This Preliminary Official Statement and the information contained herein are subject to completion and amendment. The Series 2026 Bonds may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy the Series 2026 Bonds nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 10, 2026

NEW ISSUE; BOOK-ENTRY ONLY

Rating:
S&P Global Ratings: AA-
(See "Rating" herein)

In the opinion of Burr & Forman LLP ("Burr Forman"), Bond Counsel, assuming compliance by the City and the Commission (as such terms are defined herein) with the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), as described herein, interest on the Series 2026 Bonds is excludable from gross income for federal income tax purposes under existing laws, regulations, rulings and judicial decisions, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, interest on the Series 2026 Bonds is taken into account in determining the adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on certain corporations. The Series 2026 Bonds and the interest thereon will also be exempt from all State, county, municipal and school district and other taxes or assessments imposed within the State of South Carolina, except estate, transfer and certain franchise taxes. See "TAX EXEMPTION AND RELATED TAX MATTERS" herein regarding these and certain other tax considerations.

$23,300,000*
CITY OF GREER, SOUTH CAROLINA
COMBINED UTILITY SYSTEM REVENUE BONDS
SERIES 2026

Dated: Date of Delivery **Due:** September 1, as shown below

The Series 2026 Bonds will initially be issued to and registered only in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2026 Bonds. The Series 2026 Bonds will be available to purchasers under the book-entry system maintained by DTC through brokers and dealers who are, or act through, Direct Participants (as such term is hereinafter defined). Purchasers will not be entitled to receive physical delivery of the Series 2026 Bonds. For so long as any purchaser is the beneficial owner of a Series 2026 Bond, such purchaser must maintain an account with a broker or dealer who is, or acts through, a Direct Participant in order to receive payment of principal of and interest on such Bond. See "THE SERIES 2026 BONDS-Book-Entry Only System" herein.

The Series 2026 Bonds will be issued in fully registered form in denominations of $5,000 or any integral multiple thereof. Interest on the Series 2026 Bonds will be payable each March 1 and September 1, commencing March 1, 2027. Principal of the Series 2026 Bonds will be payable in the years and amounts set forth on the inside cover page.

The Series 2026 Bonds are being issued under the authority of the Constitution and laws of the State of South Carolina (the "State"), including Title 6, Chapter 17, Code of Laws of South Carolina 1976, as amended, and pursuant to the provisions of General Bond Ordinance No. 27-97 enacted on July 22, 1997, as amended by Eighth Supplemental Ordinance No. 14-2009 (the "Eighth Supplemental Ordinance"), Ninth Supplemental Ordinance No. 20-2009 (the "Ninth Supplemental Ordinance"), Tenth Supplemental Ordinance No. 21-2010 (the "Tenth Supplemental Ordinance") and Thirteenth Supplemental Ordinance No. 19-2024 (the "Thirteenth Supplemental Ordinance") enacted on May 26, 2009, September 8, 2009, September 28, 2010, and April 9, 2024, respectively (as so amended, the "General Bond Ordinance"), by the City Council of the City of Greer, South Carolina (the "City"); and Fourteenth Supplemental Ordinance No. 13-2026 enacted on May 12, 2026 (the "Fourteenth Supplemental Ordinance", and the General Bond Ordinance and the Fourteenth Supplemental Ordinance, collectively, the "Ordinances") by the City Council of the City, and a resolution adopted on April 27, 2026 by the Board of Commissioners of Public Works, the governing body of the City's Commission of Public Works (the "Commission"). For more information on the amendments to the General Bond Ordinance provided for under the Eighth Supplemental Ordinance, Ninth Supplemental Ordinance, Tenth Supplemental Ordinance and Thirteenth Supplemental Ordinance, see "AMENDMENTS TO THE GENERAL BOND ORDINANCE" herein.

[The Commission and the City are considering obtaining a municipal bond insurance policy (the "Policy") to guarantee the scheduled payment of principal of and interest on the Series 2026 Bonds when due. If obtained, the Policy will be issued concurrently with the delivery of the Series 2026 Bonds by a municipal bond insurer selected by the Commission and the City.]

The Series 2026 Bonds are subject to optional [and mandatory] redemption prior to maturity as described herein.

The Series 2026 Bonds are being issued to provide funds: (i) to defray the cost of any one or more of certain improvements, extensions and enlargements to the System (as such term is defined below), to wit: (a) an electric system microgrid generation and energy storage project, (b) a Maple Creek Wastewater Treatment Plant expansion and improvement project, (c) a water system rehabilitation project, (d) a water plant rehabilitation project, (e) a wastewater collection system assessment and improvement project, (f) wastewater gravity line and interceptor improvements (Princess Creek), and (g) any other improvements relating to the foregoing and such other improvements as the Commission may deem necessary or incidental to the System (collectively, the "2026 Projects"); (ii) to pay a portion of the interest coming due on the Series 2026 Bonds; and (iii) to pay the Cost of Issuance of the Series 2026 Bonds (as such term is defined in the Ordinance) [including the premium due to the provider of the Policy, if applicable]. See "SOURCES AND USES OF FUNDS" herein.

The Series 2026 Bonds are secured by and payable solely from a pledge of and lien upon Net Revenues (as defined herein) of the City's Combined Utility System (the "System") on a parity with the pledge and lien thereof securing the payment of (i) the City's $25,060,000 original principal amount Combined Utility System Revenue Bonds, Series 2002, dated May 15, 2002 (the "Bonds of 2002"), (ii) the City's $9,258,873 original principal amount Promissory Note payable to the South Carolina Water Quality Revolving Fund Authority (the "State Authority") and dated June 24, 2004 (the "2004 SRF Note"), (iii) the City's $7,412,143 original principal amount Promissory Note payable to the State Authority and dated June 30, 2005 (the "2005 SRF Note"), (iv) the City's $5,700,000 original principal amount Combined Utility System Revenue Bond, Series 2007, dated May 24, 2007 (the "Bond of 2007"), (v) the City's $13,484,454 original principal amount Promissory Note payable to the State Authority and dated November 16, 2007 (the "2007 SRF Note"), (vi) the City's $5,310,000 original principal amount Promissory Note payable to the State Authority and dated September 25, 2009 (the "2009 SRF Note"), (vii) the City's $15,115,000 original principal amount Combined Utility System Revenue Bonds, Series 2024 (the "Bonds of 2024") and (viii) any other Additional Bonds (as defined in the General Bond Ordinance) hereafter issued.

THERE WILL BE NO DEBT SERVICE RESERVE FUND ESTABLISHED FOR OR FUNDED WITH THE PROCEEDS OF THE SERIES 2026 BONDS.

THE SERIES 2026 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION (OTHER THAN ARTICLE X, SECTION 14, PARAGRAPH 10 OF THE STATE CONSTITUTION AUTHORIZING OBLIGATIONS PAYABLE SOLELY FROM SPECIAL SOURCES NOT INVOLVING REVENUES FROM ANY TAX OR LICENSE) OR STATUTORY LIMITATIONS AND SHALL NOT CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE CITY OR A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWER. THE FULL FAITH, CREDIT AND TAXING POWERS OF THE CITY ARE NOT PLEDGED TO THE PAYMENT OF THE SERIES 2026 BONDS. THE CITY IS NOT OBLIGATED TO PAY ANY OF THE SERIES 2026 BONDS OR THE INTEREST THEREON EXCEPT FROM NET REVENUES OF THE SYSTEM. NO RECOURSE MAY BE HAD FOR THE PAYMENT OF THE SERIES 2026 BONDS AGAINST THE GENERAL FUND OF THE CITY, AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY SHALL BE DEEMED PLEDGED TO THE PAYMENT OF THE SERIES 2026 BONDS.

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 the making of an informed investment decision.

The Series 2026 Bonds are offered when, as, and if issued and accepted by Raymond James & Associates, Inc., as underwriter (the "Underwriter"), subject to the final approving opinion of Burr & Forman LLP, Greenville, South Carolina, Bond Counsel. Certain legal matters will be passed on for the City by Duggan & Hughes, LLC, Greer, South Carolina, for the Commission by Spencer & Spencer, P.A., Rock Hill, South Carolina and for the Underwriter by Haynsworth Sinkler Boyd, P.A., Greenville, South Carolina. Stifel, Nicolaus & Company, Incorporated, Columbia, South Carolina, serves as Municipal Advisor to the Commission. It is expected that delivery of the Series 2026 Bonds will be made through the facilities of DTC on or about _____ __, 2026, against payment therefor. *The City and the Commission deem this Preliminary Official Statement to be final as of its date for purposes of SEC Rule 15c2-12, except for information which may be omitted therefrom pursuant to Rule 15c2-12.*

RAYMOND JAMES®

Dated: _____ ___, 2026

* Preliminary, subject to change.

MATURITY SCHEDULE

$23,300,000* Serial Bonds

Due September 1	Principal Amount($)*	Interest Rate (%)	Yield	Price	CUSIP No.[1]
2033	1,460,000				397478__
2034	1,535,000				
2035	1,610,000				
2036	1,690,000				
2037	1,780,000				
2038	1,865,000				
2039	1,955,000				
2040	2,055,000				
2041	2,165,000				
2042	2,275,000				
2043	2,395,000				
2044	2,515,000				

* Preliminary, subject to change.

[1] It is anticipated that a CUSIP identification number ("CUSIP") will be printed on each Series 2026 Bond, but neither the failure to print this number on any Series 2026 Bond nor any error with respect to that CUSIP constitutes cause for failure or refusal by the Underwriter to accept delivery of and pay for that Series 2026 Bond. All expenses regarding printing CUSIPs on the Series 2026 Bonds shall be paid for by the City and the Commission; provided, however, that any charge for the assignment of CUSIPs shall be the responsibility of and shall be paid for by the Underwriter. Further, neither the City nor the Commission is responsible for obtaining the CUSIPs. CUSIP® is a registered trademark of the American Bankers Association ("ABA"). CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of the ABA by FactSet Research Systems Inc. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Series 2026 Bonds and the City, the Commission and the Underwriter make no representation with respect to such numbers nor undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2026 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2026 Bonds.

This Official Statement does not constitute an offering of any security other than the original offering of the Series 2026 Bonds identified on the cover. No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the Series 2026 Bonds by any person in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. This Official Statement is submitted in connection with the sale of the Series 2026 Bonds as referred to herein, and may not be reproduced, used or relied upon, in whole or in part, for any other purpose.

Information in this Official Statement has been obtained by the Underwriter from the City and Commission and other sources believed to be reliable. The 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.

Upon execution and delivery, the Series 2026 Bonds will not be registered under the Securities Act of 1933, as amended, or any state securities law and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity or agency will have passed upon the accuracy or adequacy of this Official Statement or approved the Series 2026 Bonds for sale. Any representation to the contrary is a criminal offense.

References to website addresses presented herein are for information purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, Rule 15c2-12 of the United States Securities and Exchange Commission, as amended ("Rule 15c2-12"). Unless another source is cited for information contained herein, such information has been obtained from the City or the Commission.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2026 BONDS AT OR ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET, AND SUCH STABILIZING MAY BE DISCONTINUED AT ANY TIME.

CERTAIN INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT MAY HAVE BEEN OBTAINED FROM SOURCES OTHER THAN RECORDS OF THE CITY AND THE COMMISSION AND, 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 THIS DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CITY AND THE COMMISSION SINCE THE DATE HEREOF.

References herein to laws, rules, regulations, resolutions, agreements, reports, and other documents do not purport to be comprehensive or definitive. All references to such 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 herein. Where full texts have not been included as appendices to this Official Statement, they will be furnished on request.

Except for information with respect to Truist Bank (formerly Branch Banking & Trust Company) (the "Trustee"), as trustee, the Trustee 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 such information, (ii) the validity of the Series 2026 Bonds, or (iii) the tax exempt status of the interest on the Series 2026 Bonds.

This Official Statement contains forecasts, projections and estimates that are based on current expectations but are not intended as representations of fact or guarantees of results. If and when included in this Official Statement, the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates," "budgets," and analogous expressions are intended to identify forward-looking statements as defined in the Securities Act of 1933, as amended, and any such statements inherently are subject to a variety of risks and uncertainties, which could cause actual results to differ materially from those contemplated in such forward-looking statements. These forward-looking statements speak only as of the date of this Official Statement. The Commission disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Commission's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

COMMISSIONERS OF PUBLIC WORKS

Jeffery M. Howell, Chairman
Eugene G. Gibson
Perry J. Williams

Marc Regier, General Manager
Angela Karcher, Finance Manager

CITY COUNCIL

Richard W. Danner, Mayor
Jay Arrowood
Karuiam Booker
Mark Hopper
Charles Lander
Wryley Bettis
Paul Lamb

Andrew J. Merriman, City Administrator

COUNSEL TO THE COMMISSION

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COUNSEL TO THE CITY

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Greer, South Carolina

BOND COUNSEL

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Greenville, South Carolina

INDEPENDENT AUDITORS

Mauldin & Jenkins, LLC, CPAs & Advisors
Columbia, South Carolina

UNDERWRITER'S COUNSEL

Haynsworth Sinkler Boyd, P.A.
Greenville, South Carolina

TRUSTEE

Truist Bank (formerly Branch Banking & Trust Company)
Wilson, North Carolina

MUNICIPAL ADVISOR TO THE COMMISSION

Stifel, Nicolaus & Company, Incorporated
Columbia, South Carolina

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OFFICIAL STATEMENT

**$23,300,000*
CITY OF GREER, SOUTH CAROLINA
COMBINED UTILITY SYSTEM REVENUE BONDS
SERIES 2026**

INTRODUCTION

This Official Statement, which includes the Cover Page hereof, the Table of Contents and the Appendices hereto, is provided to furnish certain information in connection with the offer of $23,300,000* aggregate principal amount of Combined Utility System Revenue Bonds, Series 2026 (the "Series 2026 Bonds"), issued by the City of Greer, South Carolina (the "City").

All information included herein has been provided by the City and the Commission of Public Works of the City (the "Commission") except where attributed to other sources. The summaries and references to all ordinances, resolutions, agreements, documents, statutes, reports and other instruments referred to herein do not purport to be complete, comprehensive or definitive, and each such reference or summary is qualified in its entirety by reference to each such document, statute, report or other instrument.

THE SERIES 2026 BONDS

Purpose of the Issue

The Series 2026 Bonds are being issued to provide funds: (i) to defray the cost of any one or more of certain improvements, extensions and enlargements to the System (as such term is defined below), to wit: (a) an electric system microgrid generation and energy storage project, (b) a Maple Creek Wastewater Treatment Plant expansion and improvement project, (c) a water system rehabilitation project, (d) a water plant rehabilitation project, (e) a wastewater collection system assessment and improvement project, (f) wastewater gravity line and interceptor improvements (Princess Creek), and (g) any other improvements relating to the foregoing and such other improvements as the Commission may deem necessary or incidental to the System (collectively, the "2026 Projects"); (ii)] to pay a portion of the interest coming due on the Series 2026 Bonds; and (iii) to pay the Cost of Issuance of the Series 2026 Bonds (as such term is defined in the Ordinance), [including the premium due to the provider of the Policy, if applicable]. See "SOURCES AND USES OF FUNDS" herein.

Authorization

The Series 2026 Bonds are authorized and issued pursuant to the following: (i) Article X, Section 14(10) of the South Carolina Constitution and Title 6, Chapter 17, Code of Laws of South Carolina 1976, as amended (the "Enabling Act"); (ii) General Bond Ordinance No. 27-97 enacted by the City Council of the City (the "City Council") on July 22, 1997, as amended, (the "General Bond Ordinance"); (iii) Fourteenth Supplemental Ordinance No. 13-2026 enacted by the City Council on May 12, 2026 (the "Fourteenth Supplemental Ordinance", and the General Bond Ordinance and the Fourteenth Supplemental Ordinance, collectively, the "Ordinances"); and (iv) a resolution adopted on April 27, 2026 (the "Resolution"), by the Board of Commissioners of Public Works (the "Board" or the "Commissioners"), the governing body of the Commission. All capitalized terms used in this Official Statement and not otherwise defined herein have the same meaning as provided in the Ordinances. Descriptions of the Series 2026 Bonds, certain provisions of the Ordinances, and other agreements and documents contained herein constitute summaries of certain provisions thereof, and do not purport to be complete. Reference is made to the Ordinances,

*Preliminary, subject to change.

copies of which are included in Appendix C hereto, and to such other agreements and documents, copies of which are on file at the offices of the City, for a more complete description of such provisions.

The Series 2026 Bonds are issued under the Ordinances and accordingly are secured by and payable from a pledge of and lien upon the Net Revenues (as defined in "SECURITY FOR THE SERIES 2026 BONDS-General") of the City's Combined Utility System (the "System") and are issued on a parity with the pledge and lien thereof securing the Bonds of 2002, the 2004 SRF Note, the 2005 SRF Note, the Bond of 2007, the 2007 SRF Note, the 2009 SRF Note, and the Bonds of 2024 (collectively, the "Parity Bonds") and any Additional Bonds (as such term is defined in the General Bond Ordinance) hereafter issued pursuant to the General Bond Ordinance. See "SECURITY FOR THE SERIES 2026 BONDS-General."

Terms and Form; Payments on Series 2026 Bonds

The Series 2026 Bonds are issuable only in fully registered form in denominations of $5,000 or any integral multiple thereof and each will be registered in the name of the registered owners (the "Holders") as set forth on the registry books (the "Books of Registry") maintained at the designated corporate trust office of Truist Bank (formerly Branch Banking & Trust Company), as Registrar (the "Registrar"). Principal of the Series 2026 Bonds, whether upon maturity or redemption, is payable on the respective maturity dates or redemption dates thereof. If the Book-Entry Only System described below is discontinued, such principal will be payable on the respective maturity or redemption dates upon presentation and surrender thereof at the corporate trust office of Truist Bank (formerly Branch Banking & Trust Company), as trustee (the "Trustee") in the City of Wilson, North Carolina. Interest on the Series 2026 Bonds is payable on each March 1 and September 1, commencing March 1, 2027. If the Book-Entry Only System is discontinued, such interest will be paid by check or draft of the Trustee mailed to the person in whose name each Series 2026 Bond is registered as of the close of business on the fifteenth day of each month immediately preceding such payment (the "Record Date"), provided that such payment may be made by wire transfer to holders of $1,000,000 or more in aggregate principal amount of the Series 2026 Bonds upon timely request of the same to the Trustee. Truist Bank has also been appointed by the City to serve as Paying Agent for the Series 2026 Bonds (the "Paying Agent").

Optional Redemption

The Series 2026 Bonds maturing prior to [September 1], ____, are not subject to optional redemption prior to maturity. The Series 2026 Bonds maturing on or after [September 1], ____, are subject to redemption prior to maturity, at the option of the City at the written direction of the Commission, on and after [September 1], ____, in whole or in part at any time, at a price of par, plus interest accrued to the redemption date.

The Series 2026 Bonds to be redeemed in the event of a partial redemption will be selected in such order of maturity dates as may be determined by the City at the written direction of the Commission. If less than all of the Series 2026 Bonds within a maturity are called for redemption, the Series 2026 Bonds within that maturity to be redeemed will be selected by the Registrar by lot.

[Mandatory Sinking Fund Redemption

The Series 2026 Bonds maturing on [September 1], ___ (the "Term Bonds"), shall be subject to mandatory sinking fund redemption commencing [September 1], ___, and will be redeemed (to the extent not previously redeemed) at 100% of the principal amount, plus interest accrued to the redemption date, on [September 1], of each of the following years in the respective principal amounts for each year specified below:

Term Bonds Maturing [September 1], ____

Year	Amount

[*] Final Maturity

Moneys credited to the 2026 Debt Service Fund (as hereinafter defined) representing sinking fund installments for the retirement of Term Bonds may be applied to the purchase of Term Bonds at the direction of the Commission, at a price not to exceed par plus accrued interest. In such event the principal amount of Term Bonds required to be redeemed on the next ensuing sinking fund installment date will be reduced by the principal amount of the Term Bonds so purchased; provided, however, that no Term Bonds will be purchased during the interval between the date on which notice of redemption of Term Bonds from sinking fund installments is given and the date of redemption set forth in such notice, unless the Term Bonds so purchased are Term Bonds called for redemption in such notice or are purchased from moneys other than those accrued in the 2026 Debt Service Fund. The amount of the mandatory sinking fund redemption prescribed above will be reduced to the extent Term Bonds of that maturity have been purchased by the Commission or the City or redeemed by the City pursuant to the optional redemption provisions set forth above, in such manner as the Commission may direct, or, absent such direction, on a pro-rata basis.]

Notice of Redemption

Notice of redemption shall be given by mailing a copy of the redemption notice by first class mail, postage prepaid, not less than thirty days and not more than sixty days prior to the date fixed for redemption to the holder of each Series 2026 Bond to be redeemed at the address shown on the Books of Registry. Such notice of redemption shall state: (a) the title of such Bonds to be redeemed, CUSIP numbers, date of issue, the Series designation (if any) thereof, the redemption date, the place or places of redemption and the redemption price or redemption premium, if any, payable upon such redemption; (b) if less than all such Bonds of a particular Series are to be redeemed, the distinctive number of such Bonds to be redeemed; (c) that the interest on such Bonds designated for redemption in such notice shall cease to accrue from and after such redemption date; and (d) that on such date there will become due and payable on each such Bond the principal amount thereof to be redeemed at the then applicable redemption price or redemption premium, if any, and the interest accrued on such principal amount to the redemption date. Any notice mailed as provided in the foregoing shall be conclusively presumed to have been duly given, when mailed, whether or not the Holder thereof receives the notice.

For more information relating to the redemption of Bonds, see the General Bond Ordinance, Eighth Supplemental Ordinance, Ninth Supplemental Ordinance, Tenth Supplemental Ordinance, Thirteenth Supplemental Ordinance and Fourteenth Supplemental Ordinance in Appendix C hereto, and, specifically, Article V of the General Bond Ordinance.

Book-Entry Only System

DTC will initially act as securities depository for the Series 2026 Bonds. The Series 2026 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). Upon issuance of the Series 2026 Bonds, one fully registered bond will be issued for each maturity of the Series 2026 Bonds as set forth on the cover page hereof, each in the aggregate principal amount of such maturity and will be deposited with DTC. So long as Cede & Co., as nominee of DTC, is the registered owner of the Series 2026 Bonds references herein to the holders or registered owners (the "Holders") of the Series 2026 Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners (hereinafter defined) of the Series 2026 Bonds.

The information under this caption concerning DTC and DTC's book-entry system has been obtained from sources believed to be reliable, but neither the City, the Commission, nor the Underwriter (as defined herein) takes any responsibility for the accuracy or completeness thereof.

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. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, 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 securities certificates. 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, the National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. 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 rating of AA+ from S&P Global Ratings. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2026 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2026 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2026 Bond ("Beneficial Owner") is in turn to be recorded on the Direct 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 2026 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 Series 2026 Bonds, except in the event that use of the book-entry system for the Series 2026 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2026 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other names as may be requested by an authorized representative of DTC. The deposit of Series 2026 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2026 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2026 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.

The City, Commission, the Registrar and the Paying Agent will recognize DTC or its nominee, Cede & Co., as the registered owner of the Series 2026 Bonds for all purposes. 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.

Redemption notices shall be sent to DTC. If less than all of the Series 2026 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the Series 2026 Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Series 2026 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2026 Bonds are credited on the record date (identified on a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2026 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 City, the Registrar or the 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 City, the Registrar and the Paying Agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City acting through the Registrar or the Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2026 Bonds at any time by giving reasonable notice to the City, the Registrar or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Series 2026 Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2026 Bond certificates will be printed and delivered to DTC.

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

The City has entered into an agreement with DTC providing for the book-entry only system described herein. DTC may determine to discontinue providing its service with respect to the Series 2026 Bonds at any time by giving notice to the Trustee and discharging its responsibilities with respect thereto under applicable law. In the event of such termination, the City may select another securities depository or discontinue the book-entry only system. In the event the book-entry only system is discontinued, the Trustee, as Registrar, will register and deliver to the Beneficial Owners replacement Series 2026 Bonds in denominations of $5,000 or integral multiples thereof in accordance with the instructions of DTC or its nominee, Cede & Co. The Series 2026 Bonds thereupon delivered will be subject to registration and transfer as described below under the heading "Registration and Transfer.

Registration and Transfer

Upon the discontinuance of the book-entry only system, Series 2026 Bonds shall be evidenced by bond certificates issued in the name of the registered owners thereof as set forth on the Books of Registry, and Series 2026 Bonds shall be transferable only upon the Books of Registry by the registered owner thereof in person or by his attorney, duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Trustee, as Registrar, duly executed by the registered owner or his duly authorized attorney with signature guaranteed. Upon the transfer of any Series 2026 Bond, the City shall execute and thereupon the Trustee, as Registrar, shall authenticate and deliver to the transferee a new fully registered Series 2026 Bond or Bonds, registered in the name of the transferee of the same aggregate principal amount, maturity and interest rate as the surrendered Series 2026 Bond.

The City and the Trustee may deem and treat the person in whose name any Series 2026 Bond is registered as the absolute owner of such Series 2026 Bond for the purpose of receiving payment of the principal and redemption premium, if any, of, and interest on, such Series 2026 Bond and for all other purposes.

For every exchange or transfer of any Series 2026 Bond, whether temporary or definitive, the City and the Trustee may make a charge sufficient to reimburse them for any tax or other governmental charge required to be paid with respect to such exchange or transfer.

SECURITY FOR THE SERIES 2026 BONDS

General

The Series 2026 Bonds are issued pursuant to the Enabling Act and the Ordinances and are secured by a pledge of and lien upon the Net Revenues of the System on a parity with the Parity Bonds and any Additional Bonds (including any future State Revolving Fund Loans) issued under the General Bond Ordinance. The Parity Bonds Outstanding under the General Bond Ordinance are described below:

Series	Dated Date	Final Maturity Date	Original Principal Amount	*Outstanding Principal Amount
Bonds of 2002	May 15, 2002	September 1, 2032	$25,060,000	$18,190,000
2004 SRF Note	June 24, 2004	August 1, 2034	9,258,873	3,112,049
2005 SRF Note	June 30, 2005	February 1, 2034	7,412,143	2,500,023
Bond of 2007	May 24, 2007	September 1, 2027	5,700,000	403,921
2007 SRF Note	November 16, 2007	March 1, 2029	13,484,454	2,060,479
2009 SRF Note	September 25, 2009	January 1, 2041	5,310,000	2,839,469
Bonds of 2024	December 18, 2024	September 1, 2044	15,115,000	15,115,000
Total			$81,340,470	$44,220,941

*Outstanding principal amounts are as of November 10, 2026 and rounded to the nearest whole dollar.

Under the General Bond Ordinance "Net Revenues" means the Revenues of the System after deducting Expenses of Operating and Maintaining the System. The Parity Bonds, the Series 2026 Bonds and any Additional Bonds issued under the General Bond Ordinance on a parity with the Series 2026 Bonds are hereinafter referred to as "Bonds." Under the General Bond Ordinance, "Revenues" of the System means:

> All receipts, income, revenues, fees and other charges to be levied and collected in connection with, and all other income and receipts of whatever kind or character derived by the Commission or the City from the operation of the System, including, but not limited to, tap fees, connection charges, impact fees, developer fees, plant capacity fees, interest earnings and other earnings on investments, as such earnings on investments are computed in accordance with generally accepted accounting practices, excluding the proceeds of any grants or debt, contributions in aid of construction, gains or losses on extinguishment of debt, fees derived from assessments and extraordinary items, and the receipts, income, revenues, fees and other charges derived from the operation of Special Facilities (as defined herein).

Under the General Bond Ordinance, "Expenses of Operating and Maintaining the System" means:

> The current expenses, paid or accrued, of operation, maintenance and current repair of the System, and shall include, without limiting the generality of the foregoing, salaries, wages, employee benefits, cost of materials and supplies, cost of routine repairs, renewals, replacements and alterations occurring in the usual course of business, costs of billings and collections, cost of insurance, costs of any audit required by the Ordinance, the premiums for all insurance required with respect to the System, taxes, if any, and amounts payable by way of arbitrage rebate and payments which the City and the Commission are required to make to Piedmont Municipal Power Agency. Expenses of Operating and Maintaining the System shall not include the payment of interest on Bonds, any allowance for depreciation or renewals or replacements of capital assets of the System and amounts deemed to be payments in lieu of taxes or other equity transfers.

See below under the heading "AMENDMENTS TO THE BOND ORDINANCE" for a description of certain revisions to the definition of Expenses of Operating and Maintaining the System to be effected pursuant to the Amendments.

The pledges and liens so created are superior to all other pledges made to secure other bonds or obligations payable from the Net Revenues of the System; however, pursuant to the General Bond Ordinance, the City may issue Additional Bonds secured on a parity with the Series 2026 Bonds including State Revolving Fund Loans. See "-- Additional and Refunding Bonds" under this heading. In addition, the City may incur other indebtedness, the payment of which is either secured by a pledge of the Net Revenues of the System which pledge is subordinate and inferior to the pledge securing the Bonds or is secured by revenues derived from certain facilities. See "-- Junior Bonds and Special Facilities Bonds" under this heading.

The Revenues of the System are derived principally from sales of water, sewer, electricity and natural gas service. See "FINANCIAL FACTORS – Summary of Revenues, Expenses and Changes in Net Position" below. In the General Bond Ordinance, the City covenants to establish, levy, maintain, revise and collect such fees, rates and other charges for the use of the services and facilities furnished by the System as may be necessary or proper, which fees, rates and other charges, together with other Revenues and other available moneys, shall at all times be at least sufficient after making due and reasonable allowances for, contingencies and for a margin of error in estimates to provide an amount equal to (a) 100% of, the amounts required to be deposited into the Operation and Maintenance Fund for the then current fiscal year of the City, which commences January 1 and ends December 31 of each year (a "Fiscal Year"); (b) 120% of the amounts required to be deposited into each Debt Service Fund for the then current Fiscal Year; (c) 100% of the amounts required to be deposited in to each Debt Service Reserve Fund for the then current Fiscal Year; (d) 100% of the amounts required to provide for payment of any Junior Bonds for the then Current Fiscal Year; and (e) the amounts necessary to comply in all respects with the terms of the General Bond Ordinance or any other contract or agreement with the Holder of a Bond (collectively, the "Rate Covenant"). See the Tenth Supplemental Ordinance in Appendix C hereto for certain amendments made thereby to the General Bond Ordinance in connection with the Rate Covenant with respect to certain taxable obligations for which the City has or shall be entitled to receive a payment that effectively reduces the City's debt service payment obligation therefor ("Direct Payment Bonds") including, but not limited to, BABs and RZEDBs issued under the ARRA (as such terms are defined therein). None of the Parity Bonds are Direct Payment Bonds.

The City further covenants in the General Bond Ordinance that if in any Fiscal Year the Revenues shall be insufficient to satisfy the Rate Covenant, it will immediately employ a Consulting Engineer to examine the fees, rates and other charges of the System and the methods of the operations of the System and make such recommendations as the Consulting Engineer believes are appropriate to enable the City or Commission to satisfy the Rate Covenant as soon as is practically possible. If in the judgment of the Consulting Engineer it is not possible for the City or Commission to meet the Rate Covenant during the ensuing Fiscal Year, the report of the Consulting Engineer shall so indicate and shall further indicate the projected ratio of Revenues to Debt Service anticipated if the recommendations of the Consulting Engineer are followed. The recommendations of the Consulting Engineer shall be filed with the Trustee.

The City further covenants in the General Bond Ordinance that promptly upon the receipt of such recommendations, subject to applicable requirements or restrictions imposed by law, it shall revise its fees, rates and other charges or its methods of operation and shall take such other action as shall be in conformity with such recommendations. If the City complies with the provisions of the General Bond Ordinance described in the immediately preceding paragraph and the immediately preceding sentence, it shall, for the Fiscal Year in which such Consulting Engineer is employed and for the subsequent Fiscal Year, be excused from compliance with the Rate Covenant; or, if the report of the Consulting Engineer projects a ratio of Revenues to Debt Service which will not satisfy the Rate Covenant, it shall be excused from compliance with the Rate Covenant so long as it complies with the provisions of the General Bond Ordinance described in the immediately preceding paragraph and the immediately preceding sentence, and such Rate Covenant shall not fall below 1.00 times the required coverage amounts; but this paragraph shall not be construed as in any way excusing the City from taking any action or performing any duty required under the General Bond Ordinance, or be construed as constituting a waiver of any other Default under the

General Bond Ordinance, or be construed as excusing the City from so fixing its fees, rates and other charges which together with any other moneys that shall be available to the City, shall be sufficient to enable the City to discharge its obligations as they shall become due and payable.

The Commission has covenanted and agreed under the Resolution to carry forth the duties and covenants imposed upon the City by the Ordinances.

THE SERIES 2026 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY PROVISION, LIMITATION OR RESTRICTION OF THE CONSTITUTION OR THE LAWS OF THE STATE, OTHER THAN THOSE PROVISIONS AUTHORIZING INDEBTEDNESS PAYABLE SOLELY FROM A REVENUE PRODUCING PROJECT NOT INVOLVING REVENUES FROM ANY TAX OR LICENSE. THE CITY IS NOT OBLIGATED TO PAY ANY OF THE SERIES 2026 BONDS OR THE INTEREST THEREON EXCEPT FROM THE NET REVENUES OF THE SYSTEM. THE SERIES 2026 BONDS SHALL NEVER CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE CITY OR A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWER. THE FULL FAITH, CREDIT AND TAXING POWER OF THE CITY ARE NOT PLEDGED TO THE PAYMENT OF THE SERIES 2026 BONDS.

Creation of Funds Under the Ordinances

2026 Construction Fund. A portion of the proceeds of the Series 2026 Bonds will be deposited in the Construction Fund established for the Series 2026 Bonds (the "2026 Construction Fund"). The moneys on deposit in the 2026 Construction Fund (including investment earnings) will be used as needed to finance the costs of construction and acquisition of the 2026 Projects and to pay the Cost of Issuance of the Series 2026 Bonds. Withdrawals from the 2026 Construction Fund shall be made in the manner described in the Fourteenth Supplemental Ordinance.

As long as any sum remains due and payable by way of principal or interest on Bonds, the following funds or accounts relating to the Revenues of the System shall be established and maintained, and deposits shall be made therein as follows.

Operation and Maintenance Fund. An Operation and Maintenance Fund is established pursuant to the General Bond Ordinance in order to provide for the payment of all Expenses of Operating and Maintaining the System. There shall be deposited by the Commission into the Operation and Maintenance Fund, a sum sufficient to provide for the Expenses of Operating and Maintaining the System in accordance with the Annual Budget (as defined in the General Bond Ordinance) of the Commission. Withdrawals from the Operation and Maintenance Fund shall be made as required by the Commission from time to time. The Operation and Maintenance Fund shall be maintained in the custody and control of the Commission.

Debt Service Funds. A Debt Service Fund shall exist for each series of Bonds Outstanding, including the Parity Bonds, the Series 2026 Bonds and any Additional Bonds issued in the future. The respective Debt Service Funds are intended to provide for the payment of the principal of, redemption premium, if any, and interest on each series of Bonds as the same respectively fall due. The respective Debt Service Funds shall be maintained in the custody and control of the Trustee. There may be established in the respective Debt Service Funds from time to time a capitalized interest account to provide for the payment of interest on Bonds of a particular Series as permitted under the General Bond Ordinance. Pursuant to the Ordinances, there will be established on the date of delivery of the Series 2026 Bonds a Debt Service Fund with respect to the Series 2026 Bonds (the "2026 Debt Service Fund"), and within the 2026 Debt Service Fund there shall be established a capitalized interest account (the "2026 Capitalized Interest Account") for the payment of a portion of the interest coming due on the Series 2026 Bonds.

There shall be transferred from the Revenues, after all required deposits have been made to the Operation and Maintenance Fund, to the Trustee for deposit in the respective Debt Service Funds (and from there into the respective Interest Accounts or Principal Accounts required to be established by the Trustee therein, as the case may be), on a ratable basis with respect to all series of Bonds Outstanding, not later than (unless and except as may be provided in any future supplemental ordinance) the fifth (5^{th}) Business Day preceding any Interest Payment Date, Principal

Payment Date or mandatory sinking fund redemption date, as the case may be, an amount which will, together with other funds on deposit therein and available therefor, on such date provide sufficient funds to make the required interest or principal payment on the applicable series of Bonds.

Debt Service Reserve Funds. If required pursuant to the provisions of the applicable supplemental ordinance with respect to a particular series of Bonds, a Debt Service Reserve Fund shall be established for the benefit of the applicable series of Bonds, which Fund shall be maintained in the custody and control of the Trustee at the applicable Reserve Fund Requirement (as such term is defined in the General Bond Ordinance) established under such supplemental ordinance. A Debt Service Reserve Fund has been established with respect to the Bonds of 2002. Debt Service Reserve Funds have been established with respect to the 2004 SRF Note, the 2005 SRF Note, the 2007 SRF Note and the 2009 SRF Note (the "SRF Notes"), but the Reserve Fund Requirement with respect to such SRF Notes is equal to $0 as of the date hereof, and shall remain equal to $0 for so long as the Commission maintains an underlying rating on the System and/or any Outstanding Bonds in at least the "A" category from S&P Global Ratings and complies with certain obligations under the loan agreements in place with respect to the SRF Notes. **THERE WILL BE NO DEBT SERVICE RESERVE FUND ESTABLISHED OR FUNDED WITH RESPECT TO THE SERIES 2026 BONDS.**

The Debt Service Reserve Funds as shall be established are intended to insure the timely payments of the principal of and interest on the applicable series of Bonds, and to provide for the redemption of such Bonds prior to their stated maturities. Moneys in each Debt Service Reserve Fund shall be used for the following purposes:

(1) To prevent a default in payment of the principal of or interest on the applicable series of Bonds, in the event that moneys in the applicable Debt Service Fund are insufficient for such purposes;

(2) To pay the principal of, interest on, and redemption premium, if any, of the applicable series of Bonds in the event that such Bonds are redeemed as a whole;

(3) To effect partial redemption of the applicable series of Bonds, provided that such redemption be undertaken in accordance with the provisions of the General Bond Ordinance permitting a partial redemption of the applicable series of Bonds and the balance remaining in the applicable Debt Service Reserve Fund following such partial redemption shall not be less than the applicable Reserve Fund Requirement;

(4) To effect the retirement of a series of Bonds through purchase under the conditions prescribed in the Ordinances.

For a further description of dispositions from the Debt Service Reserve Funds, see the General Bond Ordinance and the Fourteenth Supplemental Ordinance in APPENDIX C.

The market value of the cash and securities in the Debt Service Reserve Funds shall be calculated annually in order to determine if such Debt Service Reserve Fund meets the applicable Reserve Fund Requirement and the extent to which payments therefor or withdrawals therefrom must be made. Unless the applicable Debt Service Reserve Fund meets or exceeds its respective Reserve Fund Requirement, there shall be paid into such Debt Service Reserve Fund over the next succeeding 12 months, successive equal monthly installments of the amount necessary to re-establish in such Debt Service Reserve Fund its respective Reserve Fund Requirement.

Pursuant to the General Bond Ordinance, in lieu of the deposit of moneys into a Debt Service Reserve Fund, the City may satisfy the applicable Reserve Fund Requirement by causing to be credited thereto an irrevocable and unconditional surety bond, line of credit, letter of credit or insurance policy payable to the Trustee or the Paying Agent for the benefit of the Holders of the Bonds of the applicable Series in an amount which, together with other moneys, if any, on deposit in the such Debt Service Reserve Fund is equal to such Reserve Fund Requirement. For a further description of the requirements for funding Debt Service Reserve Funds with cash or surety bonds, lines of credit or insurance policies, see the General Bond Ordinance, Eighth Supplemental Ordinance, Ninth Supplemental Ordinance, Tenth Supplemental Ordinance, Thirteenth Supplemental Ordinance and Fourteenth Supplemental Ordinance in APPENDIX C.

Additional and Refunding Bonds

The General Bond Ordinance provides that Bonds may be issued under the General Bond Ordinance from time to time in such amounts as deemed necessary or advisable by the City, upon request of the Commission, for any purpose for which Bonds may be issued for the benefit of the System under the Enabling Act.

Prior to issuing any Additional Bonds other than refunding Bonds, the City is required to satisfy, among other things, the following:

A report, based upon the latest available audit of the System as required pursuant to the General Bond Ordinance, shall be provided by an Accountant or Consulting Engineer stating that either (i) the amount of the Net Revenues of the System is not less than 120% of the Maximum Debt Service on the Bonds then Outstanding and the Bonds then proposed to be issued, or (ii) the amount of Net Revenues of the System, as shall have been forecasted by the Consulting Engineer, is not less than 120% of the actual Debt Service on all Bonds then Outstanding and the Bonds then proposed to be issued for each of the three Fiscal Years following the later of the date of the delivery of the Bonds of such series, or the period (if any) for which interest is funded from the proceeds of such Bonds; provided, that the amount of Net Revenues for the periods referred to above may be adjusted by adding the following:

(1) in case the rates and charges for the services furnished by the System shall have been revised and such revised rates and charges shall have gone into effect prior to the delivery of the Bonds proposed to be issued, the additional amount of Net Revenues which would have been realized during the periods referred to above if such rates and charges had been in effect during such periods as determined by a Consulting Engineer, an Accountant or the General Manager or chief administrative officer of the Commission, and

(2) in case an existing sewer system, existing water system, existing electric system, existing natural gas system, or any other public utility system is to be acquired and combined or made a part of the System from the proceeds of the Bonds proposed to be issued, the additional amount of Net Revenues which would have been realized during the periods referred to above if such existing system or systems to be acquired had been a part of the System during such periods (which computation of the additional amount of Net Revenues shall be based upon the method of computing Net Revenues under this Ordinance and approved by a Consulting Engineer or an Accountant).

Prior to issuing to any series of refunding Bonds, the City is required to satisfy among other things, one of the following tests:

(A) Bonds may be issued for the purpose of refunding (including by purchase) at any time within one year prior to maturity or prior to any sinking fund installment due date, the Bonds maturing on such date (or an amount of Bonds subject to redemption from such sinking fund installments not in excess of the amount of Bonds required to be redeemed on such due date) for the payment of which sufficient Revenues are not available. Any Bonds issued for such purpose shall mature (or sinking fund installments therefor shall commence) not earlier than the latest stated maturity of any Bond not then refunded to be Outstanding after such refunding; or

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

For further description of the requirements of the General Bond Ordinance with respect to the issuance of additional or refunding Bonds, see the General Bond Ordinance and the Thirteenth Supplemental Ordinance in APPENDIX C, and see also "AMENDMENTS TO THE GENERAL BOND ORDINANCE" herein.

Junior Bonds and Special Facilities Bonds

Upon the written request of the Commission, the City may issue Junior Bonds, in such amount as it may from time to time determine, payable from the Revenues of the System, provided that the pledge of Net Revenues and any lien upon the Net Revenues securing Junior Bonds shall at all times be subordinate and inferior to the pledge securing the Bonds. (See the General Bond Ordinance and the Thirteenth Supplemental Ordinance in APPENDIX C).

Upon the written request of the Commission, the City may also issue Special Facilities Bonds from time to time to finance projects, the revenues and expenses resulting from the operation of which can be segregated from the revenues and expenses of the System ("Special Facilities"), subject to certain conditions with respect to the ability of the Special Facilities to generate sufficient revenues to pay for such Special Facilities Bonds, and provided that the debt service payments and other costs and expenses and reserves related to such Special Facilities shall not be paid from Revenues of the System (see the General Bond Ordinance and Thirteenth Supplemental Ordinance in APPENDIX C).

AMENDMENTS TO THE GENERAL BOND ORDINANCE

The provisions of the General Bond Ordinance, as originally enacted, relating to Debt Service Reserve Funds have been amended by the Eighth Supplemental Ordinance and the Ninth Supplemental Ordinance, which amendments are in effect. In addition, the provisions of the General Bond Ordinance relating to the definitions of Debt Service and Maximum Debt Service have been amended by the Tenth Supplemental Ordinance, which amendments will not become effective until the earlier of: (1) all of the Bonds of 2002, the 2004 SRF Note, the 2005 SRF Note, the Bond of 2007, the 2007 SRF Note, the Bond of 2009 and the 2009 SRF Note shall cease to be Outstanding; or (2) the Holders of 66 2/3% in principal amount of the Bonds then Outstanding assent to and authorize such amendments; provided, any such assent provided by an underwriter of a Series of Bonds will not become effective until the Holders of all Bonds affected by such amendments (other than the prospective purchasers for whom the underwriter has provided such assent) have also consented to such amendments. For a full description of the amendments to the General Bond Ordinance described in this paragraph, see the General Bond Ordinance, the Eighth Supplemental Ordinance, the Ninth Supplemental Ordinance and the Tenth Supplemental Ordinance in APPENDIX C.

The Thirteenth Supplemental Ordinance provided for certain additional amendments to the General Bond Ordinance (the "2024 Amendments") which will not become effective until the first to occur of either of the following: (a) all of the Parity Bonds (other than the Bonds of 2024) shall cease to be Outstanding, or (b) the Holders of 66-2/3% in principal amount of the Bonds then Outstanding assent to and authorize the effectiveness of the Amendments. Notwithstanding the foregoing, to the extent that the Amendments are assented to and authorized pursuant to one or more assents executed by the Underwriter of the Series 2026 Bonds, or the underwriter of any subsequent Series of Bonds, such amendments will not become effective until the earlier of: (1) all the Outstanding Parity Bonds (other than the Bonds of 2024) shall case to be Outstanding; or (2) the Holders of all Outstanding Parity Bonds (other than the Bonds of 2024) assent to and authorize such amendments.

The Amendments are as follows:

Revised Definition of Custodian

"Custodian" shall mean any bank, depository or trust company duly qualified and doing business within the State, or the South Carolina Pooled Investment Fund, selected by the Commission as a depository of moneys or securities held in the Construction Fund or other fund or account used to pay Cost of Issuance.

Revised Definition of Expenses of Operating and Maintaining the System

"Expenses of Operating and Maintaining the System" shall mean the current expenses, paid or accrued, of operation, maintenance and current repair of the System, and shall include, without limiting the generality of the foregoing, salaries, wages, employee benefits, cost of materials and supplies, cost of routine repairs, renewals, replacements and alterations occurring in the usual course of business and collections, cost of issuance, costs of any audit required by this Ordinance, the premiums for all insurance required with respect to the System, taxes, if any, and amounts payable by way of arbitrage rebate and payments which the City and the Commission are required to make to Piedmont Municipal Power Agency. Notwithstanding the foregoing, Expenses of Operating and Maintaining the System shall not include (i) the payment of interest on Bonds, (ii) any allowance for depreciation or renewals or replacements of capital assets of the System, (iii) any amounts deemed to be payments in lieu of taxes or other equity transfers, (iv) any pension-related and other post-employment benefit-related expenses (other than such amounts actually paid) of the System, (v) any payment or amortization of financing expenses, underwriting discounts, call premiums, losses on the extinguishment of debt due to refinancing of the same, and other related and non-recurring expenses resulting from the issuance or refinancing of long term indebtedness, or (vi) any losses on the sale or other disposition of investments or fixed or capital assets.

Revision to Section 3.3(C) of the General Bond Ordinance (Additional Bonds Test)

Section 3.3(C) of the General Bond Ordinance is deleted and replaced with the following:

C. For the issuance of Bonds to finance the Cost of Acquisition and Construction, or a portion thereof, of any Project, there shall be delivered either (i) a certificate or report, based upon the latest available audit of the System as required by Section 7.4 hereof, from the General Manager or Finance Manager of the Commission, or an Accountant or Consulting Engineer, stating that the amount of the Net Revenues of the System is not less than 120% of the sum of the Maximum Debt Service on Bonds then Outstanding and the Bonds then proposed to be issued, or (ii) a certificate from the General Manager or Finance Manager of the Commission, or an Accountant or Consulting Engineer, stating that the amount of the Net Revenues of the System, as shall have been forecasted by the General Manager or Finance Manager of the Commission, an Accountant or Consulting Engineer, is not less than 120% of the actual Debt Service on all Bonds then Outstanding and the Bonds then proposed to be issued for each of the three (3) Fiscal Years following the later of the date of the delivery of the Bonds of such Series, or the period (if any) for which interest is funded from the proceeds of such Bonds; provided the amount of Net Revenues for the periods referred to above may be adjusted by adding the following:

(1) in case the rates and charges for the services furnished by the System shall have been revised and such revised rates and charges shall have gone into effect or will be effective on a future date or dates as evidenced by a resolution adopted by the Commission prior to the delivery of the Bonds proposed to be issued, the additional amount of Net Revenues which would have been realized during the periods referred to above if such rates and charges had been in effect during such periods as determined by the General Manager or Finance Manager of the Commission, or an Accountant or Consulting Engineer, and

(2) in case an existing sewer system, existing water system, existing electric system, existing natural gas system, or any other public utility system is to be acquired and combined or made a part of the System from the proceeds of the Bonds proposed to be issued, the additional amount of Net Revenues which would have been realized during the periods referred to above if such existing system or systems to be acquired had been a part of the System during such periods (which computation of the additional amount of Net Revenues shall be based upon the method of computing Net Revenues under this Ordinance and approved by the General Manager or Finance Manager of the Commission, or an Accountant or Consulting Engineer).

Revision to Section 8.6 of the General Bond Ordinance (Instructions to Trustee)

Section 8.6 of the General Bond Ordinance is amended by adding the following language at the end thereof:

Each of the Trustee, Paying Agent and Registrar agrees to accept and act on instructions or directions pursuant to this Ordinance sent by the City or the Commission by unsecured e-mail, facsimile transmission, or other similar unsecured electronic methods, provided, however, that the City and the Commission shall provide to the Trustee, Paying Agent, and/or Registrar, as applicable, an incumbency certificate listing designated persons with the authority to provide such instructions, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing, and the City and the Commission may act through an authorized signatory shown on such listing. If the City or the Commission elects to give the Trustee, Paying Agent, and/or Registrar, as applicable, e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee, Paying Agent, and/or Registrar, as applicable, acts upon such instructions, the Trustee's, Paying Agent's, and/or Registrar's understanding of such instructions shall be deemed controlling. The Trustee, Paying Agent, and/or Registrar, as applicable, shall not be liable for any losses, costs, or expenses arising directly or indirectly from the Trustee's Paying Agent's, and/or Registrar's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction that the Trustee, Paying Agent, and/or Registrar receives after the Trustee, Paying Agent, and/or Registrar has acted on a previous direction. Each of the City and the Commission, as applicable, agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, Paying Agent, and/or Registrar including without limitation the risk of the Trustee, Paying Agent, and/or Registrar acting on instructions, and the risk of interception or misuse of any information by third parties.

Revision to Section 9.1 of the General Bond Ordinance (Provision for Bondholder Consent)

Section 9.1 of the General Bond Ordinance is amended by adding the following text at the end thereof:

The City expressly authorizes the underwriter or purchaser of any Series of Bonds, or provider of bond insurance for any Series of Bonds, to assent to and consent to such amendments to this General Bond Ordinance as contemplated by this paragraph in the same manner as the Holders of the Bonds.

CONSIDERATION OF PURCHASE OF BOND INSURANCE

The City and the Commission are considering the purchase of a municipal bond insurance policy (the "Policy") from a financial guaranty insurance company to insure the timely payment of the principal of and interest on all or certain maturities of the Series 2026 Bonds. The City and Commission will make their determination concerning the purchase of the Policy based on market conditions at the time the Series 2026 Bonds are sold.

If the City and the Commission decide to purchase the Policy, reference should be made to the final Official Statement with regard to (a) identification of the maturities of the Series 2026 Bonds to be insured, (b) information regarding the Policy and (c) information regarding the issuer of the Policy. Furthermore, if the City and Commission decide to purchase the Policy, reference should be made to the final Official Statement with regard to any covenants made by the Commission that may be material to the purchasers of the Series 2026 Bonds.

Any Series 2026 Bonds insured by a Policy will be rated on the basis of the issuance of such Policy (with the underlying rating as described in "MISCELLANEOUS – Ratings" herein). Any Series 2026 Bonds not so insured by the Policy will have the underlying rating as described in "MISCELLANEOUS – Ratings" herein.

SOURCES AND USES OF FUNDS

The following table sets forth the sources of funds to be derived from the sale of the Series 2026 Bonds and the uses of such funds:

Sources of Funds	
Principal Amount of Series 2026 Bonds	$
[Net] Original Issue [Premium][Discount]	
Total Sources	
Uses of Funds	
2026 Projects	
Costs of Issuance*	
Capitalized Interest	
Total Uses	

*Including underwriter's discount, premiums for the Policy, if applicable, legal, printing, consulting, trustee, escrow agent and miscellaneous fees.

2026 PROJECTS

Pursuant to the Fourteenth Supplemental Ordinance, the Series 2026 Bonds are to be issued for the purpose of defraying the Cost of Acquisition and Construction of one or more of the 2026 Projects. Under the Fourteenth Supplemental Ordinance, the term "2026 Projects" is defined as follows:

> "2026 Projects" shall mean certain improvements, extensions and enlargements to the System, to wit: (a) an electric system microgrid generation and energy storage project, a Maple Creek Wastewater Treatment Plant expansion and improvement project, a water system rehabilitation project, a water plant rehabilitation project, a wastewater collection system assessment and improvement project, and a general lift station improvement project; and (b) any other improvements relating to the foregoing and such other improvements as the Commission may deem necessary or incidental to the System.

See the Fourteenth Supplemental Ordinance in APPENDIX C.

As of the date hereof the Commission anticipates that a portion of the proceeds of the Series 2026 Bonds will be applied to defray one or more of the following projects, each of which constitute a 2026 Project under the Fourteenth Supplemental Ordinance:

Electric System Microgrid Generation and Energy Storage Project

The electric system microgrid and energy storage project includes the installation of a Battery Energy Storage System ("BESS") controlled by a microgrid system installed at the System's water treatment plan. The BESS could be charged with off-peak energy, existing diesel generators, or additional generation sources. This solution serves the dual purpose of providing emergency power and resiliency at the water treatment plant and of reducing wholesale electric costs to the System by peak shaving during certain hours each month.

Maple Creek Wastewater Treatment Plant Expansion and Improvement

The contemplated expansion and improvement to the Maple Creek Wastewater Treatment Plant will prepare the plant for an increase in capacity to 7.5MGD by completing projects that were started under the SCIIP program using federal Infrastructure Investment and Jobs Act funding, including installation and startup of UV disinfection

and grit removal equipment. Other improvements include replacing motor control centers, lighting, and adding additional storage and workspace.

Water System Rehabilitation Project

The water system rehabilitation project will include assessment and repair or replacement of aging water lines, valves, water services, and paving costs for approximately 485 miles of water transmission and distribution system. After assessment is complete, repairs or replacement will be prioritized across the System based on the condition and age of piping.

Water Plant Rehabilitation Project

The water plant rehabilitation project will include replacement or rehabilitation of key components at the System's water treatment plant due to age, including clearwell pump replacement, filter influent valve replacement, sludge lagoon rehabilitation, original clearwell rehabilitation, and sedimentation basin rehabilitation. This project will also include replacement of water lines, drain lines, and other critical equipment.

Wastewater Collection System Assessment and Improvement Project

The wastewater collection system assessment and improvement project will include completion of a contracted assessment program to Jet/CCTV the entire system over a three-year span and to perform point repairs. The project will specifically include smoke testing/flow testing and engineering assistance. Follow-up rehabilitation that is also part of this project will include point repairs, pipe lining projects, and full line replacements.

Princess Creek Interceptor Improvements

The Princess Creek interceptor improvements will include (a) the installation of 2,100 feet of gravity sewer to redirect flow from the Refresco beverage manufacturing plant along Becco Road and Hood Road, and (b) the replacement or pipe bursting of 2,300 feet of 15-inch to 18-inch of the interceptor adjacent to Henderson Gap Road along Suber Branch Creek.

FUTURE CAPITAL IMPROVEMENTS

As noted in the table below, the Commission expects to undertake various capital improvements to the System, including the 2026 Projects, in the approximate amount of $266,165,559 through Fiscal Year 2030. The Commission anticipates that it will finance these capital improvements from various sources, including, but not limited to, proceeds of the Series 2026 Bonds, operating funds of the System, capacity fees and grant funds.

PROJECTED FISCAL YEAR ENDING DECEMBER 31,

Capital Needs*	**2026**	**2027**	**2028**	**2029**	**2030**	**Total**
Electric	$5,372,900	$9,494,033	$25,945,000	$22,445,000	$12,565,000	$75,821,963
Gas	5,643,324	18,494,535	16,150,000	13,190,000	18,088,000	71,565,859
Water	3,189,062	6,882,424	9,146,000	8,070,000	9,945,000	37,232,486
Sewer	9,984,121	10,883,073	8,660,000	16,810,000	29,460,000	75,797,194
Other	2,189,500	20,000	420,000	225,000	-	2,854,500
Capital Salaries	1,467,405	1,426,182	-	-	-	2,893,587
	$27,846,312	$47,200,247	$60,321,000	$60,740,000	$70,058,000	$266,165,559
Funding Sources*						
Operating Fund	$13,870,523	$16,001,247	$28,909,000	$38,629,000	$8,137,000	$105,546,770
Capacity Fund	2,788,683	2,793,000	5,802,000	2,561,000	61,771,000	75,715,683
Grants	2,147,000	5,072,000	15,450,000	18,000,000	-	40,669,000
2024 Bond Proceeds	330,106	13,669,894	-	-	-	14,000,000
2026 Bond Proceeds	8,710,000	7,536,106	6,660,000	1,550,000	150,000	24,606,106
Other Debt Proceeds	-	2,128,000	3,500,000	-		5,628,000
Total	$27,846,312	$47,200,247	$60,321,000	$60,740,000	$70,058,000	$266,165,559

*Preliminary unapproved figures; subject to approval by Commission in future Fiscal Years.

