as set forth in (B) and (C) below, all other personal property - 10.5% of fair market value;
(B) Personal Motor Vehicles which must be titled by a state or federal agency, limited to passenger motor vehicles and pickup trucks, as defined by law - 6.0%; and
(C) Aircraft - 4% of fair market value.

⁵ Provided, however, South Carolina Code Annotated section 12-37-220(B)(52), as amended, effective July 1, 2022, has the intended effect of reducing the effective assessment ratio from 10.5% to 6.0%. See "CERTAIN FISCAL MATTERS-Manufacturer's Exemption," herein.

In South Carolina, local taxes for counties, schools and special purpose districts are levied as a single tax bill which each taxpayer must pay in full. Taxes are levied by the Auditors of the various counties. In the City, current and delinquent tax collections are made through the office of the Treasurer. Tax bills are mailed from the Treasurer's office on October 1 or as soon thereafter as is practicable each year. Real and personal property taxes (except taxes on motor vehicles) are payable on or before January 15th without penalty. A penalty of 3% is added on January 16th, an additional penalty of 7% is added on February 2nd and an additional penalty of 5% is added on March 17th, at which time the office of the Treasurer's office issues orders of execution on all unpaid accounts. The Sheriff is authorized to seize by appropriate means the personal property of a defaulting taxpayer. Thereafter, such property may be sold to satisfy unpaid personal property taxes. Delinquent taxes on real property may be collected through sale of the property by the City.

The South Carolina Department of Revenue ("DOR") has been charged with the responsibility of taking steps necessary to ensure equalization of assessments statewide in order that all property is assessed uniformly and equitably throughout the State and may require reassessment of any part or all of the property within the City. Under law enacted by the South Carolina General Assembly in 1995, every fifth year the County and the State are required by law to affect an appraisal of all property within the City and to implement that appraisal as a new assessment in the following year. The reassessment is performed independently by each of the counties, however they are on different schedules that affect the City at separate times. The City completed its latest reassessment in calendar year 2020, which was implemented in calendar year 2022. The next reassessment should take place in calendar year 2025 and is expected to be implemented in calendar year 2026 (fiscal year ending June 30, 2027). Regulations adopted by the DOR prior to the 1995 law, and which are still in place also require that a reappraisal program must be instituted by a county if the median appraisal for all property in the county (as a whole or for any class of property) is higher than 105% or lower than 80% of fair market value.

The Comptroller General of the State may extend the time for assessment and collection of taxes by county officials. Unpaid taxes, both real and personal, constitute a first lien against the property taxed.

Act No. 388 of the 2006 Acts of the South Carolina General Assembly ("Act 388"), provides that, beginning July 1, 2007, the growth in valuation of real property attributable to reassessment may not exceed 15% for each five-year reassessment cycle. Growth in valuation resulting from improvements to real property is exempt from this restriction. Moreover, upon the sale of any parcel of real property or other "assessable transfer of interest," including long-term leases, conveyances out of trusts, and other defined events, but excluding transfers between spouses, such parcel will be reassessed to its then-current market value. The foregoing limitation on increases in assessed value may materially affect the growth in the City's assessed value, and, thus, debt limit, over time.

The Assessor appraises and assesses all the real property and mobile homes located within the county and certifies the results to the Auditor. The Auditor appraises and assesses all motor vehicles, marine equipment, business personal property and airplanes. The DOR furnishes guides for use by the counties in the assessment of automobiles, automotive equipment, and certain other classes of property and directly assesses the real and personal property of public utilities, manufacturers and also of business equipment.

Each year the DOR certifies its assessments to the Auditors each of whom prepares assessment summaries from the respective certifications, determines the appropriate millage levies, prepares tax bills and then in September charges the Treasurer with the collection. South Carolina has no statewide property tax.

Homestead Exemptions – Property Tax Relief

The State provides, among other exemptions, two exemptions for homesteads. The first is a general exemption from all ad valorem property taxes and applies to the first \$50,000 of value of the dwelling place of persons who are over 65 years of age, totally and permanently disabled, or legally blind ("Homestead Exemption"). The second exemption ("Property Tax Relief Exemption") applies only to ad valorem taxes levied for school operating budgets (exclusive of amounts in those budgets for the payment of lease-purchase agreements for capital construction) and has no effect on the City. In both cases, the revenues that would have been received by various taxing entities but for the exemptions are replaced by funds from the State. In the case of the Homestead Exemption, the State pays each taxing entity the amount to which it is entitled by March 15 of each year from the State's general fund. The City can give no assurance these payments will continue.

Payments in Lieu of Taxes and Other Property Tax Incentives

The State has adopted an array of property tax inducements and incentives to promote investment in the State. Qualifying investments of \$2.5 million (\$1 million in some counties and for certain “brownfield” sites) or more may be negotiated for payments in lieu of taxes for a period up to 30 years (up to 40 years for certain large investments) using assessment ratios of as little as 6% and using millage rates that are either fixed for the term of the incentive or adjusted every fifth year. In some cases, owners of projects may also design a payment schedule so long as the present value of the payments under the schedule are equal to the present value of the payments that would have been made without the schedule. The State also provides a more generous inducement for enhanced investments, that is, those projects creating at least 125 new jobs and providing new invested capital of not less than \$150 million, projects with a total investment of \$400 million by a single sponsor and certain defined economic development projects. For these enhanced investments the fee-in-lieu of tax payments may be negotiated based on assessment ratios as low as 4% and for a term up to 50 years.

The State provides alternative provisions respecting the distribution of payments in lieu of taxes to entities having taxing jurisdiction at the location of the investment: (i) revenues received in respect of property that is not included in a multicounty industrial park (“MCIP”) are allocated in proportion to the amounts that would have been received by the taxing entities if the payments were taxes; (ii) revenues received from property that is in an MCIP, however, is distributed in accordance with the agreement creating the park; the amount of the distribution to each taxing entity is, for all practical purposes, controlled by a county. Property may be included in a multicounty park under terms of agreements between two or more counties with individual sites being determined primarily by the county in which they are located. Payments in lieu of taxes may be diverted from taxing entities in the sole discretion of a county to fund projects which support economic development activities, including projects that are used solely by a single enterprise, and these other uses as directed by a county.

In addition to the above-described incentives, under South Carolina law a municipality may issue special source revenue bonds or grant equivalent credits against payments in lieu of taxes in order to pay for certain infrastructure costs to support economic development activities. These bonds or credits are payable from, and effectively allow for the capturing of, portions of the payments in lieu of taxes payable by industry.

Property Tax/Assessment Legislation

Act No. 388 of the 2006 Acts of the General Assembly (“Act 388”) governs funding for a portion of school operations and a limitation on annual growth in millage levied by political subdivisions and school districts for operations.

Sales Tax Imposition; Exemption of Owner-Occupied Property from School Operating Taxes

Pursuant to Act 388, an additional one percent sales tax, exclusive of certain items such as certain accommodations (e.g., hotels, motels, campgrounds and the like), items taxed at a defined maximum tax (e.g., automobiles, taxed at a maximum, regardless of sales price), and unprepared food (which is exempt from sales tax) was imposed State-wide. Receipts from the new one percent sales tax are credited to the “Homestead Exemption Fund” for distribution to the school districts of the State in substitution for the ad valorem property taxes not collected as a consequence of the Property Tax Relief Exemption. Regardless of the amount of ad valorem property taxes not collected as a consequence of the Property Tax Relief Exemption, no school district or districts within any county will receive less than \$2,500,000 from the Homestead Exemption Fund in the aggregate.

Act 388 provides that reimbursements for amounts not collected by reason of the Property Tax Relief Exemption are equal to the amount collected in Fiscal Year 2007-08 by the school district from school operating millage imposed on owner-occupied residential property increased each year by (i) the percentage increase in the previous year of the Consumer Price Index, Southeast Region, as published by the United States Department of Labor, Bureau of Labor Statistics plus (ii) the percentage increase in the previous year in the population of the State as determined by the South Carolina Revenue and Fiscal Affairs Office.

Any amounts remaining in the Homestead Exemption Fund after the distribution of moneys as described in the preceding paragraphs must be distributed to the 46 counties of the State, proportionately based upon population, and applied as a credit against ad valorem property taxes levied against, first, owner-occupied real property, and, thereafter, to all other classes of taxable property, for operating purposes.

Local Option Sales Tax for Additional Tax Relief

Act 388 further authorizes the imposition within a county, subject to approval by referendum, of a local sales tax to provide additional property tax relief. The local sales tax authorized by Act 388 may only be imposed to the extent necessary to provide a 100% credit to all classes of taxable property against (a) county operating taxes, (b) school operating taxes, or (c) both, as set forth on the referendum ballot. In no event, however, may the rate of the local sales tax exceed one percent. Act 388 also provides a procedure for rescinding this local sales tax, as well as any other local sales taxes in force as of June 1, 2006.

Reassessment Valuations Limited

Act 388 provides that the growth in valuation of real property attributable to reassessment may not exceed 15% for each five-year reassessment cycle. Growth in valuation resulting from improvements to real property is exempt from this restriction. Moreover, at the sale (or other “assessable transfer of interest” including long-term leases, conveyances out of trusts, and other defined events, but excluding transfers between spouses) of any real property that real property will be reassessed at its market value.

However, for property subject to an assessment ratio of 6%, Act No. 57 of the 2011 Acts of the General Assembly (“Act 57”), limits reassessment of such real property to its market value following an “assessable transfer of interest.” If such property undergoes an “assessable transfer of interest,” then, pursuant to Act 57, such property is reassessed at the “exempt value” instead of the market value at the time of “assessable transfer of interest.” The “exempt value” is calculated by reducing the real property’s market value at the time of the “assessable transfer of interest” by up to 25%. The “exempt value” may not be less than the real property’s value as reflected on the books of the assessor for the current property tax year. If the market value at the time of the assessable transfer of interest is less than the real property’s value as reflected on the assessor’s books, then the market value is used as the assessment.

Millage Levy Limited

Act 388 limits annual incremental increases in the rate of millage levied for operational purposes by all political subdivisions and school districts. Annually, a political subdivision or school district may only incrementally increase its millage rate for operations in an amount not to exceed the sum of (a) the increase in the consumer price index, plus (b) the rate of population growth of the political subdivision or school district. This limitation may be overridden by a vote of two-thirds of the governing body of the political subdivision or school district, but only for the following purposes and only in a year in which such condition exists:

- (1) a deficiency of the preceding year;
- (2) any catastrophic event outside the control of the governing body such as a natural disaster, severe weather event, act of God, or act of terrorism, fire, war, or riot;
- (3) compliance with a court order or decree;
- (4) taxpayer closure due to circumstances outside the control of the governing body that decreases by ten percent or more the amount of revenue payable to the taxing jurisdiction in the preceding year; or
- (5) compliance with a regulation promulgated or statute enacted by the federal or state government after the ratification date of this section for which an appropriation or a method for obtaining an appropriation is not provided by the federal or state government.

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Five Year Revenue-Expenditure Summary

The annual budget serves as the foundation for the City's financial planning and control. All departments and agencies of the City are required to submit requests for appropriation to the City Administrator in January of each year. The City Administrator uses these requests as the starting point for developing a proposed budget that is presented to City Council for review prior to June 30. The City Council is required to hold a public hearing and adopt a final budget after two readings no later than July 1, the start of the City's fiscal year. The budget is prepared by department (e.g., police department), and accounting group (e.g., personnel expenditures). Department heads may transfer appropriations within their department with the approval of the City Administrator. The City Administrator may transfer funds between departments. Budgetary control is established at the department level by budget ordinance. The following is a summary of the General Fund revenues and expenses of the City for Fiscal Years ended June 30, 2019 through 2023, and the budget for Fiscal Year 2023-24. The City's audited Financial Statements for fiscal year ended June 30, 2023, are attached as Appendix A. This summary should be read in conjunction with (a) the audited financial statements of the City for the applicable fiscal years, and (b) the information set forth under "Management's Discussion and Analysis."

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	2019	2020	2021	2022	2023	2024 (Budget)
REVENUES						
Property Taxes	\$14,770,480	\$16,365,173	\$18,960,643	\$20,789,070	\$23,748,081	\$26,584,280
Franchises and Licenses	9,100,429	9,332,548	10,612,633	11,984,932	12,995,212	12,857,000
Rent	263,384	139,676	155,951	259,381	326,469	322,435
Hospitality taxes	2,308,894	2,328,363	2,703,043	3,093,194	3,454,451	3,342,315
Permits, Fees & Other Taxes	1,627,514	1,949,871	3,080,038	2,253,163	2,240,075	2,707,500
Golf course	-	276,064	670,848	713,242	987,896	948,500
Stormwater fees	960,223	1,048,014	1,183,174	1,166,025	1,494,280	1,520,550
Intergovernmental	1,768,158	1,776,775	1,941,011	4,410,664 ⁽¹⁾	4,198,908	1,911,853
Recreation Fees	16,358	13,059	-	-	-	-
Fire Fees	420,959	436,475	633,521	597,745	660,554	655,000
Fines and forfeitures	417,209	721,072	336,015	354,034	287,639	245,000
Grants	399,046	432,434	441,163	8,717,231 ⁽²⁾	8,864,968 ⁽²⁾	2,900,241
Sale of Property	-	-	-	-	-	-
Miscellaneous	383,048	758,755	739,728	838,732	961,992	727,300
Interest	501,615	348,517	26,853	120,688	1,773,818	568,957
Total Revenues	\$32,937,317	\$35,494,366	\$41,484,621	\$55,298,101	\$61,994,343	\$ 55,290,931
EXPENDITURES						
Current:						
General Government	\$5,924,600	\$6,084,049	\$6,114,282	\$6,742,527	\$9,033,068	\$13,032,566
Public Safety	11,229,310	11,745,051	13,810,449	14,773,469	17,458,969	19,911,592
Public Service	3,011,849	3,440,349	4,315,882	4,744,996	7,128,948	6,904,182
Recreation	3,126,122	3,884,232	5,112,358	5,218,396	3,847,788	4,328,384
Community Development	1,531,537	1,452,385	1,392,355	1,782,626	1,793,371	3,077,070
Capital Outlay	8,745,159	14,053,364	12,550,934	12,221,438	7,275,877	17,180,796
Debt Service						6,387,090
Principal	2,978,578	3,499,653	3,983,786	4,646,146	4,544,829	-
Interest	886,267	859,568	1,003,667	1,003,051	1,035,852	-
Bond Issuance Costs	-	5,000	63,328	-	-	-
Total Expenditures	\$37,433,422	\$44,973,651	\$48,347,041	\$51,132,649	\$52,118,702	\$ 70,821,680
Excess (deficiency) of revenues Over (under) expenditures	\$(4,496,105)	\$(9,479,285)	\$(6,862,420)	\$4,165,452	\$9,875,641	\$(15,530,749)
Other financing sources (uses)						
Transfers from other funds	6,816,960	15,585,487	9,286,910	8,916,693	8,027,978	12,139,599
Transfers to other funds	(6,816,960)	(15,585,487)	(9,286,910)	(8,916,693)	(8,027,978)	(12,139,599)
Bonds Issued	-	2,800,000	8,000,000	-	-	-
Bond premium	-	-	-	-	-	-
Lease Purchases	2,981,310	2,261,067	2,057,103	2,635,234	4,353,857	5,177,696
Sale of capital assets	<u>121,863</u>	<u>240</u>	<u>89,186</u>	<u>74,460</u>	<u>44,389</u>	<u>75,000</u>
Total other financing sources (uses)	<u>3,103,173</u>	<u>5,061,307</u>	<u>10,146,289</u>	<u>2,709,694</u>	<u>4,398,246</u>	<u>5,252,696</u>
Net change in fund balances	<u>\$ (1,392,932)</u>	<u>\$ (4,417,978)</u>	<u>\$ 3,283,869</u>	<u>\$ 6,875,146</u>	<u>\$ 14,273,887</u>	<u>(10,278,053)</u>
Fund Balances, Beginning of Year	<u>38,184,756</u>	<u>36,791,824</u>	<u>33,197,252</u>	<u>36,481,121</u>	<u>43,356,267</u>	<u>57,630,154</u>
Cumulative Change in Account Principle	-	<u>440,976</u>	-	-	-	-
Fund Balances, End of Year	<u>36,791,824</u>	<u>33,197,252</u>	<u>36,481,121</u>	<u>43,356,267</u>	<u>57,630,154</u>	<u>47,352,101</u>

Source: City of Greer FY23 ACFR

⁽¹⁾ In fiscal year 2022, the City changed the method of funding concerning various paving projects and began recording dedicated millage (received from the Counties) directly to the Paving and Infrastructure Fund instead of through fund transfers, generally from the General Fund. In addition, the City began negotiating and receiving payments under Annexation Agreements and PILO Agreements as part of agreed upon development agreements.

⁽²⁾ In fiscal year 2022 and fiscal year 2023, the City recorded the receipt of the American Rescue Plan Act (ARPA) tranches in the amount of \$8,300,000 each. The fiscal year 2024 budget anticipated an approximate \$1,000,000 assistance to firefighters grant and an approximate \$1,100,000 transportation alternatives set aside program grant for recreation trail development.

Assessed Value of Taxable Property

The assessed value of all taxable real and personal property in the City and related estimated actual market values for each of the last five fiscal years available are set forth in the following table.

<u>Fiscal Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Total</u>	<u>Estimated Actual Market Value</u>	<u>Assessed Value as a % Of Actual Value</u>
2019	\$110,835,924	\$22,547,002	\$133,382,926	\$2,753,036,010	4.84%
2020	129,704,288	21,571,024	151,275,312	3,106,160,180	4.87%
2021	145,651,895	23,089,153	168,741,048	3,442,302,421	4.90%
2022	167,061,698	25,461,785	192,523,483	3,776,427,010	5.10%
2023	184,690,484	27,170,576	211,861,060	4,637,263,834	4.57%

Source: City of Greer FY23 ACFR

Tax Rates

The millage assessed for City purposes in each of the last five fiscal years available is set forth below.

<u>Fiscal Year</u>	<u>Millage</u>
2019	97.8
2020	97.8
2021	97.8
2022	99.0
2023	99.0

Source: City of Greer FY23 ACFR

Tax Levies and Collections

The property tax levies and collections for the City in each of the last five fiscal years available are set forth in the following table.

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Total Levy</u>	<u>Current Collections</u>	<u>Current Collections as % of Total Levy</u>	<u>Delinquent Collections</u>	<u>Current + Delinquent Collections</u>	<u>Current + Delinquent Collections as % of Total Levy</u>
2019	2018	\$13,044,550	\$12,833,714	98.4%	\$254,460	\$13,088,174	100.3%
2020	2019	14,767,092	14,596,749	98.8%	253,079	14,849,828	100.6%
2021	2020	16,502,875	16,826,339	102.0%	327,466	17,153,805	103.9%
2022	2021	19,059,825	19,206,274	100.8%	437,258	19,643,532	103.1%
2023	2022	21,024,399	21,421,257	101.9%	593,507	22,014,764	104.7%

Source: City of Greer FY23 ACFR

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Ten Principal Taxpayers

The ten principal taxpayers in the City, the assessed value of the taxable property of each, and the percentage of such assessed values of the assessed valuation of all taxable property within the City for tax year 2023, are shown below (000's omitted).

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Plastic Omnium Auto Exteriors, LLC	\$8,445,323	3.99%
Liberty Property LP	2,624,909	1.24
Cliffstar, LLC	2,528,270	1.19
Centerpoint SCIP Land-1, LLC	2,502,180	1.18
GPT GSP Owner LLC	1,530,000	0.72
Residences at Century Park, LLC	1,519,970	0.72
Crescent Park Apartments, LLC	1,265,010	0.60
Sealy Woods Chaps Road, LLC	1,190,172	0.56
Greer-SC Realty, LLC	1,186,130	0.56
WC GSP JV VIII LC	<u>1,055,005</u>	<u>0.50</u>
Total Taxable Assessed Value of Principal Taxpayers	23,846,969	11.26%
Total Taxable Assessed Value of Other Taxpayers	<u>188,014,091</u>	<u>88.74%</u>
Total Taxable Assessed Value of All Taxpayers	<u>\$211,861,060</u>	<u>100.00%</u>

Source: City of Greer FY23 ACFR

DEBT STRUCTURE

Legal Debt Limit of the City

Section 14 of Article X of the State Constitution provides that the counties of the State may issue bonded indebtedness in an amount not exceeding 8% of the assessed value of all taxable property without the necessity of conducting a referendum and provides further that no bonded indebtedness approved in a referendum, or any refunding thereof, shall be charged against such 8% debt limitation.

The City’s legal debt margin calculation as of March 1, 2024, is computed below:

Assessed Values of the City	\$211,861,060
	x <u>8%</u>
Constitutional Debt Limit	16,948,885
Less Outstanding Debt Subject to Limit	<u>(6,973,000)</u>
Debt Available Without Referendum	\$9,975,885

Source: City of Greer FY23 ACFR

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Outstanding General Obligation Indebtedness

The following table sets forth the aggregate amount of general obligation indebtedness of the City at the end of each of the past five fiscal years:

<u>Year Ended</u> <u>June 30</u>	<u>General Obligation</u> <u>Indebtedness</u>
2019	\$ 700,022
2020	480,022
2021	8,255,000
2022	7,796,000
2023	7,324,000

Source: City of Greer FY23 ACFR

The following table sets forth the final maturity, amount issued and outstanding principal amount of the City’s general obligation debt by issue as of March 1, 2024:

<u>Debt</u>	<u>Date of Final</u> <u>Maturity</u>	<u>Amount</u> <u>Issued</u>	<u>Amount Outstanding</u> <u>as of March 1, 2024</u>
2020 Series General Obligation Bonds	2040	\$8,000,000	\$6,973,000

Other Commitments / Total Long-Term Obligations

The City issues bonds and enters into lease purchase obligations to provide funds for the acquisition and construction of major capital facilities and equipment. General obligation bonds (“GOB”) are direct obligations and pledge the full faith and credit of the City. Accommodations and hospitality tax revenue bonds (“AHTRB”) are considered a special obligation of the City and are payable solely from a pledge of accommodation and hospitality taxes. Installment purchase revenue bonds (“IPRB”) and installment purchase revenue refunding bonds (“IPRRB”) are not an obligation of the City but rather of the applicable issuer of each series of bonds. Because each non-profit issue is individually blended with the operations of the City, IPRBs and IPRRBs are included with the City’s other obligations as required by GAAP. Lease purchase (“LP”) obligations are special obligations of the City payable from the general revenues of the City. The full faith, credit, and taxing powers of the City are not pledged for the payment of AHTRRB, IPRB, IPRRB, and LP obligations.

The City recognizes LPs in accordance with the Accounting Standards Update (ASU) 2016-02, Leases. This standard requires balance sheet (statement of net position) recognition of lease agreements with terms exceeding 12 month and disclosure of significant terms of the lease. The City has evaluated lease contracts and determined that current leases do not result in a material impact on the financial statements.

The City’s outstanding debt and LPs are either publicly traded or have been issued/ obtained through direct borrowings/placements. LPs through direct borrowings/placements are generally secured/collateralized by the underlying assets and contain provisions that in an event of default, (a) outstanding amounts can become immediately due if the City is unable to make payment and (b) the lender could exercise its option to demand return of the financed asset.

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Presented below is a summary of changes in long-term obligations for the City for the fiscal year ended June 30, 2023:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Governmental Activities:					
Publicly Traded Debt:					
IPRB Series 2017A	\$ 4,235,000	\$ -	\$ 375,000	\$ 3,860,000	\$ 385,000
IPRB Series 2017B	<u>7,130,000</u>	<u>-</u>	<u>-</u>	<u>7,130,000</u>	<u>-</u>
Total Publicly Traded Debt	<u>11,365,000</u>	<u>-</u>	<u>\$375,000</u>	<u>10,990,000</u>	<u>385,000</u>
Direct Borrowings/Placements:					
GOB Series 2007	130,000	-	130,000	-	-
GOB Series 2020	7,666,000	-	342,000	7,324,000	351,000
AHTRB Series 2020	2,581,000	-	116,000	2,465,000	118,000
IPRRB Series 2008	491,912	-	491,912	-	-
IPRRB Series 2013	3,527,042	-	923,170	2,603,872	955,903
LP Series 2018B	495,109	-	96,041	399,068	97,497
LP Series 2019A	340,773	-	340,773	-	-
LP Series 2019B	1,116,309	-	172,464	943,845	177,693
LP Series 2020A	881,656	-	436,233	445,423	445,423
LP Series 2020B	341,858	-	56,614	285,244	58,318
LP Series 2021	1,473,911	-	484,990	988,921	491,277
LP Series 2022A	1,470,522	-	362,743	1,107,779	268,357
LP Series 2022B	1,063,013	-	111,300	951,713	230,550
LP Series 2023A	-	2,712,857	89,845	2,623,012	478,927
LP Series 2023B	<u>-</u>	<u>1,641,000</u>	<u>15,745</u>	<u>1,625,255</u>	<u>144,951</u>
Total Direct Borrowings/Placements	<u>21,579,105</u>	<u>4,353,857</u>	<u>4,169,830</u>	<u>21,763,132</u>	<u>3,817,896</u>
Compensated Absences	<u>935,569</u>	<u>-</u>	<u>9,307</u>	<u>926,262</u>	<u>-</u>
Total Government Activities	<u>\$33,879,674</u>	<u>\$4,353,857</u>	<u>\$4,554,137</u>	<u>\$33,679,394</u>	<u>\$4,202,896</u>

Source: City of Greer FY23 ACFR

Note: totals may not add due to rounding

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Anticipated Capital Expenditures

During the winter of 2020, the City was approached by the only golf course in immediate proximity of the City limits, requesting that the City consider purchasing the facility and taking over the operations. The City financed the purchase and renovations to the facilities through the use of a \$2.8 million AHTRB. The entire operations, including personnel, were incorporated into the fiscal year 2021 budgets, at an anticipated cost of approximately \$886,000, with an expected break-even point in operational deficits over a five-year period. The City has invested in improving and renovating the facilities and equipment and has seen improved revenues generated at Greer Golf. As expected, Greer Golf is seeing increased play and increased memberships generating increased revenues. Greer Golf posted its first positive results of operations during fiscal year 2023, the third year of operations and two years ahead of expectations. The City continues to invest resources into Greer Golf undertaking a \$2,000,000 (funded by fund balance reserves) renovation project to improve the facilities, grounds, pro shop, club house and restaurant, intended to improve the efficiencies of operations and create a more desirable atmosphere for its patrons, as well as creating additional event space for the City’s Tourism and Events divisions.

In addition to the renovation at Greer Golf, the City invested resources during fiscal year 2023 planning and designing additional multiple capital renovation, construction, and development projects. The following projects and approximate costs are anticipated to be completed during fiscal year 2024:

\$2,158,000	Renovation of a purchased office space and warehouse into City offices. (Funded by fund balance reserves)
\$1,900,000	Renovation of a purchased office space and warehouse into a facility to house our local health and human services agency. (American Rescue Plan (ARPA) funded)
\$1,800,000	Renovation of a community park and ballfield into a multi-field, multiuse sports tournament facility with passive and active recreation components. (American Rescue Plan (ARPA) funded)
\$8,300,000	Construction of new fire station. (American Rescue Plan (ARPA) funded)

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Overlapping Debt

The table below shows local subdivisions which overlap the City and which have outstanding general obligation debt as of June 30, 2023.

<u>Governmental Unit</u>	<u>Outstanding Debt as of June 30, 2023</u>	<u>Estimated Percentage Applicable⁽¹⁾</u>	<u>Estimated Share of Overlapping Debt</u>
Greenville County	\$62,124,000	4.72%	\$2,932,253
Greenville County School District	35,620,000	4.72	1,681,264
Spartanburg County	<u>60,000,999</u>	4.37	<u>2,622,044</u>
Total Debts repaid with property taxes:	<u>\$157,744,999</u>		
Subtotal, overlapping debt			\$7,235,561
City of Greer direct debt			<u>\$7,324,000</u>
Total direct debt and overlapping debt			<u>\$14,559,561</u>

Source: Greenville County Financial Operations (ACFR), Greenville County School District Finance Department (ACFR), Spartanburg County Finance Department (ACFR)

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. The schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Greer. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

⁽¹⁾ The percentage of overlapping debt applicable is estimated using taxable assessed property values or customer base. Applicable percentages were estimated by determining the portion of the county's or district's taxable assessed value or customers that is within the government's boundaries and dividing it by the county's or district's total taxable assessed value or customers.

ECONOMIC CHARACTERISTICS AND DATA

Commerce and Industry

The City is located near the Blue Ridge Mountains along Interstate 85 between Atlanta and Charlotte, and is home to global innovators in advanced manufacturing, tech, and logistics. It is in both Greenville and Spartanburg Counties in Upstate South Carolina. The city's location, logistics assets, and highly skilled labor pool make it attractive to both small businesses and global innovators. The City's location, transportation infrastructure, and abundance of land have made it one of the fastest growing cities in South Carolina for the last three decades. The community enjoys access to I-85, the South Carolina Inland Port, and is home to the Greenville-Spartanburg International Airport, ranked among the most user-friendly airports in the country, which offers 50 non-stop daily departures to 19 major airports and 16 major cities across the U.S. These features offer a strategic advantage to employers and the community. The foundations of the City were centered on agriculture and have evolved over the years into a diverse business community. The City's economy includes industrial, manufacturing, construction, retail trade, health services, transportation and warehousing, as well as many others.

Greer Station, the City's downtown central business district, continues to experience revitalization and presents a blend of historic charm, vibrant community, and successful businesses. Attractive incentives in the City's historic central business district include a special tax assessment for historic rehabilitated properties and a façade redevelopment grant program. The City maintains 23 parks and recreational facilities, including Greer Golf, and offers a variety of youth sports, adult sports, recreation, and cultural arts programs. Natural amenities like Lake Robinson and Lake Cunningham provide year-round access to nature and wildlife. The City's festivals and events include Moonlight Movies, Tunes in the Park, Greer Arts and Eats Festival, and Freedom Blast.

The Greer-area is home to more than 4,000 businesses including, for example, BMW Manufacturing, Mitsubishi Polyester Film, Mitsubishi Chemical Performance Polymers, Inc., Honeywell Aerospace Technologies, Michelin, Lear, Lumbee Enterprises, Cliffstar, Hagemeyer, H&L Accessory, and Creform Corporation.

BMW Manufacturing was established in 1992 and is the only BMW plant in the United States. The facility produces the BMW X3, X3 M, X5, X5 M, X7 and XM Sports Activity Vehicles and the X4, X4 M, X6 and X6 M Sports Activity Coupes for the world. Since the start of production began in September 1994, the factory has produced more than 6.3 million vehicles. BMW employs more than 11,000 people at the Greer plant, and produces more than 1,500 vehicles each day. The factory is also the largest automotive exporter in the U.S. by value, with a total export value of about \$9.6 billion in 2022.

The plant exports nearly 60 percent of its vehicles to about 120 countries around the world. All totaled, the BMW Group has invested more than \$12.4 billion in the Greer facility.

Mitsubishi Chemical Performance Polymers, Inc is primarily engaged in manufacturing synthetic resins, plastics materials, and nonvulcanizable elastomers. Important products of this industry include: cellulose plastics materials; phenolic and other tar acid resins; urea and melamine resins; vinyl resins; styrene resins; alkyd resins; acrylic resins; polyethylene resins; polypropylene resins; rosin modified resins; coumarone-indene and petroleum polymer resins; miscellaneous resins, including polyamide resins, silicones, polyisobutylenes, polyesters, polycarbonate resins, acetal resins, and fluorohydrocarbon resins; and casein plastics. Honeywell Aerospace Technologies first established manufacturing operations at its Greer facility in 1982. Their facility is a major center for the company's machining, special processes, and maintenance, repair and overhaul services for both commercial and military aircraft.

Companies located in the City limits include Lear Corporation, Plasman (formerly MingHua USA), CH Mueller, and Plastic Omnium. Mitsubishi Polyester Film, Inc. is a manufacturing company of Mitsubishi Chemical Corp., considered one of the largest merchant market producers of polyester film. Lear Corporation is a leading global supplier of automotive seating. Plasman is tier-1 automotive supplier, with product capabilities including single-source solutions for tooling, injection molding, chroming, paint applications, exterior trim, and assembly—from concept to completion. CH Mueller is a global manufacturer of laminates and coatings. The Plastic Omnium facility, which is located in the City limits, is adjacent to the BMW facility. Plastic Omnium, a French supplier of exterior automotive parts. Plastic Omnium delivers all large exterior painted body parts for the BMW X3, X4, X5, X6 and potentially future models to the BMW facility.

In July 2023, Wenker, Inc., a leading automotive supplier, announced plans to grow its South Carolina presence by establishing its new U.S. headquarters in Greer. The company's \$3.1 million investment will create 27 new jobs. Headquartered in Germany, Wenker, Inc. is an innovative metal and steel construction company. The company offers plant engineering and fabricated metal products for the automotive industry. The company is building and moving to a 131,400-square-foot manufacturing facility located at 23095 E. Phillips Road in Greer. This multi-phased project will also provide increased space that will serve as Wenker, Inc.'s U.S. headquarters. Operations are expected to be complete by mid-2024.

In March 2024, Matica Group ("Matica"), a global identity and payment solutions provider, announced it is establishing its first North American manufacturing operation in Spartanburg County. The company's \$2 million investment will create 40 new jobs. Matica is headquartered in Switzerland, and designs, manufactures, and markets payment and identity systems. The company has 200 employees and 11 facilities worldwide, including a technology support office in Greenville County. Matica will manufacture central identification issuance systems at a new 38,000-square-foot facility located in Greer. Products will include large-scale card personalization networks and desktop models.

In February 2024, Omron Automation, a global industrial automation solutions provider, announced plans to expand its operations to Greer. The new manufacturing facility will support 162 new jobs and invest \$9.2 million into the operation, which will include the manufacturing of motion controllers and drives, machine vision, barcode readers and verification systems.

Employment and Major Employers

The City, along with the surrounding region, has enjoyed steady growth and diversification of its employment base. As the region has grown and attracted both foreign and domestic development, the City has cemented its role as a government, service and retail center for the area, yet has maintained a significant manufacturing base of its own. The following table of principal employers demonstrates the diversification of the City's employment base.

<u>Company</u>	<u>Nature of Business</u>	Approximate Total Number of <u>Employees</u>
Plastic Omnium	Automotive Supplier	858
Pelham Medical Cener	Healthcare	627
Minghua/Plasman	Automotive Supplier	601
Greer Memorial Campus	Healthcare	600
Lear Corporation	Automotive Supplier	433
Walmart	Consumer Goods Retailer	428
City of Greer	Local Government	305
Ulta Beauty	Cosmetics	229
Lowe's Home Improvement Store	Home Improvement Store	177
Refresco	Beverages/Bottling	150

Source: City of Greer FY23 ACFR

Population Growth

The City is the one of the fastest growing cities in the State. The following table shows population information for the City for the last five years for which information is available.

Calendar	
<u>Year</u>	<u>City</u>
2019	31,154
2020	32,211
2021	35,308
2022	37,481
2023	38,495

Source: City of Greer FY23 ACFR

Gross Taxable Sales

In Fiscal Year 2022, the City recorded \$823,043,588 in gross sales in Greenville County and \$708,525,369 in gross sales in Spartanburg County. The following table sets forth combined gross sales of businesses located in the City (Greenville County and Spartanburg County) for the last five fiscal years for which information is available:

Year Ended	
<u>June 30</u>	<u>City</u>
2018	\$1,281,635,899
2019	1,351,257,058
2020	1,278,398,937
2021	1,441,507,623
2022	1,531,568,957

Source: South Carolina Department of Revenue

Per Capita Income

The per capita income in the City and State for each of the last five years for which information is available is shown below:

Calendar		
<u>Year</u>	<u>City</u>	<u>State</u>
2019	\$29,070	\$46,149
2020	30,594	48,772
2021	31,969	52,828
2022	38,279	53,618
2023	43,091	not available

Source: City of Greer FY23 ACFR, Bureau of Economic Analysis

Median Household Income

Listed below are the median household income levels for the City, State, and United States for the last five calendar years for which such information is available:

Calendar			
<u>Year</u>	<u>City</u>	<u>State</u>	<u>US</u>
2018	\$57,630	\$52,306	\$61,937
2019	61,744	56,227	65,712
2020	65,516	54,864	64,994
2021	67,536	59,318	69,717
2022	73,534	64,115	74,755

Source: City of Greer, U.S. Census Bureau

Median Age and Education Levels

The City reports that the median age of the population of the City was 37.9 in 2023 (the latest year available). In 2023, the percentage of the City's residents over 25 years of age with a Bachelor's degree or higher was 39.3%.

Construction

The following table sets forth the number of new construction building permits issued in the City and the approximate value of construction represented by those permits in the fiscal years listed below. These figures do not include permits issued for additions or alterations.

Fiscal <u>Year</u>	<u>Commercial Construction</u>		<u>Multi-Family Construction</u>		<u>Residential Construction</u>		<u>Total</u>	
	<u># of Permits</u>	<u>Value</u>	<u># of Permits</u>	<u>Value</u>	<u># Permits</u>	<u>Value</u>	<u>Permits</u>	<u>Total Value</u>
2019	41	\$57,964,253	28	\$3,178,302	563	\$124,294,187	632	185,436,742
2020	25	52,773,365	78	6,226,580	893	181,320,650	996	240,320,595
2021	624	181,271,710	279	57,228,625	1,306	287,297,805	2,209	525,798,140
2022	103	82,174,451	120	59,195,417	612	135,561,331	835	276,931,199
2023	132	122,590,187	172	13,694,728	575	140,629,285	879	276,914,200

Source: City of Greer FY23 ACFR

Unemployment Rate

The average unemployment rate in the City, the State, and the United States, for each of the last five calendar years for which information is available was:

Calendar Year	City	State	U.S.
2019	1.8%	2.8%	3.7%
2020	3.6	6.0	8.1
2021	2.9	3.9	5.4
2022	2.1	3.2	3.7
2023	2.9	3.0	3.6

Source: City of Greer FY23 ACFR , U.S. Bureau of Labor Statistics

Transportation.

Highways. The South Carolina Department of Transportation is charged with the responsibility of the systematic planning, construction, maintenance, and operation of the State Highway System which is funded from the revenues derived from the State gasoline tax and federal appropriations. In the State, counties receive a portion of the gasoline tax revenues for use in maintaining county roads not in the State System. The City is situated in the northwest corner of South Carolina, just five miles north of Interstate 85 between Greenville and Spartanburg, a major interstate highway which originates in Montgomery, Alabama, runs through Atlanta, Georgia and Charlotte, North Carolina, and ends in Richmond, Virginia. The City is centered between Atlanta, Georgia to the south (157 miles) and Charlotte, North Carolina to the north (90 miles). Greer is located 100 miles from the capitol city of Columbia and just over 200 miles from the port city of Charleston. Approximately 13 miles away is Interstate 26, the main route from Charleston, South Carolina, to Chicago, Illinois. Interstate 26 provides direct access to South Carolina ports in Charleston and Georgetown, South Carolina. Greer is served by US Highway 29 (Wade Hampton Boulevard) which, along with Interstate 85, connects the City to Greenville and Spartanburg. South Carolina Highways 14, 80, 101, 290, 357 also run through the City. SC Highway 14 runs from Interstate 85 through the City (Main Street) and North to Landrum, SC. The new SC 80 (J. Verne Smith Parkway) connects US 29 to SC 14. SC Highway 101 connects Interstate 85 (at the BMW Manufacturing Plant) to the City (Line Street) as well and runs North through Blue Ridge where it meets The Cherokee Scenic Highway (SC 11). SC Highway 290 also runs from Interstate 85 to the City (Poinsett Street) and runs North where it intersects with US 25 to Asheville, NC. SC Highway 357 runs from US 29 North to Campobello.

Rail. The City has traditionally been a rail center due to its location between Atlanta and rail lines serving the Eastern Seaboard. The Upstate is served by two major railroads, Norfolk-Southern and CSX Transportation, and several short-line railroads serving 450 miles. Norfolk-Southern provides direct service to the Port of Charleston. Norfolk Southern serves Inland Port Greer through its main rail line, which is positioned along Interstate 85. This rail service helps the Inland Port Greer save costs and lowers carbon footprint. Norfolk-Southern and CSX have consolidated certain operations to make transportation easier between Spartanburg and Charleston through Columbia. All major metropolitan areas in the United States are accessible within 3-6 days by rail.

Airport. The Greenville-Spartanburg International Airport ("GSP"), which is located in the City, serves more than 2.61 million passengers per year by 7 airlines offering 100 nonstop daily departures to 19 destinations across the United States. The GSP terminal building has more than 226,000 square feet, third level jet bridge boarding and thirteen departure gates. Two Federal Inspections Stations consisting of Customs, Immigrations and Agriculture are located at GSP. The first FIS facility located under the south concourse is designed to handle 250 international passengers per hour. The second FIS location on the north cargo ramp is designed to handle cargo and corporate aircraft that require international clearance. At 11,001 feet long, GSP can accommodate any aircraft in operation today. The north end of the airport is home to a 120,000 square foot FedEx facility. This facility, completed in 2001 provides FedEx with the capability to sort up to 3000 packages per hour. Prior to the completion of this new facility, FedEx was only capable of sorting 1,000 packages per hour.

In addition, the City has access to general aviation services through the Greenville Downtown Airport and the Spartanburg Downtown Memorial Airport. The Greenville Downtown Airport hosts business executives, government officials and tourists traveling by private aircraft and charter services. According to an economic impact study by the South Carolina Department of Commerce, Division of Aeronautics, the Greenville Downtown Airport is the busiest general aviation airport in South Carolina. It has nearly 80,000 take-offs and landings annually and more than 245 based aircraft.

The Spartanburg Downtown Memorial Airport serves over 100 local aircraft and 5,000 general aviation airports throughout the US, as well as corporate jets representing many of Spartanburg's largest companies. The airport is the 3rd busiest in terms of traffic among 55 general aviation airports in South Carolina, contributing \$25 million to the local economy.

Motor Freight. More than 75 trucking firms serve the Greenville - Spartanburg area, with nearly 50% of them maintaining terminals there. These regional and local motor carriers offer fast, efficient service on long or short hauls. The City holds a unique geographic advantage in its being situated almost midway between New York and the metropolitan Northeast and the rapidly growing areas of the Southeast and Florida. This location provides the area with a large and consistent supply of trucks from numerous specialized motor carriers serving the entire United States, enabling overnight trucking service to all major markets in the Southeastern United States and second-morning delivery to any destination on the East Coast. One-day trucking service reaches over 44% of the United States' population and more than 27% of the nation's manufacturing output. All major eastern markets are within 2 days traveling for trucking.

Bus Service. Intercity transportation is provided by Greyhound located in Greenville, South Carolina. The Greenville Transit Authority ("GTA") contracts with the City to provide public bus service ("Greenlink") within the metropolitan area, offering 12 scheduled bus routes with over 993,000 rides per year. For residents requiring special assistance, GTA provides transportation through a handicapped service program. It also serves major senior citizen complexes as well as area shopping malls, medical and educational facilities.

Sea Ports. South Carolina Ports Authority ("SC Ports") owns and operates marine terminals at the Port of Charleston and two rail-served inland ports. As the 8th largest U.S. container port, SC Ports proactively invests in infrastructure ahead of demand. SC Ports has invested more than \$2 billion in recent years to enhance capabilities and capacity, yielding modern terminals, new cargo capacity, the deepest harbor on the East Coast and an expansive rail network. More critical infrastructure investments are planned, including developing near-dock rail at the Port of Charleston, further speeding goods to market. SC Ports serves as a vital economic engine for the Southeast. In South Carolina, port operations support 1 in 9 jobs and generate a \$87 billion annual economic impact.

Inland Port Greer. The City is home to one of two South Carolina inland ports. Inland Port Greer opened in October 2013, extending the Port of Charleston's reach 212 miles inland to the City, and providing shippers with access to more than 95 million consumers within a one-day drive. The inland port boosts efficiency for international freight movements between the Port of Charleston and companies located across the Southeast, and the project is expected to create additional economic investment in the South Carolina Upstate, where BMW, Michelin and other international manufacturers already operate. Inland Port Greer moved 175,873 containers on and off trains last year, a 26% increase from the previous year. Inland Port Greer, along with Ports of Charleston and Georgetown have had more than a \$53 billion annual statewide economic impact in South Carolina. Inland Port Greer allows cargo owners to minimize their inland expense and enhance flexibility and efficiency, saving on variable costs such as container per diem, chassis rental and demurrage. It also allows shippers to reduce carbon emissions up to 80% vs. truck service. In November 2024, SC Ports announced that it is expanding Inland Port Greer to better support the supply chains of port-dependent businesses in the Upstate and throughout the Southeast. The expansion will enable the rail-served inland port more cargo to flow to and from the port and the interior. The more than \$30 million investment will double cargo capacity and enhance rail capabilities. The rail component is already complete and added 8,000 feet of new rail to handle trains filled with cargo.

Medical Facilities

The 135-acre Greer Memorial Medical Campus is part of Prisma Health and includes Greer Memorial Hospital, the Prisma Health Cancer Institute, Steadman Hawkins Clinic of the Carolinas, Carolina Cardiology Consultants, The

Children's Clinic, Cypress Internal Medicine–Greer, The Family Birthplace–Greer, Greer OB/GYN, I-C.A.R.E. Unit, and Radiology and Laboratory Services. The Greer Memorial Hospital, a \$55 million investment, is an 82-bed facility with a dedicated Women's Center and Level III Trauma Center. This facility opened in 2008 and averages more than 4,200 inpatient and outpatient procedures annually. In 2016, Greer Memorial Hospital achieved Magnet recognition, reflecting a level of nursing professionalism that translates to better satisfaction for both patients and staff, and better care for patients. The Prisma Health Cancer Institute, a 32,000 square-foot facility, was opened in 2008. The National Cancer Institute proclaimed Prisma Health Cancer Institute among the nation's best in research with a recent award of \$6.7 million to conduct clinical trials and research studies aimed at improving patient outcomes and reducing health disparities.

Spartanburg Regional Healthcare System ("SRHS") operates the Pelham Medical Center campus. The campus includes the Pelham Medical Center, Gibbs Cancer Center & Research institute, the Surgery Center at Pelham, and a medical office building. Pelham Medical Center Hospital is a 48-bed acute-care facility. It includes state-of-the-art operating suites, intensive care rooms, and a Level III emergency department. The hospital's national award-winning room design was created by Clemson University's School of Architecture & Health – one of only two healthcare architectural specialty programs in the United States. The Gibbs Cancer and Research Institute, a \$9 million, 10,000 square-foot health care facility opened in 2013. Twenty physicians provide radiation and oncology services, infusion and chemotherapy treatments. The facility also includes a 5,000-square foot healing garden with natural light. In 2020, the Gibbs Cancer and Research Institute expanded to include a seven-story, 191,000 square-foot facility in Greer. The 91,822 square foot Surgery Center at Pelham, part of phase one at the campus, opened in 2004. It was the first freestanding outpatient surgery center in the City.

Education.

Institutions of Higher Learning. There are 32 colleges within 50 miles of the City. The nearest college is Bob Jones University at a distance of 8.5 miles from the City center. Bob Jones University, a private liberal arts institution, offers over 70 undergraduate and graduate programs in religion, education, fine arts and communication, arts and science, and business. Bob Jones University had a fall 2022 enrollment of 2,665 undergraduate students. Greenville Technical College's Benson Campus is located approximately 10 miles from the City center, with nearly 30,000 students across a five-campus system and more than 100 curriculum programs and short-term training choices for career development. The College, established in the early 1960s, offers 158 associate degrees, diploma and certificate programs and has a strong university transfer program which prepares students to enter four-year colleges and universities. The Benson Campus houses core programs including Visual and Performing Arts, Physical Therapist Assistant, Occupational Therapy Assistant, Health Information Management, Personal Trainer, Pharmacy Technician, and Massage Therapy. In addition, there is a University Transfer program for the first half of a bachelor's degree and general education courses needed for any major. In 2022, Greenville Technical College received the Higher Education Excellence in Diversity (HEED) Award from INSIGHT Into Diversity magazine — a national honor recognizing U.S. colleges and universities that demonstrate an outstanding commitment to diversity, equity, and inclusion.

North Greenville University is a private, four-year liberal arts college located in the northern part of Greenville County, approximately 11 miles from the City center. It has six colleges and approximately 125 areas of study, and an enrollment of approximately 2,200 students. It is affiliated with the South Carolina Baptist Convention and presently offers bachelor degrees in arts, sciences, and music as well as master's and doctoral programs in business administration and Christian ministry. In 2016, North Greenville University opened the T. Walter Brashier Graduate School which offers students the ability to complete their graduate programs through both traditional classroom formats, online or both. Some of the Graduate Programs Offered (On-Campus or Online) are Masters in Business Administration, Christian Ministry, Education, Teaching, Music Education, Medical Science; Doctorate in K-12 Leadership, Higher Education Leadership, and Ministry.

Furman University, founded in 1826, is a private, independent, coeducational, liberal arts college with a 2023 enrollment of approximately 2,827 students. Furman is located approximately 12 miles from the City, and specializes in undergraduate liberal arts education, offering degrees in 42 programs ranging from English to health science to pre-

law, it also offers graduate degrees in chemistry and education. It is one of the select group of colleges that qualifies for a chapter of Phi Beta Kappa, the nation's most prestigious academic honorary society.

School District. The operation of public schools in the State is the responsibility of local school districts which derive their revenues, for the most part, from local school district property taxes, State sales tax revenues and State and federal sources. Cities and counties have no legal or fiscal responsibility in connection with the operation of public schools, although some counties do supplement local school districts' operating and/or capital budgets.

Public school for the Greer area operates through the Greenville County School District ("Greenville School District") and the Spartanburg County School District Five ("Spartanburg School District," together with Greenville School District, "School District"). The School District receives no financial assistance from the City and operates as a separate and independent political entity deriving its revenues for the most part from local School District property taxes, State sales tax revenues, State appropriations and federal sources.

Utilities

Electricity, natural gas, water, and wastewater is handled by the Greer Commission of Public Works ("CPW"). CPW is governed by an elected, three-member Board of Commissioners ("Board"). The Commissioners serve staggered six-year terms. The Board has responsibility for management, budgetary duties, debt management, rate setting, and general operations oversight. Day-to-day operational management is handled by the General Manager. The General Manager serves as CPW's chief executive, and reports directly to the Board of Commissioners. CPW was chartered in 1913 following a citywide election approving its formation. In 1914, CPW began providing electric, wastewater, and water services to the City. Natural Gas service began in 1957, which is CPW's largest customer base.

Electricity

CPW generated its own electricity until 1927. In the 1930s, CPW began purchasing power from the Southern Utility Company. In the 1970s, The Commission joined the Piedmont Municipal Power Agency ("PMPA") - a ten member action agency that owns a 25% stake in Generator II at the Catawba Nuclear Generating Station. Since 1985, CPW has received power from the nuclear generator through PMPA. Today, CPW's distributed energy is over 95% carbon free.

Natural Gas

CPW's largest utility in terms of coverage is its natural gas unit. In all, CPW serves approximately 22,000 accounts in 450 square miles. The service territory stretches from southern Spartanburg County to the North Carolina line and includes the communities of Duncan, Lyman, Wellford, and Landrum. CPW is served by the Transcontinental Gas Pipeline (Transco), with two gates along that line to receive natural gas.

Water and Wastewater

CPW is served by two water reservoirs, Lake Cunningham and Lake Robinson. These reservoirs are supplied by the South Tyger River and are maintained for both recreation and drinking water sources. Combined, these reservoirs cover over 1,000 acres. The water treatment plant has a capacity of 24 million gallons per day and is located on Lake Cunningham just north of the City on River Road. The Maple Creek Wastewater Treatment Plant treats sewage for the City's residents and businesses. The plant has a capacity of 10 million gallons per day.

TAX MATTERS

Series 2024A Bonds – Federal Tax Matters

In the opinion of Bond Counsel, under existing statutes, rulings and court decisions and under applicable Regulations, interest on the Series 2024A Bonds is excludable from gross income for federal income tax purposes under §

103 of the Code and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, for tax years beginning after December 31, 2022, interest on the Series 2024A Bonds is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on certain corporations. Except as provided in the opinion of Bond Counsel, no opinion will be expressed with respect to any other federal tax consequences of the receipt or accrual of interest on the Series 2024A Bonds.

Ownership of the Series 2024A Bonds may result in other collateral federal income tax consequences to certain taxpayers, including without limitation, corporations subject to the environmental tax, banks, thrift institutions and other financial institutions, foreign corporations which conduct a trade or business in the United States, property and casualty insurance corporations, S corporations, individual recipients of social security or railroad retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Series 2024A Bonds. Purchasers of the Series 2024A Bonds should consult their tax advisors as to the applicability of any such collateral consequences.

When rendering its opinion that the interest on the Series 2024A Bonds is not includable in gross income for federal income tax purposes, Bond Counsel will (i) rely as to certain factual matters upon representations of the Issuer and the City with respect to, among other things, the use of the proceeds of the Series 2024A Bonds without undertaking to verify the same by independent investigation and (ii) assume the continued compliance by the Issuer and the City with its covenants relating to the use of the proceeds of the Series 2024A Bonds and compliance with other requirements of the Code. The inaccuracy of any such representations or noncompliance with such covenants may cause interest on the Series 2024A Bonds to become includable in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2024A Bonds.

Original Issue Discount

As indicated on the inside cover page, the Series 2024A Bonds maturing on September 1, 2045, 2049 and 2054 ("OID Bonds"), are being sold at initial offering prices which are less than the principal amount payable at maturity. Under the Code, the difference between (a) the initial offering prices to the public (excluding bond houses and brokers) at which a substantial amount of each maturity of the OID Bonds is sold and (b) the principal amount payable at maturity of such OID Bonds, constitutes original issue discount treated as interest which will be excluded from the gross income of the owners of such OID Bonds for federal income tax purposes.

In the case of an owner of an OID Bond, the amount of original issue discount on such OID Bond is treated as having accrued daily over the term of such OID Bond on the basis of a constant yield compounded at the end of each accrual period and is added to the owner's cost basis of such OID Bond in determining, for federal income tax purposes, the gain or loss upon the sale, redemption or other disposition of such OID Bond (including its sale, redemption or payment at maturity). Amounts received upon the sale, redemption, or other disposition of an OID Bond which are attributable to accrued original issue discount on such OID Bonds will be treated as interest exempt from gross income, rather than as a taxable gain, for federal income tax purposes and will not be a specific item of tax preference for purposes of the federal alternative minimum tax.

Original issue discount is treated as compounding semiannually at a rate determined by reference to the yield to maturity of each individual OID Bond. The amount treated as original issue discount on an OID Bond for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such OID Bond (determined by compounding at the close of each accrual period) and (ii) the amount which would have been the tax basis of such OID Bond at the beginning of the particular accrual period if held by the original purchaser, less (b) the amount of interest payable on such OID Bond during the particular accrual period. The tax basis is determined by adding to the initial public offering price on such OID Bond the sum of the amounts which have been treated as original issue discount for such purposes during all prior accrual periods. If an OID Bond is sold between semiannual compounding dates, original issue discount which would have accrued for that semiannual compounding period for federal income tax purposes is to be appointed in equal amounts among the days in such compounding period.

The Code contains additional provisions relating to the accrual of original issue discount in the case of owners of the OID Bonds who subsequently purchase any OID Bonds after the initial offering or at a price different from the initial offering price during the initial offering of the Series 2024A Bonds. Owners of OID Bonds should consult their own tax advisors with respect to the precise determination for federal and state income tax purposes of the amount of original

issue discount accrued upon the sale, redemption, or other disposition of an OID Bond as of any date and with respect to other federal, state, and local tax consequences of owning and disposing of an OID Bond. It is possible that under the applicable provisions governing the determination of state or local taxes, accrued original issue discount on an OID Bond may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment attributable to such original issue discount until a later year.

Series 2024B Bonds – Federal Tax

General

On the date of initial execution and delivery of the Series 2024B Bonds, Bond Counsel will render an opinion that, under existing law, the interest on the Series 2024B Bonds will be taxable as ordinary income for federal income tax purposes. Bond Counsel expresses no opinion regarding any other federal income tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2024B Bonds.

Set forth below is a general summary of the anticipated material federal income tax consequences of the purchase, ownership and disposition of the Series 2024B Bonds. Such summary does not address every aspect of the federal income tax laws that may be relevant to prospective purchasers of Series 2024B Bonds in light of their personal investment circumstances or to certain types of owners subject to special treatment under the federal income tax laws (for example, banks and life insurance companies) and is generally limited to investors who will hold Series 2024B Bonds as capital assets within the meaning of Section 1221 of the Code. In addition, this summary does not address alternative minimum tax issues or the indirect consequences to a holder of an equity interest in a prospective purchaser. Accordingly, prospective purchasers of the Series 2024B Bonds should consult their own tax advisors regarding federal, state, local, foreign and any other tax consequences with respect to the purchase, ownership and disposition of the Series 2024B Bonds in their own particular circumstances. Such summary is based on the provisions of the Code, as amended, the Treasury Regulations thereunder, and published rulings and court decisions in effect as of the date hereof, all of which are subject to change, possibly retroactively. No ruling on any of the issues summarized below has been or will be sought from the Internal Revenue Service (“IRS”), and no assurance can be given that the IRS will not take contrary positions and will not prevail with such positions.

Prospective purchasers of the Series 2024B Bonds should be aware that the acquisition, ownership or disposition of, and the accrual or receipt of interest on, the Series 2024B Bonds may result in collateral federal income tax liability consequences to certain taxpayers as well as any tax consequences that may arise under the laws of any state, local or foreign jurisdiction. The extent of such other collateral tax consequences will depend upon the owner’s particular tax status or other items of income or deduction and prospective purchasers of the Series 2024B Bonds, particularly prospective purchasers that are dealers in securities or currencies, traders in securities, persons holding Series 2024B Bonds as a hedge, straddle, conversion or other integrated transaction for federal income tax purposes, insurance companies, financial institutions, tax-exempt organizations and United States holders whose functional currency is not United States dollars, should consult their own tax advisors as to the collateral tax consequences of acquiring, owning or disposing of, and the accrual or receipt of interest on, the Series 2024B Bonds. Bond Counsel expresses no opinion regarding any such collateral tax consequences.

The Code requires debt obligations, such as the Series 2024B Bonds, to be issued in registered form and denies certain benefits to the issuer and the holders of debt obligations failing such registration requirement. Such registration requirement with respect to the Series 2024B Bonds is expected to be satisfied.

Subject to certain exceptions, interest payments to the owners of Series 2024B Bonds will be reported to the IRS. Such information will be filed each year with the IRS on Form 1099 (or such other applicable form), which reflects the name, address and taxpayer identification number of each registered owner of the Series 2024B Bonds. A copy of Form 1099 (or such other applicable form) will be sent to each registered owner of the Series 2024B Bonds for federal income tax reporting purposes.

Tax Classification of the Series 2024B Bonds

Bond Counsel is of the opinion that, under existing law, the Series 2024B Bonds will be treated for federal income tax purposes as indebtedness, and interest paid on the Series 2024B Bonds will be included in the income of the owner as it is paid (or, if the owner is an accrual method taxpayer, as it is accrued) as interest.

Legal matters incident to the authorization, validity, and issuance of the Series 2024 Bonds are subject to the approving opinion of Bond Counsel. The opinion of Bond Counsel is attached to this Official Statement as Appendix C. Copies of the opinion will be available at the time of the initial delivery of the Series 2024 Bonds.

Market Discount

The resale of any Series 2024B Bond by any owner of such Series 2024B Bond may be affected by the “market discount” provisions of the Code. For such purpose, the market discount on any Series 2024B Bond will generally be equal to the amount, if any, by which the stated redemption price at maturity of such Series 2024B Bond immediately after its acquisition by such owner exceeds such owner’s adjusted tax basis in such Series 2024B Bond. Subject to a de minimis exception, such market discount provisions generally require an owner of a Series 2024B Bond which is acquired by such owner at a market discount to treat any payment on, or any gain recognized on the sale, exchange, redemption or other disposition of, such Series 2024B Bond as ordinary income to the extent of any “accrued market discount” on such Series 2024B Bond which has not previously been included in income at the time of sale or other disposition by such owner. In general, any market discount on Series 2024B Bonds will be treated as accruing on a straight-line basis over the term of such Series 2024B Bond, or, at the election of the owner of such Series 2024B Bond, under a constant yield method. Prospective purchasers of Series 2024B Bonds should consult their own tax advisors as to the tax consequences of acquiring, owning or disposing of, and the accrual or receipt of interest on, Series 2024B Bonds acquired at a market discount.

Sale of Series 2024B Bonds

If a Series 2024B Bond is sold or redeemed, the seller will recognize gain or loss equal to the difference between the amount realized on the sale or redemption and the seller’s adjusted basis in the Series 2024B Bond. Such adjusted basis generally will equal the cost of the Series 2024B Bond to the seller, increased by any market discount included in the seller’s gross income and decreased by any payments on the Series 2024B Bond. Except with respect to market discount, gain or loss recognized on a sale, exchange or redemption of a Series 2024B Bond will generally give rise to capital gain or loss if the Series 2024B Bond is held as a capital asset and will be long-term if the holding period is more than one year. The holding period analysis may be affected by the determination of whether the Series 2024B Bonds are treated as a single debt instrument or a series of debt instruments and prospective purchasers are especially encouraged to consult with their own tax advisers on this subject.

Foreign Investors

Generally, payments of interest with respect to the Series 2024B Bonds to an owner of Series 2024B Bonds that is a nonresident alien individual, foreign corporation or other non-United States person (a “foreign person”) not engaged in a trade or business within the United States will not be subject to federal income or withholding tax if such foreign person complies with certain identification requirements (including the delivery of a statement, signed by such owner under penalty of perjury, certifying that such owner is a foreign person and providing the name and address of such owner). Foreign investors should consult their own tax advisors regarding the potential imposition of withholding taxes. The summary herein assumes that the owners of the Series 2024B Bonds are not foreign persons. Special rules may apply to foreign persons with respect to the information reporting requirements and withholding taxes and foreign persons should consult their tax advisors with respect to the application of such reporting requirements and withholding taxes.

Backup Withholding

Payments made to an owner with respect to the Series 2024B Bonds and proceeds from the sale of the Series 2024B Bonds will ordinarily not be subject to withholding of federal income tax if such owner is a United States person. However, even a United States person will be subject to withholding of such tax at a rate of 28% under certain

circumstances. Except in the case of certain “exempt payees” as defined in the Code, such backup withholding will generally be applicable if an owner (1) fails to furnish to the Trustee such owner’s social security number or other taxpayer identification number (collectively, “TIN”), (2) furnishes the Trustee an incorrect TIN, (3) fails to report properly interest, dividends or other “reportable payments” as defined in the Code, or (4) under certain circumstances, fails to provide the Trustee with a certified statement, signed under penalty of perjury, that the TIN provided to the Trustee is correct and that such owner is not subject to backup withholding.

State Tax Law Matters

Bond Counsel is of the opinion that under present laws of the State, interest on the Series 2024 Bonds will be excluded from South Carolina taxation, except estate, transfer, and certain franchise taxes. Section 12-11-20 of the Code of Laws of South Carolina 1976, as amended, imposes on every bank engaged in business in the State a fee or franchise tax computed at the rate of 4½% of the entire net income of that bank. Regulations of the South Carolina Department of Revenue require that the term “entire net income” include income derived from any source whatsoever, including interest on obligations of any state and any political subdivision thereof. Interest on the Series 2024 Bonds will be included in that computation. Purchasers of the Series 2024 Bonds should consult their tax advisors as to the taxable status of the Series 2024 Bonds in a particular state or local jurisdiction other than South Carolina.

Other Tax Consequences to Investors

There may be other federal, state, local, or foreign tax considerations applicable to the circumstances of a particular investor. Prospective investors are urged to consult their own tax advisors before determining whether to purchase Series 2024 Bonds. Purchasers of Series 2024 Bonds who are nonresident alien individuals, corporations that are not incorporated in the United States or under the laws of the United States or of any state of the United States, or other non-United States persons should consult their own tax advisors with respect to the possible applicability of United States withholding and other taxes on income realized in respect to the Series 2024 Bonds.

Changes in Federal Tax Law

From time to time, there are legislative proposals in Congress that, if enacted, could alter, or amend the federal tax matters referred to above or adversely affect the market value of the Series 2024 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to the Series 2024 Bonds issued prior to enactment. In addition, regulatory actions from time to time are announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Series 2024 Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2024 Bonds or the market value thereof would be impacted thereby. Purchasers of the Series 2024 Bonds should consult their own tax advisors regarding any pending or proposed legislation, regulatory initiatives, or litigation. The opinions expressed by Bond Counsel are based upon existing law, legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2024 Bonds and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives, or litigation.