FINANCIAL FACTORS

Summary of Revenues, Expenses and Changes in Net Position

The table below provides a summary of historical revenues, expenses of operation and changes in net position of the System for the Fiscal Years ended December 31, 2021 through 2025. The table should be read in conjunction with the audited financial statements of the System for such Fiscal Years. The financial statements of the Commission for the Fiscal Year ended December 31, 2025, which were audited by Mauldin & Jenkins, LLC, Certified Public Accountants, Columbia, South Carolina, are included as Appendix A to this Official Statement. This table is unaudited.

FISCAL YEAR ENDED DECEMBER 31,

(in thousands)	**2021**	**2022**	**2023**	**2024**	**2025**
OPERATING REVENUES:					
Electric revenues	$46,344	$48,876	$48,350	$51,792	$52,860
Gas revenues	30,959	39,126	35,466	32,581	39,821
Water revenues	9,363	10,090	10,167	10,559	10,776
Sewer revenues	7,284	7,925	7,997	8,644	8,630
Other operating revenues	4,036	4,179	4,432	6,192	4,625
Total operating revenues	97,986	110,196	106,412	109,768	116,712
OPERATING EXPENSES:					
Purchased power	36,077	37,899	38,125	39,654	40,393
Purchased gas*	15,646	29,906	15,450	17,180	25,799
Depreciation and amortization	10,361	10,643	10,684	11,113	12,068
Other operating expenses	21,617	23,224	25,744	27,608	29,034
Total operating expenses	83,701	101,672	90,003	95,555	107,294
Net operating revenue	$14,285	$8,524	$16,409	$14,213	$9,418
OTHER REVENUES (EXPENSES)					
Interest expense	$(1,934)	$(1,846)	$(1,736)	$(2,254)	$(2,194)
Interest revenue	17	318	832	1,303	821
Transfers to the City of Greer	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Revenues from electric demand credits	3,930	1,516	-	-	-
Revenues from legal settlement	-	-	-	27,500	537
Intergovernmental Grants	-	64	1,821	402	6,094
Gain on disposal of utility plant	406	346	234	127	323
Total other expenses, net	1,419	(602)	152	26,078	4,581
Change in net position before contributions and extraordinary items	15,704	7,922	16,561	40,291	13,999
Contributions	4,804	3,847	6,616	5,094	7,685
Change in net position after contributions and extraordinary items	20,508	11,769	23,177	45,385	21,684
Beginning net position	216,205	236,713	248,482	271,659	317,044
Beginning net position, restated	216,205	236,713	248,482	271,659	317,044
Ending net position	$236,713	$248,482	$271,659	$317,044	$338,728

*See discussion of purchase of natural gas and hedging by the Commission under the heading and subheadings "THE COMBINED UTILITY SYSTEM – The Natural Gas Unit – *General*" and "– *Purchased Gas Adjustment*" herein.

Unaudited Results of Operation

The following table sets forth comparative summaries of revenues and expenses for the six-month periods ended April 30, 2025 and April 30, 2026. These summaries have been compiled by the Commission from the unaudited results of operations and do not reflect end of year audit adjustments for accruals and reversals.

FOR SIX MONTHS ENDED APRIL 30,

(in thousands)	**2025**	**2026**
OPERATING REVENUES:		
Electric revenues	$15,978	$16,943
Gas revenues	18,234	22,381
Water revenues	3,740	4,145
Sewer revenues	3,538	3,797
Total operating revenues	41,490	47,266
OPERATING EXPENSES:		
Purchased power	12,623	12,905
Purchased gas	14,017	17,688
Depreciation	3,946	4,516
Other operating expenses	10,601	10,295
Total operating expenses	41,187	45,404
Net operating revenue	$303	$1,862
OTHER REVENUES (EXPENSES)		
Interest expense	$(692)	$(630)
Interest revenue	367	210
Transfers to the City of Greer	(333)	(333)
Revenues from AFFF Settlement	-	111
Revenues from Transco Settlement	-	486
Intergovernmental Grants	-	1,714
Gain/(loss) on disposal of utility plant	(173)	152
Total other expenses, net	(831)	1,710
Change in net position before contributions and extraordinary items	(528)	3,572
Capital contributions	419	292
Extraordinary revenues	-	-
	419	292
Change in net position after contributions and extraordinary items	(109)	3,864
Beginning net position	317,045	338,728
Ending net position	$316,936	$342,592

Management's Discussion of Operating Results

The System's financial condition has remained strong. The Commission continues to maintain reliable utility plant and equipment, appropriate liquidity, and prudent rate structures necessary to provide dependable, high-quality utility services to the City and the surrounding service area. Budgeted revenues and expenditures have remained aligned in recent fiscal years, supporting appropriate debt service coverage and ongoing capital reinvestment.

For the five fiscal years ended December 31, 2021 through 2025, total System operating revenues increased at an average annual growth rate of approximately 4.5%, rising from $97,986,000 in 2021 to $116,712,000 in 2025. This growth was driven in part by customer increases across all service categories. Over this period, average annual customer growth was approximately: electric 4.5%; water 13.7%; wastewater 25.3%; and natural gas 28.3%. No general retail rate increases were implemented during the five fiscal years ended December 31, 2025.

Total operating expenses increased at an average annual growth rate of approximately 7.1%, from $83,701,000 in 2021 to $107,294,000 in 2025, reflecting system growth, inflationary pressures, and normal operating requirements.

The System has consistently generated positive net operating income. For each of the fiscal years ended December 31, 2021 through 2025, each of the System's utility divisions—electric, water, wastewater, and natural gas—produced positive net operating income on a stand-alone basis.

Debt service coverage has remained sound, exceeding applicable bond covenant requirements.

Historical Coverage

The following table sets forth summaries of Revenues, Expenses of Operating and Maintaining the System, Net Revenues, and the sum of Debt Service (as such terms are defined in the General Bond Ordinance) on the Parity Bonds for each of the Fiscal Years ended December 31, 2021 through 2025. The following calculation of coverage is consistent with the methodology applicable to the issuance of additional Bonds and determining compliance with the Rate Covenant under the General Bond Ordinance.

	FISCAL YEAR ENDED DECEMBER 31,				
	2021	2022	2023	2024	2025**
Revenues	$104,768,272	$114,045,744	$109,273,518	$113,256,502	$120,882,657
Expenses of O&M*	73,396,031	91,029,143	79,319,160	84,441,870	95,225,803
Net Revenues	$31,372,241	$23,016,601	$29,954,358	$28,814,632	$25,656,854
Debt Service	$6,302,448	$6,298,348	$6,297,987	$6,294,645	$6,799,341
Coverage	**498%**	**365%**	**476%**	**458%**	**377%**

*Expenses of Operating and Maintaining the System do not include capitalized expenditures or non-cash expenses for losses realized in connection with the disposal of assets.

** Debt Service does not include capitalized interest.

Projected Coverage

The following table sets forth the projected Revenues, Expenses of Operating and Maintaining the System, Net Revenues and Debt Service coverage for the Fiscal Years ended December 31, 2026 through 2030. The Fiscal Year 2026 projection conforms to the Commission's Fiscal Year 2026 budget. For the purposes of this forecast, Revenues, Expenses of Operating and Maintaining the System, Net Revenues and annual Debt Service have been determined according to the provisions of the General Bond Ordinance. The projections have been prepared by the Commission based upon assumptions developed by the Commission, which are summarized in the notes to the table. Such projections are forward-looking in nature, and there can be no assurance that the projections will be realized or that actual results will not differ materially from those projected, primarily because certain components of revenues and expenses are dependent on future results of operations and are beyond the control of the Commission.

	FISCAL YEAR ENDED DECEMBER 31,				
	2026	2027	2028	2029	2030
Revenues[1]					
Electric Revenues	$59,689,231	$60,007,363	$60,293,070	$60,714,240	$60,993,627
Gas Revenues	43,425,200	44,752,001	46,078,803	47,405,605	48,679,207
Water Revenues	11,298,569	11,510,642	11,723,180	11,935,718	12,148,257
Sewer Revenues	9,116,382	9,017,910	9,711,239	10,008,667	10,305,063
Other Operating Revenues	5,470,718	5,592,286	5,716,452	5,835,971	5,955,092
Total	$129,000,100	$130,880,202	$133,522,745	$135,900,201	$138,081,246
Expenses of O&M					
System Operating[2]	$24,602,892	$25,744,317	$26,944,702	$28,207,272	$29,535,433
Purchased Power[3]	41,512,857	41,866,242	42,206,787	42,630,482	43,020,934
Purchased Gas[4]	25,307,804	25,729,210	26,152,598	26,572,837	26,927,902
Total	$91,423,553	$93,339,768	$95,304,087	$97,410,591	$99,484,269
Net Revenues	$37,576,547	$37,540,433	$38,218,658	$38,489,610	$38,596,977
Debt Service					
Existing[5]	$6,680,814	$6,678,039	$6,257,681	$5,622,077	$5,407,901
Series 2026 Bonds[6]	-	833,429	1,181,238	1,181,238	1,181,238
2027A SRF Loan[7]	-	-	101,610	101,610	101,610
2027B SRF Loan[8]	-	-	167,122	167,122	167,122
Total	$6,680,814	$7,511,468	$7,707,650	$7,072,047	$6,857,870
Coverage	**562%**	**500%**	**496%**	**544%**	**563%**

[1] Revenue projection based on average growth rate by customer class.
[2] System expense projection based on a 5% escalating scale.
[3] Purchased power projection based on three-year average demand.
[4] Purchased gas projection based on historical PGA for time of year.
[5] Principal and interest requirements on existing outstanding debt for such fiscal year; excludes capitalized interest.
[6] Estimated. Excludes capitalized interest.
[7] Not exceeding $1,900,000, plus capitalized interest, if any, loan from the South Carolina Drinking Water Revolving Loan Fund to be evidenced by a promissory note to be made payable to the South Carolina Water Quality Revolving Fund Authority.
[8] Not exceeding $4,180,000, plus capitalized interest, if any, loan from the South Carolina Water Pollution Control Revolving Fund to be evidenced by a promissory note made payable to the South Carolina Water Quality Revolving Fund Authority.

Debt Service Requirements

Debt service, net of capitalized interest, on the Parity Bonds and the Series 2026 Bonds for the Fiscal Years indicated is shown in the table below.

Year Ended December 31,	Outstanding Parity Bonds	Series 2026 Principal	Series 2026 Bonds Interest	Series 2026 Total	Aggregate Debt Service
2026	$6,680,814				
2027	6,678,039				
2028	6,257,681				
2029	5,622,077				
2030	5,407,901				
2031	5,412,401				
2032	5,407,276				
2033	1,977,526				
2034	1,976,334				
2035	1,978,131				
2036	1,974,881				
2037	1,974,131				
2038	1,975,631				
2039	1,979,131				
2040	1,974,381				
2041	1,974,907				
2042	1,976,000				
2043	1,974,000				
2044	1,976,000				
Total*	$65,177,247	$	$	$	$

*Totals may not add due to rounding.

Budgets for Fiscal Years 2025 and 2026

The following table sets forth the budgeted revenues and expenses for of the System for the Fiscal Year ended December 31, 2025, the actual results for such Fiscal Year and the variance therefrom, and the currently budgeted revenues and expenses for the Fiscal Year ending December 31, 2026.

		2025		2026
	Budget	**Actual**	**Variance**	**Budget**
Operating revenues:				
Electric revenues	$56,141,665	$ 52,859,642	$(3,282,023)	$58,688,704
Gas revenues	32,489,996	39,821,397	7,331,401	41,489,161
Water and sewer service	19,791,903	19,406,175	(385,728)	23,019,844
Other operating revenues	3,899,967	4,625,023	725,056	3,810,236
Total operating revenues	**$112,323,531**	**$116,712,237**	**$4,388,706**	**$127,007,946**
Operating expenses:				
Purchased power	$40,649,389	$40,392,612	$256,777	$42,392,687
Purchased gas	17,206,233	25,799,339	(8,593,106)	25,277,785
Depreciation and amortization	10,800,000	12,068,389	(1,268,389)	10,257,714
Other operating expenses	41,989,092	29,033,852	12,955,240	34,697,166
Total operating expenses	**$110,644,714**	**$107,294,192**	**$3,350,522**	**$112,625,352**
Net operating revenue	**$1,678,817**	**$9,418,045**	**$7,739,228**	**$14,382,594**
Non-operating revenues (expenses):				
Interest expense	$(2,195,196)	$(2,194,031)	$1,165	$(2,089,778)
Intergovernmental revenues	-	6,093,595	6,093,595	-
Investment income	325,800	820,959	495,159	600,000
Transfers to the City of Greer	(1,000,000)	(1,000,000)	-	(1,000,000)
Gain on disposal of utility plant	-	322,814	322,814	-
Legal Settlement	-	536,791	536,791	-
Total other revenues (expenses), net	**$(2,869,396)**	**$4,580,128**	**$7,449,524**	**$(2,489,778)**
Change in net position before contributions	**$(1,190,579)**	**$13,998,173**	**$15,188,752**	**$11,892,816**
Capital Contributions	-	$7,685,279	$7,685,279	-
Change in net position	**$(1,190,579)**	**$21,683,452**	**$22,874,031**	**$11,892,816**

INVESTMENT CONSIDERATIONS

The following section is intended only as a summary of certain pertinent risk factors relating to an investment in the Series 2026 Bonds. This summary is not intended to be an exclusive summary of factors to be considered in connection with making an investment in the Series 2026 Bonds. *In order for potential investors to identify risk factors and make an informed investment decision, they should thoroughly review this entire Official Statement and the appendices hereto and confer with their own tax and financial advisors when considering a purchase of the Series 2026 Bonds.*

General

The Series 2026 Bonds are payable from and secured by a pledge of the Net Revenues of the System. Future revenues and expenses of the System are subject to conditions which may change in the future to an extent that cannot be predicted or determined at this time. No representation can be made, or assurance given, that the System will realize revenues in amounts sufficient to generate Net Revenues sufficient to allow the City to make payments of principal, interest, and premium, if any, on the Series 2026 Bonds. Future revenues and expenses of the System are subject to a variety of economic and other factors and conditions, including without limitation (i) the inability of the Commission's facilities to meet water, wastewater, electric and gas demands on the System, (ii) unforeseen decreases in demand due to the loss of a major customer, or downturns in local, regional, national and international economies or decreases in economic development at the local or state level, (iii) unanticipated increases in operating or administrative expenses, (iv) potential closure, or restrictions on the use, of the Commission's facilities due to unforeseen events or occurrences, acts of war, terrorism, epidemic, or disease in foreign countries or in domestic locations, (v) potential work stoppages due to labor disputes or other causes, (vi) the effects of global economic cycles, and (vii) other possible general, national, or local political or economic conditions, including inflation, deflation, general cost increases, international trade embargoes, international trade deficits or imbalances, deterioration of international trade relations, calls for a global reserve currency as an alternative to the United States dollar, among other factors. The occurrence of any one or more of the foregoing adverse events, and the other events described below, including events not enumerated in other sections of this Official Statement, may materially adversely affect the System's results of operations, cash flow, and financial condition.

Climate Change

Planning for climate change in the State and its impact on System operations is an unknown challenge. The State's climate is variable and projections of future conditions range significantly. While projections in the State indicate rising average temperatures, precipitation projections are much less clear and often contradictory. Other potential impacts include changes in the length, intensity, and frequency of droughts and floods. Such changes may lead to lower supply and higher demand for water services. The financial impact of climate change is not yet known and therefore its future impact on Net Revenues cannot be quantified reliably at this time.

Pension

As described in the notes to the audited financial statements of the Commission included as APPENDIX B hereto, eligible employees of the Commission participate in SCRS and the PORS. The amount of the Commission's allocation of the SCRS and PORS liability, portions of which are allocable to System operations, may increase in amounts that may or may not be material, depending on a variety of actuarial factors, and which the Commission cannot predict with any certainty. See also "THE COMBINED UTILITY SYSTEM – Fringe Benefits, Retirement and Health Insurance" herein.

Risk of Loss, Damage, or Destruction

The City has covenanted in the Bond Ordinance that it will cause the System to be continuously insured against physical loss or damage, and the Commission has covenanted and agreed under the Resolution to carry forth the duties and covenants imposed by the Bond Ordinance. There can be no assurance that the proceeds of insurance or other sources of funds available to the City and the Commission for purposes of replacing, repairing, rebuilding, or

restoring all or any portion of the System facilities that may be damaged or destroyed will be sufficient for such replacement, repair, rebuilding, or restoration.

Cybersecurity

Computer networks and data transmission and collection are vital to the efficient operations of the Commission and the System. Despite 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 Commission, 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 commercial operations, which could materially adversely affect the operations of the System.

To protect against a cybersecurity breach or failure, the Commission has undertaken a number of defensive or protective measures. The Commission utilizes specialized third parties to maintain the servers and cloud hosting for the billing and financial software applications used by the Commission. The Commission's information technology staff manages, maintains, and protects the other software and control applications for the System. Layered security is in place that includes multifactor authentication, scheduled vulnerability scanning, next generation endpoint security, and managed detection of all traffic through a third-party security service. The Commission conducts random phishing campaigns on its employees to help them identify and report potentially dangerous emails along with semi-annual cyber security training through its learning management system. Additionally, the Commission utilizes a next-generation anti-virus that is continuously monitoring for malware by a managed detection and response company. The same firm also monitors the Microsoft Office 365 tenant for suspicious behavior. All servers are hosted on an immutable storage area network (SAN) array with hourly snapshots that are replicated to another geographically separated array. The Commission archives desktops and servers to an on-premises immutable storage array and an immutable cloud storage provider. All systems are scanned for vulnerabilities and patched in a timely manner.

Despite protective measures, on or about June 26, 2025, the Commission became aware of suspicious activity in its network environment. The Commission promptly took the network offline and began an investigation to remediate the suspicious activity. On the date the suspected breach was discovered, the Commission retained the services of a specialized cybersecurity law firm to conduct an attorney-client privileged investigation into the suspicious activity in its environment. The forensics team reviewed all available evidence related to the suspicious activity and assisted the Commission in containment. It was determined that, during the time of the event, there was never a disruption to the supervisory control and data acquisition (SCADA) system related services. As such, there was no disruption to the Commission’s utility services and no functional changes that could harm individuals.

On September 4, 2025, the investigation determined the likely point of compromise. The investigation also revealed that certain information may have been copied by an unauthorized individual as part of the event. This activity occurred on or about June 19, 2025. The last sign of unauthorized activity was on June 26, 2025, when the Commission was alerted to the suspicious activity.

The Commission reviewed the likely impacted servers and determined that the potential impact to data was to a limited subset of customer data. On about September 26, 2025, the Commission hired a specialized data mining firm to assist in the review of the Commission’s data to determine what specific personal information may have been impacted as a result of this event. On November 6, 2025, the Commission finished its review of the potentially impacted information and determined to whom it belonged. On November 14, 2025, the Commission notified the potentially impacted individuals and applicable regulators. A complete system review and assessment by both internal and external entities was performed, post event, in July of 2025. Additionally, systemwide penetration testing was recently (in the fall of 2026) performed.

Other General Factors

The System has been, and may in the future be, affected by several other factors which could impact the financial condition and operations of the System. In addition to the factors discussed elsewhere herein, such factors include, among other things:

- Effects of compliance with rapidly changing regulatory and legislative requirements relating to climate, environmental matters, old infrastructure, and safety and permitting;

- The repeal of certain federal statutes that would have the effect of decreasing federal funding or changing federal tax policy, including the ability to issue tax-exempt obligations;

- Effects of changes in the economy, population, and demand of customers for services delivered by the System; and

- Possible federal or state regulatory or legal changes affecting the System's service area, necessary system improvements or maintenance, customer base or demand.

THE COMBINED UTILITY SYSTEM

In 1913, pursuant to citywide election, the City established the Commission for the purposes of providing electricity, water distribution and wastewater collection and treatment to the residents of the municipality. Pursuant to ordinance of the City Council enacted in 1950, the previously separate electric, water and wastewater systems of the Commission were combined into the System. In 1958, pursuant to ordinance, the City Council caused a natural gas unit to be added to what is now the present-day System.

The present service areas of the waterworks unit, wastewater unit, electrical distribution unit and natural gas distribution unit of the System, which include areas outside of the City limits, are generally described below under this heading. As of December 31, 2025, the Commission served approximately 110,369 utility meters within the System.

The Commission of Public Works

The Commission is the policy-making body of the System and, through the Commissioners, approves all major operating procedures, expenditures, capital improvements and rates and charges. All charges imposed upon customers for services tendered are presently imposed solely by the Commission and require no approval by the City, the Public Service Commission of South Carolina ("PSC") or any other State or local agency. The Commission makes recommendations to City Council for the issuance of bonds, but is otherwise authorized under State law to have full control and management of the System. As a matter of policy, the Commissioners continually review management's recommendations relating to capital improvements and service obligations and projections along with revenue requirements to meet these needs.

The members of the Commission are elected for six-year, staggered terms. The current Board members are as follows:

Name	Principal Occupation	Length of Time In Office	Expiration of Current Term
Jeffrey M. Howell (Chairman)	Realtor	28	2028
Eugene G. Gibson	Banker (retired)	44	2032
Perry J. Williams	Entrepreneur	17	2030

Marc Regier is the General Manager of the Commission. Mr. Regier previously served as the Operations Manager for seven years. Mr. Regier is the former Public Utilities Director for the City of Newberry, South Carolina. He has also filled the roles of Information System Director, Director of Technology, Senior Technical Consultant and Information Network Administrator. Mr. Regier has been in the utility and technical services fields for approximately 30 years.

Tim Baker serves as Operations Manager for the Commission, bringing nearly thirty years of leadership experience across the utility sector. His background spans senior roles in both the public and private sectors, including service as a Utility Director and Manager. Throughout his career, he has provided strategic oversight for numerous capital improvement initiatives and has contributed his expertise through service on various industry boards.

Angela Karcher, the Finance Manager of the Commission, has been employed with the Commission since November 11, 2013. Prior to being appointed Finance Manager, Mrs. Karcher held positions as Controller in several service industries in the Southeast and as Financial Analyst for a publicly traded REIT out of Chicago. She has over 30 years of experience in financial accounting and analysis.

Except for the design of major engineering projects, for which consultants are employed, System work is performed in-house. Construction and maintenance work is also performed in-house with the exception of major projects that are performed under contract. All accounting records are maintained by the Finance Department which is also responsible for billing, customer service, financial planning, investments, debt management, risk management, and human

resources. The Commission regularly updates technology and equipment to keep up with industry standards across all units of the System.

The Commission is divided into the primary divisions of: the waterworks unit, the wastewater unit, the electrical unit, the natural gas unit and administration/support. The Commission presently has approximately 100 full-time employees, none of whom are unionized.

Budget Procedure; Rate-Setting

The Fiscal Year of the System ends on December 31. Each July, the department managers prepare expense and capital improvement budgets, and the General Manager's staff prepares a revenue forecast, for the upcoming Fiscal Year. In August, the department heads meet with the General Manager and Operations Manager to review their budgets and to review the adequacy of rates then in effect. A compiled budget is then submitted to the Board by October and approved during the November Board meeting.

The Commission, through the Board, has the authority to set rates for all of the System's operating units as may be necessary for the operation of the System.

Fringe Benefits, Retirement and Health Insurance

Generally, all employees of the Commission participate in one of two defined benefit pension plans administered by the State, the South Carolina Retirement System ("SCRS") and the Police Officers Retirement System ("PORS"), both of which are cost-sharing, multiple-employer public employee retirement plans. The SCRS and PORS offer retirement and disability benefits, cost-of-living adjustments on an ad-hoc basis, life insurance benefits and survivor benefits. The plans' provisions are established under Title 9 of the Code of Laws of South Carolina 1976, as amended ("Title 9").

Both employees and the Commission are required to contribute to the SCRS and the PORS at rates established under the authority of Title 9. The Commission's contributions are actuarially determined, but are communicated to and paid by the Commission as a percentage of the employee's annual earnings. Act No. 13 of 2007 ("Act No. 13") was signed by the Governor of the State on April 25, 2017. This new law increased the employer contribution rate to 13.56% for the SCRS and 16.24% for the PORS beginning July 1, 2017. Employer rates continued to increase annually by 1% through July 1, 2023, which resulted in the employer rates totaling 18.56% for the SCRS and 21.24% for the PORS for all or portions of Fiscal Year 2024 as shown in the tables below. Act No. 13 also caps the employee contribution rates at 9% of the employee's annual compensation for the SCRS and at 9.75% of the employee's annual compensation for the PORS, and permits, after June 30, 2027, a decrease in employer and employee contribution rates in equal amounts if the ratio between the actuarial value of retirement system assets and the actuarial value of retirement system liabilities is equal to or greater than 85%, lowers the assumed annual rate of return on pension investments from 7.5% to 7.25% (with a new annual rate of return to be set no later than July 1, 2021 and every four years thereafter; such annual rate of return currently set at 7.00%), and for some years reduces the funding period of unfunded liabilities from 30 to 20 years. The Commission has paid all required contributions from fringe benefits and insurance as they have come due. There are no liabilities for underfunding such benefits.

Required employer contribution rates during the Fiscal Years ending December 31, 2024 and December 31, 2025 are as follows:

SCRS	PORS
18.56% of earnable compensation	21.24% of earnable compensation

For the Fiscal Years ended December 31, 2024 and December 31, 2025, the Commission recognized pension expense for the SCRS plan of $1,151,038 and $546,203, respectively, and pension expense for the PORS plan of $(7,930) and $(11,772), respectively, for a total pension expense for the SCRS and PORS plans of $1,143,108 and $534,431, respectively. For the Fiscal Years ended December 31, 2024 and December 31, 2025, the Commission

contributed $1,699,741 and $1,873,211, respectively, to the SCRS, and contributed $20,659 and $24,963, respectively, to the PORS, for total contributions of $1,720,400 and $1,898,174, respectively.

In addition to participation in SCRS and PORS, the Commission provides certain other postemployment benefits ("OPEB") under a single-employer benefit plan that provides medical and dental insurance for certain retired employees and their spouses based on the years of service at the time of the applicable employee's retirement. The Commission's total OPEB expense as of December 31, 2024 and December 31, 2025 was ($126,198) and ($147,007), respectively. The OPEB benefits described in this paragraph only apply to certain retired, former employees of the Commission, and are no longer being provided to current employees of the Commission upon their retirement.

The System also has a self-insured group health plan through BlueChoice Healthplan administered by BlueChoice. Dependent health insurance is optional, with the employee paying a portion of the expense. The System also provides a $50,000 term basic life insurance policy. Employer's claims paid on behalf of System employees totaled $2,382,327 for the Fiscal Year ended December 31, 2025.

The System has paid as required contributions for fringe benefits and insurance as they come due and there are no liabilities for underfunding of such benefits.

Liability Insurance

The State Supreme Court, in the case of *McCall v. Batson* on April 18, 1985, established the doctrine of sovereign immunity in the State. In response to this decision the South Carolina General Assembly in its 1986 session enacted the South Carolina Torts Claim Act (the "Tort Claims Act"), which established a qualified doctrine of sovereign immunity with respect to local governments in South Carolina. Subject to specific immunity set forth in the 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. No punitive or exemplary damages are permitted under the Tort Claims Act. Insurance protection to units of local government is provided from either the South Carolina Insurance Reserve Fund established by the State Fiscal Accountability Authority, private carriers, self-insurance or pooled self-insurance funds. The Commissioners currently maintain liability insurance coverage with the South Carolina Insurance Reserve Fund in the amount of $1,000,000 per occurrence. In the estimation of the Commissioners, the amount of liability coverage maintained by the City is sufficient to provide protection against any loss arising under the Tort Claims Act.

The Waterworks Unit

General. The waterworks unit of the System was established in 1914. The Commission owns and manages two raw water reservoirs. Lake Cunningham is the Commission's primary water supply, and was constructed on the South Tyger River in 1957 and is approximately 200 surface acres in size. Lake Robinson, the Commission's secondary water supply, was constructed just north of Lake Cunningham in 1984 and includes approximately 800 surface acres in size.

The Commission's water treatment facility is located at Lake Cunningham and has a treatment capacity of 24 million gallons per day ("MGD") with an average daily flow of 9.6 MGD. The water distribution system operates on three gradient levels, a high level system (1,272 ft. mean sea level ("MSL")), intermediate level system (1,130 ft. MSL), and a low-level system (1,104 ft. MSL). Each level operates from two elevated storage tanks for a total capacity of 5.75 million gallons.

Regulation. The Commission was under the jurisdiction of the South Carolina Department of Health and Environmental Control ("DHEC") in regard to water quality through June 30, 2024. As of July 1, 2024, DHEC was dissolved and its responsibilities were absorbed by two newly created agencies of the State: the Department of Public Health and the Department of Environmental Services ("DES"). Since July 1, 2024, the Commission has been under the jurisdiction of DES with respect to water quality. DES requires that each water system in the State of the Commission's size maintain a certified laboratory and perform system analysis checks throughout the month, with monthly reports forwarded to DES. The Commission maintains a State-certified laboratory that currently meets all

DES and U.S. Environmental Protection Agency ("EPA") requirements. Potable water as produced currently meets all EPA Safe Drinking Water Act standards.

Federal and State standards that currently regulate and control operation of the System may change from time to time as a result of continuing legislative, regulatory and judicial action. Such changes may affect conditions of the Commission's DES permits or cause the Commission to undertake certain System improvements in order to comply therewith. For example, in April 2024, the EPA finalized a rule establishing enforceable drinking water standards for certain per- and polyfluoroalkyl substances ("PFAS"). Public water systems must perform monitoring for PFAS for a period of three years, and if the monitoring shows that drinking water levels exceed the standards, the systems will have an additional two years to implement solutions to reduce the PFAS before compliance with the standards is legally required.

Service Area. The Commission serves all the population within the City limits and surrounding areas, supplying potable water to 24,182 customers. The waterworks unit currently serves an area of approximately 95 square miles, including the City limits and surrounding areas. A map of the water unit's service area is included in Appendix E hereto.

The following table provides the total number of water service meters of the Commission, inside and outside of the City, for the Fiscal Years given:

Year Ended Dec. 31	No. of Meters Inside City	No. of Meters Outside City	No. of Meters Industrial	No. of Meters Fire Protection	No. of Meters Irrigation	No. of Meters Wholesale*	No. of Meters Other	Total Meters
2025	16,749	7,920	6	40	1,085	1	32	25,833
2024	16,087	7,755	6	41	794	1	23	24,707
2023	14,712	8,221	4	41	725	1	23	23,727
2022	14,462	7,291	3	41	714	1	27	22,539
2021	14,000	7,173	4	41	713	1	21	21,953

*Blue Ridge Rural Water Company was the Commission's sole wholesale water customer in each of the above Fiscal Years.

Rates and Connection Fees. Historically, the Commission has adjusted the rates of the water unit to recover operation and maintenance expenses, depreciation and cost of capital improvements (including debt service) with respect to the waterworks unit. Most recently, the facilities charges for water service were increased by 2.5% as of January of 2026. The present water rates of the Commission are billed on a monthly basis, and are as follows:

Residential and Small Commercial (Including Fire Protection and Irrigation) Service

Water service is provided by the Commission to meters serving residential and small commercial customers, including water for fire protection and irrigation, subject to the "Facilities Charges" (monthly minimum charges) and "Volume Charges" (charges for water usage) in the amounts set forth in the tables below:

Facilities Charges			
Inside the City		Outside the City	
Meter Size	Facility Charge	Meter Size	Facility Charge
3/4" or 5/8"	$10.09	3/4" or 5/8"	$14.45
1"	25.22	1"	36.13
1.5"	50.43	1.5"	72.26
2"	80.69	2"	115.62
3"	161.38	3"	231.24
4"	252.15	4"	361.31
6"	504.30	6"	722.63
8"	806.88	8"	1,156.20
10"	806.88	10"	1,156.20

Volume Charges		
	Inside the City	Outside the City
First 4,000 gallons:	$1.41 per 1,000 gallons	$2.120 per 1,000 gallons
All over 4,000 gallons:	$1.72 per 1,000 gallons	$2.821 per 1,000 gallons

Master Meters

Water service is provided to commercial water customers that provide multi-family residential dwellings (i.e., apartments, duplexes, etc.) or business complexes subject to the monthly Facilities Charges and Volume Charges set forth below:

Facilities Charges	
Inside the City	Outside City
$10.09 multiplied by the number of units that the master meter serves.	$14.45 multiplied by the number of units that the master meter serves.

Volume Charges		
	Inside the City	Outside the City
First 4,000 gallons:	$1.41 per 1,000 gallons	$2.120 per 1,000 gallons
All over 4,000 gallons:	$1.72 per 1,000 gallons	$2.821 per 1,000 gallons

Industrial Water Service

The rates described below are available only by contract to industrial customers which are located within the Commission's service area and inside the corporate limits of the City, and which will require demands in excess of 1,000,000 gallons per month. Charges for such industrial customers are comprised of Facilities Charges and Volume Charges as set forth below:

Facilities Charges	
Meter Size	Facility Charge
3/4" or 5/8"	$31.14
1"	77.85
1.5"	155.70
2"	249.12
3"	498.23
4"	778.49
6"	1,556.98
8"	2,491.16
10"	2,491.16

Industrial customers located within the Commission's service area and inside the corporate limits of the City, and which require in excess of 1,000,000 gallons per month customers also pay monthly Volume Charges for water usage at a cost of $2.07 per 1,000 gallons, at a minimum of 1,000,000 gallons per month, resulting in a minimum monthly Volume Charge of $2,070.00, which, when combined with the applicable Facility Charge, will result in a minimum monthly bill as follows:

Minimum Industrial Bill	
Meter Size	Minimum Bill
3/4" or 5/8"	$2,101.14
1"	2,147.85
1.5"	2,225.70
2"	2,319.12
3"	2,558.23
4"	2,848.49
6"	3,626.98
8"	4,561.16
10"	4,561.16

Waterworks Capacity Fees

Beginning in September 2000, the Commission initiated a policy of charging developers and consumers capacity fees related to the direct capitalized costs of installing new services in previously undeveloped parts of its service area, with respect to the waterworks system. These fees serve to recover a portion of the economic impact to the Commission directly relating to these system expansions and may be used to directly fund such improvements or to pay a portion of the debt service on debt issued to fund such improvements. Although treated as Contributions in the financial statements, revenues from these capacity fees meet the definition of Revenues that may be pledged to the bondholders for payment of debt service. $550,528 and $672,800 for the Fiscal Years ended December 31, 2025 and 2024, respectively, were collected in waterworks capacity fees. Such Revenues are appropriately included in the debt service coverage calculations (see "THE COMBINED UTILITY SYSTEM – Historical Debt Service Coverage").

Based on the findings of a study on the Commission's waterworks and wastewater capacity fees, on October 28, 2024 the Commission approved increased waterworks capacity fees, effective January 1, 2025. The amounts of the waterworks capacity fees previously charged by the Commission, and the waterworks capacity fees that went into effect on January 1, 2025, are set forth in the table below.

Residential, Commercial and Commercial Irrigation Capacity Fees*		
Meter Size	Prior Fee Amount	Current Fee as of January 1, 2025
5/8"	$800	$1,504
1"	2,000	3,760
1.5"	4,000	7,520
2"	6,400	12,032
3"	12,800	24,064
4"	20,000	37,600
6"	40,000	75,200
8"	64,000	120,320

*The Commission's water capacity fees are the same for residential meters, commercial meters and commercial irrigation meters within each meter size. Commercial irrigation meters range from 5/8" to 2". Capacity fees are not charged on detached single-family residential 5/8" or 3/4" irrigation only connections or on dedicated fire service connections.

Listed below are the average and peak quantities of finished water supplied by the water treatment plant of the System for Fiscal Years given, rounded to the nearest million gallons per day:

Year Ended December 31	Average MGD	Peak MGD
2025	10	20
2024	10	21
2023	9	18
2022	10	18
2021	9	17

The table below classifies water consumption (in thousands of gallons) by inside city limits and outside city limits sales for the Fiscal Years given:

Year	Inside City	Outside City	Total
2025	1,188,939	619,210	1,808,149
2024	1,167,033	630,779	1,797,812
2023	1,089,283	620,073	1,709,356
2022	1,084,256	617,211	1,701,467
2021	906,942	551,318	1,458,260

Ten Largest Customers. The table below sets forth the ten largest water customers by consumption during Fiscal Year ended December 31, 2025, and related information:

Customer	Consumption (in thousands of gallons)	Revenues	Percentage Revenues
Blue Ridge Water Company Inc.*	920,397	$2,069,801	19.21%
BMW of North America, LLC	270,745	652,806	6.06%
Mitsubishi Polyester Films, LLC	92,059	189,985	1.76%
Greer Commission of Public Works**	86,744	162,478	1.51%
Cliffstar Corporation	85,330	147,462	1.37%
Greenville-Spartanburg International Airport	44,969	175,335	1.63%
Greer Hospital System	17,187	34,730	0.32%
Greenville County School District	13,074	35,311	0.33%
Preserve at West View Apartments	12,594	48,799	0.45%
WC Greenville LLC	10,889	37,902	0.35%

Source: Commission's 2025 Annual Comprehensive Financial Report

*Pursuant to a wholesale water contract renegotiated in October 1994, the Commission is to supply water to Blue Ridge Water Company Inc. for a period of 40 years or until the earlier prepayment by Blue Ridge of certain indebtedness incurred with the USDA. This contract provides for the sale of up to 50 million gallons of water per month (including a minimum monthly purchase of three million gallons), at a monthly volume charge of $950 for the first one million gallons, and $0.90 per 1,000 gallons thereafter.

**Internal sales to other operating utilities of the System.

The Wastewater Unit

General. The wastewater unit of the System was established in 1914 and provides wastewater collection, treatment and disposal. The Commission operates one wastewater treatment facility. The Maple Creek treatment plant was put into operation by the Commission in the 1950s.

The South Tyger regional pump station is located on the South Tyger River and presently services primarily domestic and commercial sanitary wastes from the northern regions of the City, including U.S. Highway 29 (Wade Hampton Boulevard), and certain outlying areas, including the Apalache community. This pump station was constructed in 1999 to transfer wastewater from this basin to Maple Creek. This station replaced an outdated waste treatment facility constructed in 1966.

The Maple Creek plant presently experiences an average daily processing flow of 3.03 MGD. Capacity of the Maple Creek plant is currently 5.0 MGD, having undergone a series of upgrades and improvements since 1997. In addition to upgrades needed to increase capacity from 1.75 MGD in 1997 to the current capacity of 5.0 MGD, improvements to the Maple Creek plant over that time have also included significant improvements to the headworks, influent pumping and sludge handling facilities. The table below sets forth the average and maximum daily treatment at the Maple Creek plant in each of the Fiscal Years commencing 2021 to and including 2025.

Fiscal Year	Average Daily Treatment (MGD)	Maximum Daily Treatment (MGD)
2021	2.58	4.71
2022	2.62	4.71
2023	2.87	6.15
2024	3.00	5.00
2025	3.00	5.00

Pursuant to agreement with the Commission dated September 1993, Renewable Water Resources ("ReWa"), a special purpose district located in Greenville, Laurens, Anderson and Spartanburg Counties (formerly known as Western Carolina Regional Sewer Authority), presently provides wastewater treatment service for the Commission's

wastewater customers in a predominantly residential and small commercial (except for Mitsubishi Chemical America, Inc., Refresco Beberages and Vericor Power Systems, Inc.) service area southwest of the City, known as the Enoree (River) Basin. Pursuant to this agreement, ReWa is presently treating an average of approximately 45 million gallons per month of wastewater collected from this basin.

Wastewater collection is accomplished through approximately 275 miles of gravity lines and 31 miles of force mains for a total of 306 miles maintained by the Commission.

Regulation. The Commission is under the jurisdiction of DES regarding wastewater treatment and discharge. Presently the Commission's Maple Creek Wastewater Treatment Plant is operating under, and in compliance with, the National Pollutant Discharge Elimination System (NPDES) permit which has been issued by DES.

Service Area. The wastewater unit currently serves an area of approximately 56 square miles, including the City limits and surrounding areas. In this respect, the wastewater unit serves primarily residents, businesses and industries within the City, as well as certain outlying areas to the south of the City. The Commission's gravity wastewater service is limited to the South Tyger Basin. As discussed above, wastewater treatment for customers of the System in the Enoree Basin is provided by ReWa. A map of the wastewater unit's service area is included in Appendix E hereto.

Rates and Connection Fees. Historically, the Commission has adjusted the rates of the wastewater unit to recover operation and maintenance expenses, depreciation and cost of capital improvements (including debt service) of the wastewater unit. The facilities charges were last increased as of January of 2026. The present wastewater rates of the Commission are as follows:

Residential and Small Commercial

	Inside City	Outside City
Facilities Charge (minimum monthly charge, all meter sizes):	$15.39	$21.40
Volume Charge:*	$4.607 per 1,000 gallons	$6.127 per 1,000 gallons

*Residential customers are not billed for monthly flows in excess of 8,000 gallons during the months of May through October.

Commercial and Industrial

Facilities Charge (minimum monthly charge, all meter sizes):	$78.99
Volume Charge:	$6.310 per 1,000 gallons

Enoree Basin Residential

	Inside City	Outside City
Facilities Charge (minimum monthly charge, all meter sizes):*	$1.27	$19.35
Volume Charge:*	$1.632 per 1,000 gallons	$2.215 per 1,000 gallons

*Facility and volume charges of ReWa, which are collected by the Commission, are not included in this table.

Enoree Basin Commercial and Industrial

Facilities Charge (minimum monthly charges, all meter sizes):*	$20.84
Volume Charge:*	$ 1.327 per 1,000 gallons

*Facility and volume charges of ReWa, which are collected by the Commission, are not included in this table.

Wastewater Capacity Fees

Beginning in September 2000, the Commission initiated a policy of charging developers and consumers capacity fees related to the direct capitalized costs of installing new services in previously undeveloped parts of its service area, with respect to the wastewater unit of the system. These fees serve to recover a portion of the economic impact to the Commission directly relating to these system expansions and may be used to directly fund such improvements or pay a portion of the debt service on debt issued to fund such improvements. Although treated as Contributions in the financial statements, revenues from these capacity fees meet the definition of Revenues that may be pledged to the bondholders for payment of debt service. $2,475,119 and $1,384,800, for the Fiscal Years ended December 31, 2025 and 2024, respectively, were collected in wastewater capacity fees. Such Revenues are appropriately included in the debt service coverage calculations (see "THE COMBINED UTILITY SYSTEM – Historical Debt Service Coverage").

Based on the findings of a study on the Commission's waterworks and wastewater capacity fees, on October 28, 2024 the Commission approved increased wastewater capacity fees, effective January 1, 2025. The amounts of the wastewater capacity fees previously charged by the Commission, and the wastewater capacity fees that went into effect on January 1, 2025 are set forth in the table below.

Residential & Commercial Capacity Fees		
Meter Size	Prior Fee Amount	Current Fee as of January 1, 2025
5/8"	$1,200	$5,739
1"	3,000	14,348
1.5"	6,000	28,695
2"	9,600	45,912
3"	19,200	91,824
4"	30,000	143,475
6"	60,000	286,950
8"	96,000	459,120

Tap fees for wastewater connections inside the City limits are $500 per residential connection and $1,200 per commercial connection; and for outside the City limits are $650 for residential taps and $2,250 for commercial taps.

Number of Active Meters. The table below sets forth the number of active service meters of the wastewater unit, both in the City and out of the City, for the Fiscal Years provided:

Year	Inside City	Outside City	Wastewater services, no water	Enoree Basin, Inside City	Enoree Basin, Industrial	Other*	Total
2025	10,813	1,267	5	6,792	303	4	19,184
2024	11,333	1,243	3	6,753	198	4	19,534
2023	8,935	1,172	3	6,188	192	3	16,493
2022	8,950	1,179	3	6,110	189	3	16,434
2021	8,587	1,186	3	5,813	197	3	15,789

*Meters serving Blue Ridge.

Ten Largest Customers. The table below sets forth the ten largest wastewater system customers by consumption during Fiscal Year ended December 31, 2025, and related information:

Customer	Consumption (in thousands of gallons)	Revenues	Percentage Revenues
BMW of North America, LLC	140,085	$833,518	9.66%
Mitsubishi Polyester Film, LLC	139,531	399,203	4.63
Cliffstar Corporation	53,430	72,847	0.84
Greenville-Spartanburg International Airport	53,060	184,627	2.14
Greer Hospital System	47,114	136,016	1.58
Textron Inc.	30,454	102,138	1.18
Greenville County School District	30,366	89,909	1.04
Crescent Park Commons	27,516	238,807	2.77
Preserve at West View Apartments	24,724	92,203	1.07
WC Greenville LLC	20,333	77,634	0.90

Source: Commission's 2025 Annual Comprehensive Financial Report.

The Electric Unit

General. The electric unit of the System was established in 1914, with the Commission at that time providing for the generation and distribution of electricity to City residents. The City ceased generating electricity in 1927 and at that time commenced the purchase of power from outside electric utilities to provide its supply of electricity.

Prior to 1985, the Commission purchased from Duke Power, predecessor to Duke Energy Corporation ("Duke"), most of its electric power requirements in excess of allotments of power from federally owned facilities through the Southeastern Power Administration ("SEPA"). Commencing June 1985, the Commission began purchasing its supply of electrical power from Piedmont Municipal Power Agency ("PMPA"), a joint public agency consisting of ten municipal participants, of which the City is a charter member. See "-- Piedmont Municipal Power Agency" under this heading below for a summary description of PMPA and the power sales arrangements. As a participant in SEPA, the Commission is reserved a demand of 10,231 kW (kilowatts) per day from three federal hydroelectric projects, and is allocated 15.92% of the energy, less losses, made available from these projects. Approximately 9% of the Commission's power needs are purchased annually from SEPA.

The electric unit is made up of five substations operating 35 circuits. A distribution of 12,470 volts of electricity is managed with an estimated 219 miles of overhead distribution facilities and approximately 303 miles of underground facilities.

Service Area. The electric unit currently serves an area of approximately 35 square miles, including the City limits and surrounding areas. A map of the electric unit's service area is included in Appendix E attached hereto.

By agreement dated March 21, 1997, the Commission, the City, PMPA, Duke and Laurens Electric Cooperative, Inc. ("Laurens") settled two related lawsuits which had been filed in early 1996. The subjects of the lawsuits were certain ordinances adopted by the City Council, which, among other things, attempted to establish (i) certain service areas within existing and future City limits among the Commission, Duke and Laurens for the provision of electric service and (ii) a business license fee with respect to the Commission and PMPA. The Commission and PMPA objected that the ordinances were unlawful and/or violated certain contractual commitments.

In addition to establishing that the City will not impose the business license tax referred to above, the settlement, among other things, establishes between the parties electric service territorial rights related to existing and future City limits. In this respect, the settlement provides for the following:

(i) the Commission has the exclusive right to serve all premises within the City limits as they existed prior to 1984, excluding those premises (approximately 300 residential and commercial accounts) served by Duke as of the date of the settlement;

(ii) the Commission has the exclusive right to serve all premises (approximately 200 residential and commercial accounts) located in portions of the City annexed after 1983 but prior to the date of the settlement, with the exception of

(a) future 750kW and above customers which shall be subject to competition between the Commission and Duke; and

(b) those premises (two commercial customers) currently being served by, or under contract with, Duke or Laurens;

(iii) areas annexed into the City after the date of settlement but previously assigned by the PSC to Duke or Laurens shall be subject to competition among the Commission and the electric supplier to which the PSC had originally assigned the territory, except that in the area (south of Interstate I-85, between State Highways 14 and 101) previously assigned by the PSC to Laurens, new 750kW or greater Customers shall be subject to competition among the Commission, Duke and Laurens;

(iv) after October 1, 1996, all newly annexed areas in unassigned territories west and north of the present City limits are to be served exclusively by the Commission, except for 750kW or greater customers, which shall be subject to competition between the Commission and Duke; and

(v) in the unassigned area adjacent to DeYoung Road and Interstate 85, customers of 750kW or above shall be subject to competition among the Commission, Duke and Laurens.

Kilowatt Hours Consumption and Sales. The table below lists the total electric consumption in kilowatt hours ("kWh") and sales of the Commission's electric unit for the Fiscal Years given:

Fiscal Year Ended December 31	Consumption (kWh) Residential	Consumption (kWh) Commercial	Consumption (kWh) Rental & Street Lights	Consumption (kWh) Commission Usage	Sales Total**
2025	250,454,000	194,094,000	968,000	4,728,000*	$53,919,000
2024	245,445,000	196,192,000	591,000	4,263,000*	53,700,000
2023	224,581,000	194,448,000	777,000	229,000	50,254,000
2022	222,447,000	192,600,000	770,000	227,000	49,940,000
2021	214,340,000	187,335,000	1,207,000	211,000	47,025,000

*Consumption by Commission Usage in Fiscal Years 2024 and 2025 appears higher due to a change in metering of Commission usage related to certain street lighting.
**Sales totals shown include facility fees and usage rates and charges and other operating revenue.

Peak Electric Demand. The table below lists the non-coincident peak demand ("NCP") from the portions of the electric unit's service area for which power is obtained through Laurens Electric Cooperative ("LEC") and the NCP from the portions of the electric unit's service area for which power is not obtained through LEC, as well as the month of the peak demand, for Fiscal Years 2020 through 2025.

Year	Month of Peak	kWh* NCP (w/o LEC)	kWh* NCP (w/LEC)
2020	July	92,224	98,578
2021	July	94,130	101,305
2022	June	100,902	108,570
2023	August	102,315	110,574
2024	July	104,362	113,737
2025	June	108,350	118,459

*Kilowatt hours consumed during the peak month indicated.

Rates and Facility Fees. The tables below set forth the current rates and facility fees for the electric unit of the System. The monthly facility charges and rates per kWh for residential customers are set forth below.

Residential

Facility Charge	$12.47
Usage Fees and Charges	
First 1,000 kWh	$0.1088284
Excess of 1,000 kWh	$0.1198614

Commercial customers are distinguished as either "Small Commercial" or "Large Commercial" by the Commission for purposes of setting monthly facility charges and rates per kWh. Small Commercial customers are designated by the Commission as those having a load demand not exceeding 30,000 kWh per month, while Large Commercial customers are those whose load demand is anticipated to exceed 30,000 kWh per month.

Small Commercial

Facility Charge	$13.72
Usage Fees and Charges	
First 3,000 kWh	$0.1384835
Excess of 3,000 kWh to and including 6,000 kWh	$0.1095676
Excess of 6,000 kWh	$0.0994524

Large Commercial

Facility Charge	$22.00
Load Capacity (all kW)	$11.40
Usage Fees and Charges (all kWh)	$0.0714

For customers that own or control renewable electric generation equipment and capability, the Commission provides on and off-peak electric demand credits against such customer's bills. Below is a table of the current on and off-peak credit amounts provided to customers by the Commission.

Renewable Generation per kWh

On-Peak Credit	$0.0654000
Off-Peak Credit	$0.0425100

Number of Meters. The table below shows the number of active residential, commercial (large and small), time of use (net), rental and street lighting and other meters of the electric unit of the System in each of the Fiscal Years provided:

Fiscal Year Ended Dec. 31	Residential	Small Commercial	Time of Use	Large Commercial	Rental and Street lighting	Other	Total
2025	23,192	4,028	6	352	3,869	34	31,481
2024	21,925	2,218	6	350	8,765	702	33,966
2023	21,216	2,256	6	360	9,058	660	33,556
2022	20,363	2,165	6	346	8,694	633	32,207
2021	19,362	2,098	6	354	10,759	468	33,047

Ten Largest Electrical Customers. The ten largest electrical users by consumption for the fiscal year ended December 31, 2025, are as follows:

Customer	Consumption (MWh)	Revenues	Percentage Revenues
Greer Commission of Public Works	15,970	$1,240,743	2.35%
Greer Hospital System	9,668	953,869	1.80%
Village Hospital	9,151	799,429	1.51%
Greenville County School District	7,716	876,355	1.66%
Cliffstar Corporation	7,631	688,142	1.30%
BMW of North America, LLC	5,091	571,180	1.08%
City of Greer	3,536	945,236	1.79%
Wal-Mart Stores, Inc.	2,924	288,449	0.55%
Ingles	2,560	234,752	0.44%
Huntington Foam	1,813	196,975	0.37%

Source: Commission's 2025 Annual Comprehensive Financial Report.

Piedmont Municipal Power Agency

The City, acting through the Commission, is a charter member of PMPA, which was formed in 1979. PMPA is a public body corporate and politic of the State consisting of 10 municipalities in South Carolina, which purchase electric power from PMPA. PMPA purchased from Duke a 25% undivided ownership interest in Unit 2 of Duke's Catawba Nuclear Station on Lake Wylie in York County, South Carolina, the other 75% undivided interest being owned by North Carolina Municipal Power Agency Number 1, a joint agency of the State of North Carolina. The Catawba Project (as defined below) was most recently relicensed by the Nuclear Regulatory Commission in 2003, extending the operating license to December 2043.

The City (acting through the Commission) and the other South Carolina municipalities (some acting through their respective commissions of public works) have agreed pursuant to the Catawba Project Power Sales Agreement ("Power Sales Agreement"), in exchange for a share of the power and energy from the Catawba Nuclear Station (the "Catawba Project"), to take or pay for the costs of their shares of the Catawba Project output whether or not the Catawba Project is operable or operating and notwithstanding the suspension, interruption, interference, reduction or curtailment of the Catawba Project output, or the power and energy contracted for, for any reason whatsoever. Such costs are (to the extent they are not costs of acquisition and construction or payable under the Supplemental Power Sales Agreement as described below) all of PMPA's costs resulting from or attributable to the ownership, operation, maintenance, termination, retirement from service and decommissioning of, necessary repairs, renewals, replacements, additions, improvements and modifications to, the Catawba Project, including, without limitation, the amount PMPA is required to deposit monthly into funds or accounts established in connection with payment of principal of and interest on any electric revenue bonds issued by PMPA in connection with the Catawba Project, and all costs and expenses related to injury and damage claims required to be paid by PMPA in connection with the Catawba Project but not public liability of PMPA in excess of that provided for by the Atomic Energy Act of 1954, as amended from time to time, or any successor statute. Payment of such costs is not subject to any reduction by offset or otherwise and is not conditioned upon the performance or nonperformance by PMPA or any of the participants under the Power Sales Agreement.

The Commission has obligated itself to purchase its bulk power supply from PMPA. The term of the Power Sales Agreement extends until all payments on certain other agreements relating to the Catawba Project have been paid or provided for, but in any event, not later than August 1, 2035, but neither termination nor expiration of the Power Sales Agreement will affect any accrued liability or obligation thereunder, including, without limitation, the cost of decommissioning the Catawba Project.

Upon failure of the Commission or any other participant to make any payment resulting in a default under its respective Power Sales Agreement and if such defaulting participant's share of the Catawba Project output cannot otherwise be sold or transferred, the share of the Catawba Project output of each non-defaulting participant will automatically be increased for the remaining term of the Power Sales Agreement pro rata with those of the other non-defaulting participants; provided, that the sum of such increases for any non-defaulting participant shall not exceed, without its consent, an accumulated maximum of 25% of its share of the Catawba Project output prior to any such increases. Thus, the Commission's share of Catawba Project output (and take or pay obligation) will not in any event exceed 11.677% of total Catawba Project output without its consent. A defaulting participant will not, however, be relieved of its payment obligation under its Power Sales Agreement except to the extent that, in the event of a sale or transfer, PMPA shall have received payment from the purchaser of the share.

PMPA purchases from the South Carolina Public Service Authority (Santee Cooper) the additional power and energy required to meet the bulk power supply requirement of all participants. The Commission's share of the Catawba Project output is 9.3416%. PMPA bills each participant monthly for its power costs, including its share of the debt service on bonds issued by PMPA. The Commission's obligations under the Power Sales Agreement are payable as an operating expense of the electric unit of the System (including all properties and assets used or pertaining to the generation, transmission, transformation, distribution, and sale of electric power and energy) solely from the revenues of such unit. The Commission has paid the following amounts for the purchase of capacity and energy from PMPA:

Fiscal Year	Purchase Amount
2021	$31,896,628
2022	32,657,142
2023	34,344,610
2024	38,889,320
2025	39,561,459

The Commission, with the assistance of PMPA, is in the process of selling its entire output entitlement from the Catawba Project under the Power Sales Agreement. PMPA is also assisting other PMPA members to sell all or a portion of their respective output from the Catawba Project under the Power Sales Agreement. PMPA and the Commission received several positive proposals to purchase such Catawba Project output. The Commission expects agreed upon commercial terms for the sale of its output entitlement from the Catawba Project by late Fall 2026 or early Winter 2027. It is expected that the Commission will defease all of its share of PMPA bond obligations with this transaction and have material proceeds remaining. Upon such transfer of output entitlement from the Catawba Project, the Commission will be responsible to purchase and transport replacement bulk power supply. This bulk power supply and transmission service will be provided in conjunction with the Commission's supplemental power arrangement commencing no later than December 31, 2028 in the Power Purchase Agreement as defined and further described below. Specifically, this new arrangement will be an all-requirements agreement (subject to exceptions) upon the transfer of output of the Catawba Project.