CERTAIN LEGAL MATTERS

Opinion

The issuance of the Series 2024 Bonds is subject to the favorable opinion of Bond Counsel, a copy of which will be affixed to each 2024 Bond, as to the validity of the issuance of the Series 2024 Bonds under the State Constitution and State law. The forms of Bond Counsel’s opinions appear as Appendix C to this Official Statement.

Bond Counsel has assisted the Issuer and the City by compiling certain information supplied to it by the Issuer, the City and others and included in this Official Statement but has not made an independent investigation or verification of the accuracy, completeness, or fairness of such information. The opinions of Bond Counsel will be limited solely to the legality and enforceability of the Series 2024 Bonds, and no opinions will be given with respect to this Official Statement.

The opinions to be delivered concurrently with the delivery of the Series 2024 Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the

transaction opined upon, or of the future performance of parties to the transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

Other Legal Matters

From time to time, one or both of King Kozlarek Root Law LLC and Burr & Forman LLP have represented the Underwriter or Stifel, Nicolaus & Company, Incorporated, as counsel in financing transactions unrelated to the Series 2024 Bonds. None of the Issuer, the City, the Underwriter or Stifel, Nicolaus & Company, Incorporated, have conditioned the future retention of these firms in connection with any proposed financing issues for the City, the Issuer, the Underwriter or Stifel Nicolaus & Company, Incorporated on the successful execution and delivery of the Series 2024 Bonds.

Litigation

There is no litigation presently pending or threatened challenging the validity of any debt issued or proposed to be issued by the Issuer or the City or otherwise challenging, in any manner, the right of the Issuer or the City (as applicable) to enter into the Trust Agreement, the Base Lease, the Purchase and Use Agreement, or to issue or secure the Series 2024 Bonds in the manner provided in the Trust Agreement. *However, neither the Issuer nor the City can give any assurance that litigation challenging the financing plan described in this Official Statement would not be filed in the future.*

Closing Certificates

The Issuer and the City will deliver to the Underwriter a certificate that no litigation is pending or threatened against it which would have a material effect on (i) the issuance or validity of the Series 2024 Bonds, (ii) in the case of the City, the levy and collection of an ad valorem tax to permit the City to make payments under the Contract in amounts sufficient to pay the Series 2024 Bonds or (iii) the financial condition of the Issuer and the City. In addition, the Issuer and the City will represent to the Underwriter in the Bond Purchase Agreement, and related general certificate, as applicable, that the information contained in this Official Statement does not contain any misrepresentation of a material fact and does not omit or state any material fact necessary to make the statements herein contained, in light of the circumstances under which they were made, not misleading.

The Issuer and City officials will deliver a certificate to establish that the Series 2024A Bonds are not “arbitrage bonds” within the meaning of Section 148 of the Code, and applicable regulations thereunder in effect on the occasion of the delivery of the Series 2024 Bonds.

CONTINUING DISCLOSURE

To provide certain continuing disclosure with respect to the Series 2024 Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (“Rule 15c2-12”), the City has covenanted in the Purchase and Use Agreement for the benefit of the beneficial owners of the Series 2024 Bonds to execute and deliver prior to closing, and to thereafter comply with the terms of, a Continuing Disclosure Undertaking (“Disclosure Undertaking”), the form of which is attached hereto as Appendix D.

Pursuant to the Disclosure Undertaking, the City will provide certain financial information and operating data relating to the City (“Annual Report”) by not later than February 1 following the end of the preceding fiscal year of the Issuer, commencing with Fiscal Year 2024, and to provide notices of the occurrence of certain enumerated events. The specific nature of the information to be contained in the Annual Report or the notices of enumerated events is set forth in the form of the Disclosure Undertaking. These covenants have been made in order to assist the Underwriter in complying with the Rule.

The City notes the following with respect to its undertakings under Rule 15c2-12 during the past five years:

1. For Fiscal Year 2021, the City did not timely file its audited financial statements or file its unaudited financial statements in their place on EMMA. The City did not receive the Fiscal Year 2021 audited financial statements until June 30, 2022, and upon receipt the City filed them to EMMA on July 1, 2022.

2. For Fiscal Year 2021, the City did not timely post the Debt Structure – Legal Debt Limit of the City on EMMA.

In the event of a failure of the City to comply with any of the provisions of the Disclosure Undertaking, an event of default under the Purchase and Use Agreement shall not be deemed to have occurred. In that event, the sole remedy of any bondholder or beneficial owner is an action to compel performance by the City.

RATINGS

The Series 2024 Bonds have been assigned ratings of “Aa3” from Moody’s Investors Services, Inc. (“Moody’s”) and “AA-” from S&P Global Ratings (“S&P”). The ratings reflect only the views of the applicable rating agency and an explanation of the significance of each rating may be obtained from the rating agency furnishing such rating at the following address: Moody’s, 250 Greenwich Street, New York, New York 10007, and S&P Global Ratings, 55 Water Street, New York, New York 10041. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies, and assumptions of its own. There is no assurance that either or both of such ratings will remain unchanged for any given period of time or that they will not be revised downward or withdrawn entirely by the rating agency furnishing the same, if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings, or either of them, may have an adverse effect on the liquidity and market price of the Series 2024 Bonds. A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time. Neither the Underwriter, the Issuer nor the City has undertaken any responsibility either to bring to the attention of the owners of the Series 2024 Bonds any proposed suspension or withdrawal of such rating or to oppose any such revision, suspension, or withdrawal.

Additionally, due to the ongoing uncertainty regarding the debt of the United States of America, including without limitation, the general economic conditions in the country, and other political and economic developments that may affect the financial condition of the United States government, the United States debt limit, and the bond ratings of the United States and its instrumentalities, obligations issued by state and local governments, such as the Series 2024 Bonds, could be subject to a rating downgrade. Furthermore, if a significant default or other financial crisis should occur in the affairs of the United States or of any of its agencies or political subdivisions, then such event could also adversely affect the market for and ratings, liquidity, and market value of outstanding debt obligations, such as the Series 2024 Bonds.

INDEPENDENT PROFESSIONALS

Legal matters incident to the authorization, issuance, and sale of the Series 2024 Bonds are subject to the approval of King Kozlarek Root Law LLC, Greenville, South Carolina, Bond Counsel. Certain legal matters will be passed on for the Issuer by its counsel, King Kozlarek Root Law LLC, Greenville, South Carolina, and by its disclosure counsel, King Kozlarek Root Law LLC, Greenville, South Carolina, for the City by its counsel, Duggan & Hughes, LLC, Greer, South Carolina, and for the Underwriter by its counsel, Burr & Forman LLP, Columbia, South Carolina.

Stifel, Nicolaus & Company, Incorporated, Columbia, South Carolina, serves as a Financial Advisor to the City. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

The financial statements of the City as of June 30, 2023, and for the year then ended have been audited by S. Preston Douglas & Associates, LLP, Lumberton, North Carolina, independent certified public accountants, to the extent and for the period indicated in its report thereon, which appears in Appendix A. The consent of S. Preston Douglas & Associates, LLP, to the inclusion of the audited financial statements of the City and their report thereon in Appendix A hereto has not been requested. Therefore, S. Preston Douglas & Associates, LLP, has not and will not perform any subsequent procedures relating to the audit or review of the information presented in this Official Statement.

UNDERWRITING

The Series 2024 Bonds are being purchased for reoffering by Raymond James & Associates, Inc. (“Underwriter”). The Underwriter has agreed, subject to certain conditions, (a) to purchase the Series 2024A Bonds from the Corporation at a purchase price of \$26,995,604.57 (representing the par amount of the Series 2024A Bonds less underwriter’s discount of \$143,233.03 less the net original issue discount of \$631,162.40) from the initial yields set forth on the cover page of this Official Statement, and (b) to purchase the Series 2024B Bonds at a purchase price of \$14,593,858.26 (representing the par amount of the Series 2024B Bonds less underwriter’s discount of \$61,141.74) from the initial yields set forth on the cover page of this Official Statement. The Underwriter may offer and sell the Series 2024 Bonds to certain dealers and others at

a price lower than the offering prices stated on the inside front cover page. The offering prices may be changed from time to time by the Underwriter.

CERTIFICATION

All quotations from and summaries and explanations of provisions of laws of the State do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof. All references to the Series 2024 Bonds, and determinations of the Issuer or the City relating to the Series 2024 Bonds are qualified in their entirety by reference to the definitive forms of the Series 2024 Bonds and the authorizing ordinances and resolutions and to other documents and determinations. All such summaries, explanations and references are further qualified in their entirety by reference to the exercise of sovereign police powers of the State and the constitutional powers of the United States of America, and to valid bankruptcy, insolvency, reorganization, moratorium, and other laws for the relief of debtors.

Certain of the information set forth in this Official Statement and in its Appendices has been obtained from sources other than the Issuer or the City that are believed to be reliable but is not guaranteed as to accuracy or completeness by the Issuer or the City. The information and expressions of opinion in this Official Statement are subject to change, and neither the delivery of this Official Statement nor any sale made under such document shall create any implication that there has been no change in the Issuer's or the City's affairs.

MISCELLANEOUS

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. Further, certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." These types of statements are generally identifiable by the terminology used such as "plan," "expect," "anticipate," "estimate," "budget," "forecast," "project" or similar words. Forward-looking statements are included in various portions of this Official Statement.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES, AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE, OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE, OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY THE FORWARD-LOOKING STATEMENTS. THE ISSUER AND THE CITY DO NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THESE FORWARD-LOOKING STATEMENTS IF OR WHEN CHANGES TO EXPECTATIONS, OR EVENTS, CONDITIONS, OR CIRCUMSTANCES, ON WHICH THE FORWARD-LOOKING STATEMENTS ARE BASED, OCCUR.

Reference to the State Constitution and legislative enactments are only brief outlines of certain provisions thereof and do not purport to summarize or describe all provisions thereof.

This Official Statement is not to be construed as constituting an agreement with the holders of the Series 2024 Bonds.

It is hoped that the above information will be of assistance. If there are further inquiries, or requests for additional copies of this Official Statement, please address them to Todd L. Barnes, Managing Director, Raymond James & Associates, Inc., telephone: 404.279.5724, email: todd.barnes@raymondjames.com, or Bond Counsel, Michael E. Kozlarek, Esq., King Kozlarek Root Law LLC, telephone: 884.527.5941, email: michael@kingkozlarek.com.

The delivery of this Official Statement and its use in connection with the sale of the Series 2024 Bonds has been duly authorized by the Issuer and the City. The contents of this Official Statement are the City's responsibility, except that the Issuer is responsible for the statements contained under the caption "**THE ISSUER**" and other information with respect to the Issuer, if any, appearing under the caption "**CERTAIN LEGAL MATTERS – Litigation,**" and, with the exception of this information for which the Issuer is responsible, the Issuer makes no representation as to the accuracy or completeness of any information.

CORPORATION FORGREER

/s/ Jameel Allen

Chair, Board of Directors

CITY OF GREER, SOUTH CAROLINA

/s/ Richard W. Danner

Mayor

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APPENDIX A

**PORTION OF
FISCAL YEAR ENDED JUNE 30, 2023,
AUDITED FINANCIAL STATEMENTS**

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APPENDIX A
A PORTION OF THE
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

The City's basic financial statements as of June 30, 2023, and for the year then ended, are included as this Appendix A. The City's independent public accountant did not review this Official Statement, nor did the City's independent public accountant perform any audit or other procedures related to any of the information contained in this Official Statement.

Government-Wide Financial Statements

City of Greer, South Carolina
Statement of Net Position
June 30, 2023

	<u>Primary Government</u> <u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 25,560,811
Restricted cash and cash equivalents	32,292,708
Taxes receivable, net	289,837
Accounts receivable, net	1,765,174
Due from other governments	477,161
Inventories	84,473
Prepays	1,595,443
Capital assets, net	
Non-depreciable	12,470,450
Depreciable, net	80,925,083
Total assets	<u><u>155,461,140</u></u>
DEFERRED OUTFLOWS OF RESOURCES	
Refunding deferrals	90,996
Pension deferrals	11,982,623
Total deferred outflows of resources	<u><u>12,073,619</u></u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	3,602,800
Bond escrow payable	1,522,019
Deposits	48,040
Unearned revenues	10,091
Non-current liabilities	
Long-term obligations - due within one year	4,202,895
Long-term obligations - due in more than one year	29,476,500
Net pension liabilities due in more than one year	27,448,960
Total liabilities	<u><u>66,311,305</u></u>
DEFERRED INFLOWS OF RESOURCES	
Pension deferrals	5,239,989
Total deferred inflows of resources	<u><u>5,239,989</u></u>
NET POSITION	
Net investment in capital assets	60,733,396
Restricted for:	
Public safety	980,098
Public use	4,252,542
Tourism related costs	3,453,677
Capital improvements	20,281,944
Unrestricted	6,281,808
Total net position	<u><u>\$ 95,983,465</u></u>

The notes to the financial statements are an integral part of this statement.

City of Greer, South Carolina
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government
					Governmental Activities
Primary government:					
Governmental activities:					
General government	\$ 13,401,631	\$ -	\$ 8,307,273	\$ -	\$ (5,094,358)
Public safety	18,389,406	910,152	557,695	-	(16,921,559)
Public service	8,180,530	5,660,061	-	3,064,030	543,561
Recreation	4,561,656	1,314,365	-	-	(3,247,291)
Community development	1,920,607	-	-	-	(1,920,607)
Interest and other charges	1,046,705	-	-	-	(1,046,705)
Total governmental activities	\$ 47,500,535	\$ 7,884,578	\$ 8,864,968	\$ 3,064,030	(27,686,959)

General revenues:

Taxes:	
Property taxes levied for general purpose	20,532,767
Hospitality and accommodations taxes	3,708,907
Business licenses and MASC taxes	11,566,113
Franchise fees	429,099
Unrestricted intergovernmental revenues	6,045,664
Unrestricted investment earnings	1,773,818
Miscellaneous	1,927,639
Total general revenues	45,984,007
Change in net position	18,297,048
Net position, beginning	77,686,417
Net position, ending	\$ 95,983,465

The notes to the financial statements are an integral part of this statement.

Fund Financial Statements

City of Greer, South Carolina
Balance Sheet
Governmental Funds
June 30, 2023

	General Fund	Hospitality Taxes Fund	Stormwater Fund	American Rescue Plan Fund	Real Property Fund	Paving and Infrastructure Fund	2017 IPRB Fund	GOB 2020 Fund	Nonmajor Governmental Funds	Total Governmental Funds
<u>ASSETS</u>										
Cash and cash equivalents	\$ 22,093,982	\$ -	\$ -	\$ -	\$ 3,308,563	\$ -	\$ -	\$ -	\$ -	\$ 25,402,545
Restricted cash and cash equivalents	-	3,138,639	3,870,959	15,453,986	-	3,940,050	1,098	740,685	5,147,291	32,292,708
Taxes receivable, net	289,837	-	-	-	-	-	-	-	-	289,837
Accounts receivable, net	1,008,161	315,038	5,365	-	-	-	-	-	35,704	1,364,268
Interfund receivables	1,668,551	-	-	-	-	-	-	-	211,984	1,880,535
Due from other governments	477,161	-	-	-	-	-	-	-	-	477,161
Inventories	60,688	-	-	-	-	-	-	-	23,785	84,473
Prepays	225,343	-	-	-	-	-	-	-	1,370,100	1,595,443
Total assets	\$ 25,823,723	\$ 3,453,677	\$ 3,876,324	\$ 15,453,986	\$ 3,308,563	\$ 3,940,050	\$ 1,098	\$ 740,685	\$ 6,788,864	\$ 63,386,970
<u>LIABILITIES AND FUND BALANCES</u>										
Accounts payable	\$ 964,156	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,545	\$ 973,701
Accrued liabilities	42,011	-	-	-	-	-	-	-	-	42,011
Accrued salaries and fringe benefits	1,895,533	-	-	-	-	-	-	-	-	1,895,533
Bond escrow payables	-	-	877,350	-	-	644,669	-	-	-	1,522,019
Deposits	-	-	-	-	-	-	-	-	48,040	48,040
Interfund payables	211,983	-	10,766	56,695	3,000	35,677	-	-	947,300	1,265,421
Unearned revenues	-	-	-	-	-	-	-	-	10,091	10,091
Total liabilities	3,113,683	-	888,116	56,695	3,000	680,346	-	-	1,014,976	5,756,816
<u>FUND BALANCES</u>										
Non-spendable:										
Prepays	225,343	-	-	-	-	-	-	-	1,370,100	1,595,443
Inventories	60,688	-	-	-	-	-	-	-	-	60,688
Restricted:										
Public safety	-	-	-	-	-	-	-	-	980,098	980,098
Public use	-	-	2,988,208	-	-	-	-	-	1,264,334	4,252,542
Tourism related costs	-	3,453,677	-	-	-	-	-	-	-	3,453,677
Capital improvements										
(unspent bond proceeds)	-	-	-	-	-	-	1,098	740,685	347,929	1,089,712
Capital improvements	-	-	-	15,397,291	-	3,259,704	-	-	535,237	19,192,232
Assigned:										
Capital projects	-	-	-	-	3,305,563	-	-	-	-	3,305,563
Appropriated for use in FY2024 budget	814,221	-	-	-	-	-	-	-	-	814,221
Unassigned	21,609,788	-	-	-	-	-	-	-	1,276,190	22,885,978
Total fund balances	22,710,040	3,453,677	2,988,208	15,397,291	3,305,563	3,259,704	1,098	740,685	5,773,888	57,630,154
Total liabilities and fund balances	\$ 25,823,723	\$ 3,453,677	\$ 3,876,324	\$ 15,453,986	\$ 3,308,563	\$ 3,940,050	\$ 1,098	\$ 740,685	\$ 6,788,864	\$ 63,386,970

The notes to the financial statements are an integral part of this statement.

City of Greer, South Carolina
Balance Sheet
Governmental Funds (continued)
June 30, 2023

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances, governmental funds	\$ 57,630,154
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds. The cost of the assets was \$131,474,457 and the accumulated depreciation was \$38,078,924.	93,412,110
An internal service fund is used by management to change the costs of health insurance costs to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position.	(618,602)
Deferred refunding charges are amortized over the lives of the refunding bonds in the Statement of Net Position; however, the costs are recognized in the year incurred in the governmental funds.	90,996
Accrued interest on the long-term obligations in governmental accounting is not due or payable in the current period, therefore, they have not been reported as a liability in the funds.	(145,472)
The City's proportionate share of the net pension liability, deferred outflows of resources, and deferred inflows of resources related to its participation in the State retirement plans are not recorded in the governmental funds but are recorded in the Statement of Net Position.	(20,706,326)
Long-term liabilities, including bonds payable and capital leases, are not due or payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consisted of the following:	
Long-term debt (including lease purchases)	(32,753,133)
Compensated absences (annual leave)	(926,262)
Net position of governmental activities	<u>\$ 95,983,465</u>

The notes to the financial statements are an integral part of this statement.

City of Greer, South Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2023

	General Fund	Hospitality Taxes Fund	Stormwater Fund	American Rescue Plan Fund	Real Property Fund	Paving and Infrastructure Fund	2017 IPRB Fund	GOB 2020 Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:										
Property taxes	\$ 20,532,767	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,215,314	\$ 23,748,081
Franchise and licenses	12,995,212	-	-	-	-	-	-	-	-	12,995,212
Rent	-	-	-	-	-	-	-	-	326,469	326,469
Hospitality taxes	-	3,454,451	-	-	-	-	-	-	-	3,454,451
Permits, fees, and other taxes	2,240,075	-	-	-	-	-	-	-	-	2,240,075
Golf course revenue	-	-	-	-	-	-	-	-	987,896	987,896
Stormwater fees	-	-	1,494,280	-	-	-	-	-	-	1,494,280
Intergovernmental revenues	1,961,804	-	-	-	-	2,237,104	-	-	-	4,198,908
Fire fees	660,554	-	-	-	-	-	-	-	-	660,554
Fines and forfeitures	249,598	-	-	-	-	-	-	-	38,041	287,639
Grants	557,695	-	-	8,307,273	-	-	-	-	-	8,864,968
Other	38,775	-	-	-	204,910	-	-	-	718,307	961,992
Interest	618,781	109,722	124,960	541,100	120,804	100,582	1,047	36,120	120,702	1,773,818
Total revenues	39,855,261	3,564,173	1,619,240	8,848,373	325,714	2,337,686	1,047	36,120	5,406,729	61,994,343
Expenditures:										
Current:										
General government	8,741,089	-	-	-	-	-	15,000	-	276,979	9,033,068
Public safety	16,814,757	-	-	-	-	-	-	-	644,212	17,458,969
Public service	4,335,473	-	277,021	-	86,913	185,853	-	-	2,243,688	7,128,948
Recreation	2,059,587	36,040	-	-	-	-	-	-	1,752,161	3,847,788
Community Development	1,793,371	-	-	-	-	-	-	-	-	1,793,371
Capital outlay	2,666,015	-	33,625	538,564	177,155	477,621	19,590	916,298	2,447,009	7,275,877
Debt service:										
Principal retirement	-	-	-	-	-	-	375,000	-	4,169,829	4,544,829
Interest and other charges	-	-	-	-	-	-	411,124	-	624,728	1,035,852
Total expenditures	36,410,292	36,040	310,646	538,564	264,068	663,474	820,714	916,298	12,158,606	52,118,702
Excess (deficiency) of revenues over expenditures	3,444,969	3,528,133	1,308,594	8,309,809	61,646	1,674,212	(819,667)	(880,178)	(6,751,877)	9,875,641
Other financing sources (uses):										
Transfers from other funds	2,109,348	-	-	803,331	-	-	820,713	-	4,294,586	8,027,978
Transfers to other funds	(4,840,772)	(2,579,640)	(541,566)	-	-	-	-	-	(66,000)	(8,027,978)
Issuance of lease purchases	-	-	-	-	-	-	-	-	4,353,857	4,353,857
Sale of capital assets	44,389	-	-	-	-	-	-	-	-	44,389
Total other financing sources (uses)	(2,687,035)	(2,579,640)	(541,566)	803,331	-	-	820,713	-	8,582,443	4,398,246
Net change in fund balances	757,934	948,493	767,028	9,113,140	61,646	1,674,212	1,046	(880,178)	1,830,566	14,273,887
Fund balances, beginning	21,952,106	2,505,184	2,221,180	6,284,151	3,243,917	1,585,492	52	1,620,863	3,943,322	43,356,267
Fund balances, ending	\$ 22,710,040	\$ 3,453,677	\$ 2,988,208	\$ 15,397,291	\$ 3,305,563	\$ 3,259,704	\$ 1,098	\$ 740,685	\$ 5,773,888	\$ 57,630,154

The notes to the financial statements are an integral part of this statement.

City of Greer, South Carolina
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2023

Amounts reported for governmental activities in the Statement of Activities are different because:

Total net change in fund balances - total governmental funds	\$ 14,273,887
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Amounts reported for the governmental activities in the Statement of Activities are different because of the following:

An internal service fund is used by management to charge the costs of health and dental insurance costs to individual funds. The change in net position for this fund is included in the Statement of Activities.	921,258
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Deferred refunding charges are expenditures the year they are incurred in governmental funds, but are amortized over the life of the bonds in the Statement of Activities. This amount is the amortization of the current year.	(15,292)
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Changes in the City's proportionate share of the net pension liability deferred outflows of resources, and deferred inflows of resources related to the State retirement plans for the current year are not reported in the Statement of Activities.	(672,451)
--	-----------

Repayment of debt and lease purchase principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	4,544,829
---	-----------

Bond and lease purchase proceeds provide current financial resources to governmental funds, but issuing debt or entering into capital leases increases long-term liabilities in the Statement of Net Position.	(4,353,857)
--	-------------

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	4,439
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. This amount represents the change in compensated absences during the current year.	9,307
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In the Statement of Activities, the loss on disposal of capital assets is reported, whereas in the governmental funds, proceeds from disposal of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the assets disposed.	(10,672)
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In the Statement of Activities, the receipt of donated property is recognized as revenue when received, whereas in the governmental funds, revenue is not recorded until the sale of the donated property. This amount represents the amount of donated property received in the current year.	3,064,030
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, capital outlay expenditures that qualify as capital assets are allocated over the estimated useful lives as depreciation expense. This is the amount by which cash capital asset additions of \$7,005,616 exceeded depreciation expense of \$6,501,295 in the current year.	531,570
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Total changes in net position of governmental activities	18,297,048
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The notes to the financial statements are an integral part of this statement.

City of Greer, South Carolina
Statement of Net Position
Proprietary Fund
For the Year Ended June 30, 2023

	Internal Service Fund
Assets:	
Current assets:	
Cash and cash equivalents	\$ 158,266
Accounts receivable, other	400,906
Total current assets	<u>559,172</u>
Liabilities:	
Current liabilities:	
Accrued medical	562,660
Interfund payables	615,114
Total current liabilities	<u>1,177,774</u>
Total liabilities	<u>1,177,774</u>
Net position:	
Unrestricted	(618,602)
Total net position	<u>\$ (618,602)</u>

The notes to the financial statements are an integral part of this statement.

City of Greer, South Carolina
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2023

	Internal Service Fund
Operating revenues:	
Health insurance premiums	\$ 5,840,186
Total operating revenues	<u>5,840,186</u>
Operating expenses:	
Health insurance claims	4,927,740
Total operating expenses	<u>4,927,740</u>
Operating income (loss)	<u>912,446</u>
Nonoperating revenues (expenses):	
Interest income	8,812
Total nonoperating revenues (expenses)	<u>8,812</u>
Change in net position	921,258
Net position, beginning of the year	<u>(1,539,860)</u>
Net position, end of year	<u><u>\$ (618,602)</u></u>

The notes to the financial statements are an integral part of this statement.

City of Greer, South Carolina
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2023

	Internal Service Fund
Cash flows from operating activities:	
Cash received from or on behalf of employees for health insurance premiums	\$ 5,439,280
Cash paid for health insurance claims	(4,951,353)
Net cash provided by operating activities	<u>487,927</u>
Cash flows from noncapital financing activities:	
Net change in interfund balances	(500,147)
Net cash provided by noncapital financing activities	<u>(500,147)</u>
Cash flows from investing activities:	
Interest received	8,812
Net cash provided by investing activities	<u>8,812</u>
Net increase (decrease) in cash and cash equivalents	(3,408)
Cash and cash equivalents, beginning of the year	<u>161,674</u>
Cash and cash equivalents, end of year	<u><u>\$ 158,266</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	<u>\$ 912,446</u>
Adjustments to reconcile operating loss to net cash from operating activities	
change in accounts representing operating activities	
(Increase) in accounts receivable	(400,906)
Increase (decrease) in accrued medical	(23,613)
Net cash provided by operating activities	<u><u>\$ 487,927</u></u>

The notes to the financial statements are an integral part of this statement.

City of Greer, South Carolina
Statement of Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2023

	Custodial Funds
Assets:	
Cash and cash equivalents	\$ 214,028
Total assets	<u>214,028</u>
Liabilities:	
Accounts payable	<u>20,973</u>
Total liabilities	<u>20,973</u>
Net Position:	
Restricted for:	
Individuals, organizations, and other governments	<u>193,055</u>
Total net position	<u><u>\$ 193,055</u></u>

The notes to the financial statements are an integral part of this statement.

City of Greer, South Carolina
Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2023

	Custodial Funds
Additions:	
Interest income	\$ 5,140
Miscellaneous	158,745
Total additions	<u>163,885</u>
Deductions:	
Payments to designated recipient	<u>112,263</u>
Total deductions	<u>112,263</u>
Change in net position	51,622
Net position, beginning of year	<u>141,433</u>
Net position, end of year	<u><u>\$ 193,055</u></u>

The notes to the financial statements are an integral part of this statement.

Notes to the Financial Statements

City of Greer, South Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2023

The City of Greer (the “City”) was incorporated as a municipality in Greenville & Spartanburg Counties in South Carolina in 1876. Section 47-26 of the 1962 Code of Laws, as amended (Home Rule Act), requires that municipalities adopt a specific form of government. The City operates under a Council form of government. City Council is composed of a mayor and six council members (the “Council”). The Mayor and Council are vested with the legislative and policymaking powers of the City. The Council appoints a City Administrator who serves as the chief executive officer of the City and is responsible to Council for proper administration of all affairs of the City.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Reporting Entity

The basic financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America, (“GAAP”), as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City’s accounting policies are described below.

As required by GAAP, the financial statements present the City’s financial information with any of its component units. The primary criterion for determining inclusion or exclusion of a legally separate entity (component unit) is financial accountability, which is presumed to exist if the City both appoints a voting majority of the entity’s governing body, and either 1) the City is able to impose its will on the entity or, 2) there is a potential for the entity to provide specific financial benefits to, or impose specific financial burdens on the City. If either or both of the foregoing conditions are not met, the entity could still be considered a component unit if it is fiscally dependent on the City and there is a potential that the entity could either provide specific financial benefits to, or to impose specific financial burdens on the City.

In order to be considered fiscally independent, an entity must have the authority to do all of the following: (a) determine its budget without the City having the authority to approve or modify that budget; (b) levy taxes or set rates or charges without approval by the City; and (c) issue bonded debt without approval by the City. An entity has a financial benefit or burden relationship with the City if, for example, any one of the following conditions exists: (a) the City is legally entitled to or can otherwise access the entity’s resources, (b) the City is legally obligated or has otherwise assumed the obligation to finance the deficits or, or provide financial support to, the entity, or (c) the City is obligated in some manner for the debt of the entity. Finally, an entity could be a component unit even if it met all the conditions described above for being fiscally independent if excluding it would cause the City’s financial statements to be misleading.

Blended component units, although legally separate entities, are in substance, part of the government’s operations and data from these units are combined with data of the primary government in the fund financial statements. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the City. Based on the criteria above, the City has one blended component unit and no discretely presented component units.

- Blended Component Unit - The Greer Trust (“Trust”) is a not-for-profit 501(c)(3) organization incorporated for the specific purpose of serving as a support organization for capital projects of the City. The activity of the Trust includes the financing and construction of City buildings that will then be purchased by the City. The Trust board members are appointed by the City Council. Because the Trust exclusively benefits the City, the Trust financial information is blended with that of the City. The Trust does not issue a separate set of financial statements. The Trust is reported as a capital projects fund.

Related Organization

The Council has the responsibility, according to South Carolina law, for concurring with the Greer Commission of Public Works issuance of bonded debt. It has been determined that the concurrence is ministerial and therefore does not make the Greer Commission of Public Works dependent upon the City.

Major Operations

The governmental activities of the City include general government, public safety (police and fire), public service (streets and sanitation services), recreation, and community development.

City of Greer, South Carolina
Notes to the Financial Statements (continued)
For the Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (continued)

The City's cash and investment objectives are preservation of capital, liquidity, and yield. The City reports its cash and investments at fair value which is normally determined by quoted market prices. The City currently or in the past year has primarily used the following investments in its operating activities:

- Money market mutual funds are generally open-ended funds that invest in short term debt securities (including obligations of the United States and related agencies) that generally have a weighted average maturity of 60 days or less and do not invest more than 5% in any one issuer, except for government securities and repurchase agreements.

Receivables and Payables

During the course of its operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as interfund receivables or interfund payables. While these balances are reported in fund financial statements, certain eliminators are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column.

All trade and other receivables represent amounts due to the City from other governments, other entities and individuals for rehabilitation loans and a variety of types of fees, charges and services, including franchise fees, hospitality taxes, and other fees and charges. The City has not established any provisions for amounts that are uncollectible as of June 30, 2023 – as the City does not believe there are any material amounts.

Inventories and Prepaid Items

Inventories of materials and supplies are valued at cost and are recorded as an expenditure/expense at the time the items are consumed rather than when purchased. Certain payments to vendors reflect costs that are applicable to future periods and are recorded as prepaid items in both the government-wide and fund financial statements (if material). The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

General capital assets are those assets specifically related to activities reported in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position, but are not reported in the fund financial statements. All capital assets are capitalized at cost (or estimated historical cost) and updated for any additions and retirements during the year. Donated capital assets are recorded at their acquisition value (as estimated by the City) as of the date received.

Infrastructure capital assets include streets, curbs, sidewalks, sewer lines, streetlights, signs, signals, and storm drains. The City maintains a capitalization threshold of \$25,000 for land, buildings, and infrastructure and \$15,000 for all other capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All reported capital assets except land and construction in progress are depreciated. Construction projects begin being depreciated once they are complete and placed in service, at which time the complete costs of the project are transferred to the appropriate capital asset category. Improvements are depreciated over the useful lives of the related capital assets.

City of Greer, South Carolina
Notes to the Financial Statements (continued)
For the Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Measurement Focus, Basis of Accounting, and Basis of Presentation (continued)

The accounts of the government are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. There are a minimum number of funds maintained to keep the accounts consistent with legal and managerial requirements. The following fund types are used by the City.

Governmental fund types are those through which all governmental functions of the City are financed. The City's expendable financial resources and related assets and deferred outflows of resources (if any) and liabilities and deferred inflows of resources (if any) are accounted for through governmental funds. Governmental funds are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. The following are the City's major and non-major governmental funds:

The **General Fund, a major fund** and a budgeted fund, is the general operating fund of the City and accounts for all revenues and expenditures of the City except those required to be accounted for in another fund. All general tax revenues and other receipts that (a) are not allocated by law or contractual agreement to other funds or (b) that have not been restricted, committed, or assigned to other funds are accounted for in the General Fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund.

Special revenue funds are used to account for and report the proceeds of specific revenue sources (that are expected to continue to comprise a substantial portion of the inflows of the fund) that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The City has the following special revenue funds:

The **Hospitality Taxes Fund, a major special revenue fund** is used to account for and report the financial resources received and disbursed related to the City's 2% fee imposed on prepared food and beverage sales (hospitality tax) within the City limits. These funds are restricted and thus can only be spent for tourism related expenditures.

The **Stormwater Fund, a major special revenue fund** is used to account for the City's stormwater drainage operations. These funds are restricted for public use.

The **American Rescue Plan Fund, a major special revenue fund** is used to account for the City's American Rescue Plan grant funds. These funds are restricted for grant related expenditures.

The City has the following nonmajor special revenue funds:

Police Federal Drug Fund	Police State Drug Fund	State Accommodations Tax Fund
Victims' Advocate Fund	Greer Trust Fund	Sanitation Services Fund
Facilities Rentals Fund	Mountain View Cemetery Fund	GCCADA Fund
Fireman's Fund	Fire Department Consolidated Fund	Fire Explorers Post 103 Fund
Police Club Fund	Cops for Tots Fund	Recreation Programs Fund
Upstate SC Law Enforcement Memorial Fund	Greer Golf Fund	

City of Greer, South Carolina
Notes to the Financial Statements (continued)
For the Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (continued)

Capital projects funds are used to account for and report the accumulation of financial resources that restricted, committed, or assigned for the acquisition of capital assets or construction of major capital facilities for the City. The City has the following capital project funds:

The *Greer Real Property Revolving Fund (“Real Property Fund”), a major fund* is used to account for the resources designated for future development of land and property held by the City. These funds are restricted, committed, or assigned.

The *Paving and Infrastructure Fund, a major fund* is used to account for the resources designated for paving and sidewalk projects and bonds held for the proper completion of infrastructure in new construction development. These funds are restricted, committed, or assigned.

The *2017 IPRB Fund, a major fund* is used to account for the resources designated for various City improvement projects. These funds are restricted, committed, or assigned.

The *GOB 2020 Fund, a major fund* is used to account for the resources designated for various City improvement projects. The funds are restricted, committed, or assigned.

The City has the following non-major capital project funds:

Capital Equipment Fund	Highway 101 Corridor Maintenance Fund	Revenue Bond 2020 Fund
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The *Debt Service Fund, a nonmajor fund*, is used to account for and report the accumulation of financial resources that are restricted, committed, or assigned for the payment of long-term debt principal, interest, and related costs for the City.

Proprietary fund types are accounted for based on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of enterprise funds are primarily charges for services and fees. Operating expenses for enterprise funds include the expense for providing goods and services, administrative expenses, maintenance, and depreciation of capital assets. All revenues and expenses not meeting this definition are generally reported as non-operating items. Proprietary funds are made up of two classes: enterprise funds and internal service funds, of which the City only has an internal service fund.

Internal service funds are used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units, or to other governments, on a cost-reimbursement basis. The City has the following internal service fund:

The *Employee Health Benefits Fund* is used to administer payments for health claims. Expenditures of benefits to City staff are not eliminated in the preparation of the fund financial statements but are eliminated and included with governmental activities in the government-wide financial statements.

City of Greer, South Carolina
Notes to the Financial Statements (continued)
For the Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (continued)

Fiduciary fund types are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The City's Fiduciary fund types consist of custodial funds which use the economic resources measurement focus and are not included in the government-wide financial statements. The City's Fiduciary fund types include:

Custodial Funds account for assets that the City holds on behalf of others. The City is responsible for certain assets of the Greer Cultural Arts Council Fund and the Police Escrow Fund. These funds have no equity (assets are equal to liabilities) and do not include revenues and expenditures for the general operation of the City. These funds are custodial in nature and do not present results of operations.

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity

Cash, Cash Equivalents, and Interest

For purposes of the financial statements, the City considers all highly liquid investments (including restricted assets) with original maturities of three months or less when purchased and money market mutual funds to be cash equivalents. Securities with an initial maturity of more than three months (from when initially purchases) and other non-money market mutual funds are reported as investments.

The City's operating cash and investment policy is designed to operate within existing statutes (which are identical for all non-fiduciary funds, fund types and component units within the State of South Carolina). The statutes of the State of South Carolina authorize the City to invest in the following:

- a) Obligations of the United States and its agencies, the principal and interest of which is fully guaranteed by the United States.
- b) Obligations issued by the Federal Financing Bank, Federal Farm Credit Bank, the Bank of Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, and the Farmers Home Administration, if, at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.
- c) (i) General obligations of the State of South Carolina or any of its political units; or (ii) revenue obligations of the State of South Carolina or its political units, if at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.
- d) Savings and loan associations to the extent that the same are insured by an agency of the federal government.
- e) Certificates of deposit where the certificates are collaterally secured by securities of the type described in (a) and (b) above held by a third party as escrow agent or custodian, of a fair value not less than the amount of the certificates of deposit so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government.
- f) Repurchase agreements when collateralized by securities as set forth in this section.
- g) No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit, political subdivision, or county treasurer if the particular portfolio of the investment company or investment trust in which the investment is made (i) is limited to obligations described in items (a), (b), (c), and (f) of this subsection, and (ii) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

City of Greer, South Carolina
Notes to the Financial Statements (continued)
For the Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (continued)

The City's cash and investment objectives are preservation of capital, liquidity, and yield. The City reports its cash and investments at fair value which is normally determined by quoted market prices. The City currently or in the past year has primarily used the following investments in its operating activities:

- Money market mutual funds are generally open-ended funds that invest in short term debt securities (including obligations of the United States and related agencies) that generally have a weighted average maturity of 60 days or less and do not invest more than 5% in any one issuer, except for government securities and repurchase agreements.

Receivables and Payables

During the course of its operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as interfund receivables or interfund payables. While these balances are reported in fund financial statements, certain eliminators are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column.

All trade and other receivables represent amounts due to the City from other governments, other entities and individuals for rehabilitation loans and a variety of types of fees, charges and services, including franchise fees, hospitality taxes, and other fees and charges. The City has not established any provisions for amounts that are uncollectible as of June 30, 2022 – as the City does not believe there are any material amounts.

Inventories and Prepaid Items

Inventories of materials and supplies are valued at cost and are recorded as an expenditure/expense at the time the items are consumed rather than when purchased. Certain payments to vendors reflect costs that are applicable to future periods and are recorded as prepaid items in both the government-wide and fund financial statements (if material). The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

General capital assets are those assets specifically related to activities reported in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position, but are not reported in the fund financial statements. All capital assets are capitalized at cost (or estimated historical cost) and updated for any additions and retirements during the year. Donated capital assets are recorded at their acquisition value (as estimated by the City) as of the date received.

Infrastructure capital assets include streets, curbs, sidewalks, sewer lines, streetlights, signs, signals, and storm drains. The City maintains a capitalization threshold of \$25,000 for land, buildings, and infrastructure and \$15,000 for all other capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All reported capital assets except land and construction in progress are depreciated. Construction projects begin being depreciated once they are complete and placed in service, at which time the complete costs of the project are transferred to the appropriate capital asset category. Improvements are depreciated over the useful lives of the related capital assets.

City of Greer, South Carolina
Notes to the Financial Statements (continued)
For the Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (continued)

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Infrastructure	5-30
Buildings and improvements	10-40
Furniture, fixtures, and equipment	5-15
Vehicles	5-10

Compensated Absences

The City recognizes accumulated unpaid vacation when earned by the employee. The City reports compensated absences in accordance with the provisions of GASB Statement No. 16 “Accounting for Compensated Absences.” The entire compensated absence liability and expense is reported in the government-wide financial statements. Governmental funds will only recognize compensated absences liability if they have matured, for example, as a result of employee resignations or retirements.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. The portion applicable to the proprietary fund is also recorded in the proprietary fund financial statements. Bond premiums and discounts, if material are deferred and amortized over the life of the bonds using the straight-line method (as it approximates the effective interest method) if material. Debt is reported net of applicable bond premiums and discounts. Bond issuance costs are reported as expenses.

In the governmental fund financial statements, bond premiums, discounts and bond issuance costs are recognized immediately. The face amount of debt, lease purchases, or capital leases issued is reported as other financing sources. Premiums received on issuances are reported as other financing sources while discounts are reported as other financing uses. Bond issuance costs are reported as expenditures. In general, payables and accrued liabilities that will be paid from the governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current financial resources. However, claims and judgments, debt, lease purchases, capital leases, compensated absences, and other related long-term liabilities that will eventually be paid from the governmental funds are not reported as a liability in the fund financial statements until due and payable.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position and the Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City currently has two types of deferred outflows of resources: (1) The City reports *deferred refunding charges* in its Statements of Net Position. If material, deferred refunding charges, which is the difference between the reacquisition price and the net carrying amount of the defeased debt, are deferred and amortized over the life of the refunding bonds, which has the same maturity as the bonds that were refunded. Amortization of deferred refunding charges is included in interest expense. (2) The City also reports *deferred pension charges* in its Statements of Net Position in connection with their participation in the South Carolina Retirement System and South Carolina Police Officers Retirement System. These *deferred pension charges* are either (a) recognized in the subsequent period as a reduction of the net pension liability (which includes pension contributions made after the measurement date) or (b) amortized in a systematic and rational method as pension expense in future periods in accordance with GAAP.

City of Greer, South Carolina
Notes to the Financial Statements (continued)
For the Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (continued)

In addition to liabilities, the Statement of Net Position and the Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City currently has only one type of deferred inflows of resources: (1) The City reports *deferred pension credits* in its Statement of Net Position in connection with its participation in the South Carolina Retirement System and South Carolina Police Officers Retirement System. These *deferred pension credits* are amortized in a systematic and rational method and recognized as a reduction of pension expense in future periods in accordance with GAAP.

Fund Balance

The City classifies its governmental fund balances as follows:

Nonspendable – includes amounts that inherently cannot be spent either because it is not in spendable form (i.e., prepaid assets, inventories, etc.) or because of legal or contractual requirements (i.e. principal on an endowment, etc.).

Restricted – includes amounts that are constrained by specific purposes which are externally imposed by (a) other governments through laws and regulations, (b) grantors or contributions through agreements, (c) creditors through debt covenants or other contracts, or (d) imposed by law through constitutional provisions or enabling legislation.

Committed – includes amounts that are constrained for specific purposes that are internally imposed by the government through formal action (resolution) made by the highest level of decision-making authority (the Council) before the end of the reporting period. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The City recognizes committed fund balances when Council has approved a resolution/motion before the end of the fiscal year.

Assigned – includes amounts that are intended to be used for specific purposes that are neither considered restricted or committed and that such assignments are made before the report issuance date. Council has delegated the authority to assign fund balance to management and does not require formal action by the council.

Unassigned – includes amounts that do not qualify to be accounted for and reported in any of the other fund balance categories. This classification represents the amount of fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

The City generally uses restricted amounts to be spent first when both restricted and unrestricted (committed, assigned, and unassigned) fund balance is available unless there are legal documents, contracts, or agreements that prohibit doing such. Additionally, the City generally would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City's fund balance policy is for the General Fund unassigned fund balance to be a minimum of 30% of the most recently approved General Fund budget, approved annually. Additionally, the City maintains a fund balance target of 35%.

City of Greer, South Carolina
Notes to the Financial Statements (continued)
For the Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (continued)

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditures are recorded to reflect the use of the applicable spending appropriations, is used by the governmental funds during the year to control expenditures. Encumbrances do not constitute expenditures or liabilities. For budget purposes encumbrances and unused expenditure appropriations lapse at year end.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in the Statements of Net Position. Net position is classified as net investment in capital assets; restricted; and unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Outstanding debt which has not been spent is included in the same net position component as the unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments.

Pensions

In government-wide financial statements, pensions are required to be recognized and disclosed using the accrual basis of accounting (see Note IV.B and the required supplementary information immediately following the notes to the financial statements for more information), regardless of the amount recognized as pension expenditures on the modified accrual basis of accounting. The City recognizes a net pension liability for its participation in the South Carolina Retirement System and the South Carolina Police Officers Retirement System, which represents the City's proportionate share of the total pension liability over the fiduciary net position of the Plans, measured as of the City's preceding fiscal year-end. Changes in the net pension liability during the period are recorded as pension expense, or as deferred outflows or inflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension liability that are recorded as deferred outflows/inflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and recorded as a component of pension expense beginning with the period in which they are incurred. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred outflows or inflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred. In prior years, the net pension liability has been liquidated by the General Fund and Special Revenue Funds.

Fair Value

The fair value measurement and disclosure framework provides for a three-tier fair value hierarchy that gives highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

City of Greer, South Carolina
Notes to the Financial Statements (continued)
For the Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (continued)

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City can access at the measurement date

Level 2 – Inputs to the valuation methodology, other than quoted prices included in Level 1, that are observable for an asset or liability either directly or indirectly and include:

- Quoted prices for similar assets and liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted market prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology that are unobservable for an asset or liability and include:

- Fair value is often based on developed models in which there are few, if any, observable inputs.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of future net realizable values or reflective of future fair values. The City believes that the valuation methods used are appropriate and consistent with GAAP. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no significant changes from the prior year in the methodologies used to measure fair value.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets and deferred outflows of resources and liabilities and deferred inflows of resources and disclosure of these balances as of the date of the financial statements. In addition, they affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates and assumptions.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The City has elected to present its budgetary comparison information (required supplementary information) for the General Fund as a separate schedule and not as a basic financial statement. The General Fund was the only governmental fund for which the City has a legally adopted budget. All other remaining funds do not have legally adopted budgets. All annual appropriations lapse at fiscal year-end. The budget is prepared using the modified accrual basis of accounting, which is consistent with the accounting system used to record the transactions.

During the third quarter of the fiscal year, the government's agencies and departments submit requests for appropriations to the City Administrator so that a budget may be prepared. On or before June 15, the City Administrator submits the proposed budget to City Council for review, indicating the proposed expenditures and the means of financing them. City Council subsequently holds a public hearing to allow for taxpayers' comments on the proposed budget. The final budget and its associated budget ordinance must be prepared and adopted by City Council no later than June 30. The appropriated budget is prepared by fund, function, and department. Line item and interdepartmental transfers require the approval of the City Administrator; however, any revisions that alter total expenditures of any fund must be approved by the City Council. Expenditures may not legally exceed appropriations at the fund level except for additional funds received as grants and donations.

City of Greer, South Carolina
Notes to the Financial Statements (continued)
For the Year Ended June 30, 2023

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

A. Deposits and Investments

Deposits

Custodial Credit Risk for Deposits: Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits might not be recovered. The City requires all deposits in excess of Federal Deposit Insurance Corporation limits to be secured with collateral held by the City's agent in its name. As of June, 30, 2023, none of the City's bank balances of approximately \$11,784,000 (with a carrying value of approximately \$7,099,123) were exposed to custodial credit risk.

Investments

As of June 30, 2023, the City had the following investments and maturities:

Investment Type	Credit Rating*	Fair Value Level (1)	Fair Value	Weighted Average Maturity
Treasure Money Market Mutual Fund	AAA _m , AAA _{-mf} , NR	Level 1	\$ 367,308	< 1 year
Governmental Money Market Mutual Fund	AAA _m , AAA _{-mf} , AAAMMf	Level 1	50,601,126	< 1 Year
			<u>\$ 50,968,434</u>	

(1) See Note 1 for definition of fair value hierarchy.

(2) NR – Not Rated

*Credit ratings noted above are by Standard & Poors, Moody's Services, and Fitch Ratings, respectively.

Inherent Rate Risk: The City's investment policy limits interest rate risk by primarily investing in shorter term securities and scheduling maturities to meet cash flow requirements and avoid the need to sell securities prior to the maturation.

Custodial Credit Risk for Investments: Custodial credit risk for investments is the risk that, in the event of a bank failure, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City requires all funds held for investment by an outside party to be secured with collateral held by the City's agent in its name. As of June 30, 2023, none of the City's investment balances were exposed to custodial credit risk.

Credit Risk for Investments: Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's investment policy limits investments to the safest types of securities and diversifying its portfolio so that the failure of any one issuer or backer will not place an undue financial burden on the City.

Concentration of Credit Risk for Investments: The City places no limit on the amount the City may invest in any one issuer. Investments issued by or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools and other pooled investments are exempt from concentration of credit risk disclosures.

Certain cash and cash equivalents of the City are legally restricted for specified purposes. The major types of restrictions at June 30, 2023 were those imposed by the revenue source (i.e., accommodations and hospitality fees, unspent debt proceeds, etc.) and the debt service revenue funds.

City of Greer, South Carolina
Notes to the Financial Statements (continued)
For the Year Ended June 30, 2023

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (continued)

A. Deposits and Investments (continued)

Reconciliation to the Financial Statements

A reconciliation of cash and investments as shown in the statements of net position for all activities is as follows:

<u>Description</u>	<u>Amount</u>
Carrying amount of deposits	\$ 7,099,123
Fair value of investments	50,968,434
Total deposits and investments	<u>\$ 58,067,557</u>
Statement of net position:	
Cash and cash equivalents	\$ 25,560,811
Cash and cash equivalents, restricted	32,292,708
Statement of fiduciary net position	
Cash and cash equivalents	214,038
Total cash and cash equivalents	<u>\$ 58,067,557</u>

B. Receivables and Unavailable Revenue

Property taxes are assessed and collected by Greenville and Spartanburg Counties (the "Counties"). The Counties generally levy their real property taxes in October based upon assessed valuations on January 1st of each year. Assessed values are established by the County Assessor, the County Auditor, and the South Carolina Department of Revenue and Taxation at various rates of 4 to 10.5 percent of the estimated market value. Real property and all personal property taxes other than vehicle property taxes attach as an enforceable lien on property as of January 16th. Taxes are levied and billed in October on all property other than vehicles and are payable without penalty until January 15th of the following year. Penalties are assessed on unpaid taxes on the following dates:

January 16 th	3%
February 2 nd	an additional 7%
March 17 th	an additional 5%

After proper notification, the law requires "exclusive possession" of property necessary to satisfy the delinquent taxes. Properties with unpaid taxes are sold at a public auction during the month of October. Vehicle property taxes attach a lien and are levied throughout the year depending on when the vehicles' license tags expire. The lien and collection date for motor vehicle taxes is the last day of the month in which the motor vehicle license expires.

The City's fiscal year 2023 real and business personal property taxes (which was for tax year 2022) were levied in October 2022 based on a millage rate of 97.8 mills for both Greenville and Spartanburg Counties and were due beginning on that date. The City's assessed value of real and personal property was approximately \$144.8 million for Greenville County and approximately \$67 million for Spartanburg County for tax year 2022. Amounts received by the Counties but not yet remitted to the City at year end are included in property taxes receivable in the Balance Sheet and Statement of Net Position. Total property taxes receivable was approximately \$289,000 as of June 30, 2023. The City did not report any unavailable delinquent property taxes as of June 30, 2023, as the amount was not material.

City of Greer, South Carolina
Notes to the Financial Statements (continued)
For the Year Ended June 30, 2023

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (continued)

B. Receivables and Unavailable Revenue (continued)

All trade and other receivables represent amounts due to the City from other governments, other entities and individuals for a variety of types of fees, charges and services, including franchise fees, hospitality taxes, and other fees and charges. The City has not established any provisions for amounts that are uncollectible as of June 30, 2023 as the City does not believe there are any material amounts.

The City's net receivables at June 30, 2023 consisted of the following:

Description	General Fund	Hospitality Tax Fund	Stormwater Fund	Nonmajor Governmental Funds	Total
Property taxes	\$ 289,837	\$ -	\$ -	\$ -	\$ 289,837
Hospitality taxes	-	315,038	-	-	315,038
Other	1,008,161	-	5,365	35,704	1,049,230
Net receivables	<u>\$ 1,297,998</u>	<u>\$ 315,038</u>	<u>\$ 5,365</u>	<u>\$ 35,704</u>	<u>\$ 1,654,105</u>

C. Interfund Balances and Transfers

Interfund balances at June 30, 2023, consisted of the following individual fund receivables and payables (all of which are expected to be repaid within one year):

Fund	Interfund Receivables	Interfund Payables
Major Governmental Funds		
General Fund	\$ 1,668,551	\$ 211,983
Hospitality Taxes Fund	-	-
Stormwater Fund	-	10,766
American Rescue Plan Fund	-	56,695
Real Property Fund	-	3,000
Road Paving Fund	-	35,677
Other Nonmajor Governmental Funds		
Other Governmental Funds	211,984	947,300
Nonmajor Proprietary Fund		
Internal Service Fund	-	615,114
Totals	<u><u>\$ 1,880,535</u></u>	<u><u>\$ 1,880,535</u></u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures/expenses occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

City of Greer, South Carolina
Notes to the Financial Statements (continued)
For the Year Ended June 30, 2023

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (continued)

C. Interfund Balances and Transfers (continued)

Interfund transfers for the year ended June 30, 2023 consisted of the following:

Fund	Transfers In	Transfers Out
Major Governmental Funds		
General Fund	\$ 2,109,348	\$ 4,840,772
Hospitality Taxes Fund	-	2,579,640
Stormwater Fund	-	541,566
American Rescue Plan Fund	803,331	-
Road Paving Fund	-	-
2017 IPRB Fund	820,713	-
Other Nonmajor Governmental Funds		
Other Governmental Funds	4,294,586	66,000
Totals	<u>\$ 8,027,978</u>	<u>\$ 8,027,978</u>

During the course of normal operations and in order to support the numerous functions of the City, transactions between funds may occur. The City uses transfers to move unrestricted receipts so that they may be used for various programs in other funds. Transfers are most commonly made for subsidies, grant matches, support of capital projects, and debt service payments in accordance with budgetary authorizations.

City of Greer, South Carolina
Notes to the Financial Statements (continued)
For the Year Ended June 30, 2023

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (continued)

D. Capital Assets

Capital asset activity for the City's governmental activities for the year ended June 30, 2023, was as follows:

	Beginning				Ending
	Balances	Increases	Decreases	Transfers	Balances
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 8,264,219	\$ 397,960	\$ -	\$ -	\$ 8,662,179
Construction in progress	7,999,719	3,208,458	27,250	(7,372,656)	3,808,271
Total capital assets not being depreciated	16,263,938	3,606,418	27,250	(7,372,656)	12,470,450
Capital assets being depreciated/amortized:					
Infrastructure	49,513,616	3,350,761	-	197,606	53,061,983
Buildings & improvements	38,414,081	850,523	-	7,175,050	46,439,654
Furniture, fixtures, and equipment	8,871,330	349,248	-	-	9,220,578
Vehicles	8,341,845	2,182,957	243,010	-	10,281,792
Total capital assets being depreciated	105,140,872	6,733,489	243,010	7,372,656	119,004,007
Less accumulated depreciation/amortization for:					
Infrastructure	6,364,504	2,930,001	-	-	9,294,505
Buildings & improvements	12,979,215	2,272,799	-	-	15,252,014
Furniture, fixtures, and equipment	6,859,313	441,405	-	-	7,300,718
Vehicles	5,374,596	1,100,101	243,010	-	6,231,687
Total accumulated depreciation	31,577,628	6,744,306	243,010	-	38,078,924
Total capital assets being depreciated, net	73,563,244				80,925,083
Governmental activities capital assets, net	<u>\$ 89,827,182</u>				<u>\$ 93,395,533</u>

Capital asset additions and depreciation expense for governmental activities were charged to functions/programs for the year ended June 30, 2023 as follows:

Fund	Capital Asset	Depreciation
	Additions	Expense
General government	\$ 1,812,900	\$ 4,175,079
Public safety	4,424,068	803,117
Public service	3,332,829	986,530
Recreation	645,031	653,006
Community development	125,079	126,574
Total-governmental activities	<u>\$ 10,339,907</u>	<u>\$ 6,744,306</u>

The City is participating in a Municipal Match Program for Roads with both the Greenville Legislative Delegation Transportation Committee and the Spartanburg County Transportation Committee. Through these programs, the City received donated paving for City streets of approximately \$395,211 from Greenville County and \$0 from Spartanburg County in the year ended June 30, 2023. The City also received streets, sidewalks, and storm drains from developers for approximately \$3,064,030. These donations are included in the capital asset additions total above.

City of Greer, South Carolina
Notes to the Financial Statements (continued)
For the Year Ended June 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

E. Long-Term Obligations

The City issues bonds and enters into lease purchase obligations to provide funds for the acquisition and construction of major capital facilities and equipment. General obligation bonds (“GOB”) are direct obligations and pledge the full faith and credit of the City. Accommodations and hospitality tax revenue refunding bonds (“AHTRRB”) are considered a special obligation of the City and are payable solely from a pledge of accommodation and hospitality taxes. Installment purchase revenue bonds (“IPRB”) and installment purchase revenue refunding bonds (“IPRRB”) are not an obligation of the City; however, as The Greer Trust is blended with the operations of the City, The Greer Trust’s debt is included with the City’s other obligations as required by GAAP. Lease purchase (“LP”) obligations are special obligations of the City payable from the general revenues of the City. The full faith, credit, and taxing powers of the City are not pledged for the payment of AHTRRB, IPRB, IPRRB, and LP obligations.

The City recognizes leases in accordance with the Accounting Standards Update (ASU) 2016-02, Leases. This standard requires balance sheet (statement of net position) recognition of lease agreements with terms exceeding 12 month and disclosure of significant terms of the lease. The City has evaluated lease contracts and determined that current leases do not result in a material impact on the financial statements.

The City’s outstanding debt and lease purchase obligations are either publicly traded or have been issued/ obtained through direct borrowings/placements. Obligations through direct borrowings/placements are generally secured/collateralized by the underlying assets and contain provisions that in an event of default, (a) outstanding amounts can become immediately due if the City is unable to make payment and (b) the lender could exercise its option to demand return of the financed asset. Details on the City’s outstanding debt and lease purchase obligations as of June 30, 2023 are as follows:

General Obligation Bonds

Balance at
June 30, 2023

\$1,500,000 Series 2007 General Obligation Bonds (“GOB – Series 2007”) issued in March 2007, which is due in annual principal installments of 70,000 to 130,000 beginning March 1, 2009 and ending March 1, 2023. Interest is payable semi-annually on April 1st and October 1st at 4.23%. This is direct borrowing/placement debt. This loan was paid in full this fiscal year.

\$ -

\$8,000,000 Series 2020 General Obligation Bonds (“GOB-Series 2020”) issued in July 2020, which is due in annual principal installments of \$121,600 to \$535,100 beginning March 1, 2021 and ending March 1, 2040. Interest is payable semi-annually on March 1st and September 1st at 2.51%. This is direct borrowing/placement debt.

7,324,000

Accommodations and Hospitality Tax Revenue and Revenue Refunding Bonds

\$2,800,000 Series 2020 Accommodations and Hospitality Tax Revenue Bond (“AHTRRB – Series 2020”) issued in March 2020, which is due in annual principal installments of \$106,000 to \$175,000 beginning April 1, 2021 and ending April 1, 2024. Interest is payable semi-annually on October 1st and April 1st at 2.48%. The proceeds from AHTRB – Series 2020 were used to purchase and fund improvements for a municipal golf course. This is direct borrowing placement debt.

2,465,000

City of Greer, South Carolina
Notes to the Financial Statements (continued)
For the Year Ended June 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

E. Long-Term Obligations (continued)

Installment Purchase Revenue Bonds

\$7,552,250 Series 2008 Installment purchase Revenue Refunding Bonds (“IPRRB – Series 2008”) issued in October 2008 by the Greer Trust, which is due in annual principal installments of \$290,000 to \$610,949 beginning May 1, 2009 and ending May 1, 2023. Interest is payable semi-annually on May 1st and November 1st at 3.91%. The proceeds from the IPRRB – Series 2008 were used to currently refund the Series 2006A Installment Purchase Revenue Bond and Series 2006C Installment Purchase Revenue Bond. This is direct borrowing/placement debt. This bond was paid in full this fiscal year.

\$ -

\$9,898,690 Series 2013 Installment Purchase Revenue Refunding Bonds (“IPRRB – Series 2013”) issued in September 2013 by The Greer Trust, which is due in annual principal installments of \$253,930 to \$990,890 beginning May 1, 2014 and ending May 1, 2026. Interest is payable semi-annually on May 1st and November 1st at 2.55%. The proceeds from the IPRRB – Series 2013 were used to currently refund the Series 2006 B Installment Purchase Revenue Bond. This is direct borrowing/placement debt.

2,603,872

\$5,120,000 Series 2017 Installment Purchase Revenue Bonds (“IPRB – Series 2017A”) issued in December 2017 by The Greer Trust, which is due in annual principal installments of \$65,000 to \$485,000 beginning December 1, 2018 and ending December 1, 2031. Interest is payable semi-annually on June 1st and December 1st at rates varying from 2.038% to 3.722%. The proceeds from the IPRB – Series 2017A will be used for certain city improvement projects. This is publicly traded debt.

3,860,000

\$7,130,000 Series 2017 Installment Purchase Revenue Bonds (“IPRB – Series 2017B”) issued in December 2017 by The Greer Trust, which is due in annual principal installments of \$85,000 to \$770,000 beginning December 1, 2031 and ending December 1, 2042. Interest is payable semi-annually on June 1st and December 1st at rates ranging from 3.5% to 4.0%. The proceeds from the IPRB – Series 2017B will be used for certain city improvements projects. The issuance of these bonds also resulted in a premium of approximately \$444,000 which was not capitalized as it was not deemed significant. This is publicly traded debt.

7,130,000

Lease Purchases

\$881,605 lease purchase agreement was entered into in September 2017 (“LP - 2018B”), with thirty-seven quarterly payments of \$25,758 beginning May 2018 through May 2027 which includes interest of 1.5%. The proceeds from this lease purchase obligation were used to purchase vehicles and software. This is direct borrowing/placement debt.

399,068

\$1,361,466 lease purchase agreement was entered into in August 2018 (“LP – 2019A”), with seventeen quarterly payments of \$86,787 beginning May 2019 through May 2023 which includes interest of 2.99%. The proceeds from this lease purchase obligation were used to purchase equipment. This is direct borrowing/placement debt. This loan was paid in full this fiscal year.