The City, acting through the Commission (and other South Carolina municipalities (some acting through their respective commissions of public works)) also entered into a Supplemental Power Sales Agreement with PMPA under which the Commission has agreed, in exchange for its electric power and energy requirements (exclusive of any purchased from Southeastern Power Administration) in excess of those supplied under the Power Sales Agreement and from any future PMPA projects not financed with bonds issued under the current existing PMPA bond resolution, to pay for its share of supplemental power costs to the extent delivered and supplied. In the Supplemental Power Sales Agreement, PMPA also provides transmission services for all of the Commission's power requirements. Payments are made by the Commission solely from the revenues of the electric unit of the System (including all properties and assets used or pertaining to the generation, transmission, transformation, distribution, and sale of electric power and energy) and are treated as an operating expense thereof. As provided in the Supplemental Power Sales Agreement, a Participant may terminate the Supplemental Power Sales Agreement with ten years written notice. Effective December 31, 2018, the City and Commission, along with the cities of Rock Hill and Westminster, each turned in the proper notice to terminate their respective Supplemental Power Sales Agreements. The Commission's current Supplemental Power Sales Agreement with PMPA will run through December 31, 2028. Effective December 31, 2019, the remaining PMPA members provided PMPA notice to terminate their respective Supplemental Power Sales Agreements.

PMPA purchases its supplemental power from Santee Cooper. The terms of the Santee Cooper contract are such that either party may terminate the agreement for any reason by providing at least ten years prior written notice to the other party, provided that no such termination shall become effective prior to January 1, 2026. Because of the terminations of the Supplemental Power Sales Agreements described in the preceding paragraph, PMPA turned in the required notice to Santee Cooper to terminate the Santee Cooper contract. The Commission will be responsible to purchase and transport supplemental power after December 31, 2028.

The Commission will be purchasing supplemental power and transmission services no later than December 31, 2028. Such supplemental power and transmission services are anticipated to be provided pursuant to an agreement (a "Power Purchase Agreement") between the Commission and an established, major provider in the power sector with a strong southeast presence. The Power Purchase Agreement is expected to expressly provide the Commission with bulk power and transmission services upon any sale of the Commission's output entitlement from the Catawba Project under the Power Sales Agreement. The Commission expects the arrangement under the Power Purchase Agreement to provide cost savings from its current arrangement with PMPA.

Pursuant to an operating and fuel agreement with PMPA, Duke is employed to operate and maintain the Catawba Project and to purchase all fuel and fuel services for the Catawba Project.

The City and Commission have agreed with PMPA that they will not issue revenue bonds on a parity with or superior to the payments of its obligations under the Power Sales Agreement except for certain limited purposes including the funding or refunding of the cost of additions, replacements or improvements to the electric unit or the System. Further, payments by the Commission to PMPA under the agreements are considered by the Commission as expenses of operating and maintaining the System. As discussed under "SECURITY FOR THE SERIES 2026 BONDS – Creation of Funds Under the Ordinances" herein, pursuant to the Ordinance, expenses of operating and maintaining the System are to be funded from Revenues of the System prior to making the required deposits to the Debt Service Fund or the Debt Service Reserve Fund. Accordingly, it is possible that the satisfaction of the obligation of the City or Commission to PMPA under its agreements could diminish the Net Revenues available for repayment of Bonds in future periods.

PMPA recovers its costs of operations through its rates. PMPA's last rate increase was in May 2015 (4%). There have been no rate increases since. In May 2020, PMPA reduced the purchased power rate by 4% which the Commission passed on to its customers with a rate reduction in retail electric rates. There are no rate increases anticipated from PMPA in 2027.

The PMPA participants' ability to compete successfully is a broad issue encompassing all components of their costs, the quality of service provided to their customers and other factors. PMPA and its participants have begun to take steps to address competitive challenges, including the investigation of alternative sources of power supply and opportunities to sell power, as well as the implementation and promotion of demand-side management programs and innovative rate structures. As discussed above, the Commission will be purchasing some, and potentially all, of its power from sources other than PMPA commencing no later than December 31, 2028.

General Factors Affecting Electric System

The electric utility industry in the United States is subject to extensive economic, reliability and environmental regulation, and nuclear plants are subject to their own environmental regulatory requirements apart from those affecting non-nuclear powered electric utilities. Regulatory requirements are frequently changed. The Commission cannot predict what changes in regulation may occur, nor what effects such changes in regulation might have upon the Commission's or PMPA's business operations and financial conditions. Further, this Official Statement does not attempt to describe technological or other cost-of-service developments that might also affect the Commission.

For years, periodic attempts have been made in the U.S. Congress to pass legislation to sell the Federal Power Marketing Administrations including SEPA. These efforts have failed. The Commission, through PMPA, has been actively involved in any debates regarding SEPA in an attempt to insure that it continues to benefit from this relatively low cost hydro power resource. The Commission cannot predict whether SEPA entitlements will continue to be available to the Commission in the future. If the SEPA allocations are no longer available, the Commission expects that it would receive replacement power and energy through the Supplemental Power Sales Agreement with PMPA, or through the Power Purchase Agreement (after no later than December 31, 2028).

The Natural Gas Unit

General. The natural gas unit of the System was established in 1957. The Commission typically purchases its natural gas requirements from several suppliers. These natural gas purchases are transported to the Commission via one interstate pipeline (of Transcontinental Gas Pipeline Corporation (Transco)). For the 2025 and 2026 Fiscal Years, the Commission has firm capacity contracts of 26,109 DT/Day and 36,109 ST/Day, respectively, for its firm winter requirements. The balance of all firm requirements of the Commission are purchased on an as-needed basis with monthly and daily spot market contracts. Currently, the Commission hedges approximately 40% of its firm winter requirements, depending on market conditions. See "FINANCIAL FACTORS – Summary of Revenues Expenses and Changes in Net Position" herein.

The gas transmission unit of the System originates on the Transco mainline in Crescent, South Carolina and Landrum, South Carolina from which point gas is transported to the City via twelve-inch, eight-inch and four-inch high-pressure transmission lines which are owned by the Commission. The Commission operates and maintains approximately 44 miles of high-pressure transmission lines and 900 miles of intermediate and distribution lines, along with 228 pressure-regulating stations on the natural gas distribution system. The Commission operates one of the few compressed natural gas fueling stations in the area.

The Commission is under the jurisdiction of the PSC and the U.S. Department of Transportation regarding pipeline safety and operations. Historically, the Commission has operated within the established guidelines of the PSC and the U.S. Department of Transportation in these regards.

Service Area. The natural gas unit currently serves as an area of approximately 450 square miles, including the City limits and surrounding area, and the City of Landrum. A map of the natural gas unit's service area is included in Appendix E attached hereto.

Rates. The present natural gas service rates of the Commission are billed on a monthly basis, and are comprised of a minimum monthly facilities charge and a usage charge based on a prescribed cost per therm. Any consumption under this rate is subject to purchased gas adjustment (PGA). The following monthly rate schedule below is available to all domestic gas customers within the territory serviced by the Commission.

	Residential	Commercial
Facilities Charge (minimum monthly charge, all meter sizes):	$10.00 per month	$19.50 per month
Distribution Charge:	$0.355 per CCF	$0.335 per CCF
Interstate Pipeline Charge:	$0.23125 per CCF	$0.23125 per CCF
Purchased Gas Charge:	$0.64503 per CCF	$0.64503 per CCF

Within the corporate municipal limits of Lyman, Duncan, Wellford, Reidville and Landrum, the Commission also collects and pays to the applicable city a franchise fee ranging from three to five percent (3% - 5%). Each municipality sets its own franchise fee.

Number of Meters. The table below shows the total number of active residential, commercial/industrial, interruptible, school and other meters of the natural gas unit of the System in each of the Fiscal Years provided:

Fiscal Year Ended Dec. 31	Residential	Commercial	Large Commercial/ Industrial	Interruptible	Schools	Other	Total
2025	30,227	3,562	3	6	29	44	33,871
2024	31,185	1,957	3	6	29	36	33,216
2023	27,743	2,031	3	7	28	38	29,850
2022	26,075	1,912	3	7	28	36	28,061
2021	25,052	1,876	4	7	28	33	27,000

Ten Largest Natural Gas Customers. The ten largest natural gas users based on consumption and related information for the fiscal year ended December 31, 2025, are as follows:

Customer	(in MCF*) Consumption	Revenues	Percentage Revenues
BMW of North America, LLC	16,899	$4,739,863	11.90%
Mitsubishi Polyester Film, LLC	5,433	3,096,126	7.78%
Cliffstar Corporation	878	967,102	2.43%
Sloan Construction	784	378,451	0.95%
Palmetto Corporation	567	278,580	0.70%
Rogers Group Inc.	492	283,060	0.71%
Minghua USA, Inc.	424	498,522	1.25%
Village Hospital	275	299,557	0.75%
Greenville Spartanburg Airport	227	256,532	0.64%
SEW Eurodrive Inc.	213	230,480	0.58%

*Thousand cubic feet.
Source: Commission's 2025 Annual Comprehensive Financial Report.

Natural Gas Sales. The following table shows the natural gas sold by the Commission in MCF* for the classifications given, and the total natural gas sales revenues, in the Fiscal Years indicated:

Fiscal Year	Residential	Small Commercial	Large Commercial & Industrial	Interruptible	Schools	Other	(in thousands) Total Sales**
2025	1,385,147	915,496	4,154	1,744,741	30,130	3,596	$39,821
2024	1,080,698	800,936	16,759	1,803,815	32,842	4,553	$32,581
2023	1,024,148	709,459	8,298	1,910,458	32,022	3,501	$35,466
2022	1,140,190	789,851	9,239	2,126,940	35,651	3,898	$39,126
2021	1,151,975	679,954	10,561	1,773,605	37,651	3,502	$30,959

*Thousand cubic feet.
**Does not include other operating revenue.

Off-System Sales. In late 1999, the Commission began to take advantage of available excess capacity rights to transport natural gas, by marketing natural gas in considerable quantities to off-system major industrial customers. In order to attract these large customers at competitive prices, it was determined that this would be most effectively marketed as a "marginal" business, pricing the sale of the commodity at a slight margin over the price of natural gas purchased for that particular customer. The resulting net revenues produced for overall gas operations, although minimal, have been positive. As of December 31, 2025, the Commission was providing natural gas to seven large industrial off-system gas customers. The Commission also believes that the cultivation of these large industrial customers will provide ancillary benefits to its future marketing plans to produce incremental system Revenues.

Purchase Gas Adjustment. In order to address high prices in the open market, the Commission established a Purchased Gas Adjustment (PGA) mechanism in its rate structure to absorb fluctuations in the cost of natural gas. The PGA now provides the ability to spread the collection of accumulated price spikes over longer periods of time to minimize the monthly impacts to its customers. The PGA calculation records the actual value paid for the commodity during any month, and provides the ability to charge the average customer a price per therm of consumption that would recover a portion of any accumulated unbilled amounts. This allows the Commission to remain competitive with other providers in the then existing market environment. The future recovery of the cost of natural gas not yet billed is expected to be recovered over the course of the following twelve months of operation.

Billing and Collection Procedures of the System

Before establishing service, all utility customers must sign an agreement with the Commission and pay a service connection fee. Customers are billed on a 30 day cycle. The due date of the bills are twenty days from the billing date. Upon the 21st day from the date of the bill, the customer is assessed a late charge of 5%. Disconnection may occur on the 31st day after the date of the bill, and a non-refundable $75 processing fee is assessed on that day.

Transfers to City General Fund

As a part of the settlement of the litigation described under "--The Electric Unit" under this heading above, and in keeping with practices of prior Fiscal Years, the City and the Commission entered into an agreement (as the same has been amended, the "Transfer Agreement") under which the Commission has agreed to transfer amounts specified therein to the City's General Fund. Since 2001, the Commission has and continues to transfer $1,000,000 per Fiscal Year to the City's General Fund.

THE CITY OF GREER AND ITS SURROUNDING AREA

Description of the City of Greer

The City was incorporated on March 25, 1876. Following recent annexations, it has an area of approximately 26 square miles. It is located in the northwestern section of the State, between the cities of Greenville and Spartanburg, South Carolina. The City is located in both Greenville and Spartanburg Counties. Between 2016 and 2025, the City's population increased by approximately 73.4% representing an average annual growth rate of approximately 7.34%; the City had an estimated 2025 population of 50,113.

Government of the City of Greer

The City Council is comprised of a Mayor and six council members. The members are elected to four-year terms, the Mayor being voted upon by the electorate of the City at large and the council members by the district served. The Mayor is the presiding officer of the City Council. Regular meetings, open to the public, are held twice per month throughout the year. Special meetings may be called by the Mayor or upon petition of a majority of the members of the City Council. The City Administrator, who is hired by the Mayor and the City Council, is the chief executive officer of the City. The City operates on a fiscal year ending June 30.

Description of Greenville and Spartanburg Counties

Greenville County was established in 1831. It has an area of 797 square miles and is bordered by the State of North Carolina on the north and Spartanburg County on the east, Pickens County on the west, Laurens County on the southeast and Anderson County on the southwest. The City of Greenville is the Greenville County seat. Other incorporated areas in Greenville County are the Cities of Greer, Mauldin, Fountain Inn, Simpsonville and Travelers Rest. Greenville County had an estimated 2024 population of 570,745.

Spartanburg County was established in 1798. It has an area of 819 square miles and is bordered on the north by the State of North Carolina, on the east by Cherokee and Union Counties, on the west by Greenville County and on the south by Laurens County. Spartanburg County includes the City of Spartanburg, which is the Spartanburg County seat. Spartanburg County had an estimated 2024 population of 369,256.

Economic and Demographic Characteristics

Demographic Characteristics. Population of the City, Greenville County and Spartanburg County for the last five calendar years for which information is available is shown in the following table:

Year	City	Greenville County	Spartanburg County
2020	32,211	527,249	327,997
2021	35,308	534,648	335,864
2022	37,481	547,845	345,831
2023	38,495	558,036	356,698
2024	40,029	570,745	369,256

Sources: City's 2025 Annual Comprehensive Financial Report; U.S. Census Bureau; U.S. Bureau of Economic Analysis

The following table shows population information for Greenville County and Spartanburg County from the U.S. Bureau of the Census for the years listed below:

Year	Greenville County	Spartanburg County
1990	320,167	226,800
2000	379,616	253,791
2010	451,225	284,307
2020	525,534	327,997

Per Capita Income. The per capita income in the City, Greenville County, Spartanburg County, and the State for the last five calendar years for which data is available is set forth below:

Year	City	Greenville County	Spartanburg County	State
2020	$30,594	$52,076	$47,964	$48,760
2021	31,969	55,755	53,246	53,390
2022	38,279	56,653	51,411	54,561
2023	43,091	59,960	53,680	57,766
2024	45,358	61,147	55,886	60,776

Sources: City's 2025 Annual Comprehensive Financial Report; U.S. Bureau of Economic Analysis
Last updated: February 5, 2026 – new statistics for 2024; revised statistics for 2020-2023.

Major Employers. The following table sets forth the principal employers located in the City and the approximate number of employees for which information is available:

Employer	Nature of Business	Approximate Number of Employees
Plastic Omnium	Automotive Supplier	868
Pelham Medical Center	Healthcare	645
Greer Memorial Campus	Healthcare	623
Minghua/Plasman	Automotive Supplier	510
Lear Corporation	Automotive Supplier	525
Synchreon	Supply Chain Solutions	421
Walmart	Consumer Goods Retailer	421
City of Greer	Local Government	404
Ulta Beauty	Cosmetics	386
Lowe’s	Home Improvement Store	150

Source: City's 2025 Annual Comprehensive Financial Report

Retail Sales. The following table sets forth gross sales of businesses located in the City, Greenville County and Spartanburg County for the last years for which information is available:

Calendar Year	City*	Greenville County	Spartanburg County
2021	$1,496,261,140	$21,428,512,494	$13,451,307,325
2022	1,745,556,448	24,821,884,188	14,872,173,755
2023	1,759,406,302	26,319,073,969	14,060,479,610
2024	1,919,522,388	26,897,448,777	14,278,947,987
2025	2,166,107,343	28,301,213,907	15,616,737,839

Sources: Greenville Area Development Corp; South Carolina Department of Revenue
*City totals sets forth combined gross sales of businesses located in the City for Greenville County and Spartanburg County.

Construction Activity. 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	Commercial Construction		Multi-Family Construction		Residential Construction		Total	
Year	# of Permits	Value	# of Permits	Value	# of Permits	Value	Permits	Total Value
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
2024	160	77,485,796	156	22,100,000	1,153	249,360,330	1,469	348,946,126
2025	31	22,054,569	13	65,176,979	672	151,729,604	716	238,961,152

Source: City's 2025 Annual Comprehensive Financial Report

Labor Force. The labor force participation rates of residents in Spartanburg County (regardless of place of employment), for the five most recent calendar years for which information is available are as follows:

	2021	2022	2023	2024	2025[(1)]
Civilian Labor Force	156,302	158,025	163,383	168,391	171,638
Employment	150,127	153,012	158,502	161,348	163,821
Unemployment	6,175	5,013	4,881	7,043	7,817

Note: Workers involved in labor disputes are included among the employed. Total employment also includes agricultural workers, proprietors, self-employed persons, workers in private households, and unpaid family workers.
(1) Estimates exclude October 2025 due to government shutdown
Sources: U.S. Department of Labor, Bureau of Labor Statistics. Last updated May 2026.

The labor force participation rates of residents in Greenville County (regardless of place of employment), for the five most recent calendar years for which information is available are as follows:

	2021	2022	2023	2024	2025[(1)]
Civilian Labor Force	262,414	271,711	280,760	289,018	294,511
Employment	253,779	264,329	273,406	278,452	282,927
Unemployment	8,635	7,382	7,354	10,566	11,584

Note: Workers involved in labor disputes are included among the employed. Total employment also includes agricultural workers, proprietors, self-employed persons, workers in private households, and unpaid family workers.
(1) Estimates exclude October 2025 due to government shutdown
Source: U.S. Department of Labor, Bureau of Labor Statistics. Last updated May 2026.

Unemployment Rate. The average unemployment employment rates of the City, Greenville County, Spartanburg County, the State and the United States for the last five years for which information is available are set forth below:

Year	City	Greenville County	Spartanburg County	State	U.S.
2020	3.6%	5.5%	6.3%	6.0%	8.1%
2021	2.9	3.4	3.9	3.9	5.4
2022	2.1	2.8	3.1	3.2	3.7
2023	2.9	2.6	2.9	3.0	3.6
2024	4.3	3.7	4.2	4.1	4.0
2025[(1)]		3.9	4.5	4.5	4.3

[(1)] October data unavailable due to government shutdown.
Sources: City's 2025 Annual Comprehensive Financial Report; U.S. Bureau of Labor Statistics
*Unemployment rate data not available specifically for the City. This figure represents a weighted average of unemployment rates in Greenville County and Spartanburg County.

The average unemployment rate (not seasonally adjusted) in Greenville County and Spartanburg County for each of the last 12 months for which data is available is shown below:

Month	Spartanburg County	Greenville County
June 2026	4.5%[P]	3.7%[P]
May 2026	3.9	3.4
April 2026	3.8	3.2
March 2026	4.2	3.7
February 2026	5.4	4.8
January 2026	5.5	4.8
December 2025	4.8	4.3
November 2025	4.9	4.4
October 2025	N/A*	N/A*
September 2025	4.5	4.1
August 2025	4.9	4.4
July 2025	4.9	4.2

[P] Preliminary
*Information not available due to government shutdown
Source: S.C. Department of Employment and Workforce; U.S. Bureau of Labor Statistics

The composition of the civilian, nonagricultural labor force in Spartanburg County, based on place-of-work basis, for the last five years for which information is available is as follows:

	2018	2019	2020	2021	2022
Forestry, Fishing and Related Services	(D)	(D)	(D)	327	327
Mining, quarrying, and oil and gas extraction	(D)	(D)	(D)	217	240
Utilities	252	277	272	275	294
Construction	10,869	11,286	11,764	11,711	12,104
Manufacturing	33,252	35,656	34,880	35,746	36,896
Wholesale Trade	8,136	7,734	8,681	8,900	9,061
Retail Trade	19,464	18,107	18,696	19,142	19,572
Transportation and Warehousing	9,924	11,699	13,101	14,877	15,198
Information	(D)	1,130	1,077	1,179	1,292
Finance and Insurance	5,482	5,390	5,894	6,179	6,582
Real Estate and Rental and Leasing	6,214	6,033	6,772	7,498	8,288
Professional, Scientific, and Technical Services	8,144	8,028	8,494	8,440	8,705
Management of Companies and Enterprises	2,171	2,102	2,131	2,002	2,280
Administrative and Support; Waste Management and Remediation Services	15,045	16,109	13,595	14,474	13,484
Educational Services	(D)	3,936	(D)	3,553	3,708
Health Care and Social Assistance	(D)	12,605	(D)	13,332	13,302
Arts, Entertainment and Recreation	(D)	(D)	(D)	2,550	2,600
Accommodation and Food Services	(D)	(D)	(D)	13,081	13,795
Other Services (except Government)	(D)	10,716	10,673	11,043	11,543
Government & Government enterprises, State and Local	21,978	24,953	24,640	24,941	25,489
TOTALS	186,943	193,546	193,670	199,467	204,760

Notes: (D) Not shown to avoid disclosure of confidential information. Totals may not add due to confidential information. Last updated: November 16, 2023 -- new statistics for 2022; revised statistics for 2018-2021. Due to budget constraints, these statistics are no longer updated as of November 2024.
Source: U.S. Department of Commerce, Bureau of Economic Analysis

The composition of the civilian, nonagricultural labor force in Greenville County, based on place-of-work basis, for the last five years for which information is available is as follows:

	2018	2019	2020	2021	2022
Forestry, Fishing and Related Activities	421	423	452	439	443
Mining, quarrying, and oil and gas extraction	304	278	268	234	296
Utilities	328	324	320	323	349
Construction	20,796	21,351	22,326	23,103	24,680
Manufacturing	31,571	31,633	30,284	31,207	32,773
Wholesale Trade	16,246	16,856	16,642	16,600	17,593
Retail Trade	35,685	35,765	35,269	36,120	37,111
Transportation and Warehousing	11,550	11,716	12,901	14,701	16,382
Information	7,553	6,984	6,468	7,430	7,776
Finance and Insurance	18,449	18,312	19,981	21,095	23,182
Real Estate and Rental and Leasing	18,278	18,026	19,627	21,708	23,862
Professional, Scientific, and Technical Services	27,281	28,485	27,689	29,967	33,018
Management of Companies and Enterprises	5,694	5,796	5,614	6,334	7,031
Administrative and Support; Waste Management and Remediation Services	44,930	46,228	42,803	45,600	44,927
Educational Services	9,657	9,603	8,720	8,611	8,958
Health Care and Social Assistance	32,605	33,507	33,188	35,391	37,584
Arts, Entertainment and Recreation	7,711	8,274	6,662	7,545	8,070
Accommodation and Food Services	27,615	27,946	24,288	26,284	28,911
Other Services (except Government)	19,469	19,734	19,048	19,848	20,864
Government & Government enterprises, State and Local	35,093	35,665	35,081	33,744	34,616
TOTALS	371,236	376,906	367,631	386,284	408,426

Notes: Last updated: November 16, 2023 -- new statistics for 2022; revised statistics for 2018-2021. Due to budget constraints, these statistics are no longer updated as of November 2024.
Source: U.S. Department of Commerce, Bureau of Economic Analysis

The compensation of the nonagricultural labor force employed at jobs in Spartanburg County, on a place-of-work basis, for the five calendar years shown for which information is available, is as follows:

	2020	2021	2022	2023	2024
Manufacturing	$2,666,386	$2,912,277	$3,104,358	$3,348,074	$3,667,729
Construction and Mining	516,688	509,724	567,810	596,980	669,733
Transportation & Public Utilities	634,227	688,020	722,237	652,699	712,723
Wholesale & Retail Trade	1,239,908	1,355,091	1,494,071	1,521,936	1,574,424
Information	50,858	56,437	68,618	82,636	91,672
Finance, Insurance & Real Estate	407,730	443,386	466,322	481,897	520,031
Services (including Agricultural Serv.)	1,812,173	2,319,770	2,499,206	2,530,550	2,853,117
Government	1,818,989	1,895,680	1,955,428	2,159,055	2,341,493
TOTAL	$9,146,959	$10,180,385	$10,878,050	$11,373,827	$12,430,922

Note: Numbers shown in thousands. Totals may not add due to rounding.
Last updated: February 5, 2026 – new statistics for 2024; revised statistics for 2020-2023.

Source: U.S. Department of Commerce, Bureau of Economic Analysis

The compensation of the nonagricultural labor force employed at jobs in Greenville County, on a place-of-work basis, for the five calendar years shown for which information is available, is as follows:

	2020	2021	2022	2023	2024
Manufacturing	2,435,638	2,596,270	2,847,045	3,047,834	3,160,707
Construction and Mining	1,163,202	1,240,965	1,452,989	1,601,103	1,876,806
Transportation & Public Utilities	570,578	646,517	756,900	836,820	870,596
Wholesale & Retail Trade	2,783,542	2,987,942	3,276,216	3,460,072	3,633,061
Information	493,134	584,643	595,977	570,126	604,335
Finance, Insurance & Real Estate	1,587,333	1,704,485	1,852,937	2,010,312	2,190,720
Services (including Agricultural Serv.)	4,975,506	5,557,751	6,341,731	6,715,394	7,307,783
Government	2,429,795	2,370,415	2,445,298	2,586,724	2,694,692
TOTAL	16,438,728	17,688,988	19,569,093	20,828,385	22,338,700

Note: Numbers shown in thousands. Totals may not add due to rounding.
Last updated: February 5, 2026 – new statistics for 2024; revised statistics for 2020-2023.

Source: U.S. Department of Commerce, Bureau of Economic Analysis

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TAX EXEMPTION AND RELATED TAX MATTERS

Opinion of Bond Counsel

Certain legal matters with regard to the issuance of the Series 2026 Bonds are subject to the approval of Burr & Forman LLP ("Burr Forman"), Greenville, South Carolina, Bond Counsel ("Bond Counsel"), whose approving opinion will be available at the time of the delivery of the Series 2026 Bonds. The proposed form of Bond Counsel's opinion appears as Appendix B to this Official Statement.

Bond Counsel has assisted the City and Commission compiling certain information supplied to them by the City, Commission and others and included in this Official Statement, but Bond Counsel has not made an independent investigation or verification of the accuracy, completeness or fairness of such information. The opinion of Bond Counsel will be limited solely to the legality and enforceability of the Series 2026 Bonds, and no opinion will be given with respect to this Official Statement.

Internal Revenue Code of 1986

In the opinion of Bond Counsel, to be delivered on the date of issuance of the Series 2026 Bonds, assuming continuing compliance by the City and the Commission with certain covenants and the requirements of the Internal Revenue Code of 1986, as amended (the "Code") and the applicable regulations promulgated thereunder (the "Regulations"), interest on the Series 2026 Bonds is excludable from gross income of the registered owners thereof for federal income tax purposes under existing statutes, regulations, and judicial decisions. Interest on the Series 2026 Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. The Inflation Reduction Act, H.R. 5376, includes an alternative minimum tax to be imposed on the "adjusted financial statement income" of "applicable corporations," as each is defined therein. The interest on the Series 2026 Bonds may be included in the adjusted financial statement income of such applicable corporations for purposes of computing such alternative minimum tax. Bond Counsel has expressed no opinion regarding other federal tax law consequences arising with respect to the Series 2026 Bonds.

The Code and the Regulations impose various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series 2026 Bonds. The City and the Commission have covenanted to comply with certain covenants, restrictions, conditions and requirements designed to ensure that interest on the Series 2026 Bonds will not become includable in gross income. Failure to comply with these covenants could cause interest on the Series 2026 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2026 Bonds. The opinion of Bond Counsel assumes the accuracy of certain representations of the City and the Commission with respect to the investment and use of proceeds of the Series 2026 Bonds and compliance by the City and the Commission with certain covenants.

Although Bond Counsel is of the opinion that interest on the Series 2026 Bonds is excludable from gross income for federal income tax purposes, the accrual or receipt of interest on the Series 2026 Bonds may otherwise affect the federal income tax liability of the recipient. The extent of these other tax consequences will depend upon the recipient's particular tax status or other items of income or deduction. Bond Counsel will express no opinion regarding any such consequences. Purchasers of the Series 2026 Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States of America), property and casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of Social Security or Railroad Retirement benefits, taxpayers otherwise entitled to claim the earned income credit and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations, are advised to consult their tax advisors as to the tax consequences of purchasing or holding the Series 2026 Bonds.

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause the interest on the Series 2026 Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. Other proposals have been made that would significantly reduce the benefit of, or otherwise affect, the exclusion from gross income on obligations like the Series 2026 Bonds. The introduction or

enactment of any such future legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Series 2026 Bonds. Prospective purchasers of the Series 2026 Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The Internal Revenue Service (the "IRS") has established an ongoing program to audit tax-exempt obligations to determine whether interest on such obligations is includable in gross income for federal income tax purposes. Bond Counsel cannot predict whether the IRS will commence an audit of the Series 2026 Bonds. Bond Counsel's engagement with respect to the Series 2026 Bonds ends with the issuance of the Series 2026 Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the City and the Commission or owners of the Series 2026 Bonds regarding the tax-exempt status of the Series 2026 Bonds in the event of an audit by the IRS. Under current procedures, parties other than the City and the Commission and their appointed counsel, including the Series 2024 Bond owners, would have little, if any, right to participate in the audit process. Moreover, because achieving judicial review in connection with an audit of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the City and the Commission legitimately disagree, may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2026 Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Series 2026 Bonds, and may cause the City and the Commission or the Series 2024 Bond owners to incur significant expense, regardless of the ultimate outcome.

[Original Issue Discount

Under existing laws, regulations, rulings and judicial decisions the excess, if any, of the principal amount payable at the scheduled maturity date of the Series 2026 Bonds of any maturity over the initial public offering prices of such Series 2026 Bonds ("Discount Bonds") constitutes original issue discount that is excludable from gross income for federal income tax purposes to the same extent as interest on the Series 2026 Bonds. For purposes of the preceding sentence, the "initial public offering price" refers to the initial offering price to the public (excluding bond houses, brokers, or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Bonds of such a maturity was sold.

Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compounded basis. The amount of original issue discount that accrues to an owner of a Bond during any accrual period generally equals (i) the issue price of such Bond plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (ii) the yield to maturity of such Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), less (iii) any interest payable on such Bond during such accrual period. The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excluded from gross income for federal income tax purposes, and will increase the owner's tax basis in such Bond. Any gain realized by an owner from a sale, exchange, payment or redemption of a Bond will be treated as gain from the sale or exchange of such Bond.

Purchasers of Discount Bonds should consult their own tax advisors with respect to the determination and treatment of original issue discount for federal income tax purposes, and with respect to the state and local tax consequences of owning Discount Bonds.]

[Original Issue Premium

Certain of the Bonds have been sold at public offering prices which are greater than the amount payable at maturity ("Premium Bonds"). An amount equal to the excess of the purchase price of the Premium Bonds over their stated redemption prices at maturity constitutes premium on such Premium Bonds. A purchaser of Premium Bonds must amortize any premium over such Bonds' term using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the purchaser's basis in such Premium Bond is reduced by a corresponding amount, resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis is reduced, no federal income tax deduction is allowed. Purchasers of any Bonds at a premium, whether at the time of initial issuance or subsequent thereto, should consult with their own tax advisors with respect to the determination and

treatment of premium for federal income tax purposes and with respect to state and local tax consequences of owning such Premium Bonds.]

State Law Tax Matters

The interest on the Bonds is exempt from all State taxation except estate or other transfer taxes. Section 12-11-20 of the South Carolina Code imposes upon every bank engaged in business in the State a fee or franchise tax computed at the rate of 4-1/2% of the entire net income of such bank. Regulations of the South Carolina Department of Revenue require that the term "entire net income" includes income derived from any source whatsoever including interest on obligations of any state and any political subdivision thereof. Interest on the Bonds will be included in such computation.

LEGAL MATTERS

Litigation

Each of the City and the Commission experiences routine litigation and claims incidental to the conduct of its affairs. As of the date of issuance and delivery of the Series 2026 Bonds, the City Attorney and Counsel to the Commission will deliver opinions to the effect that there is no litigation pending or threatened contesting the creation, organization, or existence of the City, the Commission or the System or that seeks to restrain or enjoin the issuance or delivery of the Series 2026 Bonds or the proceedings or authority under which they are to be issued or delivered or which in any manner questions the authority of the City to pledge that portion of the Net Revenues of the System described above to the payment of the Series 2026 Bonds and the interest thereon. The opinions of the City Attorney and Counsel for the Commission will also state that, except as described herein, there is no litigation pending or threatened, to their knowledge, which would have a material adverse effect upon the City's or the System's financial condition.

Other Legal Matters

Certain legal matters incident to the authorization, issuance and sale of the Series 2026 Bonds are subject to the approval of the legality of issuance thereof by Burr & Forman LLP, Greenville, South Carolina, as Bond Counsel. Certain legal matters will be passed upon on behalf of the City by Duggan & Hughes, LLC, Greer, South Carolina, on behalf of the Commission by Spencer & Spencer, P.A., Rock Hill, South Carolina, and on behalf of the Underwriter by Haynsworth Sinkler Boyd, P.A., Greenville, South Carolina.

From time to time, one or both of Burr & Forman, LLP and Haynsworth Sinkler Boyd, P.A. have represented the Underwriter or Stifel, Nicolaus & Company, Incorporated, as counsel in financing transactions unrelated to the Series 2026 Bonds. None of the Commission, 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 Commission, the City, the Underwriter or Stifel, Nicolaus & Company, Incorporated on the successful execution and delivery of the Series 2026 Bonds.

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the Series 2026 Bonds upon an event of default under the Bond Ordinance, the Fourteenth Supplemental Ordinance and the Resolution are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code, the remedies specified by the federal bankruptcy code, the Bond Ordinance, the Fourteenth Supplemental Ordinance and the Series 2026 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2026 Bonds (including Bond Counsel's approving opinion) will be qualified, as to the enforceability of the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of credits enacted before or after such delivery.

U.S. BANKRUPTCY CODE

The undertakings of the City and the Commission should be considered with reference to Chapter 9 of the United States Bankruptcy Code, 11 U.S.C. Sec. 901, et seq., as amended (the "Bankruptcy Code"), and other laws affecting creditors' rights and public instrumentalities 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 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 right to payment of its 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 or taking possession by a trust under the Bankruptcy Code or by a receiver or other custodian prior to the commencement of a case under the Bankruptcy Code.

CONTINUING DISCLOSURE

In order to provide certain continuing disclosure with respect to the Series 2026 Bonds in accordance with Rule 15c2-12(b)(5) (the “Rule”) 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, the Commission will execute a Continuing Disclosure Certificate (“Disclosure Certificate”) for the benefit of the Holders and the “Beneficial Owners” (as defined in the Continuing Disclosure Certificate) of the Series 2026 Bonds. The form of Disclosure Certificate is attached hereto as Appendix D.

In connection with the issuance of Bonds of 2002, a Continuing Disclosure Agreement was executed requiring the Commission to file annual reports with each of the nationally recognized municipal securities information repositories (now filed with the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (EMMA) system) by not later than seven months after the end of the Commission's Fiscal Year (currently ending December 31). For Fiscal Years ended December 31, 2025, 2024, 2023, 2022, and 2021, the Commission caused its Annual Comprehensive Financial Report to be filed on EMMA on July 28, 2026, July 24, 2025, May 23, 2024, June 8, 2023, and April 29, 2022, respectively. The Commission also caused its Annual Report to be filed on EMMA on July 28, 2026, July 24, 2025, May 23, 2024, June 8, 2023 and April 29, 2022, respectively (each, an “Annual Report”).

On January 17, 2020 S&P Global Ratings upgraded its rating of the Bonds of 2002 to AA- from A+, with a stable outlook. The Commission did not timely file a notice of the aforementioned upgrade as required under the Rule, but did file a Notice of Material Event with respect to the upgrade on March 16, 2020, and filed a Corrected Notice of Material Event with respect to the same upgrade on June 15, 2020. The Commission has since implemented new procedures to assist it in compliance with its continuing disclosure obligations under the Rule, including, without limitation, the filing of Notices of Material Events.

The City has determined that no financial or operating data concerning the City is material to an evaluation of the offering of the Series 2026 Bonds or to any decision to purchase, hold or sell the Series 2026 Bonds, and the City will not provide any such information. The City will have no liability to the Holders of the Series 2026 Bonds or any other person with respect to the Rule.

The Commission has covenanted, pursuant to Section 11-1-85 of the Code of Laws of South Carolina 1976, as amended, to file with a central repository for availability in the secondary bond market when requested, an annual independent audit within 30 days of its receipt and event specific information within 30 days of an event adversely affecting more than 5% of the Revenues. See the Fourteenth Supplemental Ordinance in Appendix C.

MISCELLANEOUS

Rating

S&P Global Ratings ("S&P") has assigned an underlying municipal bond rating of "AA-" with stable outlook to the Series 2026 Bonds. To the extent that the Commission and the City determine to obtain the Policy, S&P is expected to assign a municipal bond rating to the Series 2026 Bonds based on the issuance of the Policy. S&P's ratings reflect only the views of S&P, and any desired explanation of the significance of such ratings should be obtained from S&P. 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 such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by S&P, if in the judgment of S&P, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2026 Bonds.

Underwriting

The Series 2026 Bonds are being purchased for reoffering by Raymond James & Associates, Inc. (the "Underwriter") at an aggregate purchase price of $_____, which amount is the aggregate principal amount of the Series 2026 Bonds [less][plus] [net] original issue [discount][premium] of $_____ less underwriter's discount of $_____. The Underwriter may offer and sell the Series 2026 Bonds to certain dealers and others (including sales for deposit into investment trusts, certain of which may be sponsored or managed by the Underwriter) at prices lower than the public offering prices stated on the inside front cover page hereof, which public offering prices may also be changed from time to time by the Underwriter without prior notice. The Underwriter is obligated to purchase all of the Series 2026 Bonds if any are purchased.

Municipal Advisor

Stifel, Nicolaus & Company, Incorporated, Columbia, South Carolina has acted as Municipal Advisor to the Commission in connection with the issuance of the Series 2026 Bonds. The Municipal Advisor does not assume any responsibility for the information, covenants, and representations contained in any of the legal documents with respect to the federal income tax status of the Series 2026 Bonds, or the possible impact of any present, pending, or future actions taken by any legislative or judicial bodies. The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the Commission and, as applicable, to the investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

Concluding Statement

All the summaries of the provisions of the Act, the Series 2026 Bonds, the Ordinances and all summaries and references to other documents, instruments and materials not purported to be quoted in full are only brief outlines of certain provisions thereof and are not intended to be and do not constitute complete statements of the Act or such documents or provisions. Reference is made hereby to the complete documents relating to such matters for the complete terms and provisions thereof, or for the information contained therein. The attached Appendices A through E are integral parts of this Official Statement and should be read in their entirety together with all foregoing statements.

Certain of the information set forth in the Official Statement and in the appendices hereto has been obtained from sources other than the City that are believed to be reliable but is not guaranteed as to accuracy or completeness by the Underwriter or the City.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this final official statement for purposes of, and as that term is defined in, SEC Rule 15c2-12.

The agreement between the City and holders of the Series 2026 Bonds is fully set forth in the Ordinances and neither any advertisement for the Series 2026 Bonds nor this Official Statement is to be construed as constituting an agreement with the holders of the Series 2026 Bonds.

The execution and delivery of this Official Statement have been duly authorized by the City and the Commission.

CITY OF GREER, SOUTH CAROLINA

By: _____
Mayor

COMMISSION OF PUBLIC WORKS OF THE CITY OF GREER

By: _____
Chairman, Board of Commissioners of Public Works

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APPENDIX A

FINANCIAL STATEMENTS FOR COMMISSION FOR FISCAL YEARS ENDED DECEMBER 31, 2024 AND 2025

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GREER
COMMISSION OF
PUBLIC WORKS
Greer, South Carolina

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Years Ended December 31, 2025 and 2024

Issued by Finance Department

GREER COMMISSION OF PUBLIC WORKS

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

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GREER COMMISSION OF PUBLIC WORKS

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

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INTRODUCTORY SECTION

301 McCall Street
Greer, SC 29650
(864) 848-5500
info@greercpw.com

Commissioners
Eugene G. Gibson- Chairman
Jeffery M. Howell
Perry J. Williams

Marc Regier
General Manager

Date: April 18, 2026

Honorable Chairman
Commissioners of Public Works
Members of the Commission
Citizens of the City of Greer,

The management and staff of Greer Commission of Public Works (the "Commission") are pleased to present the Annual Comprehensive Financial Report (ACFR) for year ended December 31, 2025.

INTRODUCTION

This report was prepared by the Commission's financial staff and conforms to the guidelines of the Governmental Finance Officers Association ("GFOA") and Generally Accepted Accounting Principles ("GAAP") as prescribed by the Governmental Accounting Standards Board ("GASB"). Responsibility for both accuracy of the data and the completeness and fairness of the presentation rests with the Commission. To provide a reasonable basis for making these representations, management of the Commission has established a comprehensive internal control framework that is designed both to protect the Commission's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Commission's financial statements in conformity with GAAP. Because the costs of internal controls should not outweigh their benefits, the Commission's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the Commission. All disclosures necessary to enable the reader to gain an understanding of the Commission's financial activities have been included.

The Commission's financial statements have been audited by Mauldin & Jenkins, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Commission are free of material misstatement. As part of their audit, the independent auditor examined, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessed the accounting principles used and significant estimates made by management; and evaluated the overall financial statement presentation. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Commission's MD&A can be found immediately following the report of the independent auditor.

PROFILE OF THE COMMISSION

The Commission was formed in 1913 for the purpose of providing electricity, water distribution, and sewer collection and treatment to the residents of the City of Greer. In 1950, the City of Greer's ("City") City Council enacted an ordinance to combine the previously separate systems of the Commission. In 1957, the City Council enacted an ordinance which founded a natural gas unit to be added to what is now the present-day "System".

Designation of management, contractual and budgetary authority, funding of deficits, responsibility for debt, setting of rates, and fiscal management of the affairs of the Commission are the exclusive responsibilities of the Commission. The Commission makes recommendations to the City Council for the issuance of bonds but is otherwise authorized under the laws of the state of South Carolina to have full control and management of the System.

The laws of the state of South Carolina provide for three Commissioners to be elected by the public for six-year, staggered terms, with one seat up for election every two years. The members of the Commission, as of December 31, 2025, and the number of years of continuous services as Commissioners are as follows:

Name	Years of Service
Jeffery Howell	27
Eugene Gibson (Chairman)	43
Perry Williams	16

Water System

The Waterworks Unit was established in 1914. The Commission owns and manages two raw water reservoirs, Lake Cunningham, and Lake Robinson. Lake Cunningham is the Commission's primary water supply and was constructed on the South Tyger River in 1957. It is approximately 200 surface acres in size. Lake Robinson was constructed in 1984 and includes approximately 800 surface acres. Lake Robinson is the secondary water supply and is located just north of Lake Cunningham.



The water treatment plant is located at Lake Cunningham and has a treatment capacity of 24 million gallons per day ("MGD") with an average daily flow of 9.81 MGD. The water distribution system operates on three gradient levels, a high-level system (1,272 ft. mean sea level ("MSL")), intermediate level system (1,130 ft. MSL), and a low-level system (1,104 ft. MSL). Each level has two elevated storage tanks for a total capacity of 5.75 million gallons. The Commission supplies potable water to 24,182 customers and serves all the population within the City limits and surrounding areas. Over the last year, the Commission experienced a customer growth rate of 1% in the Waterworks Unit.

Wastewater System

The Wastewater Department of the Commission was established in 1914 and provides sanitation services by means of its wastewater collections system and wastewater treatment plant ("WWTP"). The Maple Creek WWTP experiences an average daily processing flow of 3.03 MGD with a current permitted capacity of 5.0 MGD.



The WWTP is currently undergoing a series of planned upgrades which, when completed, will result in significant capacity increases at the headworks and ultraviolet disinfection areas. The highly qualified Wastewater Department staff strives to incorporate emerging technologies and modern methodologies at the WWTP to ensure the best possible wastewater treatment and effluent discharge quality while maintaining maximum cost efficiencies for the benefit of our ratepayers. Future upgrades will include incorporating new technologies capable of increasing biological

treatment capacity within the existing three-basin footprint to finalize the upgrade from the current 5.0MGD rating to the planned 7.5MGD.

Wastewater collection and treatment for the Commission's 16,498 customers is accomplished through approximately 275.04 miles of gravity lines and 31.37 miles of force mains for a total of 306.41 miles maintained by the Commission. Over the last year, the Commission experienced a customer growth rate of 7.4% in the Wastewater Department. The Commission also provides wastewater collection services to the customers of Renewable Water Resources ("ReWa") that live in the City of Greer and conveys this wastewater to ReWa's treatment facilities.

Electric System

The Electric system was established in 1914 and provides the generation and distribution of electricity to City residents. In 1927, the Commission ceased generating electricity and from that time initiated the purchase of power from outside electric utilities to provide its supply of electricity. Up until 1985, the Commission purchased most of its electric power from Duke Energy Company. During 1985, the Commission began purchasing its primary supply of electrical power from the Piedmont Municipal Power Agency ("PMPA"), a joint public agency consisting of ten municipal participants, of which the Commission is a charter member. The Commission also purchases a portion of its electrical supply from the United States Department of Energy's Southeastern Power Agency's ("SEPA") allocation of pooled hydroelectric power generated along the Savannah River. The Electric Unit consists of six substations operating 35 circuits. Distribution of 12,470 volts of electricity is managed with approximately 219 miles of overhead distribution facilities and approximately 303 miles of underground facilities. The service area served by this unit is approximately 35 square miles, including the City limits and surrounding areas, and serves 25,916 customers. Over the last year, the Commission experienced a customer growth rate of 1.2% in the Electric Unit.



Natural Gas System

The Natural Gas system was established during 1957 and provides for distribution of natural gas to residents of the City of Greer, SC, and surrounding areas. The transmission system originates on the Transcontinental Gas Pipeline Corporation ("Transco") mainline in Crescent, SC and Landrum, SC. Natural gas is then transported to the City of Greer and surrounding areas by means of twelve-inch, eight-inch, and four-inch high-pressure transmission lines which are owned and maintained by the Greer Commission of Public Works ("Greer CPW"). Greer CPW operates and maintains approximately 44 miles of high-pressure transmission lines, and approximately 900 miles of intermediate and distribution lines, along with 243 pressure-regulating stations. These distribution lines serve 33,148 customers located north to the City of Landrum, south to the City of Woodruff, east to the City of Wellford and west to the City of Taylors encompassing approximately 450 square miles. The natural gas system continues to grow at an annual rate of 3.5% due to the efficient, safe, and economical benefits of natural gas as it relates to cooking, heating homes and businesses, heating water, and drying clothes. Greer CPW operates one of the few compressed natural gas ("CNG") fueling stations in the area made available to the general-public and is open twenty-four hours a day and seven days a week.



SERVING OUR CUSTOMERS

The primary mission of the Commission is to serve our community by providing safe, high quality, and reliable water, natural gas, electric and wastewater services in an environmentally and fiscally responsible manner consistent with sound business principles. The utility can set rates that are competitive with not only neighboring utilities, but with other providers throughout the region. These rates continue to benefit the growth and development in the community, while delivering a high value to all customers.



The Commission's reliability is among the very best nationally. Of the customers that experienced an electric outage, the occurrence averaged to only one time per customer, with an average duration of nearly .71 hours.

Capital Investment

The Commission continued to invest in improving and expanding its infrastructure during 2025 by investing more than $37 million into the System. Investment in new utility infrastructure to new subdivisions and industries totaled approximately $19.7 million. This investment provided support for the 2.8% average growth rate.

The Commission has completed the AMI meter change out for the water and electric utilities during 2025. The AMI gas meter upgrades will continue in 2026 with a total completion estimated by 2027. This major infrastructure upgrade will allow the Commission to better plan for the usage needs of the utility and also allow our customers to see up to the hour data on their specific usage.

Growth in the Community, Growth in our Business

The Greer community experienced continued economic growth in its residential, commercial, and industrial sectors. The Commission realized a growth rate of 2.8% during 2025, with a 5-year average growth rate of 4.5% across its service area.

Utility Highlights



In 2025, the Commission demonstrated continued excellence in governance, operational effectiveness, and service delivery through several notable achievements. The Commission received multiple professional awards recognizing its high standards in public outreach, accountability, and transparency, reinforcing our commitment to clear and effective communication with stakeholders. Strategic investments in system operations included the implementation of advanced nanobubble technology, reflecting a proactive approach to innovation, efficiency, and environmental responsibility. These accomplishments are supported by a highly experienced workforce, with employees averaging 18 years of service, providing significant institutional knowledge, operational continuity, and consistent service quality. More importantly, these successes were achieved while maintaining stable, low, and competitive utility rates, underscoring disciplined financial management, long-term planning, and a sustained focus on delivering reliable, high-quality services at an exceptional value to customers.

Financial Stewardship, Financial Strength

The Commission operates under established policies for financing, rate setting, and cash management. These policies serve as parameters for developing annual operating budgets, as well as the 5-year Capital Improvement Plan. The revenue bond ordinance provides that the rates shall be maintained at levels which yield net revenues equal to a minimum of 120% of the annual principal and interest requirement in each fiscal year. The management of the Commission strives to maintain an internal target equal to a minimum of 200% of the annual requirement.

The Commission continued to realize another strong financial performance during 2025. Net revenues exceeded projections through staff efforts to reduce expenditures and improve efficiencies, while minimizing the effects of weather patterns changing from the normal patterns of the region. Debt service coverage continued strong for 2025 with 480% coverage.

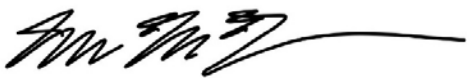
Financial Award

The GFOA awarded the Commission a Certificate of Achievement for Excellence in Financial Reporting for its Annual Comprehensive Report (ACFR) for the fiscal year ended December 31, 2024. This marks the twenty-first consecutive year the Commission has earned this prestigious distinction. The Certificate of Achievement is granted only to entities that prepare an ACFR that is clearly written, efficiently organized, and fully compliant with Generally Accepted Accounting Principles (GAAP). The award is granted for a period of one year.

Acknowledgements

This report was prepared in a timely manner thanks to the efficiency, dedication, and expertise of the Commission's employees, whose contributions were essential throughout its development. We also extend our sincere appreciation to the Board of Commissioners for their leadership and continued support, which enables the Commission to provide reliable, high-quality services at reasonable rates while upholding our commitment to environmental stewardship and public health.

Sincerely,



Marc Regier
General Manager



Angela Karcher
Finance Manager

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

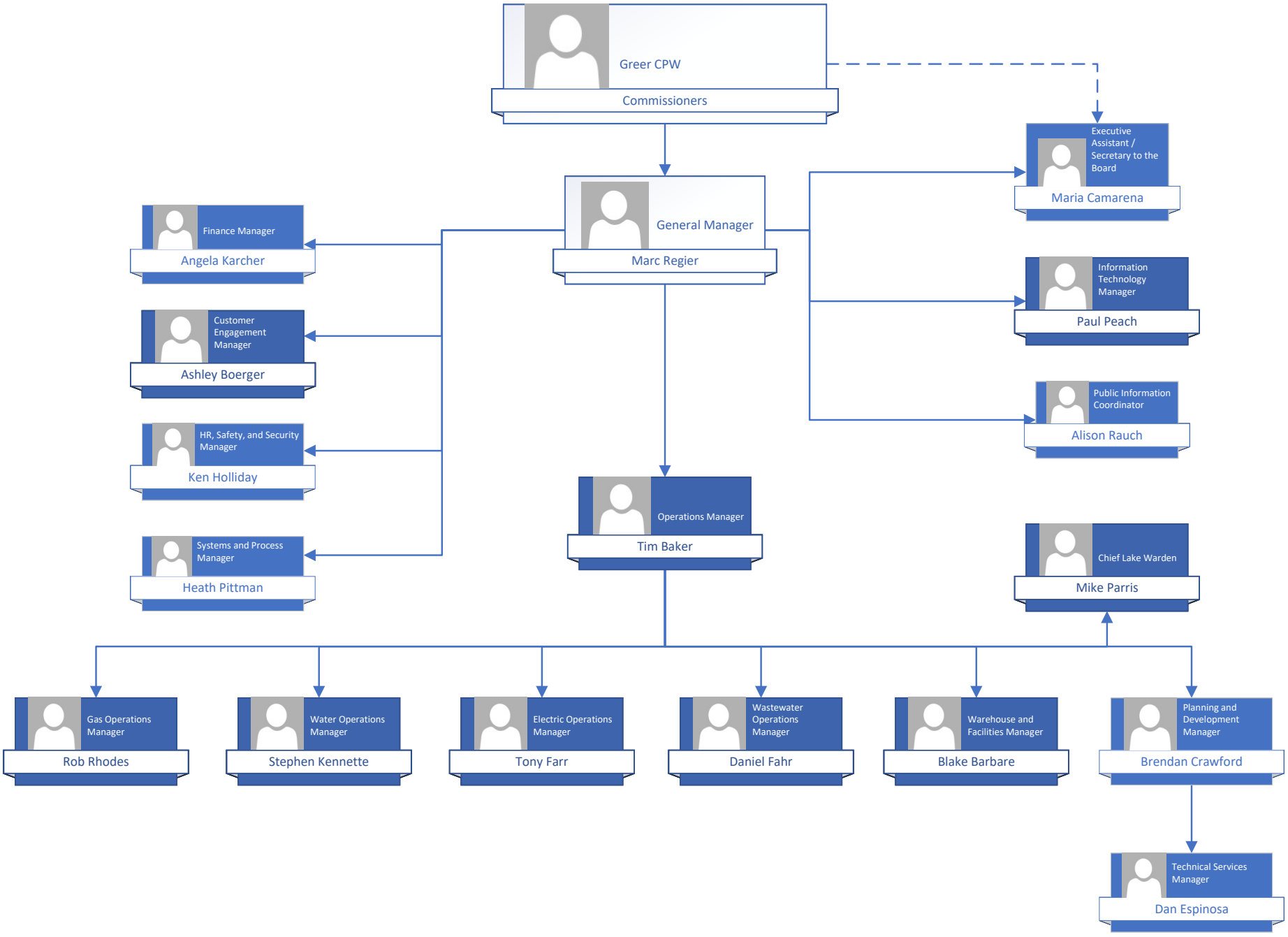
Greer Commission of Public Works
South Carolina

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024



Executive Director/CEO


Greer CPW
Commissioners
Executive Assistant / Secretary to the Board
Maria Camarena
General Manager
Marc Regier
Finance Manager
Angela Karcher
Information Technology Manager
Paul Peach
Customer Engagement Manager
Ashley Boerger
Public Information Coordinator
Alison Rauch
HR, Safety, and Security Manager
Ken Holliday
Operations Manager
Tim Baker
Systems and Process Manager
Heath Pittman
Chief Lake Warden
Mike Parris
Gas Operations Manager
Rob Rhodes
Water Operations Manager
Stephen Kennette
Electric Operations Manager
Tony Farr
Wastewater Operations Manager
Daniel Fahr
Warehouse and Facilities Manager
Blake Barbare
Planning and Development Manager
Brendan Crawford
Technical Services Manager
Dan Espinosa

GREER COMMISSION OF PUBLIC WORKS

LIST OF PRINCIPAL OFFICIALS
DECEMBER 31, 2025

Jeffery M. Howell (Commissioner)

Perry Williams (Commissioner)

Gene Gibson (Commissioner - Chairman)

FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

Independent Auditor's Report

To the Honorable Chairman and Members of the Commission
Greer Commission of Public Works
Greer, South Carolina

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of the **Greer Commission of Public Works** (the "Commission"), as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position as of December 31, 2025 and 2024, and the changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of the Commission’s proportionate share of the net pension liability, the schedule of Commission pension contributions, and the schedule of changes in the Commission’s total OPEB liability and related ratios be presented to supplement the basic financial statements.

Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The schedule of actual and budgeted revenues and expenses, the schedule of divisional operating revenues and expenses, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (collectively, the "supplementary information") are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated April 18, 2026, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Commission's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Columbia, South Carolina
April 18, 2026

GREER COMMISSION OF PUBLIC WORKS

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") of the Greer Commission of Public Works' (the "Commission") provides an overview of the financial activities for the fiscal years ended December 31, 2025, 2024, and 2023. This information serves as an introduction to the financial statements and should be read in conjunction with the audited financial statements.