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City of Greer, South Carolina
Notes to the Financial Statements (continued)
For the Year Ended June 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

E. Long-Term Obligations (continued)

\$1,619,844 lease purchase agreement was entered into in August 2018 ("LP – 2019B"), with thirty-seven quarterly payments of \$50,984 beginning May 2019 through May 2028 which includes interest of 2.99%. The proceeds from this lease purchase obligation were used to purchase equipment. This is direct borrowing/placement debt.	\$ 943,845
\$1,810,898 lease purchase agreement was entered into in August 2019 ("LP – 2020A"), with seventeen quarterly payments of \$12,814 beginning May 2020 through May 2024 which includes interest of 2.09%. The proceeds from this lease purchase obligation were used to purchase equipment. This is direct borrowing/placement debt.	445,423
\$450,169 lease purchase agreement was entered into in June 2020 ("LP – 2020B"), with fifty-four monthly payments of \$5,500 beginning July 2020 through December 2024 and a final payment of \$197,600 in January 2025 which includes interest of 2.97%. The proceeds from this lease purchase obligation were used to purchase golf carts. This is direct borrowing/placement debt.	285,244
\$2,057,103 lease purchase agreement was entered into in July 2020 ("LP – 2021"), with seventeen quarterly payments of \$125,416 beginning May 2021 through May 2025 which includes interest of 1.29%. The proceeds from this lease purchase obligation were used to purchase various vehicles and related equipment. This is direct borrowing/placement debt.	988,922
\$1,553,234 lease purchase agreement was entered into in July 2021 ("LP – 2022A"), with seventeen quarterly payments of \$93,656 beginning May 2022 through May 2026 which includes interest of 0.89%. The proceeds from this lease purchase obligation were used to purchase various vehicles and related equipment. This is direct borrowing/placement debt.	1,107,779
\$1,082,000 lease purchase agreement was entered into in July 2021 ("LP – 2022B"), with thirty-seven quarterly payments of \$31,579 beginning May 2022 through May 2031 which includes interest of 1.47%. The proceeds from this lease purchase obligation were used to purchase various vehicles and related equipment. This is direct borrowing/placement debt.	951,713
\$2,712,857 lease purchase agreement was entered into in August 2022 ("LP – 2023A"), with twenty-one quarterly payments of \$139,957 beginning May 2023 through May 2028 which includes interest of 2.50%. The proceeds from this lease purchase obligation were used to purchase vehicles and equipment. This is direct borrowing/placement debt.	2,623,012
\$1,641,000 lease purchase agreement was entered into in August 2022 ("LP – 2023B"), with forty-one quarterly payments of \$46,058 beginning May 2023 through May 2033 which includes interest of 2.50%. The proceeds from this lease purchase obligation were used to purchase vehicles and equipment. This is direct borrowing/placement debt.	1,625,255

City of Greer, South Carolina
Notes to the Financial Statements (continued)
For the Year Ended June 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

E. Long-Term Obligations (continued)

Presented below is a summary of changes in long-term obligations for the City's governmental activities for the year ended June 30, 2023:

	Beginning Balances	Increases	Decreases	Ending Balance	Current Portion
Governmental activities:					
Publicly Traded debt:					
IPRB - Series 2017A	\$ 4,235,000	\$ -	\$ 375,000	\$ 3,860,000	\$ 385,000
IPRB - Series 2017B	7,130,000	-	-	7,130,000	-
Total Publicly Traded Debt	<u>11,365,000</u>	<u>-</u>	<u>375,000</u>	<u>10,990,000</u>	<u>385,000</u>
Direct Borrowings/Placements:					
GOB -Series 2007	130,000	-	130,000	-	-
GOB - Series 2020	7,666,000	-	342,000	7,324,000	351,000
AHTRB - Series 2020	2,581,000	-	116,000	2,465,000	118,000
IPRRB - Series 2008	491,912	-	491,912	-	-
IPRRB - Series 2013	3,527,042	-	923,170	2,603,872	955,903
LP-2018B	495,109	-	96,041	399,068	97,497
LP-2019A	340,773	-	340,773	-	-
LP-2019B	1,116,309	-	172,464	943,845	177,693
LP-2020A	881,656	-	436,233	445,423	445,423
LP-2020B	341,858	-	56,614	285,244	58,318
LP-2021	1,473,911	-	484,990	988,922	491,277
LP-2022A	1,470,522	-	362,743	1,107,779	268,357
LP-2022B	1,063,013	-	111,300	951,713	230,550
LP-2023A	-	2,712,857	89,845	2,623,012	478,927
LP-2023B	-	1,641,000	15,745	1,625,255	144,951
Total Direct Borrowings/Placements	<u>21,579,105</u>	<u>4,353,857</u>	<u>4,169,830</u>	<u>21,763,133</u>	<u>3,817,896</u>
Compensated Absences	935,569	-	9,307	926,262	-
Total Governmental Activities	<u>\$33,879,674</u>	<u>\$ 4,353,857</u>	<u>\$ 4,554,137</u>	<u>\$33,679,395</u>	<u>\$ 4,202,896</u>

Resources from the General Fund have typically been used to liquidate the compensated absences liability. Resources from the Hospitality Taxes Fund have been used to liquidate the accommodations and hospitality tax revenue bonds. Resources from the Debt Service Fund have been used to liquidate the general obligation bonds and lease purchase obligations. Resources from The Greer Trust have been used to liquidate the installment purchase revenue bonds and the installment purchase revenue refunding bonds.

Interest paid on the debt issued by the City is generally exempt from federal income tax. The City sometimes temporarily reinvests the proceeds of such tax-exempt debt in higher-yielding taxable securities, especially during construction projects. The federal tax code refers to this practice as arbitrage. Excess earnings (the difference between the interest on the debt and the investment earnings received) resulting from arbitrage must be rebated to the federal government. The City does not believe it has an arbitrage liability at June 30, 2023.

Article Eight, Section Seven of the South Carolina Constitution of 1895, as amended, provides that no City or Town shall incur any bonded debt which shall exceed eight percent (8%) of the assessed value of the property therein and no such debt shall be created without the electors of such City or Town voting in favor of such further bonded debt. Prior to Home Rule Act of July 1, 1976, the bonded debt exemption was thirty five percent (35%). In 1976, the General Assembly reduced the general obligation debt limit without voter approval to eight percent (8%) of assessed valuation; whereas, with a referendum any amount can be floated. As of June 30, 2023, the City had approximately \$7,324,000 of outstanding general obligation bonds subject to the 8% limit of approximately \$15,400,000 resulting in an unused legal debt margin of approximately \$8,076,000.

City of Greer, South Carolina
Notes to the Financial Statements (continued)
For the Year Ended June 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

E. Long-Term Obligations (continued)

Presented below is a summary of debt service requirements to maturity as of June 30, 2023:

Years Ending June 30:	Publicly Traded Debt		Direct Borrowing/Placement Debt		Total
	Principal	Interest	Principal	Interest	
2024	\$ 385,000	\$ 400,454	\$ 3,817,895	\$ 484,313	\$ 5,087,662
2025	395,000	389,063	3,622,499	403,875	4,810,437
2026	410,000	376,798	2,604,816	331,376	3,722,990
2027	420,000	363,631	1,613,227	277,965	2,674,823
2028	435,000	349,640	1,549,303	239,222	2,573,165
2029-2033	2,420,000	1,502,869	4,022,392	846,627	8,791,888
2034-2038	2,940,000	982,525	3,157,000	413,104	7,492,629
2039-2043	3,585,000	339,138	1,376,000	51,850	5,351,988
Total	<u>\$ 10,990,000</u>	<u>\$ 4,704,118</u>	<u>\$ 21,763,132</u>	<u>\$ 3,048,332</u>	<u>\$ 40,505,582</u>

NOTE 4 – OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, and natural disasters. For all of these risks, the City is a member of the South Carolina Municipal Insurance Reserve Fund (“SCMIRF”), a public entity risk pool operating as a common risk management and insurance program for local governments for general risk. The City pays premiums to SCMIRF for this coverage. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage in the past three fiscal years.

The City has also joined together with other municipalities in the state to form the South Carolina Municipal Insurance Trust (“SCMIT”), a public entity risk pool operating as a common risk management and insurance program for workers’ compensation. The City pays premiums to SCMIT for this coverage. The Trust uses reinsurance agreements to reduce its exposure to large workers’ compensation losses. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage in the past three fiscal years.

The City accounts for its self-insured employee health benefits program in the Internal Service Fund. Funds are appropriated in the General Fund to cover claims, administrative costs, and other liabilities. The City has contracted with a third-party administrator to process and pay claims incurred under the program. Medical claims exceeding \$50,000 per individual are covered under a specific stop-loss policy through a private insurance company. An estimate for health benefit claims that were incurred on or before June 30, 2023 but were unreported at that time has been accrued in the Internal Service Fund. These estimates are based upon the City’s claims history, claims processed following the close of the year end, and other industry factors. Changes in the reported liabilities are as follows:

Year Ended	Beginning Balance	Claims & Changes in Estimates	Claims/ Payments	Ending Balance
June 30, 2023	\$ 586,273	4,927,740	4,951,353	\$ 562,660
June 30, 2022	\$ 547,085	5,757,613	5,718,425	\$ 586,273
June 30, 2021	\$ 473,658	5,399,609	5,326,182	\$ 547,085

City of Greer, South Carolina
Notes to the Financial Statements (continued)
For the Year Ended June 30, 2023

NOTE 4 – OTHER INFORMATION

B. Retirement Plans

The City participates in the State of South Carolina’s retirement plans, which are administered by the South Carolina Public Employee Benefit Authority (“PEBA”). The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012, is the state agency responsible for the administration and management of the various Retirement Systems and retirement programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state’s employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems’ five defined benefit pension plans. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the Systems and the assets of the retirement trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds’ assets. The Commission, an eight-member board, serves as co-trustee and cofiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with generally accepted accounting principles (GAAP). For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

The PEBA issues a Comprehensive Annual Financial Report (“CAFR”) containing financial statements and required supplementary information for the Systems’ Pension Trust Funds. The CAFR is publicly available through the Retirement Benefits’ link on the PEBA’s website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. The PEBA is considered a division of the primary government of the State of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

Plan Description

The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts, higher education institutions, other participating local subdivisions of government and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.

The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits to police officers and firefighters. PORS also covers peace officers, coroners, probate judges and magistrates.

City of Greer, South Carolina
Notes to the Financial Statements (continued)
For the Year Ended June 30, 2023

NOTE 4 – OTHER INFORMATION (continued)

B. Retirement Plans (continued)

Plan Membership

Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirements under each system is presented below.

- SCRS – Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.
- PORS – To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; be a coroner in a full-time permanent position; or be a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in the PORS. Magistrates are required to participate in the PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

Plan Benefits

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation/current annual salary. A brief summary of benefit terms for each system is presented below.

- SCRS – A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

City of Greer, South Carolina
Notes to the Financial Statements (continued)
For the Year Ended June 30, 2023

NOTE 4 – OTHER INFORMATION (continued)

B. Retirement Plans (continued)

- PORS – A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

Plan Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. Legislation in 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. However, the General Assembly postponed the one percent increase in the SCRS & PORS employer contribution rates that was scheduled to go into effect beginning July 1, 2020.

If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS and PORS is scheduled to be reduced over a ten year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

Additionally, the PEBA Board is prohibited from decreasing the SCRS and PORS contribution rates until the funded ratio is at least 85 percent. If the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than 85 percent, then the PEBA Board, effective on the following July first, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 85 percent. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than 85 percent, then effective on the following July first, and annually thereafter as necessary, the PEBA Board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 85 percent.

City of Greer, South Carolina
Notes to the Financial Statements (continued)
For the Year Ended June 30, 2023

NOTE 4 – OTHER INFORMATION (continued)

B. Retirement Plans (continued)

Required employee contributions rates for the following fiscal years are as follows:

SCRS	<u>Fiscal Year 2023</u>	<u>Fiscal Year 2022</u>
Employee Class Two	9.00%	9.00%
Employee Class Three	9.00%	9.00%
PORS		
Employee Class Two	9.75%	9.75%
Employee Class Three	9.75%	9.75%

Required employer contributions rates for the following fiscal years are as follows:

SCRS	<u>Fiscal Year 2023¹</u>	<u>Fiscal Year 2022</u>
Employee Class Two	17.41%	16.41%
Employee Class Three	17.41%	16.41%
Employer Incidental Death Benefit	0.15%	0.15%
PORS		
Employee Class Two	19.84%	18.84%
Employee Class Three	19.84%	18.84%
Employer Incidental Death Benefit	0.20%	0.20%
Employer Accidental Death Program	0.20%	0.20%

¹Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

Actuarial Assumptions and Methods

Actuarial valuations of the plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2019.

The June 30, 2021, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by our consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on an actuarial valuation performed as of July 1, 2021. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2022, using generally accepted actuarial principles. There was no legislation enacted during the 2022 legislative session that had a material change in the benefit provisions for any of the systems. In FY 2022, the Board adopted updated demographic assumptions. Also, the General Assembly permitted the investment return assumption at July 1, 2022 to decrease from 7.25% to 7.00%, as provided by Section 9-16-335 in South Carolina State Code.

City of Greer, South Carolina
Notes to the Financial Statements (continued)
For the Year Ended June 30, 2023

NOTE 4 – OTHER INFORMATION (continued)

B. Retirement Plans (continued)

The following table provides a summary of the actuarial assumptions and methods used to calculate TPL as of June 30, 2022:

	SCRS	PORS
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.00%	7.00%
Projected Salary Increases	3.0% to 11% (varies by service)	3.5% to 10.5% (varies by service)
Benefit Adjustments	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2020 Public Retirees of South Carolina mortality table ("2020 PRSC"), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

Assumptions used in the determination of the June 30, 2022, TPL are as follows:

Former Job Class	Males	Females
Educators	2020 PRSC Males multiplied by 95%	2020 PRSC Females multiplied by 94%
General employees and Members of the General Assembly	2020 PRSC Males multiplied by 97%	2020 PRSC Females multiplied by 107%
Public Safety and Firefighters	2020 PPRSC Males multiplied by 127%	2020 PRSC Females multiplied by 107%

Net Pension Liability

The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of the June 30, 2022 measurement date, for SCRS and PORS are as follows:

Plan	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$56,454,779,872	\$32,212,626,932	\$24,242,152,940	57.1%
PORS	\$8,937,686,946	\$5,938,707,767	\$2,998,979,179	66.4%

The TPL is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The NPL is disclosed in accordance with the requirements of GASB 67 in the Systems' notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GASB Nos. 67 and 68 are not applicable for other purposes, such as determining the plans' funding requirements.

City of Greer, South Carolina
Notes to the Financial Statements (continued)
For the Year Ended June 30, 2023

NOTE 4 – OTHER INFORMATION (continued)

B. Retirement Plans (continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments is based upon 30-year capital market assumptions. The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2022 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the following table. For actuarial purposes, the 7.00 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation.

Asset Class	Target Allocation	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
Public Equity	46.0%	6.79%	3.12%
Bonds	26.0%	-0.35%	-0.09%
Private Equity	9.0%	8.75%	0.79%
Private Debt	7.0%	6.00%	0.42%
Real Assets	12.0%		
Real Estate	9.0%	4.00%	0.37%
Infrastructure	3.0%	5.88%	0.18%
Total Expected Real Return	100.0%		4.79%
Inflation for Actuarial Purposes			2.25%
			7.04%

Discount Rate

The discount rate used to measure TPL was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

Sensitivity Rate

The following table presents the proportionate share of the NPL of the plans calculated using the discount rate of 7.00 percent, as well as what the City's NPL would be if it were calculated using a discount rate that is 1.00 percent lower (6.00 percent) or 1.00 percent higher (8.00 percent) than the current rate.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
System	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
SCRS	\$18,017,115	\$14,052,560	\$10,756,547
PORS	18,680,473	13,396,400	9,070,889

City of Greer, South Carolina
Notes to the Financial Statements (continued)
For the Year Ended June 30, 2023

NOTE 4 – OTHER INFORMATION (continued)

B. Retirement Plans (continued)

Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

At June 30, 2023, the City reported liabilities of \$14,052,560 and \$13,396,400 for its proportionate share of the NPL for the SCRS and PORS, respectively. The NPL was measured as of June 30, 2022, and the TPL used to calculate the NPL was determined by an actuarial valuation as of that date. The City's proportion of the NPL was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

For the year ended June 30, 2023, the City recognized pension expense of approximately \$1,805,800 and \$2,011,984 for the SCRS and PORS, respectively. This resulted in a total of approximately \$3,817,784 recognized pension expense.

At June 30, 2023, the City reported deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to pensions from the following sources:

	SCRS	PORS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$ 122,091	\$ 224,765	\$ 346,856
Changes of assumptions	450,699	557,847	1,008,546
Net difference between projected and actual earnings on plan investments	2,067,328	2,906,913	4,974,241
Changes in proportion and differences between contributions and proportionate share of contributions	1,020,479	1,499,741	2,520,220
Benefit payments and administrative costs paid subsequent to the measurement date	1,467,526	1,665,234	3,132,760
Total deferred outflows of resources	<u>5,128,123</u>	<u>6,854,500</u>	<u>11,982,623</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	-	264,824	264,824
Net difference between projected and actual earnings on plan investments	2,106,897	2,866,459	4,973,356
Changes in proportion and differences between contributions and proportionate share of contributions	-	1,809	1,809
Total deferred inflows of resources	<u>\$ 2,106,897</u>	<u>\$ 3,133,092</u>	<u>\$ 5,239,989</u>

City of Greer, South Carolina
Notes to the Financial Statements (continued)
For the Year Ended June 30, 2023

NOTE 4 – OTHER INFORMATION (continued)

B. Retirement Plans (continued)

Approximately \$1,467,526 and \$1,665,234 that were reported as deferred outflows of resources related to the City's contributions subsequent to the measurement date to the SCRS and PORS, respectively, will be recognized as a reduction of the NPL in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to the SCRS and PORS will increase (decrease) pension expense as follows:

Year Ended 31-Dec	SCRS	PORS	Total
2023	\$ 807,739	\$ 926,456	\$ 1,734,195
2024	600,232	814,042	1,414,274
2025	(220,806)	(205,039)	(425,845)
2026	366,482	520,716	887,198
Total	<u>\$ 1,553,647</u>	<u>\$ 2,056,175</u>	<u>\$ 3,609,822</u>

C. Other Postemployment Benefits

The City is a participant in the State of South Carolina Other Retirement Benefits Employer Trust for medical, dental, and prescription drug coverage, and eligible retirees are allowed to continue coverage in accordance with the City of Greer Other Postemployment Benefits Substantive Plan, a single-employer defined benefit plan. It is the City's policy to periodically review its medical and dental coverage in order to provide the most favorable yet affordable benefits and premiums for City employees and retirees.

In 2015, the GASB issued Statement No. 75 "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*" ("GASB #75"). GASB #75 establishes standards for the measurement, recognition and display of Other Postemployment Benefits ("OPEB") expenditures and related liabilities, note disclosures, and, if applicable, required supplementary information in the financial reports of state and local governmental employers. The City adopted GASB #75 in the year ended June 30, 2018 and its implementation had no significant impact to the City since the City currently does not provide any significant OPEB benefits (i.e. retiree health benefits) to its retirees, and, thus, no amounts were recorded for the year ended June 30, 2023.

D. Conduit Debt

The Greer Commission of Public Works ("GCPW"), a separate legal entity from the City of Greer, regularly issues debt under the authority of the City of Greer. These debts are secured by the pledge of utility revenues of Greer Commission of Public Works. As of December 30, 2023, the Greer Commission of Public Works had outstanding Combined Utility System Revenue Bonds totaling \$28,720,000 and other debt (primarily through the State Revolving Loan program) of \$13,260,000. Under state law, as long as GCPW is in existence, the City is not obligated for repayment of the bonds. However, upon dissolution, the assets and liabilities of GCPW would be assumed by the City. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

E. Contingent Liabilities and Commitments

Litigation

The City is periodically the subject of litigation by a variety of plaintiffs. Although the outcome of these claims is not presently determinable, it is the opinion of the City's management and attorney that resolution of these matters, either individually or in the aggregate, will not have a material adverse effect on the financial condition of the City.

City of Greer, South Carolina
Notes to the Financial Statements (continued)
For the Year Ended June 30, 2023

NOTE 4 – OTHER INFORMATION (continued)

E. Contingent Liabilities and Commitments (continued)

Grants

The City receives financial assistance from various federal, state, and local governmental agencies in the form of grants. Disbursements of funds received under these programs generally require compliance with the terms and conditions specified in the grant agreements. The disbursements are also subject to audit by the grantor agencies.

Any disallowed claims resulting from such audits could become a liability of the City. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements included herein or on the overall financial position of the City at June 30, 2023.

Sanitation Services Contract

The City has a five-year contract with Meridian Waste SC, LLC (Meridian) related to city-wide garbage and sanitation services. In June 2022, the City renewed this contract with Meridian, the successor to the prior contract with ACE Environmental, for the five years beginning July 1, 2022 and ending June 30, 2027. The contract rate was reset and includes an annual rate increase equivalent to the US Consumer Price Index for All Urban Customers (CPI-U), South Region – Services less energy services, as published by the U.S. Bureau of Labor Statistics, not to exceed five percent (5%) per year. The annual cost of these services to the City is approximately \$2.08 million.

Development and Construction Agreements

In April 2005, the City entered into a development agreement with Axon Properties I, LLC, Axon Properties II, LLC, Source 29, LLC, and Suber Development, LLC for the redevelopment of approximately 19.2 acres fronting on or located near Wade Hampton Boulevard related to the design, development, and construction of retail shopping and other facilities. The development agreement calls for the City to reimburse the property owners a total of \$300,000 in various amounts at various times, contingent upon the completion of certain construction benchmarks. As of June 30, 2023, the City has paid \$135,000 related to this agreement.

In October 2017, the City entered into a development agreement with Sycamore Greer, LLC for the redevelopment of approximately 2.6 acres in the downtown area related to the acquisition of property, and the design, development, and construction to create a privately-owned 100-room hotel, privately-owned commercial and retail facilities, a publicly-owned pedestrian walkway and a publicly-owned parking facility. The development agreement calls for the City to reimburse Sycamore Greer, LLC for infrastructure costs up to \$1.8 million, payable at various times and in various amounts, contingent upon the completion of certain acquisition and construction benchmarks. Under this agreement, the City will also construct, replace, and install infrastructure in the downtown area. As of June 30, 2023, the City has paid \$1,300,000 to Sycamore Greer, LLC related to this agreement.

In October 2018, the City entered into a project agreement with Tribe513 Properties E Poinsett, LLC and Greer Poinsett Properties, LLC related to streetscape improvements. This agreement authorizes reimbursement from the City to the two property companies of up to \$250,000 for infrastructure and related expenditures and provides for some property swaps and easements for public access. As of June 30, 2023, the City has paid \$100,000 to Tribe513 Properties related to this agreement.

City of Greer, South Carolina
Notes to the Financial Statements (continued)
For the Year Ended June 30, 2023

NOTE 4 – OTHER INFORMATION (continued)

E. Contingent Liabilities and Commitments (continued)

Economic Development Agreements

In April 2019, the City entered into an economic development agreement with W/C GSP JV VIII, LLC (“Developer”). To promote economic development, the City will reimburse the Developer for a portion of the cost of infrastructure for the Developer’s project of constructing one or more distribution/manufacturing facilities in the City (“Project”). This Project will result in an expected investment of \$27,600,000 in new taxable investment in the City on or before December 31, 2020. The reimbursement amount will be the difference between the payments in lieu of taxes received by the City from Spartanburg County for the Project and the amount determined by multiplying the assessed value of the project times a 6% assessment ratio times 48 mills. These reimbursement payments will begin January 1st of the first year after the year in which the Project is first placed into service and running for 29 years thereafter for a total of 30 years. Under the terms of the contract, the Developer is required to provide certification of the amount of the investment and an invoice to the City requesting payment. As of June 30, 2023 the City has not received any invoices, and as such has not paid any reimbursements to the Developer related to this agreement.

In July 2019, the City entered into an economic development agreement with Greer South Carolina Becknell Investors, LLC (“GSCBI”). To promote economic development, the City will reimburse GSCBI for a portion of the cost of infrastructure for GSCBI’s project of constructing one or more distribution/manufacturing facilities in the City (“GSCBI Project”). This GSCBI Project will result in an expected investment of \$50,000,000 in new taxable investment in the City on or before December 31, 2026. The reimbursement amount will be 30% of the payments in lieu of taxes received by the City from Spartanburg County for the GSCBI Project. These reimbursement payments will begin January 1st of the first year after the year in which the GSCBI Project is first placed into service and running for 9 years thereafter for a total of 10 years. Under the terms of the contract, the Developer is required to provide certification of the amount of the investment and an invoice to the City requesting payment. As of June 30, 2023, the City has not received any invoices, and as such has not paid any reimbursements to GSCBI related to this agreement.

F. Deficit Net Position in Internal Service Fund

The Proprietary Fund – Internal Service Fund had a deficit net position of approximately \$618,600 at June 30, 2023.

G. Deficit Fund Balance in Sanitation Services Fund

The Special Revenue Fund – Sanitation Services Fund had a deficit fund balance of approximately \$280,000 at June 30, 2023.

H. Deficit Fund Balance in Greer Municipal Golf Course Fund

The Special Revenue Fund – Greer Municipal Golf Course Fund had a deficit fund balance of approximately \$468,000 at June 30, 2023.

City of Greer, South Carolina
Notes to the Financial Statements (continued)
For the Year Ended June 30, 2023

NOTE 4 – OTHER INFORMATION (continued)

I. Tax Abatements

The City's Tax Abatements

The City does not have any of its own tax abatement agreements.

Greenville County Tax Abatements

The City's property tax revenues were reduced by approximately \$262,000 under agreements entered into by Greenville County.

Spartanburg County Tax Abatements

The City's property tax revenues were reduced by approximately \$812,000 under agreements entered into by Spartanburg County.

J. Related Party Transaction

In March, 2023, the City Purchased certain real property for future redevelopment that was owned by a Limited Liability Company whose only members are one of the City's councilpersons and one of its employees in the amount of \$553,933. The Council member rescued himself from the discussion and vote held on February 2, 2023, approving the purchase. The acquisition occurred at arm's-length as a regular retail real estate transaction.

K. Subsequent Events

In July, 2023, the City authorized the sale of certain real property owned by the City in the amount of \$1,900,000 contingent upon a mutually agreeable development agreement being reached between the purchaser and the City. The property is currently under its due diligence time period prior to closing.

In July, 2023, the City awarded a contract for the construction of a new fire station in the amount of \$7,946,654, with funding being provided by the City's American Rescue Plan Fund.

In July, 2023, the City entered into a lease purchase agreement with PNC Equipment Finance in the amount of \$77,220 at an interest rate of 8.15% for the purchase of various golf course equipment. Thirty six (36) payments of \$2,409, including interest will be made monthly beginning July, 2024, and ending June, 2026.

In August, 2023, the City entered into a lease purchase agreement with Bank of Travelers Rest in the amount of \$5,177,696 at an interest rate of 4.15% for the purchase of various vehicles and equipment. Seventeen (17) payments of \$340,266, including interest, will be made quarterly beginning May, 2024, and ending May, 2028.

In November, 2023, the City awarded a contract for the renovation of one of the City's facilities in the amount of \$1,790,194, with funding being provided by the City's American Rescue Plan Fund and General Fund.

Subsequent events have been evaluated through the date of the auditor's report, which is the date the financial statements were available to be issued.

Required Supplementary Information

City of Greer, South Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
General Fund – Budget and Actual
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Property taxes:				
Greenville County	\$	\$	\$ 13,388,682	\$
Spartanburg County			7,144,085	
Total	<u>19,284,066</u>	<u>19,284,066</u>	<u>20,532,767</u>	<u>1,248,701</u>
Franchises and licenses:				
CPW fee			1,000,000	
Business licenses			11,566,113	
Utility franchise tax			429,099	
Total	<u>10,379,842</u>	<u>10,379,842</u>	<u>12,995,212</u>	<u>2,615,370</u>
Miscellaneous:				
Interest			618,781	
Other			38,775	
Total	<u>45,500</u>	<u>45,500</u>	<u>657,556</u>	<u>612,056</u>
Permits and fees:				
Building permits			1,531,716	
Inspections			425,278	
Street evacuation permits			23,364	
Engineering			101,440	
Zoning			106,034	
Technology			52,243	
Total	<u>2,751,000</u>	<u>2,751,000</u>	<u>2,240,075</u>	<u>(510,925)</u>
Intergovernmental revenues:				
State aid			1,158,198	
Inventory tax			290,980	
Homestead rebate			443,564	
Accommodations tax			36,098	
Taxequivalents			32,964	
Total	<u>1,879,092</u>	<u>1,879,092</u>	<u>1,961,804</u>	<u>82,712</u>
Fire fees:				
East Greer			451,943	
Hood Road			138,611	
Mitsubishi Polyester			70,000	
Total	<u>696,000</u>	<u>696,000</u>	<u>660,554</u>	<u>(35,446)</u>
Fines and forfeitures:				
Police			228,019	
Miscellaneous			21,579	
Total	<u>\$ 273,400</u>	<u>\$ 273,400</u>	<u>\$ 249,598</u>	<u>\$ (23,802)</u>

City of Greer, South Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
General Fund – Budget and Actual (continued)
For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative)</u>
Grants:				
SCMIT Turn Out Gear Grant	\$	\$	\$ 3,164	\$
Bulletproof Vests			11,807	
School District Resource Officer			303,559	
Law Enforcement Grant			127,956	
Other Grants			111,209	
Total	<u>759,740</u>	<u>872,740</u>	<u>557,695</u>	<u>(315,045)</u>
Total revenues	<u>36,068,640</u>	<u>36,181,640</u>	<u>39,855,261</u>	<u>3,673,621</u>
Expenditures:				
General government:				
Mayor and council				
Salaries and benefits			198,989	
Other operating expenditures			35,952	
Total	<u>243,479</u>	<u>255,367</u>	<u>234,941</u>	<u>20,426</u>
Administration and finance:				
Salaries and employee benefits			2,625,828	
Other operating expenditures			266,078	
Capital outlay			83,827	
Total	<u>2,856,426</u>	<u>2,989,170</u>	<u>2,975,733</u>	<u>13,437</u>
Municipal Court:				
Salaries and benefits			807,894	
Other operating expenditures			45,441	
Total	<u>896,569</u>	<u>883,353</u>	<u>853,335</u>	<u>30,018</u>
Information Technology:				
Salaries and employee benefits			582,695	
Other operating expenditures			779,886	
Capital outlay			122,438	
Total	<u>1,411,305</u>	<u>1,514,921</u>	<u>1,485,019</u>	<u>29,902</u>
Operations:				
Other operating expenditures			2,658,695	
Capital outlay			1,995,629	
Total	<u>2,345,767</u>	<u>4,683,824</u>	<u>4,654,324</u>	<u>29,500</u>
Engineering:				
Salaries and employee benefits			616,866	
Other operating expenditures			122,765	
Capital outlay			53,604	
Total	<u>1,017,530</u>	<u>852,318</u>	<u>793,235</u>	<u>59,083</u>
Total general government	<u>\$ 8,771,076</u>	<u>\$ 11,178,953</u>	<u>\$ 10,996,587</u>	<u>\$ 182,366</u>

City of Greer, South Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
General Fund – Budget and Actual (continued)
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Public safety:				
Police department:				
Salaries and employee benefits	\$	\$	\$ 8,744,139	\$
Other operating expenditures			1,226,114	
Capital outlay			6,901	
Total	<u>10,266,728</u>	<u>10,044,384</u>	<u>9,977,154</u>	<u>67,230</u>
Fire:				
Salaries and employee benefits			5,916,848	
Other operating expenditures			927,656	
Capital outlay			122,718	
Total	<u>5,853,049</u>	<u>7,009,780</u>	<u>6,967,222</u>	<u>42,558</u>
Total public safety	<u>16,119,777</u>	<u>17,054,164</u>	<u>16,944,376</u>	<u>109,788</u>
Facilities maintenance & project management:				
Salaries and employee benefits			587,539	
Other operating expenditures			402,828	
Capital outlay			120,268	
Total	<u>1,147,019</u>	<u>1,150,392</u>	<u>1,110,635</u>	<u>39,757</u>
Public services:				
Salaries and employee benefits			2,444,169	
Other operating expenditures			900,937	
Total	<u>3,893,431</u>	<u>3,427,615</u>	<u>3,345,106</u>	<u>82,509</u>
Total public services	<u>5,040,450</u>	<u>4,578,007</u>	<u>4,455,741</u>	<u>122,266</u>
Recreation:				
Salaries and employee benefits			1,548,158	
Other operating expenditures			511,429	
Capital outlay			140,551	
Total recreation	<u>\$ 2,373,026</u>	<u>\$ 2,266,510</u>	<u>\$ 2,200,138</u>	<u>\$ 66,372</u>

City of Greer, South Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
General Fund – Budget and Actual (continued)
For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Community development:				
Building and development standards:				
Salaries and employee benefits	\$	\$	\$ 1,569,714	\$
Other operating expenditures			223,657	
Capital outlay			20,079	
Total community development	<u>2,044,834</u>	<u>1,879,916</u>	<u>1,813,450</u>	<u>66,466</u>
 Total expenditures	<u>34,349,163</u>	<u>36,957,550</u>	<u>36,410,292</u>	<u>547,258</u>
 Revenues over (under) expenditures	<u>1,719,477</u>	<u>(775,910)</u>	<u>3,444,969</u>	<u>4,220,879</u>
 Other financing sources (uses):				
Transfers:				
From Recreation Fund	27,210	27,210	27,210	-
From Hospitality Fund	1,578,508	1,578,508	1,578,508	-
From Storm Water Fund	503,630	503,630	503,630	-
To Debt Service	(2,070,035)	(2,256,055)	(2,256,050)	5
To Greer Trust	(1,524,255)	(1,524,255)	(1,523,881)	374
To Recreation Fund	(77,000)	(77,000)	(77,000)	-
To Victim Advocate Fund	-	(146,000)	(145,921)	79
To IPRB Fund	-	(35,000)	(34,589)	411
To ARPA Fund	-	(803,340)	(803,331)	9
Anticipated lease purchase	(232,535)	(515)	-	515
Sale of capital assets	75,000	75,000	44,389	(30,611)
Total other financing sources (uses)	<u>(1,719,477)</u>	<u>(2,657,817)</u>	<u>(2,687,035)</u>	<u>(29,218)</u>
 Fund balance appropriated	<u>-</u>	<u>3,433,727</u>	<u>-</u>	<u>(3,433,727)</u>
 Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>757,934</u>	<u>\$ 757,934</u>
 Fund balances, beginning			<u>21,952,106</u>	
Fund balances, ending			<u>\$ 22,710,040</u>	

Note: The budgetary comparison schedule has been presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America. The actual amounts for the General Fund include the Contingency Fund, which is a subfund of the General Fund, which had revenues and expenses of approximately \$650 and \$28,000, respectively.

Note: The City's original and final budget for the General Fund reflected an expected use of fund balance of \$0 and \$2,897,339, respectively, before factoring in budgeted transfers to the Contingency Fund of approximately \$207,000.

Note: Council approved the transfers out in excess of original budget but chose not to amend the budget.

City of Greer, South Carolina
Schedule of Proportionate Share of Net Pension Liability
South Carolina Retirement System and Police Officer Retirement System
Required Supplementary Information
Last Ten Fiscal Years

	Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
SCRS										
City's proportion of the net pension liability (%)	0.057967%	0.056110%	0.050689%	0.049738%	0.474100%	0.044748%	0.044569%	0.040158%	0.039750%	0.039750%
City's proportionate of the net pension liability (\$)	\$ 14,052,560	\$ 12,035,018	\$ 12,952,043	\$ 11,357,332	\$ 10,623,167	\$ 10,073,494	\$ 9,519,873	\$ 7,616,158	\$ 6,843,632	\$ 7,129,553
City's covered payroll	\$ 8,429,214	\$ 6,902,565	\$ 6,286,692	\$ 5,252,236	\$ 4,913,038	\$ 4,514,966	\$ 4,296,615	\$ 3,765,293	\$ 3,608,648	\$ 3,436,636
City's proportionate share of the net pension liability as a percentage of its covered payroll	166.71%	174.36%	206.02%	216.24%	216.22%	223.11%	221.57%	202.27%	189.65%	207.46%
Plan fiduciary net position as a percentage of the total pension liability	70.40%	50.70%	54.40%	54.10%	53.34%	52.91%	56.99%	59.92%	56.39%	56.39%
PORS										
City's proportion of the net pension liability (%)	0.446699%	0.412537%	0.361645%	0.361880%	0.348810%	0.337600%	0.353920%	0.317740%	0.311220%	0.112200%
City's proportionate of the net pension liability (\$)	\$ 13,396,400	\$ 10,614,233	\$ 11,992,908	\$ 10,371,157	\$ 9,883,625	\$ 9,248,894	\$ 8,977,006	\$ 6,925,175	\$ 5,958,100	\$ 6,451,526
City's covered payroll	\$ 8,393,316	\$ 7,004,094	\$ 6,202,946	\$ 5,248,867	\$ 4,828,028	\$ 4,546,439	\$ 4,505,482	\$ 3,936,380	\$ 3,743,194	\$ 3,663,958
City's proportionate share of the net pension liability as a percentage of its covered payroll	159.61%	151.54%	193.34%	197.59%	204.71%	203.43%	199.25%	175.93%	159.17%	176.08%
Plan fiduciary net position as a percentage of the total pension liability	60.70%	58.80%	62.69%	61.73%	60.94%	60.44%	64.57%	67.55%	62.98%	62.98%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th of the measurement date of the pension liability.

The City implemented GASB Nos. 67/71 during the year ended June 30, 2015. Information before 2014 is not available.

lowered to 7.00% beginning with the year ended June 30, 2021 measurement date.

City of Greer, South Carolina
Schedule of Pension Plan Contributions
South Carolina Retirement System and Police Officer Retirement System
Required Supplementary Information
Last Ten Fiscal Years

	Year Ended June 30,									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,467,526	\$ 1,143,065	\$ 978,209	\$ 878,924	\$ 764,726	\$ 666,208	\$ 521,930	\$ 475,417	\$ 410,417	\$ 382,517
Contributions in relation to the contractually required contribution	<u>(1,467,526)</u>	<u>(1,143,065)</u>	<u>(978,209)</u>	<u>(878,924)</u>	<u>(764,726)</u>	<u>(666,208)</u>	<u>(521,930)</u>	<u>(475,417)</u>	<u>(410,417)</u>	<u>(382,517)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 8,429,214	\$ 6,902,565	\$ 6,286,692	\$ 5,648,609	\$ 5,252,236	\$ 4,913,038	\$ 4,514,966	\$ 4,296,615	\$ 3,765,293	\$ 3,608,648
Contributions as a percentage of covered payroll	17.41%	16.56%	15.56%	15.56%	14.56%	13.56%	11.56%	11.06%	10.90%	10.60%

	Year Ended June 30,									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,665,234	\$ 1,347,558	\$ 1,131,417	\$ 996,484	\$ 904,905	\$ 784,072	\$ 647,413	\$ 619,053	\$ 527,869	\$ 480,626
Contributions in relation to the contractually required contribution	<u>(1,665,234)</u>	<u>(1,347,558)</u>	<u>(1,131,417)</u>	<u>(996,484)</u>	<u>(904,905)</u>	<u>(784,072)</u>	<u>(647,413)</u>	<u>(619,053)</u>	<u>(527,869)</u>	<u>(480,626)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 8,393,316	\$ 7,004,094	\$ 6,202,946	\$ 5,463,178	\$ 5,248,867	\$ 4,828,028	\$ 4,546,439	\$ 4,505,482	\$ 3,936,380	\$ 3,743,194
Contributions as a percentage of covered payroll	19.84%	19.24%	18.24%	18.24%	17.24%	16.24%	14.24%	13.74%	13.41%	12.84%

Notes to Schedule:

The City implemented GASB Nos. 67/71 during the year ended June 30, 2015. Information before 2014 is not available.

Supplementary Information

City of Greer, South Carolina
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2023

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
Assets:				
Restricted cash and cash equivalents	\$ 2,492,268	\$ 2,655,023	\$ -	\$ 5,147,291
Accounts receivable	35,704	-	-	35,704
Inventory	23,785	-	-	23,785
Interfund receivables	211,984	-	-	211,984
Prepays	-	1,370,100	-	1,370,100
Total assets	<u>\$ 2,763,741</u>	<u>\$ 4,025,123</u>	<u>\$ -</u>	<u>\$ 6,788,864</u>
Liabilities:				
Accounts payable	\$ 9,545	\$ -	\$ -	\$ 9,545
Deposits	48,040	-	-	48,040
Interfund payables	919,508	27,792	-	947,300
Unearned revenue	10,091	-	-	10,091
Total liabilities	<u>987,184</u>	<u>27,792</u>	<u>-</u>	<u>1,014,976</u>
Fund balances:				
Non-spendable:				
Prepays	-	1,370,100	-	1,370,100
Restricted:				
Public safety	980,098	-	-	980,098
Public use	1,264,334	-	-	1,264,334
Capital improvements (unspent bond proceeds)	-	347,929	-	347,929
Capital improvements	-	535,237	-	535,237
Unassigned	(467,875)	1,744,065	-	1,276,190
Total fund balances	<u>1,776,557</u>	<u>3,997,331</u>	<u>-</u>	<u>5,773,888</u>
Total liabilities and fund balances	<u>\$ 2,763,741</u>	<u>\$ 4,025,123</u>	<u>\$ -</u>	<u>\$ 6,788,864</u>

City of Greer, South Carolina
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Fiscal Year Ended June 30, 2023

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
Revenues:				
Taxes and fees	\$ 2,545,398	\$ -	\$ 669,916	\$ 3,215,314
Rent	326,469	-	-	326,469
Golf course revenue	987,896	-	-	987,896
Fines and forfeitures	38,041	-	-	38,041
Other income	718,307	-	-	718,307
Interest	89,512	31,190	-	120,702
Total revenues	4,705,623	31,190	669,916	5,406,729
Expenditures:				
Current:				
General government	180,338	96,641	-	276,979
Public safety	381,632	262,580	-	644,212
Public service	2,099,931	143,757	-	2,243,688
Recreation	1,547,029	205,132.00	-	1,752,161
Capital outlay	204,838	2,242,171	-	2,447,009
Debt service:				
Principal	1,415,082	-	2,754,747	4,169,829
Interest and other charges	169,565	-	455,163	624,728
Total expenditures	5,998,415	2,950,281	3,209,910	12,158,606
Revenues over (under) expenditures	(1,292,792)	(2,919,091)	(2,539,994)	(6,751,877)
Other financing sources (uses):				
Transfer from other funds	1,754,592	-	2,539,994	4,294,586
Transfer to other funds	(66,000)	-	-	(66,000)
Issuance of lease purchases	-	4,353,857	-	4,353,857
Total other sources (uses)	1,688,592	4,353,857	2,539,994	8,582,443
Net change in fund balance	395,800	1,434,766	-	1,830,566
Fund balance, beginning	1,380,757	2,562,565	-	3,943,322
Fund balance, ending	\$ 1,776,557	\$ 3,997,331	\$ -	\$ 5,773,888

City of Greer, South Carolina
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2023

	Police Federal Drug Fund	Police State Drug Fund	State Accommodations Tax Fund	Greer Trust Fund	Sanitation Services Fund	Facilities Rentals Fund	Mountain View Cemetery Fund	GCCADA Fund	Fireman's Fund
Assets:									
Cash and cash equivalents	\$ 765,086	\$ 55,747	\$ 1,802	\$ 734	\$ 41,179	\$ 489,912	\$ 399,145	\$ 15,405	\$ 62,182
Accounts receivable	-	4,302	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-
Interfund receivables	-	-	211,984	-	-	-	-	-	-
Total assets	<u>\$ 765,086</u>	<u>\$ 60,049</u>	<u>\$ 213,786</u>	<u>\$ 734</u>	<u>\$ 41,179</u>	<u>\$ 489,912</u>	<u>\$ 399,145</u>	<u>\$ 15,405</u>	<u>\$ 62,182</u>
Liabilities:									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deposits	-	-	-	-	-	48,040	-	-	-
Interfund payables	-	-	-	-	320,665	15,418	-	-	122
Unearned revenue	-	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>320,665</u>	<u>63,458</u>	<u>-</u>	<u>-</u>	<u>122</u>
Fund balances:									
Restricted:									
Public safety	765,086	60,049	-	-	-	-	-	-	62,060
Public use	-	-	213,786	734	(279,486)	426,454	399,145	15,405	-
Unassigned	-	-	-	-	-	-	-	-	-
Total fund balances	<u>765,086</u>	<u>60,049</u>	<u>213,786</u>	<u>734</u>	<u>(279,486)</u>	<u>426,454</u>	<u>399,145</u>	<u>15,405</u>	<u>62,060</u>
Total liabilities and fund balances	<u>\$ 765,086</u>	<u>\$ 60,049</u>	<u>\$ 213,786</u>	<u>\$ 734</u>	<u>\$ 41,179</u>	<u>\$ 489,912</u>	<u>\$ 399,145</u>	<u>\$ 15,405</u>	<u>\$ 62,182</u>

City of Greer, South Carolina
Combining Balance Sheet (continued)
Non-Major Special Revenue Funds
June 30, 2023

	Fire Department Consolidated Fund	Fire Explorers Post 103 Fund	Police Club Fund	Cops For Tots Fund	Recreation Programs Fund	Upstate SC Law Enforcement Memorial Fund	Greer Golf Fund	Victims' Advocate Fund	Total Special Revenue Funds
Assets:									
Cash and cash equivalents	\$ 1,958	\$ 2,220	\$ 5,588	\$ 32,865	\$ 514,067	\$ 50,722	\$ 53,656	\$ -	\$ 2,492,268
Accounts receivable	-	-	-	-	11,000	-	20,402	-	35,704
Inventory	-	-	-	-	-	-	23,785	-	23,785
Interfund receivables	-	-	-	-	-	-	-	-	211,984
Total assets	<u>\$ 1,958</u>	<u>\$ 2,220</u>	<u>\$ 5,588</u>	<u>\$ 32,865</u>	<u>\$ 525,067</u>	<u>\$ 50,722</u>	<u>\$ 97,843</u>	<u>\$ -</u>	<u>\$ 2,763,741</u>
Liabilities:									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,545	\$ -	\$ 9,545
Deposits	-	-	-	-	-	-	-	-	48,040
Interfund payables	450	-	-	-	36,771	-	546,082	-	919,508
Unearned revenue	-	-	-	-	-	-	10,091	-	10,091
Total liabilities	<u>450</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,771</u>	<u>-</u>	<u>565,718</u>	<u>-</u>	<u>987,184</u>
Fund balances:									
Restricted:									
Public safety	1,508	2,220	5,588	32,865	-	50,722	-	-	980,098
Public use	-	-	-	-	488,296	-	-	-	1,264,334
Unassigned	-	-	-	-	-	-	(467,875)	-	(467,875)
Total fund balances	<u>1,508</u>	<u>2,220</u>	<u>5,588</u>	<u>32,865</u>	<u>488,296</u>	<u>50,722</u>	<u>(467,875)</u>	<u>-</u>	<u>1,776,557</u>
Total liabilities and fund balances	<u>\$ 1,958</u>	<u>\$ 2,220</u>	<u>\$ 5,588</u>	<u>\$ 32,865</u>	<u>\$ 525,067</u>	<u>\$ 50,722</u>	<u>\$ 97,843</u>	<u>\$ -</u>	<u>\$ 2,763,741</u>

City of Greer, South Carolina
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
Non-Major Special Revenue Funds
June 30, 2023

	Police Federal Drug Fund	Police State Drug Fund	State Accommodations Tax Fund	Greer Trust Fund	Sanitation Services Fund	Facilities Rentals Fund	Mountain View Cemetery Fund	GCCADA Fund	Fireman's Fund
Revenues:									
Taxes and fees	\$ -	\$ -	\$ 218,358	\$ -	\$ 2,327,040	\$ -	\$ -	\$ -	\$ -
Rent	-	-	-	-	-	326,469	-	-	-
Golf course revenues	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Other income	21,523	15,199	-	-	-	-	25,125	-	186,595
Interest	28,926	920	1,789	558	3,407	16,834	14,628	275	3,748
Total revenues	50,449	16,119	220,147	558	2,330,447	343,303	39,753	275	190,343
Expenditures:									
Current:									
General government	-	-	180,338	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	197,670
Public service	-	-	-	-	2,096,057	-	3,874	-	-
Recreation	-	-	-	-	-	169,440	-	-	-
Capital outlay	-	-	-	-	-	204,838	-	-	-
Debt service:									
Principal	-	-	-	1,415,082	-	-	-	-	-
Interest and other charges	-	-	-	108,799	-	-	-	-	-
Total expenditures	-	-	180,338	1,523,881	2,096,057	374,278	3,874	-	197,670
Revenues over (under) expenditures	50,449	16,119	39,809	(1,523,323)	234,390	(30,975)	35,879	275	(7,327)
Other financing sources (uses):									
Transfers from other funds	-	-	-	1,523,881	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-	-	-	-
Total other sources (uses)	-	-	-	1,523,881	-	-	-	-	-
Net change in fund balance	50,449	16,119	39,809	558	234,390	(30,975)	35,879	275	(7,327)
Fund balance, beginning	714,637	43,930	173,977	176	(513,876)	457,429	363,266	15,130	69,387
Fund balance, ending	\$ 765,086	\$ 60,049	\$ 213,786	\$ 734	\$ (279,486)	\$ 426,454	\$ 399,145	\$ 15,405	\$ 62,060

City of Greer, South Carolina
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances (continued)
Non-Major Special Revenue Funds
June 30, 2023

	Fire Department Consolidated Fund	Fire Explorers Post 103 Fund	Police Club Fund	Cops For Tots Fund	Recreation Programs Fund	Upstate SC Law Enforcement Memorial Fund	Greer Golf Fund	Victims' Advocate Fund	Total Special Revenue Funds
Revenues:									
Taxes and fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,545,398
Rent	-	-	-	-	-	-	-	-	326,469
Golf course revenue	-	-	-	-	-	-	987,896	-	987,896
Fines and forfeitures	-	-	-	-	-	-	-	38,041	38,041
Other Income	1,405	140	5,620	44,694	408,732	9,274	-	-	718,307
Interest	60	38	116	735	17,301	165	12	-	89,512
Total revenues	<u>1,465</u>	<u>178</u>	<u>5,736</u>	<u>45,429</u>	<u>426,033</u>	<u>9,439</u>	<u>987,908</u>	<u>38,041</u>	<u>4,705,623</u>
Expenditures:									
Current:									
General government	-	-	-	-	-	-	-	-	180,338
Public safety	-	-	-	-	-	-	-	183,962	381,632
Public service	-	-	-	-	-	-	-	-	2,099,931
Recreation	-	-	-	-	471,548	-	906,041	-	1,547,029
Capital outlay	-	-	-	-	-	-	-	-	204,838
Debt service:									-
Principal	-	-	-	-	-	-	-	-	1,415,082
Interest and other charges	5,174	-	4,575	48,492	-	2,525	-	-	169,565
Total expenditures	<u>5,174</u>	<u>-</u>	<u>4,575</u>	<u>48,492</u>	<u>471,548</u>	<u>2,525</u>	<u>906,041</u>	<u>183,962</u>	<u>5,998,415</u>
Revenues over (under) expenditures	<u>(3,709)</u>	<u>178</u>	<u>1,161</u>	<u>(3,063)</u>	<u>(45,515)</u>	<u>6,914</u>	<u>81,867</u>	<u>(145,921)</u>	<u>(1,292,792)</u>
Other financing sources (uses):									
Transfers from other funds	-	-	-	-	84,790	-	-	145,921	1,754,592
Transfers to other funds	-	-	-	-	-	-	(66,000)	-	(66,000)
Total other sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>84,790</u>	<u>-</u>	<u>(66,000)</u>	<u>145,921</u>	<u>1,688,592</u>
Net change in fund balance	<u>(3,709)</u>	<u>178</u>	<u>1,161</u>	<u>(3,063)</u>	<u>39,275</u>	<u>6,914</u>	<u>15,867</u>	<u>-</u>	<u>395,800</u>
Fund balance, beginning	<u>5,217</u>	<u>2,042</u>	<u>4,427</u>	<u>35,928</u>	<u>449,021</u>	<u>43,808</u>	<u>(483,742)</u>	<u>-</u>	<u>1,380,757</u>
Fund balance, ending	<u>\$ 1,508</u>	<u>\$ 2,220</u>	<u>\$ 5,588</u>	<u>\$ 32,865</u>	<u>\$ 488,296</u>	<u>\$ 50,722</u>	<u>\$ (467,875)</u>	<u>\$ -</u>	<u>\$ 1,776,557</u>

City of Greer, South Carolina
Combining Balance Sheet
Non-Major Capital Projects Funds
June 30, 2023

	Capital Equipment Fund	Highway 101 Corridor Maintenance Fund	Revenue Bond 2020 Fund	Total Capital Projects Funds
Assets:				
Restricted cash and cash equivalents	\$ 1,752,718	\$ 535,237	\$ 367,068	\$ 2,655,023
Prepays	1,370,100	-	-	1,370,100
Total assets	\$ 3,122,818	\$ 535,237	\$ 367,068	\$ 4,025,123
Liabilities:				
Interfund payables	\$ 8,653	\$ -	\$ 19,139	\$ 27,792
Total liabilities	\$ 8,653	\$ -	\$ 19,139	\$ 27,792
Fund balances:				
Non-spendable:				
Prepays	1,370,100	-	-	1,370,100
Restricted:				
Capital improvements (unspent bond proceeds)	-	-	347,929	347,929
Capital improvements	-	535,237	-	535,237
Unassigned	1,744,065	-	-	1,744,065
Total fund balances	3,114,165	535,237	347,929	3,997,331
Total liabilities and fund balances	\$ 3,122,818	\$ 535,237	\$ 367,068	\$ 4,025,123

City of Greer, South Carolina
Combining Schedule of Revenues, Expenditures, and
Changes in Fund Balances
Non-Major Capital Projects Funds
June 30, 2023

	Capital Equipment Fund	Highway 101 Corridor Maintenance Fund	Revenue Bond 2020 Fund	Total Capital Projects Funds
Revenues:				
Interest	\$ 237	\$ 20,699	\$ 10,254	\$ 31,190
Total revenues	<u>237</u>	<u>20,699</u>	<u>10,254</u>	<u>31,190</u>
Expenditures:				
Current:				
General government	96,641	-	-	96,641
Public safety	262,580	-	-	262,580
Public service	124,618	-	19,139	143,757
Recreation	205,132	-	-	205,132
Capital outlay	2,242,171	-	-	2,242,171
Total expenditures	<u>2,931,142</u>	<u>-</u>	<u>19,139</u>	<u>2,950,281</u>
Revenues over (under) expenditures	<u>(2,930,905)</u>	<u>20,699</u>	<u>(8,885)</u>	<u>(2,919,091)</u>
Other financing sources (uses):				
Issuance of lease purchases	4,353,857	-	-	4,353,857
Total other sources (uses)	<u>4,353,857</u>	<u>-</u>	<u>-</u>	<u>4,353,857</u>
Net change in fund balance	<u>1,422,952</u>	<u>20,699</u>	<u>(8,885)</u>	<u>1,434,766</u>
Fund balance, beginning	<u>1,691,213</u>	<u>514,538</u>	<u>356,814</u>	<u>2,562,565</u>
Fund balance, ending	<u><u>\$ 3,114,165</u></u>	<u><u>\$ 535,237</u></u>	<u><u>\$ 347,929</u></u>	<u><u>\$ 3,997,331</u></u>

City of Greer, South Carolina
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2023

	Greer Cultural Arts Council Fund	Police Escrow Fund	Total Custodial Funds
ASSETS			
Restricted cash and cash equivalents	\$ 83,509	\$ 130,519	\$ 214,028
Total assets	<u>83,509</u>	<u>130,519</u>	<u>214,028</u>
LIABILITIES			
Accounts payable	16,671	4,302	20,973
Total liabilities	<u>16,671</u>	<u>4,302</u>	<u>20,973</u>
NET POSITION			
Restricted for			
Individuals, organizations, and other governments	66,838	126,217	193,055
Total net position	<u>\$ 66,838</u>	<u>\$ 126,217</u>	<u>\$ 193,055</u>

City of Greer, South Carolina
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
June 30, 2023

	Greer Cultural Arts Council Fund	Police Escrow Fund	Total Custodial Funds
ADDITIONS			
Interest income	\$ 838	\$ 4,302	\$ 5,140
Miscellaneous	135,006	23,739	158,745
Total additions	<u>135,844</u>	<u>28,041</u>	<u>163,885</u>
DEDUCTIONS			
Payments to designated recipients	101,782	10,481	112,263
Total deductions	<u>101,782</u>	<u>10,481</u>	<u>112,263</u>
CHANGE IN NET POSITION	34,062	17,560	51,622
Net position, beginning	<u>32,776</u>	<u>108,657</u>	<u>141,433</u>
Net position, ending	<u><u>\$ 66,838</u></u>	<u><u>\$ 126,217</u></u>	<u><u>\$ 193,055</u></u>

CITY OF GREER, SOUTH CAROLINA

UNIFORM SCHEDULE OF FINES, ASSESSMENTS, AND SURCHARGES (PER ACT 96)
YEAR ENDED JUNE 30, 2023

FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	General Sessions	Magistrate Court	Municipal Court	Total
Court Fines and Assessments:				
Court fines and assessments collected			\$ 548,968	\$ 548,968
Court fines and assessments remitted to State Treasurer			(320,949)	(320,949)
Total Court Fines and Assessments retained			228,019	228,019
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained			8,434	8,434
Assessments retained			29,606	29,606
Total Surcharges and Assessments retained for victim services			\$ 38,040	\$ 38,040

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

VICTIM SERVICE FUNDS COLLECTED	Municipal	County	Total
Carryforward from Previous Year – Beginning Balance	\$ -		\$ -
Victim Service Revenue:			
Victim Service Fines Retained by City/County Treasurer			
Victim Service Assessments Retained by City/County Treasurer	29,606		29,606
Victim Service Surcharges Retained by City/County Treasurer	8,434		8,434
Interest Earned			
Grant Funds Received			
Grant from:			
General Funds Transferred to Victim Service Fund	145,921		145,921
Contribution Received from Victim Service Contracts:			
(1) Town of			
(2) Town of			
(3) City of			
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	183,961		183,961
Expenditures for Victim Service Program:	Municipal	County	Total
Salaries and Benefits	176,950		176,950
Operating Expenditures	7,011		7,011
Victim Service Contract(s):			
(1) Entity's Name			
(2) Entity's Name			
Victim Service Donation(s):			
(1) Domestic Violence Shelter:			
(2) Rape Crisis Center:			
(3) Other local direct crime victims service agency:			
Transferred to General Fund			
Total Expenditures from Victim Service Fund/Program (B)	183,961		183,961
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)			
Less: Prior Year Fund Deficit Repayment			
Carryforward Funds – End of Year	\$ -		\$ -

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APPENDIX B

FORMS OF:

- I. BASE LEASE AND CONVEYANCE AGREEMENT**
- II. INSTALLMENT PURCHASE AND USE AGREEMENT**
- III. TRUST AGREEMENT**

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I. BASE LEASE AND CONVEYANCE AGREEMENT

BASE LEASE AND CONVEYANCE AGREEMENT

between

CITY OF GREER, SOUTH CAROLINA

as lessor

and

CORPORATION FORGREER

as lessee

Dated: May 23, 2024

ALL RIGHTS, TITLE, AND INTEREST OF CORPORATION FORGREER IN THIS BASE LEASE AND CONVEYANCE AGREEMENT HAVE BEEN ASSIGNED TO REGIONS BANK, AS TRUSTEE ("TRUSTEE") UNDER THE TRUST AGREEMENT DATED OF EVEN DATE HERewith ("TRUST AGREEMENT") AND ARE SUBJECT TO THE SECURITY INTEREST OF THE TRUSTEE.

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BASE LEASE AND CONVEYANCE AGREEMENT

THIS BASE LEASE AND CONVEYANCE AGREEMENT, effective May 23, 2024 (“Base Lease”), is between City of Greer, South Carolina (“City”), a body politic and corporate and a political subdivision of the State of South Carolina (“State”), as lessor, and Corporation ForGreer (“Corporation”), a nonprofit corporation duly organized under the laws of the State, as lessee.

WITNESSETH

WHEREAS, the Corporation is a nonprofit corporation formed under the provisions of Title 33, Chapter 31 of Code of Laws of South Carolina 1976, as amended;

WHEREAS, the City is a body politic and municipal corporation chartered by the State and is authorized under the provisions of Title 5, Chapter 7, Code of Laws of South Carolina 1976, as amended (“Act”), to enter into this Base Lease;

WHEREAS, pursuant to the terms of the Installment Purchase and Use Agreement dated of even date herewith between the City and the Corporation, the Corporation has agreed to (i) provide funds for the acquisition, construction, renovation and equipping of the 2024 Projects and defray the costs of the Ancillary Projects (each as defined in the Purchase and Use Agreement) and (ii) sell and convey the 2024 Facilities (as defined in the Purchase and Use Agreement) to the City;

WHEREAS, the payments to be made under the Purchase and Use Agreement and the rights of the Corporation thereto (except for certain reserved rights as provided therein) are to be assigned to Regions Bank, as trustee (“Trustee”), pursuant to the terms of a Trust Agreement dated of even date herewith (“Trust Agreement”), between the Corporation and the Trustee, to secure and provide a source of payment for certain bonds, the proceeds of which are to be used to defray the costs of the 2024 Projects and Ancillary Projects, and the cost related to the issuance of bonds under the Trust Agreement; and

WHEREAS, the City desires to enter into this Base Lease to lease the 2024 Real Property (as defined below) and convey the Conveyed Improvements (as defined below) to the Corporation to achieve the foregoing purposes.

NOW, THEREFORE, in consideration of, the payment of the Base Lease Rent (as hereinafter defined) and the premises and the mutual covenants and agreements herein set forth the City and the Corporation do hereby covenant and agree as follows:

ARTICLE I DEFINITIONS AND RULES OF CONSTRUCTION

SECTION 1.1. Definitions of Words and Terms. Capitalized terms not otherwise defined in this Base Lease are used either with the meanings provided therefore in the Trust Agreement or the Purchase and Use Agreement or shall have the following meanings, unless some other meaning is plainly intended:

“2024 Real Property” means the respective parcels of real property upon which the 2024 Facilities are located, situated in the City and the legal description of which is shown in Exhibit A hereof, as the same may be amended from time to time.

“Base Lease Rent” means those items referred to as such in Section 3.4 of this Base Lease.

“Base Lease Term” means the term of this Base Lease which ends on the earlier of (i) June 30, 2064, and (ii) the date on which bonds are discharged within the meaning of Section 3.19(d) of the Trust Agreement.

“Board of Directors” means the Board of Directors for Corporation ForGreer, as the governing body of the Corporation, and any successor body.

“Conveyed Improvements” means the improvements located on the 2024 Real Property and any Additional Real Property, all as described in Exhibit B.

“Corporation” means Corporation ForGreer, a nonprofit corporation formed under the laws of the State of South Carolina, and its successors and assigns.

“Corporation Representative” means the person or persons at the time designated to act on behalf of the Corporation in matters relating to this Base Lease, the Purchase and Use Agreement and the Trust Agreement as evidenced by a written

certificate furnished to the City and the Trustee containing the specimen signature of such person or persons and signed on behalf of the Corporation by its President or any Vice President. Such certificate may designate an alternate or alternates, each of whom shall be entitled to perform all duties of the Corporation Representative.

“Corporation Resolution” means the Resolution adopted by the Board of Directors on March 29, 2024, authorizing the Corporation’s execution and delivery of this Base Lease, the Purchase and Use Agreement and the Trust Agreement.

“Counsel” means an attorney duly admitted to practice law before the highest court of any state and, without limitation, may include legal counsel for either the City or the Corporation.

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

“Event of Default” means (a) with respect to the Purchase and Use Agreement, any Event of Default as defined in Section 8.1 of the Purchase and Use Agreement, and (b) with respect to the Trust Agreement, any Event of Default as defined in Section 7.1 of the Trust Agreement.

“Fiscal Year” means the 12-month period adopted by the City as its fiscal year for financial reporting purposes. Currently, such Fiscal Year for the City begins on July 1 of each year.

“Installment Payments” means those payments required to be made by the City by Sections 4.1, 4.2 and 4.4 of the Purchase and Use Agreement.

“Ordinance” means the Ordinance enacted by the City Council on March 26, 2024, authorizing the City’s execution and delivery of this Base Lease and the Purchase and Use Agreement, and consenting to the Trust Agreement.

“Purchase and Use Agreement” shall mean the Installment Purchase and Use Agreement dated of even date herewith between the Corporation and the City.

“State” means the State of South Carolina.

“Trust Estate” means the Trust Estate described in the Granting Clauses of the Trust Agreement.

“Trustee” means Regions Bank, a state banking corporation organized and existing under the laws of the State of Alabama, with a corporate trust office located in Atlanta, Georgia, and its successor or successors and any other trustee which at any time may be substituted in its place pursuant to and at the time serving as trustee under the Trust Agreement.

SECTION 1.2. Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the words importing the singular number shall include the plural and vice versa, and words importing person shall include firms, associations, and corporations, including public bodies, as well as natural persons.

The table of contents hereto and the headings and captions herein are not a part of this document.

SECTION 1.3. Accounting Terms. Accounting terms used herein and not otherwise specifically defined shall have the meaning ascribed to such terms by accounting principles generally accepted in the United States as from time to time in effect.

ARTICLE II REPRESENTATIONS

SECTION 2.1. Representations by the City. The City represents, warrants and covenants as follows:

(a) The City is a duly constituted body politic and corporate and a political subdivision of the State.

(b) The conveyance of title to the Conveyed Improvements and the demise and lease of the 2024 Real Property by the City to the Corporation, as provided in this Base Lease, to allow the Corporation to provide for the acquisition, construction, renovation and equipping of the 2024 Projects and defray the costs of the Ancillary Projects, and the sale of the 2024 Facilities to the City pursuant to the Purchase and Use Agreement has been undertaken to enable the City to provide suitable governmental, recreational and community facilities in the City.

(c) City Council has full power and authority to enact the Ordinance and to enter into the transactions contemplated

by this Base Lease and to carry out its obligations hereunder.

(d) Neither the execution and delivery of this Base Lease, nor the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the City is now a party or by which the City is bound.

(e) The City has not made, done, executed, or suffered, and warrants that it will not make, do, execute, or suffer, any act or thing whereby the City's interests in the 2024 Real Property and the 2024 Facilities shall be or may be impaired, changed or encumbered in any manner whatsoever, except as permitted by this Base Lease or the Purchase and Use Agreement.

(f) The City is the fee owner of the 2024 Real Property existing on the date hereof. Prior to the conveyance of the Conveyed Improvements to the Corporation pursuant to Section 3.1 hereof, and, to the best of the City's knowledge without independent investigation, the 2024 Real Property and any improvements on the 2024 Real Property existing on the date hereof are free and clear of all liens, encumbrances, and restrictions (including, without limitation, leases) other than Permitted Encumbrances.

SECTION 2.2. Representations by the Corporation. The Corporation represents, warrants and covenants as follows:

(a) The Corporation is a nonprofit corporation duly incorporated under the laws of the State and has corporate power to enter into this Base Lease, the Purchase and Use Agreement and the Trust Agreement. By proper corporate action the officers of the Corporation have been duly authorized to execute and deliver this Base Lease, the Purchase and Use Agreement and the Trust Agreement.

(b) The execution and delivery of this Base Lease, the Purchase and Use Agreement and the Trust Agreement and the consummation of the transactions herein and therein contemplated will not conflict with or constitute a breach of or default under the Corporation's articles of incorporation or bylaws or any bond, debenture, note or other evidence of indebtedness of the Corporation, or any contract, agreement, or instrument to which the Corporation is a party or by which it is bound.

(c) The Board of Directors of the Corporation has full power and authority to adopt the Corporation Resolution and the Corporation has full power and authority to enter into the transactions contemplated by this Base Lease and to carry out its obligations hereunder.

(d) To provide funds to defray the cost of the 2024 Projects and the Ancillary Projects, the Corporation will enter into the Trust Agreement pursuant to which it will issue the bonds payable from and secured by the Installment Payments under the Purchase and Use Agreement.

ARTICLE III LEASE OF THE 2024 REAL PROPERTY AND CONVEYANCE OF CONVEYED IMPROVEMENTS

SECTION 3.1. Transfer of Conveyed Improvements and Lease of the 2024 Real Property. The City hereby demises and leases to the Corporation and the Corporation hereby leases from the City the 2024 Real Property for the Base Lease Term for the rentals and other consideration set forth in Section 3.4 hereof and in accordance with the provisions of this Base Lease. The City hereby conveys the Conveyed Improvements to the Corporation and the Corporation hereby accepts such conveyance from the City. The parties hereto, without the prior written consent of the Bond Insurer, if any, agree to amend Exhibit A to this Base Lease from time to time, as the City acquires new real property ("Additional Real Property") which should become subject to this Base Lease. The parties hereto, without the prior written consent of the Bond Insurer, if any, further agree to amend Exhibit A to this Base Lease to add real property related to the 2024 Projects or any Additional Facilities from time to time.

SECTION 3.2. Purchase of the 2024 Facilities. Pursuant to the terms of the Purchase and Use Agreement, the Corporation will acquire and construct the 2024 Projects and will convey title to the 2024 Facilities (including but not limited to the 2024 Projects) to the City, but subject to the terms of the Trust Agreement and the reservation of certain rights under this Base Lease.

SECTION 3.3. Assignments, Subleases and Mortgages. Except as contemplated by the Trust Agreement or permitted by the Purchase and Use Agreement, the Corporation may not (a) mortgage or otherwise encumber, or assign

its rights in, the 2024 Real Property or the 2024 Facilities or any portion thereof under this Base Lease, (b) lease, assign, transfer or otherwise dispose of its interest in the 2024 Real Property or the 2024 Facilities or any portion thereof or (c) remove, modify or alter the 2024 Real Property or the 2024 Facilities or any portion thereof, without the consent of the City.

SECTION 3.4. Rent and Other Consideration. As and for rental hereunder and in consideration for the leasing of the 2024 Real Property to the Corporation hereunder, the Corporation agrees (i) to pay to the City from the sources identified in Section 5.1 of the Trust Agreement the sum of \$40.00 as a prepayment of the annual Base Lease Rent of One Dollar per year for periods beginning on each July 1 and ending on each June 30 with an initial period beginning May 23, 2024, and ending on June 30, 2064, and (ii) to fulfill its obligations with respect to the 2024 Facilities as provided in the Purchase and Use Agreement. The payments required hereunder shall be made as provided in Sections 5.1(b) and 5.3(a) of the Trust Agreement.

SECTION 3.5. Taxes and Insurance. The City shall pay and have responsibility for all taxes on and insurance of the 2024 Real Property and the 2024 Facilities. All insurance shall provide that the proceeds shall be payable to the City, the Corporation or the Trustee as their interests may appear.

SECTION 3.6. Granting of Easements, Rights of Way, Releases and Substitutions of Property. From time to time during the term hereof and so long as there is not an existing Event of Default under the Purchase and Use Agreement and there has not occurred an Event of Nonappropriation that has not been waived by the Corporation or the Trustee, the Corporation, at the request of the City, may execute such instruments as are necessary to provide for the granting of easements or rights of way for road construction, utilities or in such other instances as the City certifies are not inconsistent or incompatible with the continued use of the balance of the 2024 Real Property for their intended purposes. Such instruments may, with the prior written consent of the Bond Insurer, if any, include a termination of this Base Lease with respect to such portion of the 2024 Real Property as is affected thereby or an acceptance or acknowledgment of the right of the grantee of any such easement or right-of-way to continue to use such property notwithstanding the exercise of any rights or remedies afforded to the Corporation hereunder or under the Purchase and Use Agreement. Any request from the City hereunder shall be accompanied by copies of any instruments proposed to be executed together with a certificate from the City to the effect that (a) the continued use of the 2024 Real Property affected thereby will not be impaired or hampered thereby; (b) access to 2024 Real Property for ingress and egress will be adequate for the purposes for which the 2024 Real Property is intended to be used; and (c) the value of the 2024 Real Property to the City will not be significantly diminished thereby.

The Corporation may, with the prior written consent of the Bond Insurer, if any, also terminate this Base Lease with respect to any portion of the 2024 Real Property deemed excessive or unneeded for the continued operation of the 2024 Facilities and the related facilities for the purposes for which they were designed or are then being used, and release its interest in such portion to the City, upon receipt by the Corporation of the following: (a) a plat showing the location of the 2024 Facilities and related facilities and the portion of the 2024 Real Property deemed excessive or unneeded; (b) an amendment to Exhibit A hereto revising the description of the affected parcel of property; (c) a certificate from an engineer or architect stating that the remaining 2024 Real Property will be adequate for the continued operation of the 2024 Facilities and related facilities for the purpose for which they were designed or are then being used, including a certification that there will be adequate access to the remaining 2024 Real Property for ingress and egress; and (d) a certification from the City that the portion of the 2024 Real Property being released from the provisions hereof is in excess to or unneeded for the continued operation of the 2024 Facilities and related facilities for the purposes for which they were designed or are then being used.

The City and the Corporation agree to amend Exhibit A to this Base Lease to substitute or release parcels of 2024 Real Property or portions thereof in accordance with the provisions of this Section 3.6.

With respect to any particular item of 2024 Real Property, the City may, with the prior written consent of the Bond Insurer, if any, substitute another item of 2024 Real Property under the conditions set forth in Section 5.1(c) of the Purchase and Use Agreement.

The City shall not be obligated to compensate the Corporation for the removal of any property or for any conveyance or grant of an easement or right-of-way under the provisions hereof and any consideration paid in connection therewith by a third party shall be turned over to the City so long as there is not an existing Event of Default under the Purchase and Use Agreement and no Event of Nonappropriation has occurred that has not been waived by the Trustee. The Corporation shall have no obligation or responsibility to prepare or record any instrument authorized hereunder.

ARTICLE IV TERMINATION

SECTION 4.1. Termination.

(a) This Base Lease shall terminate upon the completion of the Base Lease Term; provided, however, in the event the City exercises the option to purchase the 2024 Facilities as provided in Section 9.1(a) of the Purchase and Use Agreement and satisfies the conditions thereof, then this Base Lease shall be considered terminated through merger of the leasehold interest with the interest of the City and, provided further, that upon any partition of the 2024 Facilities pursuant to Section 2.4 of the Purchase and Use Agreement, this Base Lease shall be terminated with respect to that portion of the 2024 Real Property ("City Real Property") relating to any City Facilities (as defined in the Purchase and Use Agreement) and the City Real Property shall no longer be subject to this Base Lease and the Corporation shall have no interest therein. Notwithstanding the termination of the Purchase and Use Agreement as a consequence of an Event of Default or Event of Nonappropriation, the City may thereafter purchase the 2024 Facilities not previously purchased by it upon payment of the applicable Purchase Option Price and the satisfaction of all other terms and conditions set forth in Section 9.1(a) of the Purchase and Use Agreement

(b) The Corporation agrees, upon any termination or completion of the Base Lease Term or the exercise by the City of its option to purchase as provided in Section 9.1(a) of the Purchase and Use Agreement, to quit and surrender the 2024 Real Property and that all title and interest in the 2024 Facilities and the 2024 Real Property shall vest in the City free and clear of the encumbrance of this Base Lease and any other encumbrances except Permitted Encumbrances. The Corporation agrees, upon any partition of the 2024 Facilities provided for in Section 2.4 of the Purchase and Use Agreement, to quit and surrender the City Real Property and that all title and interest in the City Facilities and the City Real Property shall vest in the City free and clear of the encumbrance of this Base Lease and any other encumbrances except Permitted Encumbrances.

If an Event of Default under the Purchase and Use Agreement occurs or if the City fails to continue the Purchase and Use Agreement for the entire term thereof for any reason, the Corporation shall have the right of possession of the portion of the 2024 Real Property ("Corporation Real Property") relating to the Corporation Facilities (as defined in the Purchase and Use Agreement) as the result of a partition as provided for in Section 2.4 of the Purchase and Use Agreement for the remainder of the Base Lease Term and shall have the right to sublease the Corporation Facilities or transfer its leasehold interest in the Corporation Real Property and in this Base Lease upon whatever terms and conditions it deems prudent; provided that the Corporation Facilities shall always be operated for a public purpose to the extent such requirement continues to be applicable under State law and in compliance with all applicable governmental rules, regulations and orders. Both parties acknowledge that the City has an insurable interest in the Corporation Facilities but not in any additions, alterations, furnishings, and fixtures provided in connection with the use of the Corporation Facilities by the Corporation or any person to whom the Corporation enters into a lease, license or other such agreement providing for occupancy temporary or long-term. Therefore, the City's obligation to provide insurance and pay taxes under the provisions of Section 3.5 hereof shall be limited to the 2024 Real Property and the 2024 Facilities as they existed as of the Partition Date (as defined in the Purchase and Use Agreement) and the Corporation shall provide the City with adequate public liability and comprehensive risk insurance covering any use of the Corporation Facilities, and shall pay all taxes relating to any additions, alterations, furnishings and fixtures located therein for the remainder of the Base Lease Term and will furnish the City with evidence thereof. In the event that the Corporation shall receive a payment for the transfer of its leasehold interest or total rental payments for subleasing that are, after the payment of the Corporation's expenses in connection therewith, including fees and expenses of the Trustee, in excess of the principal amount of the Outstanding Bonds at the time of termination or default and the interest and premium, if any, due and to become due thereon (with amounts so received to be credited first to such interest and then to principal), then such excess shall be paid to the City by the Corporation, its assigns or its lessee.

SECTION 4.2. Default by the Corporation. The City shall not have the right to exclude the Corporation from the 2024 Real Property or the 2024 Facilities or to take possession of the 2024 Real Property or the 2024 Facilities (except pursuant to the Purchase and Use Agreement) or to terminate this Base Lease prior to the termination of the Base Lease Term notwithstanding any default by the Corporation hereunder; except that if, upon exercise of the option to purchase the Corporation's entire interest in the 2024 Facilities granted to the City in Article IX of the Purchase and Use Agreement and after the payment of the purchase price specified therein and the other sums payable under the Purchase and Use Agreement, the Corporation fails to convey its interest in the 2024 Facilities to the City pursuant to said option, then the City shall have the right to terminate this Base Lease, such termination to be effective 30 days after delivery of written notice of such termination to the Corporation. However, in the event of any default by the Corporation hereunder, the City may maintain an action, if permitted in equity, for specific performance.

SECTION 4.3. Quiet Enjoyment. Subject to the Purchase and Use Agreement, the Corporation at all times during the term of this Base Lease shall peaceably and quietly have and enjoy the 2024 Real Property and the 2024 Facilities.

SECTION 4.4. No Merger. Except as expressly provided herein, no union of the interests of the City and the Corporation herein or in the Purchase and Use Agreement shall result in a merger of this Base Lease and the title to the 2024 Facilities. The Corporation and City confirm that the 2024 Facilities shall be property of the Corporation and title thereto shall remain vested in the Corporation as 2024 Facilities are renovated, expanded or constructed and shall not merge into the leasehold estate of the Corporation in the 2024 Real Property subject to the provisions of this Base Lease and the Purchase and Use Agreement; except that title to a portion of the 2024 Facilities shall revert to and be vested in the City upon an Event of Nonappropriation or Event of Default under the Purchase and Use Agreement. The Corporation shall have the power to convey undivided interests in the 2024 Facilities to the City from time to time as Installment Payments are made as contemplated by the Purchase and Use Agreement.

SECTION 4.5. Waiver of Personal Liability. All liabilities under this Base Lease on the part of the Corporation are fully corporate liabilities of the Corporation in its capacity as corporate entity, and, to the extent permitted by law, the City hereby releases each and every incorporator, member, director, and officer of the Corporation of and from any personal or individual liability under this Base Lease, including without limitation the obligation to make payment of the Base Rent. No incorporator, member, director, or officer of the Corporation shall at any time or under any circumstances be individually or personally liable under this Base Lease for anything done or omitted to be done by the Corporation hereunder.

SECTION 4.6. Maintenance of Premises. Subject to the provisions of the Purchase and Use Agreement, the Corporation covenants that it will maintain or cause to be maintained the 2024 Real Property, and will not cause, permit, or suffer to be caused or permitted waste thereto. At the conclusion of the term hereof, the 2024 Real Property shall be returned to the City, together with the 2024 Facilities and any other improvements thereto, in substantially the condition thereof as of the date hereof or the date the Additional Real Property is added hereto, subject to normal wear and tear. Except as contemplated under the Purchase and Use Agreement, the Corporation shall not make or consent to any other improvements, modifications, or alterations to the 2024 Real Property or the 2024 Facilities or any portion thereof or remove any part thereof without the written consent of the City. Prior to an Event of Nonappropriation that has not been waived in the event of any damage, destruction or condemnation of any of the 2024 Real Property, the provisions of Article VII of the Purchase and Use Agreement shall be deemed to apply with respect to the 2024 Real Property in like manner as provided therein with respect to 2024 Facilities, and the net proceeds from any insurance policies, performance bonds or condemnation awards shall be applied in the same manner for the benefit of 2024 Real Property as are Net Proceeds under Section 7.2 of the Purchase and Use Agreement. After an Event of Nonappropriation that has not been waived in the event of any damage, destruction or condemnation of any of the 2024 Real Property, the proceeds of any insurance policies, performance bonds or condemnation awards allocable to the Corporation's interest in the 2024 Real Property shall be applied as directed by the Trustee either in the manner provided in Section 7.2 of the Purchase and Use Agreement or to the retirement of any bonds and the balance, if any, remaining thereafter to such use as the City may direct.

ARTICLE V CONTROL OF 2024 REAL PROPERTY AND 2024 FACILITIES DURING BASE LEASE TERM

SECTION 5.1. Control of 2024 Real Property and 2024 Facilities During Base Lease Term. Subject to the Purchase and Use Agreement, and Section 4.6 hereof, during the Base Lease Term the Corporation shall have complete control over the 2024 Real Property and the 2024 Facilities and their operation.

ARTICLE VI MISCELLANEOUS

SECTION 6.1. Public Purpose. Notwithstanding anything in this Base Lease to the contrary, during the term of this Base Lease, neither the Corporation nor any assignee of the Corporation's interest hereunder nor any sublessee of the Corporation shall operate the 2024 Facilities for any purpose which is not a public purpose and in compliance with all applicable governmental rules, regulations, and orders.

SECTION 6.2. Covenants Running with the 2024 Real Property. All covenants, promises, conditions and obligations herein contained or implied by law are covenants running with the 2024 Real Property and shall attach and bind and inure to the benefit of the City and the Corporation and their respective heirs, legal representatives, successors, and assigns, except as otherwise provided herein.

SECTION 6.3. Binding Effect. This Base Lease shall inure to the benefit of and shall be binding upon the City, the Corporation and their respective successors and assigns. The Bond Insurer, if any, is a third-party beneficiary to this Base Lease.

SECTION 6.4. Severability. In the event any provision hereof shall be determined to be invalid or unenforceable, the validity and effect of the other provisions hereof shall not be affected thereby.

SECTION 6.5. Amendment, Changes and Modifications. This Base Lease may not be effectively amended, changed, modified, altered, or terminated without the prior written consent of the Trustee except to the extent anticipated in Section 3.1 hereof to reference any after-acquired property which shall be included in the 2024 Real Property or to make any Additional Real Property subject to this Base Lease, and Section 3.6 hereof in connection with the granting of easements, releases and substitutions. The Base Lease may not be amended without the prior written consent of the Bond Insurer, if any.

SECTION 6.6. Supplemental Base Leases. The City and the Corporation may, with notice to and the prior consent of the Trustee, and the Bond Insurer, if any, enter into Supplemental Base Leases from time to time to provide for the lease by the City to the Corporation of Additional Real Property and the conveyance by the City to the Corporation of Additional Facilities which, together with any Additional New Facilities, will be acquired, constructed, renovated and expanded by the Corporation with the proceeds of Additional Bonds and sold to the City pursuant to the Purchase and Use Agreement, as supplemented by a Supplemental Purchase and Use Agreement. Such Supplemental Base Lease shall provide for the extension of the term of this Base Lease as necessary and for the payment of Base Lease Rent by the Corporation to the City.

SECTION 6.7. Execution in Counterparts. This Base Lease may be executed simultaneously in two or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute but one and the same instrument.

SECTION 6.8. Applicable Law. This Base Lease shall be governed by and construed in accordance with the laws of the State.

SECTION 6.9. Captions. The Section and Article headings herein are for convenience only and in no way define, limit, or describe the scope or intent of any of the provisions hereof.

SECTION 6.10. Notices. It shall be sufficient service of any notice, request, complaint, demand, or other paper required by this Base Lease to be given to or filed with the City, the Corporation, the Bond Insurer, if any, or the Trustee if the same is given or filed in the manner and at the addresses specified in the Trust Agreement.

SECTION 6.11. Memorandum. The City and the Corporation shall, upon the request of either party, execute a memorandum of this Base Lease for recording in the records of county in which the 2024 Real Property is located.

SECTION 6.12. Successors and Assigns. All covenants, promises and agreements contained in this Base Lease by or on behalf of or for the benefit of the City or the Corporation, shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

[ONE SIGNATURE PAGE AND TWO EXHIBITS FOLLOW]
[REMAINDER OF PAGE SUBSTANTIVELY BLANK]

WITNESS the due execution of this Base Lease, effective as of the date first above written.

(SEAL)

LESSOR:
CITY OF GREER, SOUTH CAROLINA

By: _____
MAYOR, CITY COUNCIL

Attest: _____
CITY ADMINISTRATOR

(SEAL)

LESSEE:
CORPORATION FORGREER

By: _____
PRESIDENT

Attest: _____
SECRETARY

)

)

)

May 23, 2024

My Corporation Expires: _____

)

)

)

May 23, 2024

My Corporation Expires:_____

EXHIBIT A
LEGAL DESCRIPTION OF THE 2024 REAL PROPERTY AND ANY ADDITIONAL REAL PROPERTY
(AS MAY BE AMENDED ACCORDING TO SECTION 3.1 OF THIS BASE LEASE)

SPORTS AND EVENTS CENTER

Parcel 1

All that certain piece, parcel, or tract of land, together with any improvements thereon, situate, lying and being in the State of South Carolina, County of Greenville, containing 10.169 acres, more or less, near Pleasant Grove Baptist Church, situate in Chick Springs Township on the southwestern side of (South) Buncombe Road as shown on a survey for the City of Greer dated March 8, 2024 and recorded [] in Plat Book [] at Page [] in the Greenville County Register of Deeds Office.

This being a portion of the same property conveyed to Julius Hugh Bruce on November 2, 2022, Deed Book 2672, at page 3702.

TMS: 0528030100500

Parcel 2

All that certain piece, parcel, or tract of land, together with any improvements thereon, situate, lying and being in the State of South Carolina, County of Greenville, containing 15.586 acres, more or less, , as shown on a survey for the City of Greer dated March 8, 2024 and recorded [] in Plat Book [] at Page [] in the Greenville County Register of Deeds Office.

This being a portion of the same property conveyed to Gary and Heather Gresham on March 1, 2024, Deed Book 2712, at page 4395 and a portion of the same property conveyed to David Capers Price, Robert James Price and Jeannie Price Gresham on August 21, 2000, Deed Book 1922, at page 291.

TMS: 0528030100600 and 0528030100601

Parcel 3

All that certain piece, parcel, or tract of land, together with any improvements thereon, situate, lying and being in the State of South Carolina, County of Greenville, containing 11.701 acres, more or less, situate on the western side of S.C. Hwy 14 and the eastern side of Buncombe Road as shown on a survey for Newspring Church, Inc. recorded November 11, 2013 in Plat Book 1167 at Page 14 in the Greenville County Register of Deeds Office.

This being the same property conveyed to NewSpring Church, Inc. by deed from Bi-Lo, LLC recorded August 6, 2013 in Deed Book 2429 at Page 1607 and from JOC Holdings Co., Inc. by deed recorded September 6, 2013 in Deed Book 2431 at Page 458 in the Greenville County Register of Deeds Office.

TMS: 0535010103502

PARKING FACILITY

Parcel 1

All that certain piece, parcel, or tract of land, together with any improvements thereon, situate, lying and being in the State of South Carolina, County of Greenville, containing 0.685 acres, more or less, as shown on a survey for City of Greer dated February 3, 2023 and recorded March 10, 2023 in Plat Book 1457 at Page 0039 in the Greenville County Register of Deeds Office.

This being a portion of the same property conveyed to the City of Greer from [].

TMS: G020000400800

Parcel 2

All that certain piece, parcel, or tract of land, together with any improvements thereon, situate, lying and being in the State of South Carolina, County of Greenville, containing 0.172 acres, more or less, as shown on a survey for the City of Greer dated February 3, 2023 and recorded March 10, 2023 in Plat Book 1457 at Page 0039 in the Greenville County Register of Deeds Office.

This being the same property conveyed to the City of Greer from J-Max, LLC by deed dated March 10, 2023 and recorded March 10, 2023 in Deed Book 2682 at Page 3841 in the Greenville County Register of Deeds Office.

TMS: G020000400900

PUBLIC SAFETY TRAINING FACILITY

Parcel 1

All that certain piece, parcel, or tract of land, together with any improvements thereon, situate, lying and being in the State of South Carolina, County of Greenville, containing 3.0 acres, more or less, as shown on a survey recorded September 8, 1989 in Plat Book 17-P at Page 11 in the Greenville County Register of Deeds Office.

ALSO: All that certain piece, parcel, or tract of land, together with any improvements thereon, situate, lying and being in the State of South Carolina, County of Greenville, containing 0.1858 acres, more or less, as shown on a survey recorded March 12, 1996 in Plat Book 32-F at Page 32 in the Greenville County Register of Deeds Office deeded to the City of Greer by deed recorded March 12, 1996 in Deed Book 1636 at Page 694.

LESS AND EXCEPT: All that certain piece, parcel, or tract of land, together with any improvements thereon, situate, lying and being in the State of South Carolina, County of Greenville, containing 0.1858 acres, more or less, as shown on a survey recorded March 12, 1996 in Plat Book 32-F at Page 32 in the Greenville County Register of Deeds Office deeded from the City of Greer to Hoechst Celanese Corporation by deed recorded March 12, 1996 in Deed Book 1636 at Page 697.

This being a portion of the same property conveyed to City of Greer on September 8, 1989, Deed Book 1372, at page 601.

TMS: G006000301104

Parcel 2

All that certain piece, parcel, or tract of land, together with any improvements thereon, situate, lying and being in the State of South Carolina, County of Greenville, containing 4.735 acres, more or less, as shown on a survey for the City of Greer dated February 7, 2024 and recorded [] , 2024 in Plat Book [] at Page [] , in the Greenville County Register of Deeds Office.

This being a portion of the same property conveyed to Mitsubishi Polyester Film LLC on September 30, 1998, Deed Book 1790, at page 539.

TMS: G006000301102 (portion)

The City and the Corporation intend to provide an amendment to the Purchase and Use Agreement to provide a legal description of property to be acquired by the City which will become part of the 2024 Real Property according to Section 10.6 of the Purchase and Use Agreement.

EXHIBIT B
CONVEYED IMPROVEMENTS

All existing improvements located on the 2024 Real Property and any Additional Real Property.

II. INSTALLMENT PURCHASE AND USE AGREEMENT

INSTALLMENT PURCHASE AND USE AGREEMENT

between

CORPORATION FORGREER

as Seller

and

CITY OF GREER, SOUTH CAROLINA

as Buyer

**\$[] [par]
City of Greer, South Carolina
Corporation ForGreer
Installment Purchase Revenue Bonds
(City Improvement Projects)
\$[]* \$[]*
SERIES 2024A TAXABLE SERIES 2024B**

Dated May 23, 2024

ALL RIGHTS, TITLE, AND INTEREST OF CORPORATION FORGREER IN THIS INSTALLMENT PURCHASE AND USE AGREEMENT (WITH CERTAIN EXCEPTIONS) HAVE BEEN ASSIGNED TO REGIONS BANK, AS TRUSTEE ("TRUSTEE") UNDER THE TRUST AGREEMENT DATED OF EVEN DATE HEREWITH ("TRUST AGREEMENT") AND ARE SUBJECT TO THE SECURITY INTEREST OF THE TRUSTEE.

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INSTALLMENT PURCHASE AND USE AGREEMENT

This INSTALLMENT PURCHASE AND USE AGREEMENT, effective May 23, 2024 (“Purchase and Use Agreement”), is between Corporation ForGreer (together with its successors and assigns, “Corporation”), a nonprofit corporation formed under the laws of the State of South Carolina (“State”), as seller, and City of Greer, South Carolina (“City”), a body politic and corporate and a political subdivision organized under the laws of the State, as buyer.

WITNESSETH

WHEREAS, the Corporation is a nonprofit corporation formed under the provisions of Title 33, Chapter 31, Code of Laws of South Carolina 1976, as amended;

WHEREAS, the City is a body politic and corporate and a political subdivision of the State and is authorized under the provisions of Title 5, Chapter 7, Code of Laws of South Carolina 1976, as amended (“Act”), to enter into this Purchase and Use Agreement;

WHEREAS, pursuant to the terms of this Purchase and Use Agreement, the Corporation has agreed to provide for the acquisition, construction, renovation and equipping of the 2024 Projects and to defray the costs of the Ancillary Projects (as such terms are defined herein);

WHEREAS, the Corporation and the City have entered into a Base Lease and Conveyance Agreement dated of even date herewith (“Base Lease”), pursuant to which the City is leasing the 2024 Real Property and conveying the Conveyed Improvements (as such terms are defined herein) to the Corporation to achieve the foregoing purposes;

WHEREAS, to defray the costs of the 2024 Projects and the Ancillary Projects, the Corporation will provide for the issuance of its \$[] City of Greer, South Carolina Corporation ForGreer Installment Purchase Revenue Bonds (City Improvement Projects) Series 2024A (“Series 2024A Bonds”) and the \$[] City of Greer, South Carolina Corporation ForGreer Installment Purchase Revenue Bonds (City Improvement Projects) Taxable Series 2024B (“Taxable Series 2024B Bonds”) together with the Series 2024A Bonds, “Series 2024 Bonds”, each under and by the terms of a Trust Agreement dated of even date herewith (“Trust Agreement”) by and between the Corporation and Regions Bank, as trustee (“Trustee”);

WHEREAS, the City has agreed to make certain payments (“Installment Payments”) for the acquisition of the 2024 Facilities (as defined herein) and, pending such acquisition thereof, shall be entitled to the use and occupancy of the 2024 Facilities and certain other rights; and

WHEREAS, the rights to receive Installment Payments are being assigned by the Corporation to the Trustee under the Trust Agreement as security and the source of payment for the Bonds;

NOW, THEREFORE, for and in consideration of the undertaking of the Corporation to acquire, construct, renovate and equip the 2024 Projects and defray the costs of the Ancillary Projects, the undertaking of the City to pay the Installment Payments hereunder, the mutual covenants and agreements of the parties, and other good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the Corporation and the City, intending to be legally bound, do hereby agree as follows:

ARTICLE I DEFINITIONS

SECTION 1.1. Definitions. Capitalized terms not otherwise defined herein shall have the meanings provided therefor in the Trust Agreement or as set forth below:

“2024 Facilities” means: (a) the Conveyed Improvements, (b) improvements to be made by the 2024 Projects, (c) any fixtures and future additions, modifications and substitutions to any facilities located on the 2024 Real Property, and (d) any facility related personal property, but only to the extent such items have been acquired with proceeds of the Bonds. The 2024 Facilities do not include the Ancillary Projects.

“2024 Projects” means the acquisition, construction, renovation and equipping of certain new or existing city facilities using proceeds of the Bonds, all as described on Exhibit A hereof, as the same may be amended from time to time to

include a portion of the additional projects as provided on Exhibit A to the City's supporting Resolution of April [9], 2024 ("Resolution"). The 2024 Projects do not include the Ancillary Projects.

"2024 Real Property" means the respective parcels of real property upon which the 2024 Facilities are located, situated in the City and the legal description of which is shown in Exhibit B hereof, as the same may be amended from time to time.

"Acquisition and Construction Contracts" means any acquisition or construction contract between the City, on behalf of the Corporation, and any contractor or other person and between any contractor or subcontractor with respect to any of the 2024 Projects.

"Additional Bonds" shall have the meaning set forth in the Trust Agreement.

"Additional Facilities" means any facilities of the City in addition to the 2024 Facilities, proposed to be acquired, improved, refinanced, renovated or constructed by the Corporation and made subject to this Purchase and Use Agreement.

"Additional Payments" means that portion of the Installment Payments specified in Sections 4.1, 4.2 and 4.4 hereof as Additional Payments.

"Additional Real Property" means any real property in addition to the 2024 Real Property that is or will become the site of Additional Facilities.

"Ancillary Projects" means the acquisition, construction, and equipping of certain new or existing facilities using proceeds of the Bonds, all as described on Exhibit A hereof, as the same may be amended from time to time to include a portion of the additional projects as provided on Exhibit A to the Resolution. The Ancillary Projects do not include the 2024 Projects.

"Base Lease" means the Base Lease and Conveyance Agreement dated of even date herewith, between the City and the Corporation, as it may be amended or modified from time to time.

"Base Payments" means that portion of the Installment Payments specified in Section 4.1 hereof as Base Payments.

"Bond Fund" means the fund of such name established pursuant to Section 5.5 of the Trust Agreement.

"Bond Proceeds" means the gross proceeds received from the issuance and sale of the Bonds.

"Bonds" means the Corporation's \$[] Installment Purchase Revenue Bonds (City Improvement Projects) as two series of Installment Purchase Revenue Bonds of the Corporation: Series 2024A and Taxable Series 2024B., issued under and by the terms of a Trust Agreement, dated of even date herewith by and between the Corporation and Regions Bank, as trustee.

"Certificate of Acceptance" means the Certificate of Acceptance filed with the Trustee according to Section 3.4 hereof.

"Completion Date" means the date on which the City provides a Certificate of Acceptance.

"Conveyed Improvements" means those certain improvements presently existing on the 2024 Real Property and any Additional Real Property, all as described in Exhibit B-1.

"Corporation Facilities" means that portion of the 2024 Facilities allocated to the Corporation as the result of a partition under the provisions of Section 2.4 hereof.

"City Council" means the City Council of City of Greer, South Carolina, as the governing body of the City and any successor body.

"City Facilities" means that portion of the 2024 Facilities allocated to the City as the result of a partition under the provisions of Section 2.4 hereof.

“Environmental Laws” means all federal, state and local laws, rules, regulations, ordinances, programs, permits, guidances, orders and consent decrees relating to health, safety and environmental matters, including, but not limited to, the Resource Conservation and Recovery Act, as amended, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, the Toxic Substances Control Act, as amended, the Clean Water Act, as amended, the Clean Air Act, as amended, the Superfund Amendments and Reauthorization Act of 1986, as amended, state and federal superfund and environmental cleanup programs and laws and U.S. Department of Transportation regulations.

“Event of Default” means any of the events set forth in Section 8.1 of this Purchase and Use Agreement.

“Event of Nonappropriation” means the City’s failure, for any reason, to specifically budget and appropriate moneys to pay, or adopt an ordinance authorizing the issuance of general obligation bonds for the purpose of paying, all Installment Payments due under this Purchase and Use Agreement, by October 15 of the then current Fiscal Year or the City shall have provided written notice of its intention to do the same by June 30 of the previous Fiscal Year. The existence or nonexistence of an Event of Nonappropriation shall be deemed to occur on (a) October 15 of a year in which no such budget or ordinance shall have been adopted, or (b) any earlier date on which the City gives official, specific written notice to the Corporation and the Trustee that the City will not appropriate funds in the next succeeding Fiscal Year for payment of Installment Payments; provided, however, that an Event of Nonappropriation may be waived as provided for in Section 4.7 herein.

“Facilities Component” means an entire facility or other facility including the main building or buildings and any related auxiliary buildings (and any furnishings and equipment located therein) comprising the 2024 Projects and the Conveyed Improvements together with the portion of the 2024 Real Property on which such facility is located.

“Fiscal Year” means the fiscal year of the City, currently beginning on each July 1 and ending on the succeeding June 30.

“Force Majeure” means, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies or terrorism; orders or restraints of any kind of the government of the United States of America or of the State or any of their departments, agencies or officials of any civil or military authority; insurrection; riots; landslides; earthquakes; flood; fire; storms; droughts; explosion; breakage or accidents to machinery, transmission pipes or canals; or any other cause or event not within the control of the party seeking the benefit of force majeure and not due to its own negligence.

“Hazardous Material” means and includes any pollutant, contaminant, or hazardous, toxic, or dangerous waste, substance, or material (including without limitation petroleum products, asbestos-containing materials, and lead), the generation, handling, storage, transportation, disposal, treatment, release, discharge, or emission of which is subject to any Environmental Law.

“Installment Payments” means the payments to be paid by the City pursuant to Sections 4.1, 4.2 and 4.4 hereof, including Base Payments and Additional Payments.

“Net Proceeds” when used with respect to any proceeds from policies of insurance required hereby or any condemnation award, or any proceeds resulting from default under, or recovery under performance and payment bonds related to, any Acquisition or Construction Contract relating to the 2024 Projects, or proceeds from any liquidation of any part of the 2024 Facilities, means the amount remaining after deducting from the gross proceeds thereof all expenses, including, without limitation, reasonable attorney’s fees and costs, incurred in the collection of such proceeds or award.

“Partition Consultant” means a person, firm or corporation selected by the Trustee, who or which is experienced in public finance and in the valuation of public facilities and is not a full-time employee of the Trustee, the City or the Corporation.

“Partition Date” shall have the meaning given such term in Section 2.4 hereof.

“Permitted Encumbrances” means, as of any particular time, (i) liens for taxes and assessments not then delinquent, or liens which may remain unpaid pursuant to the provisions of Sections 4.1 and 4.2, respectively, of this Purchase and Use Agreement; (ii) the Security Documents; (iii) utility, access and other easements and rights-of-way, restrictions and exceptions which do not interfere with or impair the use of the 2024 Facilities, including rights or privileges in the nature of easements; (iv) any financing statements filed to perfect security interests pursuant to this Purchase and Use Agreement

or the Trust Agreement; and (v) the matters described on Exhibit C.

“Project Fund” means the fund of such name established pursuant to Section 5.2 of the Trust Agreement.

“Purchase Option Price” means an amount equal to the amount required to defease or otherwise discharge the Bonds under the Trust Agreement plus the amount of any Additional Payments which are due or accrued hereunder at the time which any purchase option hereunder is exercised.

“Purchase Price” means the sum of all Base Payments to be made hereunder, which Purchase Price may be recalculated in the event of any prepayment of Base Payments provided for in Section 9.1 hereof.

“Security Documents” means this Purchase and Use Agreement, the Base Lease, the Trust Agreement, financing statements, if any, and any other instruments or documents providing security for the Holders of the Bonds.

“State” means the State of South Carolina.

“Waiver Period” means the period of time commencing on the date an Event of Nonappropriation is deemed to occur and ending and including the date on the later of the next following December 1; provided, however, that the Waiver Period shall in no event extend beyond the December 1 next following the date of the occurrence of an Event of Nonappropriation.

SECTION 1.2. Terms Defined in the Trust Agreement. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Trust Agreement unless the context clearly indicates to the contrary.

SECTION 1.3. City Representations, Warranties and Covenants. The City makes the following representations, warranties and covenants:

(a) The City is a body politic and municipal corporation chartered by the State and has full power and legal right to enter into this Purchase and Use Agreement and the Base Lease and to perform its obligations hereunder and thereunder. The City’s actions in making and performing its obligations under this Purchase and Use Agreement and the Base Lease have been duly authorized by all necessary governmental action and will not violate or conflict with any law or governmental rule or regulation, or any mortgage, agreement, instrument or other document by which the City or its properties are bound.

(b) The City is a political subdivision within the meaning of Section 103(c)(1) of the Code.

(c) The City will take such action as is necessary to assure that the 2024 Projects are completed, furnished and occupied by the City. In the event the amounts available from proceeds from the Bonds appear to be insufficient for such purpose, the City will use its best efforts to take one or more of the following steps: (i) cooperate with the Corporation to make such modifications or changes in the 2024 Projects as will allow the cost thereof to be funded within the amount available from such Bond Proceeds, provided that the prior written consent of the Trustee shall be required to substantially reduce or alter the scope of the 2024 Projects; (ii) make arrangements with the Corporation for the sale of Additional Bonds; or (iii) provide for the payment of such costs from other sources legally available to the City.

(d) The City will take such action as is necessary to ensure that proceeds of the Bonds, other than amounts set aside in the Trust Agreement for payment of costs of issuance, funding of reserves or payment of interest, are applied solely for the payment of the costs of the 2024 Projects and the Ancillary Projects.

(e) Except as provided in the last paragraph under Section 2.1 hereof, no portion of the 2024 Facilities will be used in the trade or business of a person who is not a “political subdivision” within the meaning of Section 103(c)(1) of the Code, without the written approval of Bond Counsel.

(f) The amounts, if any, spent by the City from its own funds to pay costs of the acquisition, renovation, improvement and construction of the 2024 Projects for which it intends to reimburse itself from Bond Proceeds were not expended more than 60 days prior to the date of enactment by the City Council of the ordinance authorizing the financing of the 2024 Projects, enacted March 26, 2024 (“Ordinance”), and expressing the intent to enter into this Purchase and Use Agreement, except with respect to certain preliminary expenditures for architectural, engineering, surveying, soil testing and similar costs. No site preparation or similar costs incident to the commencement of construction were incurred prior

to 60 days prior to the date of enactment of the Ordinance by the City Council relating to the issuance of the Bonds.

(g) There is no fact that is not disclosed in the Official Statement for the Bonds which will materially and adversely affect the properties, activities, operations, revenues, prospects or condition (financial or otherwise) of the City, its status as a political subdivision of the State within the meaning of Section 103(c)(1) of the Code, its ability to own and operate its property in the manner such property is currently operated or its ability to perform its obligations under this Purchase and Use Agreement or the Base Lease.

(h) There are no proceedings pending or, to the knowledge of the City, threatened against or affecting the City, except as disclosed in the Official Statement for the Bonds, in any court or before any governmental authority or arbitration board or tribunal that, if adversely determined, would materially and adversely affect the properties, operations, prospects or condition (financial or otherwise) of the City, or the corporate existence or powers or ability of the City to enter into and perform its obligations under this Purchase and Use Agreement or the Base Lease.

(i) The execution and delivery of this Purchase and Use Agreement and the Base Lease (collectively, the “City Agreements”), and the consummation of the transactions provided for herein and therein, and compliance by the City with the provisions of the City Agreements:

(1) are within the governmental powers and have been duly and validly authorized by all necessary governmental and other action on the part of the City;

(2) do not and will not conflict with or result in any material breach of any of the terms, conditions or provisions of, or constitute a default under, any indenture, loan agreement or other agreement or instrument, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the City (other than this Purchase and Use Agreement or any governmental restriction to which the City is a party or by which the City, its properties or operations may be bound or with the giving of notice or the passage of time or both would constitute such a breach or default or result in the creation or imposition of any such lien, charge or encumbrance, which breach, default, lien, charge or encumbrance could materially and adversely affect the validity or the enforceability of the City Agreements or the City’s ability to perform fully its obligations under the City Agreements; nor will such action result in any violation of any laws, ordinances, governmental rules or regulations or court or other governmental orders to which the City, its properties or operations are subject.

(j) No event has occurred and no condition exists that constitutes an Event of Default or which, upon the execution and delivery of this Purchase and Use Agreement, and/or the passage of time or giving of notice or both, would constitute an Event of Default. The City is not in violation in any material respect, and has not received notice of any claimed material violation (except such violations as do not, and shall not, have any material adverse effect on the transactions herein contemplated and the compliance by the City with the terms hereof, or the Security Documents), of any terms of any court order, statute, regulation, ordinance, agreement, or other instrument to which it is a party or by which it, its properties or its operations may be bound.

(k) This Purchase and Use Agreement is a legal, valid and binding obligation and agreement of the City, enforceable against the City according to its terms except as such enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors’ rights generally and by general principles of equity; anything herein to the contrary notwithstanding, this Purchase and Use Agreement is subject in its entirety to the right of the City to terminate this Purchase and Use Agreement and all the terms and provisions hereof by failing to budget and appropriate moneys specifically to pay Installment Payments, as provided in Sections 2.2, 4.6 and 4.7 hereof.

(l) The use and the operation of the 2024 Facilities in the manner contemplated will not conflict in any material respect with any zoning, water or air pollution or other ordinance, order, law, rule, or regulation applicable to the 2024 Facilities including, without limitation, Environmental Laws. The City has caused or will cause the 2024 Facilities to be designed according to all applicable federal, State and local laws or ordinances (including rules and regulations) relating to zoning, planning, building, safety and environmental quality. The City will operate or will cause the 2024 Facilities to be operated in compliance with the requirements of all such laws, ordinances, rules and regulations, including, without limitation, Environmental Laws. The City further covenants and agrees to comply in all material respects with, or use its reasonable efforts to cause other persons whose obligations it is to so comply by contract or pursuant to law to comply in all material respects with and materially conform to all present and future laws, statutes, codes, ordinances, orders, judgments, decrees, injunctions, rules, regulations and every applicable governmental authority, including Environmental Laws applicable to the 2024 Facilities, and all covenants, restrictions and conditions now or hereafter of record which may

be applicable to the use, manner of use, occupancy, possession, operation, maintenance, alteration, repair or reconstruction of the 2024 Facilities, including building and zoning codes and ordinances (collectively, the “Legal Requirements”), provided that the City shall not be in default hereunder so long as the City promptly after receiving an actual written notice of any noncompliance, files a copy thereof with the Trustee and the City commences and uses its diligent efforts to cause compliance with such Legal Requirements, so long as the failure to comply does not subject the 2024 Facilities to any material danger of being forfeited or lost as a result thereof. The City possesses or will possess, and the City hereby agrees to maintain and obtain in the future, all necessary licenses and permits, or rights thereto, to operate the 2024 Facilities as proposed to be operated, and all such licenses, permits or other approvals required in connection with the operation of the 2024 Facilities have been duly obtained and are in full force and effect except for any such licenses, permits or other approvals that are not yet required and that will be duly obtained not later than the time required or the failure to obtain which will not materially and adversely affect the operation of the 2024 Facilities. The City covenants and agrees to do all things necessary to preserve and keep in full force and effect its franchises, rights, powers and privileges as the same relate to the 2024 Facilities.

(m) The City has approved the Corporation and the issuance by the Corporation of the Bonds.

(n) The City has not terminated any lease, lease-purchase agreement or installment purchase agreement by nonappropriation.

(o) The officer of the City at any time charged with the responsibility for formulating budget proposals shall include in the budget proposals for review and consideration by the City Council in any Fiscal Year in which this Purchase and Use Agreement shall be in effect, budget items sufficient to pay all Installment Payments required for such Fiscal Year under this Purchase and Use Agreement.

(p) During the term of this Purchase and Use Agreement, the City shall cooperate with the Corporation to maintain a public rating by S&P and/or Moody’s, on the Bonds.

(q) No later than the February 1st after the end of the City’s fiscal year, a copy of the audited financial statements of the City and a copy of an annual budget of the City shall be sent to the Trustee, provided, however, that if the City has knowledge that said audited financial statements will not be available within that timeframe, the City shall promptly so advise the Trustee, and shall further advise the Trustee of the expected date on which the same shall be available. The City is deemed to have complied with its obligations under this section by timely posting its annual report to the Electronic Municipal Market Access system, a service of the Municipal Securities Rulemaking Board, in accordance with its Disclosure Undertaking (as defined herein).

SECTION 1.4. Corporation Representations, Warranties and Covenants. The Corporation makes the following representations, warranties and covenants:

(a) The Corporation is a duly organized and validly existing nonprofit corporation created under the laws of the State, has the requisite power to carry on its present and proposed activities, and has full power, right and authority to enter into this Purchase and Use Agreement, the Trust Agreement and the Base Lease and to perform each and all of the obligations of the Corporation provided therein.

(b) The Corporation has taken or caused to be taken all requisite corporate action to authorize the execution and delivery of, and the performance of its obligations under, this Purchase and Use Agreement, the Base Lease, the Trust Agreement and each of the Acquisition and Construction Contracts to which it is or will be a party.

(c) By proper corporate action, the officers of the Corporation have been duly authorized to execute and deliver this Purchase and Use Agreement, the Base Lease and the Trust Agreement.

(d) The execution and delivery by the Corporation of this Purchase and Use Agreement, the Base Lease and the Trust Agreement and the consummation by the Corporation of the transactions contemplated hereby and thereby have not and will not conflict with or constitute a breach of or default under the Corporation’s articles of incorporation or bylaws or any bond, debenture, note or other evidence of indebtedness of the Corporation, or any contract, agreement, or instrument to which the Corporation is a party or by which it is bound.

(e) Each of this Purchase and Use Agreement, the Base Lease, the Trust Agreement and each Acquisition and Construction Contract to which the Corporation is or will be a party has been or will be duly executed and delivered by

the Corporation and constitutes or will constitute a legal and valid obligation of the Corporation, enforceable against the Corporation according to its terms, except as enforcement may be limited by laws affecting creditors' rights generally and except as equitable remedies may be limited by judicial discretion.

(f) Other than as disclosed in the Official Statement relating to the Bonds, if any, there is no litigation pending and served on the Corporation that challenges the Corporation's authority to execute, deliver or perform its obligations under this Purchase and Use Agreement and the Corporation has disclosed any threatened litigation with respect to such matters of which the Corporation is aware.

(g) The Corporation is in material compliance with all applicable laws, regulations and ordinances, including but not limited to those applicable to the Corporation's activities in connection with this Purchase and Use Agreement.

(h) The Corporation is a South Carolina nonprofit, public benefit corporation, no part of the net income of which inures to the benefit of any private individual or organization.

(i) To finance the 2024 Projects and the Ancillary Projects, the Corporation will enter into the Trust Agreement, pursuant to which it will issue the Bonds payable from and secured by the Installment Payments under this Purchase and Use Agreement.

(j) The Corporation covenants that it will not alter its Articles of Incorporation or its By-Laws in any manner without first providing the City and the Trustee an opinion of nationally-recognized bond counsel that such alteration will not cause the Bonds to become subject to registration under the Securities Act of 1933 or, as to any obligations issued as tax-exempt obligations for federal income tax purposes, adversely affect the federal income tax treatment of interest paid to the Holders of such obligations.

ARTICLE II INSTALLMENT SALE AND USE OF 2024 FACILITIES AND TERM HEREOF

SECTION 2.1. Installment Sale and Use of 2024 Facilities; Term. The Corporation hereby agrees to sell the 2024 Facilities to the City according to the provisions hereof. On the date hereof, the Corporation has a valid leasehold interest in the 2024 Real Property and holds fee title, or will hold fee title upon the acquisition and construction thereof, to the 2024 Facilities. Upon each payment of Base Payments from funds other than amounts constituting Bond Proceeds (including income from the investment of such amounts), title to an undivided interest in the 2024 Facilities equal to that percentage of the Purchase Price represented by such payment will transfer from the Corporation to the City without further action by either party.

In conjunction therewith, the Corporation hereby conveys and grants to the City an undivided interest in the 2024 Facilities, which undivided interest shall increase pro rata based on the percentage of the Purchase Price represented by each Base Payment. At the request of the City, the Corporation agrees to execute such quitclaim or special warranty deed(s) to the City indicating the undivided interest so acquired by the City.

Any prepayment of Base Payments which is used to redeem the Bonds will result in a recalculation of the Purchase Price to take account of such prepayment and, upon the making of such prepayment, the City shall be credited with an undivided interest in the 2024 Facilities equal to that percentage of the total Purchase Price, as adjusted, represented by the total of all Base Payments made, including the prepayment on such date.

Subject to the provisions of Article VIII hereof, the City shall have the exclusive right to occupy and use the 2024 Facilities during the term hereof. Subject to the provisions of Sections 2.2 and 2.3 hereof, this Purchase and Use Agreement shall be for a term beginning with the date of execution and delivery hereof, and ending on December 1, 2057.

During the term hereof, the City may permit other civic or charitable organizations or agencies of the State or any political subdivision thereof to use portions of the 2024 Facilities subject to the following limitations: (i) no agreement may be for a term in excess of one year; (ii) the 2024 Facilities shall not be used in any manner that interferes with the use of such property by the City for the purposes for which it was designed or is then being used; (iii) any such agreement shall expressly terminate upon the occurrence of an Event of Default or an Event of Nonappropriation hereunder; and (iv) the City shall monitor all such use to ensure continued compliance with the provisions of the Federal Tax Certificate and Section 5.3 hereof.

SECTION 2.2. Termination. The term of this Purchase and Use Agreement shall terminate upon the earliest of any of the following events:

- (a) The occurrence of an Event of Nonappropriation, such occurrence to be determined according to the definition of such term given in this Purchase and Use Agreement, which Event of Nonappropriation is not thereafter duly waived;
- (b) The purchase by the City of the 2024 Facilities as provided in Article IX of this Purchase and Use Agreement;
- (c) The occurrence of an Event of Default under and termination of this Purchase and Use Agreement by the Corporation or Trustee under Article VIII of this Purchase and Use Agreement; or
- (d) December 1, 2057, which date constitutes the last day of the term hereof, or such later date as all Installment Payments due hereunder shall be paid.

Termination of this Purchase and Use Agreement shall terminate all obligations of the City under this Purchase and Use Agreement, including its obligations to pay future Installment Payments and other amounts that have not been appropriated (excluding, however, amounts payable under Section 2.3 hereof and other amounts specifically provided for herein), subject to identification as provided in Section 2.4 hereof, shall terminate the City's rights of possession under this Purchase and Use Agreement of the Corporation Facilities (except to the extent of any conveyance pursuant to Article IX of this Purchase and Use Agreement); but all other provisions of this Purchase and Use Agreement, including all obligations of the Corporation with respect to the Holders of the Bonds and the receipt and disbursement of funds and all rights and remedies of the Corporation specifically provided herein, shall be continuing until the Trust Agreement is discharged as provided therein. Notwithstanding the foregoing, termination of the term of this Purchase and Use Agreement shall not impair the City's rights as landlord or the Corporation's rights as tenant under the Base Lease, except as provided in the Base Lease.

SECTION 2.3. Holdover Terms. In the event the City fails to deliver possession to the Corporation of the Corporation Facilities or any part thereof pursuant to Section 2.4 hereof, the City shall be unconditionally liable for the payment of all Installment Payments, including Additional Payments, for successive six month periods commencing on the Bond Payment Date following the last due date of Base Payments hereunder until the City delivers possession of the Corporation Facilities to the Corporation. The obligations of the City under this Section 2.3 shall not in any manner constitute a pledge of the full faith, credit or taxing power of the City within the meaning of any State constitutional or statutory provision.

SECTION 2.4. Surrender of Possession Upon Termination; Partition of Undivided Interests. Upon the occurrence of an Event of Default or an Event of Nonappropriation which results in termination hereof or upon termination of all rights of the City hereunder and at the written direction of the Trustee, the City and the Corporation shall proceed to partition the 2024 Facilities so that the percentage of undivided interests in the title to the 2024 Facilities will be converted, to the extent feasible, into like percentages of title to entire Facilities Components according to Exhibit E hereof and the following provisions. The date upon which the Trustee gives such written direction shall be the "Partition Date."

Division of 2024 Facilities. Within a reasonable time after the Partition Date, the Trustee shall propose the division of the 2024 Facilities. The Trustee may in its sole discretion select a Partition Consultant to assist, consult with and make recommendations to the Trustee in the division of the 2024 Facilities. The Trustee and the Partition Consultant, if selected shall endeavor, to the extent practicable, to allocate 2024 Facilities between the City and the Corporation in a fair and equitable fashion taking into account the following factors: (1) entire Facilities Components, if possible, will be assigned to each of the City and the Corporation; and (2) if portions of the 2024 Facilities and Facilities Components will be assigned to each of the Corporation and the City, the Trustee and the Partition Consultant, if selected, shall propose such partition as will, in the aggregate, best protect the interests of the Holders (subject to the provisions of this Section 2.4).

Valuation of Facilities Components and 2024 Facilities. For purposes of any partition, the 2024 Facilities are valued in the respective amounts as set forth on Exhibit E and the percentage of the 2024 Facilities being purchased on an annual basis are also set forth on Exhibit E hereof, each subject to adjustment as stated on Exhibit E. In allocating the 2024 Facilities to the percentage of undivided interests in the entire 2024 Facilities to be conveyed to the City or retained by the Corporation, such values and percentages shall be used rather than the current market or other valuation of Facilities Components associated therewith.

Partial Divisions. In the event that the Trustee and the Partition Consultant, if selected, are unable to devise a partition that results in complete Facilities Components being assigned to the City or the Corporation, then such partition shall be made so as to provide the City's and the Corporation's respective interests to be allocated to Facilities Components in a manner consistent with other provisions of this Section 2.4. The portion of a Facilities Component which is property allocated to the City but is not a complete Facilities Component shall be designated as a "City Partial Facilities Component." With respect to a City Partial Facilities Component, the City may (i) continue to occupy the entire Facilities Component which includes a City Partial Facilities Component if it agrees to make payments (as specified in Section 2.3) in amounts to be determined by the Trustee and the Partition Consultant, if selected, as the proper charge for use of the Corporation's interest in such Facilities Component ("Corporation Partial Facilities Component"); (ii) purchase the Corporation's interest in such Corporation Partial Facilities Component by the payment of the amount determined by the Trustee and Partition Consultant, if selected; or (iii) cede occupancy rights in the City Partial Facilities Component to the Corporation for the duration of the term of the Base Lease. In determining the purchase price if the City elects to purchase the Corporation's interest in a Corporation Partial Facilities Component, the Trustee and Partition Consultant, if selected, shall determine the prepayment amount that would be required under the second paragraph of Section 2.1 to result in a complete allocation of such Facilities Component to the City. In setting the payments to be made by the City if it chooses to continue to occupy the entire Facilities Component the Trustee and Partition Consultant, if selected, shall set a payment that is not less than the amount of total Base Payments allocable to such Facilities Component that would have been payable from and after the Partition Date if this Purchase and Use Agreement or the rights of the City hereunder had not been terminated.

Partition Report; Finality. The Trustee, and Partition Consultant, if selected, shall make a report regarding the division of the 2024 Facilities as soon as practicable after the Partition Date. In the discretion of the Trustee, the partition report shall be final and binding on all parties.

Instruments of Conveyance. Within a reasonable time (but in no event sooner than 30 or later than 60 days) after the partition report becomes final, the City and the Corporation shall exchange deeds or other instruments vesting title to such of the 2024 Facilities as is required to effect such partition; provided, however, that any conveyance deed or other instrument made by the Corporation shall be made in the manner and subject to the conditions set forth in Section 9.2 hereof. Immediately thereafter, the City shall deliver up or cause to be delivered up peaceable possession of the Corporation Facilities to the Corporation, together with the related portion of the 2024 Real Property, without delay, in good repair and operating condition, excepting reasonable wear and tear; provided, however, that in the event of a partial division, the terms relating to City Partial Facilities Components described above shall control. Any Facilities Component delivered to the Corporation in connection with such partition shall remain, at all times, subject to the terms of the Base Lease.

ARTICLE III THE 2024 PROJECTS AND THE ANCILLARY PROJECTS; FINANCING

SECTION 3.1. Purchase and Installation or Construction of the 2024 Projects and the Ancillary Projects. The Corporation and the City acknowledge that the City will be responsible for any and all Acquisition and Construction Contracts necessary or appropriate for the purchase and installation, or for any renovation, construction, installation, restoration, and reconstruction, to be performed in connection with the completion of the 2024 Projects and the Ancillary Projects and the City shall be the agent of the Corporation for all such purposes. The City may install machinery, equipment and other tangible personal property in the 2024 Facilities and all such machinery, equipment and other tangible personal property not acquired nor financed from Bond Proceeds will remain the sole property of the City and will not be deemed a portion of the 2024 Facilities.

SECTION 3.2. Administration of Acquisition and Construction Contracts. The City shall be responsible for preparing, administering, amending and enforcing the Acquisition and Construction Contracts to be entered into with respect to the 2024 Projects and the Ancillary Projects and for litigating or settling all claims thereunder. The City and the Corporation, as their interests may appear, will be entitled to the benefit of all warranties, guaranties and indemnities provided under the Acquisition and Construction Contracts and by law.

SECTION 3.3. Notices and Permits. The Corporation shall cooperate with the City to give or cause to be given all notices and shall comply or cause compliance with all laws, ordinances, municipal rules and regulations and requirements of public authorities applying to or affecting the conduct of any work relating to the 2024 Projects and the Ancillary Projects. The City will defend and save the Corporation, the Trustee and their respective members, directors, officers, agents and employees harmless from all liabilities, damages or fines due to failure to comply therewith.

SECTION 3.4. Disbursements from the Project Fund.

(a) The balance of the Bond Proceeds (net of any Underwriter's discount, original issue discount) shall be deposited by the Trustee into the Project Fund. As provided in Section 5.2 of the Trust Agreement, within the Project Fund, there shall be a Project Account for each series of Bonds issued under the Trust Agreement. Thereafter, disbursements from the Project Fund shall be made for costs of the 2024 Projects and the Ancillary Projects and for such other purposes contemplated by Section 5.3 of the Trust Agreement.

(b) As provided in Section 5.3(c) of the Trust Agreement, the final requisition from the Project Fund shall contain, among other things, a Certificate of Acceptance of the City stating that the 2024 Projects and the Ancillary Projects have been substantially completed according to the applicable Acquisition and Construction Contracts and other terms and conditions of the Purchase and Use Agreement and the 2024 Projects and Ancillary Projects comply in all material respects with all applicable governmental regulations. Upon receipt of such Certificate of Acceptance, the Trustee shall apply any balance then remaining in the Project Fund in the manner provided in Section 5.4 of the Trust Agreement. As used in this paragraph, "substantial completion" of the 2024 Projects and the Ancillary Projects shall mean completion such that a certificate of occupancy could be issued notwithstanding the fact that certain minor items of work remain to be done.

SECTION 3.5. Defaults Under Acquisition and Construction Contracts. In the event of any material default by a supplier, contractor or subcontractor under any of the Acquisition and Construction Contracts, or in the event of a material breach of warranty with respect to any property, fixtures, materials, workmanship or performance under any Acquisition and Construction Contract, the City and the Corporation shall promptly proceed, and may do so in conjunction with others, to pursue diligently such remedies as are available against the applicable supplier, contractor or subcontractor and/or against any surety of any bond securing the performance of the Acquisition and Construction Contracts. The Net Proceeds of any amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing, remaining after deduction of expenses incurred in such recovery (including without limitation, attorney's fees and costs), and after reimbursement to the City or the Corporation of any amounts theretofore paid by either of them, and not previously reimbursed, for correcting or remedying the default or breach of warranty which gave rise to the proceedings against the contractor or surety, shall be paid into the Project Fund if received before the Completion Date, or if received thereafter, shall be deposited as otherwise provided in Section 7.2 of this Purchase and Use Agreement or otherwise applied as provided in Section 7.3 of this Purchase and Use Agreement.

SECTION 3.6. Worker's Compensation Insurance. The City and the Corporation shall take such steps as are necessary to ensure that worker's compensation insurance is in force with respect to any Acquisition and Construction Contracts.

SECTION 3.7. Contractor's Performance and Payment Bonds. The City and the Corporation shall take such steps as are necessary to ensure that performance and payment bonds regarding contractor's performance and payment are provided in the same manner as would be applicable to any contracts of the City.

The Net Proceeds of any amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the performance and payment bonds remaining after deduction of expenses incurred in such recovery (including without limitation, attorney's fees and costs), and after reimbursement to the City and the Corporation of any amounts theretofore paid by either of them, and not previously reimbursed, for correcting or remedying the default or breach of warranty which gave rise to the proceedings against the contractor or surety, shall be paid into the Project Fund if received before the Completion Date, or if received thereafter, shall be deposited as otherwise provided in Section 7.2 of this Purchase and Use Agreement or otherwise applied as provided in Section 7.3 of this Purchase and Use Agreement.

SECTION 3.8. Contractor's General Public Liability and Property Damage Insurance. The City and the Corporation shall take such steps as are necessary to ensure that comprehensive general public and property damage liability insurance with respect to the 2024 Projects and Ancillary Projects are provided in the same manner as would be applicable to any contracts of the City.

SECTION 3.9. Proceeds of Insurance Policies. The Net Proceeds of any insurance policies required by Section 3.8 hereof or any amounts recovered by way of damages, refunds, adjustments, proceeds or otherwise in connection with the foregoing, remaining after deduction of expenses incurred in such recovery (including without limitation, attorney's fees and costs), and after reimbursement to the City or the Corporation of any amounts not to exceed \$100,000 theretofore paid by the City or the Corporation and not previously reimbursed to the City or the Corporation for actions taken by the City or the Corporation to restore damaged portions of the 2024 Facilities to a condition necessary

to secure the 2024 Facilities and prevent further loss shall be paid into the Project Fund before the Completion Date or, if received thereafter, shall either be deposited as provided in Section 7.2 of this Purchase and Use Agreement or otherwise applied as provided in Section 7.3 of this Purchase and Use Agreement; provided, however, such deposit shall not exceed the amount necessary to fulfill the obligations of the City under this Purchase and Use Agreement as determined by the Trustee.

SECTION 3.10. No Merger of 2024 Facilities. The Corporation and City confirm that the 2024 Facilities shall be property of the Corporation and title thereto shall remain vested in the Corporation and shall not merge into the leasehold estate of the Corporation in the 2024 Real Property, except that title to said 2024 Facilities shall revert to and be vested in the City upon termination of the Base Lease. Undivided interests in the 2024 Facilities shall be conveyed to the City from time to time as Base Payments are made as contemplated hereby according to Section 2.1, or following termination hereof pursuant to Section 2.4 hereof.

ARTICLE IV INSTALLMENT PAYMENTS; ASSIGNMENT TO TRUSTEE

SECTION 4.1. Installment Payments.