Financial Highlights

The Commission continued to show a solid financial position for fiscal year 2025. The Commission is well within its debt covenants and the more stringent financial policies and guidelines set by the Board and management. The following are financial highlights for 2025:

- The Commission's net position increased by $21,683,452 or 6.84% for 2025 as compared to an increase of $45,384,962, or 16.71% in 2024.
- During the year, the Commission's operating revenues increased to $116,712,237, which represents a 6.30% increase from the prior year. Operating revenues increased to $109,768,677, or 3.15% in 2024.
- Total operating expenses increased to $107,294,192, which represents a 12.28% increase from the prior year. Total expenses increased to $95,555,804, or 6.17% in 2024.
- Purchased power expenses increased to $40,392,612, up from $39,653,709 last year. This 1.86% increase is reflected in the total operating expenses shown above. Purchased power increased from $38,125,996, or by 4% to $39,653,709 in 2024.
- Purchased gas expenses increased to $25,799,339 last year. This 50.17% increase is reflected in the total expenses shown above. Purchased gas increased from $15,450,135, or by 11.2% to $17,180,306 in 2024.
- Capital contributions to the Commission increased by $2,591,366, which represents a 50.8% increase from the prior year. Capital contributions decreased by $1,522,533, or 23.01% in 2024.
- Transfers to the City of Greer remained at $1,000,000 for 2025 and 2024.
- Debt service coverage for 2025 was 677% of the bond ordinance requirement, which is 120% debt service coverage. Debt service coverage for 2024 was 618%.
- The Commission's credit ratings continue to remain solid with credit ratings from Moody's, Standard & Poor's and Fitch Ratings with ratings of A1, AA-, and AA-, respectively, which reflects the declining leverage and continued coverage of full obligations, competitive retail rates, diverse customer base, and robust area economics.

GREER COMMISSION OF PUBLIC WORKS

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview of the Financial Statements

The Commission's annual statement consists of the Management's Discussion and Analysis ("MD&A"), the basic financial statements, required supplementary information, other supplementary information, and the compliance section. The MD&A serves as an introduction to and should be read in conjunction with the basic audited financial statements. The basic financial statements include notes which explain in detail information included in the basic financial statements.

Basic Financial Statements - The basic financial statements of the Commission report information about the Commission using the full accrual basis of accounting in a manner like those used by private sector companies. However, rate-regulated accounting principles applicable to private sector utilities are not used by government utilities. These statements offer short-term and long-term financial information about its activities. The basic financial statements include the statement of net position, statement of revenues, expenses, and changes in net position, statement of cash flows, and notes to the financial statements. The Commission accounts for its activities using a single proprietary (enterprise) fund. Under this method, revenues are recorded when earning and expenses are recorded at the time liabilities are incurred, regardless of the timing of the related cash flows.

Statement of Net Position - The *statement of net position* includes all the Commission's assets, deferred outflows, liabilities and deferred inflows and provides information about the nature and amounts of investments in resources (assets) and the obligations to the Commission's creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of the Commission, and assessing the liquidity and financial flexibility of the Commission.

Statement of Revenues, Expenses, and Changes in Net Position - All the current year's revenues and expenses are accounted for in the *statement of revenues, expenses, and changes in net position*. This statement measures the success of the Commission's operations over the past year and can be used to determine whether the Commission has successfully recovered all its costs through its user fees and other charges, profitability, and creditworthiness.

Statement of Cash Flows - The *statement of cash flows* provides information about the Commission's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities, and provides comparative information on the source and use of cash, and the change in the cash balance for each of the last two fiscal years.

Notes to the Financial Statements - The *notes to the financial statements* provide information about accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies, and subsequent events, if any.

Required Supplementary Information - In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning progress in funding its obligation to provide pension to its employees. The MD&A is also considered required supplementary information.

The basic financial statements were prepared by the Commission's staff from the detailed books and records of the Commission. The basic financial statements were audited and adjusted, if material, during the independent external audit process.

GREER COMMISSION OF PUBLIC WORKS

MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Analysis

The following comparative condensed financial statements and other selected information serve as the key financial data and indicators for management, monitoring and planning:

Condensed Financial Statements

Condensed Statement of Net Position

	December 31,			2024 to 2025		2023 to 2024	
	FY 2023	FY 2024	**FY 2025**	**Dollars**	**%**	**Dollars**	**%**
				Increase (decrease)		**Increase (decrease)**	
Current and other assets	$ 59,595,071	$ 85,070,986	**$ 72,896,530**	$ (12,174,456)	-14.31%	$ 25,475,915	42.75%
Capital assets	288,663,369	320,473,330	**349,186,085**	28,712,755	8.96%	31,809,961	11.02%
Total assets	$ 348,258,440	$ 405,544,316	**$ 422,082,615**	$ 16,538,299	4.08%	$ 57,285,876	16.45%
Deferred outflows of resources	$ 1,892,015	$ 2,045,836	**$ 2,490,155**	$ 444,319	21.72%	$ 153,821	8.13%
Long-term debt outstanding	$ 38,354,389	$ 49,991,256	**$ 45,329,379**	$ (4,661,877)	-9.33%	$ 11,636,867	30.34%
Other liabilities	37,462,011	37,192,882	**37,493,624**	300,742	0.81%	(269,129)	-0.72%
Total liabilities	$ 75,816,400	$ 87,184,138	**$ 82,823,003**	$ (4,361,135)	-5.00%	$ 11,367,738	14.99%
Deferred inflows of resources	$ 2,674,223	$ 3,361,220	**$ 3,021,521**	$ (339,699)	-10.11%	$ 686,997	25.69%
Net investment in capital assets	$ 244,906,151	$ 280,298,424	**$ 313,651,570**	$ 33,353,146	11.90%	$ 35,392,273	14.45%
Restricted	8,876,301	5,251,002	**1,817,357**	(3,433,645)	-65.39%	(3,625,299)	-40.84%
Unrestricted	17,877,380	31,495,368	**23,259,319**	(8,236,049)	-26.15%	13,617,988	76.17%
Total net position	$ 271,659,832	$ 317,044,794	**$ 338,728,246**	$ 21,683,452	6.84%	$ 45,384,962	16.71%

Condensed Statement of Revenues, Expenses and Changes in Net Position

				2024 to 2025		2023 to 2024	
	FY 2023	**FY 2024**	**FY 2025**	**Dollars**	**%**	**Dollars**	**%**
				Increase (decrease)		**Increase (decrease)**	
Electric revenues	$ 48,349,867	$ 51,792,181	**$ 52,859,642**	$ 1,067,461	2.06%	$ 3,442,314	7.12%
Gas revenues	35,466,605	32,580,769	**39,821,397**	7,240,628	22.22%	(2,885,836)	-8.14%
Water revenues	10,167,077	10,559,201	**10,776,192**	216,991	2.05%	392,124	3.86%
Sewer revenues	7,997,145	8,644,361	**8,629,983**	(14,378)	-0.17%	647,216	8.09%
Other operating revenues	4,431,819	6,192,165	**4,625,023**	(1,567,142)	-25.31%	1,760,346	39.72%
Non-operating revenues	2,887,275	29,331,869	**7,774,159**	(21,557,710)	-73.50%	26,444,594	915.90%
Total revenues	$ 109,299,788	$ 139,100,546	**$ 124,486,396**	$ (14,614,150)	-10.51%	$ 29,800,758	27.27%
Purchased power	$ 38,125,996	$ 39,653,709	**$ 40,392,612**	$ 738,903	1.86%	$ 1,527,713	4.01%
Purchased gas	15,450,135	17,180,306	**25,799,339**	8,619,033	50.17%	1,730,171	11.20%
Depreciation	10,684,102	11,113,934	**12,068,389**	954,455	8.59%	429,832	4.02%
Other operating expense	25,743,029	27,607,855	**29,033,852**	1,425,997	5.17%	1,864,826	7.24%
Non-operating expense	2,735,551	3,253,693	**3,194,031**	(59,662)	-1.83%	518,142	18.94%
Total expenses	$ 92,738,813	$ 98,809,497	**$ 110,488,223**	$ 11,678,726	11.82%	$ 6,070,684	11.82%
Change in net position before capital contributions	$ 16,560,975	$ 40,291,049	**$ 13,998,173**	$ (26,292,876)	-65.26%	$ 23,730,074	143.29%
Contributions							
Capital contributions	$ 6,616,466	$ 5,093,913	**$ 7,685,279**	$ 2,591,366	50.87%	$ (1,522,553)	-23.01%
Change in net position after capital contributions	$ 23,177,441	$ 45,384,962	**$ 21,683,452**	$ (23,701,510)	-52.22%	$ 22,207,521	95.82%
Beginning net position	$ 248,482,391	$ 271,659,832	**$ 317,044,794**	$ 45,384,962	16.71%	$ 23,177,441	9.33%
Ending net position	$ 271,659,832	$ 317,044,794	**$ 338,728,246**	$ 21,683,452	6.84%	$ 45,384,962	16.71%

GREER COMMISSION OF PUBLIC WORKS

MANAGEMENT'S DISCUSSION AND ANALYSIS

General Trends

During 2025, the Greater Greer area continued to realize the steady growth in the residential, commercial, and industrial base that it has experienced for the past 10 years. The Commission experienced growth in its customer base adding approximately 2,785 new customers, or 2.9%, continuing the growth trend that has averaged 4.1% over the past 10 years.

The Commission remains positioned to manage the growth that continues in our service area. We have a plentiful water supply and sufficient capacity to manage the demand of our water and sewer systems. The six strategically located electric substations throughout the service area continue to provide reliable and competitive electric services. Our natural has service area is fed by our connections to the Transcontinental Pipeline, which provides our customers with an abundant supply of commodity.

Financial Position

The Commission employs conservative management principles to maintain sustained and healthy debt service coverages. This management style lends itself to our continued financial strength and stability. Total assets of $422,082,615 increased by $16,538,299, or 4.08%, compared to the 2024 increase to $405,544,316. Current and other assets decreased by $12,174,456, or 14.31%, to $72,896,530 from fiscal year 2024 results of $85,070,986. As we continue to expand and improve our capital infrastructure, the capital assets for fiscal year 2025 increased by $28,712,755, or 8.96%, to $349,186,085 from fiscal year 2024 results of $320,473,330. Total liabilities decreased by $4,361,135, or 5%, to $82,823,003 from fiscal year 2024 results of $87,184,138.

Results of Operations

Operating Revenues: Operating revenues are primarily comprised of electric, natural gas, water and sewer sales that are supplemented by revenues from connection fees, service charges, collection fees, and some miscellaneous fees. Total revenues decreased by $14,614,150 to $124,486,396 in fiscal year 2025 from $139,100,546 in fiscal year 2024 due to the net effects of increases to electric, natural gas, water, and sewer revenues and a significant decrease in non-operating revenues from the proceeds of a legal settlement in 2024. The increase in the electric, gas and water revenues of 2.06%, 22.22%, and 2.05% can be attributed to several factors, including a more volatile weather pattern and commodity prices. Weather is always a factor to be reviewed when evaluating revenues. The heating degree days ("HDD") during 2025 were 2,832 days, higher than the 2,593 days experienced during 2024, and the cooling degree days ("CDD") during 2025 were 1,753 days, a decrease from 2024 at 1,929 days. In addition to the volatility of the temperatures, the weather patterns also brought to the area 45 inches of precipitation, a decrease from 2024 totals of 55 inches. The fluctuations in the price of the natural gas commodity resulted in weighted average costs of $5.49 per dT, an increase from 2024 of $3.72 per dT.

Operating revenues during 2024 increased by $3,356,164 to $109,768,677 over fiscal year 2023 due to the net effects of increases to the electric, water, and sewer revenues. The increase in the electric, water and wastewater revenues of 7.12%, 3.86% and 8.09%, respectively, can be attributed to several factors, but mostly due to a milder weather pattern. The heating degree days ("HDD") during 2024 were 2,593 days, 3% higher than the 2,505 days experienced during 2023, and the cooling degree days ("CDD") during 2024 were 1,929 days, an increase from 2023 of 17% more than the 1,602 days experienced during 2023. In addition to the volatility of the temperatures, the weather patterns also brought to the area 55 inches of precipitation, an increase of 6.6% from 2023 totals of 51 inches. The fluctuations in the price of the natural gas commodity resulted in weighted average costs of $3.72 per dT, a decrease from 2023 of $3.92 per dT.

Other operating revenues decreased by $1,567,142 and increased by $1,760,346 during 2025 and 2024, respectively. Both are attributable to several factors, including changes in the collection of non-payment fees, sales of gas, water, and sewer tap fees, sales of inventoried materials, and recovery of bad debts.

During 2025, non-operating revenues decreased by $21,557,710. This decrease is attributable to an increase in interest earnings from cash balances held at banking institutions, as well as recognition of intergovernmental grant revenues offset by a decrease in non-operating revenues from a legal settlement in 2024. During 2024, non-operating revenues increased by $26,444,594. This increase can be attributed to a decrease in earnings on investments, increased bad debts recovered, and a $27,500,000 legal settlement received in 2024.

Operating Expenses: Operating expenses are primarily comprised of the costs to procure electricity and natural gas for sales to our customers, to provide water treatment and distribution, and sewer collection and treatment. During 2025, operating expenses increased by $11,738,388 to $107,294,192, from $95,555,804 in fiscal year 2024, due to the net effect of an increase in related purchased gas and other operating expenses. Purchased gas costs increased by $8,619,033, or 50.17%, because of increased commodity prices and much colder weather experienced in the first and last quarters of 2025. Purchased power costs increased $738,903, or 1.86%, because of slightly elevated customer demand experienced during the warmer temperatures during the summer months. Other operating expenses increased by $1,425,997, with an increase to the operations and maintenance of equipment.

During 2024, expenses increased by $6,070,684 to $98,809,497, from $92,738,813 in fiscal year 2023, due to the net effect of an increase in related purchased gas and other non-operating expenses. Purchased gas costs increased by $1,730,171, or 11.2%, because of increased commodity prices and colder weather experienced in the first and last quarters of 2024. Purchased power costs increased by $1,527,713, or 4.01%, because of slightly higher customer demand experienced during the summer months. Other operating expenses increased by $1,864,826, with an increase to water and wastewater treatment chemicals, and the operations and maintenance of equipment.

Non-operating expenses decreased $59,662, or 1.83%, to $3,194,031 during 2025. The disposal of assets resulted in gain realized in the amount of $322,814, an increase from gain of $127,152 realized during 2024.

During 2024, non-operating expenses increased by $518,142, or 18.94%, to $3,253,693. The disposal of assets resulted in a gain realized in the amount of $127,152, a decrease from gain of $234,313 realized during 2023.

As a result of these factors, the Commission experienced net revenues over expenses of $13,998,173 and $40,291,049, respectively, in 2025 and 2024 before capital contributions.

Capital Contributions and Grants: Capital contributions include cash contributions, non-cash contributions and grants from various sources such as developers, customer assessments, and state and federal agencies. During 2025, the Commission received $7,685,279 in capital contributions. This was a $2,591,366 increase from fiscal year 2024 capital contributions of $5,093,913. Capital contributions for 2025 included the following receipts:

- $173,890 received from various sources to offset capital costs related to lighting infrastructure
- $4,484,741 received from various developer contributed properties that consists of water and sewer infrastructure

During 2024, the Commission received $5,093,913 in capital contributions. This decreased by $1,522,553 from $6,616,466 received during fiscal year 2023.

During 2025, the Commission had a legal settlement awarded that resulted in non-operating revenues for the Commission of $536,791, a decrease in legal settlements from 2024 of $26,963,209.

Transfers to the City: During fiscal years 2025 and 2024 the Commission made transfers to the City of Greer's General Fund in the amount of $1,000,000.

Capital Assets and Long-Term Debt

Capital Assets: At the end of 2025 the Commission invested $544,150,244 in land and a broad range of infrastructure including electric distribution facilities; electric substations; fiber optic infrastructure and equipment; water and sewer plants; wastewater facilities; water and sewer lines; maintenance and administration facilities; vehicles and equipment; and office and computer equipment. Please refer to Note 3 to the financial statements for additional information on the Commission's capital assets.

In 2025 and 2024, the Commission's capital assets increased in the net amount of $32,280,010 and $36,784,286, respectively. Of this increase, $19,738,690 and $18,733,676, respectively, was for expansion of the utility plant and the remainder for other operating assets and improvements during 2025 and 2024.

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Capital Assets

	FY 2023	FY 2024	**FY 2025**	**2024 to 2025**		**2023 to 2024**	
				Dollars	**%**	**Dollars**	**%**
				Increase (decrease)		**Increase (decrease)**	
Land	$ 6,398,943	$ 7,547,166	**$ 7,608,967**	$ 61,801	0.82%	$ 1,148,223	17.94%
Buildings	7,381,910	7,392,701	**7,536,650**	143,949	1.95%	10,791	0.15%
Machinery, equipment, and vehicles	12,832,059	13,892,598	**14,699,972**	807,374	5.81%	1,060,539	8.26%
Electric distribution system	79,572,084	84,615,213	**93,554,398**	8,939,185	10.56%	5,043,129	6.34%
Water distribution system	94,499,116	97,684,142	**116,758,461**	19,074,319	19.53%	3,185,026	3.37%
Water reservoirs and dams	11,637,846	11,637,846	**11,637,846**	-	0.00%	-	0.00%
Recreational facilities	816,778	816,778	**951,778**	135,000	16.53%	-	0.00%
Gas distribution system	88,910,904	96,933,243	**113,936,412**	17,003,169	17.54%	8,022,339	9.02%
Disposal plants and sanitary sewer	121,709,670	125,225,083	**135,747,512**	10,522,429	8.40%	3,515,413	2.89%
Office equipment and software	2,927,452	3,472,305	**3,859,639**	387,334	11.15%	544,853	18.61%
Fiber optic	550,297	550,297	**550,297**	-	0.00%	-	0.00%
Construction in progress	47,809,755	61,968,796	**37,174,246**	(24,794,550)	-40.01%	14,159,041	29.62%
Right to use lease assets	39,134	134,066	**134,066**	-	0.00%	94,932	242.58%
Subtotal	$ 475,085,948	$ 511,870,234	**$ 544,150,244**	$ 32,280,010	6.31%	$ 36,784,286	7.74%
Less accumulated depreciation	187,218,565	191,396,904	**194,964,159**	3,567,255	1.86%	4,178,339	2.23%
Net property, plant, and equipment	$ 287,867,383	**$ 320,473,330**	**$ 349,186,085**	$ 28,712,755	8.96%	$ 32,605,947	11.33%

The following is a summary of some of the major capital improvements completed and added to the system during fiscal year 2025.

System Expansion Projects in Gas	$ 10,407,382
Advanced Meter Infrastructure Project (AMI)	5,346,136
System Expansion Projects in Sewer	5,286,215
System Expansion Projects in Electric	3,654,126
Improvements and upgrades to the Electric system	3,495,557
Improvements and upgrades to the Sewer system	2,541,774
Improvements and upgrades to the Water system	1,934,381
Lakes and Operations Improvements	1,802,318
Motor vehicles and equipment replacements	1,635,878
Improvements and upgrades to the Gas system	956,687
System Expansion Projects in Water	390,967
Software System Improvements	313,278
Total major capital improvements	$ 37,764,699

Long-term Debt: At the end of 2025, the Commission had $48,517,443 in aggregate long-term debt, down from $53,269,390 at the end of fiscal year 2024, a decrease of $4,751,947, or 8.92%. In 2024, the Commission had $53,269,390 in aggregate long-term debt, increased from $42,823,533 at the end of fiscal year 2023, an increase of $10,445,857, or 24.39%.

The changes resulted from scheduled principal payments made on the existing debt, along with a new revenue bond for a gas system expansion. Please refer to Note 6 to the financial statements for additional information on the Commission's long-term debt.

	FY 2023		FY 2024		FY 2025		2024 to 2025		2023 to 2024	
	Principal Outstanding	Weighted Average Coupon Rate	Principal Outstanding	Weighted Average Coupon Rate	Principal Outstanding	Weighted Average Coupon Rate	Dollars	%	Dollars	%
							Increase (decrease)		Increase (decrease)	
Series 2002 revenue bonds	$ 21,330,000	5.48%	$ 21,020,000	5.48%	$ 20,695,000	5.48%	$ (325,000)	-1.55%	$ (310,000)	-1.45%
2004 South Carolina SRF loan	4,178,708	2.25%	3,831,102	2.25%	3,475,609	2.25%	(355,493)	-9.28%	(347,606)	-8.32%
2005 South Carolina SRF loan	3,421,302	2.25%	3,121,073	2.25%	2,814,031	2.25%	(307,042)	-9.84%	(300,229)	-8.78%
Series 2007 revenue bonds	1,524,415	4.02%	1,165,537	4.02%	792,233	4.02%	(373,304)	-32.03%	(358,878)	-23.54%
2007 South Carolina SRF loan	4,197,430	2.25%	3,435,567	2.25%	2,656,420	2.25%	(779,147)	-22.68%	(761,863)	-18.15%
2009 South Carolina SRF loan	3,291,294	2.25%	3,129,958	2.25%	2,965,264	2.25%	(164,694)	-5.26%	(161,336)	-4.90%
Series 2015 refunding bonds	990,000	2.10%	500,000	2.10%	-	2.10%	(500,000)	-100.00%	(490,000)	-49.49%
Series 2017 refunding bonds	3,850,000	1.99%	1,945,000	1.99%	-	1.99%	(1,945,000)	-100.00%	(1,905,000)	-49.48%
Series 2024 revenue bonds	-	0.00%	15,115,000	3.70%	15,115,000	3.70%	-	0.00%	15,115,000	0.00%
Leases	40,384	2.12%	6,153	2.12%	3,886	2.12%	(2,267)	-36.84%	(34,231)	-84.76%
Total Long-term debt	**$ 42,823,533**	**-8.92%**	**$ 53,269,390**	**24.39%**	**$ 48,517,443**	**4.11%**	**$ (4,751,947)**	-8.92%	**$ 10,445,857**	24.39%

Bond Ratings - All outstanding Combined Utility System Revenue Bonds ("Revenue Bonds") carry an A1, A+, and AA- ratings from Moody's, Standard & Poor's, and Fitch Ratings, respectively. During 2024, the Commission received affirmations of each of its ratings from Standard and Poor's and Fitch Rating.

Limitations on Debt - The Bond Ordinance provides that debt may be issued under the Bond Ordinance from time to time in such amounts as deemed necessary or advisable to the City, upon request of the Commission, for any purpose for which bonds may be issued for the benefit of the Commission under the Enabling Act. Prior to issuing any additional bonds, other than refunding bonds, the Commission is required to prove that the estimated future net revenues of the Commission are expected to be at least 120% of the actual highest combined debt service requirement (including debt service on the proposed additional bonds) for the current fiscal year and for the three fiscal years following the issuance of the additional bonds. The Commission currently reports a maximum debt service coverage ratio of 480%, 448%, and 491%, for the years 2025, 2024, and 2023, respectively.

				2024 to 2025		2023 to 2024	
	FY 2023	FY 2024	**FY 2025**	Dollars	%	Dollars	%
Revenues				Increase (decrease)		Increase (decrease)	
Revenues from operations	$ 106,412,513	$ 109,791,888	**$ 116,712,237**	$ 6,920,349	6.30%	$ 3,379,375	3.18%
Non-operating revenue	2,652,962	1,704,717	**6,914,554**	5,209,837	305.61%	(948,245)	-35.74%
Capacity fees*	1,684,700	2,057,600	**3,026,647**	969,047	47.10%	372,900	22.13%
Total revenues	$ 110,750,175	$ 113,554,205	**$ 126,653,438**	$ 13,099,233	11.54%	$ 2,804,030	2.53%
Expenses							
Total expenses	$ 91,738,813	$ 97,809,497	**$ 109,488,222**	$ 11,678,725	11.94%	$ 6,070,684	6.62%
Depreciation	(10,684,102)	(11,137,143)	**(12,068,389)**	(931,246)	8.36%	(453,041)	4.24%
Bond interest expense	(1,735,551)	(2,253,693)	**(2,194,031)**	59,662	-2.65%	(518,142)	29.85%
Gain (loss) on sale of assets	234,313	127,152	**322,814**	195,662	153.88%	(107,161)	-45.73%
Total expenses	$ 79,553,473	$ 84,545,813	**$ 95,548,616**	$ 11,002,803	13.01%	$ 4,992,340	6.28%
Income available for debt service	$ 31,196,702	$ 29,008,392	**$ 31,104,822**	$ 2,096,430	7.23%	$ (2,188,310)	-7.01%
Maximum annual debt service (ADS)	$ 6,357,000	$ 6,474,000	**$ 6,474,000**	$ -	0.00%	$ 117,000	1.84%
Maximum ADS coverage	491%	448%	**480%**		-8.76%		-8.76%

*Although Capacity fees are allocated to Contributions of Capital, they are available for debt service under the Bond Ordinance

With this continued strong debt service coverage ratio, the Commission has the ability and capacity to issue additional bonds to fund future capital additions to the System. As a result of the increase in capital reserves and strategic planning, the Commission currently anticipates internally funding or applying for grant funds for capital projects within the current long-range Capital Improvement Plan through fiscal year 2030.

Economic Outlook and Final Comments

The economic outlook for the Greenville and Spartanburg Counties continues to show positive trends in several areas. With the continued increase in the receipt of capacity fees received by the Commission, both Greenville and Spartanburg Counties are showing continual developer activity, which coincides with economic growth. Unemployment rates for the Greer area were 4.2% at the end of 2025 and mean household income increased 3.24% from prior year. Population increases in both counties mirror the positive trend the Commission has seen in customer growth.

These positive economic indicators promote the financial health and sustainability of the Commission. The Commission is committed to fiscal responsibility, which is our assurance we will sensibly spend, earn, and generate funds without placing undue hardship on our ratepayers.

The Commission considered a variety of factors in developing the fiscal year 2026 budget, including required rates by utility and customer class, user fees, and other charges. The Commission is required under the Ordinance to set rates and fees at levels which are at least sufficient to provide 100% of the amounts required to be deposited into the Operation and Maintenance Fund for the then current fiscal year, any amounts required to be deposited into any Debt Service Reserve Fund for the then current fiscal year, and any other amounts necessary to comply with the terms of the Bond Ordinance or any other contract or agreement with the Bondholders.

The fiscal year 2026 budget provided for facility charge increases in the water and wastewater utilities. For 2026, requirements, such as increasing legislative environmental requirements mandated for our drinking water and wastewater treatment facilities, volatile natural gas, rising health care costs, and the general overall effects of inflation on our day-to-day operating requirements, must be dealt with effectively through the rates and fees charged for our services in order to achieve revenue sufficiency and appropriate levels of debt service coverage for each of the four operating utilities.

The Commission's customer base for each utility is evaluated in consideration of the City and County projected population growth, the impacts of annexations, the general economy, and other known factors affecting each individual utility.

Contacting the Commission's Finance Manager

This financial report is designed to provide our citizens, customers, and creditors with a general overview of the Commission's finances and to demonstrate the Commission's accountability for the money it receives. Questions concerning any of the information in this report or requests for additional information should be directed to the office of Angela M. Karcher, Finance Manager, Greer Commission of Public Works, P.O. Box 216, Greer, South Carolina 29652-0216.

GREER COMMISSION OF PUBLIC WORKS

STATEMENTS OF NET POSITION
DECEMBER 31, 2025 AND 2024

	December 31, 2025	December 31, 2024
ASSETS		
Current Assets		
Cash and cash equivalents	**$ 31,202,412**	$ 34,763,147
Accounts receivable - customer (less allowance for doubtful accounts of $398,814 and $381,649 for 2025 and 2024, respectively)	**14,947,715**	13,019,274
Grants receivable	**4,336,642**	-
Inventories	**18,509,888**	14,975,776
Prepaid expenses	**203,233**	122,580
Restricted assets, cash and cash equivalents	**3,083,402**	21,394,224
Current portion of leases receivable	**182,070**	182,748
Total Current Assets	**72,465,362**	84,457,749
Noncurrent Assets		
Leases receivable, net of current portion	**431,168**	613,237
Capital Assets:		
Right-to-use lease assets, net of accumulated amortization	**3,802**	6,222
Utility plant	**544,016,178**	511,736,168
Less: accumulated depreciation	**(194,833,895)**	(191,269,060)
Net capital assets	**349,186,085**	320,473,330
Total Noncurrent Assets	**349,617,253**	321,086,567
Total Assets	**422,082,615**	405,544,316
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized charge on refunding	**-**	43,012
Deferred outflows-other postemployment benefits	**415,857**	355,928
Deferred outflows-pension	**2,074,298**	1,646,896
Total Deferred Outflows of Resources	**2,490,155**	2,045,836
LIABILITIES		
Current Liabilities		
Accounts payable	**10,831,930**	9,656,703
Construction contract retainage payable	**505,400**	477,343
Accrued interest	**658,358**	450,063
Other accrued liabilities	**4,236,641**	4,147,098
Customers' deposits	**1,266,045**	1,140,594
Compensated absences	**653,603**	661,427
Current portion of landfill post-closure liability	**11,500**	11,125
Current portion of long-term debt	**4,538,191**	4,751,947
Current portion of other postemployment benefit liability	**142,000**	60,000
Total Current Liabilities	**22,843,668**	21,356,300
Noncurrent Liabilities		
Landfill post-closure liability, net of current portion	**137,515**	149,015
Long-term other postemployment benefit liability	**303,666**	632,484
Net pension liability	**14,208,775**	15,055,083
Long-term debt, net of unamortized premium and current portion of long-term debt	**45,329,379**	49,991,256
Total Noncurrent Liabilities	**59,979,335**	65,827,838
Total Liabilities	**82,823,003**	87,184,138
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows-lease receipts	**576,695**	759,433
Deferred inflows-pension	**1,380,185**	1,470,217
Deferred inflows-other postemployment benefits	**1,064,641**	1,131,570
Total Deferred Inflows of Resources	**3,021,521**	3,361,220
NET POSITION		
Net investment in capital assets	**313,651,570**	280,298,424
Restricted for:		
Debt service	**1,624,571**	2,076,179
Capital projects	**192,786**	3,174,823
Unrestricted	**23,259,319**	31,495,368
Total Net Position	**$ 338,728,246**	$ 317,044,794

See accompanying notes to the financial statements.

GREER COMMISSION OF PUBLIC WORKS

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	December 31,	
	2025	2024
Operating Revenues		
Electric revenues	**$ 52,859,642**	$ 51,792,181
Gas revenues	**39,821,397**	32,580,769
Water revenues	**10,776,192**	10,559,201
Sewer revenues	**8,629,983**	8,644,361
Other operating revenues	**4,625,023**	6,192,165
Total Operating Revenues	**116,712,237**	109,768,677
Operating Expenses		
Purchased power	**40,392,612**	39,653,709
Purchased gas	**25,799,339**	17,180,306
Depreciation and amortization	**12,068,389**	11,113,934
Other operating expenses	**29,033,852**	27,607,855
Total Operating Expenses	**107,294,192**	95,555,804
Operating Income	**9,418,045**	14,212,873
Non-operating Revenues (Expenses)		
Investment income	**820,959**	1,303,073
Intergovernmental revenues	**6,093,595**	401,644
Gain on sale of capital assets	**322,814**	127,152
Interest expense	**(2,194,031)**	(2,253,693)
Intergovernmental expense to the City of Greer	**(1,000,000)**	(1,000,000)
Legal Settlement	**536,791**	27,500,000
Total Non-operating Revenues, Net	**4,580,128**	26,078,176
Income before Contributions	**13,998,173**	40,291,049
Capital Contributions	**7,685,279**	5,093,913
Change in Net Position	**21,683,452**	45,384,962
Net Position, Beginning of Year	**317,044,794**	271,659,832
Net Position, End of Year	**$ 338,728,246**	$ 317,044,794

See accompanying notes to the financial statements.

GREER COMMISSION OF PUBLIC WORKS

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	December 31, 2025	2024
Cash Flows from Operating Activities		
Cash Received from Customers	**$ 105,947,582**	$ 102,319,868
Cash Paid to Employees	**(12,610,333)**	(10,689,160)
Cash Paid to Suppliers	**(86,721,832)**	(70,638,213)
Other receipts	**5,161,814**	33,692,165
Net Cash Provided by Operating Activities	**11,777,231**	54,684,660
Cash Flows from Noncapital Financing Activities		
Intergovernmental Payments to the City of Greer	**(1,000,000)**	(1,000,000)
Net Cash Used in Noncapital Financing Activities	**(1,000,000)**	(1,000,000)
Cash Flows for Capital and Related Financing Activities		
Proceeds from Issuance of Revenue Bonds	**-**	16,486,265
Capital Grants and Contributions	**9,294,133**	2,662,095
Construction and Improvement of Utility Plant	**(36,620,889)**	(40,794,381)
Debt Principal Payments	**(4,751,947)**	(4,669,143)
Proceeds from Sales of Capital Assets	**675,357**	81,133
Interest Paid	**(2,066,410)**	(2,359,700)
Net Cash Used in Capital and Related Financing Activities	**(33,469,756)**	(28,593,731)
Cash Flows from Investing Activities		
Interest Received	**820,968**	1,298,891
Net Cash Provided by Investing Activities	**820,968**	1,298,891
Net Increase (Decrease) in Cash and Cash Equivalents	**(21,871,557)**	26,389,820
Cash and Cash Equivalents, Beginning of Year	**56,157,371**	29,767,551
Cash and Cash Equivalents, End of Year	**$ 34,285,814**	$ 56,157,371
Per Statement of Net Position:		
Cash and Cash Equivalents	**$ 31,202,412**	$ 34,763,147
Cash and Cash Equivalents - Restricted	**3,083,402**	21,394,224
	$ 34,285,814	$ 56,157,371
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income	**$ 9,418,045**	$ 14,212,873
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	**12,068,389**	11,113,934
Other Receipts - Legal Settlement	**536,791**	27,500,000
Changes in Assets and Liabilities:		
Increase in Accounts Receivable	**(6,265,083)**	(1,224,244)
(Increase) Decrease in Inventory	**(3,534,112)**	2,751,597
Increase in Prepaid Expenses	**(80,653)**	(20,452)
Increase in Deferred Outflows of Resources	**(487,331)**	(173,107)
Increase in Accounts Payable	**1,152,898**	900,588
Increase in Other Accrued Liabilities	**104,048**	261,907
Increase (Decrease) in Customer Deposits	**125,451**	(32,400)
Decrease in Total Other Postemployment Benefit Liability	**(246,818)**	(97,720)
Decrease in Net Pension Liability	**(846,308)**	(1,392,026)
Decrease in Landfill Post-closure Liability	**(11,125)**	(10,460)
Increase (Decrease) in Deferred Inflows of Resources	**(156,961)**	894,170
Net Cash Provided by Operating Activities	**$ 11,777,231**	$ 54,684,660
Non-cash Investing, Capital and Financing Activities:		
Non-cash Capital Contributions	**$ 4,484,741**	$ 2,833,462
Change in retainage payable	**28,057**	-
Net non-cash Investing, Capital and Financing Activities	**$ 4,512,798**	**$ 2,833,462**

See accompanying notes to the financial statements.

GREER COMMISSION OF PUBLIC WORKS

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Greer Commission of Public Works (the "Commission") is a municipal utility system established in 1913 to furnish electricity, natural gas, water, and sanitary sewer service to the City of Greer (the "City") and the surrounding area. The Commission is governed by three elected Commissioners and managed by an appointed General Manager.

For its electric service needs, under an all requirements contract, the Commission is a member of Piedmont Municipal Power Agency (PMPA) which owns a 25% undivided ownership interest in Duke Energy's Catawba Nuclear Station Unit 2 and its initial nuclear core. This jointly owned reactor furnishes approximately 96% of the Commission's electrical needs. The Commission also purchases power from the U.S. Department of Energy – Southeastern Power Administration and from the Laurens Electric Cooperative.

In addition to the incorporated City service area, natural gas is provided to five other municipalities. Natural gas supplies are purchased from a variety of sources including Conoco Phillips, BP Energy, Direct Energy, NJR Energy, SW Virginia Gas Company, and other providers and delivered to the Commission's marketing areas via transmission lines owned by Transcontinental Gas Pipeline Corporation. In June 2013, the Commission began participating as a cooperative buyer from Municipal Gas Acquisition and Supply Corporation (MuniGas).

Raw water supply is provided from two reservoirs located approximately five miles north of the City. This water undergoes treatment in compliance with the South Carolina Department of Health and Environmental Control and Federal Environmental Protection Agency regulations and is partially softened during the process.

The sanitary sewer system consists of a series of collection mains, as well as a primary sewage treatment plant.

The Commission's significant accounting policies are as follows:

REPORTING ENTITY

This report includes all operations of the Primary Government for which the Commission is financially accountable. The following criteria were used in determining the operations for which financial accountability existed:

1. Selection of a majority of the governing board of the unit
2. Ability to impose its will upon the unit
3. Possibility of the unit to provide a benefit or impose a burden on the Primary Government

There are no component units.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF PRESENTATION

The Commission's accounting records are maintained on the full accrual basis in conformity with accounting principles generally accepted in the United States of America as applicable to governmental entities and substantially in conformity with the Federal Energy Regulatory Commission's Uniform System of Accounts.

The Commission accounts for its activities similar to those found in private business enterprises. The Financial Accounting Standards Board (FASB) and its predecessor organizations have issued accounting and reporting standards for activities in the private sector; however, the Commission has applied all applicable pronouncements issued by the Governmental Accounting Standards Board (GASB).

The Commission reports its activities in a single proprietary fund. Proprietary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of the related cash flows. The accounting objective of this measurement focus is the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF PRESENTATION (CONTINUED)

Enterprise funds are a type of proprietary fund used to account for those operations that are financed and operated in a manner similar to private business or where the governing body has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability.

Proprietary funds distinguish operating revenue 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 the Commission are charges to customers for services. The Commission also recognizes origination fees, which are intended to recover the cost of connecting new customers to the system, as operating revenue. Operating expenses for proprietary funds include the cost to provide services, administrative expenses and depreciation and amortization on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Non-exchange transactions, in which the Commission gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants, entitlements, and donations. On the full accrual basis, revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

BUDGETS

The Commission is not required by law to adopt a formal budget; however, the Commission does adopt and maintain a formal budget annually.

CASH AND CASH EQUIVALENTS

For purposes of reporting cash flows, the Commission considers cash on hand, demand deposits and all highly liquid non-equity investments with an original maturity of three months or less when purchased to be cash equivalents.

INVESTMENTS

The Commission’s investment policy is designed to operate within existing State of South Carolina statutes that authorize the Commission to invest in the following:

a. Obligations of the United States of America and agencies thereof;
b. General obligations of the State of South Carolina or any of its political units;
c. Financial institutions to the extent that the same are insured by an agency of the federal government;
d. Certificates of deposit and funds in deposit accounts with banking institutions provided that such certificates and funds in deposit accounts are collaterally insured by securities of the type described in (a) and (b) above, held by a third party as an escrow agent, or custodian of a market value, not less than the amount of the certificates or funds in deposit accounts 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;
e. Collateralized repurchase agreements when collateralized by securities as set forth in (a) and (b) above and held by the Commission or a third party as escrow agent or custodian; and
f. South Carolina Pooled Investment Fund established and maintained by the State Treasurer.

All investments are stated at their fair values.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ACCOUNTS RECEIVABLE

Customer receivables represent fees for utility services earned but not yet collected. The Commission recognizes revenue as earned on a monthly basis, based on rates established by the Commission's Board of Commissioners. Due to the fact that the customer meters are read and billed at various times during each month, the Commission estimates unbilled revenues for each of its services delivered to customers between their last respective cycle billing date and December 31, and records that amount as unbilled revenues for the current year. Estimated unbilled revenues as of December 31, 2025 and 2024 were $5,983,162 and $5,462,780, respectively. Receivables are reported net of applicable allowances for uncollectible accounts. Management reviews account receivables on a regular basis to determine if any receivables will potentially be uncollectible. The allowance for uncollectible accounts includes amounts estimated through an evaluation of specific accounts, based on the best available facts and circumstances, of customers that may be unable to meet their financial obligations, and a reserve based on historical experience. Management believes that the allowance for uncollectible accounts as of year-end was adequate.

INVENTORIES AND PREPAID EXPENSES

Materials and supplies inventories are valued at average cost, and consists of materials, supplies, and fuel. Prepaid expenses consist of items such as general liability insurance premiums that have been paid during 2025 and 2024 but are recognized over the appropriate accounting periods.

RESTRICTED ASSETS

Restricted assets consist of cash that will be used for future additions to utility plant or to meet debt service obligations on debt issued to fund additions to utility plant, as prescribed by the underlying bond ordinance.

UTILITY PLANTS AND RIGHT-TO-USE LEASE ASSETS

Utility plant and right-to-use lease assets are stated at cost and contributed capital assets are recorded at their acquisition fair value at the date of contribution. Minimum capitalization costs are $5,000.

Capital assets of the Commission are depreciated or amortized on a straight-line basis over the following estimated useful lives:

	Years		Years
Electric distribution system	25	Operations center	50
Gas distribution system	33	Vehicle maintenance facility	33
Water system	50	Buildings	10
Compressed natural gas station	15	Right-to-use buildings	10
Recreational facilities	25	Fiber optic	10
Disposal plants and sanitary sewer	50	Vehicles and other work equipment	7
Lift stations	20	Office equipment and furniture	6
Finance building	50	Right-to-use equipment	6

Depreciation and amortization expense for the years ended December 31, 2025 and 2024 was $12,068,389 and $11,113,934, respectively.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

UTILITY PLANTS AND RIGHT-TO-USE LEASE ASSETS (CONTINUED)

Costs of labor, materials, supervision, and other expenses incurred in making repairs and minor replacements and in maintaining the plant are charged to expense. Plant accounts are charged with the costs of permanent betterments and replacements of plant, including capitalized labor, as appropriate. Donated assets are valued at acquisition value at the date of donation.

LEASES

Lessor: The Commission is the lessor for certain noncancellable leases of buildings and equipment. In accordance with GASB Statement No. 87, *Leases*, the Commission recognizes a lease receivable and a deferred inflow of resources for deferred lease receipts in accordance with these transactions. At the commencement of a lease, the Commission initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments made. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments made at or before the lease commencement date, less certain other amounts to be paid by the Commission (if any). Subsequently, the deferred inflow of resources is amortized into lease revenue on a straight-line basis over the lease term. Key estimates and judgments related to leases include how the Commission determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments: the lease agreements entered into by the Commission as lessor do not include stated interest rates. Therefore, the Commission generally uses its estimated incremental borrowing rate as the discount rate for leases; the lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease receivable are composed of fixed payments that the Commission will receive over the term of the lease agreement. The Commission monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflow of resources if certain changes occur that are expected to significantly affect the amount of the lease.

Lessee: The Commission is the lessee for certain noncancellable leases of equipment. In accordance with GASB Statement No. 87, *Leases*, the Commission recognizes a lease liability and a right-to-use lease asset in accordance with these transactions. At the commencement of a lease, the Commission initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, less certain other amounts to be paid by the Commission (if any). Subsequently, the lease asset is amortized into amortization expense on a straight-line basis over the lease term. Key estimates and judgments related to leases include how the Commission determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments: the lease agreements entered into by the Commission as lessee do not include stated interest rates. Therefore, the Commission generally uses its estimated incremental borrowing rate as the discount rate for leases; the lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments that the Commission will make over the term of the lease agreement. The Commission monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease liability and lease asset if certain changes occur that are expected to significantly affect the amount of the lease.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PENSIONS

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the South Carolina Retirement System (SCRS) and Police Officers Retirement System (PORS) and additions to/deductions from SCRS'/PORS' fiduciary net position have been determined on the same basis as they are reported by SCRS and PORS. For this purpose, benefit payments (including refunds of employer contributions) are recognized when due and payable in accordance with the benefit terms.

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the Statement of Net Position reports a separate section for deferred outflow of resources and deferred inflows of resources. The 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) until then. The separate financial statement element, *deferred inflows of resources,* represents an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until then. Unamortized charge on refunding reported on the Statement of Net Position and employer pension and OPEB contributions subsequent to the measurement date of the net pension liability and total OPEB liability not included in pension/OPEB expenses are reported as deferred outflows of resources or deferred inflows of resources. Additional pension and OPEB related deferred outflows/inflows of resources reported on the Statement of Net Positions include: (1) differences between expected and actual experience, (2) differences between projected and actual earnings on pension plan investments, (3) changes in actuarial assumptions, and (4) changes in proportion and differences between Commission contributions and proportionate share of pension contributions. The Commission also reports deferred inflows of resources relative to deferred lease receipts which are amortized into lease revenue on a straight-line basis over the lease term.

COMPENSATED ABSENCES

In prior years it has been the Commission's policy to permit employees to accrue earned but unused paid vacation time and general leave. In 2019, the Commission implemented a policy combining paid vacation time and general leave into one category of paid leave that has been earned but unused referred to as personal time off (PTO). PTO vests when earned. Under the new policy, employees with existing leave balances are permitted to accumulate and carry over up to 80 hours of earned but unused PTO. Amounts in excess of 80 hours at year end will be paid out to employees in January of the following year. PTO within the annual carryover limit and the amount earned in excess of 80 hours to be paid to employees in January of the following year is reported as a liability on the Statement of Net Position.

AMORTIZATION

Bond premiums and discounts are recorded and amortized over the life of the respective bonds using a method that approximates the effective interest method.

CAPITAL CONTRIBUTIONS

The Commission receives contributions in aid of construction from customers in the form of capacity fees for water and sewer expansions, from developer contributions, as well as from federal, state, and local grants principally for utility plant.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

USE OF 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 that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

RECLASSIFICATIONS

Certain amounts in the prior year data have been reclassified in order to be consistent with the current year's presentation.

DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

The Commission has developed a hedging policy, which provides guidelines for the use of natural gas and financial futures, options, and other contracts. The purpose of the hedging policy is to mitigate the risks associated with fluctuations in interest rates and/or natural gas prices.

By using derivative financial instruments to hedge exposures to changes in natural gas prices, the Commission exposes itself to credit risk and market risk. Credit risk is the failure of the counterparty to perform under the terms of the derivative contract.

When the fair value of a derivative contract is positive, the counterparty owes the Commission, which creates credit risk for the Commission. When the fair value of a derivative contract is negative, the Commission owes the counterparty and, therefore, it does not possess credit risk.

The Commission minimizes the credit risk in derivative instruments by entering into transactions with high-quality counterparties. Market risk is the adverse effect on the value of a financial instrument that results from a change in interest rates or commodity prices. The market risk associated with commodity-price contracts is managed by establishing and monitoring parameters that limit the types and degree of market risk that may be undertaken.

Cumulative changes in the fair value of hedge contracts are recorded at the time the contracts are closed. At December 31, 2024 and 2025, the Commission had a total of 12 and 12 contracts outstanding, respectively, hedging the natural gas system supply and supply for other specific non-system customers, depending upon the expected month of future delivery. These contracts represent a total outstanding commitment of $2,450,858 and $9,064,770 at an average cost of $2.79 and $6.64 per dekatherm of natural gas at December 31, 2024 and 2025, respectively.

NET POSITION

Net position is the difference between assets/deferred outflows of resources and liabilities/deferred inflows of resources. Net position comprises the various net earnings from operating and non-operating revenues, expenses and contributions of capital. Net position is classified in the following three components: net investment in capital assets, restricted for debt service and for capital projects, and unrestricted net position. Net investment in capital assets consists of all capital assets, net of accumulated depreciation and amortization and reduced by outstanding debt and other liabilities that is attributable to the acquisition, construction and improvement of those assets; unspent debt proceeds, or other restricted cash and investments is excluded from the determination. Net position restricted for debt service and capital projects consists of net position for which constraints are placed thereon by external parties, such as lenders, grantors, laws, regulations and enabling legislation. Unrestricted net position consists of all other net position not included in the above categories. When both restricted and unrestricted resources are available for use, it is the Commission's policy to use restricted resources first and use unrestricted resources as they are needed.

NOTE 2. PROJECT POWER SALES AGREEMENT

The Commission, as a member of the PMPA, is party to the Catawba Project Power Sales Agreements (the "Sales Agreements"). These Sales Agreements oblige PMPA to provide each member a share of the Catawba Nuclear Station (the "Project") power output and, in turn, each member must pay its share of Project costs.

Members make their payments on a "take-or-pay" basis whether or not the Project is operable or operating. Such payments are not subject to reduction or offset and are not conditioned upon performance by PMPA or any given member. The Sales Agreements are in effect until the earlier of August 1, 2035, or the completion of payments of PMPA's bonds and satisfaction of obligations under the Project agreements. The Commission's share of PMPA's total energy usage was approximately 9.34% in 2025 and 2024.

The Commission, as a member of PMPA, is also party to the Supplemental Power Sales Agreements (the "Supplemental Agreements") under which each member has agreed to pay, in exchange for supplemental bulk power supply costs, its share of supplemental bulk power supply costs. A member may terminate its Supplemental Agreement with ten years advance notice. Accordingly, the Commission provided PMPA advance written notice to terminate the Supplemental Power Sales Agreement on December 31, 2018. The termination will be effective on December 31, 2028. During 2025 and 2024, the Commission purchased $39,561,459 and $38,889,320, respectively, from PMPA under the two agreements discussed above. On December 31, 2025 and 2024, amounts due to PMPA of $3,255,369 and $3,224,259, respectively, were included in accounts payable.

NOTE 3. CASH AND CASH EQUIVALENTS

At December 31, 2025, the carrying value of deposits included in cash and cash equivalents was $29,964,578 and the bank balance was $30,055,702. Additionally, at December 31, 2025, the Commission's cash and cash equivalents include petty cash of $4,200 and deposits with the South Carolina Local Government Investment Pool (LGIP) of $4,317,036. At December 31, 2024, the carrying value of deposits included in cash and cash equivalents was $32,909,885 and the bank balance was $32,610,054. Additionally at December 31, 2024, the Commission's cash and cash equivalents include petty cash of $7,746 and deposits with the LGIP of $23,239,740. The bank deposits were covered by federal depository insurance up to $250,000 and/or fully collateralized with eligible securities held by an agent of the Commission in the Commission's name. The Federal Deposit Insurance Corporation (FDIC) covers $250,000 for substantially all depository accounts.

INTEREST RATE RISK

Interest rate risk is the risk that rising interest rates will adversely affect the fair value of the Commission's deposits. As outlined in the Commission's investment policy, investment maturities shall be less than two years and maturities shall be staggered in a way that avoids undue concentration in a specific maturity sector. A competitive bidding process is utilized, only allowing a select list of qualified commercial banks to participate.

NOTE 3. CASH AND CASH EQUIVALENTS (CONTINUED)

CREDIT RISK

The deposits of the Commission are invested pursuant to statutes established by the state of South Carolina. The statutes allow for the investment of money in the following investments:

a. Obligations of the United States and its agencies.
b. General obligations of the state of South Carolina or any of its political units. Savings and loan association deposits to the extent they are insured by the FDIC.
c. Certificates of deposit which are collaterally secured by securities of the type described above, held by a third party as escrow agent or custodian, at a fair value not less than the amount of 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.
d. Collateralized repurchase agreements which are collateralized by securities as set forth in (a) and (b) above.

In addition, the South Carolina state statutes authorize the Commission to invest in the LGIP. The LGIP is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the Department does not disclose investment in the LGIP within the fair value hierarchy. As of December 31, 2025 and 2024, the underlying security ratings of the Commission's investment in the LGIP may be obtained from the LGIP's complete financial statements. This investment pool does not have a credit quality rating assigned. These financial statements may be obtained by writing to the State Treasurer's Office, Local Government Investment Pool, Post Office Box 11778, Columbia, South Carolina 29211.

CUSTODIAL CREDIT RISK

For a deposit, custodial credit risk is the risk that in the event of the failure of the counterparty, the Commission will not be able to recover the value of its deposits or collateral securities that are in the possession of an outside party. The Commission's deposits are subject to insurance provided by the FDIC and are fully collateralized with U.S. Treasury, "AA+" rated Federal Agency securities, or general obligations of the state of South Carolina or any of its political units.

CONCENTRATION OF CREDIT RISK

The investment policy of the Commission places no limit on the amount that the Commission may invest in any one issuer. During 2025 and 2024, the Commission had no investments.

NOTE 4. INVENTORIES

Inventories at December 31, 2025 and 2024, consist of the following:

	2025	2024
Electric	$ 6,818,216	$ 7,563,395
Gas	9,944,227	5,516,079
Water and sewer	1,693,291	1,841,081
Other	18,176	17,746
Gasoline	35,978	37,475
Total Inventories	**$ 18,509,888**	**$ 14,975,776**

NOTE 5. UTILITY PLANT

The following is a summary of changes in utility plant as of December 31, 2025:

	December 31, 2024	Additions	Classification Transfers	Disposals	December 31, 2025
Utility plant not being depreciated:					
Land	$ 7,547,167	$ 2,400	$ 59,400	$ -	$ 7,608,967
Construction in progress	61,968,796	33,104,663	(58,019,665)	120,452	37,174,246
Total utility plant not being depreciated	**69,515,963**	33,107,063	(57,960,265)	120,452	**44,783,213**
Utility plant being depreciated:					
Electric distribution system	84,615,213	653,406	15,342,641	(7,056,862)	93,554,398
Gas distribution system	96,933,243	1,163,680	16,378,696	(539,207)	113,936,412
Water distribution system	97,684,142	2,305,052	16,769,267	-	116,758,461
Water reservoirs and dams	11,637,846	-	-	-	11,637,846
Recreational facilities	816,778	-	135,000	-	951,778
Disposal plants and sanitary sewer	125,225,083	1,955,330	8,605,761	(38,662)	135,747,512
Buildings	7,392,701	-	183,062	(39,113)	7,536,650
Vehicles and other work equipment	13,892,597	1,949,156	-	(1,141,781)	14,699,972
Office equipment and furniture	3,472,305	-	545,838	(158,504)	3,859,639
Fiber optic	550,297	-	-	-	550,297
Right-to-use lease assets	134,066	-	-	-	134,066
Total utility plant being depreciated	**442,354,271**	8,026,624	57,960,265	(8,974,129)	**499,367,031**
Less accumulated depreciation for:					
Electric distribution system	(40,749,362)	(2,906,802)	-	7,056,862	(36,599,302)
Gas distribution system	(44,068,037)	(2,824,608)	-	539,207	(46,353,438)
Water distribution system	(34,943,917)	(2,041,225)	-	-	(36,985,142)
Water reservoirs and dams	(8,491,985)	(222,197)	-	-	(8,714,182)
Recreational facilities	(470,194)	(21,231)	-	-	(491,425)
Disposal plants and sanitary sewer	(44,555,289)	(2,514,568)	-	38,662	(47,031,195)
Buildings	(5,005,274)	(163,903)	-	39,114	(5,130,063)
Vehicles and other work equipment	(9,875,895)	(1,133,162)	-	668,785	(10,340,272)
Office equipment and furniture	(2,646,725)	(218,741)	-	158,504	(2,706,962)
Fiber optic	(462,382)	(19,532)	-	-	(481,914)
Right-to-use lease assets	(127,844)	(2,420)	-	-	(130,264)
Total accumulated depreciation	**(191,396,904)**	(12,068,389)	-	8,501,134	**(194,964,159)**
Utility plant, net	**$ 320,473,330**	**$ 29,065,298**	**$ -**	**$ (352,543)**	**$ 349,186,085**

NOTE 5. UTILITY PLANT (CONTINUED)

The following is a summary of changes in utility plant as of December 31, 2024:

	December 31, 2023	Additions	Classification Transfers	Disposals	December 31, 2024
Utility plant not being depreciated:					
Land	$ 6,398,943	$ 1,148,224	$ -	$ -	$ 7,547,167
Construction in progress	47,809,755	35,051,211	(20,938,189)	46,019	61,968,796
Total utility plant not being depreciated	**54,208,698**	36,199,435	(20,938,189)	46,019	**69,515,963**
Utility plant being depreciated:					
Electric distribution system	79,572,084	987,120	7,722,446	(3,666,437)	84,615,213
Gas distribution system	88,910,904	1,579,031	7,735,527	(1,292,219)	96,933,243
Water distribution system	94,499,116	1,736,653	2,325,683	(877,310)	97,684,142
Water reservoirs and dams	11,637,846	-	-	-	11,637,846
Recreational facilities	816,778	-	-	-	816,778
Disposal plants and sanitary sewer	121,709,670	1,710,327	2,376,378	(571,292)	125,225,083
Buildings	7,381,910	-	73,207	(62,416)	7,392,701
Vehicles and other work equipment	12,832,059	1,461,296	-	(400,758)	13,892,597
Office equipment and furniture	2,927,452	-	704,948	(160,095)	3,472,305
Fiber optic	550,297	-	-	-	550,297
Right-to-use lease assets	134,066	-	-	-	134,066
Total utility plant being depreciated	**420,972,182**	**7,474,427**	**20,938,189**	**(7,030,527)**	**442,354,271**
Less accumulated depreciation for:					
Electric distribution system	(41,755,089)	(2,633,099)	(27,611)	3,666,437	(40,749,362)
Gas distribution system	(41,371,303)	(2,570,402)	(1,418,551)	1,292,219	(44,068,037)
Water distribution system	(33,881,061)	(1,925,499)	(14,667)	877,310	(34,943,917)
Water reservoirs and dams	(8,269,788)	(222,197)	-	-	(8,491,985)
Recreational facilities	(449,251)	(20,943)	-	-	(470,194)
Disposal plants and sanitary sewer	(42,697,785)	(2,427,973)	(823)	571,292	(44,555,289)
Buildings	(4,905,901)	(161,789)	-	62,416	(5,005,274)
Vehicles and other work equipment	(7,867,135)	(987,684)	(1,421,834)	400,758	(9,875,895)
Office equipment and furniture	(5,578,402)	(111,904)	2,883,486	160,095	(2,646,725)
Fiber optic	(442,850)	(19,532)	-	-	(462,382)
Right-to-use lease assets	(94,932)	(32,912)	-	-	(127,844)
Total accumulated depreciation	**(187,313,497)**	**(11,113,934)**	**-**	**7,030,527**	**(191,396,904)**
Utility plant, net	**$ 287,867,383**	**$ 32,559,928**	**$ -**	**$ 46,019**	**$ 320,473,330**

Transfers of construction in progress are shown as additions to utility plant being depreciated.