(a) Installment Payments to Constitute a Current Expense of City. The Corporation and the City understand and intend that the obligation of the City to pay Installment Payments hereunder shall constitute a current expense of the City and is dependent upon lawful appropriations of funds being made by the City Council to pay Installment Payments due in each fiscal year hereunder, and shall not in any way be construed to be a debt of the City in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by the City, nor shall anything contained herein constitute a pledge of the general tax revenues, funds, moneys or credit of the City.

(b) Payment of Base Payments. Subject to an Event of Nonappropriation as described in Section 4.7 hereof, on or before the 15th day prior to each Bond Payment Date during the period this Purchase and Use Agreement is in effect, the City shall pay to the Trustee as assignee of the Corporation, Base Payments exclusively from moneys specifically budgeted and appropriated for such purpose, including proceeds of any general obligation bonds issued by the City for such purpose, in lawful money of the United States of America, which payments shall be made to the Trustee as assignee of this Purchase and Use Agreement, in the amounts set forth on Exhibit D. Each payment of Base Payments shall be in consideration for the conveyance of title to an undivided interest in the 2024 Facilities as and to the extent provided in Section 2.1 hereof. As further consideration for the receipt of Base Payments, the City shall be entitled to the use and occupancy of all of the 2024 Facilities during the applicable Fiscal Year in which such payments are or will be made. Subject to the right of the City to terminate this Purchase and Use Agreement pursuant to Section 4.7 herein, the City covenants that it will enact by June 30 of each year a budget providing for the appropriation of funds sufficient (or a debt service budget providing for the issuance of general obligation bonds or other legally permissible debt at such time and in a principal amount sufficient) to make Installment Payments coming due in the next succeeding Fiscal Year, and, subject to such Section 4.7, apply such funds and/or proceeds to the payment of Installment Payments coming due in the then current Fiscal Year.

(c) Payment of Additional Payments. The City agrees to pay, subject to the provisions of Section 4.7 hereof, the following amounts as Additional Payments together with such other sums as are provided for herein:

(i) The amounts provided for in Sections 4.2 and 4.4 hereof to the parties referred to therein; and

(ii) All reasonable costs and expenses incurred or to be paid by the Corporation or the Trustee, as the case may be, under the terms of this Purchase and Use Agreement or the Trust Agreement, including without limitation the amounts specified in Section 4.4 hereof and amounts payable by the Corporation pursuant to or contemplated by repurchase, forward delivery or other investment agreements which are Permitted Investments under the Trust Agreement.

The Corporation may, but shall be under no obligation to, advance moneys (i) to pay taxes, assessments and other governmental charges with respect to the 2024 Facilities, (ii) for the discharge of mechanic's and other liens relating to the 2024 Facilities, (iii) to obtain and maintain insurance for the 2024 Facilities and pay premiums therefor, and (iv) generally, to make payments and incur expenses in the event that the City fails to do so as required by this Purchase and Use Agreement or the Base Lease. As provided in Section 6.11 of the Trust Agreement, the Trustee may take any such action. Any such advances shall continue to be due as Additional Payments hereunder.

(d) Credits. The City shall be entitled to a credit against payments of Base Payments in the amount of any deposits

in the Bond Fund provided for in the Trust Agreement. In addition to the credit provided in the preceding sentence, the amount payable by the City as Base Payments will be reduced by the amount of money in the applicable subaccount of the Facilities Purchase Account to be credited against those payments and representing Base Payments, including without limitation accrued interest on the Bonds to the extent such amounts will be used to make payments on the Bonds.

(e) Continuation of Term by City. The City has no reason to believe, as of the date hereof, that it will not continue making Installment Payments through the entire term of this Purchase and Use Agreement, and reasonably believes that (1) it will pay the Installment Payments due or coming due hereunder to continue to use the 2024 Facilities and (2) it presently has legal authority to budget and appropriate such amounts in its annual budget, as limited by applicable law, and it presently has, and will have, adequate capacity to issue general obligation debt that does not require voter approval in amounts sufficient and at times to pay Base Payments when due. The City further represents that it presently intends to maintain its capacity to issue general obligation debt that does not require voter approval, in amounts and at times sufficient to make Base Payments when due; provided, however, that nothing herein shall be construed to limit the City from providing funds from other sources to pay Base Payments. The representations contained herein is subject to the ability of the City to terminate this Purchase and Use Agreement and all obligations hereunder as provided in Section 4.7 hereof.

SECTION 4.2. Installment Payments Not Subject to Reduction, Offset or Other Credits.

(a) The City and the Corporation intend that this Purchase and Use Agreement shall yield, net, the Base Payments specified in Section 4.1 hereof during the term of this Purchase and Use Agreement, and that all costs, expenses, liabilities and obligations of any kind and nature whatsoever including, without limitation, any ad valorem taxes or other taxes levied against holders of real or personal property, insurance premiums, utility charges and assessments and all operation, maintenance, repair and upkeep expenses relating to the 2024 Facilities and the use of the 2024 Facilities which do not constitute Base Payments, or other obligations relating to the 2024 Facilities which may arise or become due during the term of this Purchase and Use Agreement and which the Corporation, except for this Purchase and Use Agreement or the terms of the Base Lease, would ordinarily be required to pay as owner of the 2024 Facilities (regardless of whether the City as owner would be so required to pay) shall either be paid under the provisions of the Base Lease or be included in the Installment Payments and paid by the City as Additional Payments. The City acknowledges that, under the provisions of the Base Lease, it has retained responsibility for the payment of taxes and insurance on the 2024 Facilities and the property associated therewith and the obligations of the City under the Base Lease are not subject to the limitations of Section 4.6 hereof.

(b) All payments of Additional Payments referred to in Section 4.2(a) above shall be made by the City in immediately available funds on a timely basis directly to the person or entity to which such payments are owed; provided, however, subject to the terms of the Security Documents, that the City shall not be required to pay, discharge or remove any tax, lien, or assessment, or any mechanic's, laborer's or materialman's lien or encumbrance, or any other imposition or charge against the 2024 Facilities or any part thereof, or comply with any law, ordinance, order, rule, regulation or requirement, as long as the City shall, after prior written notice to the Corporation and the Trustee, at the City's expense, contest the same or the validity thereof in good faith, by action or inaction which shall operate to prevent the collection of the tax, lien, assessment, encumbrance, imposition or charge so contested, or the enforcement of such law, ordinance, order, rule, regulation or requirement, as the case may be, and the sale of the 2024 Facilities or any part thereof to satisfy the same or to enforce such compliance; provided further, that the City shall have given reasonable security as may be demanded by the Corporation, the Trustee, or both, to insure such payment and prevent any sale or forfeiture of the 2024 Facilities or any part thereof by reason of such nonpayment or noncompliance.

(c) To the extent permitted by law, the City hereby agrees to indemnify, defend, and hold the Corporation harmless from the payment of Additional Payments which may be deemed the obligation of the Corporation.

SECTION 4.3. Prepayment of Installment Payments. The City may prepay Installment Payments in whole or in part as provided in, and under the conditions prescribed under, Sections 7.3 and 9.1 hereof, or at any time that the City so determines for the purpose of providing for the redemption of Bonds as provided in Section 4.1(a) of the Trust Agreement. The City shall notify the Trustee in writing of the dates on which the Bonds corresponding to any prepayment hereunder are to be redeemed and the amount to be redeemed on each such date, all according to the provisions of the Trust Agreement. The Trustee may request such reasonable information and reports as may be necessary to establish the sufficiency of the payments to be made at the time of such prepayment.

SECTION 4.4. Administrative Expenses. Subject to the provisions of Section 4.7 hereof, the City shall pay

as Additional Payments (i) the periodic fees and reasonable expenses from time to time of the Trustee and any Paying Agent incurred in administering the Trust Agreement and the Bonds, and (ii) any reasonable expenses, including reasonable attorneys' fees, incurred by the Corporation or the Trustee to compel full and punctual performance of this Purchase and Use Agreement according to the terms hereof.

SECTION 4.5. Assignment of Purchase and Use Agreement, Manner of Payment. As security for and the source of payment of the Bonds, pursuant to the Trust Agreement, the Corporation has assigned to the Trustee all of its right, title and interest in and to this Purchase and Use Agreement, except for the right of the Corporation to receive indemnity against claims and payment of its fees and expenses pursuant to Sections 4.2, 4.4 and 5.5 hereof. The City consents and agrees to the assignment of this Purchase and Use Agreement as provided herein. The City covenants to fully perform, in timely fashion, all of its covenants, agreements and obligations under this Purchase and Use Agreement, and to make all payments required by the City under this Purchase and Use Agreement (other than payment for indemnity and fees and expenses of the Corporation) directly to the Trustee, all without set-off, defense or counterclaim by reason of any dispute which the City may have with the Corporation or the Trustee.

SECTION 4.6. Limited and Special Obligation of City. UPON THE OCCURRENCE OF AN EVENT OF NONAPPROPRIATION, THIS PURCHASE AND USE AGREEMENT MAY BE TERMINATED AS OF THE END OF THE LAST FISCAL YEAR WHICH IS NOT AFFECTED BY SUCH EVENT OF NONAPPROPRIATION, AND THE CITY SHALL NOT BE OBLIGATED TO MAKE PAYMENT OF THE INSTALLMENT PAYMENTS PROVIDED FOR IN THIS PURCHASE AND USE AGREEMENT BEYOND THE END OF SUCH FISCAL YEAR (EXCEPT AS OTHERWISE PROVIDED HEREIN). If this Purchase and Use Agreement is terminated under this Section 4.6 or as provided in Section 4.7 or Section 2.2, the City agrees to peaceful delivery of that portion of the 2024 Facilities to be retained by the Corporation or its assigns as provided in Section 2.4 hereof.

THE OBLIGATIONS OF THE CITY TO MAKE INSTALLMENT PAYMENTS REQUIRED UNDER THIS ARTICLE IV AND OTHER SECTIONS HEREOF, AND TO PERFORM AND OBSERVE THE COVENANTS AND AGREEMENTS CONTAINED HEREIN, SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS, EXCEPT AS EXPRESSLY PROVIDED UNDER THIS PURCHASE AND USE AGREEMENT. Notwithstanding any dispute involving the City and any of the Corporation, contractor, subcontractor, or supplier of materials or labor, or any other person, the City shall make all Installment Payments when due and shall not withhold any Installment Payments pending final resolution of such dispute, nor shall the City assert any defense or right of set-off, recoupment, or counterclaim against its obligation to make such payments required under this Purchase and Use Agreement. The City's obligation to make Installment Payments during the term of this Purchase and Use Agreement shall not be abated through accident or unforeseen circumstances. The City agrees not to suspend, reduce, abrogate, diminish, postpone, modify, discontinue, withhold, or abate any portion of the payments required pursuant to this Purchase and Use Agreement by reason of any defects, malfunctions, breakdowns, or infirmities of the 2024 Facilities, failure of the Corporation to complete the acquisition, construction, or installation of the 2024 Projects, failure of the City to occupy or to use the 2024 Facilities as contemplated in this Purchase and Use Agreement or otherwise, any change or delay in the time of availability of the 2024 Facilities, any acts or circumstances which may impair or preclude the use or possession of the 2024 Facilities, any defect in the title, design, operation, merchantability, fitness, or condition of the 2024 Facilities or in the suitability of the 2024 Facilities for the City's purposes or needs, failure of consideration, the invalidity of any provision of this Purchase and Use Agreement, any acts or circumstances that may constitute an eviction or constructive eviction, destruction of or damage to the 2024 Facilities, the taking by eminent domain of title to or the use of all or any part of the 2024 Facilities, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State or any political subdivision of either thereof or in the rules or regulations of any governmental authority, or any failure of the Corporation to perform and observe any agreement, whether express or implied, or any duty, liability, or obligation arising out of or connected with this Purchase and Use Agreement. Nothing contained in this paragraph shall be construed to release the Corporation from the performance of any of the agreements on its part herein contained. In the event the Corporation should fail to perform any such agreement on its part, the City may institute such action against the Corporation as the City may deem necessary to compel performance so long as such action does not abrogate the City's obligations under this Purchase and Use Agreement. The City may, however, at its own cost and expense and in its own name or in the name of the Corporation, prosecute or defend any action or proceeding or take any other action involving third persons which the City deems reasonably necessary to secure or protect its right of possession, occupancy, and use under this Purchase and Use Agreement, and in such event the Corporation hereby agrees to cooperate fully with the City and to take all action necessary to effect the substitution of the City for the Corporation in any such action or proceeding if the City shall so request. It is the intention of the parties that the payments required by this Purchase and Use Agreement will be paid in full when due without any delay or diminution whatsoever,

subject only to the special and limited nature of the City's obligation to pay installment payments hereunder as set forth above.

THE OBLIGATIONS OF THE CITY UNDER THIS PURCHASE AND USE AGREEMENT SHALL NOT CONSTITUTE A PLEDGE OF THE FULL FAITH, CREDIT OR TAXING POWER OF THE CITY WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL OR STATUTORY PROVISION.

SECTION 4.7. Event of Nonappropriation. Upon the occurrence of an Event of Nonappropriation, the following provisions shall apply:

(a) If an Event of Nonappropriation occurs and is not waived, the City shall not be deemed to be in default under this Purchase and Use Agreement and shall not be obligated to make payment of any future Installment Payments due hereunder or any other payments provided for herein which accrue after the beginning of the Fiscal Year with respect to which there has occurred an Event of Nonappropriation; provided, however, that, subject to the limitations of Section 4.6 hereof and this Section 4.7, the City shall continue to be liable for Installment Payments (a) accrued prior to the beginning of such Fiscal Year, and due hereunder, and (b) allocable to any period during which the City shall continue to occupy the Corporation Facilities as provided in Section 2.3 hereof.

(b) If the City delivers official, specific written notice to the Corporation and the Trustee that it will not appropriate funds in the next succeeding Fiscal Year for payment of Installment Payments, the Trustee shall immediately give written notice to the City and the Corporation stating that an Event of Nonappropriation has occurred; but any failure of the Trustee to give such written notice shall not prevent the Trustee from declaring an Event of Nonappropriation or from taking any remedial action which would otherwise be available to the Trustee.

(c) Subject to Article VIII hereof and the provisions of subsections (d) and (e) hereof, this Purchase and Use Agreement will be terminated pursuant to Section 2.2 hereof.

(d) Subject to Article VIII hereof and the provisions of subsection (e) hereof, the Corporation or the Trustee may waive any Event of Nonappropriation which is cured by the City within a reasonable time if the Waiver Period has not expired and in the Trustee's judgment such waiver is in the best interest of the Holders of the Bonds.

(e) Subject to Article VIII hereof and notwithstanding the provisions of subsection (d) hereof, the Trustee shall waive any Event of Nonappropriation (but only an Event of Nonappropriation which occurs pursuant to clause (a) of the second sentence of the definition thereof) which is cured by the City's specifically budgeting and appropriating, prior to expiration of the Waiver Period, moneys sufficient to pay Installment Payments coming due hereunder for such Fiscal Year.

The enactment by City Council of an ordinance authorizing the issuance of general obligation bonds or bond anticipation notes of the City or other permissible indebtedness of the City or the Corporation at such time and in such amount as will provide sufficient funds for the City to make all Base Payments due in the Fiscal Year in question or the inclusion in the City's budget of sufficient millage to pay debt service on general obligation bonds or bond anticipation notes, or sufficient funds to pay debt service on other legally permissible indebtedness, issued to fund Base Payments due in such Fiscal Year shall be deemed a specific budgeting and appropriating of such funds for purposes of this Section 4.7.

The City, in all events, shall cooperate with the Corporation and the Trustee in making the partition required under Section 2.4 hereof and shall vacate and deliver over to the Trustee the Corporation Facilities by the later of (a) the expiration of the Fiscal Year during which an Event of Nonappropriation occurs if such Event of Nonappropriation occurs by specific written notice thereof or the October 16 following the October 15 on which the City shall fail to specifically budget and appropriate sufficient moneys (including the adoption of an ordinance authorizing the issuance of general obligation bonds, proceeds of which will be used) to pay the Installment Payments hereunder or (b) when required by the last paragraph of Section 2.4 hereof.

The Trustee shall, upon the occurrence of an Event of Nonappropriation, be entitled to all moneys then on hand and being held in all funds created under the Trust Agreement for the benefit of the Holders of the Bonds. After the expiration of the Fiscal Year during which an Event of Nonappropriation occurs, if such occurs by notice, or the October 16 following the October 15 on which the City fails to specifically budget and appropriate sufficient moneys (including the adoption of an ordinance authorizing the issuance of general obligation bonds, proceeds of which will be used) to pay the Installment Payments hereunder, the Trustee may or shall, as the case may be, proceed to exercise its remedies, liquidate

its interest in this Purchase and Use Agreement or lease the 2024 Facilities as provided in Section 8.2 of this Purchase and Use Agreement, provided, however, that the 2024 Facilities shall always be operated for a public purpose as provided in Section 4.1 of the Base Lease to the extent such requirement continues to be applicable under State law. All property, funds and rights acquired by the Trustee by reason of an Event of Nonappropriation as provided herein, less any moneys due and owing to the Trustee for services performed as Trustee, shall be held by the Trustee for the benefit of the Holders of the Bonds as set forth in the Trust Agreement.

Notwithstanding anything in this Purchase and Use Agreement to the contrary, in the event that the Trustee shall receive a payment for the transfer of its interest in this Purchase and Use Agreement, or total rental payments for leasing that are, after the payment of the Corporation's expenses in connection therewith, including attorneys' and other fees and expenses of the Trustee, and all other amounts which are payable hereunder, in excess of the principal amount of the Outstanding Bonds at the time of the Event of Nonappropriation and the interest due and to become due thereon (with amounts so received to be credited first to such interest and then to principal), then such excess shall be paid to the City by the Trustee, its assigns or its lessee.

ARTICLE V COVENANTS OF THE CITY

SECTION 5.1. Maintenance and Operation of 2024 Facilities; Transfers.

(a) Subject to Sections 4.6 and 4.7 herein, the City covenants and represents that during the term of this Purchase and Use Agreement, it shall, at its own cost or expense, operate the 2024 Facilities in a sound and economical manner, in compliance with all present and future laws and governmental regulations applicable thereto, and maintain, preserve and keep the 2024 Facilities in good repair, working order and condition, and that it shall from time to time make or cause to be made all necessary and proper repairs and renewals so that at all times the operation of the 2024 Facilities may be properly and advantageously conducted. This covenant shall not prevent the City from discontinuing operation of the 2024 Facilities at any time.

(b) Except as otherwise provided in this Section 5.1 and Section 2.1 hereof, prior to payment of the Bonds in full, the City shall not sell, transfer, lease, sublease or otherwise dispose of all or any portion of the 2024 Facilities, or its interests under this Purchase and Use Agreement, except to another governmental entity, as defined under the laws of the State, which assumes in writing all obligations of the City under this Purchase and Use Agreement and shall enter into no such transaction without the written consent of the Trustee.

(c) Notwithstanding any other provision hereof to the contrary, the City may provide for the exchange of any asset comprising the 2024 Facilities ("Released Facility") for another City facility and the real estate on which such facility ("Exchange Facility") is located if: (i) the City provides the Trustee an appraisal showing that the proposed Exchange Facility has a value equal to or greater than the proposed Released Facility; (ii) the City certifies to the Trustee that the Exchange Facility is necessary or desirable to the operations of the City and that the remaining useful life of the Exchange Facility is not less than the remaining useful life of the Released Facility; (iii) the City certifies to the Trustee that the exchange is necessary to facilitate either the sale or other disposition of the Released Facility or the conversion of its use to another purpose other than use by the City as a "city facility"; and (iv) the Trustee receives an opinion of Bond Counsel to the effect that, with respect to any of the Bonds, which were originally issued as tax-exempt obligations for federal income tax purposes, the proposed exchange will not adversely affect the federal income tax treatment of interest paid to the Holders of such Bonds.

SECTION 5.2. Liens on 2024 Facilities. The City shall not create, incur or suffer to exist any lien, charge or encumbrance on the 2024 Real Property or the 2024 Facilities or its rights under this Purchase and Use Agreement other than any Permitted Encumbrance.

SECTION 5.3. Representations and Covenants Regarding Tax-Exempt Status of the Series 2024A Bonds.

(a) Neither the Corporation nor the City shall take any action (including but not limited to any use of the 2024 Facilities or the Ancillary Projects funded with proceeds from the Series 2024A Bonds) or permit any action to be taken on its behalf, or cause or permit any circumstance within its control to arise or continue, if such action or circumstance, or its expectation on the date of this Purchase and Use Agreement would cause the interest paid on the Series 2024A Bonds to be includable in the gross income of the recipients thereof for federal income tax purposes.

(b) The City covenants to the Corporation, the Trustee and the Holders of the Series 2024A Bonds that, notwithstanding any other provision of this Purchase and Use Agreement or any other instrument, it will neither make nor cause to be made any investment or other use of proceeds of the Series 2024A Bonds or amounts on deposit in any of the funds or accounts held under the Trust Agreement or under any other document related to the Series 2024A Bonds, which would cause them to be “arbitrage bonds” under Section 148 of the Code and the regulations thereunder, and that it will comply with the requirements of such section and regulations throughout the term of the Series 2024A Bonds.

(c) The City shall take all actions necessary on its part to enable compliance with the rebate provisions of Section 148(f) of the Code to preserve the federal income tax status of payments of interest with respect to the Series 2024A Bonds and or any other tax-exempt bonds related to the 2024 Facilities. The City shall ensure that the Corporation retains a consultant experienced in the calculation and determination of rebate payments and liability under Section 148(f) of the Code to provide the reports required under the Federal Tax Certificate.

(d) The City will accept title to the 2024 Facilities upon the discharge of the Series 2024 Bonds and any Additional Bonds.

SECTION 5.4. Reports and Opinions; Inspections.

(a) The City shall deliver to the Trustee and the Corporation, within 90 days after the end of each Fiscal Year, a certificate stating that no Event of Default under this Purchase and Use Agreement has occurred and is continuing and that the 2024 Facilities are being used according to the terms of this Purchase and Use Agreement.

(b) The City shall permit the Corporation and the Trustee to examine, visit and inspect, at any reasonable time, the 2024 Facilities, and any accounts, books and records, including its receipts, disbursements, contracts, investments and any other matters relating thereto and to its financial standing, and to supply such reports and information as the Trustee may reasonably require.

SECTION 5.5. Immunity of Corporation and Trustee; Indemnification. In the exercise of the powers of the Corporation and the Trustee and their members, directors, officers, employees and agents under the Trust Agreement or this Purchase and Use Agreement including (without limiting the foregoing) the application of moneys and the investment of funds, neither the Corporation nor the Trustee shall be accountable to the City for any action taken or omitted with respect to the 2024 Facilities or the Ancillary Projects or this Purchase and Use Agreement by either of them or their members, directors, officers, employees and agents in good faith and believed by it or them to be authorized or within the discretion or rights or powers conferred under this Purchase and Use Agreement. The Corporation and the Trustee and their members, officers, employees and agents shall be protected in its or their acting upon any paper or documents believed by it or them to be genuine, and it or they may conclusively rely upon the advice of counsel and may (but need not) require further evidence of any fact or matter before taking any action. No recourse shall be had by the City for any claims based on the Trust Agreement or this Purchase and Use Agreement against any member, director, officer, employee or agent of the Corporation or the Trustee alleging personal liability on the part of such person. To the extent permitted by law, the City shall defend the Corporation and any of its members, directors, officers, employees or agents and save them harmless against any liability, including expenses and legal or other fees, intended to be precluded by this Section 5.5 resulting from acts or omissions of the City or from acts or omissions of the Corporation or any of their members, directors, officers, employees or agents in connection with any acts taken pursuant to this Purchase and Use Agreement, except for fraud, deceit, or acts taken in bad faith or which are negligent.

SECTION 5.6. Compliance with Laws; Consolidation or Merger.

(a) With respect to the 2024 Facilities and any additions, alterations, or improvements thereto, the City will at all times comply with all applicable requirements of federal and state laws and with all applicable lawful requirements of any agency, board, or commission created under the laws of the State or of any other duly constituted public authority; provided, however, that the City shall be deemed in compliance with this Section 5.6 so long as it is contesting in good faith any such requirement by appropriate legal proceedings.

(b) Nothing in this Purchase and Use Agreement shall be construed to prevent the City from combining with one or more other local governments (as provided under the laws of the State) not parties to this Purchase and Use Agreement to form a consolidated or a merged local government, provided that the consolidation or merged local government enters into a written supplement, joined in by the Corporation, whereunder the consolidated or merged local government assumes payment of Installment Payments and all other obligations of the City hereunder, thereupon such consolidated or merged

local government shall replace and become the City for all purposes of this Purchase and Use Agreement.

SECTION 5.7. Insurance and Condemnation Proceeds. The City shall not make any disposition nor direct the disposition of insurance or condemnation payments with respect to the 2024 Facilities in excess of \$250,000 without the written consent of the Trustee except as may be required by the terms of the Security Documents or of any Permitted Encumbrances existing on the date hereof.

SECTION 5.8. Filing of Budget with Trustee. During the term of this Purchase and Use Agreement, the City shall file with the Trustee, within 15 days after the beginning of each Fiscal Year, a copy of the annual budget of the City for that Fiscal Year and, within fifteen days of adoption thereof, a copy of any bond ordinance, proceeds of which are to be used to pay Installment Payments.

SECTION 5.9. Alterations of the 2024 Facilities; Removals. The City, in its discretion and at its expense, may remodel or make such additions, modifications and improvements to the 2024 Facilities as it may deem to be desirable; provided, that no such additions, modifications or improvements shall adversely affect the structural integrity or strength of, or materially interfere with the use and operations of, the 2024 Facilities. Any such changes shall not become and shall not be deemed to constitute part of the 2024 Real Property or the 2024 Facilities as the case may be.

In this connection, the City may remove any items of personal property constituting a part of the 2024 Facilities financed by a source of funds other than Bond Proceeds, provided that such removal of the personal property shall not materially diminish the value of the 2024 Facilities.

In the case of any removal as provided above or any removal of City property not constituting 2024 Facilities, the City shall repair any damage resulting from such removal.

SECTION 5.10. Continuing Disclosure. The City covenants to provide the information required by Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (“15c2-12”), as an Obligated Person (as defined in 15c2-12) in compliance with the provisions of the Continuing Disclosure Undertaking attached as Exhibit F (“Disclosure Undertaking”). In the event of a failure by the City or any dissemination agent appointed thereby to comply with any provisions of the Disclosure Undertaking, the rights of the Holders of the Bonds to enforce the provisions of the Disclosure Undertaking shall be limited solely to a right, by action in mandamus or specific performance, to compel performance of the parties’ obligations under the Disclosure Undertaking.

In accordance with Section 11-1-85, Code of Laws of South Carolina 1976, as amended (“Section 11-1-85”), the City hereby covenants to, as long as the provisions of said Section 11-1-85 remain in effect with respect to the Bonds, file with a central repository for availability in the secondary bond market when requested: (i) an annual independent audit, within thirty (30) days of the City’s receipt of such audit; and (ii) event specific information, within thirty (30) days of an event adversely affecting more than five percent of the City’s revenue or tax base. The only remedy for failure by the City to comply with the covenant in this Section 5.10(b) shall be an action for specific performance of the covenant. The City specifically reserves the right to amend or delete this covenant to reflect any change in (or repeal of) Section 11-1-85, without the consent of any Holders of the Bonds.

Any failure by a party to perform according to the Disclosure Undertaking shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated in the Disclosure Undertaking.

ARTICLE VI INSURANCE

SECTION 6.1. Types of Insurance and Coverage Requirements.

(a) The City shall, commencing with the date that any items of personal property comprising the 2024 Facilities are delivered, or in the event that progress payments are to be made to the manufacturer thereof prior to the date of such delivery, commencing with the date of this Purchase and Use Agreement, and upon completion of any construction, reconstruction, renovation or remodeling incidental to the completion and installation of the 2024 Facilities, on all such improvements to the 2024 Facilities, maintain all-risk fire, extended coverage, vandalism, and malicious mischief insurance on the 2024 Facilities, with such deductible provisions as are acceptable to the Trustee. Such insurance shall name the Corporation and the Trustee as additional insureds or loss payees, as their interests may appear, be maintained for the term

of this Purchase and Use Agreement and each policy shall be in an amount equal to the replacement value of the 2024 Facilities; provided that, on the third anniversary of the execution of this Purchase and Use Agreement and every three years thereafter, the City shall cause the preparation and pay for the expense of a certification of the maximum full insurable value of the 2024 Facilities by an independent insurance agent or a person or company knowledgeable in such matters and shall deliver the same to the Trustee.

(b) The City shall, to the extent required by law or good business practice, maintain for the term of this Purchase and Use Agreement, general liability insurance, worker's compensation insurance, disability insurance, and any other form of insurance, covering loss resulting from injury, sickness, disability or death of employees in amounts at least equal to those carried by institutions of similar size and nature.

(c) The City shall maintain, for the term of this Purchase and Use Agreement, general liability insurance against loss or losses from liabilities imposed by law or assumed in any written contract and arising from the death or bodily injury of persons or damage to the property of others caused by accident or occurrence (including contractual liability endorsement), with limits of not less than \$800,000 per occurrence and not less than \$1,000,000 in the aggregate for claims made in any one year on account of injury of any one person, and \$250,000 for property damage per occurrence with an aggregate property damage limitation of not less than \$500,000, excluding liability imposed upon the City by any applicable worker's compensation law. Such insurance shall name the Corporation and the Trustee as additional insureds or loss payees, as their interests may appear.

(d) All policies of insurance required hereunder shall be written by the South Carolina Insurance Reserve Fund, companies rated not lower than "A" by A. M. Best Company or in one of the three highest rating categories by S&P Global Ratings or Moody's Investors Service, Inc. ("Moody's"), or by companies acceptable to the Trustee, in each case qualified to do business in the State and each policy shall provide at least 30 days prior written notice to the Corporation and the Trustee before such policy is canceled. The City may provide any part or all of the insurance required hereby under the terms of a policy insuring other facilities or risks or any "blanket" policy. The City covenants that it will take all action, or cause the same to be taken, which may be necessary to enable recovery under the aforesaid insurance policies.

(e) All policies of insurance required hereby shall be open to inspection by the Corporation, and the Trustee at all reasonable times. Certificates of insurance describing such policies shall be furnished by the City to the Corporation and the Trustee when such policies are required to be obtained by this Section 6.1 and at least 10 days prior to the expiration of each of such policies. The City shall certify that it is in compliance with the provisions hereof at or prior to the execution and delivery of this Purchase and Use Agreement. If any change shall be made in such insurance as to either amount or type of coverage, a description and notice of such change shall be furnished immediately to the Corporation, and the Trustee by the City or it shall cause the same to be so furnished. In the event that the City fails to maintain any insurance as provided in this Section 6.1, the Trustee may, upon such notice to the City as is reasonable under the circumstances, procure and maintain such insurance at the expense of the City (reimbursable as provided hereinbefore), but the Trustee shall not be under an obligation to do so.

SECTION 6.2. Self-Insurance Approval. If, at the time of execution of this Purchase and Use Agreement, the City self-insures or at any time hereafter desires to self-insure to the extent permitted by law, the entry into such self-insurance program shall require the written approval of the Corporation, and the Trustee.

ARTICLE VII DAMAGE, DESTRUCTION AND CONDEMNATION; USE OF NET PROCEEDS

SECTION 7.1. Damage, Destruction and Condemnation. If, during the term of this Purchase and Use Agreement, (i) the 2024 Facilities or any portion thereof shall be destroyed (in whole or in part), or be damaged by fire or other casualty, or (ii) title to, or the temporary or permanent use of, the 2024 Facilities or any portion thereof or the estate of the City or the Corporation (as applicable) in the 2024 Facilities or any portion thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, or (iii) a material defect in construction or installation of the 2024 Facilities or any portion thereof shall become apparent, or (iv) title to or the use of all or any portion of the 2024 Facilities shall be lost by reason of a defect in title thereto, then the City shall be obligated, subject to the option provided in Section 7.3 hereof and the provisions of Sections 4.6 and 4.7 hereof, to continue to pay the amounts specified as Installment Payments under this Purchase and Use Agreement.

SECTION 7.2. Obligation to Repair or Replace the 2024 Facilities. Subject to the provisions of Section 7.3 hereof, the City, the Corporation and the Trustee shall cause the Net Proceeds of any insurance policies, performance bonds or condemnation awards made available by reason of any occurrence described in Section 7.1 hereof, to be deposited as provided in Sections 3.5, 3.7 or 3.8, as the case may be, hereof prior to the Completion Date or, after the Completion Date, in a separate trust fund designated as the “Net Proceeds Fund” which the Trustee is hereby directed to establish in such event. Except as set forth in Section 7.3 hereof, all Net Proceeds so deposited shall be applied to the prompt repair, restoration, modification, improvement or replacement of the 2024 Facilities by the City upon receipt of requisitions acceptable to the Trustee signed by an authorized official of the City stating with respect to each payment to be made: (i) the requisition number; (ii) the name and address of the person, firm or corporation to whom payment is due; (iii) the amount to be paid; and (iv) that each obligation mentioned therein has been properly incurred, is properly payable from the Net Proceeds held in the separate trust fund and has not been the basis of any previous withdrawal and specifying in reasonable detail the nature of the obligation, accompanied by a bill or a statement of account for such obligation; provided, that the Trustee is provided with an opinion of Bond Counsel to the effect that such other application of Net Proceeds will not adversely affect the tax-exempt status of the Series 2024A Bonds. In carrying out any of the provisions of this Section 7.2, the City shall have all power and authority granted under Article III of this Purchase and Use Agreement; and the Trustee shall cooperate with the City in the administration of such fund and shall not unreasonably withhold its approval of requisitions required by this Section 7.2. The balance of any such Net Proceeds remaining after such repair, restoration, modification, improvement or replacement has been completed shall be applied to any lawful and authorized purpose of the City as directed in writing by the City; provided, there is delivered to the Trustee an opinion of Bond Counsel to the effect that such application of Net Proceeds will not adversely affect the tax-exempt status of the Series 2024A Bonds or any Additional Bonds issued as tax-exempt obligations for federal income tax purposes. Any repair, restoration, modification, improvement or replacement paid for in whole or in part out of such Net Proceeds shall be included as part of the 2024 Facilities under this Purchase and Use Agreement and the Trust Agreement.

If the Net Proceeds (plus any amounts withheld from such Net Proceeds by reason of any deductible clause) shall be insufficient to pay in full the cost of any repair, restoration, modification, improvement or replacement of the 2024 Facilities referred to above, the City shall be responsible, subject to the option contained in Section 7.3 hereof, for the completion of the work and the payment of any cost in excess of the amount of the Net Proceeds. In this connection, the City agrees that, if by reason of any such insufficiency of the Net Proceeds, the City shall make any payments pursuant to the provisions of this paragraph, the City shall not be entitled to any reimbursement therefor from the Trustee or the Holders of the Bonds, nor shall the City be entitled to any diminution of any Installment Payments payable under this Purchase and Use Agreement.

SECTION 7.3. Discharge of Obligation to Repair or Replace the 2024 Facilities. If, as a result of the occurrence of an event described in Section 7.1 hereof, (a) any part of the 2024 Facilities is totally destroyed or is damaged to such an extent that the rebuilding or repairing of such part of the 2024 Facilities would be impracticable, (b) there is discovered a material defect in the construction of the 2024 Facilities or any portion thereof that renders the 2024 Facilities or such portion unusable by the City for its intended purposes, (c) all or substantially all of the 2024 Facilities relating to a particular building is taken by eminent domain or (d) the City is deprived of the use of any part of the 2024 Facilities by reason of a defect in title thereto, the City may elect to apply the Net Proceeds of applicable insurance policies, performance bonds or condemnation awards as a prepayment of Installment Payments and the discharge of its obligations with respect to Sections 7.1 and 7.2 hereof; provided, however, that there shall be delivered to the Trustee, as a condition to any such prepayment, an opinion of Bond Counsel to the effect that such prepayment would not adversely affect the tax-exempt status of the Series 2024A Bonds or any Additional Bonds issued as tax-exempt obligations for federal income tax purposes. Such an election may be made by written notice to the Corporation and the Trustee within 90 days of the occurrence of an event described in (a) through (d) above. Upon any such prepayment, the amount thereof shall be applied to redeem the Bonds at the earliest practicable date pursuant to Section 4.1(b) of the Trust Agreement, the Purchase Price shall be recalculated to take account of such prepayment. Upon any such prepayment of the Bonds, title to the affected part of the 2024 Facilities shall be deemed transferred to the City and in the event of any future partition under Section 2.4 hereof, such affected part of the 2024 Facilities shall be automatically assigned to the City. If at any time the amount to be applied as a prepayment hereunder shall exceed the redemption price of all Bonds, all Bonds shall be redeemed, title to all the 2024 Facilities shall be transferred to the City and any amounts not required for the redemption of the Bonds and payment of other expenses and amounts under the Trust Agreement shall be paid to the City.

SECTION 7.4. Cooperation of the Parties. The Corporation, the City and the Trustee shall cooperate fully with each other in filing any proof of loss with respect to any insurance policy or performance bond covering the events described in Section 7.1 of this Purchase and Use Agreement, in making the Net Proceeds available according to Section 7.2 or 7.3 hereof and in the prosecution or defense of any prospective or pending condemnation proceeding with respect

to the 2024 Facilities or any portion thereof and in the enforcement of all warranties relating to the 2024 Facilities. The Corporation hereby designates the City as its agent for the purpose of making collections under such policies, such amounts to be held in trust and applied in accordance herewith. In no event shall the Corporation voluntarily settle, or consent to the settlement of, any proceeding arising out of any insurance claim, performance or payment bond claim, prospective or pending condemnation proceeding with respect to the 2024 Facilities or any portion thereof without the written consent of the City and the Trustee.

ARTICLE VIII DEFAULTS AND REMEDIES

SECTION 8.1. Events of Default. Each of the following events is hereby defined as, and declared to be and shall constitute, an “Event of Default”:

(a) failure by the City to make any payment required to be made pursuant to Section 4.1(b) hereof within five days after the same is due (provided, however, that an Event of Nonappropriation shall not result in an Event of Default under this provision);

(b) failure by the City to timely comply with the provisions of Section 2.4 hereof relating to partition and vacating of 2024 Facilities at the times required;

(c) failure by the City to make any payment required to be made pursuant to Section 4.1(c), 4.2 or 4.4 hereof or under the provisions of the Base Lease within 10 days after the same is due;

(d) failure by the City to observe and perform any other covenant, condition or agreement on its part to be observed or performed under this Purchase and Use Agreement for a period of 30 days after written notice specifying such failure and requesting that it be remedied is given to the City by the Trustee;

(e) if any of the representations and warranties of the City hereunder shall prove to be false or misleading in any material respect as of the date such representations and warranties were made;

(f) failure by the City promptly to stay or lift any execution, garnishment or attachment of such consequence as will, in the reasonable judgment of the Trustee, materially impair its ability to carry out its obligations under this Purchase and Use Agreement (provided that the City shall not be in default so long as it is diligently prosecuting a bona fide appeal from any such execution, garnishment or attachment);

(g) if the City shall (i) apply for or consent to the appointment of a receiver, trustee, or the like of the City or of property of the City, or (ii) admit in writing the inability of the City to pay its debts generally as they become due, or (iii) make a general assignment for the benefit of creditors, or (iv) be adjudicated as bankrupt or insolvent, or (v) commence a voluntary case under the United States Bankruptcy Code or file a voluntary petition seeking reorganization, an arrangement with creditors or an order for relief or seeking to take advantage of any insolvency law or (vi) fail to controvert in a timely or appropriate manner, or acquiesce in writing to, any petition filed against it in an involuntary case under the United States Bankruptcy Code; or

(h) if there shall have occurred an event of default under any Supplemental Purchase and Use Agreement or with respect to any series of Additional Bonds.

The foregoing provisions of this Section 8.1 are subject to the following provision: If, by reason of Force Majeure, the City shall be unable in whole or in part to carry out any agreement on its part herein contained, other than the obligations on the part of the City contained in Articles IV and VI of this Purchase and Use Agreement, the City shall not be deemed in default during the continuance of such inability. The City agrees, however, to remedy, as promptly as legally and reasonably possible, the cause or causes preventing the City from carrying out its agreements, provided that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the City.

SECTION 8.2. Remedies. Subject at all times to the rights of the City under Section 2.1 hereof as to portions of the 2024 Facilities it has so acquired, whenever any Event of Default referred to in Section 8.1 of this Purchase and Use Agreement shall have happened and be continuing, the Corporation (with written notice promptly given to the Trustee) and the Trustee may terminate the term of this Purchase and Use Agreement and shall give notice to the City to vacate the Corporation Facilities within 30 days from the date of such notice. Whenever an Event of Nonappropriation

shall be deemed to occur, the term of this Purchase and Use Agreement shall terminate pursuant to Section 2.2(a) hereof and the City shall vacate and deliver over to the Trustee possession of the Corporation Facilities by the time specified in the third paragraph of Section 4.7 hereof.

The Trustee may also (i) take whatever action at law or in equity which may appear necessary or desirable to enforce its rights in and to the 2024 Facilities under the Security Documents, subject, however, to the limitations set forth herein, and (ii) exercise all the rights and remedies of a secured party under the South Carolina Uniform Commercial Code.

In addition, the Trustee may, or at the direction of the Holders of the majority in aggregate principal amount of the Outstanding Bonds shall, without any further demand or notice, and subject to the terms of the Base Lease, including without limitation, the provisions in Section 4.1 of the Base Lease which provide that the Corporation Facilities shall always be operated for a public purpose to the extent such requirement continues to be applicable under State law, take one or both of the following additional remedial steps:

(i) The Trustee may liquidate its interest in this Purchase and Use Agreement or sell or assign its interest in the Base Lease; or

(ii) The Trustee may relet or assign its rights to the Corporation Facilities under such terms and conditions as it deems appropriate for the benefit of the Holders of the Bonds.

Notwithstanding anything in this Purchase and Use Agreement to the contrary, (1) in the event of termination of the City's interest in any portion of the 2024 Facilities and subsequent thereto the Trustee shall receive a payment for the transfer of its interest in this Purchase and Use Agreement or total rental payments for leasing that are, after the payment of the Corporation's expenses in connection therewith, including fees and expenses of the Trustee, in excess of the principal amount of the Outstanding Bonds at the time of the Event of Default or Event of Nonappropriation and the interest due and to become due thereon (with amounts so received to be credited first to such interest and then to principal), then such excess shall be paid to the City by the Trustee, its assigns or its lessee and (2) the Trustee shall not be permitted to sell, lease or otherwise dispose of any interest in the Corporation Facilities following an Event of Nonappropriation until the Waiver Period has expired, unless such action is expressly subject to the rights of the Corporation, Trustee or the City, as the case may be, to waive such Event of Nonappropriation.

SECTION 8.3. Limitations on Remedies. A judgment requiring a payment of money may be entered against the City by reason of an Event of Default or Event of Nonappropriation only as to the City's liabilities described in Section 10.1 of this Purchase and Use Agreement.

SECTION 8.4. Cumulative Rights. No remedy conferred upon or reserved to the Corporation or the Trustee by this Purchase and Use Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Purchase and Use Agreement or now or hereafter existing at law or in equity or by statute. No waiver by the Corporation or the Trustee of any breach by the City of any of its obligations, agreements or covenants hereunder shall be deemed a waiver of any subsequent breach, or a waiver of any other obligation, agreement or covenant, and no delay or failure by the Corporation or the Trustee to exercise any right or power shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised by the Corporation or the Trustee from time to time and as often as may be deemed expedient.

SECTION 8.5. Discontinuance of Proceedings. In case the Corporation or the Trustee shall have proceeded to enforce any right under this Purchase and Use Agreement and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Corporation or the Trustee, then and in every such case the City, the Corporation and the Trustee shall be restored respectively to their several positions and rights hereunder and all rights, remedies and powers of the City, the Corporation and the Trustee shall continue as though no such proceeding had been taken.

ARTICLE IX CONVEYANCE OF THE 2024 Facilities

SECTION 9.1. Optional Purchase of the 2024 Facilities.

(a) Purchase in Full. The City is hereby granted the option to terminate this Purchase and Use Agreement and to purchase the Corporation's interest in the 2024 Facilities not theretofore acquired by the City at any time upon payment by the City of the then applicable Purchase Option Price; provided, however, that no such termination shall relieve the City from its obligation to pay Administrative Expenses as provided in Section 4.4 hereof until the Bonds have been fully discharged and the Trust Agreement terminated. The City shall notify the Corporation and the Trustee of its intention to exercise this option, on or before the 45th day preceding the date of such purchase or such later date as may be acceptable to the Trustee, but in no event later than the 30th day preceding the date of such purchase, and shall provide funds for such prepayment or such other assurance thereof as may be acceptable to the Trustee. Upon the payment of the Purchase Option Price, the Corporation shall transfer and convey all of its remaining interest in the 2024 Facilities to the City in the manner provided in Section 9.2 hereof.

(b) Partial Prepayment of Installment Payments and Purchase. On or after September 1, 2011, the City is also granted the option to prepay Installment Payments on the due date of any Base Payments hereunder for the purpose of having such prepayments credited towards the purchase price of the 2024 Facilities. The City shall notify the Corporation and the Trustee of its intention to exercise this option, on or before the 45th day preceding the date of such prepayment or such later date as may be acceptable to the Trustee, but in no event later than the 30th day preceding the date of such prepayment, and shall provide funds for such prepayment or such other assurance thereof as may be acceptable to the Trustee.

SECTION 9.2. Manner of Conveyance.

(a) Complete Conveyance. At the closing of any purchase or other conveyance of all of the 2024 Facilities pursuant to Section 9.1 (a) of this Purchase and Use Agreement, or at the conclusion of the term hereof by the payment of all amounts due hereunder, the Corporation and the Trustee shall execute and deliver to the City all necessary documents assigning, transferring and conveying all interest to the 2024 Facilities by an instrument terminating the Base Lease and this Purchase and Use Agreement and quit claim or special warranty deed, as the case may be, in the form as mutually agreed to by the Trustee, the Corporation and the City, subject to the following:

- (i) Permitted Encumbrances, other than this Purchase and Use Agreement and the Trust Agreement;
- (ii) all liens, encumbrances and restrictions created or suffered to exist by the Corporation and the Trustee as required or permitted by this Purchase and Use Agreement or the Trust Agreement or arising as a result of any action taken or permitted to be taken by the Corporation or the Trustee as required or permitted by this Purchase and Use Agreement or the Trust Agreement; and
- (iii) any lien or encumbrance created by action or inaction of or consented to by the City.

(b) Partial Conveyance Resulting from Partition. Upon any conveyance under Section 2.4 hereof, the Corporation and the Trustee shall execute and deliver to the City all necessary documents assigning, transferring and conveying all interest in the City Facilities by an instrument terminating the Base Lease and this Purchase and Use Agreement with respect to the City Facilities and quit claim or special warranty deed, as the case may be, in the form as mutually agreed to by the Trustee, the Corporation and the City, subject to the following:

- (i) Permitted Encumbrances, other than this Purchase and Use Agreement and the Trust Agreement;
- (ii) all liens, encumbrances and restrictions created or suffered to exist by the Corporation and the Trustee as required or permitted by this Purchase and Use Agreement or the Trust Agreement or arising as a result of any action taken or permitted to be taken by the Corporation or the Trustee as required or permitted by this Purchase and Use Agreement or the Trust Agreement; and
- (iii) any lien or encumbrance created by action or inaction of or consented to by the City.

(c) Partial Conveyance Resulting from Prepayment. Any conveyance resulting from a partial prepayment under Section 9.1(b) hereof shall be made in the manner as all other conveyances with respect to payments on each Bond Payment Date.

Neither the Trustee nor the Corporation shall be responsible for the recordation of any deed or other instrument for such purposes.

ARTICLE X MISCELLANEOUS

SECTION 10.1. Limitation of Liability of the Corporation and the City. Notwithstanding any other provision of this Purchase and Use Agreement, in the event of any default by either the Corporation or the City hereunder or under the Trust Agreement, any liability of the Corporation or the City shall be enforceable only out of its interest in the Base Lease and under this Purchase and Use Agreement and the moneys to be paid by the City through the later of the end of the Fiscal Year as to which Base Payments have been appropriated for or the conclusion of any holdover term as provided in Section 2.3 hereof, and there shall be no recourse for any claim based on this Purchase and Use Agreement, the Trust Agreement or the Bonds, against any other property of the Corporation or the City or against any officer or employee, past, present or future, of the Corporation or the City or any successor body as such, either directly or through the Corporation or the City or any such successor body, under any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or otherwise, and the liability of the Corporation and the City shall be limited to its interests in the Base Lease and interests under this Purchase and Use Agreement and the moneys to be paid by the City hereunder through the later of the end of the Fiscal Year as to which Base Payments have been appropriated therefor or the conclusion of any holdover term as provided in Section 2.3 hereof, and the lien of any judgment shall be restricted thereto, and there shall be no other recourse by the City against the Corporation or the Corporation against the City or any of the property now or hereafter owned by it or either of them.

SECTION 10.2. Surrender of Possession Upon Termination. Upon termination hereof or upon termination of all rights of the City hereunder, either by reason of an Event of Default or an Event of Nonappropriation, the City covenants that it will deliver up or cause to be delivered up peaceable possession of such of the 2024 Facilities as are determined under Section 2.4 hereof to be Corporation Facilities together with the related portion of the 2024 Real Property without delay, upon demand made by the Corporation or the Trustee, in good repair and operating condition, excepting reasonable wear and tear and damage, injury or destruction by fire or other casualty which, under the terms hereof, shall not have been repaired, reconstructed or replaced.

SECTION 10.3. Notices. Notices hereunder shall be given to the addresses shown below or to such other address as shall be filed in writing with the parties as follows:

If to the City:
City of Greer, South Carolina
ATTN: City Administrator
301 East Poinsett Street
Greer, South Carolina 29651

(with a copy to)

Michael E. Kozlarek
King Kozlarek Root Law LLC
Post Office Box 565
Greenville, South Carolina 29602-0565
Telephone: 864.427.5941

If to the Corporation:
Corporation ForGreer
Attention: President
c/o City Administrator
301 East Poinsett Street
Greer, South Carolina 29651
(with copy to the City as described above)

If to the Trustee:
Regions Bank
Attention: Corporate Trust Department
1180 West Peachtree Street NE
Atlanta, Georgia 30309

Telephone: 404.581.3726

Duplicate copies of each notice, request, complaint, demand or other instrument or document given hereunder by the Corporation, or the City to one or more of the others also shall be given to the others. The foregoing parties may designate, by notice given hereunder, any further or different addresses to which any subsequent notice, request, complaint, demand or other instrument or document shall be sent.

SECTION 10.4. Assignments. Except as expressly provided in the Trust Agreement, this Purchase and Use Agreement may not be assigned by either of the parties without the written consent of the other party and the written consent of the Trustee. Except as provided in Section 8.2 hereof and the provisions of Articles VI and VII of the Trust Agreement, the Trustee shall not be permitted to further assign its interest in this Purchase and Use Agreement. Any assignment in contravention hereof shall be void.

SECTION 10.5. Severability. In case any provision of this Purchase and Use Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, by any court or administrative body of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof and this Purchase and Use Agreement shall be construed as if such provision had never been contained herein.

SECTION 10.6. Amendments. The City and the Corporation may, with the prior consent of the Trustee, but without the consent of the Holder of any Bond, enter into any amendments at any time for any of the following purposes:

- (a) To cure any ambiguity, defect or omission herein or in any amendment;
- (b) To grant to or confer upon the Corporation any additional rights, remedies, powers, authority or security that lawfully may be granted to or conferred upon it;
- (c) To add to the covenants and agreements of the City herein contained, or to surrender any right or power herein reserved to or conferred upon the City;
- (d) To increase the Base Payments hereunder to enable the City to proceed to acquire and install additional assets in addition to the 2024 Facilities or modify the Base Payments hereunder in connection with the issuance of Additional Bonds under the Trust Agreement or the redemption, refunding or defeasance of a series of Bonds;
- (e) To reflect a change in applicable law; or
- (f) To make any amendments required by Moody's or S&P as a condition to rating the Bonds.

The City and the Corporation may, with notice to but without the prior consent of the Trustee, and without notice to or the consent of the Holder of any Bond, enter into any amendments at any time and from time to time (i) amend the Ancillary Projects in Exhibit A so long as the cost of the Ancillary Projects relative to the cost of the 2024 Projects does not increase or decrease by more than 33¹/₃%, (ii) to add Additional Real Property to the description in Exhibit B, consistent with amendments made pursuant to Section 3.1 of the Base Lease, (iii) under the conditions specified in Section 5.1(c) hereof, to delete 2024 Real Property in connection with a substitution of other 2024 Real Property, (iv) to release property from the description of the 2024 Real Property described in Exhibit B, consistent with a termination of the Base Lease pursuant to Section 3.6 of the Base Lease, or (v) to revise the description of Permitted Encumbrances specified in Exhibit C in connection with the foregoing amendments. Notwithstanding anything in this Purchase and Use Agreement to the contrary, the parties hereto, with notice to but without the prior consent of the Trustee, and without notice to or the consent of the Holder of any Bond, further agree to amend Exhibit A to the Base Lease and Exhibit B to this Purchase and Use Agreement to add real property related to the 2024 Projects or any Additional Facilities, at any time, and from time to time.

All other amendments must be approved by the Trustee and, if and to the extent required by the Trust Agreement, the consent of the Holders of the Bonds.

SECTION 10.7. Successors and Assigns. All covenants, promises and agreements contained in this Purchase and Use Agreement by or on behalf of or for the benefit of the City or the Corporation, shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

SECTION 10.8 Applicable Law. This Purchase and Use Agreement shall be governed by, and interpreted under, the laws of the State of South Carolina.

SECTION 10.9. Recordation. At the option of the Corporation this Purchase and Use Agreement or a short form and summary hereof may be recorded in appropriate official records.

SECTION 10.10. Execution in Counterparts. This Purchase and Use Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute but one and the same instrument.

[SIGNATURE PAGES AND SEVEN EXHIBITS FOLLOW]
[REMAINDER OF PAGE SUBSTANTIVELY BLANK]

WITNESS the due execution of this Purchase and Use Agreement, effective as of the date first above written.

(SEAL)

BUYER:
CITY OF GREER, SOUTH CAROLINA

By: _____
MAYOR, CITY COUNCIL

Attest: _____
CITY ADMINISTRATOR

(SEAL)

SELLER:
CORPORATION FORGREER

By: _____
PRESIDENT

Attest: _____
SECRETARY

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ACKNOWLEDGMENT

Personally appeared before me the undersigned witness who on oath says, that (s)he saw the within named Corporation ForGreer, by its duly authorized President and Secretary of the Board of Trustees, sign, seal and as its act and deed deliver the within Installment Purchase and Use Agreement, and that (s)he, together with the other witness whose signature appears above, witnessed the execution thereof.

SWORN TO AND SUBSCRIBED BEFORE ME

May 23, 2024

Notary Public for South Carolina

My Corporation Expires:_____

EXHIBIT A
2024 PROJECTS AND ANCILLARY PROJECTS

2024 Projects

- a. Public safety training facility; expected completion August 31, 2025
- b. Parking garage; expected completion May 30, 2025

Ancillary Projects

- Sports and events center[†]

[†]The City contemplates the portion of the Sports and Event Center being financed as part of the Series 2024 Bonds will be an Ancillary Project, but that initial portion along with the remainder of the Sports and Event Center being financed as part of any Additional Bonds will be, in total, “Additional Facilities” for purposes of this Purchase and Use Agreement.

EXHIBIT B
LEGAL DESCRIPTION OF THE 2024 REAL PROPERTY AND ANY ADDITIONAL REAL PROPERTY
(AS MAY BE AMENDED ACCORDING TO SECTION 10.6 OF THIS PURCHASE AND USE AGREEMENT)

SPORTS AND EVENTS CENTER

Parcel 1

All that certain piece, parcel, or tract of land, together with any improvements thereon, situate, lying and being in the State of South Carolina, County of Greenville, containing 10.169 acres, more or less, near Pleasant Grove Baptist Church, situate in Chick Springs Township on the southwestern side of (South) Buncombe Road as shown on a survey for the City of Greer dated March 8, 2024 and recorded [] in Plat Book [] at Page [] in the Greenville County Register of Deeds Office.

This being a portion of the same property conveyed to Julius Hugh Bruce on November 2, 2022, Deed Book 2672, at page 3702.

TMS: 0528030100500

Parcel 2

All that certain piece, parcel, or tract of land, together with any improvements thereon, situate, lying and being in the State of South Carolina, County of Greenville, containing 15.586 acres, more or less, , as shown on a survey for the City of Greer dated March 8, 2024 and recorded [] in Plat Book [] at Page [] in the Greenville County Register of Deeds Office.

This being a portion of the same property conveyed to Gary and Heather Gresham on March 1, 2024, Deed Book 2712, at page 4395 and a portion of the same property conveyed to David Capers Price, Robert James Price and Jeannie Price Gresham on August 21, 2000, Deed Book 1922, at page 291.

TMS: 0528030100600 and 0528030100601

Parcel 3

All that certain piece, parcel, or tract of land, together with any improvements thereon, situate, lying and being in the State of South Carolina, County of Greenville, containing 11.701 acres, more or less, situate on the western side of S.C. Hwy 14 and the eastern side of Buncombe Road as shown on a survey for Newspring Church, Inc. recorded November 11, 2013 in Plat Book 1167 at Page 14 in the Greenville County Register of Deeds Office.

This being the same property conveyed to NewSpring Church, Inc. by deed from Bi-Lo, LLC recorded August 6, 2013 in Deed Book 2429 at Page 1607 and from JOC Holdings Co., Inc. by deed recorded September 6, 2013 in Deed Book 2431 at Page 458 in the Greenville County Register of Deeds Office.

TMS: 0535010103502

PARKING FACILITY

Parcel 1

All that certain piece, parcel, or tract of land, together with any improvements thereon, situate, lying and being in the State of South Carolina, County of Greenville, containing 0.685 acres, more or less, as shown on a survey for City of Greer dated February 3, 2023 and recorded March 10, 2023 in Plat Book 1457 at Page 0039 in the Greenville County Register of Deeds Office.

This being a portion of the same property conveyed to the City of Greer from [].

TMS: G020000400800

Parcel 2

All that certain piece, parcel, or tract of land, together with any improvements thereon, situate, lying and being in the State of South Carolina, County of Greenville, containing 0.172 acres, more or less, as shown on a survey for the City of Greer dated February 3, 2023 and recorded March 10, 2023 in Plat Book 1457 at Page 0039 in the Greenville County Register of Deeds Office.

This being the same property conveyed to the City of Greer from J-Max, LLC by deed dated March 10, 2023 and recorded March 10, 2023 in Deed Book 2682 at Page 3841 in the Greenville County Register of Deeds Office.

TMS: G020000400900

PUBLIC SAFETY TRAINING FACILITY

Parcel 1

All that certain piece, parcel, or tract of land, together with any improvements thereon, situate, lying and being in the State of South Carolina, County of Greenville, containing 3.0 acres, more or less, as shown on a survey recorded September 8, 1989 in Plat Book 17-P at Page 11 in the Greenville County Register of Deeds Office.

ALSO: All that certain piece, parcel, or tract of land, together with any improvements thereon, situate, lying and being in the State of South Carolina, County of Greenville, containing 0.1858 acres, more or less, as shown on a survey recorded March 12, 1996 in Plat Book 32-F at Page 32 in the Greenville County Register of Deeds Office deeded to the City of Greer by deed recorded March 12, 1996 in Deed Book 1636 at Page 694.

LESS AND EXCEPT: All that certain piece, parcel, or tract of land, together with any improvements thereon, situate, lying and being in the State of South Carolina, County of Greenville, containing 0.1858 acres, more or less, as shown on a survey recorded March 12, 1996 in Plat Book 32-F at Page 32 in the Greenville County Register of Deeds Office deeded from the City of Greer to Hoechst Celanese Corporation by deed recorded March 12, 1996 in Deed Book 1636 at Page 697.

This being a portion of the same property conveyed to City of Greer on September 8, 1989, Deed Book 1372, at page 601.

TMS: G006000301104

Parcel 2

All that certain piece, parcel, or tract of land, together with any improvements thereon, situate, lying and being in the State of South Carolina, County of Greenville, containing 4.735 acres, more

or less, as shown on a survey for the City of Greer dated February 7, 2024 and recorded [] , 2024 in Plat Book [] at Page [] , in the Greenville County Register of Deeds Office.

This being a portion of the same property conveyed to Mitsubishi Polyester Film LLC on September 30, 1998, Deed Book 1790, at page 539.

TMS: G006000301102 (portion)

The City and the Corporation intend to provide an amendment to this Purchase and Use Agreement to provide a legal description of property to be acquired by the City which will become part of the 2024 Real Property according to Section 10.6 of this Purchase and Use Agreement.

EXHIBIT B-1
CONVEYED IMPROVEMENTS

All existing improvements located on the 2024 Real Property and any Additional Real Property.

EXHIBIT C
PERMITTED ENCUMBRANCES

Any mortgages, liens, financing statements, security interests, easements, leases, restrictive covenants, agreements, options, claims, clouds, encroachments, rights, taxes, assessments, mechanic's or materialmen's liens (inchoate or perfected), and other encumbrances of any nature whatsoever, of record.

EXHIBIT D
BASE PAYMENTS SCHEDULE

2024 PROJECTS

TOTAL ASSIGNED VALUE AS OF DATE OF EXECUTION AND DELIVERY OF AGREEMENT:
\$[]

<u>Payment</u>	<u>Payment</u>	<u>% of Total 2024</u> <u>Facilities Purchased</u>	
<u>Date</u>	<u>Amount</u> <u>(\$)</u>	<u>Incremental</u>	<u>Aggregate</u>

EXHIBIT E
VALUATION OF 2024 FACILITIES†

†AFTER THE COMPLETION DATE AND THE FILING OF THE ACCEPTANCE CERTIFICATE ACCORDING TO SECTION 3.04 HEREOF, THE ASSIGNED VALUES OF THE 2024 FACILITIES AND THE PERCENTAGES THEREOF BEING PURCHASED SHALL BE RECALCULATED BASED UPON FINAL CONSTRUCTION COSTS OF THE 2024 FACILITIES. NUMBERS MAY NOT ADD DUE TO ROUNDING.

[]
ASSIGNED VALUE AS OF DATE OF EXECUTION AND DELIVERY OF AGREEMENT:
\$[]

	% of 2024
Payment	<u>Facility Purchased</u>
<u>Date</u>	<u>Incremental</u> <u>Aggregate</u>

[]
ASSIGNED VALUE AS OF DATE OF EXECUTION AND DELIVERY OF AGREEMENT:
\$[]

ASSIGNED VALUE AS OF DATE OF EXECUTION AND DELIVERY OF AGREEMENT:

\$\square\$

	% of 2024	
Payment	<u>Facility Purchased</u>	
<u>Date</u>	<u>Incremental</u>	<u>Aggregate</u>

EXHIBIT F
FORM OF CONTINUING DISCLOSURE UNDERTAKING
CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (“Disclosure Undertaking”) is executed and delivered by the City of Greer, South Carolina (“City”), pursuant to Securities and Exchange Commission Rule 15c2-12 (“Rule”) and in connection with the issuance of \$[] City of Greer, South Carolina Corporation ForGreer Installment Purchase Revenue Bonds (City Improvement Projects) Series 2024 (collectively, “Bonds”). The Bonds are issued under the following conditions:

1. The City and Corporation ForGreer (“Issuer”) have entered into a Base Lease, dated of even date with the Bonds’ delivery (“Base Lease”) pursuant to which the City is leasing the 2024 Real Property to the Issuer so that the Issuer may provide for the acquisition of certain real property and the construction on the real property of public facilities and the acquisition, construction, and equipping of certain existing public facilities (collectively, “2024 Projects”).

2. To provide funds to defray the costs of the Projects, the Issuer will provide for the issuance of the Bonds, dated May 23, 2024, under and by the terms of a Trust Agreement, dated of even date with the Bonds’ delivery (“Trust Agreement”) by and between the Issuer and Regions Bank, as trustee (“Trustee”).

In connection with the issuance of the Bonds, the City represents, covenants, and agrees as follows:

Section 1. Purpose of the Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the City for the benefit of the Beneficial Owners of the Bonds and to assist the Participating Underwriter (defined below) in complying with the provisions of Securities and Exchange Commission Rule 15c2-12 (“Rule”).

Section 2. Definitions. In addition to the definitions set forth in the Trust Agreement, which apply to each capitalized terms used in this Section, the following capitalized terms shall have the following meanings:

“Annual Filing Date” means the date, set in Section 3(a) herein, by which the Annual Report is to be filed with the MSRB.