At December 31, 2025 and 2024, the Commission had outstanding contractual commitments of $3,212,959 and $1,796,100, respectively, related to additions to the utility plant. Such construction will be financed from cash flows from operations, and available cash and investments.

NOTE 6. LONG-TERM LIABILITIES

A summary of changes in long-term liabilities for the years ended December 31, 2025 and 2024, is as follows:

Description	Rate	December 31, 2023	Additions	Deductions	Remeasurement	December 31, 2024	Additions	Deductions	December 31, 2025	Current
Revenue Bonds:										
Series 2002	3.00% to 5.48%	**$ 21,330,000**	$ -	$ (310,000)	$ -	**$ 21,020,000**	$ -	$ (325,000)	**$ 20,695,000**	$ 2,505,000
Series 2007	4.02%	**1,524,415**	-	(358,878)	-	**1,165,537**	-	(373,304)	**792,233**	388,311
Series 2015	2.10%	**990,000**	-	(490,000)	-	**500,000**	-	(500,000)	**-**	-
Series 2017	1.99%	**3,850,000**	-	(1,905,000)	-	**1,945,000**	-	(1,945,000)	**-**	-
Series 2024	4.00 to 5.00%	**-**	15,115,000	-	-	**15,115,000**	-	-	**15,115,000**	-
		27,694,415	15,115,000	(3,063,878)	-	**39,745,537**	-	**(3,143,304)**	**36,602,233**	**2,893,311**
Add: Bond Premiums		**199,997**	1,371,265	(97,449)	-	**1,473,813**	-	(123,686)	**1,350,127**	-
Total Revenue Bonds		**27,894,412**	16,486,265	**(3,161,327)**	-	**41,219,350**	-	**(3,266,990)**	**37,952,360**	**2,893,311**
State Revolving Fund Loans:										
Series 2004	2.25%	**4,178,708**	-	(347,606)	-	**3,831,102**	-	(355,493)	**3,475,609**	363,560
Series 2005	2.25%	**3,421,302**	-	(300,229)	-	**3,121,073**	-	(307,042)	**2,814,031**	314,008
Series 2007	2.25%	**4,197,430**	-	(761,863)	-	**3,435,567**	-	(779,147)	**2,656,420**	796,827
Series 2009	2.25%	**3,291,294**	-	(161,336)	-	**3,129,958**	-	(164,694)	**2,965,264**	168,170
Total State Revolving Fund Loans		**15,088,734**	-	**(1,571,034)**		**13,517,700**	-	**(1,606,376)**	**11,911,324**	**1,642,565**
Other Long-term Liabilities										
Leases	2.12% to 3.00%	**40,384**	-	(34,231)	-	**6,153**	-	(2,267)	**3,886**	2,315
Landfill post-closure costs	n/a	**170,600**	-	(10,460)	-	**160,140**	-	(11,125)	**149,015**	11,500
Compensated absences	n/a	**616,736**	460,617	(415,926)	-	**661,427**	552,598	(560,422)	**653,603**	653,603
Net pension liabilities	n/a	**16,447,109**	1,405,280	(2,797,306)	-	**15,055,083**	1,396,066	(2,242,374)	**14,208,775**	-
Total other postemployment benefits liability	n/a	**790,204**	72,073	(169,793)	-	**692,484**	66,480	(313,298)	**445,666**	142,000
Total Other Long-term Liabilities		**18,065,033**	**1,937,970**	**(3,427,716)**	**-**	**16,575,287**	**2,015,144**	**(3,129,486)**	**15,460,945**	**809,418**
Total Long-term Liabilities		**61,048,179**	**$ 18,424,235**	**$ (8,160,077)**	**$ -**	**71,312,337**	**$ 2,015,144**	**$ (8,002,852)**	**65,324,629**	**$ 5,345,294**
Less current portion		**(5,296,337)**				**(5,484,499)**			**(5,345,294)**	
Total Long-term Liabilities		**$ 55,751,842**				**$ 65,827,838**			**$ 59,979,335**	

REVENUE BONDS AND STATE REVOLVING FUND LOANS PAYABLE

Revenues bonds payable consist of bonded indebtedness secured by statutory liens on the pledged revenues. The revenue bonds, together with the interest thereon, are payable from revenues derived by the Commission from the operation of its systems and monies on deposit in any fund or account established pursuant to the bond ordinance. The Commission is required to comply with various limitations, restrictions and covenants contained in the various bond indentures and ordinances. In the event of default by the Commission, the lender may declare the outstanding principal and all unpaid interest accrued to be due and payable immediately.

State Revolving Fund loans payable were entered into by the Commission and the South Carolina State Revolving Fund Program to finance the acquisition and construction water and wastewater facilities and infrastructure. The loans, together with the interest thereon, are payable from revenues derived by the Commission from the operation of its systems and monies on deposit in any fund or account established pursuant to the loan agreements. The Commission is required to comply with various limitations, restrictions and covenants contained in the various loan agreements and ordinances. In the event of default by the Commission, the lender may declare the outstanding principal and all unpaid interest accrued to be due and payable immediately.

LEASES

Leases payable consist of noncancellable leases in which the Commission is the lessee for various right-to-use assets.

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

Long-term debt payable as of December 31, 2025 and 2024 are as follows:

	2025	2024
Revenue Bonds:		
$25,060,000 Series 2002 Combined Utility System Revenue Bond used to fund construction and acquisition of certain improvements of utility plants; interest at 3.00% to 5.50%; principal payable annually starting September 1, 2005, and interest payable semi-annually through September 1, 2032.	**$ 20,695,000**	$ 21,020,000
$5,700,000 Series 2007 Combined Utility System Revenue Bond used to fund construction and acquisition of certain improvements of utility plants; interest at 4.02%; principal payable annually starting September 1, 2008, and interest payable annually through September 2027.	**792,233**	1,165,537
$4,590,000 Series 2015 Combined Utility System Refunding Bond used to refund Series 2010 Combined Utility System Revenue Bonds; interest at 2.10%; principal payable annually starting September 1, 2016, and interest payable annually through September 1, 2025.	**-**	500,000
$14,740,000 Series 2017 Combined Utility System Refunding Bond used to refund Series 2009 Combined Utility System Revenue Bonds; interest at 1.99%; principal payable annually starting September 1, 2017, and interest payable annually through September 1, 2025.	**-**	1,945,000
$15,115,000 Series 2024 Combined Utility System Revenue Bond used to fund construction and acquisition of certain improvements of gas systems; interest at 4.00% to 5.00%; principal payable annually starting March 1, 2025, and interest payable semi-annually through September 1, 2044.	**15,115,000**	15,115,000
State Revolving Fund Loans:		
South Carolina Water Quality Revolving Fund loan to finance the Water Treatment Plant Upgrade Project; interest at 2.25%; quarterly installments through August 1, 2034.	**3,475,609**	3,831,102
South Carolina Water Quality Revolving Fund loan to finance the Water Transmission and Distribution System Improvements Project, interest at 2.25%; quarterly installments through February 1, 2034.	**2,814,031**	3,121,073
South Carolina Water Quality Revolving Fund loan to finance the upgrading and expanding of the Maple Creek Waste Water Treatment Plant Project; interest at 2.25%; quarterly installments through March 1, 2029.	**2,656,420**	3,435,567
South Carolina Water Quality Revolving Fund loan to finance the construction of a 1.5 million gallon Elevated Water Tank and Transmission Main, interest at 2.25%; quarterly installments through January 1, 2041; partially funded by American Recovery and Reinvestment Act ("ARRA") in the amount of $2,000,000, interest at 0.0%.	**2,965,264**	3,129,958
Leases:		
Lease for right-to-use building entered into in September 2022; borrowing rate at 2.12%, monthly installments through September 7, 2027.	**3,886**	6,153
Total long-term debt	**$ 48,517,443**	$ 53,269,390

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

Current portion of long-term debt	**$**	**(4,538,191)**	$	(4,751,947)
2002 Series bond premium, net of accumulated amortization of $879,345 in 2025 and $845,415 in 2024.		**132,067**		165,780
2024 Series bond premium, net of accumulated amortization of $153,205 in 2025 and $63,232 in 2024.		**1,218,060**		1,308,033
Long-term debt, net of unamortized premium, and current portion of long-term debt	**$**	**45,329,379**	$	49,991,256

As of December 31, 2025, future maturities of long-term debt are as follows:

	Revenue Bonds		State Revolving Fund Loans	
	Principal	Interest	Principal	Interest
2026	$ 2,893,311	$ 1,888,573	$ 1,642,565	$ 256,366
2027	3,043,922	1,735,188	1,679,619	219,312
2028	2,785,000	1,573,750	1,717,560	181,371
2029	2,940,000	1,420,575	1,115,389	146,113
2030	3,100,000	1,258,875	924,543	124,484
2031-2035	8,610,000	4,100,625	3,726,369	314,675
2036-2040	6,165,000	2,535,000	1,105,279	72,878
2041-2044	7,065,000	777,000	-	-
	$ 36,602,233	$ 15,289,586	$ 11,911,324	$ 1,315,199

	Leases		Total	
	Principal	Interest	Principal	Interest
2026	$ 2,315	$ 60	$ 4,538,191	$ 2,144,999
2027	1,571	12	4,725,112	1,954,512
2028	-	-	4,502,560	1,755,121
2029	-	-	4,055,389	1,566,688
2030	-	-	4,024,543	1,383,359
2031-2035	-	-	12,336,369	4,415,300
2036-2040	-	-	7,270,279	2,607,878
2041-2044	-	-	7,065,000	777,000
	$ 3,886	$ 72	$ 48,517,443	$ 16,604,857

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

DEFEASED BONDS

In prior years, the Commissionefeased outstanding debt issues by issuing new debt and depositing the proceeds in an irrevocable trust to provide for all future debt service payments of the old debt. Thus, the defeased debt and the irrevocable trust are not a part of the financial statements. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt which is included in the accompanying financial statements as bond defeasance loss and is being amortized as interest expense over the term of the new debt.

In June 2017, the Commission issued $14,740,000 of refunding bonds at an interest rate of 1.99% to defease the remaining outstanding bonds, net of all cost of debt, of the Series 2009 Combined Utility System Revenue bonds in the amount of $14,535,000. The Commission completed the refunding to reduce its total debt service payments over a period of 9 years by $1,433,773 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of $1,033,197.

At December 31, 2025 and 2024, the amount of defeased bonds principal outstanding and unpaid by the Trustee was $0 and $4,640,000, respectively.

POST-CLOSURE CARE COSTS - SOLID WASTE LANDFILLS

On October 9, 1991, Federal regulations issued by the Environmental Protection Agency (EPA) placed specific requirements pertaining to the closing of municipal solid waste landfills as well as post-closure maintenance for a period of 30 years after closure. During 2003, the Commission recorded a $435,000 landfill post-closure liability for its South Tyger Monofill landfill. Under the EPA rulings, this amount is to be amortized over the remaining life of the post-closure period, which is 15 years. During a review by independent engineers in September 2017, the landfill post-closure liability was reduced to $245,300, a decrease of $42,700, and will be amortized over the remaining post-closure period. For the years ended December 31, 2025 and 2024, amortization in the amount of $11,125 and $10,460, respectively, was recorded against related expenses. Actual cost for post-closure care may vary due to inflation, developments in technology, or changes in laws and regulations.

NOTE 7. LEASES

A summary of lease asset activity for the Commission for the year ended December 31, 2025 and 2024 is as follows:

	December 31, 2024	Additions	Remeasurements	Amortization	December 31, 2025
Right-to-use lease assets:					
Lease assets, being amortized:					
Furniture and equipment	$ 6,222	$ -	$ -	$ (2,420)	$ 3,802
Total lease assets, being amortized, net	$ 6,222	$ -	$ -	$ (2,420)	$ 3,802

	December 31, 2023	Additions	Remeasurements	Amortization	December 31, 2024
Right-to-use lease assets:					
Lease assets, being amortized:					
Furniture and equipment	$ 39,134	$ -	$ -	$ (32,912)	$ 6,222
Total lease assets, being amortized, net	$ 39,134	$ -	$ -	$ (32,912)	$ 6,222

NOTE 8. EMPLOYEE RETIREMENT PLANS

PENSION PLANS

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.

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 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. 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 ACFR of the state.

Plan Descriptions

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 and participating charter schools, public higher education institutions, other participating local subdivisions of government and first-term individuals elected to the South Carolina General Assembly at or after the general election in November 2012.

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.

NOTE 8. EMPLOYEE RETIREMENT PLANS (CONTINUED)

PENSION PLANS (CONTINUED)

Membership

Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirements 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 first elected to the South Carolina General Assembly at or after the general election in November 2012. A 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 PORS. Magistrates are required to participate in 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. A 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.

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 the 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 years earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members 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 $500 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.

NOTE 8. EMPLOYEE RETIREMENT PLANS (CONTINUED)

PENSION PLANS (CONTINUED)

Benefits (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 $500 every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

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. 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 until reaching 18.56 percent for SCRS and 21.24 percent for PORS. The legislation included a further provision that if the schedule contributions are not sufficient to meet the funding periods set in statute, the PEBA board would increase the employer contribution rates as necessary to meet the funding periods set for the applicable year.

Pension reform legislation modified statutes such that the employer contribution rates for SCRS and PORS to be further increased, not to exceed one-half of one percent in any one year, if necessary, in order to improve the funding of the plans. The statute set rates intended to reduce the unfunded liability of SCRS and PORS to the maximum amortization period for 20 years from 30 years over a ten-year schedule, as determined by the annual actuarial valuations of the plan. Finally, under the revised statute, the contribution rates for SCRS and PORS may not be decreased until the plans are at least 85 percent funded.

NOTE 8. EMPLOYEE RETIREMENT PLANS (CONTINUED)

PENSION PLANS (CONTINUED)

Contributions (Continued)

The Commission contributed $1,873,211 to the SCRS Plan and $24,963 to the PORS Plan for the year ended December 31, 2025, and contributed $1,699,741 to the SCRS Plan and $20,659 to the PORS Plan for the year ended December 31, 2024.

Required employee contribution rates during the year ended December 31, 2025 and 2024, are as follows:

- SCRS - 9.00% of earnable compensation from January 1st through December 31st
- PORS - 9.75% of earnable compensation from January 1st through December 31st

Required employer contribution rates during the year ended December 31, 2025, are as follows:

SCRS
- 18.56% of earnable compensation from January 1st through December 31st
- Employer incidental death benefit: 0.15% of earnable compensation.

PORS
- 21.24% of earnable compensation from January 1st through December 31st
- Employer incidental death benefit: 0.20% of earnable compensation.
- Employer accidental death benefit: 0.20% of earnable compensation.

Required employer contribution rates during the year ended December 31, 2024, are as follows:

SCRS
- 18.56% of earnable compensation from January 1st through December 31st
- Employer incidental death benefit: 0.15% of earnable compensation

PORS
- 21.24% of earnable compensation from January 1st through December 31st
- Employer incidental death benefit: 0.20% of earnable compensation.
- Employer accidental death benefit: 0.20% of earnable compensation.

Net Pension Liability

At December 31, 2025 and 2024, the Commission reported liabilities of $14,067,361 and $14,910,019, respectively, for its proportionate share of the SCRS net pension liability and $141,414 and $145,064, respectively, for its proportionate share of the PORS net pension liability. The net pension liabilities as of December 31, 2025 and 2024 were measured as of June 30, 2025 and June 30, 2024, respectively, and the total pension liabilities used to calculate the net pension liabilities were determined by an actuarial valuation as of July 1, 2024, and July 1, 2023, respectively, rolled-forward to the respective measurement dates using generally accepted actuarial principles.

NOTE 8. EMPLOYEE RETIREMENT PLANS (CONTINUED)

PENSION PLANS (CONTINUED)

Net Pension Liability (Continued)

The Commission's proportionate share of the net pension liability was based on a projection of the Commission's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2025 (measurement date for reporting at December 31, 2025), the Commission's proportionate shares of the SCRS plan was 0.065100%, which was 0.001519% higher than its proportionate share of the net pension liability measured as of June 30, 2024 (measurement date for reporting at December 31, 2024). At June 30, 2025 (measurement date for reporting at December 31, 2025), the Commission's proportionate shares of the PORS plan was 0.005114%, which was 0.000278% higher than its proportionate share of the net pension liability measured as of June 30, 2024 (measurement date for reporting at December 31, 2024).

Pension Expense

For the years ended December 31, 2025 and 2024, the Commission recognized pension expense for the SCRS plan of $546,203 and $1,151,038, respectively. For the years ended December 31, 2025 and 2024, the Commission recognized pension expense for the PORS plan of ($11,772) and ($7,930), respectively. For the years ended December 31, 2025 and 2024, the Commission recognized a total pension expense for the SCRS plan and PORS plan of $534,431 and $1,143,108, respectively.

Deferred Inflows of Resources and Deferred Outflows of Resources

At December 31, 2025 and 2024, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for the SCRS and PORS plans:

	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
SCRS				
Difference between expected and actual experience	$ 660,009	$ -	$ 489,996	$ 18,504
Changes of assumptions	166,257	-	262,861	-
Net difference between projected and actual earnings on pension plan investments	-	903,177	-	574,487
Changes in proportionate share differences between employer contributions and proportionate share of total plan employer contributions	247,647	428,776	-	805,078
Commission contributions subsequent to the measurement date to the measurement date	963,727	-	866,548	-
Total SCRS	$ 2,037,640	$ 1,331,953	$ 1,619,405	$ 1,398,069
PORS				
Difference between expected and actual experience	$ 16,602	$ -	$ 13,623	$ 832
Changes of assumptions	1,879	-	3,158	-
Net difference between projected and actual earnings on pension plan investments	-	13,318	-	8,133
Changes in proportionate share differences between employer contributions and proportionate share of total plan employer contributions	5,572	34,914	256	63,183
Commission contributions subsequent to the measurement date to the measurement date	12,605	-	10,454	-
Total PORS	$ 36,658	$ 48,232	$ 27,491	$ 72,148
Total SCRS and PORS	$ 2,074,298	$ 1,380,185	$ 1,646,896	$ 1,470,217

NOTE 8. EMPLOYEE RETIREMENT PLANS (CONTINUED)

PENSION PLANS (CONTINUED)

Deferred Inflows of Resources and Deferred Outflows of Resources (Continued)

The $963,727 and $12,605 reported as deferred outflows of resources related to pensions resulting from Commission contributions subsequent to the measurement date for the SCRS and PORS plans, respectively during the year ended December 31, 2025, will be recognized as a reduction of the net pension liabilities in the year ending December 31, 2026. The $866,548 and $10,454 reported as deferred outflows of resources related to pensions resulting from Commission contributions subsequent to the measurement date for the SCRS and PORS plans, respectively during the year ended December 31, 2024, was recognized as a reduction of the net pension liabilities in the year ending December 31, 2025.

As of December 31, 2025, other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Year Ending June 30:	SCRS	PORS	Total
2026	$ 312,501	$ (12,260)	$ 300,241
2027	(111,257)	(6,786)	(118,043)
2028	(251,064)	(2,099)	(253,163)
2029	(208,220)	(3,034)	(211,254)
Total	$ (258,040)	$ (24,179)	$ (282,219)

Actuarial Assumptions and Methods

Actuarial valuations of the ongoing 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. The GASB Statement No. 67 valuation report prepared as of June 30, 2025 is based on the experience study report for the period ending June 30, 2023.

The June 30, 2025, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by our consulting actuary, Gabriel Roeder Smith & Company (GRS) and are based on an actuarial valuation performed as of July 1, 2024. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2025, using generally accepted actuarial principles. There was no legislation enacted during the 2025 legislative session that had a material change in the benefit provisions for any of the systems.

The following table provides a summary of the actuarial assumptions and methods used in the July 1, 2024 valuation to calculate the TPL as of the June 30, 2025 measurement date.

	SCRS	PORS
Actuarial cost method	Entry age normal	Entry age normal
Actuarial assumptions:		
Investment rate of return	7.00%	7.00%
Inflation	2.25%	2.25%
Projected salary increases	3.0% to 11.0% (varies by service)	3.5% to 10.5% (varies by service)
(Includes inflation at)	2.25%	2.25%
Benefits adjustments	Lesser of 1% or $500 annually	Lesser of 1% or $500 annually

NOTE 8. EMPLOYEE RETIREMENT PLANS (CONTINUED)

PENSION PLANS (CONTINUED)

Actuarial Assumptions and Methods (Continued)

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.

Former Job Class	Males	Females
General Employees and Members of the General Assembly (SCRS)	2020 PRSC Males multiplied by 97%	2020 PRSC Females multiplied by 107%
Public Safety and Firefighters (PORS)	2020 PRSC Males multiplied by 127%	2020 PRSC Females multiplied by 107%

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments is based upon 20-year capital market assumptions. The long-term expected rates of return 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 2025 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 table on the following page. 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 component.

Allocation / Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long-term Expected Portfolio Real Rate of Return
Public Equity	**46.0%**	5.87%	2.70%
Bonds	**26.0%**	3.20%	0.83%
Private Equity	**9.0%**	8.50%	0.77%
Private Debt	**7.0%**	7.40%	0.52%
Real Assets	**12.0%**		
Real Estate	9.0%	5.00%	0.45%
Infrastructure	3.0%	7.70%	0.23%
Total Expected Return	100.0%		5.50%
Inflation for Actuarial Purposes			2.25%
			7.75%

NOTE 8. EMPLOYEE RETIREMENT PLANS (CONTINUED)

PENSION PLANS (CONTINUED)

Discount Rate

The discount rate used to measure the 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 total pension liability.

Sensitivity Analysis

The following table presents the Commission's proportionate share of the NPL as of December 31, 2025, (June 30, 2025 measurement date) of the respective plans calculated using the discount rate of 7.00%, as well as what the Commission's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1.00% lower (6.00%) or 1.00% higher (8.00%) than the current rate.

Commission's Proportionate Share of Net Pension Liability	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
SCRS	$ 19,009,824	$ 14,067,361	$ 9,954,488
PORS	215,238	141,414	80,848
	$ 19,225,062	$ 14,208,775	$ 10,035,336

The following table presents the Commission's proportionate share of the NPL as of December 31, 2024, (June 30, 2024 measurement date) of the respective plans calculated using the discount rate of 7.00%, as well as what the Commission's proportionate share of the NPL would be if it were calculated using a discount rate that is 1.00% lower (6.00%) or 1.00% higher (8.00%) than the current rate.

Commission's Proportionate Share of Net Pension Liability	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
SCRS	$ 19,321,699	$ 14,910,019	$ 10,847,210
PORS	210,170	145,064	91,739
	$ 19,531,869	$ 15,055,083	$ 10,938,949

Pension Plan Fiduciary Net Position

The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB Statement No. 67 less that System's fiduciary net position. As of June 30, 2025 (measurement date for the Commission's year ended December 31, 2025), NPL amounts for SCRS and PORS are as follows:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	$ 63,956,318,760	$ 42,347,352,061	$ 21,608,966,699	66.2%
PORS	10,857,734,777	8,092,430,248	2,765,304,529	74.5%

NOTE 8. EMPLOYEE RETIREMENT PLANS (CONTINUED)

PENSION PLANS (CONTINUED)

Pension Plan Fiduciary Net Position (Continued)

As of June 30, 2024 (measurement date for the Commission's year ended December 31, 2024), NPL amounts for SCRS and PORS are as follows:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	$ 61,369,806,968	$ 37,919,492,371	$ 23,450,314,597	61.8%
PORS	10,177,904,231	7,178,118,865	2,999,785,366	70.5%

The TPL is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The NPL is disclosed in accordance with the requirements of GASB Statement No. 67 in the System's notes to the financial statements and required supplementary information.

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the separately issued ACFR containing financial statements and required supplementary information for SCRS which can be accessed via the contact information provided above.

Employees of the Commission are eligible to participate into two additional programs that allow for income tax deferral through the South Carolina Deferred Compensation Program, specifically in either a 401(k) or 457 plan. Participation in these programs allows an employee to defer up to the maximum amount permissible by the Internal Revenue Service for the respective deferral period. These programs are fully funded by the employee only; thus, no matching funds are provided by the Commission.

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS

PLAN DESCRIPTION

Other postemployment benefits (OPEB) are part of the total compensation offered to attract and retain the services of qualified employees. The Commission provides other postemployment benefits under a single-employer benefit plan that provides medical and dental insurance for retired employees and their spouses based on the years of service at the time of retirements. There are no plan assets accumulated in a trust that meets the criteria in paragraph four of GASB Statement No. 75. A retiring employee from the Commission who has served at least 30 years in a full time, regular position, is eligible to elect post-retirement insurance coverage, for a maximum of three years, or Medicare eligibility, whichever comes first.

In addition to the requirements shown on the following page, retirees must also meet the class rules. Class One employees are those that qualified for retirement with the Commission prior to July 1, 2010. Class Two employees are those employees that qualify for retirement with the Commission on or after July 1, 2010. Spouses of eligible participants are eligible for a maximum of three years of post-retirement insurance coverage.

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

PLAN DESCRIPTION (CONTINUED)

Employees qualifying for retirement prior to July 1, 2010 (Class 2):

- At age 60 and with 10 years of earned service and 15 years of service qualification with the South Carolina Retirement System (SCRS) or Police Officer's Retirement System (PORS). The participant will pay 100% of the funded premium rates for participant and qualifying spouse.
- At age 60 and with 20 years of earned service and 25 years of service qualification with the SCRS, or PORS. The Commission will pay 100% of the funded premium rate for the participant and qualifying spouse.
- At any age and with 15 years of earned service and 30 years of service qualification with the SCRS or PORS. The Commission will pay 100% of the funded premium rate for the participant and qualifying spouse.
- At any age and with 15 years of earned service and 28 years of service qualification with the SCRS or PORS.

Employees qualifying for retirement on or after July 1, 2010 (Class 3):

- At age 62 and with 30 years of earned service and 30 years of service qualification with the South Carolina Retirement System (SCRS) or Police Officer's Retirement System (PORS). The Commission will pay 100% of the funded premium rate for the participant and qualifying spouse for a maximum of three years, or Medicare eligibility, whichever comes first.

The following table provides a summary of the number of participants in the plan as of December 31:

	2025	2024
Inactive plan members or beneficiaries currently receiving benefits	**1**	10
Active plan members	**103**	101
Total plan members	**104**	111

The health plan is financed on a pay-as-you-go basis. As of December 31, 2025, and 2024, retirees in postemployment status that were eligible for benefits under the Plan included eight members, respectively.

TOTAL OPEB LIABILITY

The Commission's total OPEB liability as of December 31, 2025 and 2024 was measured as of December 31, 2024 and December 31, 2023, respectively. The total OPEB liability at the December 31, 2024 and December 31, 2023 measurement date were determined by an actuarial valuation as of December 31, 2024 and December 31, 2022, respectively. Actuarial values are performed biannually. As of December 31, 2025 (December 31, 2024 measurement date) the Commission's total OPEB liability amounted to $445,666. As of December 31, 2024 (December 31, 2023 measurement date) the Commission's total OPEB liability was $692,484.

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

ACTUARIAL ASSUMPTIONS AND OTHER INPUTS

The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions and other inputs:

Valuation Date	December 31, 2024
Methods and assumptions	
Actuarial cost method	Entry age normal
Discount rate	3.26% as of the December 31, 2023 measurement date 4.08% as of the December 31, 2024 measurement date
Salary increases	3.00% to 11.00%
Mortality	Based on the PUB-2010 Mortality Table for Employees with a 100% multiplier to better reflect the anticipated experience and provide margin for future improvements
Health care trend rates	7.00% for 2025, declining to an ultimate rate of 4.50% by 2035
Participation rates	100% of active participants are assumed to elect coverage into retirement; 50% of active participants are assumed to cover a spouse into retirement
Other information	
Notes	There were no benefit changes during the year

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revisions as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of December 31, 2023 (measurement date) and the current sharing pattern of costs between employer and inactive employees.

DISCOUNT RATE

For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of the Commission's valuation for the December 31, 2024 measurement date, the municipal bond index rate is 4.08% (based on the daily rate equal to the Fidelity Index's "20-year Municipal GO AA Index") which was an increase from the December 31, 2023 measurement date rate of 3.26%.

CHANGES IN TOTAL OPEB LIABILITY

The below schedule shows the changes in the total OPEB liability for the years ending December 31, 2025 and 2024:

	2025	2024
Beginning balance at January 1,	$ 692,484	$ 790,204
Changes for the year:		
Service cost	21,692	18,967
Interest	20,236	28,194
Differences between expected and actual experience	24,552	(104,599)
Changes in assumptions	(168,629)	24,912
Benefit payments	(144,669)	(65,194)
Net changes	(246,818)	(97,720)
Ending balance at December 31,	$ 445,666	$ 692,484

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN DISCOUNT RATE

The following table presents the plan's total OPEB liability at December 31, 2025 (December 31, 2024 measurement date); calculated using a discount rate of 4.08%, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

	1% Decrease (3.08%)	Discount Rate (4.08%)	1% Increase (5.08%)
Total OPEB Liability	$490,817	$445,666	$405,374

The following table presents the plan's total OPEB liability at December 31, 2024 (December 31, 2023 measurement date); calculated using a discount rate of 3.26%, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

	1% Decrease (2.26%)	Discount Rate (3.26%)	1% Increase (4.26%)
Total OPEB Liability	$750,996	$692,484	$639,891

SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN HEALTHCARE COST TREND RATES

The following table presents the plan's total OPEB liability as of December 31, 2025 (December 31, 2024 measurement date); calculated using the assumed healthcare cost trend rates as well as what the plan's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percent lower or one percent higher:

	1% Decrease (6.00% - 3.50%)	Current Trend Rate (7.00% - 4.50%)	1% Increase (8.00% - 5.50%)
Total OPEB Liability	$397,446	$445,666	$503,635

The following table presents the plan's total OPEB liability as of December 31, 2024 (December 31, 2023 measurement date); calculated using the assumed healthcare cost trend rates as well as what the plan's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percent lower or one percent higher:

	1% Decrease (6.00% - 3.50%)	Current Trend Rate (7.00% - 4.50%)	1% Increase (8.00% - 5.50%)
Total OPEB Liability	$620,358	$692,484	$780,046

OPEB EXPENSE AND DEFERRED OUTFLOWS/INFLOWS OF RESOURCES RELATED TO OPEB

Differences between expected and actual experience and changes in assumptions are recognized in OPEB expense using a systematic and rational method over a closed period of equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB plan (active and inactive employees) determined as of the beginning of the measurement period.

At the beginning of the current measurement period, the average of the expected remaining service lives of all active employees for the purposes of recognizing the applicable deferred outflows and inflows of resources established in the current measurement period was approximately 9.25 years.

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

OPEB EXPENSE AND DEFERRED OUTFLOWS/INFLOWS OF RESOURCES RELATED TO OPEB (CONTINUED)

Deferred outflows of resources and deferred inflows of resources related to OPEB at December 31, 2025 and 2024 were as follows:

	December 31, 2025		December 31, 2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 121,353	$ 373,909	$ 114,204	$ 457,071
Change in assumptions	152,504	690,732	181,724	674,499
Employer contributions after measurement date but prior to fiscal year end	142,000	-	60,000	-
Total	$ 415,857	$ 1,064,641	$ 355,928	$ 1,131,570

As of December 31, 2025, deferred outflows of resources of $142,000 related to OPEB resulting from the Commission's contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended December 31, 2026. As of December 31, 2024, deferred outflows of resources of $60,000 related to OPEB resulting from the Commission's contributions subsequent to the measurement date were recognized as a reduction of the OPEB liability in the year ended December 31, 2025. As of December 31, 2025, other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	
2026	$ (188,935)
2027	(188,935)
2028	(188,935)
2029	(143,995)
2030	(4,344)
Thereafter	(75,640)
	$ (790,784)

For the years ended December 31, 2025 and 2024, the Commission recognized OPEB expense of ($147,007) and ($126,198), respectively, as follows:

OPEB Expense	December 31, 2025	December 31, 2024
Service cost	$ 21,692	$ 18,967
Interest on the total OPEB liability	20,236	28,194
Expensed portion of current-period differences between expected and actual experience	2,654	(9,457)
Expensed portion of current-period changes in assumptions	(18,230)	2,252
Amortization of Deferred Outflow and Inflow of Resources:		
Beginning deferred outflows of resources	43,969	41,717
Beginning deferred inflows of resources	(217,328)	(207,871)
Total OPEB Expense	$ (147,007)	$ (126,198)

NOTE 10. RISK MANAGEMENT

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Commission is insured under policies through the South Carolina Budget and Control Board, Office of the Insurance Reserve Fund (the "Fund") that is a public entity risk pool. The Commission pays premiums to the Fund for its general liability, property, and accidental insurance. The agreement for formation of the Fund provides that the Fund will be self-sustaining through member premiums and will reinsure through commercial companies for each insured event. The Commission carries general liability insurance with coverage of up to $1,000,000 per occurrence; automobile insurance with coverage of up to $1,000,000 per occurrence for bodily injury; and a public official's and employee liability with coverage of up to $1,000,000 per occurrence.

The Commission participates in a self-funded insurance plan (the "Plan") whereby the Commission is responsible for the payment of health care claims, administrative costs, and other liabilities incurred by covered active and post-retirement employees. The Plan administrator provides the Commission with an expected claims liability for each fiscal year. These estimates are based upon the Commission's claims history, claims processed following the close of the Plan's year end, and other industry factors. The Commission subsequently purchased a stop-loss insurance plan to ensure the Commission does not pay in excess of 125% of expected claims. Changes in reported liabilities are as follows:

Year Ended December 31,	Beginning Balance	Claims and Changes in Estimates	Claims/ Payments	Ending Balance
2025	$ 2,599,258	$ 2,216,015	$ 2,382,327	$ 2,432,946
2024	2,626,887	2,133,260	2,160,889	2,599,258

It is the policy of the Commission to provide group health insurance for all its full-time employees and Commissioners. These health insurance policies are administered by a third party.

The Commission also participates in the South Carolina Municipal Insurance Trust (SCMIT) for workers' compensation insurance coverage up to the statutory limits. This is a public entity risk pool operating as a common risk management and insurance program. The Commission 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 fiscal years.

NOTE 11. RELATED PARTY TRANSACTIONS

In 2025 and 2024, the Commission and the City of Greer verbally agreed to addendums to the existing 10-year agreement whereby the Commission makes a fixed payment to the City each year. The Commission recognized expenses of $1,000,000 in each of 2025 and 2024, respectively.

NOTE 12. CONTRIBUTIONS AND CAPITAL IMPROVEMENT GRANTS

The Commission receives capital improvement grants from federal, state, and local government agencies to finance the planning and construction of various water projects. Upon completion of the projects, the Commission is required to have independent audits of grant funds. Such audits could lead to a request for reimbursement to the grantor agencies for expenditures disallowed under the terms of the agreement.

The Commission receives developer contributed assets from various developers during the year of which become property of the Commission for future maintenance. The Commission's policy has been to require residential and commercial developers in need of sewer and water services to develop the needed infrastructure at their costs and then to donate the assets to the Commission at the donated assets acquisition value.

Beginning in September 2000, the Commission initiated a policy of charging developers and consumers capacity fees related to the direct capitalization cost of installing new services in previously undeveloped parts of its service area, with respect to the waterworks and sanitary sewer systems. These fees serve to recover a portion of the economic impact to the Commission directly relating to these system expansions and may be used to pay a portion of the debt service on debt issued to fund such improvements. Capacity fees are recorded as contributions by the Commission.

Contributions for the years ended December 31, 2025 and 2024 are reported in the Statements of Revenues, Expenses, and Changes in Net Position as revenues, rather than as directed additions to contributed capital. Developer and consumer capacity fees of $3,026,647 and $2,057,600 and capital contributions of $4,658,632 and $3,036,313, respectively, are included in contributions.

NOTE 13. PURCHASED GAS ADJUSTMENT

The Commission has a purchased gas adjustment (PGA) mechanism in place to absorb fluctuations in the cost of natural gas. The Commission amended the PGA to provide the ability to spread the collection of accumulated price spikes over longer periods of time to minimize the impacts on its customers.

The PGA calculation records the actual value paid for the commodity during any month and provides the ability to charge the customer with a price per therm of consumption that would cover a portion of accumulated unbilled amounts, while remaining competitive with other providers in the existing market environment. This future recovery of the cost of natural gas not yet billed is expected to be completed over the course of future billing periods. As of December 31, 2025 and 2024, the Commission had no accumulated unbilled PGA costs.

NOTE 14. PURCHASED POWER ADJUSTMENT

The Commission has a purchased power adjustment (PPA) mechanism in place to absorb fluctuations in the cost of electricity. The Commission approved in 2015 the PPA to provide the ability to spread the collection of accumulated price spikes in the second succeeding billing month to minimize the impacts on its customers.

Annually, estimates of the power sales and costs are developed for budgetary purposes and rate setting. The PPA calculation is designed to recover the difference between the Commission's actual cost of purchased power and the estimated purchased power costs and provides the ability to charge the customer with a price per kilowatt hour. As of December 31, 2025 and 2024, the Commission had no accumulated unbilled PPA costs.

NOTE 15. CONTINGENCIES

The Commission is occasionally involved in claims arising out of its operations in the normal course of business, none of which are expected, individually or in the aggregate, to have a material adverse effect on the Commission.

NOTE 16. NET INVESTMENT IN CAPITAL ASSETS

The calculation of the net investment in capital assets component of net position is as follows:

	December 31, 2025	December 31, 2024
Net investment in capital assets:		
Capital assets, net of accumulated depreciation	$ **349,182,283**	$ 320,467,108
Right-to-use lease assets, net of accumulated amortization	**3,802**	6,222
Add:		
Deferred loss on refunding	**-**	43,012
Unspent bond proceeds	**14,838,455**	15,002,628
Less:		
Retainage payable	**(505,400)**	(477,343)
Outstanding bonds, leases and notes payable, net of original issue premiums	**(49,867,570)**	(54,743,203)
	$ **313,651,570**	$ 280,298,424

REQUIRED SUPPLEMENTARY INFORMATION

GREER COMMISSION OF PUBLIC WORKS

SCHEDULE OF THE COMMISSION'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
DECEMBER 31, 2025

As of June 30,	Commission's Proportion of Net Pension Liability	Commission's Proportionate Share of the Net Pension Liability	Commission's Covered Payroll	Commission's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
South Carolina Retirement System					
2025	0.065100%	$ 14,067,361	$ 9,569,140	147.0%	66.2%
2024	0.063581%	14,910,019	8,737,179	170.7%	61.8%
2023	0.067194%	16,245,881	8,495,585	191.2%	58.6%
2022	0.068331%	16,564,824	8,136,581	203.6%	57.1%
2021	0.069783%	15,101,931	7,888,327	191.4%	60.7%
2020	0.067773%	17,317,203	7,561,001	229.0%	50.7%
2019	0.068794%	15,708,423	7,264,413	216.2%	54.4%
2018	0.073875%	16,553,103	7,666,617	215.9%	54.1%
2017	0.077065%	17,348,571	7,775,554	223.1%	53.3%
2016	0.076715%	16,386,211	7,428,797	220.6%	52.9%
Police Officers Retirement System					
2025	0.005114%	$ 141,414	$ 107,393	131.7%	74.5%
2024	0.004836%	145,064	95,385	152.1%	70.5%
2023	0.006610%	201,228	115,821	173.7%	67.8%
2022	0.008471%	254,040	134,060	189.5%	66.4%
2021	0.008549%	219,963	128,554	171.1%	70.4%
2020	0.008265%	274,080	124,853	219.5%	58.8%
2019	0.008220%	235,569	119,222	197.6%	62.7%
2018	0.008658%	244,753	119,559	204.7%	61.7%
2017	0.005180%	141,854	69,727	203.4%	60.9%
2016	0.004380%	111,123	55,850	199.0%	60.4%

GREER COMMISSION OF PUBLIC WORKS

SCHEDULE OF COMMISSION PENSION CONTRIBUTIONS
FOR THE YEARS ENDED DECEMBER 31, 2025

As of December 31,	Actuarial Required Contribution	Actual Contributions	Contribution Deficiency (Excess)	Commission's Covered Payroll	Contributions as a Percentage of Total Payroll
South Carolina Retirement System					
2025	$ 1,873,211	$ 1,873,211	$ -	$ 10,092,733	18.6%
2024	1,699,741	1,699,741	-	9,158,085	18.6%
2023	1,520,622	1,520,622	-	8,417,667	18.1%
2022	1,383,855	1,383,855	-	8,095,385	17.1%
2021	1,296,524	1,296,524	-	8,051,754	16.1%
2020	1,243,505	1,243,505	-	7,991,682	15.6%
2019	1,112,726	1,112,726	-	7,460,067	14.9%
2018	1,027,657	1,027,657	-	7,331,749	14.0%
2017	986,834	986,834	-	7,859,783	12.6%
2016	852,012	852,012	-	7,530,495	11.3%
Police Officers Retirement System					
2025	$ 24,963	$ 24,963	$ -	$ 117,527	21.2%
2024	20,659	20,659	-	97,265	21.2%
2023	19,408	19,408	-	93,551	20.7%
2022	25,979	25,979	-	131,411	19.8%
2021	24,800	24,800	-	132,002	18.8%
2020	23,878	23,878	-	130,921	18.2%
2019	21,292	21,292	-	122,714	17.4%
2018	19,232	19,232	-	115,144	16.7%
2017	15,230	15,230	-	99,914	15.2%
2016	8,580	8,580	-	62,141	13.8%

NOTES TO SCHEDULE:

Actuarial assumptions used to determine the contractually required contribution are as follows:

System	South Carolina Retirement System	Police Officers Retirement System
Calculation date	July 1, 2023	July 1, 2023
Actuarial cost method	Entry Age Normal	Entry Age Normal
Asset valuation method	5-year Smoothed	5-year Smoothed
Amortization method	Level % of pay	Level % of pay
Amortization period	24 years maximum, closed period	24 years maximum, closed period
Investment return	7.00%	7.00%
Inflation	2.25%	2.25%
Salary increases	3.00% plus step-rate increases for members with less than 21 years of service.	3.50% plus step-rate increases for members with less than 21 years of service.
Mortality	2020 Public Retirees of South Carolina Mortality Tables for Males and Females, both projected at Scale UMP from the year 2020. Male rates are multiplied by 97% for non-educators and 95% for educators. Female rates multiplied by 107% for non- educators and 94% for educators.	2020 Public Retirees of South Carolina Mortality Tables for Males and Females, both projected at Scale UMP from the year 2020. Male rates are multiplied by 127% and female rates are multiplied by 107%.

GREER COMMISSION OF PUBLIC WORKS

SCHEDULE OF CHANGES IN THE COMMISSION'S TOTAL OPEB LIABILITY AND RELATED RATIOS

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service Cost	$ 21,692	$ 18,967	$ 29,713	$ 32,120	$ 29,629	$ 21,277	$ 83,297	$ 79,000
Interest on Total OPEB Liability	20,236	28,194	15,687	17,661	22,803	34,132	95,581	100,000
Changes on Assumptions and Other Inputs	(168,629)	24,912	(76,476)	(17,719)	38,911	82,420	(1,352,678)	201,000
Difference between Expected and Actual Experience	24,552	(104,599)	75,133	(20,623)	46,231	42,165	(616,164)	(85,000)
Benefit payments	(144,669)	(65,194)	(30,522)	(134,992)	(138,252)	(220,927)	(309,203)	(56,000)
Net Change in Total OPEB Liability	(246,818)	(97,720)	13,535	(123,553)	(678)	(40,933)	(2,099,167)	239,000
Total OPEB Liability-Beginning	692,484	790,204	776,669	900,222	900,900	941,833	3,041,000	2,802,000
Total OPEB Liability-Ending	$ 445,666	$ 692,484	$ 790,204	$ 776,669	$ 900,222	$ 900,900	$ 941,833	$ 3,041,000
Covered Employee Payroll	$ 9,193,567	$ 7,336,347	$ 7,336,347	$ 8,091,213	$ 8,091,213	$ 6,878,621	$ 6,878,621	$ 6,531,000
Discount Rate	4.08%	3.26%	3.72%	2.06%	2.12%	2.74%	4.10%	3.31%
Total OPEB Liability as a Percentage of Covered Employee Payroll	4.85%	9.44%	10.77%	9.60%	11.13%	13.10%	13.69%	46.56%

NOTES TO SCHEDULE:

(1) This schedule will present 10 years of information once it is accumulated.

(2) The assumptions used in the preparation of the above schedule are disclosed in Note 8 to the Financial Statements.

(3) The Commission is not accumulating assets in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 for payment of future OPEB benefits.

OTHER SUPPLEMENTARY INFORMATION

GREER COMMISSION OF PUBLIC WORKS

SCHEDULE OF ACTUAL AND BUDGETED REVENUES AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budget	Actual	Variance Positive (Negative)
Operating revenues:			
Electric revenues	$ 56,141,665	$ 52,859,642	$ (3,282,023)
Gas revenues	32,489,996	39,821,397	7,331,401
Water and sewer service	19,791,903	19,406,175	(385,728)
Other operating revenues	3,899,967	4,625,023	725,056
Total operating revenues	112,323,531	116,712,237	4,388,706
Operating expenses:			
Purchased power	40,649,389	40,392,612	256,777
Purchased gas	17,206,233	25,799,339	(8,593,106)
Depreciation and amortization	10,800,000	12,068,389	(1,268,389)
Other operating expenses	41,989,092	29,033,852	12,955,240
Total operating expenses	110,644,714	107,294,192	3,350,522
Operating income	1,678,817	9,418,045	7,739,228
Non-operating revenues (expenses):			
Interest expense	(2,195,196)	(2,194,031)	1,165
Intergovernmental revenues	-	6,093,595	6,093,595
Investment income	325,800	820,959	495,159
Transfers to the City of Greer	(1,000,000)	(1,000,000)	-
Gain on disposal of utility plant	-	322,814	322,814
Legal Settlement	-	536,791	536,791
Total other revenues (expenses), net	(2,869,396)	4,580,128	7,449,524
Change in net position before contributions	(1,190,579)	13,998,173	15,188,752
Contributions	-	7,685,279	7,685,279
Change in net position	$ (1,190,579)	$ 21,683,452	$ 22,874,031

GREER COMMISSION OF PUBLIC WORKS

SCHEDULE OF DIVISIONAL OPERATING REVENUES AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025

	Electric	Gas	Water	Sewer	Total
Operating revenues:					
Electric and gas sales:					
Residential	$ 32,026,466	$ 18,217,052	$ -	$ -	$ 50,243,518
Commercial	7,031,625	10,290,560	-	-	17,322,185
Industrial and power	13,801,551	11,313,785	-	-	25,115,336
Water and sewer service	-	-	10,776,192	8,629,983	19,406,175
Collection penalties	183,266	274,899	229,082	229,082	916,329
Other operating revenues	876,503	765,793	671,692	1,394,706	3,708,694
Total operating revenues	53,919,411	40,862,089	11,676,966	10,253,771	116,712,237
Operating expenses:					
Purchased power	40,392,612	-	-	-	40,392,612
Purchased gas	-	25,799,339	-	-	25,799,339
Depreciation and amortization	3,307,158	3,353,013	2,512,605	2,895,613	12,068,389
Other operating expenses	6,604,385	9,375,266	7,741,969	5,312,232	29,033,852
Total operating expenses	50,304,155	38,527,618	10,254,574	8,207,845	107,294,192
Net operating divisional revenue	$ 3,615,256	$ 2,334,471	$ 1,422,392	$ 2,045,926	$ 9,418,045

STATISTICAL SECTION
(UNAUDITED)

STATISTICAL SECTION
(Unaudited)

This part of the Commission's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Commission's overall financial health.

Index **Page**

Financial Trends ..... **50 - 53**

These schedules contain trend information to help the reader understand how the Commission's financial performance and well-being have changed over time.

Revenue Capacity ..... **54 - 61**

These schedules contain information to help the reader assess the Commission's most significant local revenue sources, including water, gas and electric revenues.

Debt Capacity ..... **62 - 64**

These schedules present information to help the reader assess the affordability of the Commission's current levels of outstanding debt and the Commission's ability to issue additional debt in the future.

Demographic, Economic and Operating Information ..... **65 - 69**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Commission's financial activities take place. These schedules contain service and infrastructure data to help the reader understand how the information in the Commission's annual comprehensive financial report relates to the services the Commission provides and the activities it performs.

Greer Commission of Public Works

Combined System
Schedule of Net Position By Component For The Last 10 Years

	2016	2017 (Restated)	2018	2019 (Restated)	2020	2021	2022	2023	2024	2025
Net investment in capital assets	$ 131,737,021	$ 143,103,152	$ 153,598,034	$ 162,621,982	$ 177,260,352	$ 190,225,958	$ 208,816,600	$ 244,906,151	$ 280,298,424	$ 313,651,570
Restricted for:										
Debt service	2,194,446	429,032	435,807	472,525	1,002,227	728,263	711,733	1,209,678	2,076,179	1,624,571
Capital projects	9,176,820	6,744,278	7,842,003	9,412,603	11,644,603	9,884,153	10,086,698	7,666,623	3,174,823	192,786
Total restricted	11,371,266	7,173,310	8,277,810	9,885,128	12,646,830	10,612,416	10,798,431	8,876,301	5,251,002	1,817,357
Unrestricted	8,853,337	12,119,357	15,025,227	20,612,988	26,297,768	35,875,503	28,867,360	17,877,380	31,495,368	23,259,319
Change In accounting principles [(1) (2) (3)]	-	(1,696,000)	-	-	-	-	-	-	-	-
Unrestricted, restated	8,853,337	10,423,357	15,025,227	20,612,988	26,297,768	35,875,503	28,867,360	17,877,380	31,495,368	23,259,319
Total net position	$ 151,961,624	$ 160,699,819	$ 176,901,071	$ 193,120,098	$ 216,204,950	$ 236,713,877	$ 248,482,391	$ 271,659,832	$ 317,044,794	$ 338,728,246

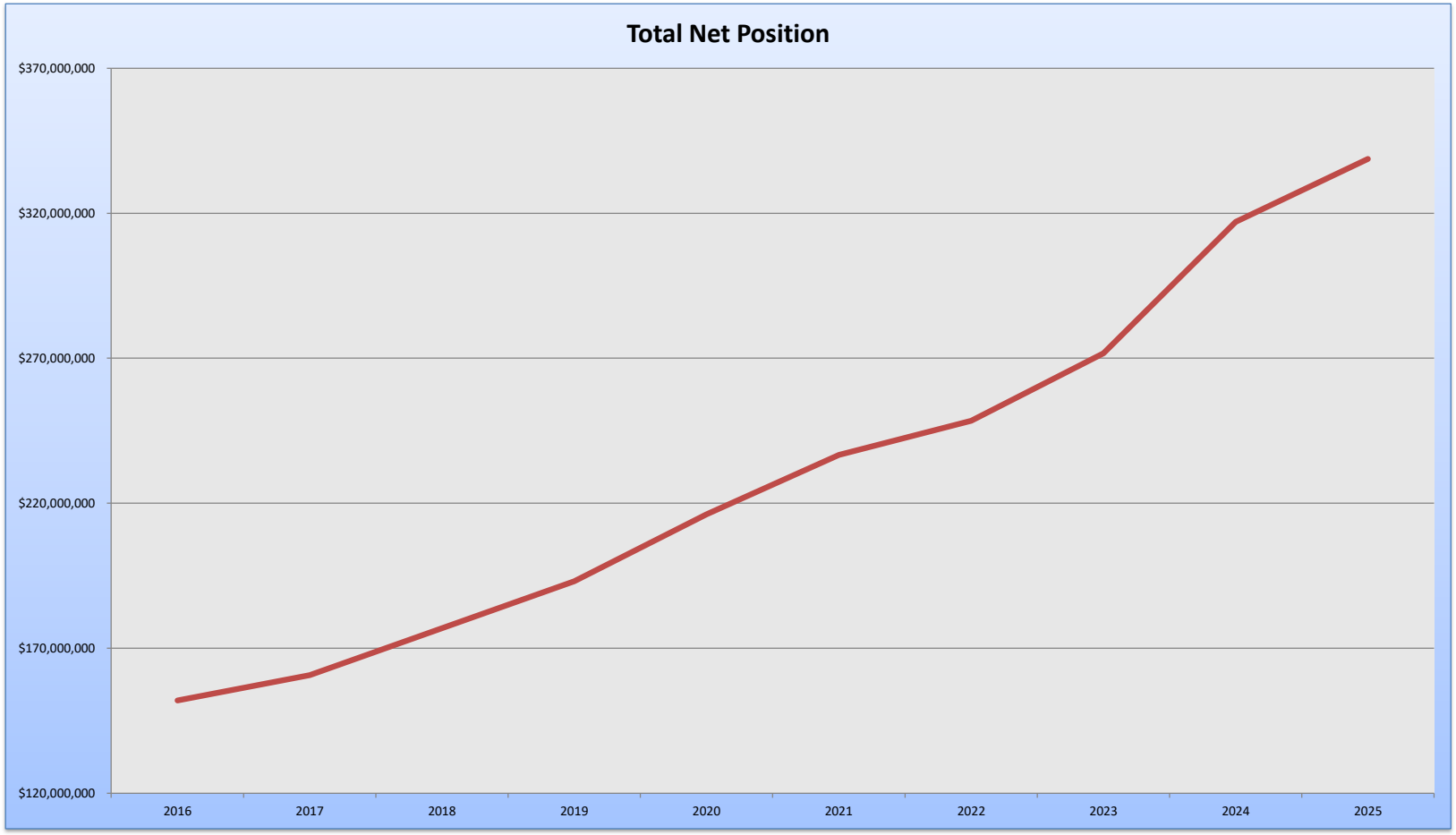
(1) The Commission adopted GASB 65 in fiscal year 2011, which changed the treatment of the costs of debt issuance

(2) The Commission adopted GASB 68 in fiscal year 2014, which recorded net pension liability

(3) The Commission adopted GASB 75 in fiscal year 2017, which recorded changes to other post-employment liability

Greer Commission of Public Works

Combined System
Schedule of Net Position By Component For The Last 10 Years (Continued)



Greer Commission of Public Works

Combined System

Schedule of Revenues, Expenses and Changes in Net Position - *Last Ten Fiscal Years* [1]

(in thousands)	2016	2017 (Restated)	2018	2019 (Restated)	2020	2021	2022	2023	2024	2025
OPERATING REVENUES:										
Electric revenues	$ 42,731	$ 41,945	$ 45,295	$ 46,670	$ 45,671	$ 46,344	$ 48,876	$ 48,350	$ 51,792	$ 52,860
Gas revenues	24,346	26,147	33,642	26,981	24,277	30,959	39,126	35,466	32,581	39,821
Water revenues	8,455	8,401	8,497	8,800	8,887	9,363	10,090	10,167	10,559	10,776
Sewer revenues	5,844	6,269	6,572	6,895	6,970	7,284	7,925	7,997	8,644	8,630
Other operating revenues	3,021	2,911	2,944	3,386	3,847	4,036	4,179	4,432	6,192	4,625
Total operating revenues	84,397	85,673	96,950	92,732	89,652	97,986	110,196	106,412	109,768	116,712
OPERATING EXPENSES:										
Purchased power	36,000	35,502	36,822	37,328	35,632	36,077	37,899	38,125	39,654	40,393
Purchased gas	12,686	13,986	20,498	12,366	9,331	15,646	29,906	15,450	17,180	25,799
Depreciation	8,454	8,735	8,887	8,989	10,186	10,361	10,643	10,684	11,113	12,068
Depreciation - change in accounting estimate	-	-	-	-	-	-	-	-	-	-
Other operating expenses	18,448	18,897	21,177	22,096	21,909	21,617	23,224	25,744	27,608	29,034
Total operating expenses	75,588	77,120	87,384	80,779	77,058	83,701	101,672	90,003	95,555	107,294
Net operating revenue	$ 8,809	$ 8,553	$ 9,566	$ 11,953	$ 12,594	$ 14,285	$ 8,524	$ 16,409	$ 14,213	$ 9,418
OTHER REVENUES (EXPENSES)										
Interest expense	$ (2,541)	$ (2,324)	$ (2,060)	$ (1,979)	$ (2,059)	$ (1,934)	$ (1,846)	$ (1,735)	$ (2,254)	$ (2,194)
Interest revenue	46	66	93	164	113	17	318	832	1,303	821
Transfers to the City of Greer	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Revenues from electric demand credits	-	-	-	7,020	4,211	3,930	1,516	-	-	-
Revenues from legal settlement	-	-	-	-	-	-	-	-	27,500	537
Intergovernmental Grants	-	-	-	-	-	-	64	1,821	402	6,094
Gain/(loss) on disposal of utility plant	44	88	(283)	(742)	(495)	406	346	234	127	323
Total other expenses, net	(3,451)	(3,170)	(3,250)	3,463	770	1,419	(602)	152	26,078	4,581
Change in net position before contributions and extraordinary items	5,358	5,383	6,316	15,416	13,364	15,704	7,922	16,561	40,291	13,999
Capital contributions	3,375	5,051	6,911	5,351	9,721	4,804	3,847	6,616	5,094	7,685
Extraordinary revenues	-	-	2,974	-	-	-	-	-	-	-
	3,375	5,051	9,885	5,351	9,721	4,804	3,847	6,616	5,094	7,685
Change in net position after contributions and extraordinary items	8,733	10,434	16,201	20,767	23,085	20,508	11,769	23,177	45,385	21,684
Beginning net position [2] [3] [4]	143,229	151,962	160,700	176,901	193,120	216,205	236,713	248,482	271,659	317,044
Change in accounting principle	-	(1,696)	-	(4,548)	-	-	-	-	-	-
Beginning net position, restated	143,229	150,266	160,700	172,353	193,120	216,205	236,713	248,482	271,659	317,044
Ending net position	$ 151,962	$ 160,700	$ 176,901	$ 193,120	$ 216,205	$ 236,713	$ 248,482	$ 271,659	$ 317,044	$ 338,728