“Annual Financial Information” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 4(a) of this Disclosure Undertaking.

“Annual Report” means the annual report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Undertaking.

“Audited Financial Statements” means the financial statements of the City for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 4(a) of this Disclosure Undertaking.

“Beneficial Owner” means a person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Disclosure Representative” means the City Administrator, or his or her designee, or such other officer or employee of the City as may be designated in writing by the City Administrator.

“Dissemination Agent” means any person designated in writing by the City Administrator and which has filed with the City a written acceptance of such designation pursuant to Section 7 hereof.

“EMMA” means the MSRB’s Electronic Municipal Market Access system, which became effective July 1, 2009.

“Failure to File Event” means the City’s failure to file an Annual Report on or before the Annual Filing Date.

“Force Majeure Event” means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of EMMA; or (iii) interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the City from performance of its obligations under this Disclosure Undertaking.

“Information” means, collectively, the Annual Reports, the Audited Financial Statements (if any), the Notice Event notices and the Failure to File Event notices.

“Issuer” means Corporation ForGreer.

“MSRB” means the Municipal Securities Rulemaking Board.

“Notice Event” means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 5(a) of this Disclosure Undertaking.

“Official Statement” means the Official Statement dated April 11, 2024, prepared in connection with the Bonds.

“Resolution” means the resolution adopted by the Issuer’s Board of Trustees on March 19, 2024.

“Participating Underwriter” means Raymond James & Associates, Inc.

“Rule” means Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” means the State of South Carolina.

“Trustee” means Regions Bank.

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent, to not later than February 1 after the end of the City’s fiscal year (currently June 30), commencing with the fiscal year ended June 30, 2024, file with the MSRB an Annual Report. Each February 1 is the “Annual Filing Date.” The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Undertaking; provided, however, that the Audited Financial Statements of the City for the Fiscal Year ended June 30, 2024, and for each subsequent Fiscal Year may be submitted separately from the remainder of the Annual Report, and later than the Annual Filing Date, if they are not available by that date.

(b) If the City has not provided an Annual Report on the Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter), a Failure to File Event shall have occurred and the City shall file a Failure to File Event notice with the MSRB substantially in the form attached hereto as Exhibit A stating, among other things, the anticipated filing date for the Annual Report.

(c) The City may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

Section 4. Contents of Annual Reports. Each Annual Report shall contain or incorporate by reference Annual Financial Information with respect to the City, including:

(a) The Audited Financial Statements for the preceding fiscal year (commencing with the fiscal year ending June 30, 2024), prepared in accordance with generally accepted accounting principles (“GAAP”) or alternate accounting principles, as described in the Official Statement. If the audited financial statements are not available by the Annual Filing Date, the City may provide unaudited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report when in a reasonable time after they become available.

(b) To the extent such items are not included in the financial statements referred to in subsection (a) above, the financial and statistical data of the City for the preceding fiscal year, which information is included in the Official Statement under the following headings:

1. Five Year Revenue-Expenditure Summary (table);
2. Assessed Value of Taxable Property (table / for the preceding fiscal year);
3. Ten Principal Taxpayers (table / for the preceding fiscal year);

4. Debt Structure – Legal Debt Limit of the City (table / for the preceding fiscal year);
5. General Obligation Indebtedness (table); and
6. a copy of the City’s budget for the then current fiscal year.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the City or the Issuer for which the City is an “obligated person” (as defined by the Rule) which have been previously submitted to the MSRB or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The City shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the status of the Bonds, or other material events affecting the tax status of the Bond;
- (vii) Modifications to rights of Bond holders, if material;
- (viii) Bond calls, if material, and tender offers (except for mandatory scheduled redemptions not otherwise contingent on the occurrence of an event);
- (ix) Defeasances;
- (x) Release, substitution or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the City or the Issuer;
- (xiii) Consummation of a merger, consolidation or acquisition involving the City or the Issuer or the sale of all or substantially all of the assets of the City or the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such action, other than pursuant to its terms, if material;
- (xiv) Appointment of a successor or additional trustee, or the change of name of a trustee, if material;
- (xv) Incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect bondholders, if material; and
- (xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties.

(b) Upon the occurrence of a Notice Event, the City shall file a notice of the Notice Event in a timely manner, not in excess of ten business days of such occurrence, with the MSRB.

Section 6. Termination of Reporting Obligation. The City's obligations under this Disclosure Undertaking shall terminate upon the legal defeasance or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for a Notice Event under Section 5(b) hereof.

Section 7. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist in its carrying out its obligations under this Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to this Disclosure Undertaking.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Undertaking, the City may amend this Disclosure Undertaking and any provision of this Disclosure Undertaking may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a) hereof, it may only be made in connection with a change in circumstances that arises from a change in legal requirements or change in law;

(b) This Disclosure Undertaking as amended or taking into account such waiver, would, in the opinion of Bond Counsel (as defined in the Resolution), have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the bondholders in the same manner as provided in the Trust Agreement for amendments with the consent of bondholders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Undertaking, the City shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing Audited Financial Statements, (i) notice of such change shall be given in the same manner as for a Notice Event under Section 5(b) hereof, and (ii) the Annual Report for the year in which the change is made should prepare a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Notice Event, in addition to that which is required by this Disclosure Undertaking. If the City chooses to include any information in any Annual Report or notice of occurrence of a Notice Event in addition to that which is specifically required by this Disclosure Undertaking, the City shall have no obligation under this Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Notice Event.

Section 10. Default. In the event of a failure of the City to comply with any provision of this Disclosure Undertaking, any bondholder may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the City to comply with its obligations under this Disclosure Undertaking. A default under this Disclosure Undertaking shall not be deemed an event of default under Trust Agreement, and the sole remedy under this Disclosure Undertaking in the event of any failure of the City to comply with this Disclosure Undertaking shall be an action to compel performance.

Section 11. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the City, the Dissemination Agent, the Trustee and holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity. This Disclosure Undertaking is not intended to create any monetary rights on behalf of any person.

Section 12. Governing Law. This Disclosure Undertaking shall be governed by the laws of the State of South Carolina.

By: _____
City Administrator

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Corporation ForGreer
Obligated Person(s): City of Greer, South Carolina

Name of Bond Issue: Installment Purchase Revenue Bonds
(City Improvement Projects)
Series 2024

Date of Issuance: May 23, 2024
Date of Official Statement: April [], 2024
CUSIP Numbers **Maturity Date**
[] September 1, 20[]

NOTICE IS HEREBY GIVEN that the City has not provided an Annual Report with respect to the Bonds as required by the Disclosure Undertaking of the City. The City anticipates that the Annual Report will be filed by _____
_____.

Dated: _____

CITY OF GREER, SOUTH CAROLINA

By: _____
Its:

III. TRUST AGREEMENT

TRUST AGREEMENT

between

CORPORATION FORGREER

and

**Regions Bank,
as Trustee**

**\$[] [par]
City of Greer, South Carolina
Corporation ForGreer
Installment Purchase Revenue Bonds
(City Improvement Projects)
\$[]* \$[]*
SERIES 2024A TAXABLE SERIES 2024B**

Dated: May 23, 2024

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(THIS INDEX IS NOT A PART OF THE TRUST AGREEMENT BUT RATHER IS FOR CONVENIENCE OF REFERENCE ONLY)

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TRUST AGREEMENT

This TRUST AGREEMENT, effective May 23, 2024 (“Trust Agreement”), is between CORPORATION FORGREER, a nonprofit corporation organized and existing under the laws of the State of South Carolina (“Corporation”), and Regions Bank, a state banking corporation organized and existing under the laws of the State of Alabama, with a corporate trust office located in Atlanta, Georgia (“Trustee”).

WITNESSETH:

WHEREAS, the City of Greer, South Carolina (“City”), is simultaneously entering a Base Lease and Conveyance Agreement dated of even date herewith (“Base Lease”) with the Corporation, pursuant to which the City has leased certain real property as more particularly described in the Base Lease (“2024 Real Property”), and has conveyed the existing facilities located thereon (collectively, “Conveyed Improvements”), as more fully described in the Base Lease, to the Corporation;

WHEREAS, the Corporation is simultaneously entering an Installment Purchase and Use Agreement dated of even date herewith (“Purchase and Use Agreement”) with the City, pursuant to which the Corporation has agreed to make certain improvements comprising the 2024 Projects and to defray the costs of the Ancillary Projects (as such terms are defined in the Purchase and Use Agreement);

WHEREAS, the City will purchase the 2024 Facilities (as defined in the Purchase and Use Agreement) from the Corporation under the provisions of the Purchase and Use Agreement and the City will be entitled to occupy the 2024 Facilities pending completion of the payment therefor;

WHEREAS, the Corporation has agreed to make certain improvements comprising the Ancillary Projects (as defined below), which Ancillary Projects are not to be located on the 2024 Real Property, are not subject either to this Trust Agreement or the Purchase and Use Agreement and are owned by the City;

WHEREAS, to provide funds to pay the costs of the 2024 Projects and the Ancillary Projects, the Corporation will issue its \$[] City of Greer, South Carolina Corporation ForGreer Installment Purchase Revenue Bonds (City Improvement Projects) Series 2024A (“Series 2024A Bonds”) and the \$[] City of Greer, South Carolina Corporation ForGreer Installment Purchase Revenue Bonds (City Improvement Projects) Taxable Series 2024B (“Taxable Series 2024B Bonds” together with the Series 2024A Bonds, “Series 2024 Bonds”), pursuant to the terms of this Trust Agreement;

WHEREAS, the Corporation desires to enter into this Trust Agreement in order to prescribe the terms and conditions of the Series 2024 Bonds and the security therefor and to provide for the issuance of one or more series of additional bonds (“Additional Bonds” and, together with the Series 2024 Bonds, “Bonds”) to be secured under the terms hereof on a parity with the Series 2024 Bonds, and the Corporation and the Trustee are each authorized to execute and deliver this Trust Agreement and to do or cause to be done all acts provided or required to be performed on their respective parts;

WHEREAS, the Bonds are and will be secured by this Trust Agreement, and the Corporation and the Trustee are each authorized to execute and deliver this Trust Agreement and to do or cause to be done all acts provided or required to be performed on their respective parts;

WHEREAS, as the source of payment and security for the Bonds, the rights (except for certain reserved rights described) of the Corporation under the Purchase and Use Agreement and in certain of the payments to be made by the City under the Purchase and Use Agreement are being assigned, among other things, to the Trustee hereunder; and

WHEREAS, the Trustee has accepted the trusts created by this Trust Agreement, and in evidence thereof has joined in the execution hereof;

NOW, THEREFORE, THIS TRUST AGREEMENT WITNESSETH, that to secure the payment of the principal of, premium, if any, and interest on the Bonds, to secure the performance and observance of all the covenants, agreements, obligations and conditions contained therein and herein; and to declare the terms and conditions upon and subject to which the Bonds are and are intended to be executed, delivered, held, secured and enforced; and in consideration of the premises and the acceptance by the Trustee of the trusts created herein and of the purchase and acceptance of the Bonds by the Holders thereof, and for other good and valuable consideration, the receipt of which is acknowledged, the Corporation has executed and delivered this Trust Agreement and absolutely assigns hereby and grants a security interest herein to the Trustee, and to its successors in trust, and its and their assigns all of the following described collateral, whether presently owned or subsequently acquired by the Corporation (“Trust Estate”):

Granting Clause First

All right, title and interest of the Corporation in and to the Revenues (as defined herein), including, without limitation, all Installment Payments (as defined in the Purchase and Use Agreement) and other amounts receivable by or on behalf of the Corporation under the

Purchase and Use Agreement; subject to certain reserved rights described in Sections 4.2, 4.4, 4.5, and 5.5, as described and referenced in Section 4.5 thereof (“Reserved Rights”).

Granting Clause Second

All of the Corporation’s right, title, and interest in and to the 2024 Facilities, the Purchase and Use Agreement (except for the Reserved Rights), the Base Lease and the property rights evidenced thereby in the 2024 Real Property, including all the right, title, and interest of the Corporation in and to (a) all of the rents, issues, profits, revenues, income, receipts, moneys, royalties, rights, and benefits of and from the 2024 Real Property, and from and in connection with the Corporation’s ownership of the 2024 Facilities, including, without limiting the generality of the foregoing, rents and revenues under any and all leases of the 2024 Real Property or the 2024 Facilities or any agreement for the operation or management of the 2024 Real Property or the 2024 Facilities, and (b) all leases of all or part of the 2024 Facilities hereafter made, executed, or delivered, whether oral or written, together with any and all renewals, extensions, and modifications thereof and any guarantees of the lessees’ obligations thereof and any and all tenant contracts, rental agreements, franchise agreements, management contracts, construction contracts, and other contracts, licenses, and permits now or hereafter affecting the 2024 Facilities, the 2024 Real Property or any part thereof.

Granting Clause Third

All of the Corporation’s rights with respect to any contracts for the construction or acquisition of the 2024 Projects, including without limitation the Acquisition and Construction Contracts (as defined in the Purchase and Use Agreement); any insurance or condemnation proceeds with respect to the 2024 Facilities or any portion thereof, and the proceeds of any other collateral granted hereunder or assigned hereby as security for the Bonds.

Granting Clause Fourth

All moneys and investments in the funds and accounts created pursuant to this Trust Agreement (except such funds or accounts as may be created by the Trustee exclusively for the payment of arbitrage rebate related to the Bonds) and all income thereon.

TO HAVE AND TO HOLD unto the Trustee and its successors in that trust and its and their assigns forever;

BUT IN TRUST, NEVERTHELESS, and subject to the provisions of this Trust Agreement, the Bonds provided for herein, and the Purchase and Use Agreement, for the equal and proportionate benefit, security and protection of all present and future Holders of the Bonds executed and delivered under and secured by this Trust Agreement; for the enforcement of the payment of Base Payments by the City when payable, according to the true intent and meaning thereof and of this Trust Agreement; and to secure the performance and observance of and compliance with the covenants, agreements, obligations, terms and conditions of this Trust Agreement, in each case, without preference, priority or distinction, as to lien or otherwise, of any one Bond over any other Bond by reason of series designation, number, date of the Bond or of authorization, sale, execution, delivery or maturity thereof, or otherwise, so that each of the Bonds has the same right, lien and privilege under this Trust Agreement as all other Bonds and shall be secured equally and ratably hereby, it being intended that the lien and security of this Trust Agreement shall take effect from the date hereof, without regard to the date of the actual execution, delivery, sale or disposition of the Bonds as though upon that date all of the Bonds were actually executed, sold and delivered to purchasers for value; provided, however, that the amounts on deposit in the subaccounts, if any, of the Facilities Purchase Account established for a particular series of Bonds shall be available solely for the benefit of such series (and for no other series) of Bonds; and provided, further, that

(i) if the principal of the Bonds and premium, if any, and the interest due or to become due with respect thereto shall be well and truly paid, at the times and in the manner to which reference is made in the Bonds, according to the true intent and meaning thereof, or the Outstanding Bonds of a particular Series has been paid and discharged in accordance with Article IX hereof; and

(ii) if all of the covenants, agreements, obligations, terms and conditions of the Corporation under this Trust Agreement have been kept, performed and observed and there has been paid to the Trustee, as such and as the Paying Agent (as defined herein), all sums of money due or to become due to it in accordance with the terms and provisions hereof, then, this Trust Agreement and the rights assigned hereby shall cease, determine and be void with respect to the Bonds, except as provided in Section 9.2 hereof with respect to the survival of certain provisions hereof; otherwise, this Trust Agreement shall be and remain in full force and effect.

It is declared that all Bonds executed and delivered hereunder and secured hereby are to be executed, authenticated, and delivered, and that all property assigned hereby is to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, obligations, trusts, uses, and purposes provided in this Trust Agreement. The Corporation and the Trustee have each agreed and covenanted, and agree and covenant with each other and with each and all Holders, as follows:

ARTICLE I DEFINITIONS

SECTION 1.1 Definitions. Terms used herein without other definition have the meanings provided therefore in the Purchase and Use Agreement unless the context or use clearly indicates another meaning or intent. In addition, the following words and terms have the

meanings set forth below unless the context or use clearly indicates another meaning or intent:

“2024 Facilities” shall have the meaning set forth in the Purchase and Use Agreement.

“2024 Projects” shall have the meaning set forth in the Purchase and Use Agreement.

“2024 Real Property” shall have the meaning set forth in the Purchase and Use Agreement.

“Account” means any account in the Project Fund or Bond Fund, or any account described in or created by the Trustee pursuant to Article V.

“Additional Ancillary Projects” means improvements funded by proceeds of Additional Bonds, but which improvements and the real property upon which the same is situated shall not be subject to the Base Lease or the Purchase and Use Agreement.

“Additional Bonds” means any Bonds issued pursuant to this Trust Agreement after the issuance of the Series 2024 Bonds and secured by the Trust Estate on a parity with the Series 2024 Bonds under the terms of this Trust Agreement.

“Additional Facilities” means any facilities of the City proposed to be acquired, constructed, or improved by the Corporation and made subject to the Purchase and Use Agreement and the Base Lease.

“Additional Payments” means Additional Payments as defined in the Purchase and Use Agreement.

“Additional Real Property” means any real property in addition to the 2024 Real Property that is or will become the site of Additional Facilities.

“Ancillary Projects” means the acquisition, construction, and equipping of certain new or existing facilities using proceeds of the Series 2024 Bonds, all as described on Exhibit A of the Purchase and Use Agreement, as the same may be amended from time to time. The Ancillary Projects do not include the 2024 Projects. Neither improvements nor the real property on which the improvements are situated are subject to the Base Lease or the Purchase and Use Agreement. The Ancillary Projects are owned by the City.

“Authorized Financial Representative” means such person designated by the Corporation as the agent of the Corporation who is authorized to provide directions with respect to the investment or reinvestment of amounts held by the Trustee or Custodian, as applicable, in funds and accounts established under this Trust Agreement, which designation may be evidenced by a written certificate or letter signed by the President or any Vice President delivered to the Trustee or Custodian, as applicable, and may be revoked, rescinded or replaced by a similar certificate or letter at any time.

“Base Lease” means the Base Lease and Conveyance Agreement dated of even date herewith, between the City and the Corporation, as it may be amended and modified from time to time.

“Base Payments” means the Base Payments as defined in the Purchase and Use Agreement.

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

“Bond” or “Bonds” means the Series 2024 Bonds and any Additional Bonds issued and secured under the terms hereof.

“Bond Counsel” means a firm of nationally recognized bond counsel experienced in matters of tax-exempt finance as shall be acceptable to the Trustee, and for the Bonds means King Kozlarek Root Law LLC.

“Bond Fund” means the Bond Fund established pursuant to Section 5.5 hereof.

“Bond Payment Date” means March 1 and September 1 of each year, commencing September 1, 2024.

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

“Business Day” means any day of the week other than Saturday, Sunday or a day which shall be in the State or the state in which the principal office of the Trustee is located a legal holiday or a day on which banking corporations are authorized or obligated by law or executive order to close or a day on which the New York Stock Exchange is closed.

“City” means City of Greer, South Carolina.

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

“City Representative” means the person or persons at the time designated to act on behalf of the City in matters relating to the Base Lease, the Purchase and Use Agreement or this Trust Agreement as evidenced by a written certificate furnished to the Corporation and the Trustee containing the specimen signature of such person or persons and signed on behalf of the City by the Mayor or City Administrator. Such certificate may designate an alternate or alternates each of whom shall be entitled to perform all duties of the City Representative.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, or any successor internal revenue laws of the United States enacted by the Congress of the United States in replacement thereof. References to the Code and sections of the Code include relevant applicable regulations, temporary regulations, and proposed regulations thereunder and any successor provisions to those sections, regulations, temporary regulations, or proposed regulations.

“Conveyed Improvements” means those certain improvements presently existing on the 2024 Real Property and any Additional Real Property, all as described in Exhibit B-1 of the Purchase and Use Agreement.

“Corporation” or “Issuer” means Corporation ForGreer, a nonprofit corporation formed under the laws of the State, and its successors and assigns.

“Corporation Representative” means the person or persons at the time designated to act on behalf of the Corporation in matters relating to the Base Lease, the Purchase and Use Agreement and this Trust Agreement as evidenced by a written certificate furnished to the City and the Trustee containing the specimen signature of such person or persons and signed on behalf of the Corporation by its President or any Vice President. Such certificate may designate an alternate or alternates, each of whom shall be entitled to perform all duties of the Corporation Representative.

“Counsel” means an attorney duly admitted to practice law before the highest court of any state and, without limitation, may include legal counsel for either the City or the Corporation.

“Custodian” shall have the meaning set forth in Section 5.2 hereof.

“Defeasance Obligations” means (a) cash, or (b) Eligible Investments that are United States Treasury Obligations State and Local Government Series; United States Treasury bills, notes, bonds, or zero coupon treasury bonds all as traded on the open market; Direct obligations of the U.S. Treasury which have been stripped by the Treasury itself, CATS, TIGRS and similar securities; pre-refunded municipal obligations; obligations of the following agencies which are backed by the full faith and credit of the United States: (i) U.S. Export-Import Bank-direct obligations or fully guaranteed certificates of beneficial ownership; (ii) Farmers Home Administration: Certificates of beneficial ownership; (iii) Federal Financing Bank; (iv) General Services Administration: Participation certificates; (v) U.S. Maritime Administration: Guaranteed Title XI financing; (vi) U.S. Department of Housing and Urban Development: Project Notes; Local Authority Bonds; New Communities Debenture-U.S. government guaranteed debentures; (vii) U.S. Public Housing notes and bonds-U.S. government guaranteed public housing bonds; or any legally permissible combination of any of the foregoing.

“Eligible Investments” means, to the extent permitted by applicable law:

(i) Certificates or interest-bearing notes or obligations of the United States, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.

(ii) Investments in any of the following obligations provided such obligations are backed by the full faith and credit of the United States (a) direct obligations or fully guaranteed certificates of beneficial interest of the Export-Import Bank of the United States, (b) debentures of the Federal Housing Administration, (c) guaranteed mortgage-backed bonds of the Government National Mortgage Association, (d) certificates of beneficial interest of the Farmers Home Administration, (e) obligations of the Federal Financing Bank or (f) project notes and local authority bonds of the Department of Housing and Urban Development.

(iii) Investments in (a) senior obligations of the Federal Home Loan Bank System, (b) participation certificates or senior debt obligations of the Federal Home Loan Mortgage Corporation, (c) mortgage-backed securities and senior debt obligations (excluding stripped mortgage securities that are valued greater than par on the portion of unpaid principal) of the Federal National Mortgage Association or (d) senior debt obligations of the Student Loan Marketing Association.

(iv) Repurchase agreements with primary dealers and/or banks rated, at all times, AA and AA2 or better by Standard & Poor's Corporation and Moody's Investors Service, Inc., respectively, collateralized with the obligations described in (i) or (ii) above, held by a third-party custodian, at the levels set forth in Section 5.7.

(v) S.E.C. registered money market mutual funds conforming to Rule 2a-7 of the Investment Company Act of 1940 that invest primarily in direct obligations issued by the U.S. Treasury and repurchase agreements backed by those obligations, including funds for which the Trustee or an affiliate of the Trustee acts as an advisor, and rated in the highest category by Standard & Poor's Corporation and Moody's Investors Service, Inc.

(vi) Certificates of deposit of any bank (including the Trustee), trust company or savings and loan association whose short term obligations are rated, at all times, A-1 or better by Standard & Poor's Corporation and P-1 by Moody's Investors Service, Inc., provided that such certificates of deposit are fully secured by the obligations described in (i) or (ii) above, at the levels set forth in Section 5.7, the Trustee has a perfected first security interest in the obligations securing the certificates and the Trustee holds (or has the option to appoint a bank, trust company or savings and loan association as its agent to hold) the obligations securing the certificates.

(vii) Certificates of deposit of any bank (including the Trustee), trust company or savings and loan association which certificates are fully insured by the Federal Deposit Insurance Corporation.

(viii) Commercial paper rated, at all times, P-1 or better by Moody's Investors Service, Inc., and A-1+ by Standard & Poor's Corporation.

(ix) Obligations of, or obligations fully guaranteed by, any state of the United States of America or any political subdivision thereof which obligations, at all times, are rated by Standard & Poor's Corporation and Moody's Investors Service, Inc. in the highest rating categories (without regard to any refinement or graduation of rating category by numerical modifier or otherwise) and without regard to credit enhancement assigned by such rating agencies to obligations of that nature.

(x) The Local Government Investment Pool managed by the Treasurer of the State of South Carolina.

(xi) A demand deposit account which is Federal Deposit Insurance Corporation insured up to \$250,000 and collateralized at 105% for balances over the Federal Deposit Insurance Corporation insurance amount in assets as defined in subsection (ix) above.

(xi) [Reserved].

"Event of Default" means an Event of Default under Section 7.1 hereof.

"Event of Nonappropriation" means Event of Nonappropriation as defined in the Purchase and Use Agreement.

"Extraordinary Services" and "Extraordinary Expenses" means all services rendered and all reasonable expenses properly incurred by the Trustee under this Trust Agreement, other than Ordinary Services and Ordinary Expenses.

"Facilities Purchase Account" means the account of such name within the Bond Fund established pursuant to Section 5.5 hereof.

"Federal Tax Certificate" means the Federal Tax Certificate dated the date of the delivery of the Series 2024 Bonds of the City and the Corporation.

"Fiscal Year" means the Fiscal Year of the City as defined in the Purchase and Use Agreement.

"Fund" means the Bond Fund or Project Fund, or any fund described in or created by the Trustee pursuant to Article V.

"Holder" or "Holder of a Bond" or "Bondholder" means the Person in whose name a Bond is registered on the Register.

"Initial Bonds" means the Series 2024 Bonds initially issued under the Book-Entry System as provided in Section 3.18 hereof.

"Installment Payments" means the amounts required to be paid to the Corporation by the City pursuant to Sections 4.1, 4.2 and 4.4 of the Purchase and Use Agreement.

"Moody's" means Moody's Investors Service, Inc., or its successors or assigns.

"Ordinary Services" and "Ordinary Expenses" means those services normally rendered, and those expenses normally incurred, by a trustee, registrar or paying agent under instruments similar to this Trust Agreement.

"Outstanding," when used with reference to the Bonds, means, as of the applicable date, all the Bonds which have been executed and delivered, or which are being delivered by the Trustee under this Trust Agreement, except:

(i) Bonds cancelled upon surrender, exchange, or transfer, or cancelled because of payment or redemption on or prior to that date;

(ii) Bonds, or the portions thereof, for the payment, redemption, or purchase for cancellation of which sufficient money has been deposited and credited with the Trustee pursuant to the provisions of this Trust Agreement on or prior to that date for that purpose (whether upon or prior to the maturity date of those Bonds);

(iii) Bonds or the portion thereof, which are deemed to have been paid and discharged or caused to have been paid and discharged pursuant to the provisions of this Trust Agreement; and

(iv) Bonds in lieu of which others have been executed and delivered under Section 3.12 of this Trust Agreement.

“Participant” means any bank, brokerage house or other financial institution for whom, from time to time, the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository.

“Paying Agent” means the Trustee acting in that capacity.

“Person” or words importing “persons” means firms, associations, partnerships (including without limitation, general and limited partnerships), joint ventures, societies, estates, trusts, corporations, public or governmental bodies, other legal entities, and natural persons.

“Principal Office” used with respect to the Trustee in its capacity as Trustee or Paying Agent, means the principal office of the Trustee, located in Atlanta, Georgia, at which the Trustee conducts corporate trust business.

“Project Fund” means the Project Fund established pursuant to Section 5.2 hereof.

“Purchase and Use Agreement” means the Installment Purchase and Use Agreement dated of even date herewith, between the Corporation, as seller, and the City, as buyer, as the same may be amended or supplemented from time to time.

“Purchase Option Price” means Purchase Option Price as defined in the Purchase and Use Agreement.

“Record Date” means either a Regular Record Date or a Special Record Date as the case may be.

“Register” means the books kept and maintained by the Trustee for registration and transfer of Bonds pursuant to Section 3.13 hereof.

“Regular Record Date” means, with respect to any Bond, the fifteenth day next preceding a Bond Payment Date applicable to such Bond.

“Revenues” means, with respect to the Bonds, (i) the Installment Payments under the Purchase and Use Agreement, (ii) all other moneys received or to be received by the Trustee under the Purchase and Use Agreement from the lease, sale or other disposition of the 2024 Facilities, (iii) any monies and investments in the Bond Fund (including the Facilities Purchase Account), and (iv) all income and profit from the investment of the foregoing moneys.

“S&P” means S&P Global Ratings, or its successors or assigns.

“Securities Depository” means 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, operating and maintaining, with its Participants or otherwise, a Book-Entry System to record ownership of beneficial interests in the Bonds, and to effect transfers of the Bonds, in Book-Entry Form, and includes and means, initially, The Depository Trust Company (a limited purpose trust company), New York, New York.

“Securities Depository Nominee” means, with respect to any Securities Depository, such Securities Depository, or the nominee of such Securities Depository in whose name the Bonds shall be registered on the Register during the time such Bonds are held under a Book-Entry System through such Securities Depository.

“Special Record Date” means, with respect to any Bond, the date established by the Trustee in connection with the payment of overdue interest on that Bond pursuant to Section 3.5 hereof.

“State” means the State of South Carolina.

“Supplemental Agreement” means any agreement supplemental to this Trust Agreement entered into between the Corporation and the Trustee in accordance with Article VIII hereof.

“Trust Agreement” means this Trust Agreement by and between the Corporation and the Trustee, as the same may be supplemented or amended by any Supplemental Agreement.

“Trust Estate” means the Trust Estate described in the Granting Clauses hereto.

“Trustee” means Regions Bank, or any successor Trustee that may become the Trustee pursuant to the applicable provisions of this Trust Agreement.

“Underwriter” means, with respect to the Bonds, Raymond James & Associates, Inc.

“Value” or “value,” with respect to any Eligible Investments for the Facilities Purchase Account, calculated under this Trust Agreement shall be determined as of any date of calculation as follows:

- (a) the bid price published by a nationally recognized pricing service as selected by the Trustee 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 among the Corporation, the City, and the Trustee.

SECTION 1.2 Interpretation. Any reference to a section or provision of the Constitution of the State, or to a section, provision or chapter of the Code of Laws of South Carolina 1976, as amended, or to any statute of the United States of America, includes that section, provision or chapter as amended, modified, revised, supplemented or superseded from time to time; provided, that no amendment, modification, revision, supplement or superseding section, provision or chapter shall be applicable solely by reason of this paragraph, if it constitutes in any way an impairment of the rights or obligations of the City, the Corporation, the Holders, or the Trustee under this Trust Agreement, the Bonds, the Base Lease, the Purchase and Use Agreement or any other instrument or document entered into in connection with any of the foregoing, including without limitation, any alteration of the obligation to pay principal, premium, if any, or interest on the Bonds in the amount and manner, at the times, and from the sources provided in this Trust Agreement, except as permitted herein.

Unless the context indicates otherwise, words implying the singular number include the plural number, and vice versa. The terms “hereof,” “hereby,” “herein,” “hereto,” “hereunder,” “hereinafter” and similar terms refer to this Trust Agreement; and the term “hereafter” means after, and the term “heretofore” means before the date of this Trust Agreement. Words of any gender generally include the correlative words of the other gender unless the sense indicates otherwise.

References to sections, articles, or exhibits, unless otherwise indicated, are to sections and articles of or exhibits to this Trust Agreement.

SECTION 1.3 Captions and Headings. The captions and headings in this Trust Agreement are solely for convenience of reference and in no way define, limit, or describe the scope or intent of any Articles, Sections, subsections, paragraphs, subparagraphs, or clauses hereof.

ARTICLE II RECITALS AND REPRESENTATIONS

SECTION 2.1 Base Lease and Purchase and Use Agreement. The Corporation and the City have entered into (i) the Base Lease, under which the City has leased its interest in the 2024 Real Property and has conveyed its interest in the Conveyed Improvements owned by it to the Corporation and (ii) the Purchase and Use Agreement, under the terms of which the City has arranged with the Corporation for the acquisition and installation, renovation and construction of the 2024 Projects and to defray the costs of the Ancillary Projects, and for the sale to, and use and occupancy by the City, of the 2024 Facilities.

SECTION 2.2 Installment Payments. Under the Purchase and Use Agreement, the City is obligated to pay to the Corporation or its assigns during the term thereof Installment Payments for the purchase of the 2024 Facilities, subject to the occurrence of an Event of Nonappropriation as set forth in Section 4.7 of the Purchase and Use Agreement, and subject to the City’s right to exercise its purchase option as set forth in Section 9.1 of the Purchase and Use Agreement.

SECTION 2.3 Assignment and Conveyance.

(a) For the purpose of securing the payment of the Bonds, the Corporation has assigned, and granted a security interest in, the Trust Estate to the Trustee under the granting clauses hereto. The Corporation hereby represents and confirms that it has full legal power and authority to assign the Trust Estate as enumerated in the granting clauses hereto and that no assignment thereof has been made except to the Trustee. Notwithstanding anything in this Trust Agreement to the contrary, the Corporation shall be required to take any action required of it pursuant to the Purchase and Use Agreement, the Base Lease and any other contracts or agreements for which the Corporation’s rights

thereunder have been assigned to the Trustee as part of the Trust Estate, unless the Trustee is acting on behalf of the Corporation pursuant to such assignment.

(b) The Corporation and the Trustee intend for this Trust Agreement to be a security agreement within the meaning of the Uniform Commercial Code as adopted by the State ("UCC"). The intent of the Corporation is to provide to the Trustee, to the fullest extent that the Trust Estate now or hereafter may be subject to a security interest under the UCC, the security interest in the Trust Estate including all presently owned or after-acquired property constituting all or a portion of the Trust Estate. The Corporation hereby agrees to prepare and file all initial financing statements necessary to perfect this security interest or other statutory liens held by the Trustee. The Trustee shall prepare and file any restatements, extensions, continuations, renewals, or amendments thereof, which may be required to continue the perfection of this security interest, or other statutory liens held by the Trustee. With respect to any of the Trust Estate in which a security interest is not perfected by the filing of a financing statement, the Corporation consents and agrees to undertake, and the Trustee agrees to cooperate fully with the Corporation, to perfect the security interest granted to the Trustee in the Trust Estate. During the term of the Purchase and Use Agreement, the Trustee may exclusively rely on the City to operate the 2024 Facilities (including the 2024 Real Property) in accordance with all laws, ordinances, rules, and regulations, including without limitation, Environmental Laws.

(c) The Corporation and the Trustee intend for this Trust Agreement to be a collateral assignment of all rents, leases, issues and profits created by, or arising out of any right, title or interest of the Corporation in the Trust Estate, including without limitation, all leases, rents, issues, and profits arising out of the Base Lease, the Purchase and Use Agreement, and any future lease or leases now or hereinafter entered into by the Corporation.

SECTION 2.4 Powers and Trusts Granted. All acts, conditions and things required by law to exist, happen, and be performed precedent to and in connection with the execution and entering into of this Trust Agreement have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly empowered to execute and enter into this Trust Agreement.

SECTION 2.5 Other Security Documents. The Corporation shall cause this Trust Agreement (or an assignment agreement of the Corporation in favor of the Trustee, in lieu hereof) and any financing statements relating hereto, to be filed, in such manner and at such places as may be required by law fully to protect the security of the Holders of the Bonds and the right, title and interest of the Trustee in and to the 2024 Facilities and the Trust Estate created by this Trust Agreement or any part thereof. The Corporation will cause the Base Lease, the Purchase and Use Agreement and any related instruments or documents, to be recorded and filed in the manner and in the places which may be required by law in order to preserve and protect fully the security of the Holders and the rights of the Trustee hereunder. The Corporation shall execute or cause to be executed any and all further instruments necessary for such protection of the interests of the Holders of the Bonds and to perfect and preserve the Trust Estate created by this Trust Agreement or any part thereof until the principal of and interest of the Bonds issued hereunder shall have been paid. The Trustee shall execute or join in the execution of any such further or additional instrument and file or join in the filing thereof at such time or times and in such place or places as may be requested by the Corporation in writing to perfect and to preserve the Trust Estate created by this Trust Agreement or any part thereof until the Bonds shall have been paid or discharged in the manner hereinafter provided.

SECTION 2.6 Contract Documents. The rights assigned under Granting Clause Third hereof include all of the Corporation's right and title to modify, alter, or amend the contracts that are subject to the operation of Granting Clause Third ("Contract Documents"), to terminate the Contract Documents, and to waive or release the performance or observance of any obligation or condition of the Contract Documents. Notwithstanding such assignment, so long as there is no Event of Default, the Corporation shall have the right to modify, alter, or amend the Contract Documents without the approval of the Trustee if the City certifies that as a result of such modification, alteration or amendment, either (i) the costs of the 2024 Projects will not increase by more than 20%, or (ii) that if there is such an increase in the costs of the 2024 Projects, the City has deposited in the Project Fund the amount required to provide for such increase. The Corporation covenants that it will not without the prior written consent of the Trustee assign its interest in the Contract Documents to any person or entity other than the Trustee. The Corporation shall allow the Trustee, upon reasonable notice, access to the Contract Documents in a manner and at a place and time convenient to the Trustee and the Corporation. The Trustee shall not assume any responsibilities, obligations, or liabilities under the terms of any Contract Document. No action taken by the Trustee under this Section 2.6 shall require consent by the Bondholders. The Trustee shall consent to such proposed modification, alteration or amendment of the Contract Documents if the City makes the certifications required by this Section 2.6 in writing to the Trustee, and the City causes an opinion of Bond Counsel to be delivered to the Trustee to the effect that such proposed modification, alteration or amendment of the Contract Documents will not (a) materially adversely affect the aggregate value of the 2024 Facilities or (b) materially adversely affect the interests of the Bondholders in any other way. The Trustee shall have no liability to the Bondholders for any approval granted by it under this Section 2.6, provided that it acts in good faith.

ARTICLE III AUTHORIZATION AND TERMS OF BONDS

SECTION 3.1 Principal Amount of Bonds; Designation of Bonds; Conditions to Delivery.

(a) Pursuant to the provisions of this Trust Agreement, there are hereby authorized to be issued several series of bonds of the Corporation. Upon the execution and delivery hereof, there is hereby authorized a series of bonds in the principal amount of \$[par]

designated “City of Greer, South Carolina Corporation ForGreer Installment Purchase Revenue Bonds (City Improvement Projects) Series 2024A” and in the principal amount of \$[par] designated “City of Greer, South Carolina Corporation ForGreer Installment Purchase Revenue Bonds (City Improvement Projects) Taxable Series 2024B” with such further and other designation as may be necessary to identify such series.

(b) Upon the execution and delivery of this Trust Agreement, and satisfaction of the conditions established by this Trust Agreement and the Purchase and Use Agreement for delivery of the Bonds, the Corporation shall execute, and the Trustee shall authenticate and deliver, the Bonds to, or to the order of, the Underwriter.

(c) Before the Trustee authenticates any of the Bonds, the Trustee shall have received a request and authorization from the City and the Corporation, signed on their behalf by a City Representative and a Corporation Representative, respectively, to authenticate the Bonds upon payment to the Trustee of the amount specified therein, which amount shall be deposited as provided in Section 5.1 hereof. Executed copies of the following shall be submitted with the request:

- (i) the Base Lease;
- (ii) the Purchase and Use Agreement;
- (iii) this Trust Agreement; and
- (iv) the Federal Tax Certificate with respect to the Series 2024A Bonds.

(d) THE BONDS AND THE INTEREST THEREON AND REDEMPTION PREMIUM, IF ANY, SHALL BE AN OBLIGATION OF THE CORPORATION, AND SHALL BE SECURED BY AND PAYABLE FROM THE TRUST ESTATE. THE BONDS DO NOT AND SHALL NOT BE DEEMED TO CONSTITUTE OR CREATE AN INDEBTEDNESS, LIABILITY OR OBLIGATION OF THE CITY WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION OR A PLEDGE OF THE FAITH AND CREDIT OF THE CITY. THE BONDS AND THE INTEREST THEREON ARE PAYABLE FROM AND SECURED BY THE TRUST ESTATE AS DESCRIBED IN AND SUBJECT TO LIMITATIONS SET FORTH IN THIS TRUST AGREEMENT FOR THE EQUAL AND RATABLE BENEFIT OF THE HOLDERS, FROM TIME TO TIME, OF THE BONDS.

SECTION 3.2 Purposes. The Series 2024 Bonds are authorized for the principal purposes of providing funds to defray all or a portion of the cost of acquisition, construction, renovation and equipping of the 2024 Projects and to defray the costs of the Ancillary Projects and pay certain costs and expenses relating to the issuance of the Bonds. The funds being used to pay costs of acquisition, or renovation, design, construction, and equipment of the 2024 Projects and the Ancillary Projects are to be made available through the Project Fund to the Corporation and the City pursuant to the provisions of Section 5.3 hereof and the Purchase and Use Agreement.

SECTION 3.3 Maturity Schedule; Date; Interest Rates. The Series 2024 Bonds shall mature on September 1 in the years and principal amounts set forth below and shall bear interest (calculated on the basis of a 360-day year of twelve 30-day months) payable on each Bond Payment Date, at the rates set forth below.

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SERIES 2024A BONDS MATURITY SCHEDULE

<u>DUE</u> <u>SEPTEMBER 1</u>	<u>PRINCIPAL</u> <u>AMOUNT (\$)</u>	<u>INTEREST</u> <u>RATE (%)</u>	<u>CUSIP</u>
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2034			
2036			
2037			
2038			
2039			
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2041			
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2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
2052			
2053			
2054			

TAXABLE SERIES 2024B BONDS MATURITY SCHEDULE

<u>DUE</u> <u>SEPTEMBER 1</u>	<u>PRINCIPAL</u> <u>AMOUNT (\$)</u>	<u>INTEREST</u> <u>RATE (%)</u>	<u>CUSIP</u>
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SECTION 3.4 Provisions Relating to Additional Bonds; Conditions for Issuance.

(a) Authorization for Additional Bonds. Additional Bonds may be issued hereunder and secured by the Trust Estate on a parity with the Series 2024 Bonds under the conditions set forth herein.

(b) Purposes for Additional Bonds. Additional Bonds may be issued for the purposes of providing funds (i) to refund any of the Series 2024 Bonds or any Additional Bonds theretofore issued, (ii) for the purpose of paying the cost of completing the 2024 Projects or the Ancillary Projects and (iii) for the purpose of paying the cost of Additional Facilities (as defined in the Base Lease) or Additional Ancillary Projects.

(c) Conditions to the Issuance of All Additional Bonds. Prior to issuing any Additional Bonds, there shall have been executed and delivered (i) a Supplemental Agreement authorizing such Additional Bonds and prescribing the terms and details thereof and the purposes for the issuance of such Additional Bonds; (ii) an amendment or supplement to the Purchase and Use Agreement modifying the existing schedule of Installment Payments due thereunder or otherwise providing for Installment Payments thereunder sufficient to provide for the payment of the Additional Bonds, extending the term of the Purchase and Use Agreement, if needed, to the final maturity of such Additional Bonds, and making any changes required to make Additional Real Property subject thereto; and (iii) an amendment or supplement to the Base Lease extending the term thereof by the same amount of time as any extension to the term of the Purchase and Use Agreement, and making any changes required to make Additional Real Property subject thereto. There shall also be provided to the Trustee certified copies of resolutions adopted by the Board of Directors of the Corporation and the City Council authorizing the issuance of the Additional Bonds and the execution and delivery of the documents to which each is a party. No Additional Bonds shall be issued hereunder unless the Trustee receives an opinion of Bond Counsel to the effect that the issuance of such Additional Bonds, the modifications to the Trust Agreement, the Purchase and Use Agreement and the Base Lease and the application of the proceeds of the Additional Bonds as envisioned thereby are authorized and permitted under this Trust Agreement and shall not adversely affect the federal income treatment of interest payments received or to be received by the Holders of the Series 2024 Bonds or any Additional Bonds issued as obligations the interest on which is not includable in the gross income of the holders thereof, then Outstanding. No Additional Bonds may be issued hereunder if at the time there is an Event of Default or an Event of Nonappropriation.

(d) Other Provisions Relating to Additional Bonds. The details of any Additional Bonds shall be specified in the Supplemental Agreement hereto providing for the issuance thereof. Such Supplemental Agreement shall include provisions establishing the separate accounts and subaccounts of the Bond Fund and other funds and accounts for such series of Additional Bonds.

SECTION 3.5 Payment of Principal and Interest.

(a) Each of the Series 2024 Bonds shall be authenticated, as provided in Section 3.10 hereof, on such date as it shall be delivered and shall bear interest from the date of this Trust Agreement. Additional Bonds shall be authenticated and bear interest as provided in the Supplemental Agreement prescribing the terms and conditions thereof.

(b) Subject to the provisions of Section 3.18 hereof, the principal of and premium, if any, on the Bonds shall be paid in immediately available funds by check or draft drawn upon the Trustee to the Holders thereof upon presentation and surrender thereof when due at the designated corporate trust office of the Trustee; provided, that in the event that the Bonds are not held under a Book-Entry System, any Holder in an aggregate principal amount of not less than \$1,000,000 may, by prior written instructions filed by the Trustee prior to the close of business on the applicable Record Date (which instructions shall remain in effect until revoked by subsequent written instructions), request that principal and premium payments be made by wire transfer or other means acceptable to the Trustee to an account in the continental United States. Subject to the provisions of Section 3.18 hereof, the interest on the Bonds shall be paid by check or draft drawn upon the Trustee and mailed to the Holders in whose names the Bonds are registered on the Record Date; provided, that in the event that the Bonds are not held under a Book-Entry System, any Holder in an aggregate principal amount of not less than \$1,000,000 may, by prior written instructions filed by the Trustee prior to the close of business on the applicable Record Date (which instructions shall remain in effect until revoked by subsequent written instructions), request that interest payments for any period be made by wire transfer or other means acceptable to the Trustee to an account in the continental United States.

(c) Any interest on any Bond which is payable, but is not punctually paid or duly provided for, on any Bond Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the Owner of such Bond on the relevant Regular Record Date by virtue of having been such Owner. The Trustee may elect to make payment of any Defaulted Interest to the persons in whose names such Bonds (or their respective predecessor Bonds) are registered at the close of

business on a Special Record Date (as defined below) for the payment of such Defaulted Interest, which shall be fixed in the following manner: the Trustee shall (i) determine the amount of Defaulted Interest proposed to be paid on each such Bond and the date of the proposed payment ("Special Payment Date"), (ii) fix a date ("Special Record Date") which shall not be more than 15 nor less than 10 days prior to the date of the Special Payment Date, and (iii) cause notice of the Special Payment Date of such Defaulted Interest and the Special Record Date therefor to be mailed first class, postage prepaid, to each Owner not less than five days prior to such Special Record Date at his address as it appears on the Register not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the Persons in whose names such Bonds (or their respective predecessor Bonds) are registered on such Special Record Date.

SECTION 3.6 Denomination; Numbering. The Series 2024 Bonds shall be issued in denominations of \$5,000 or any integral multiple thereof. The Series 2024 Bonds shall be numbered by the Trustee consecutively from 1 upward, preceded by the letter "R." Additional Bonds shall be in such denominations and be numbered in the manner provided in the Supplemental Agreement providing therefor.

SECTION 3.7 Paying Agent. As long as there is any Outstanding Bond under this Trust Agreement, the Corporation shall cause the Trustee to serve as Paying Agent therefor. Notices and demands to or upon the Trustee and the Corporation in respect of the Bonds may be served, at the designated corporate trust office of the Trustee. The Bonds shall be presented for registration of transfers and exchanges in accordance with the provisions of this Trust Agreement at the designated corporate trust office of the Trustee.

SECTION 3.8 Form of Bonds. The Series 2024A Bonds, together with the certificate of authentication and assignment to appear thereon, shall be in substantially the form attached hereto as Exhibit A-1 with necessary and appropriate variations, omissions and insertions as permitted or required by this Trust Agreement. The Series 2024B Bonds, together with the certificate of authentication and assignment to appear thereon, shall be in substantially the form attached hereto as Exhibit A-2 with necessary and appropriate variations, omissions and insertions as permitted or required by this Trust Agreement. Additional Bonds shall be in such form as is provided in the Supplemental Agreement pursuant to which such Additional Bonds are issued.

SECTION 3.9 Execution of Bonds. The Bonds shall be executed in the name of and on behalf of the President or Vice President of the Corporation and the same shall be attested by such officer as may be designated by the Board of Directors of the Corporation. Such officers may employ facsimiles of their signatures. In case any officer whose signature or facsimile signature shall appear on the Bonds shall cease to be such officer before the delivery of any Bond such signatures or such facsimiles shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office.

SECTION 3.10 Authentication. Only such Bonds as shall have endorsed thereon a certificate of authentication duly executed by the Trustee shall be entitled to any right or benefit under this Trust Agreement. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Trustee, and such executed certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Trust Agreement. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by any authorized signatory of the Trustee.

SECTION 3.11 Medium of Payment. The Bonds shall be payable with respect to principal, interest and premium, if any, in lawful money of the United States of America.

SECTION 3.12 Mutilated, Lost, Stolen or Destroyed Bonds. In the event any Bond is mutilated, lost, stolen or destroyed, the Corporation may execute and the Trustee may authenticate a new Bond of like date, maturity and denomination as that mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Corporation and to the Trustee evidence of such loss, theft or destruction satisfactory to the Corporation and the Trustee together with indemnity satisfactory to them. In the event any such Bond shall have matured, instead of issuing a duplicate Bond, the Corporation may pay the same. The Corporation and the Trustee may charge the Holder of such Bond with their reasonable fees and expenses in this connection.

SECTION 3.13 Transfer and Registration; Persons Treated as Owners.

(a) As long as there shall be any Outstanding Bond, the Trustee shall keep books on behalf of the Corporation at its designated corporate trust office, for the registration and transfer of Bonds, which books constitute the Register. The

transfer of each Bond may be registered only upon the Register kept by the Trustee for that purpose by the Holder thereof in person or by his duly authorized agent upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee, duly executed by the Holder or his duly authorized agent. Upon the registration of transfer of any Bond, the Trustee will authenticate and deliver, subject to the provisions of Section 3.15 hereof, in the name of the transferee, a new Bond or Bonds of the same series, maturity, interest rate and aggregate principal amount as the surrendered Bond.

(b) The Corporation and the Trustee may deem and treat the person in whose name any Bond shall be registered upon the Register as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of, premium, if any, and interest on such Bond and for all other purposes, and all such payments so made to any such Holder or, upon his order, shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Corporation nor the Trustee shall be affected by any notice to the contrary.

SECTION 3.14 Interchangeability of Bonds. Bonds, upon surrender thereof at the designated corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the Holder or his duly authorized agent, may, at the option of the Holder and upon payment by such Holder of any charges made pursuant to Section 3.15 hereof, be exchanged for an equal aggregate principal amount of Bonds of the same series and maturity in any other authorized denomination.

SECTION 3.15 Regulations With Respect to Exchanges and Transfer. In all cases in which the privilege of exchanging or transferring Bonds is exercised, the Corporation shall execute, and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of this Trust Agreement. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled and destroyed and shall not be reissued, and a counterpart of the certificate of destruction evidencing such destruction shall be furnished by the Trustee to the Corporation. All Bonds so destroyed shall thereafter no longer be considered Outstanding Bonds for any purposes of this Trust Agreement. There shall be no charge to the Holder for such exchange or transfer of Bonds except that the Trustee may make a charge sufficient to reimburse itself for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. Neither the Corporation nor the Trustee shall be required to issue, exchange or transfer (i) any Bond during the 15 days immediately preceding any Bond Payment Date, (ii) any Bond during a period beginning at the opening of business 15 days immediately preceding any selection of Bonds to be redeemed and ending at the close of business on the date of the mailing of notice of such redemption or (iii) any Bonds called for redemption in whole or in part.

SECTION 3.16 Cancellation and Destruction of Mutilated, Paid or Surrendered Bonds. Upon the surrender of mutilated Bonds pursuant to Section 3.12 hereof or Bonds paid or surrendered, the same shall be cancelled and destroyed and shall not be reissued, and a counterpart of the certificate evidencing such destruction shall be furnished by the Trustee to the Corporation. All Bonds so destroyed shall thereafter no longer be considered Outstanding Bonds for any purposes of this Trust Agreement.

SECTION 3.17 Payments Due on Days Other Than a Business Day. In any case where the Bond Payment Date or the date fixed for redemption of any Bonds shall not be a Business Day, then payment of principal of, premium, if any, or interest on the Bonds need not be made on such date but may be made on the next succeeding Business Day, with the same force and effect as if made on the Bond Payment Date or the date fixed for redemption, and no interest shall accrue for the period after such date.

SECTION 3.18 Book-Entry System. Notwithstanding anything to the contrary herein, so long as any series of the Bonds are being held under a Book-Entry System pursuant to this Section 3.18, transfers of beneficial ownership of such Bonds will be effected pursuant to rules and procedures established by the Securities Depository. The Bonds shall be initially issued under a Book-Entry System and shall be held thereunder except as provided in this Section 3.18. The Bonds shall be initially issued in the form of a separate, authenticated, fully registered Series 2024 Bond for each series and maturity in a principal amount equal to the amount of such maturity, and shall be registered on the Register in the name of the Securities Depository Nominee. So long as the Book-Entry System is in effect, but subject to Section 14.1 hereof, the Securities Depository Nominee will be recognized as the Holder of the Bonds for the purposes of (i) paying the principal of, premium, if any, or interest on the Bonds, (ii) selecting the Bonds or portions thereof to be redeemed, (iii) giving any notice permitted or required to be given to Holders under this Trust Agreement, (iv) registering the transfer of Bonds, and (v) requesting any consent or other action to be taken by the Holders, and for all other purposes whatsoever, and neither the Trustee nor the Corporation shall be affected by any notice to the contrary. Neither the Trustee nor the Corporation shall have any responsibility or obligation to any Participant, any beneficial owner of Bonds or any other person claiming a beneficial ownership interest in the Bonds under or through the Securities Depository or any Participant, or any other person which is not shown on the Register as being a Holder of Bonds with respect to (i) the accuracy of any

records maintained by the Securities Depository or any Participant, (ii) the payment to the Securities Depository, any Participant or any beneficial owner of Bonds of any amount in respect of the principal of, premium, if any, or interest on the Bonds, (iii) any notice which is permitted or required to be given to Holders under this Trust Agreement, (iv) the selection by the Securities Depository or any Participant or any other person to receive payment in the event of a partial redemption of the Bonds or (v) any other action taken by the Securities Depository as Holder of the Bonds. The Trustee shall pay all principal of and premium, if any, and interest on the Bonds only to the Securities Depository or the Securities Depository Nominee, as the case may be, and all such payments shall be valid and effectual to fully satisfy and discharge the obligations with respect to the principal of and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid.

In the event that the Corporation determines that it is in the best interest of the Corporation not to continue the Book-Entry System or that the interest of the beneficial owners of the Bonds may be adversely affected if the Book-Entry System is continued, then the Corporation shall notify the Securities Depository and the Trustee of such determination and the Securities Depository shall immediately notify the Participants of the availability, through the Securities Depository, of physical Bonds. In such event, the Corporation shall execute, and the Trustee shall authenticate, register, and deliver physical Bonds as requested by the Securities Depository or any Participant or beneficial owner of Bonds in appropriate authorized denominations in exchange for the Bonds registered in the name of Securities Depository Nominee. The Securities Depository may determine to discontinue providing its services as such with respect to the Bonds at any time by giving notice to the Corporation and the Trustee and discharging its responsibilities with respect thereto under applicable laws or the Corporation may determine that the Securities Depository is incapable of discharging its duties as such and may so notify the Securities Depository. In either such event, the Corporation shall either (i) engage the services of another Securities Depository or (ii) deliver physical Bonds in the manner described above; provided, however, that the discontinuation of the Book-Entry System of registration and transfer with respect to the Bonds or the replacement of the Securities Depository or any successor depository shall be subject to the applicable rules and procedures of the Securities Depository or such successor depository on file or otherwise approved by the Securities and Exchange Commission.

Notwithstanding any other provision of this Trust Agreement to the contrary, so long as the Bonds are registered in the name of Cede & Co., as Securities Depository Nominee, all payments with respect to the principal of, premium, if any, and interest on the Bonds and all notices with respect to the Bonds shall be made and given, respectively, to The Depository Trust Company, New York, New York (“DTC”), as provided in the Blanket Letter of Representations of the Corporation dated [], 2024.

In connection with any notice or other communication to be provided to the Holders by the Corporation or the Trustee with respect to any consent or other action to be taken by the Holders, the Corporation or the Trustee, as the case may be, shall establish a record date for such consent or other action and give the Securities Depository notice of such record date not less than 15 days in advance of such record date to the extent possible.

SECTION 3.19 Tax Covenants of Corporation. The Corporation will not take or permit, or omit to take or cause to be taken, any action that would adversely affect the exclusion from gross income for federal income tax purposes of the interest evidenced by or paid on the Series 2024A Bonds and, if it should take or permit, or omit to take or cause to be taken, any such action, the Corporation will take or cause to be taken all lawful actions within its power necessary to rescind or correct such actions or omissions promptly on having knowledge thereof. The Corporation acknowledges that the continued exclusion of interest evidenced by or paid on the Series 2024A Bonds from a Holder’s gross income for federal income tax purposes depends, in part, on compliance with the arbitrage limitations imposed by Section 148 of the Code. To that end, the Corporation covenants that it will comply with the Federal Tax Certificate.

The Corporation acknowledges that the Series 2024A Bonds are being issued by the Corporation, acting on behalf of the City, within the meaning of Revenue Ruling 63-20, 1963-1 C.B. 24 (“Revenue Ruling 63-20”) and Treasury Regulation Section 1.103-1(b), and covenants to comply with all provisions of Revenue Ruling 63-20 and all of the applicable provisions of Revenue Procedure 82-26, 1982-1 C.B. 476 (“Revenue Procedure 82-26”). The Corporation therefore represents, warrants and covenants as follows:

(a) The Corporation is organized under the general nonprofit laws of the State as a nonprofit organization, the articles of incorporation of the Corporation provide that the Corporation is not organized for profit, and the Corporation’s income does not inure to any private person. The activities and purposes of the Corporation are those permitted under the general nonprofit corporation laws of the State, the Corporation will engage only in activities and for purposes that are permitted under the general nonprofit laws of the State and the 2024 Facilities are located entirely within the geographic boundaries of the City.

(b) The articles of incorporation of the Corporation provide that income of the Corporation will not inure to any private person. In fact, income of the Corporation does not inure to any private person, and upon dissolution of the Corporation, the Corporation's remaining assets shall be distributed to the City, exclusively for public purposes or, only to the extent that the City refuses to accept some or all of the same, for one or more exempt purposes set forth in Section 501(c)(3) of the Code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. The Corporation shall not amend or modify its articles of incorporation or bylaws to modify any of its stated purposes or activities, or with respect to any other provision, unless the Corporation has filed with the Trustee and the City an opinion of Bond Counsel to the effect that such amendment or modification shall have no adverse effect on the exclusion of interest on the Series 2024A Bonds from gross income for federal income tax purposes.

(c) The City presently has or, prior to a termination (if any) of the Purchase and Use Agreement pursuant to Section 2.2 thereof which gives rise to a partition of the 2024 Facilities pursuant to Section 2.4 thereof, shall have exclusive beneficial possession and use of the 2024 Facilities, including any improvements and additions thereto, equivalent to at least 95% of the fair rental value of the 2024 Facilities for the term of the Series 2024 Bonds, including any other obligations issued by the Corporation either to make improvements to the 2024 Facilities financed with the proceeds of the Series 2024 Bonds or to refund a prior issue of the Corporation's obligations related to the 2024 Facilities.

(d) The City presently has or shall obtain fully unencumbered fee simple title, subject to Permitted Encumbrances, to the 2024 Facilities no later than such time as the Series 2024 Bonds are discharged as provided in this Trust Agreement. For purposes of this paragraph and the definition of "Base Lease Term" as such term is defined in the Base Lease, the Series 2024 Bonds will be discharged when (i) cash is available at the place of payment on the date that the Series 2024 Bonds are due (whether at maturity or upon prior call for redemption) and (ii) interest ceases to accrue on the Series 2024 Bonds. Upon discharge of the Series 2024 Bonds, the Corporation shall convey to the City such fee simple title and exclusive possession and use of the 2024 Facilities (to the extent the City does not already have such title, possession, and use), including any additions thereto, without demand or further action on its part. In this regard, all leases, management contracts and similar encumbrances, if any, relating to the 2024 Facilities shall terminate upon discharge of the Series 2024 Bonds.

(e) While the Purchase and Use Agreement is in effect, the City has the right at any time to obtain unencumbered fee title and exclusive possession of the 2024 Facilities (including any additions thereto) by (1) placing into escrow an amount that will be sufficient to defease the Series 2024 Bonds in accordance with Section 9.1 hereof and (2) paying reasonable costs incident to the defeasance (which may be evidenced by the City exercising its rights under Section 9.1(a) of the Purchase and Use Agreement). If the City exercises such right, the Corporation must immediately cancel all encumbrances on the 2024 Facilities, including leases and management contracts, except as may be otherwise permitted by Revenue Procedure 82-26.

(f) While the Purchase and Use Agreement is in effect, in the event the Corporation defaults in its payments under the Series 2024 Bonds, the City has the exclusive option to purchase the 2024 Facilities, 2024 Facilities (and any additions thereto) for the aggregate amount of the Outstanding Series 2024 Bonds and accrued interest to the date of default. The City must, if at all, exercise its option not more than 90 days from the date it is notified by the Corporation (or the Trustee on behalf of the Corporation) of such default and, if elected, must have 90 days from the date of exercise of such option to purchase the 2024 Facilities.

(g) All of the original and investment proceeds of the Series 2024A Bonds will be used to provide real and tangible personal property. Proceeds are considered to provide tangible property only if the proceeds are used to finance costs that a taxpayer must charge to the property's capital account, may elect to charge to the property's capital account instead of deducting, or may elect to deduct instead of charging to the property's capital account. If excess proceeds remain on hand after the completion of construction or reconstruction of the 2024 Projects financed with the proceeds of the Series 2024A Bonds, the requirements of this paragraph will be considered met if the face amount of the Series 2024A Bonds (taking into account estimated investment proceeds) was based on reasonable estimates of the cost of the 2024 Projects financed with the proceeds of the Series 2024A Bonds at the time the Series 2024A Bonds were issued, and the excess proceeds are used and invested in the manner described in Section 3.052 of Revenue Procedure 82-26.

For purposes of this paragraph, "original proceeds" are amounts (after payment of all expenses of issuing the series of bonds) received at any time as a result of the sale of a series of such bonds and "investment proceeds" are amounts (net of administrative costs) that result from the investment of any proceeds of such series of bonds.

(h) The City Council adopted an ordinance on March 26, 2024, and a resolution on April 9, 2024, approving the purposes and activities of the Corporation, the issuance of the Series 2024 Bonds by the Corporation for the purposes of financing the costs of the 2024 Projects, and stating that the City will accept title to the 2024 Facilities (to the extent the

City does not already have such title), including any additions or improvements thereto, no later than such time as the Series 2024 Bonds are discharged.

(i) The proceeds of fire or other casualty insurance policies received in connection with the damage or destruction of a portion of the 2024 Facilities financed with the proceeds of the Series 2024A Bonds, including any improvements, will be used, subject to the provisions of Section 4.1(b) of this Trust Agreement regarding special optional redemption of the Series 2024A Bonds, to rebuild the 2024 Facilities or to redeem the Series 2024A Bonds or, if all of the Series 2024A Bonds have been paid or defeased under this Trust Agreement, will be remitted to the City.

(j) A reasonable estimate of the fair market value of the 2024 Facilities as of the latest maturity date of the Series 2024A Bonds is equal to at least 20% of the original costs of the 2024 Facilities.

(k) A reasonable estimate of the remaining useful life of the 2024 Facilities as of the latest maturity date of the Series 2024A Bonds is equal to at least 20% of the original useful life of the 2024 Facilities.

(l) In the event of any division of the 2024 Facilities pursuant to Section 2.4 of the Purchase and Use Agreement, the Corporation agrees that, unless (i) it obtains an opinion of Bond Counsel to the effect that such action is unnecessary to preserve the exclusion from gross income of interest on any Series 2024A Bonds, or (ii) the Corporation or the Trustee is directed by the owners of a majority of the beneficial ownership interests of the Series 2024A Bonds, it will timely undertake to satisfy the requirements of the Code and the Treasury Regulations relating to a change in use of the 2024 Facilities and the 2024 Real Property. Regulations governing such remedial action are now contained in Section 1.141-12 of the Treasury Regulations.