(1) Information is summarized from the audited financial statements for the years indicated

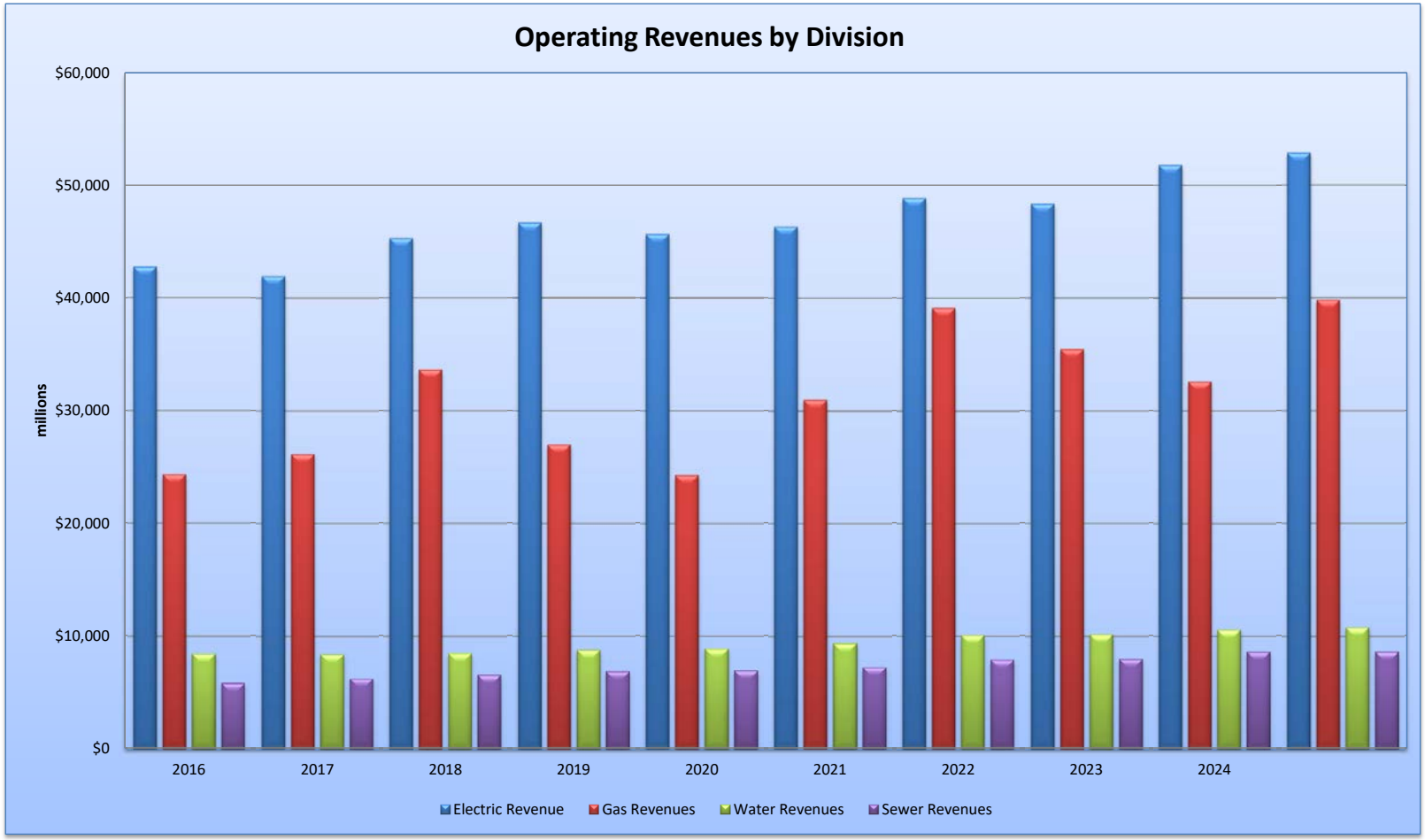
(2) The Commission adopted GASB 65 in fiscal year 2011, which changed the treatment of the costs of debt issuance

(3) The Commission adopted GASB 68 in fiscal year 2014, which recorded net pension liability

(4) The Commission adopted GASB 75 in fiscal year 2017, which changed the treatment of other post-employment benefits

Greer Commission of Public Works

Combined System
Schedule of Revenues, Expenses and Changes in Net Position - *Last Ten Fiscal Years (Continued)*



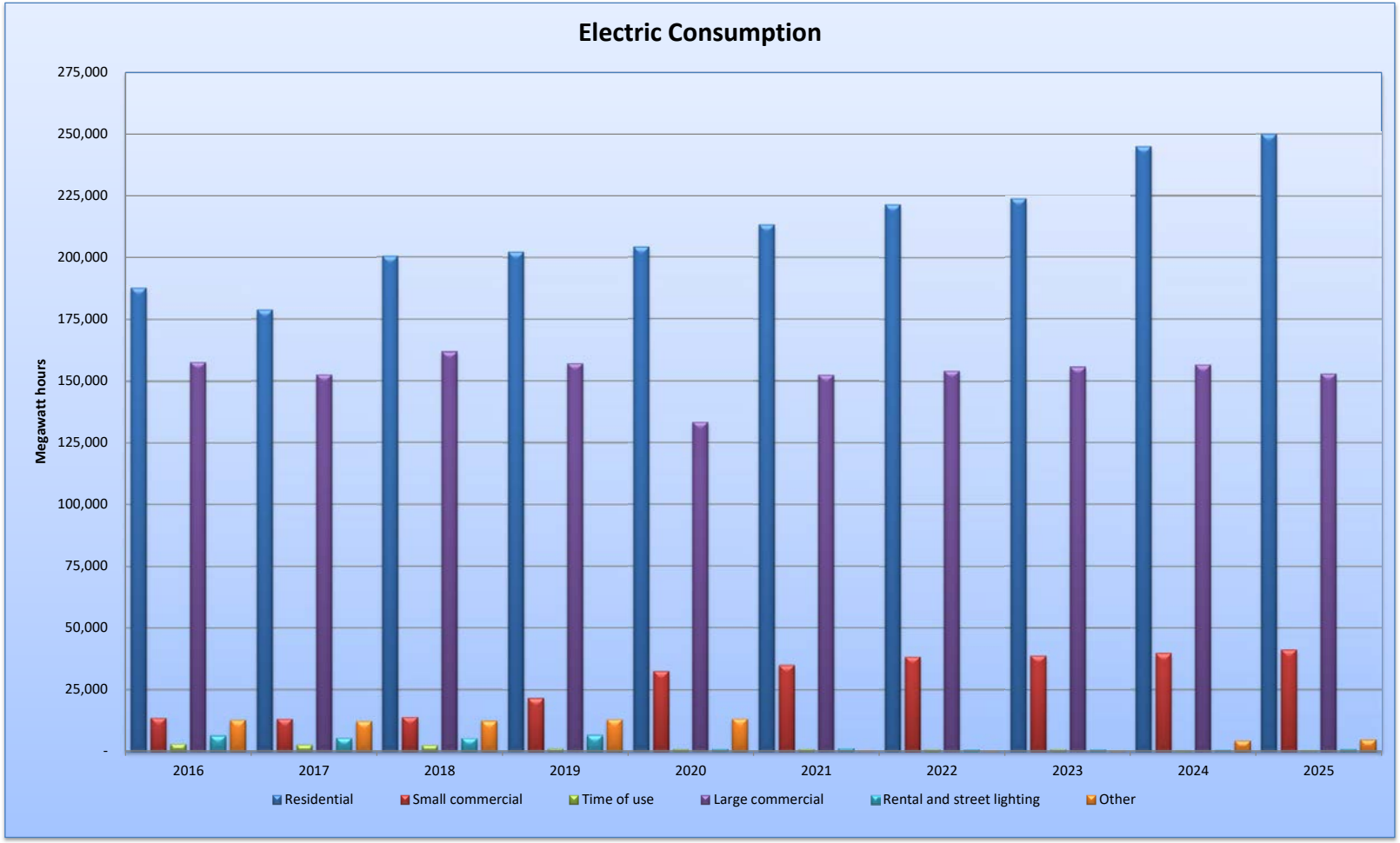
Greer Commission of Public Works

Electric System

Schedule of Revenue, Expenses and Operating Indicators - *Last Ten Fiscal Years* [1]

(in thousands)	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
OPERATING REVENUES:										
Residential	$ 23,192	$ 22,524	$ 25,209	$ 25,688	$ 25,733	$ 26,529	$ 27,766	$ 28,600	$ 28,920	$ 32,026
Small commercial	4,242	4,425	4,621	4,911	4,732	4,767	5,234	5,173	6,790	5,715
Time of use	368	236	218	96	129	167	237	483	640	43
Large commercial	13,501	13,454	13,802	14,444	13,500	13,615	15,141	13,746	14,164	13,802
Rental and street lighting	1,429	1,306	1,445	1,752	1,577	1,266	1,372	1,357	1,278	1,343
Collection penalties	94	91	121	113	63	114	129	126	267	183
Other	622	534	535	358	1,103	567	61	769	1,641	807
Total operating revenues	43,448	42,570	45,951	47,362	46,837	47,025	49,940	50,254	53,700	53,919
OPERATING EXPENSES:										
Purchased power	36,000	35,502	36,822	37,328	35,632	36,077	37,899	38,125	39,654	40,393
Depreciation	2,043	2,133	2,197	2,222	2,572	2,764	2,797	2,857	3,008	3,307
Other operating expenses	3,544	3,951	5,017	5,662	4,561	4,625	5,916	5,194	4,885	6,604
Total operating expenses	41,587	41,586	44,036	45,212	42,765	43,466	46,612	46,176	47,547	50,304
Net operating departmental revenue	$ 1,861	$ 984	$ 1,915	$ 2,150	$ 4,072	$ 3,559	$ 3,328	$ 4,078	$ 6,153	$ 3,615
PURCHASED POWER - (Megawatt Hours)										
Purchased from PMPA [2]	378,360	368,656	394,346	392,886	378,289	402,415	426,457	420,629	447,728	453,173
Purchased from SEPA [3]	16,254	13,072	16,917	22,341	25,980	19,485	16,706	16,322	16,804	15,181
Total purchased	394,614	381,728	411,263	415,227	404,269	421,900	443,163	436,951	464,532	468,354
CONSUMPTION - (Megawatt Hours)										
Residential	187,783	178,757	200,421	202,236	204,120	213,273	221,591	223,717	245,024	250,032
Small commercial	13,566	13,091	13,815	21,465	32,396	34,894	38,388	38,756	39,733	41,181
Time of use	2,876	2,571	2,395	1,130	901	1,067	856	864	421	422
Large commercial	157,777	152,547	161,881	157,070	133,238	152,441	154,212	155,692	156,459	152,913
Rental and street lighting	6,360	5,405	5,370	6,623	1,012	1,207	770	777	591	968
Other	12,672	12,150	12,304	12,925	13,067	211	227	229	4,263	4,728
Total consumption	381,034	364,521	396,186	401,449	384,734	403,093	416,044	420,035	446,491	450,244
Line losses and megawatt hours unaccounted for	13,580	17,207	15,077	13,778	19,535	18,807	27,119	16,916	18,041	18,110
Percentage of line losses and megawatt hours unaccounted for to purchased power	3.4%	4.5%	3.7%	3.3%	4.8%	4.5%	6.1%	3.9%	3.9%	3.9%
ACTIVE SERVICES (Number of Meters)										
Residential	15,338	15,797	16,693	17,534	18,444	19,362	20,363	21,216	21,925	23,192
Small commercial	1,263	1,313	1,196	2,006	2,005	2,098	2,165	2,256	2,218	4,028
Time of use	4	4	4	4	6	6	6	6	6	6
Large commercial	829	906	971	325	320	354	346	360	350	352
Rental and street lighting	6,934	7,005	7,112	8,107	13,200	10,759	8,694	9,058	8,765	3,869
Other	48	48	50	236	356	468	633	660	702	34
Total active services	24,416	25,073	26,026	28,212	34,331	33,047	32,207	33,556	33,966	31,481

(1) Information is compiled from internally generated statistical reports
(2) Piedmont Municipal Power Association
(3) United States Department of Energy, Southeastern Power Association


Electric Consumption
Megawatt hours
275,000
250,000
225,000
200,000
175,000
150,000
125,000
100,000
75,000
50,000
25,000
-
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
Residential
Small commercial
Time of use
Large commercial
Rental and street lighting
Other

Greer Commission of Public Works

Gas System

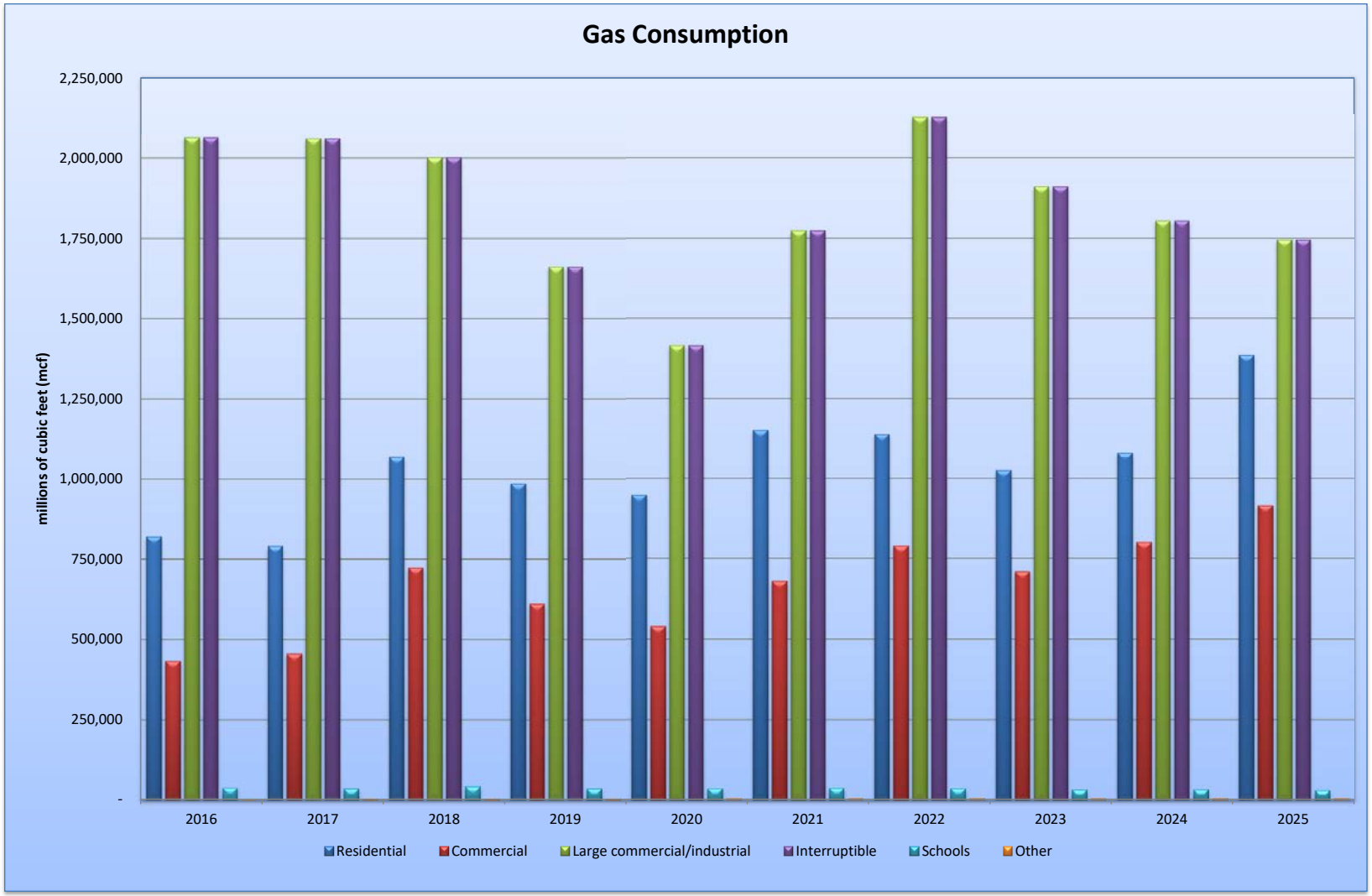
Schedule of Revenue, Expenses and Operating Indicators - *Last Ten Fiscal Years* [(1)]

(in thousands)	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
OPERATING REVENUES:										
Residential	$ 10,341	$ 10,290	$ 14,644	$ 12,330	$ 12,134	$ 13,996	$ 14,423	$ 17,028	$ 15,035	$ 18,217
Commercial	4,621	4,785	8,093	6,507	6,089	7,520	8,293	8,657	8,811	10,291
Large commercial/industrial	38	35	113	85	83	88	92	75	179	208
Interruptible	8,962	10,557	10,305	7,241	5,898	9,045	9,352	9,628	8,223	10,781
Schools	384	480	487	360	76	311	372	335	332	324
Collection penalties	144	139	185	172	189	181	207	203	527	275
Other	411	377	401	925	453	746	796	756	691	766
Total operating revenues	24,901	26,663	34,228	27,620	24,922	31,887	33,535	36,682	33,798	40,862
OPERATING EXPENSES:										
Purchased gas	12,686	13,986	20,498	12,366	9,331	15,646	29,906	15,450	17,180	25,799
Depreciation	2,189	2,276	2,338	2,296	2,676	2,678	2,686	2,717	2,996	3,353
Other operating expenses	5,675	5,653	6,467	6,055	6,929	6,631	8,170	8,060	9,783	9,375
Total operating expenses	20,550	21,915	29,303	20,717	18,936	24,955	40,762	26,227	29,959	38,527
Net operating departmental revenue	$ 4,351	$ 4,748	$ 4,925	$ 6,903	$ 5,986	$ 6,932	$ (7,227)	$ 10,455	$ 3,839	$ 2,335
PURCHASED GAS (MCF)	3,724,402	3,644,014	3,973,806	3,410,054	3,286,291	4,173,544	4,447,078	4,415,693	4,690,013	4,709,768
CONSUMPTION - (MCF)										
Residential	820,245	790,957	1,068,994	985,167	948,220	1,151,975	1,140,199	1,024,148	1,080,698	1,385,147
Commercial	432,763	455,132	723,160	610,568	539,287	679,954	789,851	709,459	800,936	915,496
Large commercial/industrial	3,786	3,856	9,493	8,616	9,741	10,561	9,239	8,298	16,759	4,154
Interruptible	2,064,880	2,062,071	2,002,507	1,661,069	1,415,986	1,773,605	2,126,940	1,910,458	1,803,815	1,744,741
Schools	38,402	34,884	42,370	35,026	35,806	37,651	35,651	32,022	32,842	30,130
Other	2,242	4,384	4,494	4,551	3,995	3,502	3,898	3,501	4,553	3,596
Total consumption	3,362,318	3,351,284	3,851,018	3,304,997	2,953,035	3,657,248	4,105,778	3,687,886	3,739,603	4,083,264
Line-loss and unaccounted for gas	362,084	292,730	122,788	105,057	333,256	516,296	341,300	727,807	950,410	626,504
Percentage of line losses and MCF unaccounted for to purchased gas.	9.7%	8.0%	3.1%	3.1%	10.1%	12.4%	7.7%	16.5%	20.3%	13.3%
ACTIVE SERVICES (Number of Meters)										
Residential	19,671	20,529	21,395	22,300	23,468	25,052	26,075	27,743	31,185	30,227
Commercial	1,546	1,600	1,622	1,603	1,843	1,876	1,912	2,031	1,957	3,562
Large commercial/industrial	5	5	6	4	4	4	3	3	3	3
Interruptible	8	8	5	8	7	7	7	7	6	6
Schools	27	27	27	27	28	28	28	28	29	29
Other	21	22	23	137	40	33	36	38	36	44
Total active services	21,278	22,191	23,078	24,079	25,390	27,000	28,061	29,850	33,216	33,871

(1) Information is compiled from internally generated statistical reports

Greer Commission of Public Works

Gas System
Schedule of Revenue, Expenses and Operating Indicators - *Last Ten Fiscal Years (Continued)*



Greer Commission of Public Works

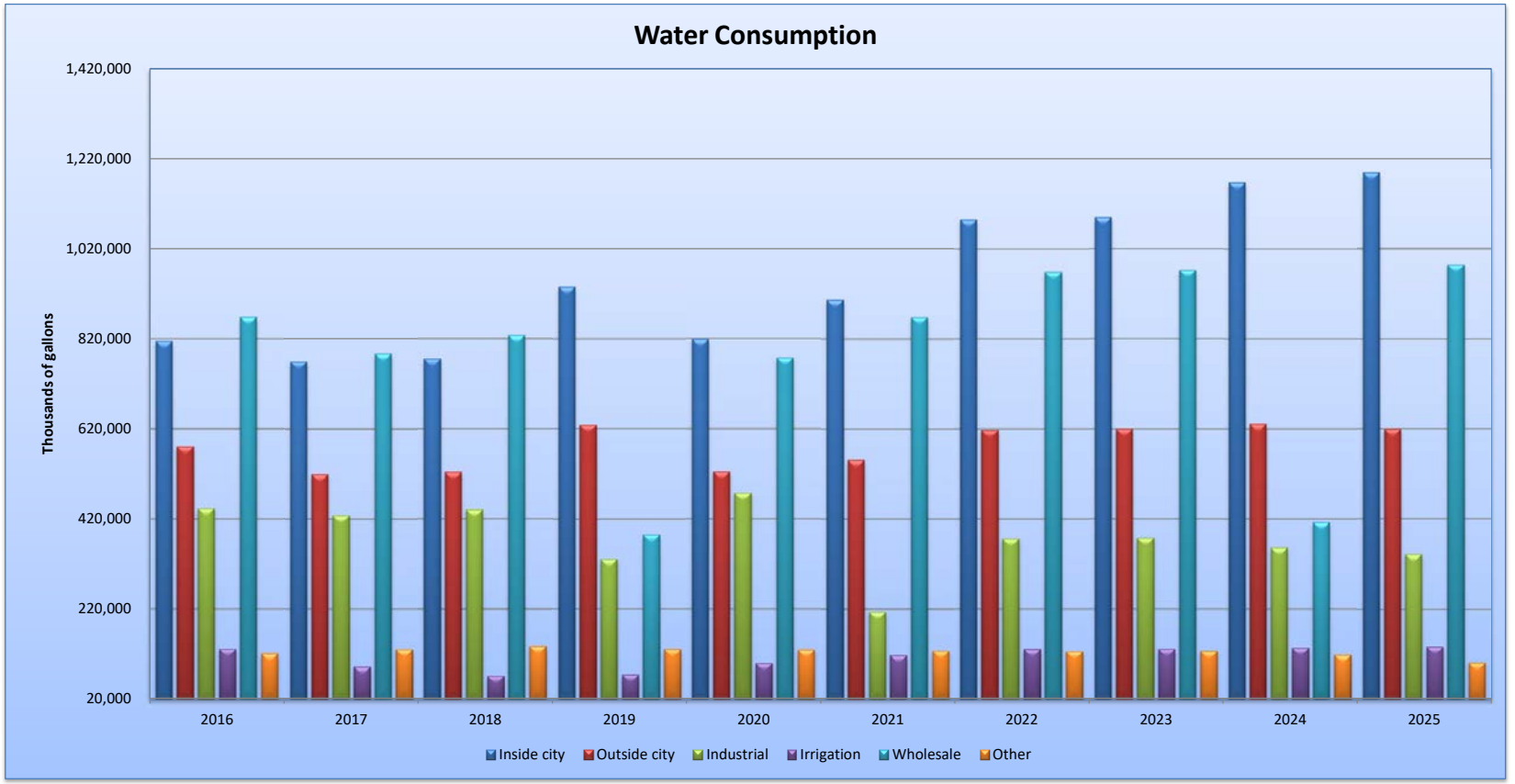
Water System

Schedule of Revenue, Expenses and Operating Indicators - *Last Ten Fiscal Years* [1]

(in thousands)	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
OPERATING REVENUES:										
Inside city	$ 2,706	$ 2,775	$ 2,785	$ 3,187	$ 3,007	$ 3,842	$ 4,236	$ 4,387	$ 4,455	$ 4,400
Outside city	2,689	2,651	2,672	3,006	2,696	2,901	3,188	3,127	3,200	3,106
Industrial	1,042	1,069	1,131	581	1,254	1,473	488	770	674	699
Fire protection [2]	15	16	16	16	16	16	19	19	19	16
Irrigation	357	308	270	380	338	326	408	361	132	418
Wholesale	1,646	1,582	1,622	772	1,561	806	1,939	1,911	2,079	2,137
Collection penalties	120	116	154	143	132	150	172	167	429	229
Other	561	541	504	1,591	785	738	608	574	663	672
Total operating revenues	9,136	9,058	9,154	9,676	9,789	10,252	11,058	11,316	11,651	11,677
OPERATING EXPENSES:										
Depreciation	1,952	2,024	2,052	2,006	2,305	2,288	2,336	2,445	2,364	2,513
Other operating expenses	5,212	5,480	5,715	6,090	5,921	6,060	7,429	6,984	7,443	7,742
Total operating expenses	7,164	7,504	7,767	8,096	8,226	8,348	9,765	9,429	9,807	10,255
Net operating departmental revenue	$ 1,972	$ 1,554	$ 1,387	$ 1,580	$ 1,563	$ 1,904	$ 1,293	$ 1,887	$ 1,844	$ 1,422
WATER USAGE (thousands of gallons)										
Total water pumped	3,177,011	2,986,255	3,122,728	3,646,000	3,168,290	3,290,700	3,504,780	3,504,780	3,574,410	3,578,830
Consumption										
Inside city	814,636	769,526	774,757	935,219	818,962	906,942	1,084,256	1,089,283	1,167,033	1,188,939
Outside city	580,358	519,096	523,816	628,187	524,500	551,318	617,211	620,073	630,779	619,210
Industrial	442,654	427,889	440,721	329,680	477,119	213,881	376,130	377,874	355,870	341,369
Irrigation	131,294	91,895	71,355	74,531	99,823	117,375	131,063	131,671	134,038	136,635
Wholesale	867,833	787,335	827,023	384,645	777,554	868,693	968,348	972,838	412,708	984,204
Other	121,177	130,459	137,369	130,989	129,582	127,264	125,924	126,508	118,269	100,845
Total consumption	2,957,952	2,726,200	2,775,041	2,483,251	2,827,540	2,785,473	3,302,932	3,318,247	2,818,697	3,371,202
Non-account water	219,059	260,055	347,687	1,162,749	340,750	505,227	201,848	186,533	755,713	207,628
Non-account water as a percentage of total water	6.90%	8.71%	11.13%	31.89%	10.76%	15.35%	5.76%	5.32%	21.14%	5.80%
ACTIVE SERVICES (Number of Meters)										
Inside city	11,143	11,438	11,802	12,576	13,591	14,000	14,462	14,712	16,087	16,749
Outside city	7,026	7,131	7,215	7,056	7,157	7,173	7,291	8,221	7,755	7,920
Industrial	4	4	3	3	3	4	3	4	6	6
Fire protection	40	42	40	41	41	41	41	41	41	40
Irrigation	490	518	537	575	551	713	714	725	794	1,085
Wholesale	1	1	1	1	1	1	1	1	1	1
Other	17	17	17	17	21	21	27	23	23	32
Total active services	18,721	19,151	19,615	20,269	21,365	21,953	22,539	23,727	24,707	25,833

(1) Information is compiled from internally generated statistical reports

(2) Fire protection customers are charged based on the physical number of sprinkler heads, and consumption is metered


Water Consumption
Thousands of gallons
1,420,000
1,220,000
1,020,000
820,000
620,000
420,000
220,000
20,000
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
Inside city
Outside city
Industrial
Irrigation
Wholesale
Other

Greer Commission of Public Works

Sewer System

Schedule of Revenue, Expenses and Operating Indicators - *Last Ten Fiscal Years* [1]

(in thousands)	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
OPERATING REVENUES:										
Inside city	$ 3,690	$ 4,096	$ 4,387	$ 4,122	$ 4,206	$ 5,041	$ 4,678	$ 4,903	$ 5,404	$ 5,473
Outside city	1,423	1,438	1,410	1,394	1,391	1,561	1,572	1,587	1,621	1,597
Sewer services, no water	2	2	2	1	1	1	1	1	3	1
Enoree Basin, inside city	553	570	579	404	445	447	500	794	776	1,253
Enoree Basin industrial	176	162	194	186	180	234	231	205	840	306
Collection penalties	120	116	154	143	261	150	171	164	429	229
Other	947	997	890	1,824	1,807	1,389	1,830	507	1,545	1,394
Total operating revenues	6,911	7,381	7,616	8,074	8,291	8,823	8,983	8,161	10,618	10,253
OPERATING EXPENSES:										
Depreciation	2,271	2,301	2,299	2,256	2,632	2,576	2,653	2,665	2,745	2,896
Depreciation - change in accounting estimate	-	-	-	-	-	-	-	-	-	-
Other operating expenses	4,017	3,847	3,978	4,287	4,499	4,357	5,539	5,506	5,497	5,312
Total operating expenses	6,288	6,148	6,277	6,543	7,131	6,933	8,192	8,171	8,242	8,208
Net operating departmental revenue	$ 623	$ 1,233	$ 1,339	$ 1,531	$ 1,160	$ 1,890	$ 791	$ (10)	$ 2,376	$ 2,045
WASTEWATER TREATMENT										
Wastewater plant flows (thousands of gallons)										
Maple Creek wastewater treatment facility	748,339	764,596	935,800	998,400	1,130,775	943,290	955,420	1,047,190	1,097,170	1,103,270
Wastewater treated - (Thousands of Gallons)										
Inside city customers	481,285	475,059	489,230	565,979	646,344	556,351	578,299	628,293	700,802	707,739
Outside city customers	207,800	201,340	211,038	201,619	386,749	236,591	228,313	344,881	223,334	208,998
Customers with sewer services, no water	2	2	2	3	3	3	3	3	3	3
Other	280	259	221	209	233	168	168	181	155	172
Retail	689,367	676,660	700,491	767,810	1,033,329	793,113	806,783	973,358	924,294	916,912
Unaccounted for wastewater	58,972	87,936	235,309	230,590	97,446	150,177	148,637	73,832	172,876	186,358
Percentage of unaccounted for wastewater to total wastewater treated	7.9%	11.5%	25.1%	23.1%	8.6%	15.9%	15.6%	7.1%	15.8%	16.9%
ANNUAL RAINFALL (inches) [2]	34.43	53.11	80.60	52.09	73.71	49.14	54.52	51.95	55.62	45.19
ACTIVE SERVICES (Number of Meters)										
Inside city	6,718	6,963	7,289	7,684	8,098	8,587	8,950	8,935	11,333	10,813
Outside city	1,144	1,160	1,172	1,178	1,190	1,186	1,179	1,172	1,243	1,267
Sewer services, no water	4	4	3	3	3	3	3	3	3	5
Enoree Basin, inside city	4,397	4,558	4,721	4,988	5,343	5,813	6,110	6,188	6,753	6,792
Enoree Basin industrial	163	163	163	175	185	197	189	192	198	303
Other [3]	1	1	1	1	3	3	3	3	4	4
Total active services	12,427	12,849	13,349	14,029	14,822	15,789	16,434	16,493	19,534	19,184

(1) Information is compiled from internally generated statistical reports

(2) Source: National Weather Service Forecast Office in Greenville for rainfall recorded in inches at Greenville-Spartanburg International Airport

(3) Other customers count does not include ReWa, Metro or surcharges

Greer Commission of Public Works

Sewer System
Schedule of Revenue, Expenses and Operating Indicators - *Last Ten Fiscal Years (Continued)*



Greer Commission of Public Works

Debt Service Coverage
Last Ten Fiscal Years

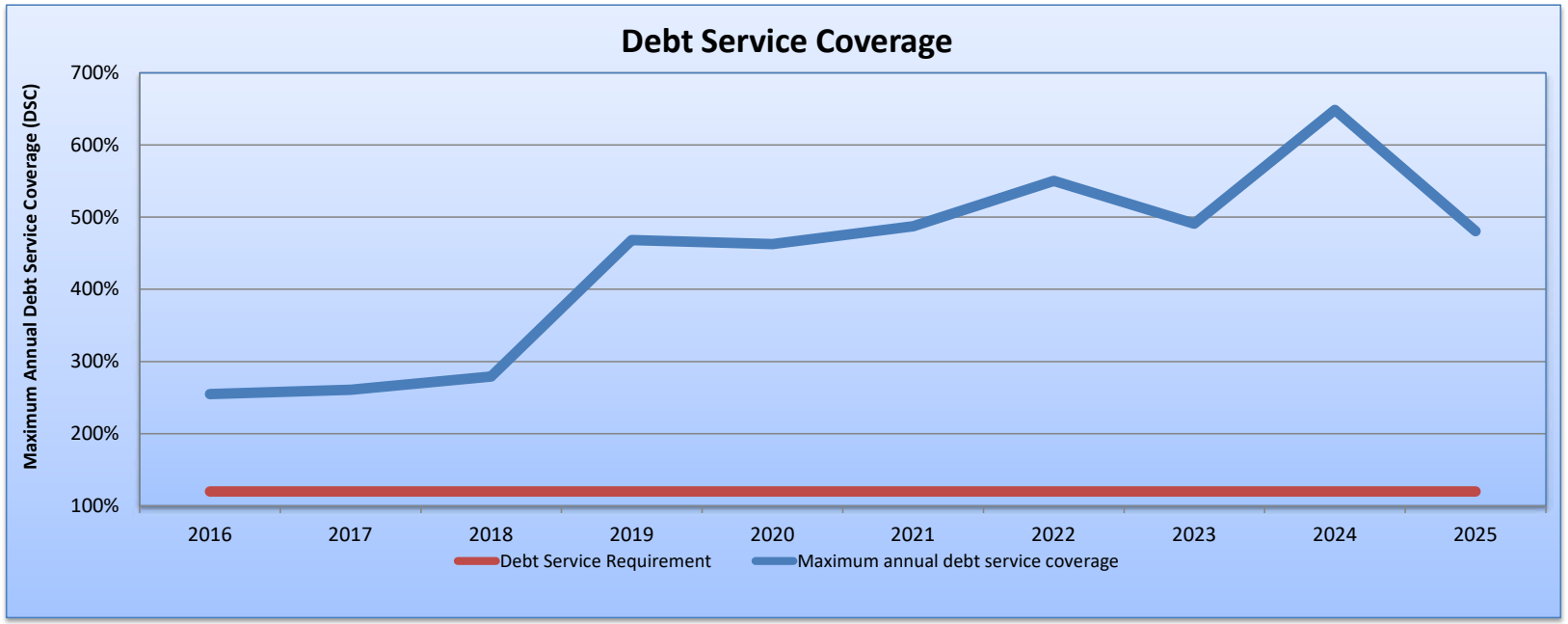
(in thousands)	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Revenues from operations	$ 84,397	$ 85,673	$ 96,950	$ 92,732	$ 89,652	$ 97,986	$110,196	$106,412	$109,792	$116,712
Non-operating revenues	46	66	93	7,184	4,324	4,354	2,244	2,653	1,705	6,915
Capacity fees [1]	1,133	1,066	1,153	1,630	2,300	2,385	1,423	1,685	2,058	3,027
Total revenues	85,576	86,805	98,196	101,546	96,276	104,725	113,863	110,750	113,555	126,654
Expenses										
Total expenses	78,085	79,356	89,727	83,290	79,613	85,635	91,029	91,739	84,828	109,488
Depreciation and amortization expense	(8,454)	(8,735)	(8,887)	(8,779)	(10,186)	(10,361)	(10,643)	(10,684)	(11,137)	(12,068)
Bond interest expense	(2,541)	(2,324)	(2,060)	(1,979)	(2,060)	(1,934)	(1,846)	(1,735)	(2,254)	(2,194)
Gain/loss on sale of assets	44	88	(283)	(742)	(495)	406	346	234	127	323
Total expenses	67,134	68,385	78,497	71,790	66,872	73,746	78,886	79,554	71,564	95,549
Net revenues available for debt service	**$ 18,442**	**$ 18,420**	**$ 19,699**	**$ 29,756**	**$ 29,404**	**$ 30,979**	**$ 34,977**	**$ 31,196**	**$ 41,991**	**$ 31,105**
Maximum annual debt service [2]	$ 7,229	$ 7,057	$ 7,057	$ 6,357	$ 6,357	$ 6,357	$ 6,357	$ 6,357	$ 6,474	$ 6,474
Maximum annual debt service coverage	**255%**	**261%**	**279%**	**468%**	**463%**	**487%**	**550%**	**491%**	**649%**	**480%**

(1) During 2000, the Commission initiated a policy of charging developers and consumers capacity fees to recover a portion of the economic impact directly related to these system expansions. These fees may be used to pay a portion of the debt service on debt issued to fund such improvements, and therefore are considered available for debt service under the Bond Ordinance

(2) Maximum principal and interest requirements on outstanding debt for such fiscal year

Greer Commission of Public Works

Debt Service Coverage
Last Ten Fiscal Years (Continued)



Greer Commission of Public Works

Ratios of Outstanding Long Term Debt
Last Ten Fiscal Years

Fiscal Year	Outstanding Debt	Per Capita	As Share of Personal Income
2016	$ 75,645,005	$ 3,140	0.45%
2017	71,887,006	2,861	0.39%
2018	67,873,093	2,490	0.31%
2019	60,262,111	2,073	0.23%
2020	56,047,868	1,832	0.19%
2021	51,729,141	1,618	0.17%
2022	48,173,184	1,258	0.13%
2023	42,823,533	994	0.07%
2024	53,269,390	1,026	0.07%
2025	49,867,570	942	0.06%

Customer Statistics
Largest System Customers - *Current Year and Nine Years Ago*

	2025				2016				
Name	**Rank**	**Consumption**	**Percentage Volume**	**Revenues**	**Percentage Revenues**	**Rank**	**Consumption**	**Percentage Volume**	**Revenues**	**Percentage Revenues**
Water System (thousands of gallons)										
Blue Ridge Water Company (Wholesale)	1	920,397	27.30%	$ 2,069,801	19.21%	1	867,833	29.34%	$ 1,645,356	19.46%
BMW of North America, LLC	2	270,745	8.03%	652,806	6.06%	2	314,215	10.62%	585,518	6.93%
Greer Commission of Public Works	3	86,744	2.57%	162,478	1.51%	3	121,130	4.10%	206,397	2.44%
Mitsubishi Polyester Film, LLC	4	92,059	2.73%	189,985	1.76%	4	86,779	2.93%	162,296	1.92%
Cliffstar Corporation	5	85,330	2.53%	147,462	1.37%	5	42,206	1.43%	71,756	0.85%
Greenville - Spartanburg International Airport	6	44,969	1.33%	175,335	1.63%	6	36,323	1.23%	142,509	1.69%
Greer Hospital System	7	17,187	0.51%	34,730	0.32%	7	21,655	0.73%	42,745	0.51%
Greenville County School District	8	13,074	0.39%	35,311	0.33%	8	16,259	0.55%	35,003	0.41%
Preserve at West View Apartments	9	12,594	0.37%	48,799	0.45%	-	-	0.00%	-	0.00%
WC Greenville LLC	10	10,889	0.32%	37,902	0.35%	10	10,094	0.34%	39,628	0.47%
Spartanburg Regional Hospital System						9	10,290	0.35%	23,014	0.27%
Sewer System (thousands of gallons)										
Mitsubishi Polyester Film, LLC	1	139,531	15.22%	$ 399,203	4.63%	2	120,660	17.50%	$ 276,081	4.72%
BMW of North America, LLC	2	140,085	15.28%	833,518	9.66%	1	138,403	20.08%	637,555	10.91%
Greenville - Spartanburg International Airport	3	53,060	5.79%	184,627	2.14%	4	33,924	4.92%	111,438	1.91%
Cliffstar Corporation	4	53,430	5.83%	72,847	0.84%	7	20,861	3.03%	24,637	0.42%
Greer Hospital System	5	47,114	5.14%	136,016	1.58%	3	52,304	7.59%	125,141	2.14%
Crescent Park Commons	6	27,516	3.00%	238,807	2.77%	-	-	0.00%	-	0.00%
Greenville County School District	7	30,366	3.31%	89,909	1.04%	5	30,846	4.47%	77,632	1.33%
Preserve at West View Apartments	8	24,724	2.70%	92,203	1.07%	10	18,367	2.66%	78,104	1.34%
WC Greenville LLC	9	20,333	2.22%	77,634	0.90%	9	18,469	2.68%	73,989	1.27%
Textron Inc	10	30,454	3.32%	102,138	1.18%		-	0.00%	-	0.00%
KBS Legacy Partners Greer, LLC						6	22,431	3.25%	79,736	1.36%
Spartanburg Regional Hospital System						8	20,704	3.00%	48,808	0.84%

Customer Statistics

Largest System Customers - *Current Year and Nine Years Ago* (Continued)

	2025					2016				
Name	**Rank**	**Consumption**	**Percentage Volume**	**Revenues**	**Percentage Revenues**	**Rank**	**Consumption**	**Percentage Volume**	**Revenues**	**Percentage Revenues**
Electric System (megawatt hours)										
Greer Commission of Public Works	1	15,970	3.55%	1,240,743	0.00%	1	17,038	4.47%	1,150,903	0.00%
Greer Hospital System	2	9,668	2.15%	953,869	0.00%	2	14,386	3.78%	1,454,113	0.00%
Village Hospital	3	9,151	2.03%	799,429	0.00%	4	10,338	2.71%	931,467	0.00%
Greenville County School District	4	7,716	1.71%	876,355	0.00%	3	11,744	3.08%	1,284,845	0.00%
Cliffstar Corporation	5	7,631	1.69%	688,142	0.00%	7	4,203	1.10%	365,999	0.00%
BMW of North America, LLC	6	5,091	1.13%	571,180	0.00%	-	-	0.00%	-	0.00%
City of Greer	7	3,536	0.79%	945,236	0.00%	10	3,136	0.82%	365,182	0.00%
Wal-Mart Stores Inc	8	2,924	0.65%	288,449	0.00%	5	5,879	1.54%	519,289	0.00%
Ingles	9	2,560	0.57%	234,752	0.00%	8	3,515	0.92%	304,120	0.00%
Huntington Foam	10	1,813	0.40%	196,975	0.00%	6	4,269	1.12%	383,455	0.00%
Syncreon America, Inc						9	3,505	0.92%	317,390	0.00%
Natural Gas System (mcf)										
BMW of North America, LLC	1	16,899	0.41%	4,739,863	11.90%	1	161,044	4.79%	3,002,915	12.33%
Mitsubishi Polyester Film, LLC	2	5,433	0.13%	3,096,126	7.78%	2	67,663	2.01%	2,353,755	9.67%
Cliffstar Corporation	3	878	0.02%	967,102	2.43%	6	4,938	0.15%	433,866	1.78%
Sloan Construction	4	784	0.02%	378,451	0.95%	4	7,361	0.22%	280,920	1.15%
Rogers Group Inc	5	492	0.01%	283,060	0.71%	5	6,054	-	241,949	-
Minghua USA, Inc.	6	424	0.01%	498,522	1.25%	-	-	-	-	-
Palmetto Corporation	7	567	0.01%	278,580	0.70%	-	-	-	-	-
Village Hospital	8	275	0.01%	299,557	0.75%	10	2,361	0.07%	228,460	0.00%
Greenville Spartanburg Airport	9	227	0.01%	256,532	0.64%	-	-	-	-	0.00%
SEW Eurodrive Inc	10	213	0.01%	230,480	0.58%	-	-	-	-	0.00%
Greenville County School District						8	3,214	0.10%	315,657	1.30%
Carrotell Paper Board Corp						3	39,820	1.18%	1,403,521	5.76%
Springfield LLC						7	4,797	0.14%	150,404	0.62%
Blacklidge Emulsions						9	2,591	0.08%	227,343	0.93%

Greer Commission of Public Works

Capital Assets Statistics by Utility
Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Electric										
Substations	5	5	6	6	5	5	5	5	5	6
Winter peak (megawatts)	70	65	76	71	69	69	94	94	91	91
Summer peak (megawatts)	91	92	92	98	98	101	109	111	113	118
Overhead distribution (miles)	206	212	212	216	214	214	216	218	218	219
Underground distribution (miles)	216	227	241	251	263	270	278	287	292	303
Poles	12,557	13,012	13,266	15,733	13,744	13,846	14,092	14,148	14,242	12,397
Transformers	4,983	5,121	5,290	5,501	5,604	5,655	5,932	5,261	5,937	6,031
Meters	17,864	18,464	19,326	20,089	21,156	21,758	23,295	24,554	24,829	25,916
Vehicles	16	16	16	17	18	19	18	18	16	17
Natural Gas										
Transco pipeline connections	2	2	2	2	2	2	2	2	2	2
High-pressure transmission lines (miles)	43	43	47	43	43	43	44	42	42	44
Intermediate and distribution lines (miles)	749	764	776	789	793	811	866	889	904	900
Pressure reducing regulator stations	131	110	106	115	110	119	227	228	228	243
Meters	22,615	23,361	24,228	25,151	26,273	26,832	27,596	26,391	29,850	33,148
Vehicles	21	18	16	16	16	16	16	16	15	15
Water										
Water treatment plants	1	1	1	1	1	1	1	1	1	1
Water treatment plant capacity (million gallons per day)	24	24	24	24	24	24	24	24	24	24
Average daily flow (million gallons per day)	8	8	9	10	10	9	10	9	10	10
Peak flow (million gallons per day)	13	13	13	18	18	17	18	18	21	20
Ground storage capacity (million gallons)	8	8	8	8	8	8	8	8	8	8
Elevated tank storage capacity (million gallons)	6	6	8	6	6	6	6	6	6	6
Transmission lines (miles)	32	32	31	31	31	31	31	32	35	35
Distribution lines (miles)	382	404	385	385	395	395	426	430	440	449
Fire hydrants	1,539	1,622	1,654	1,654	1,740	1,763	1,745	1,796	1,828	1,853
Meters	19,267	19,643	20,017	20,668	21,514	21,981	22,449	23,682	23,449	24,182
Vehicles	13	12	10	13	9	10	14	14	10	10
Sewer										
Treatment plants	1	1	1	1	1	1	1	1	1	1
Treatment plant capacity (million gallons per day)	5	5	5	5	5	5	5	5	5	5
Average daily flow (million gallons per day)	2	2	3	3	3	3	3	3	3	3
Maximum daily flow	4	4	7	7	7	5	5	5	5	5
Gravity collection lines (miles)	232	236	243	248	257	258	261	246	273	275
Force main collection lines (miles)	23	24	23	25	25	26	26	26	31	31
Lift stations	21	21	21	22	22	26	28	31	32	32
Sewer valves	75	78	83	89	89	107	108	108	117	120
Manholes	6,089	6,283	6,402	6,591	6,854	6,912	6,611	6,962	7,347	7,427
Vehicles	16	16	16	14	10	9	16	16	16	16

Greer Commission of Public Works

Number of Employees by Identifiable Activity

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Water system										
Water production	9	8	8	8	9	8	6	6	8	9
Water distribution	8	8	8	7	7	7	8	8	7	7
Lake wardens and staff	2	3	3	3	3	3	2	3	4	4
Total water system	**19**	**19**	**19**	**18**	**19**	**18**	**16**	**17**	**19**	**20**
Electric distribution system	**18**	**17**	**14**	**14**	**13**	**13**	**12**	**11**	**11**	**11**
Natural gas distribution system	**23**	**21**	**14**	**14**	**13**	**13**	**14**	**14**	**15**	**15**
Sewer system										
Collection	7	8	5	5	6	4	5	5	4	5
Treatment	8	9	9	9	9	10	10	9	11	11
Total sewer system	**15**	**17**	**14**	**14**	**15**	**14**	**15**	**14**	**15**	**16**
Shared support										
General administration	2	3	5	7	7	7	6	6	6	6
Customer service	12	11	8	10	9	6	6	5	6	8
Billing	3	3	4	3	3	3	3	3	3	3
Finance and accounting	4	4	3	3	3	3	3	4	3	4
Meter Technicians	3	5	2	2	2	5	3	3	3	3
Engineering	7	7	8	8	8	8	5	8	9	11
Warehouse and facilities maintenance	4	5	6	6	6	7	6	6	6	6
Human resources	4	4	3	3	3	3	3	3	4	4
Operations	4	2	-	-	-	-	-	-	-	-
Information systems	4	3	2	3	3	3	5	5	5	3
Locators	5	5	5	5	5	4	3	-	-	-
Measurement	2	-	-	-	-	-	-	-	-	-
Communications	1	1	1	1	1	1	1	1	1	1
Vehicle maintenance	2	2	-	-	-	-	-	-	-	-
Total shared support	**57**	**55**	**47**	**51**	**50**	**50**	**44**	**44**	**46**	**49**
Total employees	**132**	**129**	**108**	**111**	**110**	**108**	**101**	**100**	**106**	**111**

Greer Commission of Public Works

Demographics and Economic Statistics
Last 10 Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Population [1, 2]	28,905	29,145	29,307	31,154	32,211	35,308	37,481	38,495	44,387	50,113
Mean household income [1]	$ 62,300	$ 69,017	$ 70,296	$ 71,251	$ 64,368	$ 66,493	$ 67,863	$ 68,270	$ 80,030	$ 82,626
Personal income (000's) [1]	$ 696,293	$ 732,326	$ 798,762	$ 905,647	$ 985,463	$ 928,641	$ 947,214	$ 1,453,879	$ 1,528,027	$ 1,605,956
Per capita personal income [1]	$ 24,089	$ 25,127	$ 27,255	$ 29,070	$ 30,594	$ 31,969	$ 38,279	$ 43,091	$ 51,913	$ 52,956
Median age [1]	36.3	36.5	36.7	37.1	37.3	37.5	37.8	37.9	35.5	36.1
*Unemployment rates [3]	4.4%	3.4%	3.4%	1.8%	3.6%	2.9%	2.1%	2.9%	3.5%	4.2%

Source:

(1) World Population Review Online or Neilsberg Online

(2) US Census Bureau

(3) South Carolina Department Employment and Workforce

* Unemployment rate data was not available specifically for the City of Greer. This number represents a weighted average of unemployment rates in Greenville and Spartanburg Counties.

COMPLIANCE SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Honorable Chairman and Members of the Commission
Greer Commission of Public Works
Greer, South Carolina

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the **Greer Commission of Public Works** (the "Commission") as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated April 18, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Columbia, South Carolina
April 18, 2026

MAULDIN & JENKINS
CPAs & ADVISORS

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance

To the Honorable Chairman and Members of the Commission
Greer Commission of Public Works
Greer, South Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the **Greer Commission of Public Works'** (the "Commission") compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Commission's major federal programs for the year ended December 31, 2025. The Commission's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Commission's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Commission's federal programs.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Commission's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Commission's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Commission's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Commission's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Columbia, South Carolina
April 18, 2026

GREER COMMISSION OF PUBLIC WORKS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Grant Identification Number	Expenditures	Passed through to Subrecipients
U.S. Department of the Treasury:				
Passed through South Carolina Rural Infrastructure Authority				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)	21.027	A-23-C090	$ 6,010,345	$ -
Total U.S. Department of the Treasury			**6,010,345**	**-**
U.S. Department of Energy:				
Passed through South Carolina Public Service Authority				
Electric Grid Resiliency Program	81.254	DE-GD0000041	1,240	-
Total U.S. Department of Energy			**1,240**	**-**
Total Expenditures of Federal Awards			**$ 6,011,585**	**$ -**

GREER COMMISSION OF PUBLIC WORKS

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the Greer Commission of Public Works (the "Commission") and is presented on the accrual basis of accounting. The Commission reporting entity is described in Note 1 to the Commission's basic financial statements.

The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2. DE MINIMIS INDIRECT COST RATE

The Commission chose not to use the 15% de Minimis indirect cost rate for the year ended December 31, 2025.

NOTE 3. NON-CASH AWARDS AND LOANS

There were no federal awards expended in the form of noncash assistance during the fiscal year. There were also no loans or loan guarantees outstanding at year end.

GREER COMMISSION OF PUBLIC WORKS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	_____ Yes __X__ No
Significant deficiencies identified?	_____ Yes __X__ None Reported
Noncompliance material to financial statements noted?	_____ Yes __X__ No

Federal Awards

Internal Control over major programs:	
Material weaknesses identified?	_____ Yes __X__ No
Significant deficiencies?	_____ Yes __X__ None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____ Yes __X__ No

Identification of major program:

Assistance Listing Number	Name of Federal Program or Cluster
	U.S. Department of the Treasury
21.027	COVID-19 – Coronavirus State and Local Fiscal Recovery Fund

Dollar threshold used to distinguish between Type A and Type B programs:	$1,000,000
Auditee qualified as low-risk auditee?	_____ Yes __X__ No

GREER COMMISSION OF PUBLIC WORKS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

SECTION III
FEDERAL AWARDS FINDINGS AND RESPONSES

None reported.

SECTION IV
PRIOR YEAR FINDINGS

None reported.

APPENDIX B

FORM OF OPINION OF BOND COUNSEL

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[Letterhead of Burr & Forman LLP, as Bond Counsel]

[Date of Delivery]

City Council of the City
of Greer, South Carolina
Greer, South Carolina

Greer Commission of Public Works
Greer, South Carolina

Re: City of Greer, South Carolina, Combined Utility System Revenue Bonds, Series 2026, $_____

We have acted as bond counsel to the Commission of Public Works (the "Commission") of the City of Greer, South Carolina (the "City"), in connection with the City's $_____ principal amount Combined Utility System Revenue Bonds, Series 2026 (the "Bonds"). In such capacity, we have examined such law and such certified proceedings, certifications and other documents as we have deemed necessary to render this opinion.

The Bonds are subject to optional redemption prior to maturity in the manner and upon the terms and conditions and at the prices set forth therein.

The Bonds are immobilized in the custody of The Depository Trust Company, New York, New York ("DTC"), and a book-entry system is being used to evidence ownership and transfer on the records of DTC and its participants.

The Bonds are issued pursuant to and in accordance with the Constitution and laws of the State of South Carolina, including particularly Article X, Section 14(10) of the South Carolina Constitution and Title 6, Chapter 17, Code of Laws of South Carolina 1976, as amended (the "Act"); General Bond Ordinance No. 27-97 of the City (the "Council") duly enacted by the City Council of the City (the "Council") on July 22, 1997, as amended (the "General Bond Ordinance"), as supplemented by Fourteenth Supplemental Ordinance No. ___ duly enacted by the Council on _____, 2026 (the "Fourteenth Supplemental Ordinance"). The General Bond Ordinance and the Fourteenth Supplemental Ordinance are sometimes collectively referred to as the "Bond Ordinances".

Regarding questions of fact material to our opinion, we have relied on the representations of the City and the Commission contained in the Bond Ordinances, the Federal Tax Certificate of the City and the Commission dated of even date herewith, and in the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation. We have assumed that all signatures on documents, certificates and instruments examined by us are genuine, all documents, certificates and instruments submitted to us as originals are authentic and all documents, certificates and instruments submitted to us as copies conform to the originals. In addition, we have assumed that all documents, certificates and instruments relating to the issuance of the Bonds have been duly authorized, executed and delivered by all parties thereto other than the City and the Commission, and we have further assumed the due organization, existence and powers of such other parties other than the City and the Commission.

As bond counsel, we have been retained solely for the purpose of examining the validity and legality of the Bonds and of rendering the specific opinion herein stated and for no other purpose. We have not acted as a municipal advisor (within the meaning of Section 15B of the Securities Exchange Act of 1934) to the City or the Commission in connection with the execution and delivery of the Bonds. We have not verified the accuracy, completeness or fairness of any representation or information concerning the business or financial condition of the City or the Commission or the purchaser of the Bonds in connection with the sale of the Bonds. Accordingly, we express no opinion on the completeness, fairness or adequacy of any such representation or information.

We refer you to the Series 2026 Bonds and the Bond Ordinances for a further description of the Series 2026 Bonds, the purposes for which the Series 2026 Bonds are issued, the uses of the proceeds from the sale of the Series 2026 Bonds and the security therefor.

Based on the foregoing, we are of the opinion that, under existing law:

1. The City is validly existing as a body politic and corporate of the State with the power to enact the Bond Ordinances, perform the agreements on its part contained therein and issue the Bonds.

2. The Bond Ordinances have been duly enacted by the City Council and constitute valid and binding obligations of the City enforceable against the City. The Bond Ordinances create a valid lien on the Net Revenues (as defined in the General Bond Ordinance) pledged by the Bond Ordinances for the security of the Series 2026 Bonds.

3. The Bonds have been duly authorized and executed by the City and are valid and binding limited obligations of the City payable solely from, and secured equally and ratably by a pledge of and lien upon the Net Revenues (as defined in the General Bond Ordinance) derived by the City from the operation of the System (as defined in the General Bond Ordinance) on a parity with the pledge and lien of Net Revenues securing the Bonds of 2002, the 2004 SRF Note, the 2005 SRF Note, the Bond of 2007, the 2007 SRF Note, the 2009 SRF Note and the Bonds of 2024 (each as defined in the Fourteenth Supplemental Ordinance). Under the General Bond Ordinance, the City may, under certain terms and conditions, issue Bonds (as defined in the General Bond Ordinance) on a parity with the Bonds.

4. Interest on the Bonds is excludable from gross income for federal income tax purposes under existing statutes, regulations, and court decisions, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, interest on the Bonds is taken into account in determining the 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 City and Commission comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The City and the Commission, respectively, have covenanted to comply with the requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

5. Under the laws of the State, the Bonds and the interest thereon are presently exempt from all taxation in said State, except for estate or other transfer taxes. It should be noted, however, that Section 12-11-20, Code of Laws of South Carolina 1976, as amended, imposes upon every bank engaged in business in the State a fee or franchise tax computed on the entire net income of such bank which includes interest paid on the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Bond Ordinances are limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

We express no opinion herein regarding the accuracy, adequacy or completeness of the Official Statement relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

BURR & FORMAN LLP

APPENDIX C

GENERAL BOND ORDINANCE, EIGHTH SUPPLEMENTAL ORDINANCE, NINTH SUPPLEMENTAL ORDINANCE, TENTH SUPPLEMENTAL ORDINANCE, THIRTEENTH SUPPLEMENTAL ORDINANCE AND FOURTEENTH SUPPLEMENTAL ORDINANCE

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CITY OF GREER, SOUTH CAROLINA

GENERAL BOND ORDINANCE NO. 27-97

AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF COMBINED UTILITY SYSTEM REVENUE BONDS OF THE CITY OF GREER, SOUTH CAROLINA; PRESCRIBING THE FORM OF BONDS; LIMITING THE PAYMENT OF THE BONDS SOLELY TO THE NET REVENUES DERIVED FROM THE OPERATION OF THE SYSTEM AND PLEDGING THE REVENUES TO SUCH PAYMENT; CREATING CERTAIN FUNDS AND PROVIDING FOR PAYMENTS INTO SUCH FUNDS; AND MAKING OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE FOREGOING.

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(This Table of Contents for this Ordinance is for convenience of reference only and is not intended to define, limit or describe the scope or intent of any provision of this Ordinance).

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

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. Unless the context shall clearly indicate some other meaning, the terms defined in this Section shall, for all purposes of this Ordinance and of any ordinance, resolution, certificate, opinion, instrument or other document herein or therein mentioned, have the meanings herein specified, with the definitions to be equally applicable to both the singular and plural forms of any of the terms herein defined and vice versa. The term:

"1996 BAN" shall mean the $4,000,000 Combined Utility System Revenue Bond Anticipation Note, Series 1996, dated December 4, 1996, which will be retired with a portion of the proceeds of the Bonds of 1997.

"Act" shall mean Title 6, Chapter 17, Code of Laws of South Carolina 1976, as amended (being the Revenue Bond Refinancing Act of 1937), and all other statutory authorizations, now or hereinafter enacted, authorizing and enabling the City to provide for the issuance of the Bonds, including, if applicable, with respect to any Series of refunding Bonds, Title 11, Chapter 21, Code of Laws of South Carolina 1976, as amended.

"Accountant" shall mean a firm of independent certified public accountants selected by the Commission.

"Accreted Value" shall mean, except as otherwise provided by Supplemental Ordinance, with respect to any Capital Appreciation Bond an amount equal to the principal amount of such Capital Appreciation Bond (determined on the basis of the principal amount per $5,000 at maturity thereof) plus the amount, assuming semiannual compounding of earnings, which would be produced on the investment of such principal amount, beginning on the date of original issue of such Capital Appreciation Bond and ending at the maturity date thereof, at a yield which, if produced until maturity, will produce $5,000 at maturity. The Accreted Value of any Capital Appreciation Bond shall mean, as of any Valuation Date, the amount set forth for such date in the Supplemental Ordinance authorizing such Capital Appreciation Bond, and as of any date other than a Valuation Date, the sum of (a) the Accreted Value on the preceding Valuation Date and (b) the product of (i) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date, and (ii) the difference between the Accreted Values for such Valuation Dates.

"Annual Budget" shall mean the annual budget required by Section 7.8 hereof and adopted in conformance therewith.

"Bondholders" or the term "Holders" or any similar term shall mean the registered owner or owners of any Outstanding Bond or Bonds.

"Bond" or "Bonds" shall mean any Bond, some of the Bonds or all of the Bonds issued under and pursuant to Article III hereof, excluding bonds or other indebtedness issued under Section 3.5 and 3.6 hereof.

"Bond Counsel" shall mean any attorney or firm of attorneys of nationally recognized standing in the matters pertaining to the federal tax exemption of interest on bonds issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States.

"Bond Ordinance of 1993" shall mean General Bond Ordinance No. 49-93 enacted by the Council on August 24, 1993.

"Bonds of 1993" shall mean the $9,000,000 Combined Utility System Revenue Bonds, Series 1993, dated September 17, 1993, which will be defeased with a portion of the proceeds of the Bonds of 1997.

"Bonds of 1995" shall mean the $9,500,000 Combined Utility System Revenue Bonds, Series 1995, dated July 12, 1995, which will be defeased with a portion of the proceeds of the Bonds of 1997.

"Bonds of 1997" shall mean the not exceeding $33,790,000 Combined Utility System Revenue Bonds, Series 1997.

"Books of Registry" shall mean the registration books maintained by the Registrar in accordance with Section 4.3 hereof.

"Business Day" shall mean any day other than a Saturday, a Sunday or a day on which banking institutions in the State or the corporate trust office of the Trustee are required or authorized by law (including executive orders) to close.

"Capital Appreciation Bonds" shall mean any Bonds as to which interest is payable only at the maturity or prior redemption of such Bonds. For the purposes of (a) receiving payment of the redemption price of a Capital Appreciation Bond that is redeemed prior to maturity, (b) receiving payment of a Capital Appreciation Bond that is redeemed prior to maturity, (c) receiving payment of a Capital Appreciation Bond if the principal of all Bonds is declared immediately due and payable following an Event of Default as provided in Section 10.1 of this Ordinance, or (d) computing the principal amount of Bonds held by the Holder of a Capital Appreciation Bond in giving any notice, consent, request, or demand pursuant to this Ordinance for any purpose whatsoever, the principal amount of a Capital Appreciation Bond shall be deemed to be its Accreted Value.

"City" shall mean the City of Greer, South Carolina.

"Commission" shall mean the Board of Commissioners of Public Works of the City.

"Construction Fund" shall mean any fund established with and maintained by the Custodian named by ordinance or resolution of the City, and derived from certain of the proceeds of the sale of the Bonds and intended to defray the cost of all or a portion of any Project and to pay all Costs of Acquisition and Construction in connection therewith, as established in a Supplemental Ordinance authorizing the issuance of any Series of Bonds.

"Consulting Engineer" shall mean the engineer or engineering firm or corporation registered and qualified to practice the profession of engineering under the laws of the State of South Carolina and having a favorable reputation for skill and experience in the construction and operation of water treatment systems, sewage disposal and treatment systems, natural gas distribution systems, or electric distribution systems, employed by the Commission to perform and carry out the duties imposed by this Ordinance, and who or which is not a full-time employee of the Commission.

"Cost of Acquisition and Construction" shall mean, to the extent permitted by the Act, all costs of acquiring, reconstructing, replacing, extending, repairing, bettering, improving, equipping, developing, embellishing or otherwise improving the System, including the Costs of Issuance and capitalized interest on Bonds. Cost of Acquisition and Construction shall include the payment of amounts due on bond anticipation notes, the proceeds of which were used for Cost of Acquisition and Construction.

"Cost of Issuance" shall mean all items of expense, directly or indirectly payable or reimbursable by or to the City or the Commission and related to the authorization, sale and issuance of Bonds including, but not limited to, printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of any Trustee, Custodian, Registrar or Paying Agent, legal fees and charges, auditing and accounting fees and charges, fees and disbursements of consultants and professionals, costs of credit ratings, fees and charges for preparation, execution, transportation and safekeeping of Bonds, costs and expenses of refunding, premiums for insurance relating to the issuance of Bonds, financing charges, accrued interest with respect to the initial investment of proceeds of Bonds and any other costs, charges or fees in connection with the original issuance of Bonds.

"Council" shall mean the City Council of the City.

"Custodian" shall mean any bank, depository or trust company duly qualified and doing business within the State selected by the Commission as a depositary of moneys or securities held in the Construction Fund.

"Debt Service" shall mean, with respect to each Series of Bonds and with respect to any particular Fiscal Year, the aggregate of the amounts to be paid or set aside (or estimated to be required to be paid or set aside) in the applicable Debt Service Fund in such Fiscal Year for the payment of the principal of, redemption premium, if any, and interest (to the extent not payable from the proceeds of Bonds) on such Series of Bonds; provided that the interest on Variable Rate Indebtedness shall be calculated at the actual average rate of interest on the Variable Rate Indebtedness during the twelve (12) months immediately preceding the date of calculation; provided further, that for purposes of Section 3.3 hereof, interest on Variable Rate Indebtedness shall be calculated at the initial interest rate on such Variable Rate Indebtedness during the preceding Fiscal Year.

"Debt Service Fund" shall mean the respective funds of that name established pursuant to Section 6.4 of this Ordinance and so designated pursuant to a Supplemental Ordinance to provide for the payment of the principal of and interest on the respective Series of Bonds issued pursuant to this Ordinance as the same respectively become due and payable.

"Debt Service Reserve Fund" shall mean the respective funds, if any, of that name established pursuant to Section 6.5 of this Ordinance and so designated pursuant to a Supplemental Ordinance.

"Default" or "Event of Default" shall mean any of those Events of Default specified in and defined by Article X hereof.

"Expenses of Operating and Maintaining the System" shall mean the current expenses, paid or accrued, of operation, maintenance and current repair of the System, and shall include, without limiting the generality of the foregoing, salaries, wages, employee benefits, cost of materials and supplies, cost of routine repairs, renewals, replacements and alterations occurring in the usual course of business, cost of billings and collections, cost of insurance, costs of any audit required by this Ordinance, the premiums for all insurance required with respect to the System, taxes, if any, and amounts payable by way of arbitrage rebate and payments which the City and the Commission are required to make to Piedmont Municipal Power Agency. Expenses of Operating and Maintaining the System shall not include the payment of interest on Bonds, any allowance for depreciation or renewals or replacements of capital assets of the System and amounts deemed to be payments in lieu of taxes or other equity transfers.

"Fiscal Year" shall mean the fiscal year for the System as determined by the Commission, initially being the period from January 1 in any year to and including December 31 in the same year.

"Government Obligations" shall mean any of the following:

(a) non-callable bonds, notes or direct obligations and general obligations of the United States;

(b) non-callable, U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series - "SLGS");

(c) non-callable, direct obligations of the U.S. Treasury which have been stripped by the U.S. Treasury;

(d) non-callable, obligations issued by any agency or instrumentality of the United States of America which are backed by the full faith and credit of the United States; and

(e) prerefunded municipal bonds which are rated "Aaa" by Moody's or "AAA" by S&P.

"Interest Account" shall mean the account by that name created within each respective Debt Service Fund.

"Interest Payment Date" shall mean the respective interest payment dates for a Series of Bonds as determined by a Supplemental Ordinance.

"Junior Bonds" shall mean either (a) bonds secured by a pledge of Net Revenues junior and subordinate in all respects to the pledge securing the Bonds or (b) any other form of indebtedness, including lease purchase obligations secured by Net Revenues after provision has been made for all payments required to be made with respect to the Bonds, which obligation or indebtedness may be authorized by an ordinance of Council which is not supplemental to this Ordinance.

"Maximum Debt Service" shall mean the highest aggregate principal and interest requirements (to the extent not capitalized) on the Bonds then Outstanding during any Fiscal Year. With respect to any Series of Variable Rate Indebtedness, for purposes of determining Maximum Debt Service the following methods shall determine the interest rate to be used:

(a) in the case of determining the Reserve Fund Requirement, the interest rate shall be equal to the lesser of (i) the 25-Bond Revenue Index published by *The Bond Buyer* no more than two (2) weeks prior to, but in no event after, the sale of the Series of Bonds to which the Reserve Fund Requirement in question applies, or (ii) the maximum interest rate allowable on such Variable Rate Indebtedness;

(b) in the case of determining the Maximum Debt Service for purposes of Section 3.3 of this Ordinance, the interest rate shall be equal to the initial interest rate on such Variable Rate Indebtedness; and

(c) in the case of determining the Maximum Debt Service for purposes of applying the Rate Covenant, the interest rate shall be equal to the actual average interest rate on such Variable Rate Indebtedness during the preceding Fiscal Year;

provided, however, that if the 25-Bond Revenue Index referred to in (a) above is no longer published, any reasonably equivalent nationally recognized index published for the periods in questions may be selected by the Commission for use in its stead.

"Moody's" shall mean Moody's Investors Service, Inc., or its successors.

"Net Revenues" shall mean the Revenues of the System after deducting the Expenses of Operating and Maintaining the System.

"Operation and Maintenance Fund" shall mean the fund of that name established pursuant to Section 6.3 of this Ordinance.

"Ordinance" shall mean this ordinance as from time to time amended or supplemented by one or more Supplemental Ordinances.

"Outstanding" when used with respect to any Bond shall have the construction given to such word in Article XII hereof; i.e., a Bond shall not be Outstanding if such Bond is not, or would not be, at the time, deemed to be Outstanding by reason of the operation and effect of said Article XII.

"Paying Agent" shall mean for each Series of Bonds the respective paying agent or paying agents appointed pursuant to the proceedings authorizing such Bonds.

"Permitted Investments" shall mean (a) any one or more of the investments now or hereafter permitted by Section 6-5-10, Code of Laws of South Carolina 1976, as amended and in effect from time to time, or any authorization relating to the investment of funds hereunder; and (b) the South Carolina Pooled Investment Fund or similar State administered pool investment fund or as otherwise may be limited pursuant to a Supplemental Ordinance.

"Principal Account" shall mean the account by that name created within each respective Debt Service Fund.

"Principal Payment Date" shall mean the respective principal payment dates for a Series of Bonds as determined by a Supplemental Ordinance.

"Project" shall mean any work, undertaking or project which the Commission is or may hereafter be authorized to construct or acquire with the proceeds of any Bonds and which will become a part of the System, including the acquisition of any system which shall be combined with or consolidated into the System pursuant to law.

"Rate Covenant" shall mean the covenant as to fees, rates and other charges described in Section 7.1 hereof.

"Record Date" shall mean with respect to any Series of Bonds the fifteenth (15th) day (whether or not a business day) of the calendar month immediately preceding an interest payment date or such other day as may be provided in the Supplemental Ordinance authorizing the issuance of such Series of Bonds.

"Registrar" shall mean for each Series of Bonds the registrar appointed pursuant to the proceedings authorizing such Bonds.

"Reserve Fund Requirement" shall mean, as of the date of calculation, the debt service reserve fund requirement, if any, established pursuant to a Supplemental Ordinance authorizing the issuance of a Series of Bonds.

"Revenues" shall mean all receipts, income, revenues, fees and other charges to be levied and collected in connection with, and all other income and receipts of whatever kind or character derived by the Commission or the City from the operation of the System, including, but not limited to, tap fees, connection charges, impact fees, developer fees, plant capacity fees, interest earnings and other earnings on investments, as such earnings on investments are computed in accordance with generally accepted accounting practices, excluding the proceeds of any grants or debt, contributions in aid of construction, gains or losses on extinguishment of debt, fees derived from assessments and extraordinary items, and the receipts, income, revenues, fees and other charges derived from the operation of Special Facilities.

"S&P" shall mean Standard & Poor's Corporation or its successor.

"Securities Depositories" shall mean the Depository Trust Company, 711 Stewart Avenue, Garden City, New York 11530, Fax (516) 227-4039 or 4190; Midwest Securities Trust Company, Capital Structures-Call Notification, 440 South LaSalle Street, Chicago, Illinois 60605, Fax (312) 663-2343; Philadelphia Depository Trust Company, Reorganization Division, 1900 Market Street, Philadelphia, Pennsylvania 19103, Attention: Bond Department, Fax (215) 496-5058; or to such other addresses and/or such other securities depositories as the City may designate.

"Series" or "Series of Bonds" or "Bonds of Series" shall mean all Bonds designated as being of the same series issued and delivered on original issuance in a simultaneous transaction, and any Bonds thereafter delivered in lieu thereof or in substitution therefor pursuant to this Ordinance.

"Special Facilities" shall mean any project or undertaking, the revenues and expenses resulting from the operation of which can be segregated from the revenues and expenses of the System and which the City shall designate as such by ordinance.

"State" shall mean the State of South Carolina.

"Supplemental Ordinance" shall mean any ordinance by the City providing for the issuance of Bonds and any ordinance enacted by the Council pursuant to and in compliance with the provisions of Article IX hereof amending or supplementing the provisions of this Ordinance.

"System" shall mean the combined waterworks system, sewer system, natural gas system and electric light system operated, controlled and managed by the Commission, as the same is now constituted, all properties, real and personal, and matters and things used or useful in the maintenance, operation or functioning thereof, all apparatus and equipment used in connection therewith, and all replacements, enlargements, improvements, extensions, additions, and betterments that may be made thereto, including the Project, and any other public utility system with which the System may hereafter be combined pursuant to ordinance of Council.

"Term Bond" shall mean any Bond designated by the Supplemental Ordinance providing for its issuance as being subject to retirement or redemption from moneys credited to the Principal Account within each Debt Service Fund as sinking fund installments.

"Trustee" shall mean Branch Banking & Trust Company, in Wilson, North Carolina, and any successor Trustee appointed in accordance with Section 8.1 hereof.

"Valuation Date" with respect to any Capital Appreciation Bonds, shall have the meaning ascribed to such term in the Supplemental Ordinance authorizing the issuance of such Capital Appreciation Bonds.

"Variable Rate Indebtedness" shall mean indebtedness in the form of Bonds, the interest rate on which is not established at a fixed or constant rate at the time such indebtedness is incurred.

ARTICLE II

FINDINGS AND DETERMINATIONS

Section 2.1. Findings and Determinations. The Council hereby finds and determines:

A. The City is an incorporated municipality located in Greenville and Spartanburg Counties, State of South Carolina, and as such possesses all powers and duties granted to municipalities by the Constitution and laws of this State.

B. In the exercise of the powers vested in the City by the Constitution and statutes of the State of South Carolina, and in conformity therewith, the City pursuant to the favorable results of elections duly held in the City did establish a waterworks system, a sewer system and an electric light system, which, respectively, have been continuously operated and maintained since their establishment.

C. By ordinance enacted on August 25, 1950, the aforesaid three utility systems were combined into a single system designated as "Combined Utility System of the City of Greer."

D. By ordinance enacted February 15, 1958, a natural gas system was added to the System which is now comprised of a waterworks system, a sewer system, an electric light system, and a natural gas system.

E. The System is operated on a fiscal year basis, which presently commences on January 1 of each year and ends on December 31 of the same year.

F. The System is operated and under the control of the Commission and furnishes service throughout the City and in certain areas adjacent thereto.

G. The Act provides that any municipality may refinance or refinance and improve any enterprise, such as the System, and for such purpose may borrow money and issue revenue bonds from time to time.

H. The City has heretofore issued the Bonds of 1993, the Bonds of 1995 and the 1996 BAN.

I. Certain existing covenants and agreements in the Bond Ordinance of 1993 hamper or impede the ability of the City to borrow moneys which are now or hereafter required to provide for improvements, enlargements and extensions to the System. In particular, the Council wishes to replace the Bond Ordinance of 1993 to adjust the requirements for the issuance of parity bonds, and to allow for the inclusion of additional enterprises within the System.

J. By the enactment of this Ordinance, the City intends to provide for the issuance of the revenue bonds at the time and on the terms and conditions set forth in this Ordinance and Supplemental Ordinances hereto.

ARTICLE III

AUTHORIZATION AND ISSUANCE OF BONDS

Section 3.1. Authorization of Bonds. There is hereby authorized to be issued Bonds of the City to be known as "City of Greer, South Carolina, Combined Utility System Revenue Bonds," or such other designations as may be provided in the Supplemental Ordinance authorizing such Bonds, which Bonds may be issued pursuant to this Ordinance and in accordance with the terms, conditions and limitations set forth herein, in Series, in such amounts and from time to time as the City may deem to be necessary or advisable for any corporate purpose of the Commission for which Bonds may be issued under this Ordinance and the Act.

Section 3.2. General Provisions For Issuance of Bonds. (a) The Bonds shall be issued in Series by means of Supplemental Ordinances enacted by the Council in accordance with the provisions of this Article and Article IX hereof. Each Supplemental Ordinance shall designate the Bonds provided for thereby by an appropriate Series designation and by such further particular designations, if any, as the City deems appropriate, and shall, unless or except as is otherwise set forth herein, also specify: (i) the authorized principal amount of such Series of Bonds; (ii) the purpose or purposes for which the Bonds of such Series are being issued, which shall be one or more of the purposes set forth in Sections 3.3 or 3.4 hereof; (iii) if the Bonds of the Series are being issued for a purpose specified in Section 3.3 hereof, the Project for which such Bonds are being issued; (iv) an estimate of the Costs of Acquisition and Construction for any Project to be financed by such Series of Bonds, and, in the event of the acquisition by purchase or condemnation of any facilities already constructed, a determination of what repairs, replacements, additions and betterments will be necessary in order that such facilities may be effective for their purpose and an estimate of the cost required therefor; (v) the date or dates of the Bonds of the Series; (vi) the maturity date or dates of the Bonds of the Series and the sinking fund installment amounts and due dates for the Term Bonds of the Series, if any; (vii) the interest rate or rates of the Bonds of such Series, or the manner of determining such rate or rates, the initial interest payment date therefor, and the subsequent interest payment dates; (viii) the denominations of (if other than as provided in this Ordinance), and manner of numbering and lettering, the Bonds of such Series; (ix) the redemption premium or premiums, if any, or the redemption price or prices to be paid upon the redemption of the Bonds of such Series, the period or periods, if any, during which such premiums or prices shall be payable, and the terms and conditions, if any, of such redemption; (x) the place or places of payment of the Bonds of the Series and interest thereon, and the Paying Agent and Registrar therefor and any Custodian of the funds and accounts created with respect thereto; (xi) the provisions for the sale or other disposition of the Bonds of the Series and the use, application and investment, if any, of the proceeds of such sale or other disposition, which use, application and investment shall not be inconsistent or in conflict with the provisions hereof; (xii) whether such Series of Bonds will be subject to a Reserve Fund Requirement and that such Reserve Fund Requirement has been or will be met; (xiii) any other provisions which may be required to be inserted therein by other provisions of this Ordinance; and (xv) any other necessary or desirable provisions not inconsistent or in conflict with the provisions of this Ordinance.

(b) Bonds of a Series may be executed and delivered to the Registrar by the City and authenticated and delivered to the City or upon its order upon compliance with Section 3.3 or 3.4 hereof.

Bonds issued upon compliance with this Section and Section 3.3 or Section 3.4 hereof shall be on a parity with respect to the pledge and lien of the Net Revenues of the System inter sese, but not with respect to the particular Debt Service Fund or Debt Service Reserve Fund created for the benefit of the Holders of the Bonds of a Series, notwithstanding, that they may be in different form, and bear different dates, interest rates, number, date of issuance or date of execution; and in all such instances, the pledge of Net Revenues made hereunder, and

the covenants and remedies hereby granted shall be applicable and available to the Holders of such Bonds.

Section 3.3. Conditions for the Issuance of Bonds under this Ordinance Other than Refunding Bonds.

Anytime and from time to time, one or more Series of Bonds (exclusive of refunding Bonds) may be issued for such purposes as may be permitted by the Act upon compliance with the provisions of Section 3.2 hereof and this Section in such principal amounts as may be determined by the Council for the purpose of paying all or part of the Costs of Acquisition and Construction of one or more Projects, at the written request of the Commission and upon compliance with the following conditions:

A. There shall be executed a certificate of the General Manager or chief administrative officer of the Commission, City Administrator or chief administrative official of the City stating (i) either (a) that no Default exists in the payment of the principal of, premium, if any, or interest on any Bonds or Junior Bonds and all mandatory sinking fund redemptions, if any, required to have been made shall have been made, or (b) that the application of the proceeds of sale of the Series of Bonds to be issued as required by the Supplemental Ordinance authorizing their issuance will cure any such Default or permit such redemptions; and (ii) either (a) that to the best of his or her knowledge, the City is not in Default in the performance of any other of its covenants and agreements contained in this Ordinance, or (b) setting forth the circumstances of each such Default known to him or her.

B. If a certificate filed pursuant to part (A) of this Section should disclose a Default or Defaults hereunder, there shall be filed with the Commission and the City an opinion of Bond Counsel that, in the case of any Default disclosed in a certificate filed pursuant to part (A) of this Section, each such Default does not deprive the Bondholders of the security afforded by this Ordinance in any material aspect.

C. For the issuance of Bonds (other than the Bonds of 1997 issued hereunder) to finance the Cost of Acquisition and Construction, or a portion thereof, of any Project, there shall be delivered a report, based upon the latest available audit of the System as required by Section 7.4 hereof, from an Accountant or Consulting Engineer stating that either (i) the amount of the Net Revenues of the System is not less than one hundred twenty percent (120%) of the Maximum Debt Service on Bonds then Outstanding and the Bonds then proposed to be issued, or (ii) the amount of the Net Revenues of the System, as shall have been forecasted by the Consulting Engineer, is not less than one hundred twenty percent (120%) of the actual Debt Service on all Bonds then Outstanding and the Bonds then proposed to be issued for each of the three (3) Fiscal Years following the later of the date of the delivery of the Bonds of such Series, or the period (if any) for which interest is funded from the proceeds of such Bonds; provided the amount of Net Revenues for the periods referred to above may be adjusted by adding the following:

(1) in case the rates and charges for the services furnished by the System shall have been revised and such revised rates and charges shall have gone into effect prior to the delivery of the Bonds proposed to be issued, the additional amount of Net Revenues which would have been realized during the periods referred to above if such rates and charges had been in effect during such periods as determined by a Consulting Engineer, an Accountant, or the General Manager or the chief administrative officer of the Commission, and

(2) in case an existing sewer system, existing water system, existing electric system, existing natural gas system, or any other public utility system is to be acquired and combined or made a part of the System from the proceeds of the Bonds proposed to be issued, the additional amount of Net Revenues which would have been realized during the periods referred to above if such existing system or systems to be acquired had been a part of the System during such periods (which computation of the additional amount of Net Revenues shall be based upon the method of computing Net Revenues under this Ordinance and approved by a Consulting Engineer or an Accountant).

D. Such Bonds shall be issued to secure funds to defray the Cost of Acquisition and Construction of a Project, including any acquisition or construction of any system which shall be combined with or consolidated into the System pursuant to law; or to refund Junior Bonds, or any notes, bonds, or other obligations issued to finance or to aid in financing the acquisition, construction, improvement, enlargement or repair of the System or another enterprise combined with the System.

E. The Supplemental Ordinance may provide for a deposit into the Debt Service Reserve Fund of cash or securities or an insurance policy, surety bond or letter of credit, as provided in Section 6.5 hereof (inclusive of any proceeds of such Series of Bonds to be deposited in the applicable Debt Service Reserve Fund) having an aggregate value not less than the Reserve Fund Requirement, if any, with respect to the applicable Series of Bonds then proposed to be issued.

Section 3.4. Refunding Bonds. Without complying with the provisions of Section 3.3 hereof except as otherwise provided herein, the City by means of a Supplemental Ordinance enacted in compliance with the provisions of the Act and any other statutory provisions authorizing the issuance of revenue refunding bonds, including advance refunding bonds, may issue hereunder refunding Bonds as follows:

A. Bonds may be issued for the purpose of refunding (including by purchase) at any time within one year prior to maturity or prior to any sinking fund installment due date, the Bonds maturing on such date (or an amount of Bonds subject to redemption from such sinking fund installments not in excess of the amount of Bonds required to be redeemed on such due date) for the payment of which sufficient Revenues are not available. Any Bonds issued for such purpose shall mature (or sinking fund installments therefor shall commence) not earlier than

the latest stated maturity of any Bond not then refunded to be Outstanding after such refunding; or

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

Section 3.5. Junior Bonds. Upon the written request of the Commission, the City may at any time issue Junior Bonds in such amount as it may from time to time determine, payable from the Revenues, provided that such Junior Bonds are issued to secure funds to defray the cost of improving, extending, enlarging, or repairing the System, some part thereof, including the acquisition of any system which may be combined with or consolidated into the System pursuant to law, or to refund Bonds, Junior Bonds, or any notes, bonds, or other obligations issued to finance or to aid in financing the acquisition, construction, or improvement of the System, and provided further that the pledge of Net Revenues securing Junior Bonds shall at all times be subordinate and inferior to the pledge securing the Bonds.

Section 3.6. Special Facilities Bonds. Upon the written request of the Commission, the City shall also have the right to issue, from time to time, Special Facilities Bonds to defray the costs of acquiring or constructing Special Facilities subject to the following conditions:

A. The Commission shall determine that the receipts, income, revenues and other charges to be levied and collected in connection with the Special Facilities shall be at least equal to: (1) the estimated costs of operating and maintaining such Special Facilities; (2) the principal and interest requirements of the Special Facilities Bonds; (3) the amounts to be deposited in any reserve funds with respect thereto; and (4) any other costs and expenses relating to such Special Facilities.

B. The receipts, income, revenues, fees and other charges derived from the operation of the Special Facilities shall be segregated from the Revenues of the System.

C. The debt service payments and other costs and expenses and reserves related to such Special Facilities shall not be paid from Revenues of the System.

ARTICLE IV

THE BONDS

Section 4.1. Execution. Unless or except as is otherwise set forth in the Supplemental Ordinance providing for the issuance of a Series of Bonds, the Bonds shall be executed on behalf of the City by the Mayor of the City by his or her manual or facsimile signature and the corporate seal of the City or a facsimile thereof shall be impressed or reproduced thereon and attested by the Clerk of the City or the City Administrator by his or her manual or facsimile signature.

In case any officer whose signature or facsimile signature shall appear on the Bonds shall cease to be such officer before the delivery of such Bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, as if he had remained in office until delivery.

Section 4.2. Authentication. Upon compliance with the provisions of Sections 3.2, 3.3 or 3.4 hereof, and upon the order of the City, the Registrar shall authenticate Bonds authorized to be issued hereunder. Only such Bonds as shall have endorsed thereon a certificate of authentication, duly executed manually by the Registrar shall be entitled to any right or benefit under this Ordinance. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Registrar, and such executed certificate of the Registrar upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered. The Registrar's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer of the Registrar, but it shall not be necessary that the same person sign the certificate of authentication on all of the Bonds issued hereunder or on all of the Bonds of a particular Series. The Registrar's certificate of authentication shall be in substantially the following form:

FORM OF REGISTRAR'S CERTIFICATE OF AUTHENTICATION

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

_____
Registrar

Dated:_____

By:_____
Authorized Officer

Section 4.3. Registration and Transfer of Bonds; Persons Treated as Holders. Unless and except as is otherwise set forth in the Supplemental Ordinance providing for the issuance of a Series of Bonds, each Bond shall be fully registered and transferable only upon the Books of Registry of the City, which shall be kept for that purpose at the office of the Registrar

by the Holder thereof or by his attorney, duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the Holder or his or her duly authorized attorney. Upon the transfer of any Bond, the City shall issue, subject to the provisions of Section 4.6 hereof, in the name of the transferee, a new Bond or Bonds of the same series and of the same aggregate principal amount, interest rate and maturity as the unpaid principal amount of the surrendered Bond.

Any Bondholder requesting any transfer shall pay any tax or other governmental charge required to be paid with respect thereto. As to any Bond, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of or on account of the principal, redemption premium, if any, and interest on any Bond shall be made only to or upon the order of the Bondholder thereof, or his duly authorized attorney, and neither the City nor the Registrar, shall be affected by any notice to the contrary, but such registration may be changed as herein provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Section 4.4. Form of Bonds; Denominations; Medium of Payment. Unless or except as is otherwise provided in the Supplemental Ordinance authorizing their issuance, the Bonds: (a) shall be in fully registered form without coupons, provided, such Bonds may be issued in book-entry form; (b) shall be issued in denominations of $5,000, or any integral multiple thereof, provided that, upon partial redemption of a Bond requiring surrender thereof and the issuance of a new Bond, such new Bond may be in the denomination of the unredeemed balance; and (c) shall be payable with respect to principal, interest, and premium, if any, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

Section 4.5. Numbers, Date, and Payment Provisions.

(a) The Bonds shall be numbered and designated in such manner as the City, with the concurrence of the Registrar, shall determine. Each Bond of a Series shall bear interest from the interest payment date immediately preceding the date of its authentication, unless authentication shall be upon an interest payment date, in which case it shall bear interest from its authentication, or unless authentication shall precede the first interest payment date for such Bond, in which case it shall bear interest as otherwise provided in the Supplemental Ordinance authorizing its issuance, provided, however, that if the date of authentication of any Bond of any Series is after a Record Date and before the corresponding interest payment date therefor, such Bond shall bear interest from such succeeding interest payment date; notwithstanding the foregoing, if at the time of authentication of any Bond any interest on such Bond is in default, such Bond shall bear interest from the date to which interest on such Bond has been paid or if no interest has been paid, such Bond shall bear interest from the date of delivery thereof or from its dated date, or as otherwise provided in the Supplemental Ordinance authorizing the issuance of such Bonds.

(b) The principal of and redemption premium, if any, on the Bonds and interest on any Capital Appreciation Bonds shall be payable when due in lawful money of the United States of America upon presentation and surrender of such Bonds at the principal office of the Paying Agent described in the Supplemental Ordinance authorizing the issuance of such Bonds. Except as otherwise provided in a Supplemental Ordinance, payment of interest on Bonds other than Capital Appreciation Bonds shall be made by check or draft drawn upon the Paying Agent and mailed to the Holder at his or her address as it appears upon the Books of Registry. The Paying Agent shall maintain a record of the amount and date of any payment of principal and/or interest on the Bonds (whether at the maturity date or the redemption date prior to the maturity or upon the maturity thereof by declaration or otherwise).

Section 4.6. Exchange of Bonds. Bonds, upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the Bondholder or his duly authorized attorney, may, at the option of the Bondholder thereof, and upon payment by such Bondholder of any charges which the Registrar may make as provided in Section 4.7, be exchanged for a principal amount of Bonds of the same Series and maturity of any other authorized denomination equal to the unpaid principal amount of surrendered Bonds.

Section 4.7. Regulations with Respect to Exchanges and Transfer. In all cases in which the privilege of exchanging or transferring Bonds is exercised, the City shall execute and the Registrar shall authenticate and deliver Bonds in accordance with the provisions of this Ordinance. All Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Registrar. There shall be no charge to the Bondholder for such exchange or transfer of Bonds except that the Registrar may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or transfer. Neither the City nor the Registrar shall be required (a) to exchange or transfer Bonds (i) from the Record Date to the succeeding interest payment date or (ii) for a period of fifteen (15) days following any selection of Bonds to be redeemed or thereafter until after the first publication or mailing of any notice of redemption, or (b) to transfer any Bonds called for redemption.

Section 4.8. Temporary Bonds. Any Series of Bonds may be initially issued in temporary form, exchangeable for definitive Bonds to be delivered as soon as practicable and subject to the agreement of the City and the purchaser. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the City, shall be without coupons, and may contain such reference to any of the provisions of this Ordinance as may be appropriate. Every temporary Bond shall be executed by the City upon the same conditions and in substantially the same manner as the definitive Bonds. If the City issues temporary Bonds, it will execute and furnish definitive Bonds without delay; and thereupon the temporary Bonds shall be surrendered for cancellation at the principal office of the Registrar, and the Registrar shall deliver and exchange for such temporary Bonds an equal, aggregate principal amount of definitive Bonds of like aggregate principal amount and in authorized denominations of the same Series, maturity or maturities and interest rate or rates.

Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Ordinance as definitive Bonds under this Ordinance.

Section 4.9. Mutilated, Lost, Stolen or Destroyed Bonds. In case any Bond shall at any time become mutilated in whole or in part, or be lost, stolen or destroyed, or be so defaced as to impair the value thereof to the Holder, the City shall execute and the Registrar shall authenticate and deliver at the principal office of the Registrar, or send by registered mail to the Holder thereof at his request, risk and expense a new Bond of the same series, interest rate and maturity and of like tenor and effect in exchange or substitution for and upon the surrender for cancellation of such defaced, mutilated or partly destroyed Bond, or in lieu of or in substitution for such lost, stolen or destroyed Bond. In any such event the applicant for the issuance of a substitute Bond shall furnish the City and the Registrar evidence or proof satisfactory to the City and the Registrar of the loss, destruction, mutilation, defacement or theft of the original Bond, and of the ownership thereof, and also such security and indemnity as may be required by the laws of the State of South Carolina or such greater amount as may be required by the City and the Registrar. Any duplicate Bond issued under the provisions of this Section in exchange and substitution for any defaced, mutilated or partly destroyed Bond or in substitution for any allegedly lost, stolen or wholly destroyed Bond shall be entitled to the identical benefits under this Ordinance or any Supplemental Ordinance as was the original Bond in lieu of which such duplicate Bond is issued, and shall be entitled to equal and proportionate benefits with all the other Bonds of the same series issued hereunder. Neither the City nor the Registrar nor any Paying Agent shall be required to treat both the original Bond and any duplicate Bond as being Outstanding for the purpose of determining the principal amount of Bonds which may be issued hereunder or for the purpose of determining any percentage of Bonds Outstanding hereunder, but both the original and duplicate Bond shall be treated as one and the same.

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

ARTICLE V

REDEMPTION OF BONDS

Section 5.1. Redemption of Bonds. The Bonds of a Series may be subject to redemption prior to their stated maturities upon such terms and conditions and at such dates and redemption price or prices or premium or premiums as shall be set forth in the Supplemental Ordinance providing for the issuance of such Bonds, and upon the further terms and conditions as are hereinafter set forth.

Section 5.2. Selection of Bonds for Redemption. In the event of the redemption at any time of only part of the Bonds of a Series, the Bonds to be redeemed shall be redeemed in such order as is set forth in the Supplemental Ordinance providing for the issuance of such

Bonds. Unless otherwise provided by Supplemental Ordinance, if less than all of the Bonds of like maturity of any Series shall be called for prior redemption, the particular Bonds or portions of Bonds to be redeemed shall be selected at random by the Registrar in such manner as the Registrar in its discretion may deem fair and appropriate; provided, however, that the portion of any Bond of a denomination (or, in the case of Capital Appreciation Bonds, Accreted Value at maturity) of more than $5,000 to be redeemed shall be in the principal amount of $5,000 or an integral multiple thereof, and that, in selecting portions of such Bonds for redemption, the Registrar shall treat each such Bond as representing that number of Bonds of $5,000 denomination which is obtained by dividing the principal amount of such Bond by $5,000 or Accreted Value at maturity which is obtained by dividing the principal amount or Accreted Value at maturity of such Bond by $5,000.

Section 5.3. Notice of Redemption. Unless or except as otherwise provided in the Supplemental Ordinance authorizing their issuance, the provisions of this Section 5.3 apply to each Series of Bonds.

In the event any of the Bonds or portions thereof are called for redemption, the Registrar shall give notice, in the name of the City, of redemption of Bonds by first-class mail, postage prepaid, to the Holder thereof as shown on the Books of Registry of the City and to such Securities Depositories as the City may designate not less than thirty (30) days and not more than sixty (60) days prior to the date fixed for the redemption thereof. Such notice of redemption shall state: (a) the title of such Bonds to be redeemed, CUSIP numbers, date of issue, the series designation (if any) thereof, the redemption date, the place or places of redemption and the redemption price or redemption premium, if any, payable upon such redemption; (b) if less than all such Bonds of a particular Series are to be redeemed, the distinctive number of such Bonds to be redeemed; (c) that the interest on such Bonds designated for redemption in such notice shall cease to accrue from and after such redemption date; and (d) that on such date there will become due and payable on each such Bond the principal amount thereof to be redeemed at the then applicable redemption price or redemption premium, if any, and the interest accrued on such principal amount to the redemption date. Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, when mailed, whether or not the Holder thereof receives the notice.

Section 5.4. Partial Redemption of Bond. In the event that only part of the principal sum of a Bond shall be called for redemption or prepaid, payment of the amount to be redeemed or prepaid shall be made only upon surrender of such Bond to the Registrar. Upon surrender of such Bond, the City shall execute and the Registrar shall authenticate and deliver to the Holder thereof, at the principal office of the Registrar, or send to such Holder by registered mail at his request, risk and expense, a new fully executed Bond or Bonds, of authorized principal sums equal in aggregate principal amount to, and of the same Series, maturity and interest rate as, the unredeemed portion of the Bond surrendered.

Section 5.5. Effect of Redemption. If a Bond is subject by its terms to redemption prior to its stated maturity and has been duly called for redemption and notice of the

redemption thereof has been duly given as hereinbefore provided and if moneys for the payment of such Bond at the then applicable redemption price or together with the then applicable redemption premium, if any, and the interest to accrue to the redemption date on such Bond are held for the purpose of such payment by the Trustee for the series of Bonds of which such Bond is one, then such Bond so called for redemption shall, on the redemption date designated in such notice, become due and payable, and interest on the Bond so called for redemption shall cease to accrue.

Section 5.6. Cancellation. All Bonds which have been redeemed shall be canceled and either maintained or destroyed by the Registrar and shall not be reissued. A counterpart of the certificate of destruction evidencing such destruction shall be furnished by the Registrar to the City upon the request of the City.

ARTICLE VI

ESTABLISHMENT OF FUNDS; SECURITY FOR AND PAYMENT OF THE BONDS; INVESTMENT OF MONEYS

Section 6.1. Listing of Funds and Accounts. The following are the funds and accounts created and established by this Ordinance:

(i) Operation and Maintenance Fund to be held by a bank or other financial institution designated from time to time by the Commission.

(ii) Debt Service Fund for each Series of Bonds to be held by the Trustee, including an Interest Account and Principal Account.

(iii) Debt Service Reserve Fund for each Series of Bonds, if any, to be held by the Trustee.

(iv) Construction Fund for each Series of Bonds to be held by a Custodian designated by the Commission.

One or more accounts may, by direction of the Commission or by the terms of a Supplemental Ordinance, be established within any of the above funds. It is intended by this Ordinance that the funds referred to in this Article (other than the Construction Funds) shall remain in existence for so long a time as any sum remains due and payable by way of principal of and interest on the Bonds, and that deposits and withdrawals therefrom be made in the manner herein prescribed and in the order of priority hereinafter set forth in this Article VI.

Section 6.2. Security for and Payment of the Bonds. The Bonds, together with the interest thereon, shall be payable solely from and secured equally and ratably by a lien upon

the Net Revenues of the System. All funds held by the Trustee in the respective Debt Service Funds and Debt Service Reserve Funds are hereby pledged for the benefit of the respective Bondholders as security for the Bonds of the Series to which such Funds relate. The Net Revenues shall be and hereby are irrevocably pledged to the payment of the principal of and interest on the Bonds. This provision of this Section 6.2 shall not preclude the issuance of Junior Bonds, if such Junior Bonds be issued in conformity with the provisions of Article 3.5 hereof, but the pledge herein made shall preclude the issuance of bonds payable from or secured by a pledge or lien on Net Revenues superior to that herein made to secure the Bonds.

The Bonds do not constitute an indebtedness of the City within any State Constitutional provisions (other than Article X, Section 14, Paragraph 10 of the South Carolina Constitution authorizing obligations payable solely from special sources not involving revenues from any tax or license) or statutory limitation and shall never constitute or give rise to a pecuniary liability of the City or a charge against its general credit or taxing power. The full faith, credit and taxing powers of the City are not pledged to the payment of the principal of and interest on the Bonds.

The covenants and agreements herein set forth to be performed by the City shall be for the equal and proportionate benefit, security and protection of all Holders of the Bonds without preference, priority or distinction as to payment or security or otherwise (except as to maturity) of any of the Bonds for any reason or cause whatsoever, except as expressly provided herein or in the Bonds, and, except as aforesaid, all Bonds shall rank pari passu and shall be secured equally and ratably hereunder without discrimination or preference whatsoever.

Section 6.3. Operation and Maintenance Fund. There is hereby established an Operation and Maintenance Fund to be maintained by the Commission in order to provide for the payment of all Expenses of Operating and Maintaining the System. So long as any of the Bonds remain Outstanding and unpaid, adequate provision shall be made by the Commission for the Expenses of Operating and Maintaining the System by depositing such moneys in the Operation and Maintenance Fund in accordance with the Annual Budget.

Section 6.4. Debt Service Funds. There shall be established and maintained special funds of the City to be designated the Debt Service Fund for each Series of Bonds then Outstanding which shall be kept on deposit with the Trustee, and withdrawals therefrom shall be made for the purposes provided in this Ordinance. Each Debt Service Fund shall bear a separate series designation as may be necessary to distinguish such Debt Service Fund.

The respective Debt Service Funds are intended to provide for the payment of the principal of, redemption premium, if any, and interest on each Series of Bonds as the same respectively fall due. Payments into such Funds shall be made in the manner prescribed by this Ordinance and all moneys in the respective Debt Service Funds shall be used solely to pay the principal of, redemption premium, if any, and interest on the respective Series of Bonds, and for no other purpose, and withdrawals therefrom shall be made only to effect payment of the principal of, redemption premium, if any, and interest on the respective Series of Bonds.

Earnings on investments in the Debt Service Fund, including the accounts therein, shall be added to and become a part of such respective Funds and the accounts therein.

There may be established in the respective Debt Service Funds from time to time a capitalized interest account to provide for the payment of interest on the Bonds of a particular Series as may be permitted hereunder. Any such account shall be created by a Supplemental Ordinance relating to the issuance of the Bonds of such Series. Any earnings from the investment of funds in the capitalized interest account not required to pay interest on the Bonds of any Series during the period for which interest on the Bonds of such Series is capitalized shall be deposited in the Construction Fund created by the Supplemental Ordinance relating to such Bonds or, if such Construction Fund has been terminated or no such fund was created, such earnings shall be retained in the appropriate Debt Service Fund.

There shall be transferred from the Revenues of the System into the respective Debt Service Funds sufficient moneys so as to comply with the following provisions for the payment of the Bonds then Outstanding.

(a) There shall be established and maintained, for the purpose of paying the interest on the respective Series of Bonds as the same becomes due and payable, an Interest Account in the respective Debt Service Funds. Unless and except as is otherwise set forth in the Supplemental Ordinance, not later than the fifth (5th) Business Day preceding an Interest Payment Date, the City shall transfer or cause to be transferred to the Trustee for deposit into the respective Debt Service Funds and ratably with respect to separate Series of Bonds for credit to the Interest Account an amount which will, together with any other funds on deposit from whatever source in the Interest Account of the respective Debt Service Fund, on such date be equal to the installment of interest then falling due on the respective Series of Bonds then Outstanding. In making any of the deposits to the Interest Account required by this paragraph (a), consideration shall be given to and allowance made for accrued interest received upon delivery of each Series of Bonds to the initial purchasers and for any other credits otherwise made to such Account.

(b) There shall be established and maintained, for the purpose of paying the principal of the Bonds as they mature, whether at maturity or by mandatory sinking fund redemption, a Principal Account in the respective Debt Service Funds. Unless and except as is otherwise set forth in the Supplemental Ordinance, not later than the fifth (5th) Business Day preceding any Principal Payment Date or mandatory sinking fund redemption date on any Bond, the City shall transfer or cause to be transferred to the Trustee for deposit into the respective Debt Service Funds and ratably with respect to separate Series of Bonds to the credit of the Principal Account an amount which will, together with any other funds on deposit from whatever source in the Principal Account of the respective Debt Service Fund, provide sufficient funds to pay the aggregate amount of the principal of Bonds coming due on such Principal Payment Date or mandatory sinking fund redemption date. In making any of the deposits to the Principal Account required by this paragraph (b), consideration shall be given to and allowance made for any other credits otherwise made to such Account.

(c) If, on the dates when the payments required by paragraphs (a) and (b) of this Section are to be made, the transfers actually made pursuant to said paragraphs (a) and (b) are less than the sum required to be transferred to a Debt Service Fund to effect the payment of the succeeding installment of principal or interest, or both, as the case may be, moneys in the applicable Debt Service Reserve Fund, if any, equal to such deficiency shall be added to the payment to be made pursuant to said paragraphs (a) and (b).

Moneys in the respective Debt Service Funds shall be used and applied solely to the payment of the interest on and the retirement of the principal of and redemption premium, if any, on the respective Series of Bonds and shall be used and applied in accordance with the provisions of this Section and this Ordinance. The moneys paid into the respective Debt Service Fund shall be held by the Trustee in trust solely for the purpose of paying the interest on and the retirement of the principal of and redemption premium, if any, on the respective Series of Bonds and withdrawals from such Funds shall be made by the Trustee in order to transfer such moneys to the Paying Agent for the respective Series of Bonds. Such withdrawals shall be made so that the necessary moneys shall be available to the Paying Agent not later than one (1) Business Day prior to the day on which principal or interest or both, and redemption premium, if any, as the case may be, are payable on the Bonds.

Section 6.5. Debt Service Reserve Funds. A Supplemental Ordinance may provide for the establishment of a Debt Service Reserve Fund for any Series of Bonds. Each Debt Service Reserve Fund shall bear a separate Series designation as may be necessary to distinguish such Debt Service Reserve Fund and shall, subject to certain provisions of this Ordinance, be maintained in an amount equal to the applicable Reserve Fund Requirement, as determined pursuant to a Supplemental Ordinance, and in the manner determined pursuant to such Supplemental Ordinance, so long as the applicable Series of Bonds shall be Outstanding. Each such Fund is intended to insure the timely payment of the principal of and interest on the applicable Series of Bonds and to provide for the redemption of such Series of Bonds prior to their stated maturities. The respective Debt Service Reserve Funds shall be kept on deposit with the Trustee, and withdrawals therefrom shall be made for the purposes provided in this Ordinance.

Moneys in each Debt Service Reserve Fund shall be used for the following purposes, and for no other:

(a) To prevent a Default in the payment of the principal of or interest on the applicable Series of Bonds, by reason of the fact that moneys in the applicable Debt Service Fund are insufficient for such purposes;

(b) To pay the principal of, interest on, and redemption premium, if any, of the applicable Series of Bonds in the event that all Outstanding Bonds of such Series be redeemed as a whole;

(c) To effect partial redemption of the applicable Series of Bonds, provided that such redemption be undertaken in accordance with the provisions of this Ordinance permitting a partial redemption of the applicable Series of Bonds and the balance remaining in the applicable Debt Service Reserve Fund following such partial redemption shall not be less than the Reserve Fund Requirement;

(d) To effect the retirement of a Series of Bonds through purchase under the conditions herein prescribed.

Whenever the market value (determined as of the evaluation dates specified in Section 6.14 hereof) of the cash and securities in the applicable Debt Service Reserve Fund shall exceed the Reserve Fund Requirement, such excess may, at the direction of the Commission (i) be used to repurchase and retire the applicable Series of Bonds at prices not exceeding the call price first to become available or then prevailing or (ii) be deposited as the Commission deems advisable or, (iii) transferred to the Construction Fund during the period of construction or acquisition of a Project. Purchases of Bonds shall be effected by the City through the Trustee, and whenever Bonds shall have been purchased pursuant to this authorization, it shall be the duty of the Trustee to cancel and destroy such Bonds and to deliver certificates evidencing such act to the City.

Whenever the aggregate value of cash and securities in the respective Debt Service Reserve Fund shall be less than the applicable Reserve Fund Requirement, there shall be paid into the applicable Debt Service Reserve Fund over the next succeeding twelve (12) months, successive equal monthly installments of the amount necessary to reestablish in the applicable Debt Service Reserve Fund its respective Reserve Fund Requirement..

Notwithstanding anything in this Ordinance to the contrary, the City, in lieu of the deposit of moneys into a Debt Service Reserve Fund, may satisfy the applicable Reserve Fund Requirement by causing to be credited to such Fund an irrevocable and unconditional surety bond, line of credit, letter of credit or insurance policy payable to the Trustee or the Paying Agent for the benefit of the Holders of the Bonds of the applicable Series in an amount which together with other moneys, if any, on deposit in such Debt Service Reserve Fund is equal to such Reserve Fund Requirement. In the event the amount on deposit in, or credited to, a Debt Service Reserve Fund, in addition to the amount available under the surety bond, line of credit, insurance policy or letter of credit in question (the "Original Funding Instrument") includes amounts available under another surety bond, line of credit, insurance policy or letter of credit (the "Additional Funding Instrument"), draws on the Original Funding Instrument and the Additional Funding Instrument shall be made on a *pro rata* basis to fund any insufficiency in the Debt Service Fund. In the event a Debt Service Reserve Fund is funded with both monies and a surety bond, line of credit, insurance policy or letter of credit, (i) any withdrawals from such Debt Service Reserve Fund shall be made first from such monies (or the liquidation of investments made therewith) and second from such surety bond, line of credit, insurance policy or letter of credit, and (ii) deposits to such Debt Service Reserve Fund shall be used first to reinstate the surety bond, line of credit, insurance policy or letter of credit and second to restore

the cash balance. The surety bond, line of credit, insurance policy or letter of credit shall be payable (upon the giving of notice as required thereunder) on or before any Interest Payment Date on which moneys will be required to be withdrawn from such Debt Service Reserve Fund and applied to the payment of the principal of or interest on the Outstanding Series of Bonds to which such surety bond, line of credit, insurance policy or letter of credit relates when such payments cannot be made by amounts otherwise credited to such Debt Service Reserve Fund.

The company providing such surety bond, line of credit or insurance policy, or, in lieu thereof, the guarantor of such company's obligations under such surety bond, line of credit or insurance policy, shall be a company whose municipal bond insurance policies insuring the payment of the principal of and interest on municipal bond issues, or whose guarantee of such policies, results in such issues being rated (if rated at all) in the highest rating category by S&P and Moody's or their respective successors and, if rated by A.M. Best & Company, such company must also be rated in the highest rating category by A.M. Best & Company. The letter of credit issuer shall be a bank or trust company which is rated not lower than the second highest rating category by S&P and Moody's or their successors, and the letter of credit itself shall be rated in the highest category of either such rating agency. The insurance policy or surety bond must extend for the life of the Series of Bonds which receive the benefit of the same and must be unconditional and irrevocable. If a letter of credit or line of credit is provided under the provisions of this paragraph, then within sixty (60) days prior to the stated expiration date of any said letter of credit or line of credit which does not extend for the term of the Series of Bonds as to which the same applies, (i) the City shall, after giving written notice to the Trustee, obtain another letter of credit or line of credit, as the case may be; or (ii) the Trustee shall, at the written direction of the City, draw upon the letter of credit or line of credit, as the case may be, in order to fund the applicable Debt Service Reserve Fund with cash; or (iii) the City shall, after giving written notice to the Trustee, fully fund the applicable Debt Service Reserve Fund with cash or Permitted Investments. If a disbursement is made pursuant to a surety bond, a line of credit, an insurance policy or letter of credit provided pursuant to this paragraph, the City shall be obligated either (a) to reinstate the maximum limits of such surety bond, line of credit, insurance policy or letter of credit, or (b) to deposit into such Debt Service Reserve Fund cash in the amount of the disbursement made under such surety bond, line of credit, insurance policy or letter of credit, or a combination of such alternatives, as shall provide that the amount credited equals the Reserve Requirement on the respective Series of Bonds within a time period not longer than one (1) year. The Trustee shall be entitled to receive such opinions, including legal opinions, certificates and other documentation, line of credit, as the Trustee shall request, prior to receipt of such surety bond, letter of credit, line of credit or insurance policy by the Trustee.

If a surety bond, insurance policy, line of credit or letter of credit on deposit in a Debt Service Reserve Fund shall be terminated (other than on its stated expiration date), may not be drawn upon for any reason, or shall otherwise no longer be in compliance with the provisions of this Section 6.5, the City shall either (a) within a reasonable time replace such surety bond, insurance policy, line of credit or letter of credit with a substitute which complies with the provisions of this Section 6.5, or (b) commence making deposits of Net Revenues to

the Debt Service Reserve Fund over a period not longer than twelve (12) months after the date of such termination until the amount on deposit in such Debt Service Fund equals the applicable Reserve Fund Requirement.

If the City obtains a surety bond, insurance policy or letter of credit in substitution for moneys deposited to the applicable Debt Service Reserve Fund as may be permitted under the applicable Supplemental Ordinance, excess moneys in the respective Debt Service Reserve Funds shall be transferred to the applicable Construction Fund, or if one does not exist, be deposited as the Commission deems advisable.