(m) The Corporation intends to apply to the Internal Revenue Service for a determination that the Corporation is exempt from federal income taxation under Section 115 of the Code and also as an exempt organization within the meaning of Section 501(c)(3) or 501(c)(4) of the Code and not a private foundation under Section 509(a) of the Code.

ARTICLE IV REDEMPTION OF BONDS

SECTION 4.1 Redemption of Bonds.

(a) Optional Redemption of Bonds. In the event the City exercises its option pursuant to Section 9.1 of the Purchase and Use Agreement to purchase the Corporation's interest in the 2024 Facilities and pay the amount required to defease and redeem the Series 2024 Bonds or to prepay Base Payments or in the event the City makes a voluntary prepayment under Section 4.3 of the Purchase and Use Agreement, the Series 2024 Bonds maturing on or after September 1, 20[], may be redeemed in whole or in part at any time after September 1, 20[].

Series 2024 Bonds shall be redeemed in accordance with this paragraph (a) only by written notice from the City or the Corporation to the Trustee of the redemption of the Series 2024 Bonds and directing the Trustee to give notice thereof to the Holders in accordance with Section 4.2 hereof. Such notice shall specify the redemption date on which the Series 2024 Bonds are to be redeemed and shall be given to the Trustee at least 45 days prior to the redemption date or such shorter period as shall be acceptable to the Trustee. Prior to the giving of notice by the Trustee to the Holders as provided in Section 4.2 hereof, there shall be deposited with the Trustee funds which, in addition to any other moneys available therefor and held by the Trustee, will be sufficient to redeem at the redemption price thereof all of the redeemable Series 2024 Bonds for which notice of redemption has been given; provided that the Trustee may accept such other assurance from the City or the Corporation as it deems appropriate as to the availability of such funds or may condition any such notice on the receipt of funds at or prior to the date set for redemption.

(b) Special Optional Redemption of Bonds. In the event the City elects to prepay Installment Payments pursuant to the provisions of Section 4.3 of the Purchase and Use Agreement, the Bonds shall be subject to redemption in whole or in part on any date (as selected by the Trustee at the direction of the Corporation), at a price equal to 100% of the principal amount of the Bonds so redeemed, without premium, plus accrued interest to the date of redemption. Bonds shall be redeemed pursuant to this paragraph (b) in accordance with the procedure set forth in the last paragraph of paragraph (a) above and Section 4.2 hereof.

(c) Sinking Fund Redemption of Bonds. The Series 2024 Bonds, as shown below, maturing on September 1, 20[], 20[], and 20[], are subject to mandatory, sinking fund redemption, at a redemption price equal to the principal amount to be redeemed (to the extent not previously redeemed) plus accrued interest, if any, to the redemption date, without premium, on September 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>
20[]	\$[],[]
20[]†	[],[]

†Final Maturity

<u>Year</u>	<u>Amount</u>
20[]	\$[],[]
20[]†	[],[]

†Final Maturity

<u>Year</u>	<u>Amount</u>
20[]	\$[],[]
20[]†	[],[]

†Final Maturity

(d) Partial Redemption of Bonds. If less than all Bonds of any one series and maturity are called for redemption, the Bonds to be redeemed will be selected in the manner that the Corporation shall determine as set forth in a certificate of the Corporation filed with the Trustee. If less than all Bonds of any one series and maturity are called for redemption, the Trustee shall select the applicable Bonds to be redeemed by lot, each \$5,000 portion of the principal being counted as one Bond for this purpose; provided, however, that so long as the only registered owner of the Bond is Cede & Co., such selection shall be made by DTC.

(e) Redemption of Additional Bonds. Provisions relating to the circumstances upon which Bonds, other than Series 2024 Bonds, may be redeemed shall be as set forth in the Supplemental Agreement providing for the issuance thereof.

SECTION 4.2 Notice of Redemption. Notice of redemption of the Bonds may only be given if funds for such redemption are irrevocably deposited with the Trustee prior to rendering notice of redemption to the Bondholders, or in the alternative, the notice given by the Trustee to Bondholders expressly states that such redemption is conditioned upon the deposit of funds sufficient for the redemption by the Corporation and that failing such deposit no redemption shall take place. The notice of the call for redemption of Bonds shall identify (i) the series of Bonds to be redeemed; (ii) the CUSIP number or numbers of the Bonds to be redeemed; (iii) the numbers assigned to such Bonds, and in the case of Bonds called in part only, the amounts being redeemed; (iv) the date of the notice; (v) the redemption date; (vi) the redemption price; (vii) the address of the Trustee where such Bonds are to be presented, with the name and telephone number of a contact person, if available; (viii) the issue date of the Bonds; and (ix) the maturity date of the Bonds being redeemed. Notice shall be given by the Trustee by first class mail, postage prepaid, at least 30 days, but not more than 60 days, prior to the date fixed for redemption to the Holder of each Bond subject to redemption at the Holder's address shown on the Register on the 15th day preceding that mailing; provided such notice shall be given by facsimile or certified or registered mail, return receipt requested to each person who holds Bonds in the aggregate principal amount of not less than \$100,000; and provided further such notice shall be given by certified or registered mail, return receipt requested, or (at the expense of the recipient thereof) by overnight delivery service deposited in the mail or with such delivery service not later than 35 days prior to the date fixed for such redemption and repurchase to the Trustee and to the appropriate financial information services and securities depositories as the Trustee may determine, in all such cases with expense of such notice to be borne by the Corporation.

Failure to receive any notice by mailing or otherwise or any defect in such notice regarding any Bond, however, shall not affect the validity of the proceedings for the redemption of any other Bond.

SECTION 4.3 Payment of Redeemed Bonds. Notice having been mailed, the Bonds called for redemption shall become due and payable on the redemption date, and upon presentation and surrender thereof at the place or places specified in that notice, shall be paid at the redemption price plus interest accrued to the redemption date.

If money for the redemption of all of the Bonds to be redeemed is held by the Trustee on the redemption date so as to be available therefor on that date, and if notice of redemption has been deposited in the mail as aforesaid, then from and after the redemption date those Bonds called for redemption shall no longer be entitled to payment of any sum other than the redemption price.

In the event Bonds which have been called for redemption are not presented to the Trustee for redemption on or prior to the 30th day following the redemption date, the Trustee shall notify the registered Holder thereof by facsimile or certified or registered mail, return receipt requested, that such Bonds have been called and that the Trustee is holding funds for the payment of the redemption price thereof pending presentation by such Holder.

All moneys deposited in the Bond Fund and held by the Trustee for the redemption of particular Bonds shall be held in trust for the account of the Holders thereof and shall be paid to them upon presentation and surrender of those Bonds.

ARTICLE V PROVISIONS AS TO FUNDS AND PAYMENTS

SECTION 5.1 Deposit of Money. In order to assure that the costs of the 2024 Projects and the Ancillary Projects will be paid, and the 2024 Facilities will be available for purchase and occupancy by the City, in each case without delay, there shall be deposited with the Trustee from the purchase price of the Series 2024 Bonds (\$[.]), in the Project Account of the Project Fund for payment of the 2024 Projects, the Ancillary Projects, the Base Lease Rent, and costs of issuance of the Series 2024 Bonds.

SECTION 5.2 Creation of Project Fund. There is hereby created as a separate account in the custody of the Trustee or other financial institution designated by the Corporation (“Custodian”) a trust fund designated the “Project Fund.” Within the Project Fund, there shall be a Project Account for each series of Bonds issued under this Trust Agreement. Pending disbursement pursuant to this Trust Agreement, the proceeds of the sale of the series of Bonds deposited in the corresponding Project Account, together with any other moneys and Eligible Investments held to the credit of the Project Fund, shall be held as security for the payment of the Bonds.

SECTION 5.3 Disbursements from and Records of Project Fund.

(a) Moneys in the Project Fund shall be disbursed for the costs of the 2024 Projects and the costs of the Ancillary Projects and payment of the Base Lease Rent and costs of issuance of the Series 2024 Bonds, all in accordance with the provisions of this Section. The Trustee or Custodian, as applicable, shall cause to be kept and maintained adequate records pertaining to the Project Fund and all investments and disbursements of moneys in the Project Fund. After the 2024 Projects and Ancillary Projects have been completed and a Certificate of Acceptance with respect thereto is filed in accordance with Section 3.4 of the Purchase and Use Agreement, the Trustee, or the Custodian, as applicable, shall retain copies of the records pertaining to the Project Fund and disbursements therefrom for inspection upon request of the Corporation or the City.

(b) Each disbursement, except those described in subsections (c), (d), and (e), below, from the Project Fund shall be made by the Trustee or Custodian, as applicable, upon the receipt of a requisition in substantially the form set forth in Exhibit B-1 hereto signed by a Corporation Representative and a City Representative.

(c) Each disbursement from the Project Fund for the payment of issuance costs of the Series 2024 Bonds shall be made by the Trustee or Custodian, as applicable, upon the receipt of a requisition in substantially the form set forth in Exhibit B-2 hereto signed by a Corporation Representative and a City Representative.

(d) Prior to, simultaneously with, or as part of any real estate closing related to each portion of the 2024 Real Property, and issuing the first disbursement related to each applicable portion of the 2024 Projects (exclusive of costs of issuance), the Trustee shall confirm that: (i) fee simple title to the applicable portion of the 2024 Real Property is fully vested, or with the real estate closing to be vested, in the City, subject only to the Permitted Encumbrances; (ii)(a) the City’s Attorney or Bond Counsel has provided a “title opinion” addressed to the Trustee that the City is fully vested with fee simple title to such portion of the 2024 Real Property or (b) a title company authorized to issue title insurance policies in the State has issued or is committed to issue a standard ALTA owner’s title policy in favor of the City insuring fee simple title to such portion of the 2024 Real Property, subject only to the Permitted Encumbrances; and (iii)(A) the City has obtained a Phase 1 environmental report (“Phase 1”) from a reputable environmental engineer consulting firm selected by the City, (B) the City has conducted any subsequent environmental investigation (performed by reputable environmental engineer consulting firm(s)) as may be recommended to address Recognized Environmental Conditions identified in the Phase 1 or any prior environmental reports pertaining to the property, and (C) the City demonstrates the performance of any measures recommended to address Recognized Environmental Conditions identified in the Phase 1 to proceed with the construction of the applicable portion of the 2024 Projects and the operation thereof as a parking facility thereafter, including without limitation obtaining a fully-executed voluntary cleanup contract with the South Carolina Department of Health and Environmental Control (with the protections therein extending to the City and the Corporation).

(e) Upon the substantial completion of the 2024 Projects and Ancillary Projects, the Corporation shall submit to the Trustee or Custodian, as applicable, a final requisition in substantially the form set forth in Exhibit C hereto signed by a Corporation Representative and a City Representative in the total amount remaining owing for costs of the 2024 Projects and Ancillary Projects, including all applicable retainages. Upon the receipt of the final requisition, the Trustee or Custodian, as applicable, shall promptly disburse the amounts requested therein. As used in this paragraph, “substantial completion” of the 2024 Projects and Ancillary Projects mean completion such that a certificate of occupancy has been, or could be, issued notwithstanding the fact that certain minor items of work remain to be done.

The Trustee or Custodian, as applicable, shall be entitled to rely on each requisition provided to the Trustee under this Section as conclusive evidence of the City’s compliance with the procedure described herein.

SECTION 5.4 Completion of 2024 Projects and Ancillary Projects. As soon as practicable after the filing with the Trustee or Custodian, as applicable, of the Certificate of Acceptance referred to in Section 5.3(c) hereof, the Trustee or Custodian, as applicable, shall remove any balance then remaining in the Project Fund (other than the amounts required to be retained by the Trustee or Custodian, as applicable, as described in the said certificate), and the Project Fund shall be closed. Any amounts so removed shall (a) be transferred to the 2024 Facilities Purchase Sub-Account and be credited against the payment of the next installment or installments of Base Payments allocable to the Bonds under the Purchase and Use Agreement or (b) be applied at the written direction of the Corporation Representative for any purpose permitted by applicable law for which the Trustee has received an opinion of Bond Counsel.

SECTION 5.5 Creation of Bond Fund, Facilities Purchase Account; Creation of Other Funds and Accounts.

(a) There is hereby created as a separate account in the custody of the Trustee a trust fund to be designated the “Bond Fund.” Within the Bond Fund there shall be a Facilities Purchase Account. The Trustee, on receipt of Base Payments from the City under the terms of the Purchase and Use Agreement, shall deposit in the Bond Fund (and credited, as required by this Trust Agreement or the Purchase and Use Agreement, to appropriate Accounts and subaccounts therein), amounts sufficient to pay the principal and premium, if any, of and interest on the Series 2024 Bonds.

(b) The Bond Fund (and the Accounts and subaccounts therein) and the moneys and Eligible Investments therein shall be used solely and exclusively for the payment of principal of, premium, if any, and interest on the Bonds as the same become due, except as otherwise provided in this Trust Agreement.

(c) The Trustee shall set aside from moneys in the Bond Fund amounts sufficient to make timely payments of the principal of, premium, if any, and interest on the Bonds.

(d) Amounts due with respect to a particular series of Bonds, except as provided in the remainder of this Section 5.5, shall be payable as they become due in the following order, (i) first, from amounts in the applicable subaccount of the Facilities Purchase Account; (ii) second, from other Revenues to the extent available; and (iii) third, from any other source lawfully available to the Trustee, including without limitation, proceeds from the leasing of the 2024 Facilities in accordance with the terms of the Purchase and Use Agreement and Base Lease.

(e) If, at the close of business on the third Business Day prior to any Bond Payment Date with respect to a particular series of Bonds, the amount in the applicable subaccount of the Facilities Purchase Account is less than the amount due and payable with respect to such series of Bonds on such Bond Payment Date, the Trustee shall immediately transfer from the applicable subaccount of the Facilities Purchase Account an amount sufficient to make up such deficiency. In the event of any such transfer, the Trustee shall provide written notice to the City and the Corporation of the amount and date of that transfer.

(f) Notwithstanding anything herein to the contrary, the Trustee shall be entitled to create such other funds and accounts as may be necessary or desirable in connection with the administration of its duties hereunder, including but not limited to such funds and accounts as may be established for the deposit of moneys related to the payment of arbitrage rebate in connection with the Bonds.

SECTION 5.6 [Reserved].

SECTION 5.7 Investments.

(a) Moneys in the Project Fund and the Bond Fund shall be invested and reinvested by the Trustee or Custodian, as

applicable, in Eligible Investments at the written direction of the Authorized Financial Representative. Any investments of moneys held to the credit of the Project Fund and the Bond Fund shall mature, be redeemable at the option of the owner or holder, or, in the case of a forward delivery agreement, repurchase agreement or similar contract, be available thereunder, not later than the respective dates when the money held to the credit of the Project Fund and the Bond Fund is required for the purpose intended.

(b) Subject to any written direction from the Authorized Financial Representative, from time to time, the Trustee or Custodian, as applicable, may sell investments and reinvest the proceeds therefrom in Eligible Investments maturing or redeemable or available as required hereunder. The Trustee or Custodian, as applicable, may enter into transactions for the purchase or sale of Eligible Investments with itself or any bank, trust company or savings and loan association affiliated with the Trustee or Custodian, as applicable. The Trustee or Custodian, as applicable, shall sell or redeem Eligible Investments credited to the Bond Fund at the times required for the purpose of paying amounts due with respect to the Bonds payable therefrom when due as aforesaid, and shall do so without necessity for any order. An investment made from moneys credited to an Account or Fund shall constitute part of that Account and Fund, and each Account and Fund shall be credited with all proceeds of sale and income from investment of moneys credited thereto.

(c) Investment income from investment of amounts on deposit in the Project Fund shall be retained therein and applied as other moneys in the Project Fund.

(d) Investment income from investment of a particular subaccount of the Facilities Purchase Account shall be retained in such subaccount and credited against the amount of the applicable Base Payments to be paid by the City on the next succeeding Bond Payment Date.

(e) [reserved].

(f) The Trustee shall report to the City at least five days prior to each date on which a Base Payment is due and payable the amount of investment income credited or transferred to the particular subaccount of the Facilities Purchase Account of the Bond Fund and available to make payments due on the next Bond Payment Date, and the amount of the applicable Base Payment payable by the City on that date shall be reduced by such amount.

(g) The Trustee shall not be liable for any loss resulting from the making or disposition of any investment in Eligible Investments pursuant to the provisions of this Section provided it acts in good faith and without negligence in making such investment, and any such losses shall be charged to the Fund and Account with respect to which such investment is made.

(h) The value of the obligations in which money in a Fund or Account has been invested shall be computed at market value or the amortized cost thereof, whichever is lower.

SECTION 5.8 Moneys to be Held in Trust. All moneys required or permitted to be deposited with or paid to the Trustee under any provisions of this Trust Agreement or the Purchase and Use Agreement, and any investments thereof, shall be held by the Trustee in trust. Except for moneys held by the Trustee pursuant to Section 5.9 hereof, all moneys described in the preceding sentence held by the Trustee shall be subject to the lien of this Trust Agreement while so held.

SECTION 5.9 Nonpresentment of Bonds. If any Bond is not presented for payment when its principal becomes due in whole or in part, or a check or draft for interest is uncashed, if moneys sufficient to pay the principal then due on that Bond or such check or draft shall have been made available to the Trustee for the benefit of its Holder, all liability of the Corporation or the City to that Holder for the payment of the principal then due or of the check or draft thereupon shall cease and be discharged completely. Thereupon, it shall be the duty of the Trustee to hold those moneys, without liability for interest thereon, for the exclusive benefit of the Holder, who shall be restricted thereafter exclusively to those moneys for any claim of whatever nature on its part under this Trust Agreement or on, or with respect to, that principal then due or of such check or draft.

Subject to applicable law, any such moneys which shall be so held by the Trustee, and which remain unclaimed by the Holder of a Bond not presented for payment or check or draft not cashed for a period of five years after the due date thereof, shall be paid to the City free of any trust or lien. Thereafter, the Holder of such Bond shall look only to the City for payment and then only to the amounts so received by the City without any interest thereon, and the Trustee shall not have any responsibility with respect to those moneys.

SECTION 5.10 Repayment to City from Bond Fund. Except as provided in Section 5.9 hereof, any amounts remaining in the Bond Fund in excess of the amounts necessary to effect the payment and discharge of the Bonds (i) after all of the Outstanding Bonds shall be deemed paid and discharged under the provisions of this Trust Agreement, and (ii) after payment of all fees, charges and expenses of the Trustee and of all other amounts required to be paid under this Trust Agreement and the Purchase and Use Agreement, shall be paid to the City.

SECTION 5.11 Rebate Fund. There is required to be established under the Federal Tax Certificate under the circumstances specified therein a Rebate Fund with respect to the Series 2024A Bonds to be held by the Trustee. The Rebate Fund shall be held by the Trustee and administered in accordance with the terms hereof and of the Federal Tax Certificate. Deposits into the Rebate Fund shall be made in accordance with the Federal Tax Certificate with notice thereof in writing to the Trustee, such notice signed by a City Representative. Any tax certificate entered into with respect to a Series of Additional Bonds may provide for the establishment of a separate subaccount in the Rebate Fund for that Series of Additional Bonds.

ARTICLE VI TRUSTEE

SECTION 6.1 Trustee's Acceptance and Responsibilities.

(a) The Trustee accepts the trusts imposed upon it by this Trust Agreement, and agrees to observe and perform those trusts, but only upon and subject to the terms and conditions set forth in this Article VI, to all of which the parties hereto and the Holders agree.

(b) It is expressly understood and agreed that this Trust Agreement is being executed by the Trustee not in its corporate and individual capacity but solely as trustee hereunder in the exercise of the power and authority conferred and vested in it as such Trustee. It is further understood and agreed that neither the Trustee nor any past, present or future director, officer, employee, agent, controlling person or nominee of the Trustee shall be personally liable for any breach of any representation or warranty of the trust incorporated herein or in any other agreement or obligation contemplated hereby and nothing herein or therein contained shall be construed as creating any liability of the Trustee in its corporate and individual capacity or as creating any liability of any past, present or future director, officer, employee, agent, controlling person or nominee of the Trustee to make any payment or to perform any agreement or undertaking contained herein or therein.

(c) Prior to the occurrence of an Event of Default of which the Trustee has been notified or deemed to have been notified as provided in paragraph (f) of Section 6.2 hereof, and after the cure or waiver of all defaults or Events of Default which may have occurred,

(i) the Trustee undertakes to perform only those duties and obligations which are set forth specifically in this Trust Agreement, and no duties or obligations, shall be implied to the Trustee; and

(ii) in the absence of bad faith on its part, the Trustee may rely conclusively, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the procedural requirements of this Trust Agreement; but in the case of any such certificates or opinions which by any provision hereof are required specifically to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the procedural requirements of this Trust Agreement.

(d) After the occurrence of an Event of Default of which the Trustee has knowledge or is deemed to have knowledge, the Trustee shall exercise those rights and powers vested in it by this Trust Agreement and shall use the same degree of care and skill in their exercise, as a prudent corporate trustee would exercise or use under the circumstances in the conduct of its own affairs.

(e) No provision of this Trust Agreement shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that

(i) this subsection shall not be construed to affect the limitation of the Trustee's duties and obligations provided in subsection (c)(i) of this Section or the Trustee's right to rely on the truth of statements and the correctness of opinions as provided in subsection (c)(ii) of this Section;

(ii) the Trustee shall not be liable for any error of judgment made in good faith by any one of its officers, unless it shall be established that the Trustee was negligent in ascertaining the pertinent facts;

(iii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than a majority in principal amount of the Outstanding Bonds relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Trust Agreement;

(iv) no provision of this Trust Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it; and

(v) the Trustee may act upon the opinion or advice of any attorney (who may be the attorney or attorneys for the Corporation or the City) approved by the Trustee in the exercise of reasonable care. The Trustee shall not be responsible for any loss or damage resulting from any action taken or omitted to be taken in good faith in reliance upon that opinion or advice.

(f) Every provision of this Trust Agreement relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section 6.1. Whenever the Trustee acts in its capacity as Trustee with respect to any document or agreement relating the Bonds, the provisions of this Section 6.1 shall apply to all such action.

SECTION 6.2 Certain Rights and Obligations of the Trustee. Except as otherwise provided in Section 6.1 hereof:

(a) The Trustee (i) may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees (but shall be answerable therefor only in accordance with the standard specified above), (ii) shall be entitled to the advice of counsel concerning all matters of trusts or powers hereof and duties hereunder, and (iii) may pay reasonable compensation in all cases to all of those attorneys, agents, receivers and employees reasonably employed by it in connection with the trusts hereof.

(b) Except as may be required of it in its capacity as assignee of the Corporation under the Purchase and Use Agreement or as specifically provided for elsewhere herein, the Trustee shall not be responsible for:

(i) any recital in this Trust Agreement or the Bonds or any information in any offering memorandum of other disclosure material,

(ii) the validity, priority, perfection, recording, rerecording, filing, or refiling of this Trust Agreement or any Supplemental Agreement (or any assignment agreement related hereto or thereto) the Purchase and Use Agreement or the Base Lease,

(iii) any instrument or document of further assurance or collateral assignment,

(iv) the initial filing of financing statements,

(v) insurance of any of the 2024 Facilities and the Ancillary Projects or collection of insurance moneys,

(vi) the validity of the execution by the Corporation of this Trust Agreement, any Supplemental Agreement or instruments or documents of further assurance,

(vii) the sufficiency of the security for the Bonds executed and delivered hereunder or intended to be secured hereby,

(viii) the value of or title to the 2024 Facilities and the Ancillary Projects, or

(ix) the maintenance of the security hereof, except that, in the event that the Trustee enters into possession of a part or all of the 2024 Facilities pursuant to any provision of the Purchase and Use Agreement or any other instrument or document collateral thereto, the Trustee shall use due diligence in preserving that property.

The Trustee shall not be bound to ascertain or inquire as to the observance or performance of any covenants, agreements, or obligations on the part of the Corporation or the City under the Purchase and Use Agreement except as set forth hereinafter; but the Trustee may require of the Corporation or the City full information and advice as to the observance or performance of those covenants, agreements, and obligations.

(c) Except with respect to the disbursement of amounts deposited with or received by it under the provisions of this Trust Agreement, the Trustee shall not be accountable for the application by the City or any other Person of the proceeds of the Bonds.

(d) The Trustee shall be protected and shall incur no liability, in the absence of bad faith on its part, in acting or proceeding, or in not acting or not proceeding upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document reasonably believed by it to be genuine and correct and to have been signed or sent by the proper Person or Persons. The Trustee is under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instruments. Any action taken by the Trustee pursuant to this Trust Agreement upon the request or authority or consent of any Person who is the Holder of any Bond at the time of making, the request or giving the authority or consent, shall be conclusive and binding upon all future Holders of the same Bond and of Bonds executed and delivered in exchange therefor or in place therefor.

(e) As to the existence or nonexistence of any fact for which the Corporation or the City may be responsible or as to the sufficiency or validity of any instrument, document, report, paper or proceeding, the Trustee, in the absence of bad faith on its part, shall be entitled to rely upon a certificate signed on behalf of the Corporation by a Corporation Representative or the City by a City Representative as sufficient evidence of the facts recited therein. Prior to the occurrence of a default or Event of Default of which the Trustee has been notified or is deemed to have notice as provided in paragraph (f) of this Section, the Trustee may accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient; provided, that the Trustee in its discretion may require and obtain any further evidence which it deems to be necessary or advisable; and, provided further, that the Trustee shall not be bound to secure any further evidence.

(f) The Trustee shall not be required to take notice, and shall not be deemed to have notice, of any default or Event of Default with respect to the Bonds, except Events of Default described in Section 7.1(a) hereof, unless the Trustee shall be notified specifically of the default or Event of Default in a written instrument or document delivered to it by the City or the Holders of at least 10% of the aggregate principal amount of Outstanding Bonds. In the absence of delivery of a notice satisfying those requirements, the Trustee may assume conclusively that there is no default or Event of Default, except as noted above.

(g) At any reasonable time, the Trustee and its duly authorized agents, attorneys, experts, engineers, accountants, and representatives may inspect and copy fully all books, papers and records of the Corporation pertaining to the 2024 Facilities and Ancillary Projects and may make any memoranda from and in regard thereto as the Trustee may desire.

(h) The Trustee shall not be required to give any bond or surety with respect to execution of these trusts and powers or otherwise in respect of the premises.

(i) Notwithstanding anything contained elsewhere in this Trust Agreement, the Trustee may demand any showings, certificates, reports, opinions, appraisals and other information, and corporate action and evidence thereof, in addition to those required by the terms hereof, as a condition to the authentication and delivery of any Bonds or the taking of any action whatsoever within the purview of this Trust Agreement, if the Trustee deems it to be desirable for the purpose of establishing the right of any Person to the taking of any other action by the Trustee; provided, that the Trustee shall not be required to make that demand.

(j) The Trustee shall be under no obligation to take any action hereunder pursuant to Section 6.4 or Article VII hereof (with the exception of any action required to be taken under Section 7.2 hereof). The Trustee may require that an indemnity bond satisfactory to it be furnished to the Trustee by the Holders for the reimbursement of all expenses which it may incur and to protect it against all liability by reason of any action so taken pursuant to Section 6.4 or Article VII hereof, except liability which is adjudicated to have resulted from its negligence or willful default. The Trustee may take action without such indemnity, and in that case, all of the Trustee's expenses pursuant to Section 6.3 hereof with respect to the Bonds will be reimbursable as provided in the Purchase and Use Agreement.

(k) Unless otherwise provided herein, all moneys received by the Trustee under this Trust Agreement shall be held in trust for the purposes for which such moneys were received, until such moneys are used, applied, or invested as provided herein; provided, that those moneys need not be segregated from other moneys, except to the extent required by this Trust

Agreement or by law. The Trustee shall not have any liability for interest on any moneys received hereunder, except to the extent expressly provided herein or agreed with the Corporation.

(l) Any opinions, certificates and other instruments and documents for which provision is made in this Trust Agreement, may be accepted by the Trustee, in the absence of bad faith on its part, as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Trustee for its action taken hereunder.

(m) The permissive right of the Trustee to do things enumerated in this Trust Agreement shall not be construed as a duty of the Trustee, and the Trustee shall be answerable only for its own negligence or willful misconduct.

SECTION 6.3 Fees, Charges and Expenses of Trustee. The Trustee acknowledges receipt of payment in full from the proceeds of the Series 2024 Bonds for its fees for its Ordinary Services rendered hereunder and for all advances, counsel fees and other Ordinary Expenses reasonably and necessarily paid or incurred, or to be paid or incurred, by it in connection with the provision of Ordinary Services to the date hereof. The Trustee shall be entitled to the payment of its annual charges upon invoice to the Corporation (which pursuant to the Purchase and Use Agreement shall be payable by the City). In the event that it should become necessary to perform Extraordinary Services including any such Extraordinary Services relating to a default or post-default situation, with respect to the Series 2024 Bonds, the Trustee shall be entitled to reasonable extra compensation therefor, determined in accordance with the Trustee's then-current fee schedule, and to reimbursement for reasonable and necessary Extraordinary Expenses incurred in connection therewith.

Without creating a default or an Event of Default, however, the City may contest in good faith the necessity for any Extraordinary Service and Extraordinary Expense and the reasonableness of any fee, charge, or expense.

The Trustee, in that or its other capacities, shall not be entitled to compensation or reimbursement for Extraordinary Services or Extraordinary Expenses occasioned by its negligence or willful misconduct.

Any amounts payable under this Section 6.3 are payable upon demand and shall bear interest from the date of demand therefor at the prime rate quoted from time to time by the banking association serving as Trustee.

SECTION 6.4 Intervention by Trustee. The Trustee may and, at the direction of the Holders of at least 50% of the aggregate principal amount of the Outstanding Bonds, shall intervene in any judicial proceeding to which the Corporation or the City is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of Holders of the Bonds. The rights and obligations of the Trustee under this Section are subject to the approval of that intervention by a court of competent jurisdiction. The Trustee may require that a satisfactory indemnity bond be provided to it by the Holders in accordance with Sections 6.1 and 6.2 hereof before it takes action hereunder.

SECTION 6.5 Successor Trustee. Anything herein to the contrary notwithstanding:

(a) Any corporation or association that (i) is a trust company or a bank having the powers of a trust company, (ii) is duly authorized to exercise trust powers and in good standing under the laws of the State and, if applicable, the United States, (iii) is subject to examination by federal or State authorities, and (iv) has a reported capital and surplus of not less than \$75,000,000; and (i) into which the Trustee may be converted or merged, (ii) with which the Trustee or any successor to it may be consolidated, or (iii) to which the Trustee may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, merger, consolidation, sale or transfer, ipso facto, is the successor Trustee hereunder and shall be vested with all of the title to the whole property or Trust Estate hereunder.

(b) Any such corporation or association that becomes a successor Trustee by virtue of the foregoing shall be vested further, as was its predecessor, with each and every trust, property, remedy, power, right, duty, obligation, discretion, privilege, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Trust Agreement to be exercised by, vested in or conveyed to the Trustee, without the execution or filing of any instrument or document or any further act on the part of any of the parties hereto.

SECTION 6.6 Resignation by Trustee. The Trustee may resign at any time from the trusts created hereby by giving written notice of the resignation to the City and the Corporation and by mailing written notice of the resignation to the Holders as their names and addresses appear on the Register at the close of business 15 days prior to the mailing. The resignation shall take effect upon the appointment of a successor Trustee and its acceptance of its duties as set forth in Section 6.8 hereof.

SECTION 6.7 Removal of Trustee.

(a) The Holders of not less than a majority of the aggregate principal amount of the Outstanding Bonds may, on execution of a signed instrument or document or concurrent instruments or documents in writing, delivered to the Trustee, with copies thereof mailed to the City and the Corporation, remove the Trustee for cause.

(b) For so long as no Event of Default has occurred and is continuing, the Corporation at the written direction of the City may remove the Trustee upon 30 days' written notice.

(c) The Trustee also may be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Trust Agreement with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the Corporation, the City or the Holders of not less than 25% in aggregate principal amount of the Outstanding Bonds.

(d) At the request of the City, so long as no default exists under the Purchase and Use Agreement and no Event of Nonappropriation has occurred, the Corporation may appoint a successor Trustee as provided in Section 6.8 hereof.

SECTION 6.8 Appointment of Successor Trustee.

(a) If (i) the Trustee shall resign, shall be removed, shall be dissolved, or shall become otherwise incapable of acting hereunder, (ii) the Trustee shall be taken under the control of any public officer or officers, or (iii) a receiver shall be appointed for the Trustee by a court, then a successor Trustee shall be appointed by the Corporation (with the agreement of the City if there is no Event of Default and no Event of Nonappropriation under the Purchase and Use Agreement); provided, that if a successor Trustee is not so appointed within ten days after (a) a notice of resignation or any instrument or document of removal is received by the Corporation as provided in Sections 6.6 and 6.7 hereof, respectively, or (b) the Trustee is dissolved, taken under control, becomes otherwise incapable of acting or a receiver is appointed, in each case, as provided above, then, so long as the Corporation shall not have appointed a successor Trustee, the Holders of a majority in aggregate principal amount of the Outstanding Bonds not paid or provided for may designate a successor Trustee by an instrument or document or concurrent instruments or documents in writing signed by or on behalf of those Holders. If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within 60 days of the occurrence of any event listed in Section 6.8(a)(i)-(iii), the Holder of any Outstanding Bond hereunder or any retiring Trustee may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee. Notwithstanding any other provision of this Trust Agreement to the contrary, no resignation or removal of the Trustee shall become effective until a successor has been appointed and has accepted the duties of Trustee hereunder.

(b) Every successor Trustee appointed pursuant to this Section shall (i) be a trust company or bank having the powers of a trust company, (ii) be in good standing within the State and, if applicable, the United States, (iii) be duly authorized to exercise trust powers within the State and, if applicable, the United States, (iv) have a reported capital and surplus of not less than \$75,000,000, and (v) be willing to accept the trusteeship under the terms and conditions of this Trust Agreement.

(c) Every successor Trustee appointed hereunder shall execute and acknowledge and shall deliver to its predecessor and to the Corporation and the City an instrument or document in writing accepting the appointment. Thereupon, without any further act, the successor shall become vested with all of the trusts, properties, remedies, powers, rights, duties, obligations, discretion, privileges, claims, demands, causes of action, immunities, estates, titles, interests, and liens of its predecessor. Upon the written request of its successor, the Corporation or the City, the predecessor Trustee (i) shall execute and deliver any instrument or document transferring to its successor all of the trusts, properties, remedies, powers, rights, duties, obligations, discretions, privileges, claims, demands, causes of action, immunities, estates, titles, interests, and liens of the predecessor Trustee hereunder, and (ii) shall take any other action necessary to duly assign, transfer and deliver to its successor all property (including without limitation, all securities and moneys) held by it as Trustee. Should any instrument or document in writing from the Corporation be requested by any successor Trustee for vesting and the conveying more fully and certainly in and to that successor the trusts, properties, remedies, powers, rights, duties, obligations, discretions, privileges, claims, demands, causes of action, immunities, estates, titles, interests and liens vested or conveyed hereby in or to the predecessor Trustee, the Corporation shall execute, acknowledge and deliver that instrument or document.

(d) In the event of a change in the Trustee, the predecessor Trustee shall cease to be custodian of any moneys which it may hold pursuant to this Trust Agreement and shall cease to act as Paying Agent for the Bonds, the successor Trustee shall become custodian of such moneys and the Paying Agent.

(e) Upon the appointment of a successor Trustee and completion by the predecessor Trustee of the actions required of it under (c) above, the predecessor Trustee shall not be liable for any acts of its successor.

SECTION 6.9 Dealing in Bonds. The Trustee and its affiliates, and any directors, officers, employees, or agents thereof, in good faith, may become the owner of any Bond or Bonds with the same rights which they would have hereunder if the Trustee did not serve in that capacity.

SECTION 6.10 Representations, Agreements and Covenants of Trustee. (The Trustee hereby represents and warrants that:

(a) It is a banking corporation duly organized, validly existing and in good standing under the laws of the state of Alabama and duly authorized to exercise corporate trust powers in the State, it has an unimpaired reported capital and surplus of not less than \$75,000,000. The Trustee covenants that it will take such action, if any, as is necessary to remain in good standing and duly authorized to exercise corporate trust powers in the State, and that it will maintain unimpaired reported capital and surplus of not less than \$75,000,000;

(b) It is duly authorized to execute and deliver this Trust Agreement and to perform its obligations hereunder in the manner and to the extent set forth in this Trust Agreement; and

(c) All actions required on its part to be performed for authentication of the Bonds and the execution and delivery of this Trust Agreement have been or will be taken duly and effectively.

The Trustee will observe and perform faithfully at all times all covenants, agreements, authority, actions, undertakings, stipulations, provisions, duties and obligations to be observed or performed by the Trustee hereunder, the Bonds and under any other instrument or document providing security for the Bonds; provided, nevertheless, that the Trustee shall not be responsible or liable for the performance of or observation of any covenants respecting the maintenance of federal tax exemption of interest with respect to the Bonds in the absence of specific direction in writing from the City or the Corporation and shall not be responsible for ascertaining the requirements of federal tax law with respect thereto.

SECTION 6.11 Right of Trustee to Pay Taxes and Other Charges. Reference is made to the Purchase and Use Agreement whereby the Corporation is authorized to advance moneys (i) to pay taxes, assessments and other governmental charges with respect to the 2024 Facilities, (ii) for the discharge of mechanic's and other liens relating to the 2024 Facilities, (iii) to obtain and maintain insurance for the 2024 Facilities and pay premiums therefor, and (iv) generally, to make payments and incur expenses in the event that the City fails to do so as required by such Purchase and Use Agreement or the Base Lease. The Trustee may make those advances but shall not be required to do so (and may require indemnification) pursuant to Sections 6.1(e)(iv) and 6.2 hereof, but without prejudice to any rights of the Trustee as assignee of the Corporation against the City for failure of the City to do so.

SECTION 6.12 Additional Covenants and Agreements of the Trustee. In addition to any other covenants and agreements of the Trustee in this Trust Agreement, the Trustee further covenants and agrees for the benefit of the Holders as follows:

(a) *Register.* At reasonable times and under reasonable regulations established by the Trustee, the Register for the Bonds may be inspected and copied by the Corporation, the City or Holders of 25% or more in principal amount of the Outstanding Bonds, or a designated representative therefor.

(b) *Rights and Enforcement of Base Lease and Purchase and Use Agreement.* The Trustee may enforce, in its name, all rights of the Corporation under the Base Lease and the Purchase and Use Agreement for and on behalf of the Holders. The Trustee covenants and agrees to perform all obligations and duties imposed on it by assignment hereunder, and to enforce, subject to Sections 6.1 and 6.2 hereof, all covenants, agreements, and obligations of the City under and pursuant to the Base Lease and the Purchase and Use Agreement. The Trustee will do all things and take all actions on its part necessary to comply with covenants, agreements, obligations duties and responsibilities on its part to be observed or performed under the Base Lease and the Purchase and Use Agreement and will take all actions within its authority to keep the Base Lease and the Purchase and Use Agreement in effect in accordance with the terms thereof. The Trustee's obligations under this paragraph are subject to the provisions of the last paragraph of Section 7.3 hereof.

ARTICLE VII DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND HOLDERS

SECTION 7.1 Defaults; Events of Default. The occurrence of any of the following events is defined as and declared to be and to constitute an Event of Default hereunder:

(a) Payment of the principal or interest due on any Bond shall not be made when and as such payment shall become due and payable;

(b) The occurrence and continuance of an Event of Default as defined in Section 8.1 of the Purchase and Use Agreement;

(c) Any material breach by the Corporation of any representation or warranty made in this Trust Agreement or default in the performance or observance of any other of the covenants, agreements, or conditions on the part of the Corporation in this Trust Agreement or in the Bonds contained;

(d) The issuance of an order of relief by the Bankruptcy Court of the United States District Court having valid jurisdiction, granting the Corporation relief under federal bankruptcy law, or the issuance by any other court having valid jurisdiction of an order or decree under applicable federal or state law providing for the appointment of a receiver, liquidator, assignee, trustee, or sequestrator (or other similar official) of the Corporation or any substantial part of its property, affairs, or assets, and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days; or

(e) The consent by the Corporation to the institution of proceedings in bankruptcy against it, or to the institution of any proceeding against it under any federal or state insolvency laws, or to the filing of any petition, application, or complaint seeking the appointment of a receiver, liquidator, assignee, trustee, or sequestrator (or other similar official) of the Corporation or of any substantial part of its property, affairs, or assets.

SECTION 7.2 Notice of Default. In the event the Trustee becomes aware of the occurrence of any of the events described in Section 7.1 above with respect to the Purchase and Use Agreement, the Trustee shall give written notice of the Event of Default, by registered or certified mail, to the City, and the Corporation, within 10 days after the Trustee has knowledge of the Event of Default. If an Event of Default occurs of which the Trustee has notice pursuant to this Trust Agreement, the Trustee shall give written notice thereof, within 30 days after the Trustee's receipt of notice of its occurrence, to the Holders of all Outstanding Bonds as shown by the Register at the close of business 15 days prior to the mailing of that notice.

SECTION 7.3 Remedies; Rights of Holders.

(a) General. Upon the occurrence and continuance of an Event of Default, the Trustee may, subject to Section 12.2 hereof, pursue any available remedy to enforce the payment of any amounts due with respect to the Bonds or the observance and performance of any other covenant, agreement or obligation under this Trust Agreement, the Purchase and Use Agreement (including but not limited to the right to relet the Corporation Facilities as provided in Section 8.2 of the Purchase and Use Agreement) pertaining thereto or any other instrument providing security, directly or indirectly, for the Bonds. On the occurrence and continuance of an Event of Default and subject to Section 12.2 hereof and at the request of the Holders of at least 25% of the aggregate principal amount of the Outstanding Bonds, the Trustee (subject to the provisions of Sections 6.1 and 6.2 hereof), shall exercise one or more rights and powers conferred by this Section as the Trustee, upon advice of counsel, deems most expedient in the interests of the Holders of such Bonds.

(b) Acceleration. Subject to Section 12.2 hereof, upon the occurrence of an Event of Default, and at any time thereafter while such Event of Default continues, then the Trustee in its own name and as trustee of an express trust, on behalf and for the benefit and protection of the Holders of all Outstanding Bonds, may proceed, and upon the written request of the Holders of not less than 25% in principal amount of the Outstanding Bonds, shall proceed, to declare the principal of all Outstanding Bonds, except as noted below, together with all accrued and unpaid interest thereon, if not already due, to be due and payable immediately, and upon any such declaration the same shall become and be due and payable immediately, anything contained in this Trust Agreement or any Supplemental Agreement or in any of the Bonds to the contrary notwithstanding. This provision is also subject, however, to the condition that, if at any time after the principal of the Bonds, together with the accrued and unpaid interest thereon and other moneys secured hereby, have been so declared due and payable and before any further action has been taken (other than the making of the above declaration), the principal amount of all Bonds which have matured either according to the maturity date or dates otherwise specified therein (except as a result of such declaration) and all arrears of interest upon all Bonds, except interest accrued but not yet due on said Bonds, have been paid or caused to be paid, and all other Events of Default, if any, which have occurred have been remedied, cured or secured, then the Holders of 25% in principal amount of the Outstanding Bonds,

by notice in writing delivered to the Trustee and the Corporation, may waive such Event of Default and its consequences and rescind and annul such declaration. No such waiver or rescission or annulment shall extend to or affect any subsequent default or impair or exhaust any right or power related to such subsequent default.

(c) Other Remedies. In case any one or more of the Events of Default shall happen and be continuing, then, but subject to the provisions of Sections 7.7 and 12.2 hereof, the Holder of any Outstanding Bond or the Trustee may, for the equal benefit and protection of all Holders of the Bonds similarly situated:

(i) by mandamus or other suit, action, or proceedings at law or in the equity, enforce such Bondholder's right against the Corporation and require and compel the Corporation to perform and carry out its duties and obligations under this Trust Agreement or enforce any such remedies against the City pursuant to the Purchase and Use Agreement, and require and compel the Corporation to perform and carry out its covenants and agreements with the Bondholders;

(ii) by action or suit in equity require the Corporation to account as if such Corporation were the trustee of an express trust;

(iii) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders;

(iv) bring suit upon the Bonds;

(v) take such other action with respect to the Trust Estate, including obtaining the appointment of a receiver, as it may deem appropriate and apply any funds resulting therefrom as if such funds were Revenues; or

(vi) avail itself of any other remedy, whether at law or in equity, as it may determine to be appropriate.

(d) Remedies Under Uniform Commercial Code. The Trustee may exercise any rights, powers, or remedies it may have as a secured party under the Uniform Commercial Code of the State, or other similar laws in effect.

(e) No Remedy Exclusive, Effect of Delay and Waiver. No remedy conferred upon or reserved to the Trustee or to the Holders by this Trust Agreement is intended to be exclusive of any other remedy. Each remedy shall be cumulative and shall be in addition to every other remedy given hereunder or otherwise to the Trustee or to the Holders now or hereafter existing. No delay in exercising or omission to exercise any remedy, right or power accruing upon any default or Event of Default shall impair that remedy, right or power or shall be construed to be a waiver of any default or Event of Default or acquiescence therein. Every remedy, right and power may be deemed to be expedient. No waiver of any default or Event of Default hereunder, whether by the Trustee or by the Holders, shall extend to or shall affect any subsequent default or Event of Default or shall impair any remedy, right or power consequent thereon.

(f) Remedies Under Purchase and Use Agreement and Base Lease. As the assignee of all right, title and interest of the Corporation in and to the Purchase and Use Agreement and the Base Lease, the Trustee is empowered to enforce each remedy, right and power granted to the Corporation under the Purchase and Use Agreement (except for those rights specifically reserved to the Corporation) and the Base Lease. In exercising any remedy, right or power under the Purchase and Use Agreement, the Base Lease or this Trust Agreement, the Trustee shall take any action which would best serve the interests of the Holders in the judgment of the Trustee, applying the standards described in Sections 6.1 and 6.2 hereof.

SECTION 7.4 Right of Holders to Direct Proceedings. Anything to the contrary in this Trust Agreement notwithstanding, but subject to Section 12.2 hereof, the Holders of at least a majority in aggregate principal amount of the Outstanding Bonds shall have the right at any time to direct, by an instrument or document in writing executed and delivered to the Trustee, the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Trust Agreement or any other proceedings hereunder; provided, that (i) any direction shall be in accordance with the provisions of law and of this Trust Agreement, (ii) the Trustee shall be indemnified as provided in Sections 6.1 and 6.2 hereof, and (iii) the Trustee may take any other action which it deems to be proper and which is not inconsistent with the direction.

SECTION 7.5 Application of Moneys.

(a) Unless the principal of all Outstanding Bonds shall have become or have been declared due and payable, any funds received by the Trustee hereunder shall be applied as follows (provided, however, that amounts on deposit in a subaccount of the Facilities Purchase Account established for the benefit of a particular series of Bonds shall be available solely with respect to such Bonds):

First: To the payment to the Persons entitled thereto of all installments of interest then due on the Bonds in the order of maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon to the person entitled thereto, without any discrimination or preference;

Second: To the payment to the Persons entitled thereto of the unpaid principal amounts or redemption premium, if any, of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, and if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the principal amounts or redemption premium, if any, due on such date, to the Persons entitled thereto, without any discrimination or preference; and

Third: If, when there is not an Event of Default, the Trustee is required to expend funds to defend itself in a lawsuit which arises under a cause of action attacking the legality of the Bonds; the inclusion of interest earned on the Bonds in the gross income for federal income tax purposes of a Bondholder; or the status of the Corporation as issuer, then, in such event the Trustee shall be entitled to a call on the funds for the same kinds of expenses as are described as costs and expenses of collection as described in (b) below.

(b) If the principal of all Outstanding Bonds shall have become or have been declared due and payable, any funds received by the Trustee hereunder, after payment of costs and expenses of collection, shall be applied ratably according to the amounts due respectively for principal and interest to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal or interest, of any installment, of any Bond, to the Persons entitled thereto; provided, however, that amounts on deposit in a subaccount of the Facilities Purchase Account established for the benefit of a particular series of Bonds shall be available solely with respect to such Bonds. For purposes hereof, "costs and expenses of collection" shall include such expenses as are necessary for the Trustee to fulfill its obligation of due diligence to protect the interests of the Bondholders in the Trust Estate which expenses may include the Trustee's reasonable expenses and fees for its duties administering this Trust Agreement while the Bonds are in default, its normal fees and expenses resulting from managing any of the property forming part of the Trust Estate, expenses of counsel to represent the Trustee, expenses of consultants employed by the Trustee, and direct expenses of the Trustee to include the costs of preparing and mailing notices to Bondholders and other parties.

(c) If the principal of all Outstanding Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article, then, subject to the provisions of paragraph (b) of this Section in the event that the principal of all Outstanding Bonds shall later become due or be declared due and payable, moneys shall be applied in accordance with the provisions of paragraph (a) of this Section.

(d) Whenever moneys are to be applied pursuant to the provisions of this Section, those moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of moneys available for application and the likelihood of additional moneys becoming available for application in the future. Whenever the Trustee shall direct the application of those moneys, it shall fix the date upon which the application is to be made, and upon that date, interest shall cease to accrue on the amounts of principal, if any, to be paid on that date, provided the moneys are available therefor. The Trustee shall give notice of the deposit with it of any moneys and of the fixing of that date, all consistent with the requirements of Section 3.5 hereof for the establishment of, and for giving notice with respect to, a Special Record Date for the payment of overdue interest. The Trustee shall not be required to make payment of principal of a Bond to the Holder thereof, until the Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if it is paid fully.

(e) Whenever all Bonds and interest thereon have been paid under the provisions of this Section and all expenses and charges of the Trustee have been paid, any balance remaining shall be paid to the Person entitled to receive the same; if no other Person shall be entitled thereto, then the balance shall be paid to the City or as a court of competent jurisdiction may direct.

SECTION 7.6 Remedies Vested in Trustee. All rights of action (including without limitation, the right to file proofs of claims) under this Trust Agreement or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto. Any suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining any Holders as plaintiffs or defendants. Any recovery of judgment shall be for the benefit of the Holders of the Outstanding Bonds subject to the provisions of this Trust Agreement.

SECTION 7.7 Rights and Remedies of Holders. A Holder of a Bond shall not have any right to institute any suit, action or proceeding for the enforcement of this Trust Agreement, for the execution of any trust hereof, or for the exercise of any other remedy hereunder, unless (a) there has occurred and is continuing an Event of Default of which the Trustee has been notified or is deemed to have notice as provided in Section 6.2(f) hereof; and (b) subject to Section 12.2 hereof, the Holders of at least 25% in aggregate principal amount of the Outstanding Bonds shall have (i) made written request to the Trustee and shall have afforded the Trustee reasonable opportunity to proceed to exercise the remedies, rights and powers granted herein or to institute the suit, action or proceeding in its own name, and (ii) offered indemnity to the Trustee as provided in Sections 6.1 and 6.2 hereof; and the Trustee failed or refused to exercise the remedies, rights and powers granted herein or to institute the suit, action or proceeding in its own name.

No Holder of a Bond shall have any right to affect, disturb or prejudice in any manner whatsoever the security or benefit of this Trust Agreement by its action, or to enforce, except in the manner provided herein, any remedy, right or power hereunder. Any suit, action or proceeding shall be instituted, had, and maintained in the manner provided herein for the benefit of the Holders of all Outstanding Bonds. Nothing in this Trust Agreement shall affect or impair, however, the right of any Holder to enforce the payment of the principal and interest due on any Bond owned by that Holder at and after the due date thereof, at the place, from the sources and in the manner expressed in the Bond.

SECTION 7.8 Termination of Proceedings. In case the Trustee shall have proceeded to enforce any remedy, right or power under this Trust Agreement in any suit, action or proceedings, and the suit, action or proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, the Corporation and the Holders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee shall continue as if no suit, action or proceedings had been taken.

SECTION 7.9 Waivers of Events of Default. Except as hereinafter provided and subject to Section 12.2, the Trustee may, and upon the written request of the Holders of at least a majority in aggregate principal amount of Bonds Outstanding shall, waive any Event of Default hereunder and its consequences. The Trustee shall not waive, however, any Event of Default described in Section 7.1(a) hereof unless at the time of such waiver payments of all amounts then due and payable with respect to the Bonds have been made or provision has been made therefor. In the case of waiver, or in case any suit, action or proceeding taken by the Trustee on account of any Event of Default shall have been discontinued, abandoned, or determined adversely to it, the Trustee and the Holders shall be restored to their former positions and rights hereunder, respectively. No waiver or rescission shall extend to any subsequent or other Event of Default or impair any right consequent thereon.

ARTICLE VIII SUPPLEMENTAL AGREEMENTS

SECTION 8.1 Supplemental Agreements Generally. The Corporation and the Trustee may enter into Supplemental Agreements, as provided in this Article and pursuant to the other provisions therefor in this Trust Agreement. So long as any of the Bonds remain Outstanding, any rating agency rating the Bonds must receive notice of each Supplemental Agreement and a copy thereof at least 15 Business Days in advance of its execution.

SECTION 8.2 Supplemental Agreements Not Requiring Consent of Holders. Without the consent of, or notice to, any of the Holders but subject to Section 11.3 hereof, the Corporation and the Trustee may enter into Supplemental Agreements which shall not, in the opinion of the Trustee, be inconsistent with the terms and provisions hereof, for any one or more of the following purposes:

- (a) To cure any ambiguity, inconsistency or formal defect or omission in this Trust Agreement;
- (b) To grant to or confer upon the Trustee for the benefit of the Holders any additional rights, remedies, powers, or authority that lawfully may be granted to or conferred upon the Holders or the Trustee;
- (c) To assign additional revenues under this Trust Agreement;
- (d) To accept additional security and instruments and documents of further assurance with respect to the 2024 Facilities;
- (e) To add to the covenants, agreements and obligations under this Trust Agreement, other covenants, agreements, and obligations to be observed for the protection of the Holders;

(f) To evidence any succession to the Trustee and the assumption by its successor of the covenants, agreements and obligations of the Trustee under this Trust Agreement and the Bonds;

(g) To permit the use of a Book-Entry System to identify the owner of a proportionate interest in the payments under the Purchase and Use Agreement, whether that proportionate interest was formerly, or could be, evidenced by a tangible security;

(h) To permit the Trustee to comply with any obligations imposed upon it by law;

(i) To specify further the duties and responsibilities of the Trustee;

(j) To achieve compliance of this Trust Agreement with any applicable federal securities or tax law;

(k) To make amendments to the provisions hereof relating to matters under the Code, if, in the opinion of nationally recognized bond counsel selected by the Corporation and approved by the Trustee, those amendments would not cause the interest on the Series 2024A Bonds to become includable in the gross incomes of the recipients thereof for federal income tax purposes;

(l) To make provision of the issuance of Additional Bonds as provided for herein;

(m) To permit any other amendment which is not to the prejudice of the Trustee (in the judgment of the Trustee) or the Holders; or

(n) To reflect a change in applicable law.

The provisions of paragraphs (h), (j) and (m) above shall not be deemed to constitute a waiver by the Trustee or any Holder of any right which it may have to contest the application of any change in law to this Trust Agreement or the Bonds.

SECTION 8.3 Supplemental Agreements Requiring Consent of Holders. Exclusive of Supplemental Agreements to which reference is made in Section 8.2 hereof and subject to the terms, provisions and limitations contained in this Section and Section 12.2 hereof, and not otherwise, with the consent of the Holders of not less than a majority in aggregate principal amount of the Outstanding Bonds at such time, evidenced as provided in this Trust Agreement, the Corporation and the Trustee may execute and deliver Supplemental Agreements adding any provisions to, changing in any manner or eliminating any of the provisions of this Trust Agreement or any Supplemental Agreement or restricting in any manner the rights of the Holders. Nothing in this Section or Section 8.2 hereof shall, however, be construed as permitting:

(a) without the consent of the Holder of each Bond so affected, (i) an extension of the maturity of the principal of or the interest on any Bond, or (ii) a reduction in the principal amount of any Bond or the rate of interest thereon, or

(b) without the consent of the Holders of all Outstanding Bonds, (i) the creation of a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (ii) a reduction in the aggregate principal amount of the Bonds required for consent to a Supplemental Agreement; provided, however, that the establishment of an escrow for the defeasance of a portion of the Bonds shall not be deemed to constitute the creation of a privilege or priority for the benefit of the Bonds to be defeased.

If the Corporation shall request that the Trustee execute and deliver any Supplemental Agreement for any of the purposes of this Section, upon (i) being satisfactorily indemnified with respect to its expenses and liability in connection therewith, and (ii) if required by Section 8.4 hereof, receipt of the City's consent to the proposed execution and delivery of the Supplemental Agreement, the Trustee shall cause notice of the proposed execution and delivery of the Supplemental Agreement to be mailed by first class mail, postage prepaid, to all Holders of Outstanding Bonds at their addresses as they appear on the Register at the close of business on the 15th day preceding that mailing.

The Trustee shall not be subject to any liability to any Holder by reason of the Trustee's failure to mail, or the failure of any Holder to receive, the notice required by this Section. Any failure of that nature shall not affect the validity of the Supplemental Agreement when there has been consent thereto as provided in this Section. The notice shall set forth briefly the nature of the proposed Supplemental Agreement and shall state that copies thereof are on file at the principal trust office of the Trustee for inspection by all Holders.

If the Trustee shall receive, within a period described by the Trustee of not less than 60 days but not exceeding one

year, following the mailing of the notice, an instrument or document (which instrument or document shall refer to the proposed Supplemental Agreement in the form described in the notice), by which the Holders of not less than a majority in aggregate principal amount of the Outstanding Bonds consent to the execution of such Supplemental Agreement, the Trustee shall, execute and deliver the Supplemental Agreement in substantially the form to which reference is made in the notice as being on file with the Trustee, without liability or responsibility to any Holder, regardless of whether that Holder shall have consented thereto.

Any consent shall be binding upon the Holders of the Bonds, regardless of whether that Holder shall have consented thereto. A consent may be revoked, however, by a written revocation of such consent signed by the Holders of not less than a majority in aggregate principal amount of the Outstanding Bonds and received by the Trustee prior to the execution and delivery by the Trustee of the Supplemental Agreement. At any time after the Holders of the required percentage of Bonds shall have filed their consents to the Supplemental Agreement, the Trustee shall make and file with the City a written statement that the Holders of the required percentage of Bonds have filed those consents. That written statement shall be conclusive evidence that the consents have been so filed.

If the Holders of the required percentage in aggregate principal amount of Outstanding Bonds shall have consented to the Supplemental Agreement, as provided in this Section, no Holder shall have any right (a) to object to (i) the execution or delivery of the Supplemental Agreement, (ii) any of the terms and provisions contained therein, or (iii) the operation thereof, (b) to question the propriety of the execution and delivery thereof, or (c) to enjoin or restrain the Trustee from that execution or delivery or from taking any action pursuant to the provisions thereof.

SECTION 8.4 Consent of City. Anything contained herein to the contrary notwithstanding, and so long as the City is not in default under the Purchase and Use Agreement, a Supplemental Agreement executed and delivered in accordance with this Article VIII which affects any rights or obligations of the City shall not become effective unless and until the City shall have consented in writing to the execution and delivery of that Supplemental Agreement. The Trustee shall cause notice of the proposed execution and delivery of any Supplemental Agreement and a copy of the proposed Supplemental Agreement to be mailed to the City, as provided in Section 14.3 hereof, (i) at least 30 days (unless waived by the City) before the date of the proposed execution and delivery of a Supplemental Agreement.

SECTION 8.5 Authorization to Trustee; Effect of Supplemental Agreement. The Trustee is authorized to join with the Corporation in the execution and delivery of any Supplemental Agreement in accordance with this Article and to make the further agreements and stipulations which may be contained therein with the following effect:

- (a) That Supplemental Agreement shall form a part of this Trust Agreement;
- (b) All terms and conditions contained in that Supplemental Agreement as to any provision authorized to be contained therein shall be deemed to be a part of the terms and conditions of this Trust Agreement for any and all purposes;
- (c) This Trust Agreement shall be deemed to be modified and amended in accordance with the Supplemental Agreement; and
- (d) The respective rights, duties and obligations under this Trust Agreement of the Corporation, the Trustee and all Holders of Outstanding Bonds shall be determined, exercised, and enforced hereunder in a manner which is subject in all respects to those modifications and amendments made by the Supplemental Agreement.

Express reference to any executed and delivered Supplemental Agreement may be made in the text of any Bonds executed and delivered thereafter if that reference is deemed necessary or desirable by the Trustee or the Corporation. The Trustee shall not be required to execute a Supplemental Agreement containing provisions adverse to the Trustee.

SECTION 8.6 Opinion of Counsel. The Trustee shall be entitled to receive, and shall be fully protected in relying upon, the opinion of any counsel approved by it as conclusive evidence that (i) any proposed Supplemental Agreement complies with the provisions of this Trust Agreement, and (ii) it is proper for the Trustee to join in the execution of that Supplemental Agreement under the provisions of this Article. The Trustee may accept an opinion of Bond Counsel or counsel for the Corporation or the City for such purposes. Prior to taking any action hereunder, the Trustee shall be entitled to assurance as to the payment of the fees and expenses of any counsel providing such opinion.

SECTION 8.7 Modification by Unanimous Consent. Notwithstanding anything contained elsewhere in this Trust Agreement, the rights and obligations of the Trustee and of the Holders of the Bonds, and the terms and provisions

of the Bonds and this Trust Agreement or any Supplemental Agreement, may be modified or altered in any respect with the consent of (i) the Trustee, (ii) the Holders of all of the Outstanding Bonds, and (iii) if required by Section 8.4 hereof, the City.

ARTICLE IX DEFEASANCE

SECTION 9.1 Defeasance.

(a) When principal or redemption price (as the case may be) of, and interest on, any Bonds issued hereunder has been paid, or provision shall have been made for payment of the same, together with the compensation of the Trustee and all other sums payable hereunder and under the Purchase and Use Agreement by the Corporation and the City, the right, title and interest of the Trustee with respect to the Trust Estate shall thereupon cease and the Trustee shall release this Trust Agreement and shall execute such documents to evidence such releases as may be reasonably required by the Corporation and shall turn over to the Corporation or to such person, body or authority as may be entitled to receive the same all balances then held by it hereunder; provided, however, that the City shall in all events remain liable under the Purchase and Use Agreement (subject to Section 4.7 thereof) until all amounts due and owing thereunder have been paid.

(b) Provision for the payment of the Bonds shall be deemed to have been made when the Trustee holds, in an irrevocable deposit, under the provisions hereof (i) cash in an amount sufficient to make all payments specified above with respect to all of such Bonds, or (ii) Defeasance Obligations maturing on or before the date or dates when the payments specified above shall become due, the principal amount of which and the interest thereon, when due, is or will be, in the aggregate, sufficient without reinvestment to make all payments specified above with respect to such Bonds, or (iii) any combination of such cash and such Defeasance Obligations the amounts of which and interest thereon, when due, are or will be, in the aggregate, sufficient without reinvestment to make all payments specified above on such Bonds; provided that, to the extent such deposit does not consist of cash, the Trustee shall have received a report of an independent accountant or firm of accountants verifying that the computations of the amount available from Defeasance Obligations when added to any cash available shall be sufficient to meet the requirements hereof. Any escrow agreement entered into hereunder shall provide that (i) any substitution of securities shall require a verification report provided by an independent certified public accountant, (ii) the Corporation will not exercise any optional redemption of Bonds secured by such escrow agreement or any other redemption other than mandatory sinking fund redemptions unless 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 (iii) the Corporation 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 Trustee.

(c) Neither the obligations nor the moneys deposited with the Trustee pursuant to this Section shall be withdrawn or used for any purpose other than, and shall be segregated and held in trust for, the payment of the principal or redemption price of, and interest on, said Bonds.

(d) Whenever moneys or obligations shall be deposited with the Trustee for the payment or redemption of Bonds more than 60 days prior to the date that such Bonds are to mature or be redeemed, the Trustee shall mail a notice stating that such moneys or obligations have been deposited and identifying the Bonds for the payment of which such moneys or obligations are being held, to the Holders of Bonds for the payment of which such moneys or obligations are being held.

(e) Prior to any defeasance becoming effective under this Trust Agreement, there shall have been delivered to the Trustee an opinion of Bond Counsel, satisfactory to the Trustee, to the effect that interest on the Series 2024A Bonds being paid by such defeasance will not become subject to federal income taxation by reason of such defeasance.

SECTION 9.2 Survival of Certain Provisions. Notwithstanding the foregoing, any provisions of this Trust Agreement which relate to the maturity of Bonds, interest payments and dates thereof, exchange, transfer and registration of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, nonpresentment of Bonds, the holding of moneys in trust, and payments to the City from the Bond Fund pertaining to the Purchase and Use Agreement and the duties of the Trustee in connection with all of the foregoing, shall remain in effect and be binding upon the Trustee and the Holders, notwithstanding, the release and discharge of this Trust Agreement. The provisions of this Article shall survive the release, discharge, and satisfaction of this Trust Agreement.

ARTICLE X

[RESERVED]

**ARTICLE XI
AMENDMENTS TO BASE LEASE AND PURCHASE AND USE AGREEMENT**

SECTION 11.1 Amendments Not Requiring Consent of Holders.

(a) Without the consent of or notice to the Holders, the Trustee, as trustee and as lessor by assignment, may consent to any amendment, change or modification of the Base Lease and the Purchase and Use Agreement (i) permitted by the provisions of the Base Lease, the Purchase and Use Agreement or this Trust Agreement, (ii) which cures any ambiguity, inconsistency or formal defect or omission in the Base Lease or the Purchase and Use Agreement, (iii) in connection with an amendment or to effect any purpose for which there could be an amendment of this Trust Agreement pursuant to Section 8.2 hereof, (iv) in connection with the issuance of Additional Bonds as provided for herein, or (v) in connection with any other change therein which, in the judgment of the Trustee, relying on an opinion of counsel as provided in Section 11.3 herein, is not to the prejudice of the Trustee or the Holders.

(b) No such consent or notice to the Holders shall be required with respect to any amendment to add to the description of the 2024 Real Property any subsequently acquired property that becomes a part thereof or to delete property from the description thereof consistent with the provisions of the Purchase and Use Agreement and the Base Lease.

SECTION 11.2 Amendments Requiring Consent of Holders. Except for the amendments, changes or modification contemplated in Section 11.1 hereof and subject to Section 12.2 hereof, the Trustee shall not consent to:

(a) Any amendment, change or modification of the Purchase and Use Agreement which would change the amount or time as of which Base Payments are required to be paid without the giving of notice as provided in this Section of the proposed amendment, change or modification and receipt of the written consent thereto of the Holders of all of the Outstanding Bonds; provided that this requirement shall not apply to amendments that modify Installment Payments under the Purchase and Use Agreement to provide for Additional Bonds hereunder; or

(b) Any amendment, change or modification of the Purchase and Use Agreement without the giving of notice as provided in this section of the proposed amendment, change or modification and the receipt of the written consent thereto of the Holders of not less than a majority in aggregate principal amount of the Outstanding Bonds.

The consent of the Holders shall be obtained as provided in Section 8.3 hereof with respect to Supplemental Agreements. If the City shall request at any time the consent of the Trustee to any proposed amendment, change or modification of the Purchase and Use Agreement contemplated in subsections (a) or (b), upon being indemnified satisfactorily with respect to expenses and liability, the Trustee shall cause notice of the proposed amendment, change or modification to be provided in the manner which is required by Section 8.3 hereof with respect to notice of Supplemental Agreements. The notice shall set forth briefly the nature of the proposed amendment, change or modification and shall state that the copies of the instrument or document embodying it are on file at the designated corporate trust office of the Trustee for inspection by all Holders.

SECTION 11.3 Opinion of Counsel. The Trustee shall be entitled to receive, and shall be fully protected in relying upon, the opinion of any counsel approved by it as conclusive evidence that (i) any proposed amendment, change, or modification of or supplement to the Base Lease and the Purchase and Use Agreement complies with the provisions of this Trust Agreement, and (ii) it is proper for the Trustee to consent to the proposed amendment, change, or modification of or supplement to the Base Lease and the Purchase and Use Agreement under the provisions of this Article. The Trustee may accept an opinion of Bond Counsel or counsel for the Corporation or the City for such purposes. Prior to taking any action hereunder, the Trustee shall be entitled to assurance as to the payment of the fees and expenses of any counsel providing such opinion.

**ARTICLE XII
[RESERVED]**

**ARTICLE XIII
MEETINGS OF HOLDERS**

SECTION 13.1 Purpose of Meetings. A meeting of Holders of the Bonds may be called at any time and from time to time pursuant to the provisions of this Article XIII, to take any action (i) authorized to be taken by or on behalf

of the Holders of any specified aggregate principal amount of the Bonds of that Series, (ii) under any provision of this Trust Agreement, or (iii) authorized or permitted by law.

SECTION 13.2 Call of Meetings. The Trustee may call at any time a meeting of Holders of the Bonds pursuant to Section 13.1 hereof to be held at any reasonable time and place the Trustee shall determine. Notice of such meeting, setting forth the time, place and generally the subject thereof, shall be mailed by first class mail, postage prepaid, not fewer than 15 nor more than 90 days prior to the date of the meeting to the Holders at their addresses as they appear on the Register on the 15th day preceding such mailing, which 15th day preceding the mailing shall be the record date for the meeting.

At any time the Holders of at least 50% in aggregate principal amount of the Outstanding Bonds of a Series shall have requested the Trustee to call a meeting of Holders of Bonds of that Series, by written request setting forth the purpose of the meeting, if the Trustee shall not call such meeting, within 20 days after receipt of the request, then the Corporation or, if it does not do so, the Holders of Bonds of that Series in the amount above specified may determine the time and the place of the meeting and may call the meeting to take any action authorized in Section 13.1 hereof, by mailing notice thereof as provided above, such meeting to be noticed not more than 30 days after receipt of request of the Holders of Bonds of that Series.

Any meetings of Holders of Bonds of a Series shall be valid without notice, if the Holders of all Outstanding Bonds of that Series are present in person or by proxy, or if notice is waived before or after the meeting by the Holders of all Outstanding Bonds of that Series who were not so present at the meeting, and if the Corporation, the City and the Trustee are either present by duly authorized representatives or have waived notice, before or after the meeting.

SECTION 13.3 Voting. To be entitled to vote at any meeting of Holders of the Bonds, a Person shall (i) be a Holder of one or more Outstanding Bonds as of the record date for the meeting as determined above, or (ii) be a person appointed by an instrument or document in writing as proxy by a Person who is such a Holder of Bonds as of the record date for the meeting of one or more Outstanding Bonds. Each Holder or proxy shall be entitled to one vote for each \$5,000 principal amount of Bonds held or represented by it.

The vote upon any resolution submitted to any meeting of Holders shall be by written ballots on which shall be subscribed the signatures of the Holders or their representatives by proxy and the identifying numbers of the Bonds held or represented by them.

The provisions hereof may be modified with respect to any particular Series of Bonds to provide that any insurer, surety, guarantor, or provider of any credit facility that applies to such Series of Bonds or a portion thereof may act in the place and stead of the Holders with respect to consents or action at any meeting of the Holders.

SECTION 13.4 Meetings. Notwithstanding any other provision of this Trust Agreement, the Trustee may make any reasonable regulations which it may deem to be advisable for meetings of Holders, with regard to:

- (a) proof of the holding of Bonds and of the appointment of proxies,
- (b) the appointment and duties of inspectors of votes,
- (c) recordation of the proceedings of those meetings,
- (d) the execution, submission and examination of proxies and other evidence of the right to vote, and
- (e) any other matters concerning the conduct, adjournment or reconvening of meetings which it may think fit.

The Trustee shall appoint a temporary chair of the meeting by an instrument or document in writing, unless the meeting shall have been called by the Corporation or by the Holders, as provided in Section 13.2 hereof, in which case the Corporation or the Holders calling the meeting, as the case may be, shall appoint a temporary chair in like manner. A permanent chair and a permanent secretary of the meeting shall be elected by vote of the Holders of a majority in principal amount of the Bonds represented at the meeting and entitled to vote.

The only Persons who shall be entitled to be present or to speak at any meeting of Holders shall be the Persons entitled to vote at the meeting, any representatives of the Trustee, any representatives of the Corporation, and any representatives of the City, and their respective counsel.

SECTION 13.5 Miscellaneous. Nothing contained in this Article XIII shall be deemed or construed to authorize or permit any hindrance or delay in the exercise of any right or rights conferred upon or reserved to the Trustee or to the Holders under any of the provisions of this Trust Agreement or of the Bonds by reason of any call of a meeting of Holders or any rights conferred expressly or impliedly hereunder to make a call.

ARTICLE XIV MISCELLANEOUS

SECTION 14.1 Limitation of Rights. With the exception of rights conferred expressly in this Trust Agreement, nothing expressed or mentioned in or to be implied from the Base Lease, the Purchase and Use Agreement or the Bonds is intended or shall be construed to give to any Person and the parties hereto, and the Holders of the Bonds any legal or equitable right, remedy, power or claim under or with respect to this Trust Agreement or any covenants, agreements, conditions and provisions contained herein. This Trust Agreement and all of those covenants, agreements, conditions, and provisions are intended to be, and are, for the sole and exclusive benefit of the parties hereto, and the Holders of the Bonds as provided herein.

SECTION 14.2 Severability. In case any section or provision of this Trust Agreement, or any covenant, agreement, stipulation, obligation, act or action, or part thereof, made, assumed, entered into or taken under this Trust Agreement, or any application thereof, is held to be illegal or invalid for any reason, or is inoperable at any time, that illegality, invalidity or inoperability shall not affect the remainder thereof or any other section or provision of this Trust Agreement or any other covenant, agreement, stipulation, obligation, act or action, or part thereof, made, assumed, entered into or taken under this Trust Agreement, all of which shall be construed and enforced at the time as if the illegal; invalid or inoperable portion were not contained therein.

Any illegality, invalidity or inoperability shall not affect any legal, valid, and operable section, provision, covenant, agreement, stipulation, obligation, act, acting, part, or application, all of which shall be deemed to be effective, operative, made, assumed, entered into or taken in the manner and to the full extent permitted by law from time to time.

SECTION 14.3 Notices. Except as provided in Section 7.2 hereof, it shall be sufficient service or giving of any notice, request, complaint, demand or other instrument or document, if it is mailed by first class mail, postage prepaid. Notices to the Corporation, the City, and the Trustee shall be addressed as follows:

If to the City:
City of Greer, South Carolina
ATTN: City Administrator
301 East Poinsett Street
Greer, South Carolina 29651

(with a copy to)

Michael E. Kozlarek
King Kozlarek Root Law LLC
Post Office Box 565
Greenville, South Carolina 29602-0565
Telephone: 864.527.5941

If to the Corporation:
Corporation ForGreer
Attention: President
c/o City Administrator
301 East Poinsett Street
Greer, South Carolina 29651
(with copy to the City as described above)

If to the Trustee:
Regions Bank
Attention: Corporate Trust Department
1180 West Peachtree Street NE

Atlanta, Georgia 30309
Telephone: 404.581.3726

Duplicate copies of each notice, request, complaint, demand or other instrument or document given hereunder by the Corporation, the Trustee, or the City to one or more of the others also shall be given to the others. The foregoing parties may designate, by notice given hereunder, any further or different addresses to which any subsequent notice, request, complaint, demand or other instrument or document shall be sent.

In connection with any notice mailed pursuant to the provisions of this Trust Agreement, a certificate of the Trustee, the Corporation, the City, or the Holders of the Bonds, whichever or whoever mailed that notice, that the notice was so mailed shall be conclusive evidence of the proper mailing of the notice.

SECTION 14.4 Suspension of Mail. If because of the suspension of delivery of first class mail or, for any other reason, the Trustee shall be unable to mail by the required class of mail any notice required to be mailed by the provisions of this Trust Agreement, the Trustee shall give such notice in such other manner as in the judgment of the Trustee shall most effectively approximate mailing thereof, and the giving of that notice in that manner for all purposes of the Purchase and Use Agreement shall be deemed to be in compliance with the requirement for the mailing thereof. Except as otherwise provided herein, the mailing of any notice shall be deemed complete upon deposit of that notice in the mail and the giving of any notice by any other means of delivery shall be deemed complete upon receipt of the notice by the delivery service.

SECTION 14.5 Payments Due on Saturdays, Sundays, and Holidays. If any Bond Payment Date or date of maturity of the principal of any Bonds is a Saturday, Sunday or a day on which the Trustee is required, or authorized or not prohibited, by law (including without limitation, executive orders) to close and is closed, then payment of interest or principal need not be made by the Trustee on that date, and that payment may be made on the next succeeding Business Day on which the Trustee is open for business with the same force and effect as if that payment were made on the Bond Payment Date or date of maturity and no interest shall accrue for the period after that date.

SECTION 14.6 Instruments of Holders. Any writing, including without limitation, any consent, request, direction, approval, objection or other instrument or document, required under this Trust Agreement to be executed by any Holder may be in any number of concurrent writings of similar tenor and may be executed by that Holder in person or by an agent or attorney appointed in writing. Proof of (i) the execution of any writing, including without limitation, any consent, request, direction, approval, objection or other instrument or document, (ii) the execution of any writing appointing any agent or attorney, and (iii) the ownership of Bonds, shall be sufficient for any of the purposes of this Trust Agreement, if made in the following manner, and if so made, shall be conclusive in favor of the Trustee with regard to any action taken thereunder, namely:

(a) The fact and date of the execution by any person of any writing may be proved by the certificate of any officer in any jurisdiction, who has power by law to take acknowledgments within that jurisdiction, that the person signing the writing acknowledged that execution before that officer, or by affidavit of any witness to that execution; and

(b) The fact of ownership of Bonds shall be proved by the Register.

Nothing contained herein shall be construed to limit the Trustee to the foregoing proof, and the Trustee may accept any other evidence of the matters stated therein which it deems to be sufficient. Any writing, including without limitation, any consent, request, direction, approval, objection or other instrument or document, of the Holder of any Bond shall bind every future Holder of the same Bond, with respect to anything done or suffered to be done by the Corporation or the Trustee pursuant to that writing.

SECTION 14.7 Priority of this Trust Agreement. This Trust Agreement and the lien created hereby shall be superior to any other liens which may be placed upon the Revenues, or any Funds (or Accounts therein) created pursuant hereto.

SECTION 14.8 Extent of Covenants; No Personal Liability. All covenants, stipulations, obligations, and agreements of the Trustee contained in this Trust Agreement are and shall be deemed to be covenants, stipulations, obligations, and agreements of the Trustee as such to the full extent authorized by law. No covenant, stipulation, obligation, or agreement of the Trustee contained in this Trust Agreement shall be deemed to be a covenant, stipulation, obligation, or agreement of any present or future member, officer, agent or employee of the Trustee or the Corporation in other than that person's official capacity. No official executing the Bonds, this Trust Agreement or any amendment or supplement hereto or thereto, shall be liable personally on the Bonds or be subject to any personal liability or accountability by reasons

of the issuance or execution hereof or thereof.

SECTION 14.9 Continuing Disclosure. The City has covenanted in the Purchase and Use Agreement to provide information under Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (“15c2-12”), as an Obligated Person (as defined in 15c2-12).

SECTION 14.10 Binding Effect. This Trust Agreement shall inure to the benefit of and shall be binding upon the Corporation and upon the Trustee, and their respective successors and assigns, subject, however, to the limitations contained herein.

SECTION 14.11 Counterparts. This Trust Agreement may be executed in any number of counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same instrument.

SECTION 14.12 Governing Law. This Trust Agreement and any Bonds shall be deemed to be contracts made under the laws of the State and for all purposes shall be governed by and construed in accordance with the laws of the State.

SECTION 14.13 Limitation of Liability of Corporation. All payments to be made by the Corporation or obligations of the Corporation hereunder are payable solely from the Trust Estate and revenues derived therefrom.

[ONE SIGNATURE PAGE FOLLOWS]
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IN WITNESS WHEREOF, the Corporation has caused this Trust Agreement to be executed and delivered for it and in its name and on its behalf by its duly authorized officers, and the Trustee has caused this Trust Agreement to be executed and delivered for it and in its name and on its behalf by its duly authorized officers, on the dates of the respective acknowledgments but, effective, as of the day and year first above written.

CORPORATION FORGREER

Chair, Board of Directors

(SEAL)
ATTEST:

Secretary, Board of Directors

REGIONS BANK, as Trustee

By:_____

Its:_____

EXHIBIT A-1

UNLESS THIS IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, NEW YORK, NEW YORK (“DTC”), TO CORPORATION FORGREER 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.

Registered

No. R-[]

\$[]

UNITED STATES OF AMERICA
SOUTH CAROLINA

CITY OF GREER, SOUTH CAROLINA
CORPORATION FORGREER
INSTALLMENT PURCHASE REVENUE BONDS
(CITY IMPROVEMENT PROJECTS)

\$[]*

SERIES 2024A

Interest Rate	Maturity Date	Dated Date	CUSIP
[]%	September 1, 20[]	May 23, 2024	[]

Registered Owner: CEDE & CO.

Principal Amount: [] AND 00/DOLLARS

Corporation ForGreer (“Corporation”), a nonprofit corporation organized and existing under the laws of the State of South Carolina (“State”), for value received hereby acknowledges itself obligated to, and promises to pay, the Registered Owner identified above, or registered assigns, but only out of the sources pledged for that purpose as hereinafter provided, and not otherwise, on the Maturity Date set forth above, and to pay interest on the unpaid balance of said sum from the most recent March 1 or September 1 to which interest has been paid or for which due provision has been made or, if no interest has been paid, from the Dated Date set forth above, at the rate of interest per annum set forth above (calculated on the basis of a 360-day year of twelve 30-day months) payable on March 1 and September 1 (each, “Bond Payment Date”) of each year commencing September 1, 2024, until the Corporation’s obligation with respect to payment of the principal amount is discharged.

Interest is payable to the person in whose name this Bond is registered at the close of business on the 15th day next preceding each Bond Payment Date, except that interest not duly paid or provided for when due shall be payable to the person in whose name this Bond is registered at the close of business on a special record date to be fixed for the payment of defaulted interest. Such defaulted interest shall be payable to the Holder in whose name such Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed to the Holders of the Bonds not less than five days prior to such special record date to Holders thereof at the address as it appears on the bond register not less than 10 days preceding such special record date. If the Trustee registers the transfer of this Bond subsequent to the mailing of such notice and on or before the special record date, any such notice of payment of defaulted interest shall be binding upon the transferee and a copy of the notice of payment of defaulted interest shall be delivered by the Trustee to the transferee along with the bond or bonds.

Principal of and interest on this Bond are payable in lawful money of the United States of America which on the date of payment thereof is legal tender for the payment of public and private debts. Payments of interest will be made by check or draft drawn upon Trustee and mailed to the person entitled thereto. Principal, when due, shall be paid upon surrender of this Bond at the designated corporate trust office of the Trustee in Atlanta, Georgia. At the written request addressed to the Trustee of the Holder of Bonds in the aggregate principal amount of at least \$1,000,000, interest and redemptions of principal shall be paid by wire transfer to the account within the continental United States filed not later than the Record Date with the Trustee for such purpose.

THE BONDS AND THE INTEREST THEREON AND REDEMPTION PREMIUM, IF ANY, SHALL BE AN OBLIGATION OF THE CORPORATION, AND SHALL BE SECURED BY AND PAYABLE FROM THE TRUST ESTATE (AS DEFINED IN THE HEREAFTER DEFINED TRUST AGREEMENT). THE BONDS DO NOT AND SHALL NOT BE DEEMED TO CONSTITUTE OR CREATE AN INDEBTEDNESS, LIABILITY OR OBLIGATION OF CITY OF GREER, SOUTH CAROLINA ("CITY") WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION OR A PLEDGE OF THE FAITH AND CREDIT OF THE CITY. THE BONDS AND THE INTEREST THEREON ARE PAYABLE FROM AND SECURED BY THE TRUST ESTATE AS DESCRIBED IN AND SUBJECT TO LIMITATIONS SET FORTH IN THE TRUST AGREEMENT FOR THE EQUAL AND RATABLE BENEFIT OF THE HOLDERS, FROM TIME TO TIME, OF THE BONDS.

This Bond is one of a series of Bonds of the Corporation limited in aggregate original face amount to \$[par] and designated as City of Greer, South Carolina Corporation For Greer Installment Purchase Revenue Bonds (City Improvement Projects) Series 2024A ("Bonds"), issued under a Trust Agreement, dated May 23, 2024 ("Trust Agreement"), between the Corporation and the Trustee, to provide funds to finance or refinance a portion of the costs of acquiring, constructing, renovating and installing facilities to be sold by the Corporation to the City pursuant to an Installment Purchase and Use Agreement dated May 23, 2024 ("Purchase and Use Agreement"), and to defray the costs of the Ancillary Projects, all by the authority of and in full compliance with the provisions, restrictions and limitations of the Constitution and statutes of the State of South Carolina, and pursuant to a resolution duly adopted by the Board of Directors of the Corporation. The City Council has also adopted an ordinance approving the Corporation and the issuance of the Bonds by the Corporation. The City has also acquired and leased the real property on which the 2024 Projects are or will be located to the Corporation under the terms of a Base Lease and Conveyance Agreement dated May 23, 2024 ("Base Lease").

Pursuant to the Trust Agreement the Corporation has granted to the Trustee for the benefit of the owners of the Bonds, a security interest in the Trust Estate which includes the Revenues (as defined in the Trust Agreement) consisting of the Installment Payments (as defined in the Trust Agreement) payable by the City under the Purchase and Use Agreement, any other sums arising under the Purchase and Use Agreement, amounts on deposit from time to time in the funds and accounts created pursuant to the Trust Agreement and the investment income therefrom. The Trust Agreement further provides that the Corporation may issue additional bonds secured on a parity with the Bonds by the Trust Estate under the terms and conditions and to the extent described in the Trust Agreement. The City's obligation to pay Installment Payments under the Purchase and Use Agreement is subject to annual appropriations and the obligation may be terminated at the end of any fiscal year of the City by an Event of Nonappropriation (as defined in the Purchase and Use Agreement). UPON THE OCCURRENCE OF AN EVENT OF NONAPPROPRIATION, THE CITY MAY TERMINATE THE PURCHASE AND USE AGREEMENT AS OF THE END OF THE FISCAL YEAR DURING WHICH SUCH EVENT OF NONAPPROPRIATION OCCURS, AND THE CITY SHALL NOT BE OBLIGATED TO MAKE PAYMENT OF THE INSTALLMENT PAYMENTS BEYOND THE END OF SUCH FISCAL YEAR.

Counterparts or copies of the Trust Agreement, the Purchase and Use Agreement, the Base Lease and the other documents referred to herein are on file at the corporate trust office of the Trustee in Atlanta, Georgia, and reference is hereby made thereto and to the documents referred to therein for the provisions thereof, including the provisions with respect to the rights, obligations, duties and immunities of the Corporation, the City, the Trustee and the Registered Owners of the Bonds under such documents, the security for the Bonds and the conditions under which additional bonds may be issued thereunder to all of which the Registered Owner hereof, by acceptance of this Bond, assents. The Bonds are subject to redemption prior to maturity as provided in the Trust Agreement, as described in the following lettered paragraphs:

(a) In the event the City exercises its option pursuant to the Purchase and Use Agreement to prepay Base Payments, the Bonds maturing on and after September 1, 203[], will be redeemed in whole on any date or in part on any date, after September 1, 203[], at a redemption price equal to the principal amount to be redeemed plus accrued interest to the redemption date.

(b) In the event the City elects to prepay Installment Payments pursuant to Section 4.3 of the Purchase and Use Agreement, the Bonds shall be subject to redemption in whole or in part on any date (as selected by the Trustee at the direction of the Corporation), at a price equal to 100% of the principal amount of the Bonds so redeemed, without premium, plus accrued interest to the date of redemption.

(c) The Bonds maturing on September 1, 20[], 20[], and 20[], are subject to mandatory sinking fund redemption, at a redemption price equal to the principal amount to be redeemed plus accrued interest, if any, to the redemption date, without premium on September 1 in the years and amounts as follows:

[to be determined]

(*final maturity)

Notice of redemption shall be given by the Trustee by first class mail, postage prepaid, to the Registered Owners of the Bonds to be redeemed at their addresses appearing on the Register maintained by the Trustee, said mailing to be not less than 30 days, but not more than 60 days, prior to the redemption date. Failure of the Trustee to give any notice of redemption or any defects in such notice shall not affect the validity of the redemption of any other Bonds.

The Registered Owner of this Bond shall have no right to enforce the provisions of the Trust Agreement or to institute an action to enforce the covenants thereof, or to take any action with respect to a default hereof, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Trust Agreement.

Upon the occurrence of certain Events of Default (as defined in the Trust Agreement), all Bonds may be declared immediately due and payable and thereupon shall become and be immediately due and payable as provided in the Trust Agreement.

The Bonds are issuable only in fully registered form. Subject to the limitations provided for in the Trust Agreement, this Bond may be exchanged for a like aggregate principal amount payable at maturity of Bonds of the same maturity in authorized denominations.

The Bonds are transferable by the Registered Owner thereof in person or by his attorney duly authorized in writing at the designated corporate trust office of the Trustee, but only in the manner and subject to the limitations provided for in the Trust Agreement and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of the same maturity and in authorized denominations for the same aggregate principal amount payable at maturity will be issued to the transferee in exchange. The Trustee may require a Registered Owner, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the Trust Agreement in connection with the exchange or transfer. The Trustee need not exchange or register the transfer of a Bond which has been selected for redemption and need not exchange or register the transfer of any Bond for a period of 15 days before a selection of Bonds to be redeemed or before any March 1 or September 1. The Corporation, the City, the Trustee, and any paying agent may treat the Registered Owner of this Bond as the absolute owner for the purpose of receiving payment as herein provided and for all other purposes and none of them shall be affected by any notice to the contrary.

Under the laws of the State of South Carolina, this Bond, and the income herefrom 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 AND RECITED that all acts, conditions, and things required to exist, to happen and to be performed precedent to and in the issuance of this Bond have existed, have happened and have been performed in due form, time and manner as required by law.

IN WITNESS WHEREOF, the Corporation has caused this Bond to be executed and attested by the manual signatures of its duly authorized officers, and this Bond to be authenticated by the manual signature of an authorized representative of the Trustee, without which authentication this Bond shall not be valid nor entitled to the benefits of the Trust Agreement.

CORPORATION FORGREER

By: _____
President

Attest: _____
Secretary

TRUSTEE'S AUTHENTICATION CERTIFICATE

The undersigned Trustee certifies that this is one of the Bonds described in the within-mentioned Trust Agreement.

Date of Authentication: May 23, 2024

Regions Bank, as Trustee

By: _____
Authorized Signatory

EXHIBIT A-2

UNLESS THIS IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, NEW YORK, NEW YORK (“DTC”), TO CORPORATION FORGREER 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.

Registered
No. R-[]

\$[]

UNITED STATES OF AMERICA
SOUTH CAROLINA

CITY OF GREER, SOUTH CAROLINA
CORPORATION FORGREER
INSTALLMENT PURCHASE REVENUE BONDS
(CITY IMPROVEMENT PROJECTS)

\$[]*

TAXABLE SERIES 2024B

Interest Rate	Maturity Date	Dated Date	CUSIP
[]%	September 1, 20[]	May 23, 2024	[]

Registered Owner: CEDE & CO.

Principal Amount: [] AND 00/DOLLARS

Corporation ForGreer (“Corporation”), a nonprofit corporation organized and existing under the laws of the State of South Carolina (“State”), for value received hereby acknowledges itself obligated to, and promises to pay, the Registered Owner identified above, or registered assigns, but only out of the sources pledged for that purpose as hereinafter provided, and not otherwise, on the Maturity Date set forth above, and to pay interest on the unpaid balance of said sum from the most recent March 1 or September 1 to which interest has been paid or for which due provision has been made or, if no interest has been paid, from the Dated Date set forth above, at the rate of interest per annum set forth above (calculated on the basis of a 360-day year of twelve 30-day months) payable on March 1 and September 1 (each, “Bond Payment Date”) of each year commencing September 1, 2024, until the Corporation’s obligation with respect to payment of the principal amount is discharged.

Interest is payable to the person in whose name this Bond is registered at the close of business on the 15th day next preceding each Bond Payment Date, except that interest not duly paid or provided for when due shall be payable to the person in whose name this Bond is registered at the close of business on a special record date to be fixed for the payment of defaulted interest. Such defaulted interest shall be payable to the Holder in whose name such Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed to the Holders of the Bonds not less than five days prior to such special record date to Holders thereof at the address as it appears on the bond register not less than 10 days preceding such special record date. If the Trustee registers the transfer of this Bond subsequent to the mailing of such notice and on or before the special record date, any such notice of payment of defaulted interest shall be binding upon the transferee and a copy of the notice of payment of defaulted interest shall be delivered by the Trustee to the transferee along with the bond or bonds.

Principal of and interest on this Bond are payable in lawful money of the United States of America which on the date of payment thereof is legal tender for the payment of public and private debts. Payments of interest will be made by check or draft drawn upon Trustee and mailed to the person entitled thereto. Principal, when due, shall be paid upon surrender of this Bond at the designated corporate trust office of the Trustee in Atlanta, Georgia. At the written request addressed to the Trustee of the Holder of Bonds in the aggregate principal amount of at least \$1,000,000, interest and redemptions of principal shall be paid by wire transfer to the account within the continental United States filed not later than the Record Date with the Trustee for such purpose.

THE BONDS AND THE INTEREST THEREON AND REDEMPTION PREMIUM, IF ANY, SHALL BE AN OBLIGATION OF THE CORPORATION, AND SHALL BE SECURED BY AND PAYABLE FROM THE TRUST ESTATE (AS DEFINED IN THE HEREAFTER DEFINED TRUST AGREEMENT). THE BONDS DO NOT AND SHALL NOT BE DEEMED TO CONSTITUTE OR CREATE AN INDEBTEDNESS, LIABILITY OR OBLIGATION OF CITY OF GREER, SOUTH CAROLINA ("CITY") WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION OR A PLEDGE OF THE FAITH AND CREDIT OF THE CITY. THE BONDS AND THE INTEREST THEREON ARE PAYABLE FROM AND SECURED BY THE TRUST ESTATE AS DESCRIBED IN AND SUBJECT TO LIMITATIONS SET FORTH IN THE TRUST AGREEMENT FOR THE EQUAL AND RATABLE BENEFIT OF THE HOLDERS, FROM TIME TO TIME, OF THE BONDS.

This Bond is one of a series of Bonds of the Corporation limited in aggregate original face amount to \$[par] and designated as City of Greer, South Carolina Corporation For Greer Installment Purchase Revenue Bonds (City Improvement Projects) Series 2024B ("Bonds"), issued under a Trust Agreement, dated May 23, 2024 ("Trust Agreement"), between the Corporation and the Trustee, to provide funds to finance or refinance a portion of the costs of acquiring, constructing, renovating and installing facilities to be sold by the Corporation to the City pursuant to an Installment Purchase and Use Agreement dated May 23, 2024 ("Purchase and Use Agreement"), all by the authority of and in full compliance with the provisions, restrictions and limitations of the Constitution and statutes of the State of South Carolina, and pursuant to a resolution duly adopted by the Board of Directors of the Corporation. The City Council has also adopted an ordinance approving the Corporation and the issuance of the Bonds by the Corporation. The City has also acquired and leased the real property on which the 2024 Projects are or will be located to the Corporation under the terms of a Base Lease and Conveyance Agreement dated May 23, 2024 ("Base Lease").

Pursuant to the Trust Agreement the Corporation has granted to the Trustee for the benefit of the owners of the Bonds, a security interest in the Trust Estate which includes the Revenues (as defined in the Trust Agreement) consisting of the Installment Payments (as defined in the Trust Agreement) payable by the City under the Purchase and Use Agreement, any other sums arising under the Purchase and Use Agreement, amounts on deposit from time to time in the funds and accounts created pursuant to the Trust Agreement and the investment income therefrom. The Trust Agreement further provides that the Corporation may issue additional bonds secured on a parity with the Bonds by the Trust Estate under the terms and conditions and to the extent described in the Trust Agreement. The City's obligation to pay Installment Payments under the Purchase and Use Agreement is subject to annual appropriations and the obligation may be terminated at the end of any fiscal year of the City by an Event of Nonappropriation (as defined in the Purchase and Use Agreement). UPON THE OCCURRENCE OF AN EVENT OF NONAPPROPRIATION, THE CITY MAY TERMINATE THE PURCHASE AND USE AGREEMENT AS OF THE END OF THE FISCAL YEAR DURING WHICH SUCH EVENT OF NONAPPROPRIATION OCCURS, AND THE CITY SHALL NOT BE OBLIGATED TO MAKE PAYMENT OF THE INSTALLMENT PAYMENTS BEYOND THE END OF SUCH FISCAL YEAR.

Counterparts or copies of the Trust Agreement, the Purchase and Use Agreement, the Base Lease and the other documents referred to herein are on file at the corporate trust office of the Trustee in Atlanta, Georgia, and reference is hereby made thereto and to the documents referred to therein for the provisions thereof, including the provisions with respect to the rights, obligations, duties and immunities of the Corporation, the City, the Trustee and the Registered Owners of the Bonds under such documents, the security for the Bonds and the conditions under which additional bonds may be issued thereunder to all of which the Registered Owner hereof, by acceptance of this Bond, assents. The Bonds are subject to redemption prior to maturity as provided in the Trust Agreement, as described in the following lettered paragraphs:

(a) In the event the City exercises its option pursuant to the Purchase and Use Agreement to prepay Base Payments, the Bonds maturing on and after September 1, 203[], will be redeemed in whole on any date or in part on any date, after September 1, 203[], at a redemption price equal to the principal amount to be redeemed plus accrued interest to the redemption date.

(b) In the event the City elects to prepay Installment Payments pursuant to Section 4.3 of the Purchase and Use Agreement, the Bonds shall be subject to redemption in whole or in part on any date (as selected by the Trustee at the direction of the Corporation), at a price equal to 100% of the principal amount of the Bonds so redeemed, without premium, plus accrued interest to the date of redemption.

(c) The Bonds maturing on September 1, 20[], 20[], and 20[], are subject to mandatory sinking fund redemption, at a redemption price equal to the principal amount to be redeemed plus accrued interest, if any, to the redemption date, without premium on September 1 in the years and amounts as follows:

[to be determined]

(*final maturity)

Notice of redemption shall be given by the Trustee by first class mail, postage prepaid, to the Registered Owners of the Bonds to be redeemed at their addresses appearing on the Register maintained by the Trustee, said mailing to be not less than 30 days, but not more than 60 days, prior to the redemption date. Failure of the Trustee to give any notice of redemption or any defects in such notice shall not affect the validity of the redemption of any other Bonds.

The Registered Owner of this Bond shall have no right to enforce the provisions of the Trust Agreement or to institute an action to enforce the covenants thereof, or to take any action with respect to a default hereof, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Trust Agreement.

Upon the occurrence of certain Events of Default (as defined in the Trust Agreement), all Bonds may be declared immediately due and payable and thereupon shall become and be immediately due and payable as provided in the Trust Agreement.

The Bonds are issuable only in fully registered form. Subject to the limitations provided for in the Trust Agreement, this Bond may be exchanged for a like aggregate principal amount payable at maturity of Bonds of the same maturity in authorized denominations.

The Bonds are transferable by the Registered Owner thereof in person or by his attorney duly authorized in writing at the designated corporate trust office of the Trustee, but only in the manner and subject to the limitations provided for in the Trust Agreement and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of the same maturity and in authorized denominations for the same aggregate principal amount payable at maturity will be issued to the transferee in exchange. The Trustee may require a Registered Owner, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the Trust Agreement in connection with the exchange or transfer. The Trustee need not exchange or register the transfer of a Bond which has been selected for redemption and need not exchange or register the transfer of any Bond for a period of 15 days before a selection of Bonds to be redeemed or before any March 1 or September 1. The Corporation, the City, the Trustee, and any paying agent may treat the Registered Owner of this Bond as the absolute owner for the purpose of receiving payment as herein provided and for all other purposes and none of them shall be affected by any notice to the contrary.

Under the laws of the State of South Carolina, this Bond, and the income herefrom 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 AND RECITED that all acts, conditions, and things required to exist, to happen and to be performed precedent to and in the issuance of this Bond have existed, have happened and have been performed in due form, time and manner as required by law.

IN WITNESS WHEREOF, the Corporation has caused this Bond to be executed and attested by the manual signatures of its duly authorized officers, and this Bond to be authenticated by the manual signature of an authorized representative of the Trustee, without which authentication this Bond shall not be valid nor entitled to the benefits of the Trust Agreement.

CORPORATION FORGREER

By: _____
President

Attest: _____
Secretary

TRUSTEE'S AUTHENTICATION CERTIFICATE

The undersigned Trustee certifies that this is one of the Bonds described in the within-mentioned Trust Agreement.

Date of Authentication: May 23, 2024

Regions Bank, as Trustee

By: _____
Authorized Signatory

[FORM OF REQUISITION]
DIRECTION TO MAKE DISBURSEMENT

Regions Bank

Requisition No. _____

Re: \$[] City of Greer, South Carolina Corporation ForGreer Installment Purchase Revenue Bonds (City Improvement Projects) Series 2024A (“Series 2024A Bonds”) and the \$[] City of Greer, South Carolina Corporation ForGreer Installment Purchase Revenue Bonds (City Improvement Projects) Taxable Series 2024B

As Trustee under the Trust Agreement dated May 23, 2024, between you and Corporation ForGreer (“Trust Agreement”), and in accordance with the provisions of Section 5.3 of the Trust Agreement, you are hereby directed to disburse from the Project Fund the sum of \$_____ payable to the persons and in the amounts and at the addresses set forth in Schedule I attached hereto, said sums being the amounts due for or attributable to the items described in said Schedule I.

In this connection, we further certify to you as follows:

A. The amounts to be paid hereunder (i) are due and payable, (ii) are the costs of the 2024 Projects in the amount of \$_____ or Ancillary Projects in the amount of \$_____, and (iii) have not been the subject of any previous requisition from the Project Fund.

B. All representations and warranties of City of Greer, South Carolina (“City”) in the Purchase and Use Agreement are true and correct in all material respects as of the date hereof.

C. The City is not in default in any material respects under any provisions of the Purchase and Use Agreement.

D. To the extent required, the City has complied with Section 5.3(d) of the Trust Agreement.

Dated this _____ day of _____, 20__.

CORPORATION FORGREER

CITY OF GREER, SOUTH CAROLINA

By: _____
Corporation Representative

By: _____
City Representative

[FORM OF REQUISITION]

[FORM OF REQUISITION]
DIRECTION TO MAKE DISBURSEMENT – COSTS OF ISSUANCE

Regions Bank

Requisition No. ____

Re: \$[] City of Greer, South Carolina Corporation ForGreer Installment Purchase Revenue Bonds (City Improvement Projects) Series 2024A (“Series 2024A Bonds”) and the \$[] City of Greer, South Carolina Corporation ForGreer Installment Purchase Revenue Bonds (City Improvement Projects) Taxable Series 2024B

As Trustee under the Trust Agreement dated May 23, 2024, between you and Corporation ForGreer (“Trust Agreement”), and in accordance with the provisions of Section 5.3 of the Trust Agreement, you are hereby directed to disburse from the 2024 Bonds [Cost of Issuance Account] of the Project Fund the sum of \$_____ payable to the persons and in the amounts and at the addresses set forth in Schedule I attached hereto, said sums being the amounts due for or attributable to the items described in said Schedule I.

In this connection, I further certify to you as follows:

A. The amounts to be paid hereunder (i) are due and payable, (ii) represent costs of issuance, and (iii) have not been the subject of any previous requisition from the Project Fund.

B. All representations and warranties of City of Greer, South Carolina (“City”) in the Purchase and Use Agreement are true and correct in all material respects as of the date hereof.

C. The City is not in default in any material respects under any provisions of the Purchase and Use Agreement.

Dated this _____ day of _____, 20__.

CORPORATION FORGREER

CITY OF GREER, SOUTH CAROLINA

By: _____
 Corporation Representative

By: _____
 City Representative

[FORM OF REQUISITION-COSTS OF ISSUANCE]

[FORM OF FINAL REQUISITION]
**DIRECTION TO MAKE FINAL DISBURSEMENT
 AND CERTIFICATE OF COMPLETION**

Regions Bank

Requisition No. _____

Re: \$[] City of Greer, South Carolina Corporation ForGreer Installment Purchase Revenue Bonds (City Improvement Projects) Series 2024A ("Series 2024A Bonds") and the \$[] City of Greer, South Carolina Corporation ForGreer Installment Purchase Revenue Bonds (City Improvement Projects) Taxable Series 2024B

Ladies and Gentlemen:

As Trustee under the Trust Agreement dated May 23, 2024 ("Trust Agreement"), between you and Corporation ForGreer ("Corporation"), and in accordance with the provisions of Section 5.3 of the Trust Agreement, you are hereby directed to disburse from the Project Fund as the case may be, the total sum of \$_____, payable to the persons and in the amounts and at the addresses set forth in Schedule I attached hereto, said sum being the total of amounts due for or attributable to the items described in said Schedule I. Said sum represents the final requisition from said Project Fund.

In this connection, we further certify to you as follows:

A. The amounts to be paid hereunder (i) are due and payable, (ii) are the costs of the 2024 Projects in the amount of \$_____ or Ancillary Projects in the amount of \$_____, and (iii) have not been the subject of any previous requisition from the Project Fund.

B. All representations and warranties of the City in the Purchase and Use Agreement are true and correct in all material respects as of the date hereof.

C. The City is not in default in any material respects under any provisions of the Purchase and Use Agreement.

D. The 2024 Projects and Ancillary Projects are free and clear of all liens and encumbrances for labor or materials furnished by the Corporation and all contractors, subcontractors and materialmen retained by the City and all contractors, subcontractors and materialmen performing work on the 2024 Projects and Ancillary Projects have been, or upon receipt by the City of the payment of the final requisition request will be, paid in full, except for those the Corporation is contesting in good faith and with due diligence as permitted under the Purchase and Use Agreement.

We further certify to you that the 2024 Projects and Ancillary Projects have been substantially completed in accordance with all Acquisition or Construction Contracts (as defined in the Purchase and Use Agreement) and the terms and conditions of the Purchase and Use Agreement, and that the 2024 Projects and Ancillary Projects as completed comply with all applicable governmental regulations.

Dated this _____ day of _____, 20__.

CORPORATION FOR GREER

CITY OF GREER, SOUTH CAROLINA

By: _____
Corporation Representative

By: _____
City Representative

[FORM OF FINAL REQUISITION]

APPENDIX C

**FORM OF
BOND COUNSEL OPINIONS**

May 23, 2024

Corporation ForGreer
Greer, South Carolina

\$27,770,000
CORPORATION FORGREER
INSTALLMENT PURCHASE REVENUE BONDS
(CITY IMPROVEMENT PROJECTS)
SERIES 2024A

Ladies and Gentlemen:

King Kozlarek Root Law LLC (“King Kozlarek”) has acted as bond counsel in connection with sale, issuance, and delivery by Corporation ForGreer, a South Carolina (“State”) nonprofit corporation (“Issuer”), of its \$27,770,000 Installment Purchase Revenue Bonds (City Improvement Projects) Series 2024A (“Series 2024A Bonds”).

The Series 2024A Bonds are in fully registered form, dated May 23, 2024, numbered from R-1A upward, in denominations of \$5,000, or any integral multiple thereof not exceeding the principal amount of the Series 2024A Bonds maturing in each year, bear interest from their date payable thereafter on September 1 and March 1 of each year, commencing September 1, 2024, and mature on September 1 in each of the years and in the principal amounts as stated in the Official Statement, dated May 8, 2024 (“Official Statement”).

The Series 2024A Bonds are issued under and pursuant to a Trust Agreement, dated May 23, 2024, between the Issuer and Regions Bank, as trustee (“Trustee”) (“Trust Agreement”) and a Resolution adopted on March 29, 2024, by the Board of Directors of the Issuer. Each capitalized term used, but not defined in this Letter, has the meaning provided for that term in the Trust Agreement. Pursuant to the Trust Agreement, the Issuer has assigned to the Trustee and granted a security interest in the Trust Estate, which includes, among other things, all right, title, and interest of the Issuer in and to the Revenues (with certain exceptions), all of the Issuer’s right, title, and interest in and to the 2024 Facilities, the Installment Purchase and Use Agreement, dated May 23, 2024 (“Purchase and Use Agreement”) (except certain reserved rights), the Base Lease and Conveyance Agreement, dated May 23, 2024, between the City of Greer, South Carolina (“City”) and the Issuer (“Base Lease”) and the property rights evidenced by the Base Lease in the 2024 Real Property, certain contract rights, proceeds of insurance and condemnation awards from casualty or takings and all moneys and investments held in certain of the funds and accounts created under the Trust Agreement. The Trust Agreement, Base Lease, Purchase and Use Agreement are collectively “Transaction Documents.”

The Issuer is issuing the Series 2024A Bonds and, simultaneously issuing its \$14,655,000 Installment Purchase Revenue Bonds (City Improvement Projects) Taxable Series 2024B (“Series 2024B Bonds,” with the Series 2024A Bonds, collectively, “Bonds”), collectively, for purposes of providing funds to: (a) finance the costs of the City’s acquiring, designing, constructing, and furnishing (1) certain facilities (collectively, “2024 Projects”) to be used by the City, on real property owned, or to be acquired by the City (collectively, “2024 Real Property”), and (2) certain projects that will be exempt from the Trust Estate and certain aspects of the Purchase and Use Agreement (collectively, “Ancillary Projects”), (b) paying capitalized interest on the Bonds through September 1, 2024, and (c) paying the costs of issuing the Bonds.

The obligations of the City under the Purchase and Use Agreement do not constitute a pledge of the full faith, credit, or taxing power of the City within the meaning of any constitutional or statutory limitation. The City is not a party to the Trust Agreement or the Series 2024A Bonds.

The Trustee has no obligation or liability under the Series 2024A Bonds or the Trust Agreement for the payment of principal of and interest on the Series 2024A Bonds, except from amounts on deposit with the Trustee for those purposes pursuant to the Trust Agreement.

In connection with the issuance of the Series 2024A Bonds, we have examined a certified copy of the Transcript of Proceedings, the Transaction Documents, and other proofs submitted to us, including the South Carolina Constitution and laws of the State. As to questions of fact material to our opinion, we have relied on the Transcript of Proceedings, the

Transaction Documents and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

In rendering the opinions expressed below, we do not purport to be experts in or generally familiar with or qualified to express legal opinions based on the laws of any jurisdiction other than the federal laws of the United States of America and the laws of the State, and the opinions are limited to the federal laws of the United States of America and the laws of the State.

Based on the stated examination and assumptions, and subject to the qualifications and limitations all as set out in this Letter, we are of the opinion, under existing law:

1. The proceedings are regular and in due form of law, and the Series 2024A Bonds have been duly authorized, executed and delivered and constitute valid, obligations of the Issuer payable solely from, and secured equally and ratably by a pledge of, the Trust Estate.

2. The Base Lease and Purchase and Use Agreement have each been duly authorized, executed, and delivered, and each constitute a valid and binding obligation of the City and the Issuer each enforceable according to its terms, provided, however, that the obligation of the City to pay each Installment Payment under the Purchase and Use Agreement is subject to and dependent on the City Council, as the City's governing body, annually budgeting and appropriating moneys to pay each Installment Payment.

3. The Trust Agreement has been duly authorized, executed, and delivered by the Issuer and assuming due authorization, execution, and delivery by the Trustee, constitutes a valid and legally binding obligation of the Issuer enforceable against the Issuer according to its terms.

4. Interest on the Series 2024A Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, provided, however, for tax years beginning after December 31, 2022, interest on the Series 2024A Bonds is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the Issuer and the City comply with all requirements of the Internal Revenue Code of 1986, as amended ("Code"), that must be satisfied subsequent to the issuance of the Series 2024A Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer and the City have each covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Series 2024A Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2024A Bonds.

5. The Series 2024A Bonds and the interest thereon are exempt from all State, county, school district, municipal, and all other taxes or assessments of the State, except inheritance, estate, transfer, and certain franchise taxes. Please note that South Carolina Code Annotated section 12-11-20 imposes on every bank engaged in business in the State a fee or franchise tax computed on the entire net income of a bank, which includes interest paid on the Series 2024A Bonds.

The rights of the registered owner of the Series 2024A Bonds and the enforceability of the Series 2024A Bonds, Base Lease, Purchase and Use Agreement, and Trust Agreement may be subject to judicial discretion, the valid exercise of the sovereign police powers of the State and the constitutional powers of the United States of America, and valid bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, as well as other equitable principles.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement, Further, except as set forth above, we express no opinion in connection with the sale, issuance, or delivery of the Series 2024A Bonds. The opinions expressed above are rendered solely for your benefit in connection with the sale, issuance, and delivery of the Series 2024A Bonds. These opinions may neither be relied on by you for any other purpose nor be furnished to, used, circulated, quoted, or relied on by any person or entity for any other purpose, without King Kozlarek's prior written consent in each instance. We disclaim any obligation to update the opinions expressed above for events occurring or coming to our attention after the date of this letter.

Very truly yours,
KING KOZLAREK ROOT LAW LLC

May 23, 2024

Corporation ForGreer
Greer, South Carolina

\$14,655,000
CORPORATION FORGREER
INSTALLMENT PURCHASE REVENUE BONDS
(CITY IMPROVEMENT PROJECTS)
TAXABLE SERIES 2024B

Ladies and Gentlemen:

King Kozlarek Root Law LLC (“King Kozlarek”) has acted as bond counsel in connection with sale, issuance, and delivery by Corporation ForGreer, a South Carolina (“State”) nonprofit corporation (“Issuer”), of its \$14,655,000 Installment Purchase Revenue Bonds (City Improvement Projects) Taxable Series 2024B (“Taxable Series 2024B Bonds”).

The Taxable Series 2024B Bonds are in fully registered form, dated May 23, 2024, numbered from R-1B upward, in denominations of \$5,000, or any integral multiple thereof not exceeding the principal amount of the Taxable Series 2024B Bonds maturing in each year, bear interest from their date payable thereafter on September 1 and March 1 of each year, commencing September 1, 2024, and mature on September 1 in each of the years and in the principal amounts as stated in the Official Statement, dated May 8, 2024 (“Official Statement”).

The Taxable Series 2024B Bonds are issued under and pursuant to a Trust Agreement, dated May 23, 2024, between the Issuer and Regions Bank, as trustee (“Trustee”) (“Trust Agreement”) and a Resolution adopted on March 29, 2024, by the Board of Directors of the Issuer. Each capitalized term used, but not defined in this Letter, has the meaning provided for that term in the Trust Agreement. Pursuant to the Trust Agreement, the Issuer has assigned to the Trustee and granted a security interest in the Trust Estate, which includes, among other things, all right, title, and interest of the Issuer in and to the Revenues (with certain exceptions), all of the Issuer’s right, title, and interest in and to the 2024 Facilities, the Installment Purchase and Use Agreement, dated May 23, 2024 (“Purchase and Use Agreement”) (except certain reserved rights), the Base Lease and Conveyance Agreement, dated May 23, 2024, between the City of Greer, South Carolina (“City”) and the Issuer (“Base Lease”) and the property rights evidenced by the Base Lease in the 2024 Real Property, certain contract rights, proceeds of insurance and condemnation awards from casualty or takings and all moneys and investments held in certain of the funds and accounts created under the Trust Agreement. The Trust Agreement, Base Lease, Purchase and Use Agreement are collectively “Transaction Documents.”

The Issuer is issuing the Taxable Series 2024B Bonds and, simultaneously issuing its \$27,770,000 Installment Purchase Revenue Bonds (City Improvement Projects) Series 2024A (“Series 2024A Bonds,” with the Taxable Series 2024B Bonds, collectively, “Bonds”), collectively, for purposes of providing funds to: (a) finance the costs of the City’s acquiring, designing, constructing, and furnishing (1) certain facilities (collectively, “2024 Projects”) to be used by the City, on real property owned, or to be acquired by the City (collectively, “2024 Real Property”), and (2) certain projects that will be exempt from the Trust Estate and certain aspects of the Purchase and Use Agreement (collectively, “Ancillary Projects”), (b) paying capitalized interest on the Bonds through September 1, 2024, and (c) paying the costs of issuing the Bonds.

The obligations of the City under the Purchase and Use Agreement do not constitute a pledge of the full faith, credit, or taxing power of the City within the meaning of any constitutional or statutory limitation. The City is not a party to the Trust Agreement or the Taxable Series 2024B Bonds.

The Trustee has no obligation or liability under the Taxable Series 2024B Bonds or the Trust Agreement for the payment of principal of and interest on the Taxable Series 2024B Bonds, except from amounts on deposit with the Trustee for those purposes pursuant to the Trust Agreement.

In connection with the issuance of the Taxable Series 2024B Bonds, we have examined a certified copy of the Transcript of Proceedings, the Transaction Documents, and other proofs submitted to us, including the South Carolina Constitution and

laws of the State. As to questions of fact material to our opinion, we have relied on the Transcript of Proceedings, the Transaction Documents and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

In rendering the opinions expressed below, we do not purport to be experts in or generally familiar with or qualified to express legal opinions based on the laws of any jurisdiction other than the federal laws of the United States of America and the laws of the State, and the opinions are limited to the federal laws of the United States of America and the laws of the State.

Based on the stated examination and assumptions, and subject to the qualifications and limitations all as set out in this Letter, we are of the opinion, under existing law:

1. The proceedings are regular and in due form of law, and the Taxable Series 2024B Bonds have been duly authorized, executed and delivered and constitute valid, obligations of the Issuer payable solely from, and secured equally and ratably by a pledge of, the Trust Estate.
2. The Base Lease and Purchase and Use Agreement have each been duly authorized, executed, and delivered, and each constitute a valid and binding obligation of the City and the Issuer each enforceable according to its terms, provided, however, that the obligation of the City to pay each Installment Payment under the Purchase and Use Agreement is subject to and dependent on the City Council, as the City's governing body, annually budgeting and appropriating moneys to pay each Installment Payment.
3. The Trust Agreement has been duly authorized, executed, and delivered by the Issuer and assuming due authorization, execution, and delivery by the Trustee, constitutes a valid and legally binding obligation of the Issuer enforceable against the Issuer according to its terms.
4. Interest on the Taxable Series 2024B Bonds will be taxed as ordinary income for federal income tax purposes
5. The Taxable Series 2024B Bonds and the interest thereon are exempt from all State, county, school district, municipal, and all other taxes or assessments of the State, except inheritance, estate, transfer, and certain franchise taxes. Please note that South Carolina Code Annotated section 12-11-20 imposes on every bank engaged in business in the State a fee or franchise tax computed on the entire net income of a bank, which includes interest paid on the Taxable Series 2024B Bonds.

The rights of the registered owner of the Taxable Series 2024B Bonds and the enforceability of the Taxable Series 2024B Bonds, Base Lease, Purchase and Use Agreement, and Trust Agreement may be subject to judicial discretion, the valid exercise of the sovereign police powers of the State and the constitutional powers of the United States of America, and valid bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, as well as other equitable principles.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement, Further, except as set forth above, we express no opinion in connection with the sale, issuance, or delivery of the Taxable Series 2024B Bonds. The opinions expressed above are rendered solely for your benefit in connection with the sale, issuance, and delivery of the Taxable Series 2024B Bonds. These opinions may neither be relied on by you for any other purpose nor be furnished to, used, circulated, quoted, or relied on by any person or entity for any other purpose, without King Kozlarek's prior written consent in each instance. We disclaim any obligation to update the opinions expressed above for events occurring or coming to our attention after the date of this letter.

Very truly yours,
KING KOZLAREK ROOT LAW LLC

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Appendix D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (“Disclosure Undertaking”) is executed and delivered by the City of Greer, South Carolina (“City”), pursuant to Securities and Exchange Commission Rule 15c2-12 (“Rule”) and in connection with the issuance of \$27,770,000 Corporation ForGreer Installment Purchase Revenue Bonds (City Improvement Projects) Series 2024A and \$14,655,000 Corporation ForGreer Installment Purchase Revenue Bonds (City Improvement Projects) Series 2024B (collectively, “Bonds”). The Bonds are issued under the following conditions:

1. The City and Corporation ForGreer (“Issuer”) have entered into a Base Lease, dated of even date with the Bonds’ delivery (“Base Lease”) pursuant to which the City is leasing the 2024 Real Property to the Issuer so that the Issuer may provide for the acquisition of certain real property and the construction on the real property of public facilities and the acquisition, construction, and equipping of certain existing public facilities (collectively, “2024 Projects”).

2. To provide funds to defray the costs of the Projects, the Issuer will provide for the issuance of the Bonds, dated May 23, 2024, under and by the terms of a Trust Agreement, dated of even date with the Bonds’ delivery (“Trust Agreement”) by and between the Issuer and Regions Bank, as trustee (“Trustee”).

In connection with the issuance of the Bonds, the City represents, covenants, and agrees as follows:

Section 1. Purpose of the Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the City for the benefit of the Beneficial Owners of the Bonds and to assist the Participating Underwriter (defined below) in complying with the provisions of Securities and Exchange Commission Rule 15c2-12 (“Rule”).

Section 2. Definitions. In addition to the definitions set forth in the Trust Agreement, which apply to each capitalized terms used in this Section, the following capitalized terms shall have the following meanings:

“Annual Filing Date” means the date, set in Section 3(a) herein, by which the Annual Report is to be filed with the MSRB.

“Annual Financial Information” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 4(a) of this Disclosure Undertaking.

“Annual Report” means the annual report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Undertaking.

“Audited Financial Statements” means the financial statements of the City for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 4(a) of this Disclosure Undertaking.

“Beneficial Owner” means a person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Disclosure Representative” means the City Administrator, or his or her designee, or such other officer or employee of the City as may be designated in writing by the City Administrator.

“Dissemination Agent” means any person designated in writing by the City Administrator and which has filed with the City a written acceptance of such designation pursuant to Section 7 hereof.

“EMMA” means the MSRB’s Electronic Municipal Market Access system, which became effective July 1, 2009.

“Failure to File Event” means the City’s failure to file an Annual Report on or before the Annual Filing Date.

“Force Majeure Event” means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of EMMA; or (iii) interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the City from performance of its obligations under this Disclosure Undertaking.

“Information” means, collectively, the Annual Reports, the Audited Financial Statements (if any), the Notice Event notices and the Failure to File Event notices.

“Issuer” means Corporation ForGreer.

“MSRB” means the Municipal Securities Rulemaking Board.

“Notice Event” means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 5(a) of this Disclosure Undertaking.

“Official Statement” means the Official Statement dated May 8, 2024, prepared in connection with the Bonds.

“Resolution” means the resolution adopted by the Issuer’s Board of Directors on March 19, 2024.

“Participating Underwriter” means Raymond James & Associates, Inc.

“Rule” means Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” means the State of South Carolina.

“Trustee” means Regions Bank.

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent, to not later than February 1 after the end of the City’s fiscal year (currently June 30), commencing with the fiscal year ended June 30, 2024, file with the MSRB an Annual Report. Each February 1 is the “Annual Filing Date.” The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Undertaking; provided, however, that the Audited Financial Statements of the City for the Fiscal Year ended June 30, 2024, and for each subsequent

Fiscal Year may be submitted separately from the remainder of the Annual Report, and later than the Annual Filing Date, if they are not available by that date.

(b) If the City has not provided an Annual Report on the Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter), a Failure to File Event shall have occurred and the City shall file a Failure to File Event notice with the MSRB substantially in the form attached hereto as Exhibit A stating, among other things, the anticipated filing date for the Annual Report.

(c) The City may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

Section 4. Contents of Annual Reports. Each Annual Report shall contain or incorporate by reference Annual Financial Information with respect to the City, including:

(a) The Audited Financial Statements for the preceding fiscal year (commencing with the fiscal year ending June 30, 2024), prepared in accordance with generally accepted accounting principles ("GAAP") or alternate accounting principles, as described in the Official Statement. If the audited financial statements are not available by the Annual Filing Date, the City may provide unaudited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report when in a reasonable time after they become available.

(b) To the extent such items are not included in the financial statements referred to in subsection (a) above, the financial and statistical data of the City for the preceding fiscal year, which information is included in the Official Statement under the following headings:

1. Five Year Revenue-Expenditure Summary (table);
2. Assessed Value of Taxable Property (table / for the preceding fiscal year);
3. Ten Principal Taxpayers (table / for the preceding fiscal year);
4. Tax Levies and Collections;
5. Debt Structure – Legal Debt Limit of the City (table / for the preceding fiscal year);
6. Outstanding General Obligation Indebtedness (table); and
7. a copy of the City's budget for the then current fiscal year.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the City or the Issuer for which the City is an "obligated person" (as defined by the Rule) which have been previously submitted to the MSRB or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The City shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

- (i) Principal and interest payment delinquencies;

- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the status of the Bonds, or other material events affecting the tax status of the Bond;
- (vii) Modifications to rights of Bond holders, if material;
- (viii) Bond calls, if material, and tender offers (except for mandatory scheduled redemptions not otherwise contingent on the occurrence of an event);
- (ix) Defeasances;
- (x) Release, substitution or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the City or the Issuer;
- (xiii) Consummation of a merger, consolidation or acquisition involving the City or the Issuer or the sale of all or substantially all of the assets of the City or the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such action, other than pursuant to its terms, if material;
- (xiv) Appointment of a successor or additional trustee, or the change of name of a trustee, if material;
- (xv) Incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect bondholders, if material; and
- (xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties.

(b) Upon the occurrence of a Notice Event, the City shall file a notice of the Notice Event in a timely manner, not in excess of ten business days of such occurrence, with the MSRB.

Section 6. Termination of Reporting Obligation. The City's obligations under this Disclosure Undertaking shall terminate upon the legal defeasance or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for a Notice Event under Section 5(b) hereof.

Section 7. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist in its carrying out its obligations under this Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to this Disclosure Undertaking.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Undertaking, the City may amend this Disclosure Undertaking and any provision of this Disclosure Undertaking may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a) hereof, it may only be made in connection with a change in circumstances that arises from a change in legal requirements or change in law;

(b) This Disclosure Undertaking as amended or taking into account such waiver, would, in the opinion of Bond Counsel (as defined in the Resolution), have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the bondholders in the same manner as provided in the Trust Agreement for amendments with the consent of bondholders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Undertaking, the City shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing Audited Financial Statements, (i) notice of such change shall be given in the same manner as for a Notice Event under Section 5(b) hereof, and (ii) the Annual Report for the year in which the change is made should prepare a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Notice Event, in addition to that which is required by this Disclosure Undertaking. If the City chooses to include any information in any Annual Report or notice of occurrence of a Notice Event in addition to that which is specifically required by this Disclosure Undertaking, the City shall have no obligation under this Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Notice Event.

Section 10. Default. In the event of a failure of the City to comply with any provision of this Disclosure Undertaking, any bondholder may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the City to comply with its obligations under this Disclosure Undertaking. A default under this Disclosure Undertaking shall not be deemed an event of default under Trust Agreement, and the sole remedy under this Disclosure Undertaking in the event of any failure of the City to comply with this Disclosure Undertaking shall be an action to compel performance.

Section 11. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the City, the Dissemination Agent, the Trustee and holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity. This Disclosure Undertaking is not intended to create any monetary rights on behalf of any person.

Section 12. Governing Law. This Disclosure Undertaking shall be governed by the laws of the State of South Carolina.

CITY OF GREER, SOUTH CAROLINA

By: _____
City Administrator

EXHIBIT A
NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Corporation ForGreer
Obligated Person(s): City of Greer, South Carolina

Name of Bond Issue: Installment Purchase Revenue Bonds
(City Improvement Projects)
Series 2024A

Date of Issuance: May 23, 2024
Date of Official Statement: May 8, 2024

<u>CUSIP Numbers</u>	<u>Maturity Date</u>
397479AA4	September 1, 2045
397479AB2	September 1, 2049
397479AC0	September 1, 2054

Name of Bond Issue: Installment Purchase Revenue Bonds
(City Improvement Projects)
Taxable Series 2024B

Date of Issuance: May 23, 2024
Date of Official Statement: May 8, 2024

<u>CUSIP Numbers</u>	<u>Maturity Date</u>
397479AD8	September 1, 2025
397479AE6	September 1, 2026
397479AF3	September 1, 2027
397479AG1	September 1, 2028
397479AH9	September 1, 2029
397479AJ5	September 1, 2030
397479AK2	September 1, 2031
397479AL0	September 1, 2032
397479AM8	September 1, 2033
397479AN6	September 1, 2034
397479AP1	September 1, 2035
397479AQ9	September 1, 2036
397479AR7	September 1, 2037
397479AS5	September 1, 2038
397479AT3	September 1, 2039
397479AU0	September 1, 2042

NOTICE IS HEREBY GIVEN that the City has not provided an Annual Report with respect to the Bonds as required by the Disclosure Undertaking of the City. The City anticipates that the Annual Report will be filed by _____.

Dated: _____

CITY OF GREER, SOUTH CAROLINA

By: _____

Its: _____