Section 6.6. Application of Remaining Revenues. After making payment for the Expenses of Operating and Maintaining the System, and after making payments on the Bonds, and after making the required deposits, if any, to the applicable Debt Service Reserve Fund, the Revenues of the System shall then be used first for payment of interest on amounts advanced by the provider of any surety bond, line of credit, insurance policy or letter of credit as contemplated in Section 6.5 hereof; second for the payment of Junior Bonds or to meet any other obligations of the Commission which are or which shall become charges, liens or encumbrances upon the Revenues of the System; third to provide adequate funds for improvements to the System and to build up proper reserves for depreciation and against contingencies; and fourth disposed of by the Commission as it may determine from time to time to be for any lawful purposes of the System

Section 6.7. Establishment of Construction Fund. There shall be established with the Custodian a Construction Fund with respect to each Series of Bonds (other than for Bonds issued pursuant to Section 3.4 hereof) in the Supplemental Ordinance providing for their issuance, the moneys in which shall be used to defray the cost of the Project and to pay any Costs of Acquisition and Construction with respect to the facilities so financed.

Section 6.8. Deposits Into Construction Fund. On the occasion of the delivery of any Series of Bonds (other than Bonds issued pursuant to Section 3.4 hereof), the proceeds therefrom shall be paid into the Construction Fund established for such Series as set forth in a Supplemental Ordinance authorizing their issue.

Section 6.9. Withdrawals from Construction Fund. Withdrawals from the Construction Fund shall not be made except as provided in the Supplemental Ordinance establishing such Construction Fund.

Section 6.10. Investment of Funds. Moneys held for the credit of the respective Debt Service Funds shall be invested, to the fullest extent practicable and reasonable, in Permitted Investments which shall mature prior to the respective dates when the moneys held for the credit of such Fund will be required for the purpose intended. Moneys in any other funds established by this Ordinance shall be invested, to the fullest extent practicable, in Permitted Investments, maturing at such times and in such amounts as shall be required to provide moneys to make the payments required to be made from such funds. Investment

instructions shall be given to the Trustee or to the Custodian, as the case may be, by the General Manager of the Commission, or his or her designee, provided such instructions which are given orally must be subsequently confirmed in writing.

The Trustee or other depositary shall value on an annual basis Permitted Investments in the various funds established by this Ordinance and forward such valuation to the Commission. The value of Permitted Investments (except investment agreements) shall be determined by the Trustee or other depositary at the market value thereof, exclusive of accrued interest, provided, however, Permitted Investments in any Debt Service Reserve Fund shall be valued at cost if the maturity thereof is one year or less and shall be valued at market value and marked to market annually if the maturity thereof is longer than one (1) year.

Except as otherwise provided herein, all interest earnings when realized shall be considered Revenues. Expenses of purchase, safekeeping, sale and redemption and all other expenses attributable to such investments shall be operating expenses of the System.

ARTICLE VII

COVENANTS

Section 7.1. Rates and Charges. The City covenants and agrees to operate the System in an efficient and economical manner and establish, levy, maintain, revise and collect such fees, rates and other charges for the use of the services and facilities furnished by the System as may be necessary or proper, which fees, rates, and other charges, together with other Revenues and other available moneys, shall at all times be at least sufficient after making due and reasonable allowances for contingencies and for a margin of error in estimates to provide an amount equal to (a) one hundred percent (100%) of the amounts required to be deposited into the Operation and Maintenance Fund for the then current Fiscal Year; (b) one hundred twenty percent (120%) of the amounts required to be deposited into each Debt Service Fund for the then current Fiscal Year; (c) one hundred percent (100%) of the amounts required to be deposited into each Debt Service Reserve Fund for the then current Fiscal Year; (d) one hundred percent (100%) of the amounts required to provide for payment of any Junior Bonds for the then current Fiscal Year; and (e) the amounts necessary to comply in all respects with the terms of this Ordinance or any other contract or agreement with the Holder of a Bond (collectively, the "Rate Covenant").

The City further covenants that if in any Fiscal Year the Revenues shall be insufficient to satisfy the Rate Covenant, it will immediately employ a Consulting Engineer to examine the fees, rates, and other charges of the System and the methods of the operations of the System and make such recommendations as the Consulting Engineer believes are appropriate to enable the City to satisfy the Rate Covenant as soon as is practically possible. If in the judgment of the Consulting Engineer it is not possible for the City to meet the Rate Covenant during the ensuing Fiscal Year, the report of the Consulting Engineer shall so indicate and shall

further indicate the projected ratio of Revenues to Debt Service anticipated if the recommendations of the Consulting Engineer are followed. The recommendations of the Consulting Engineer shall be filed with the Trustee.

The City covenants and agrees that promptly upon the receipt of such recommendations, subject to applicable requirements or restrictions imposed by law, it shall revise its fees, rates and other charges or its methods of operation and shall take such other action as shall be in conformity with such recommendations. If the City complies with the provisions of the second paragraph of this Section 7.1 and the immediately preceding sentence, it shall, for the Fiscal Year in which such Consulting Engineer is employed and for the subsequent Fiscal Year, be excused from compliance with the Rate Covenant; or, if the report of the Consulting Engineer projects a ratio of Revenues to Debt Service which will not satisfy the Rate Covenant, it shall be excused from compliance with the Rate Covenant so long as it complies with the second paragraph of Section 7.1 hereof and the first sentence of this paragraph and such Rate Covenant shall not fall below 1.00 times the required coverage amounts; but this paragraph shall not be construed as in any way excusing the City from taking any action or performing any duty required under any section of this Ordinance or be construed as constituting a waiver of any other Default hereunder or be construed as excusing the City from so fixing its fees, rates and other charges which together with any other moneys that shall be available to the City, shall be sufficient to enable the City to discharge its obligations as they shall become due and payable.

Section 7.2. To Pay Principal, Premium, and Interest on the Bonds. The City covenants and agrees to punctually pay, or cause to be paid, out of the Net Revenues pledged to such payment in Article VI hereof, the principal of, redemption premium, if any, and the interest on each and every Bond issued under the provisions of this Ordinance, at the place, on the dates and in the manner provided herein.

Section 7.3. Operation of System. The City covenants and agrees it shall at all times operate the System properly and in an efficient and economical manner and will maintain, preserve and keep the same with the appurtenances and every part and parcel thereof in good repair, working order and condition, and shall from time to time make all necessary and proper repairs and replacements so that at all times the operation of the System may be properly and advantageously conducted.

Section 7.4. Records, Accounts and Audits. The City covenants and agrees to keep proper books of records and accounts (separate from all other records and accounts), in which complete and correct entries shall be made of all transactions relating to the System. A complete financial statement of the System shall be prepared within 180 days after the end of each Fiscal Year and shall be prepared in accordance with generally accepted accounting principles and audited by an independent certified public accountant. The City will cause to be furnished to any Holder of any of the Bonds, who make written request therefor, a copy of such statement. Such records shall be kept in accordance with the standards from time to time prescribed by the Governmental Accounting Standards Commission or its successor. The City

will cause to be furnished to any Holder of any of the Bonds, who make written request therefor, copies of financial statements certified by an independent certified public accountant. The Trustee shall not be responsible for obtaining audits of the City.

Section 7.5. Sale, Lease or Other Encumbrances. Except as provided in Section 3.5 hereof, the City covenants and agrees not to issue any bonds, notes, certificates or other obligations or evidences of indebtedness other than the Bonds or obligations authorized or permitted hereby secured by a pledge of the Net Revenues. The City further covenants and agrees that it will not create or cause to be created any lien or charge on the Revenues other than the liens and charges created or permitted to be created hereby, and no part of the System will be sold, mortgaged, leased or otherwise disposed of or encumbered; provided, however, the Commission may from time to time permanently abandon the use of, sell, trade or lease any property forming a part of the System which the Commission determines is no longer necessary or useful or profitable in the operation of the System, or necessary to produce or maintain the Revenues thereof, or which is to be or has been replaced by other property so as not to impair the operation of the System. Any moneys received upon a sale hereunder shall be considered Revenues.

Notwithstanding anything to the contrary herein, the City or the Commission, or both, may enter into contracts or agreements for the joint ownership or ownership by another political subdivision of the State of any of the facilities comprising the System; provided that the provisions of the same are not contrary to, or in conflict with, the provisions of this Ordinance and the City's obligations hereunder.

Section 7.6. Insurance. The City covenants and agrees to make provision to maintain adequate insurance on the works, plants, facilities and properties comprising the System against the risks, accidents or casualties, of the kinds and in at least the amounts which are usually and customarily carried on similar plants, properties and systems which are owned and operated by a public or municipal corporation, including without limiting the generality of the foregoing, fire, extended coverage, general liability and workmen's compensation, and also all additional insurance covering such risks as may be deemed necessary or desirable by the City or recommended by a competent independent engineer or other advisor employed for the purpose of making such recommendations. The Trustee shall not be responsible for maintaining such insurance policies or copies thereof.

Section 7.7. No Free Service. The City covenants and agrees that no free service will be furnished by the System to the City or to any agency, instrumentality or person. The reasonable costs and value of any services of the System rendered to the City through the operation of the System shall be charged against the City and shall be paid as the service accrues from the current funds and such funds, when so paid, shall be accounted for in the same manner as other Revenues of the System.

Section 7.8. Annual Budget. Prior to the beginning of each Fiscal Year, the Commission covenants and agrees to prepare an annual budget for the System for the ensuing

Fiscal Year which shall set forth in reasonable detail the estimated Revenues, Expenses of Operating and Maintaining the System, Debt Service on Bonds, any required debt service payments on Junior Bonds and Special Facilities Bonds and other expenditures of the System for such Fiscal Year.

Section 7.9. Acquisition of Additional Utilities. No provision of this Ordinance shall prevent the combining of the System with any other utility system or enterprise of whatever type if such combination then be permitted or authorized by the provisions of the laws of the State and if the requirements set forth below are met and provided that garbage collection and solid waste disposal units may be added only if any indebtedness financing the same is issued either as Junior Bonds or Special Facilities Bonds; but no such combination shall impair the validity or priority of the pledge of Net Revenues and the lien thereon created by this Ordinance. The Commission shall have the right from time to time to add other utilities, enterprises, activities and facilities (which at the date of enactment of this Ordinance were not included in the definition of System hereunder) to the System hereunder, provided that:

(a) the Council shall have determined that such utilities, enterprises, activities or facilities are of a similar public utility nature as are the utilities now constituting the System;

(b) the Council shall have enacted an appropriate amendatory ordinance to this Ordinance;

(c) the City shall have received an opinion of Bond Counsel to the effect that such action to be taken under this Section is authorized under this Ordinance and the laws of the State and will not adversely affect the excludability of interest on the Bonds which were intended upon their issuance to be exempt from federal income taxation; and

(d) for each of the five (5) Fiscal Years following the date of the additions to the System, Net Revenues, as shall have been forecasted either by Consulting Engineers with a reputation for expertise in the type of enterprise being added to the System or by Accountants, will be not less than one hundred twenty percent (120%) of the Maximum Debt Service on all Bonds then proposed to be Outstanding in each of such five (5) Fiscal Years; provided, however, that in the event that Bonds are being issued to acquire or improve the acquired utility, this paragraph (d) shall not apply and the City shall be required to meet the requirements of Section 3.3(C) hereof (as well as the applicable requirements of Article III hereof) before issuing such Bonds and acquiring such utility.

Section 7.10. Sale, Exchange or Disposal of Component or Enterprise of System.

(a) The Commission may from time to time sell, exchange or otherwise dispose of (but not lease, contract or agree for the use thereof) an entire component or enterprise comprising a part of the System, if it determines by resolution:

(i) that the sale, exchange or other disposition thereof would not materially affect the operating efficiency of the System and would not materially reduce Net Revenues and would not result in the occurrence of an Event of Default under this Ordinance; or

(ii) that the sale, exchange or other disposition thereof (A) would not materially adversely affect the ability of the Commission or the City to comply with the Rate Covenant for the current and next succeeding Fiscal Year, (B) would not result in the ratings of any Bonds being suspended or downgraded below "investment grade" by any rating agency then rating Bonds then Outstanding, and (C) would be for a consideration not less than fair market value.

(b) If the Commission sells or otherwise disposes of an enterprise or component of the System, the proceeds, if any, of such sale or other disposition may be applied, at the discretion of the Commission, as follows:

(i) to the payment or satisfaction, in whole or in part, of (A) Bonds associated with or related to such component or enterprise and (B) any other type of indebtedness of the Commission associated with or related to such component or enterprise; or

(ii) to the payment or satisfaction, in whole or in part, of the amount due under any type of contractual obligations of the Commission associated with or related to such enterprise or component; or

(iii) to the payment of the construction or purchase of additional improvements or expansions to the System.

Section 7.11. Removal of Component or Enterprise from the System. The Commission may at any time remove, but not sell, exchange or otherwise dispose of, an entire component or enterprise from the System provided the following conditions are met:

(a) a resolution of the Commission is enacted describing, in reasonable detail, the component or enterprise of the System to be removed from the System and the rationale for its removal and providing that such component or enterprise will no longer be part of the System;

(b) the Commission receives (i) a certificate by the Accountants or Consulting Engineers stating that the City would have been in compliance with the Rate Covenant for the last Fiscal Year for which audited financial statements are available exclusive of that portion of the Net Revenues derived from the component or enterprise to be removed from the System, or (ii) a report by the Consulting Engineers stating that, in the best judgment of such Consulting Engineers, the removal of such component or enterprise would not materially adversely affect

the ability of the Commission or the City to comply with the Rate Covenant for the current and next succeeding Fiscal Year;

(c) the City and the Commission receive an opinion of Bond Counsel to the effect that the removal of an enterprise or component of the System from the System has been effected in accordance with the terms of this Ordinance;

(d) the City and the Commission receive evidence (in the form of a letter or certificate) from Moody's or S&P, as the case may be, that the removal of such component or enterprise from the System would not result in the ratings on any Bonds (or, in the case of credit enhanced Bonds, the shadow (non-credit enhanced) rating on such Bonds) being suspended or downgraded below "investment grade" by any rating agency then rating Bonds then Outstanding; and

(e) the removal of such component or enterprise from the System would not result in the occurrence of an Event of Default under this Ordinance.

If any component or enterprise of the System to be removed from the System will be sold, exchanged or disposed of by the Commission in connection with such removal from the System, in addition to compliance with the provisions set forth above, the Commission shall also comply with the provisions set forth in Section 7.10 hereof.

ARTICLE VIII

TRUSTEE; CUSTODIANS

Section 8.1. Trustee. The Council hereby designates Branch Banking & Trust Company, in Wilson, North Carolina, as Trustee under this Ordinance.

Prior to the delivery of the initial Series of Bonds, the Trustee shall signify its acceptance of the powers, duties and obligations conferred and imposed upon it by this Ordinance by executing and delivering to the City a written instrument of acceptance.

The Trustee shall (a) prior to the occurrence of an Event of Default as set forth in Article X hereof, and after the curing of all Events of Default which may have occurred, perform such duties and obligations as are specifically set forth in this Ordinance, and no implied covenants or obligations shall be read into this Ordinance against the Trustee, and (b) during the existence of any Event of Default (which has not been cured or waived) exercise the rights and powers vested in it by this Ordinance and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

No provisions of this Ordinance shall be construed to relieve the Trustee from liability for its own negligence or intentionally wrongful action or failure to act, except as expressly provided in this Article VIII.

At all times, (1) the Trustee shall not be liable for any error of judgment made in good faith by an officer or employee of the Trustee unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts; (2) 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 (or such lesser percentage as is specifically required or permitted by this Ordinance) in the aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting a proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Ordinance; (3) in the administration of the trusts of this Ordinance, the Trustee may execute any of the trusts or powers hereof directly or through its agents or attorneys. The Trustee may consult with counsel and the opinion or advice of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel.

The Trustee may rely upon the authenticity of, and the truth of the statements and the correctness of the opinions expressed in, and shall be protected in acting upon any notice, resolution, request, consent order, certificate, report, opinion, note, or other paper or document furnished to it pursuant to any provision of this Ordinance, believed by it to be genuine and to have been signed and presented by the proper party.

The Trustee shall not be required to take notice or be deemed to have notice or actual knowledge of any event of default specified in Article X hereof other than a payment default described in subparagraphs A or B of Section 10.1 unless the Trustee shall receive from the City or the Holder of any Bond written notice stating that an Event of Default hereunder has occurred and specifying the same, and, in the absence of such notice, the Trustee may conclusively assume that there is no such Event of Default.

The Trustee shall be entitled to payment of and reimbursement by the City for reasonable fees for its services rendered hereunder and all advances and counsel fees reasonably and necessarily made or incurred by the Trustee in connection with such services.

The Trustee shall not, in any event, be required to take, defend, or appear in any legal action or proceeding hereunder or to exercise any of the trusts or powers hereof unless it shall first be adequately indemnified to its satisfaction against the costs, expenses, and liabilities which may be incurred thereby. Every provision of this Ordinance relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions hereof.

Section 8.2. Resignation of Trustee. The Trustee may resign at any time by giving 30 days' written notice to the City and by giving notice to the Holders of the Bonds by

publication of such resignation. Such notice shall be published at least once in a financial journal of general circulation published on each business day in each calendar week in the City of New York, New York. No resignation will become effective until a successor Trustee has been appointed and accepts such appointment as provided below. Upon receiving notice of resignation, the City shall promptly appoint such successor Trustee by an instrument in writing executed by order of its Council. In the event a successor Trustee has not been appointed within 60 days of the date notice of resignation is given, the Trustee, at the City's expense, may apply to any court of competent jurisdiction for the appointment of a successor Trustee to act until such time as a successor is appointed as provided in this Section.

Unless otherwise ordered by a court or regulatory body having competent jurisdiction, or unless required by law, any successor Trustee shall, if there is such an institution willing, qualified and able to accept the trust upon reasonable or customary terms, be a bank, bank holding company or trust company or wholly-owned subsidiary of a bank holding company or trust company in good standing, qualified to act hereunder,and having a capital and earned surplus of not less than $75,000,000.

Any successor Trustee appointed as provided in this section, shall execute, acknowledge and deliver to the City and its predecessor Trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts, duties and obligations of its predecessor of the trust hereunder. Upon the request of any such successor Trustee, the City shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and duties. Upon acceptance of appointment by a successor Trustee, the City shall notify the registered owner of each Bond then Outstanding by first-class mail, postage prepaid.

The predecessor Trustee shall execute any and all documents necessary or appropriate to convey all interest it may have to the successor Trustee. The predecessor Trustee shall promptly transfer all funds to the successor Trustee and deliver all records relating to the trust or copies thereof and communicate all material information it may have obtained concerning the trust to the successor Trustee.

Any corporation or association into which the Trustee may be merged or with which it may be consolidated, or any corporation or association resulting from any merger, or any corporation or association succeeding to the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto.

Each, every and all funds and accounts held by the Trustee shall be impressed with a trust for the benefit of the Holders of the Bonds, under the provisions of this Ordinance and of the Act.

Section 8.3. Removal of Trustee. Upon 30 days' written notice, the City, at its sole discretion, provided that an Event of Default shall not have occurred and be continuing, may remove the Trustee. The removal of the Trustee under this Section 8.3 shall not be effective until a successor Trustee has been appointed and has accepted the duties of Trustee.

The Holders of a majority in aggregate principal amount of the Bonds at the time outstanding may, upon 30 days' written notice to the Trustee and the City, remove the Trustee and appoint a successor Trustee by instrument or instruments in writing signed by such Holders of the Bonds. In the event a successor Trustee has not been appointed within 60 days of the date notice of removal is given, the Trustee, at the City's expense, may apply to any court of competent jurisdiction for the appointment of a successor Trustee to act until such time as a successor is appointed as provided in this Section.

Section 8.4. Custodians. The Construction Fund shall at the option of the City be held by a bank, a trust company, a national banking association or a national association as Custodian under this Ordinance or a Supplemental Ordinance.

Section 8.5. Duties and Obligations of Trustee and Custodians. The recitals of fact made in this Ordinance and in the Bonds shall be taken as statements of the City, and neither the Trustee nor Custodian shall be deemed to have made any representation as to the correctness of the same. Nor shall the Trustee or any Custodian be deemed to have made any representation whatsoever as to the validity or sufficiency of this Ordinance or of the Bonds issued hereunder. Nor shall the Trustee or any Custodian be under any responsibility or duty with respect to the issuance of the Bonds or the application of the proceeds thereof, except to the extent provided for herein, or in a Supplemental Ordinance. Nor shall the Trustee or any Custodian be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in response to this Ordinance, or to the Bonds issued hereunder, or to advance any of its own moneys, unless properly indemnified to its satisfaction. Nor shall the Trustee or any Custodian be liable in connection with the performance of its duties hereunder, except for its own negligence or default.

Section 8.6. Trustee and Custodians Protected in Relying upon Resolutions, etc. The Trustee and all Custodians shall at all times be protected in acting upon any notice, resolution, request, consent, order, certificate, statement, opinion, bond, or other paper or document believed to be genuine and to have been signed by the proper party or parties.

ARTICLE IX

AMENDMENTS OR SUPPLEMENTS TO THIS ORDINANCE

Section 9.1. Amendments or Supplements to this Ordinance. The City shall not amend this Ordinance except in accordance with the provisions of this Article.

A. The City may, from time to time and without the consent of any Holder of the Bonds enact an ordinance amendatory hereof or supplemental thereto (1) for the purpose of providing for the issuance of Bonds pursuant to the provisions of Article III hereof, or (2) (a) making any amendments or modifications hereto which may be required to permit this Ordinance to be qualified under the Trust Indenture Act of 1939, as amended; (b) making any modification or amendment to this Ordinance not inconsistent herewith required for the correction of language or to cure any ambiguity or defective provisions, omission, mistake or manifest error herein contained; (c) making any amendments or supplements hereto to grant to or confer upon the Holders additional rights, remedies, power and authority, or to grant to or confer upon any Holders, committee or trustee for the Holders any additional rights, power or authority; or (d) to add to the security of the Holders of the Bonds.

B. From time to time the Holders of sixty-six and two-thirds percent (66-2/3%) in principal amount of the Bonds then Outstanding, by an instrument or instruments in writing signed by such Holders and filed with the City and the Trustee, shall have power to assent to and authorize any modification or amendment to the provisions of this Ordinance that may be proposed by the City or of the rights and obligations of the City and of the Holders of Bonds issued hereunder; and any action herein authorized to be taken with the assent and authority given as aforesaid of the Holders of at least sixty-six and two-thirds percent (66-2/3%) in principal amount of the Bonds at the time Outstanding shall be effective and binding upon all of the Holders of Bonds Outstanding and upon the City as fully as though such action were specifically and expressly authorized by the terms of this Ordinance; provided always, that without the consent of the Holder of each Bond affected thereby, no such modification shall be made which will (1) extend the time of payment of principal of or the interest on any Bond, or reduce the principal amount thereof or the rate of interest thereon or the premium payable upon the redemption thereof, or (2) give to any Bond or Bonds any preference over any other Bond or Bonds, or (3) authorize the creation of any pledge prior to or, except as provided herein for the issuance of Series of Bonds, on a parity with the pledge afforded by this Ordinance, or (4) reduce the percentage in principal amount of the Bonds required to assent to or authorize any such modification to this Ordinance. For the purpose of computations required by this paragraph, Bonds directly or indirectly owned or controlled by the City shall be disregarded.

Any modification or amendment or supplement to the provisions of this Ordinance or of any Supplemental Ordinance supplemental hereto shall be set forth in an ordinance to be enacted by the City.

ARTICLE X

EVENTS OF DEFAULT

Section 10.1. Events of Default. With respect to the Bonds, the following shall constitute "Events of Default":

A. If payment of the principal of any Bond, whether at maturity or by proceedings for redemption, by declaration as provided in Article XI hereof, or otherwise, is not made by the City as the same becomes due and payable; or

B. If payment of any installment of interest on any Bond is not made by the City as the same becomes due and payable; or

C. If the City shall fail or refuse to comply with the essential provisions of the Act, or shall fail in the due and punctual performance of any of the covenants, conditions, agreements and provisions contained in the Bonds or in this Ordinance or in any Supplemental Ordinance on the part of the City to be performed, and such failure continues for thirty (30) days after written notice specifying such failure and requiring the same to be remedied has been given to the City by the Trustee, or the Holders of not less than twenty percent (20%) in principal amount of the Bonds then Outstanding or any trustee or committee therefor; or

D. If any proceedings are instituted, with the consent or acquiescence of the City, for the purpose of effecting a composition between the City and its creditors and if the claim of such creditors is in any circumstance payable from any of the Revenues or any other moneys pledged and charged in this Ordinance or any Supplemental Ordinance for the payment of the Bonds, or any such proceedings are instituted for the purpose of adjusting the claims of such creditors, pursuant to any Federal or State statute now or hereafter enacted; or

E. If an order or decree is entered (1) with the consent or acquiescence of the City, appointing a receiver or receivers of the System or any of the facilities thereof; or (2) without the consent or acquiescence of the City, appointing a receiver or receivers of the System or any of the facilities thereof and if, in either case, such order or decree having been entered is not vacated or discharged or stayed on appeal within sixty (60) days after the entry thereof; or

F. If, under the provisions of any law for the relief or aid of debtors, any court of competent jurisdiction assumes custody or control of the System or any of the facilities thereof, and such custody or control is not terminated within ninety (90) days from the date of assumption of such custody or control; or

G. If the City is for any reason rendered incapable of fulfilling its obligations hereunder in any material respect.

Subject to the provisions, limitations and conditions of Sections 11.1 and 11.2 hereof, insofar as the remedies provided in said provisions are concerned, nothing in Section 11.3 hereof or in this Article, and particularly nothing in subparagraph C of this Section 10.1, shall prohibit or limit, or be construed as prohibiting or limiting any Holder of a Bond from enforcing the duties of the City, or any of the officers thereof, under any provisions of this Ordinance (including, without limiting the generality of the foregoing, the duties imposed by or referred to in Section 11.3 hereof) by mandamus or other appropriate suit, action or proceeding in any court of competent jurisdiction, even though the failure of the City or any of the officers thereof to perform any such duty may not then constitute an "Event of Default" as defined in this Article.

ARTICLE XI

REMEDIES UPON EVENT OF DEFAULT

Section 11.1. Declaration of Principal and Interest as Due. Upon the occurrence of an Event of Default, and at any time thereafter while such Event of Default continues, then and in each and every case 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 twenty-five percent (25%) in principal amount of the Bonds then Outstanding, shall proceed to declare the principal of all Bonds then Outstanding, 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 Ordinance or any Supplemental Ordinance hereto 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 and in each and every such case the Holders of twenty-five percent (25%) in principal amount of the Bonds then Outstanding, by notice in writing delivered to the Trustee and the City, may waive such 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.

Section 11.2. Appointment of a Receiver. Upon the occurrence of an Event of Default described in subparagraphs A and B of Section 10.1 hereof, and at any time thereafter while such default continues, any court of competent jurisdiction may appoint a receiver; provided, however, if application is made by the Trustee or the Holders of not less than twenty-

five percent (25%) in principal amount of the Bonds then Outstanding or any trustee therefor, such court may appoint a receiver. Any receiver so appointed shall (a) enter into and upon and take possession of the System, to the exclusion of the City if such court so directs; (b) have, hold, use, operate, manage and control the System as such receiver may deem best; and (c) exercise all rights and powers of the City with respect to the System as the City itself may do. In addition, the receiver shall (a) maintain, restore and insure the System and from time to time make all necessary and proper repairs to the System as such receiver may deem expedient; (b) establish, levy, maintain and collect such fees, rentals and other charges in connection with the System as such receiver may deem necessary or proper and reasonable; and (c) collect and receive all revenues, deposit such revenues in a separate account and apply such revenues so collected and received in such manner as the court shall direct.

Notwithstanding anything contained in this Ordinance or the Act, such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of whatever kind or character of the City and useful to the System.

Section 11.3. Suits at Law or in Equity and Mandamus. In case any one or more of the Events of Default shall happen and be continuing, then and in every such case, but subject to the provisions, limitations and conditions of Sections 11.1 and 11.2 hereof so far as the remedies provided in said provisions are concerned, the Holder of any Bond at the time Outstanding, or Trustee therefor, may, for the equal benefit and protection of all Holders of the Bonds similarly situated,

(a) by mandamus or other suit, action or proceedings at law or in the equity, enforce such Bondholder's right against the City and require and compel the City to perform and carry out its duties and obligations under the Act and this Ordinance, and to perform and carry out its covenants and agreements with the Bondholders;

(b) by action or suit in equity require the City to account as if such City were the trustee of an express trust;

(c) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders; or

(d) bring suit upon the Bonds.

Section 11.4. Remedies Not Exclusive; Effect of Waiver of Default; Effect of Abandonment of Proceedings or Adverse Determination. The Holders from time to time of the Bonds shall be entitled to all the remedies and benefits of this Ordinance as are and as shall be provided by law, and, subject to the provisions of Sections 11.1 and 11.2 hereof, nothing herein shall be construed to limit the rights or remedies of any such Holders under any applicable statute that may now exist or be enacted thereafter. No remedy conferred by the Act and this Article upon any Holder of any Bond is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy and

may be exercised without exhausting and without regard to any other remedy conferred by the Act and this Article or by any other law now or hereafter existing. Every substantive right and remedy conferred upon the Holders of the Bonds may be enforced and exercised from time to time and as often as may be deemed expedient.

No waiver of any default or breach of duty or contract by any Holder of any Bond shall extend to or affect any subsequent default or breach of duty or contract, or shall impair any rights or remedies thereon. No delay or omission of any Holder of a Bond to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein.

In case any suit, action or proceeding to enforce any right or exercise any remedy shall be brought or taken and then discontinued or abandoned, or shall be determined adversely to Holders of the Bonds then and in every such case, the City and such Holders shall be restored to their former positions and rights and remedies as if no suit, action or proceeding had been brought or taken.

Section 11.5. Restrictions on Bondholder's Action.

(a) No Holder of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provision of this Ordinance or the execution of any trust under this Ordinance or for any remedy under this Ordinance unless such Holder shall have previously given to the Trustee written notice of the happening of an Event of Default and the Holders of at least twenty-five percent (25%) in principal amount of the Bonds then Outstanding shall have filed a written request with the Trustee and shall have offered the Trustee reasonable opportunity, either to exercise the powers granted in this Ordinance or by the laws of the State or to institute such action, suit or proceeding in its own name, and unless such Holders shall have offered to the Trustee adequate security and indemnity against the costs, fees (including reasonable attorneys' fees), expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused to comply with such request for a period of 60 days after receipt by it of such notice, request an offer of indemnity, it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the pledge created by this Ordinance, or to enforce any right under this Ordinance, except in the manner therein provided; and that all proceedings at law or in equity to enforce any provision of this Ordinance shall be instituted, had and maintained in the manner provided in this Ordinance and for the equal benefit of all Holders of the Outstanding Bonds.

(b) Nothing in this Ordinance or in the Bonds contained shall affect or impair the obligation of the City, which is absolute and unconditional, to pay at the respective dates of maturity and places therein expressed the principal of (and redemption premium, if any) and interest on the Bonds to the respective Holders thereof, or affect or impair the right of action, which is also absolute and unconditional, of any Holder to enforce such payment of his Bond.

Section 11.6. Application of Revenues and Other Moneys After Default. During the continuance of an Event of Default, all moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses and advances incurred or made by the Trustee with respect thereto, be deposited in the respective Debt Service Funds, and all amounts held by the Trustee hereunder shall be applied as follows (provided if more than one Debt Service Fund has been established, such amounts shall be paid ratably):

(a) Unless the principal of all Outstanding Bonds shall have become or have been declared due and payable:

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; and

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 (other than Bonds previously called for redemption in accordance with the provisions hereof), 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.

(b) If the principal amounts of all Outstanding Bonds shall have become or have been declared due and payable, to the payment of the principal amounts and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal amounts and interest, to the persons entitled thereto without any discrimination or preference.

(c) If the principal amounts 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 amounts of all Outstanding Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of paragraph (a) of this Section.

Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, such moneys shall be applied by it at such times, and from time to time, as the

Trustee shall determine, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such moneys, it shall fix the date (which shall be a Bond payment date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the principal amounts to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Holder of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement of any partial payment or for cancellation if fully paid.

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.

ARTICLE XII

DEFEASANCE

Section 12.1. Defeasance. The obligations of the City under this Ordinance and the liens, pledges, charges, trusts and the covenants and agreements of the City herein made or provided for, shall be fully discharged and satisfied as to any Bond and, unless or except as otherwise provided in the Supplemental Ordinance providing for the issuance of any Series of Bonds, such Bond or Series of Bonds shall no longer be deemed to be Outstanding hereunder, when:

(a) such Bond or Series of Bonds shall have been purchased by the City and surrendered to the City for cancellation or otherwise surrendered to the City or the Registrar, and is canceled or subject to cancellation by the City or Registrar, or

(b) payment of the principal of, redemption premium, if any, and interest on such Bond or Series of Bonds, either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for by irrevocably depositing with the Trustee in trust and irrevocably set aside exclusively for such payment, (1) moneys sufficient to make such payment, or (2) Government Obligations maturing as to principal and interest in such amounts and at such times as will ensure the availability of sufficient moneys to make such payment, and all necessary and proper fees, compensation and expenses of the Paying Agent and the Registrar. At such time as a Bond or Series of Bonds shall no longer be deemed to be Outstanding hereunder, as aforesaid, such Bond or Series of Bonds shall cease to draw interest from the redemption date thereof, and, except for the purposes of any such payment from such moneys or Government Obligations, shall no longer be secured by or entitled to the benefits of this Ordinance.

Any moneys so deposited with the Trustee as provided in this Article may at the direction of the City also be invested and reinvested in Government Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from all Government Obligations in the hands of such Trustee which is not required for the payment of the Bonds or Series of Bonds and interest thereon with respect to which such moneys shall have been so deposited, shall be treated as Revenues of the System.

Notwithstanding any provision hereof which may be contrary to the provisions of this Article, all moneys or Government Obligations set aside and held in trust pursuant to the provisions of this Article for the payment of Bonds or Series of Bonds shall be applied to and used solely for the payment of the particular Bonds or Series of Bonds with respect to which such moneys and Government Obligations have been so set aside in trust.

Any provision hereof to the contrary notwithstanding, if moneys or Government Obligations have been deposited or set aside with the Trustee pursuant to this Article for the payment of the Bonds and such Bonds shall not have in fact been actually paid in full, no amendment to the provisions of this Article shall be made without the consent of the Bondholder of each Bond or Series of Bonds affected thereby.

ARTICLE XIII

MISCELLANEOUS

Section 13.1. Duties and Responsibilities of the Commission. So long as the Commission fulfills the covenants and agreements set forth in this Ordinance for the protection of the Bondholders, any and all duties, responsibilities and undertakings stated herein, including, without limitation, the disposition, control and investment of the funds established in Article VI hereof, the requirements imposed in Article VI and the covenants and agreements set forth in Article VII shall be administered, exercised and undertaken by the Commission.

Section 13.2. Benefits of Ordinance Limited to the City, the Trustee and Holders of the Bonds. With the exception of rights or benefits herein expressly conferred, nothing expressed or mentioned in or to be implied from this Ordinance or the Bonds is intended or should be construed to confer upon or give to any person other than the City, the Trustee and the Holders of the Bonds, any legal or equitable right, remedy or claim under or by reason of or in respect to this Ordinance or any covenant, condition, stipulation, promise, agreement or provision herein contained. This Ordinance and all of the covenants, conditions, stipulations, promises, agreements and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the City, the Trustee and the Holders from time to time of the Bonds as herein and therein provided.

Section 13.3. Ordinance Binding Upon Successors or Assigns of the City. All the terms, provisions, conditions, covenants, warranties and agreements contained in this

Ordinance shall be binding upon the successors and assigns of the City and shall inure to the benefit of the Trustee, its successors or substitutes in trust and assigns, and the Holders of the Bonds.

Section 13.4. No Personal Liability. No recourse shall be had for the enforcement of any obligation, covenant, promise or agreement of the City contained in this Ordinance or the Bonds, against any member of the City, any officer or employee, as such, in his or her individual capacity, past, present or future, of the City, either directly or through the City, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, it being expressly agreed and understood that this Ordinance and the Bonds are solely corporate obligations, and that no personal liability whatsoever shall attach to, or be incurred by, any member, officer or employee as such past, present or future, of the City, either directly or by reason of any of the obligations, covenants, promises, or agreements entered into between the City and the Trustee or the Bondholder or to be implied therefrom as being supplemental hereto or thereto, and that all personal liability of that character against every such member, officer and employee is, by the adoption of this Ordinance and the execution of the Bonds, and as a condition of, and as a part of the consideration for, the adoption of this Ordinance and the execution of the Bonds, expressly waived and released. The immunity of members, officers and employees of the City under the provisions contained in this Section 13.4 shall survive the termination of this Ordinance.

Section 13.5. Effect of Saturdays, Sundays and Legal Holidays. Whenever this Ordinance requires any action to be taken on a Saturday, Sunday, legal holiday or bank holiday in the State of South Carolina, such action shall be taken on the first business day occurring thereafter. Whenever in this Ordinance the time within which any action is required to be taken or within which any right will lapse or expire shall terminate on a Saturday, Sunday, legal holiday or bank holiday, in the State of South Carolina, such time shall continue to run until midnight on the succeeding business day.

Section 13.6. Partial Invalidity. If any one or more of the covenants or agreements or portions thereof provided in this Ordinance on the part of the City or the Trustee or any Paying Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, then such covenant or covenants, or such agreement or agreements, or such portions thereof, shall be deemed severable from the remaining covenants and agreements and portions thereof provided in this Ordinance and the invalidity thereof shall in no way affect the validity of the other provisions of this Ordinance or of the Bonds, but the Holders of the Bonds shall retain all the rights and benefits accorded to them hereunder and under any applicable provisions of law.

If any provisions of this Ordinance shall be held or deemed to be or shall, in fact, be inoperative or unenforceable or invalid as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because of conflicts with any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable or invalid in any

other case or circumstance, or of rendering any other provision or provisions herein contained inoperative or unenforceable or invalid to any extent whatever.

Section 13.7. Law and Place of Enforcement of this Ordinance. This Ordinance shall be construed and interpreted in accordance with the laws of the State of South Carolina and all suits and actions arising out of this Ordinance shall be instituted in a court of competent jurisdiction in said State.

Section 13.8. Effect of Article and Section Headings and Table of Contents. The headings or titles of the several Articles and Sections hereof, and any table of contents appended hereto or to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of this Ordinance.

Section 13.9. Repeal of Inconsistent Ordinances and Resolutions. All ordinances and resolutions of the City, and any part of any ordinance or resolution, inconsistent with this Ordinance are hereby repealed to the extent of such inconsistency.

Section 13.10. Effectiveness of this Ordinance. This Ordinance shall become effective upon its enactment; provided, however, that it shall not be necessary for the City to establish the funds and accounts created in Article VI hereof prior to the issuance of any Bonds.

Section 13.11. Notices. All notices, certificates, or other communications hereunder or under this Ordinance shall be sufficiently given and shall be deemed given when mailed by registered mail, postage prepaid, or given when dispatched by telegram addressed as follows:

If to the City:

City of Greer
106 South Main Street
Greer, South Carolina 29650
Attention: Mayor/City Administrator

If to the Commission:

Board of Commissioners of Public Works of City of Greer
301 McCall Street
Greer, South Carolina 29650
Attention: General Manager

If to the Trustee:

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

The City, the Commission and the Trustee may, by notice given to the other parties, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 13.12. Codification. This Ordinance shall be forthwith codified in the Code of City Ordinances in the manner required by law and the name shall be indexed under the general heading "General Bond Ordinance Combined Utility System Revenue Bonds."

Enacted by the City Council of the City of Greer, South Carolina, this 22nd day of July, 1997.

CITY COUNCIL OF THE CITY OF GREER, SOUTH CAROLINA

By: C. Don Wall
C. Don Wall, Mayor, City of Greer, South Carolina

(SEAL)

ATTEST:

Lucia Polson
Lucia Polson, Clerk
City of Greer, South Carolina

Date of First Reading: July 8, 1997

Date of Second Reading: July 22, 1997

Approved as to form:

City Attorney, City of Greer,
South Carolina

CITY OF GREER, SOUTH CAROLINA

EIGHTH SUPPLEMENTAL ORDINANCE NO. 14-2009

A EIGHTH SUPPLEMENTAL ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF CITY OF GREER, SOUTH CAROLINA, COMBINED UTILITY SYSTEM REFUNDING REVENUE BOND, SERIES 2009, IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING $25,000,000; DELEGATING THE AUTHORITY TO THE MAYOR AND CITY ADMINISTRATOR TO DETERMINE CERTAIN MATTERS WITH RESPECT TO THE BOND; PRESCRIBING THE FORM AND DETAILS OF SUCH BOND; AND OTHER MATTERS RELATING THERETO.

Enacted: May 26, 2009

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

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

"1999 SRF Note" shall mean the $1,750,850 original principal amount Promissory Note of the City, Series 1999, dated May 28, 1999, and outstanding as of the effective date of this Eighth Supplemental Ordinance in the principal amount of $1,089,945.19 and payable to the State Authority for South Carolina Water Pollution Control Revolving Fund Loan No. 1-049-99-463-10.

"2004 SRF Note" shall mean the $9,211,590 original principal amount Promissory Note of the City, Series 2004, dated June 24, 2004, and outstanding as of the effective date of this Eighth Supplemental Ordinance in the principal amount of $8,386,099.80 and payable to the State Authority for South Carolina Drinking Water Revolving Fund Loan No.3-018-04-2310005-02.

"2005 SRF Note" shall mean the $7,500,000 original principal amount Promissory Note of the City, Series 2005, dated June 30, 2005, and outstanding as of the effective date of this Eighth Supplemental Ordinance in the principal amount of $6,974,651.21 and payable to the State Authority for South Carolina Drinking Water Revolving Fund Loan No. 3-022-05-2310005-03.

"2007 SRF Note" shall mean the $13,600,000 original principal amount Promissory Note of the City, Series 2007, dated November 16, 2007, and outstanding as of the effective date of this Eighth Supplemental Ordinance in the principal amount of $12,244,387.84 and payable to the State Authority for South Carolina Water Pollution Control Revolving Fund Loan No. X1-110-07-463-11.

"2009 Debt Service Fund" shall mean the Fund established pursuant to Section 7 hereof to provide for the payment of the principal of and interest on the Series 2009 Bond.

"Bonds of 1997" shall mean the $33,165,000 original principal amount Combined Utility System Revenue Bonds, Series 1997, dated July 15, 1997, and outstanding as of the effective date of this Eighth Supplemental Ordinance in the principal amount of $24,425,000.

"Bonds of 2002" shall mean the $25,060,000 original principal amount Combined Utility System Revenue Bonds, Series 2002, dated May 15, 2002, and outstanding as of the effective date of this Eighth Supplemental Ordinance in the principal amount of $24,495,000.

"Bond of 2007" shall mean the $5,700,000 original principal amount Combined Utility System Revenue Bond, Series 2007, dated May 24, 2007, and outstanding as of the effective date of this Eighth Supplemental Ordinance in the principal amount of $5,508,981.

"Bonds to be Refunded" shall mean all of the Bonds of 1997 to be refunded with a portion of the proceeds of the Series 2009 Bond, as determined by the Mayor and City Administrator pursuant to Section 9.

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

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

"Eighth Supplemental Ordinance" shall mean this Eighth Supplemental Ordinance No. ___ enacted by the Council of the City authorizing the Series 2009 Bond.

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

"First Supplemental Ordinance" shall mean First Supplemental Ordinance No. 28-97 enacted on July 22, 1997, by the Council of the City authorizing the issuance of the Bonds of 1997.

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

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

"General Bond Ordinance" shall mean General Bond Ordinance No. 27-97 duly enacted on July 22, 1997, by the Council of the City authorizing and providing for the issuance of Combined Utility System Revenue Bonds.

"Interest Payment Date" shall mean March 1 and September 1 of each year commencing September 1, 2009, or such other date as the Mayor and City Administrator may determine pursuant to Section 11 hereof.

"Paying Agent" shall mean Branch Banking and Trust Company, in Wilson, North Carolina, as Paying Agent for the Series 2009 Bond.

"Purchaser" shall mean Branch Banking and Trust Company as Purchaser of the Series 2009 Bond.

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

"Refunding Trust Agreement" shall mean the Refunding Trust Agreement dated the date of its execution between the City and the Escrow Agent.

"Refunding Trust Fund" shall mean the fund of that name created pursuant to the Refunding Trust Agreement.

"Registrar" shall mean Branch Banking and Trust Company, in Wilson, North Carolina, as Registrar for the Series 2009 Bond.

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

"Series 2009 Bond" shall mean the City of Greer, South Carolina, Combined Utility System Refunding Revenue Bond, Series 2009, in the aggregate principal amount of not exceeding $25,000,000 authorized to be issued hereunder.

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

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

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

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

Section 2. Certain Findings and Determinations.

The City hereby finds and determines:

(a) This Eighth Supplemental Ordinance supplements the Ordinance, constitutes and is a "Supplemental Ordinance" within the meaning of such quoted term as defined and used in the Ordinance, and is enacted under and pursuant to the Ordinance.

(b) The Series 2009 Bond constitutes and is a "Bond" within the meaning of the quoted word as defined and used in the Ordinance.

(c) The Net Revenues pledged under the Ordinance are not encumbered by any lien and charge thereon or pledge thereof, other than the lien and charge thereon and pledge created by the General Bond Ordinance and the following Supplemental Ordinances: (i) the First Supplemental Ordinance for payment and security of the Bonds of 1997; (ii) the Second Supplemental Ordinance for payment and security of the 1999 SRF Note; (iii) the Third Supplemental

Ordinance for payment and security of the Bonds of 2002; (iv) the Fourth Supplemental Ordinance for payment and security of the 2004 SRF Note; (v) the Fifth Supplemental Ordinance for payment and security of the 2005 SRF Note; (vi) the Sixth Supplement Ordinance for payment and security of the Bond of 2007; (vii) the Seventh Supplemental Ordinance for the payment and security of the 2007 SRF Note; and (viii) the lien and charge thereon and pledge thereof created by the Ordinance and this Eighth Supplemental Ordinance for payment and security of the Series 2009 Bond.

(d) There does not exist an Event of Default, nor does there exist any condition which, after the passage of time or the giving of notice, or both, would constitute such Event of Default.

(e) The estimated cost of refunding the Bonds to be Refunded is not exceeding $25,000,000.

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

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

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

(i) A Debt Service Reserve Fund will not be established for the Series 2009 Bond.

(j) The period of usefulness of the System is in excess of 40 years from the date hereof.

(k) The proceeds of the Series 2009 Bond are being used for the purpose of (i) refunding the Bonds to be Refunded; and (ii) paying the Cost of Issuance of the Series 2009 Bond.

(l) It is necessary and in the best interest of the City to undertake the refunding of the Bonds to be Refunded and to issue the Series 2009 Bond in the principal amount of not exceeding $25,000,000 in accordance with the Ordinance, the Act and this Eighth Supplemental Ordinance for the purposes set forth above. The Purchaser has offered to purchase the Series 2009 Bond at an interest rate of 4.03% per annum with a final Principal Payment Date of no later than September 1, 2025.

Section 3. Authorization of Series 2009 Bond.

(a) There is hereby authorized to be issued a Series of Bonds designated "City of Greer, South Carolina, Combined Utility System Refunding Revenue Bond, Series 2009" (the "Series 2009 Bond"), in the aggregate principal amount of not exceeding $25,000,000. The proceeds of the Series 2009 Bond shall be used for the purposes set forth in Section 2(k) hereof.

The Series 2009 Bond shall mature on September 1 in each of the years (the "Principal Payment Date") and in the principal amounts as determined by the Mayor and City Administrator pursuant to Section 11(a) hereof.

(b) The offer of the Purchaser, a copy of which is attached hereto as Exhibit A, to purchase the Series 2009 Bond at a price of par is hereby accepted. In the event of a conflict in the terms and provisions of such offer and this Eight Supplemental Ordinance, the terms and provisions of this Eighth Supplemental Ordinance shall prevail.

(c) The Series 2009 Bond shall be represented by a single fully registered bond; shall be registered in the name of Branch Banking and Trust Company; shall be dated the date of its delivery; shall be in the principal amount of not exceeding $25,000,000; shall bear interest at the rate of 4.03% per annum (or such other rate as the Mayor may determine at the time of issuance of the Series 2009 Bond) and shall be payable on each Interest Payment Date. Such interest rate is subject to any Rate Adjustment Event (as defined in the Series 2009 Bond). Interest shall be calculated on the basis of a 360-day year comprising twelve 30-day months.

(d) Principal of and redemption premium, if any, and interest on the Series 2009 Bond shall be payable at the corporate trust office of the Paying Agent, in Wilson, North Carolina, or such other location as the Paying Agent determines. Such payment shall be made to the Purchaser or subsequent Holders as of the immediately preceding Record Date by the Paying Agent by check or draft mailed to each Holder at the address as it appears on the Books of Registry maintained at the corporate trust office of the Registrar, in Wilson, North Carolina, or such other location as the Registrar determines, or, in the case of a Holder of $1,000,000 or more in principal amount of Series 2009 Bond, by wire transfer to an account within the continental United States upon the timely receipt of a written request of such Holder.

(e) Notwithstanding any provision to the contrary contained in this Eighth Supplemental Ordinance or in the Series 2009 Bond, the Series 2009 Bond may be sold or

transferred by the initial purchaser only to purchasers ("Qualified Investors") who execute an investment letter delivered to the City and the Commission, in form satisfactory to the City and the Commission (the "Investment Letter"), containing certain representations, warranties and covenants as to the suitability of such purchasers to purchase and hold the Series 2009 Bond. Such restriction shall be set forth on the face of the Series 2009 Bond and shall be complied with by each transferee of the Series 2009 Bond.

(f) The Series 2009 Bond shall be in substantially the form set forth in Exhibit B hereto, with such necessary or appropriate variations, omissions and insertions as are incidental to the issuance of the Series 2009 Bond or as are otherwise permitted or required by law or by the Ordinance, including this Eighth Supplemental Ordinance. The Series 2009 Bond shall be executed in the name and on behalf of the City by the manual or facsimile signatures of the Mayor and Municipal Clerk of the City.

(g) A copy of the approving opinion to be rendered on the Series 2009 Bond shall be attached to the Series 2009 Bond, preceding the same a certificate shall appear, which shall be signed on behalf of the City by a manual or facsimile signature of the Municipal Clerk of the City. Such certificate shall be in the form substantially as follows:

> IT IS HEREBY CERTIFIED that the following is a true and correct copy of the approving opinion of McNair Law Firm, P.A., Greenville, South Carolina, the original of which was manually executed, dated and issued as of the date of the delivery of and payment for the within bond, and a copy of which is on file with the City of Greer, South Carolina.
>
> CITY OF GREER, SOUTH CAROLINA
>
> By: Tammela V. Duncan
> Tammela V. Duncan, Municipal Clerk

Section 4. Recording and Transfer of Ownership of the Series 2009 Bond. The Series 2009 Bond will be issued in fully-registered form, as a single Bond representing the entire principal amount of the Series 2009 Bond in the name of the Holder thereof. The City, the Paying Agent and the Registrar may treat the Holder as the sole and exclusive owner of the Series 2009 Bond registered in its name for the purpose of payment of the principal of, and interest or premium, if any on the Series 2009 Bond, giving any notice permitted or required to be given to the Purchaser or subsequent Bondholders under the General Bond Ordinance or this Eighth Supplemental Ordinance, registering the transfer of the Series 2009 Bond, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever, and shall not be affected or by any notice to the contrary.

Section 5. Optional Redemption of Series 2009 Bond. The Series 2009 Bond shall be subject to redemption prior to maturity at the option of the City upon the written direction of the Commission, as a whole on any Interest Payment Date on or after September 1, 2017, at the

principal amount thereof and interest accrued on such principal amount to the date fixed for redemption. In the event the Series 2009 Bond is called for redemption, the Registrar shall give notice of redemption of the Series 2009 Bond by first-class mail, postage prepaid, to the Purchaser or other Holder thereof as shown on the Books of Registry of the City not less than five (5) Business Days prior to the date fixed for the redemption thereof.

Section 6. Payment of the Series 2009 Bond. The Series 2009 Bond, together with the interest thereon, shall be payable, in such coin or currency of the United States of America which at the time of such payment is legal tender for public and private debts, solely from the Net Revenues of the System in accordance with the provisions of the Ordinance and this Eighth Supplemental Ordinance. The Series 2009 Bond shall be secured by a pledge of Net Revenues on a parity with the pledge of Net Revenues securing the 1999 SRF Note, the Bonds of 2002, the 2004 SRF Note, the 2005 SRF Note, the Bond of 2007, the 2007 SRF Note (each as defined in this Eighth Supplemental Ordinance) and any other Bonds (as defined in the General Bond Ordinance) issued pursuant to the General Bond Ordinance.

The Series 2009 Bond does not constitute an indebtedness of the City within any State constitutional provisions (other than Article X, Section 14, Paragraph 10 of the South Carolina Constitution authorizing obligations payable solely from special sources not involving revenues from any tax or license) or statutory limitation. The Series 2009 Bond shall not be a debt of the City, nor a charge, lien or encumbrance, legal or equitable, upon any property of the City or upon any income, receipts or revenues thereof, other than the aforesaid Net Revenues of the System pledged thereto. No recourse shall be had for the payment of the Series 2009 Bond or the interest thereon against the general fund of the City, nor shall the credit or taxing power of the City be deemed to be pledged thereto. The full faith, credit and taxing powers of the City are not pledged to the payment of the principal of or interest on the Series 2009 Bond.

Section 7. Establishment of 2009 Debt Service Fund. In accordance with Section 6.4 of the General Bond Ordinance, the 2009 Debt Service Fund is hereby directed to be established by the Trustee on the date of the original delivery of the Series 2009 Bond for the benefit of the Purchaser or subsequent Holders of the Series 2009 Bond.

Section 8. Cost of Issuance Account. There is hereby created the "Cost of Issuance Account for the Series 2009 Bond" (hereinafter referred to and defined as the "Cost of Issuance Account"). The Cost of Issuance Account shall be held by a Custodian selected by the Commission. The moneys on deposit in the Cost of Issuance Account shall be used and applied to the payment of Cost of Issuance. Withdrawals from the Cost of Issuance Account shall be made in the manner withdrawals from other funds of the Commission are made. Moneys on deposit in the Cost of Issuance Account shall be invested upon direction of the Commission in Permitted Investments.

Section 9. Authorization to Effect Refunding; Redemption of the Bonds to be Refunded. Upon delivery of the Series 2009 Bond, a portion of the principal proceeds thereof, together with amounts (if any) deposited in the debt service fund with respect to the Bonds to be Refunded, and other funds of the Commission, if necessary, shall be deposited with the Escrow Agent and held by it under the Refunding Trust Agreement and in the Refunding Trust Fund. Subject to the terms of

the Refunding Trust Agreement, it shall be the duty of the Escrow Agent to keep such proceeds invested and reinvested to the extent that it shall be practical in Government Obligations and to apply the principal and interest of the trust so established in the manner prescribed in such Refunding Trust Agreement.

The City Administrator is hereby authorized and directed for and on behalf of the City to execute such agreements and give such directions as shall be necessary to carry out the provisions of this Eighth Supplemental Ordinance, including the execution and delivery of the Refunding Trust Agreement. The Refunding Trust Agreement shall be dated the date of delivery of the Series 2009 Bond to the Purchaser, and in such form as the City Administrator approves. The execution thereof shall be evidence of the approval.

The Escrow Agent is hereby directed to call the Bonds to be Refunded for redemption on such date as directed by the Mayor and City Administrator, and to pay the principal of, redemption premium and interest on the Bonds to be Refunded, when due and upon the redemption thereof, from the moneys and obligations deposited in the Refunding Trust Fund established pursuant to the provisions of the Refunding Trust Agreement authorized herein. All moneys and obligations deposited with the Escrow Agent pursuant to the Refunding Trust Agreement and the income therefrom shall be held, invested, and applied in accordance with the provisions of this Eighth Supplemental Ordinance and the Refunding Trust Agreement.

Section 10. Designation of Registrar and Paying Agent. The Council hereby designates Branch Banking and Trust Company as Registrar for the Series 2009 Bond. The Council hereby further designates Branch Banking and Trust Company as Paying Agent for the Series 2009 Bond. The Registrar and Paying Agent shall signify their acceptances of their respective duties upon delivery of the Series 2009 Bond.

Section 11. Sale and Issuance of Series 2009 Bond.

(a) The Mayor and City Administrator are hereby authorized and empowered to determine the original issue date of the Series 2009 Bond; the aggregate principal amount of the Series 2009 Bond, if less than authorized by this Eighth Supplemental Ordinance; the principal amount of each maturity of the Series 2009 Bond; the initial Interest Payment Date if different from that set forth herein; the optional redemption date and terms of redemption if different from that set forth herein; and any other terms, provisions and matters necessary or advisable to effect the issuance of the Series 2009 Bond.

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

(c) The Council hereby authorizes and directs all of the officers and employees of the City to carry out or cause to be carried out all obligations of the City hereunder and to perform such other actions as they shall consider necessary or advisable in connection with the issuance, sale and delivery of the Series 2009 Bond.

Section 12. Federal Tax Covenant. The City hereby covenants and agrees with the Purchaser or subsequent Holders of the Series 2009 Bond that it will not take any action which will, or fail to take any action which failure will, cause interest on the Series 2009 Bond to become includable in the gross income of the Purchaser or subsequent Bondholders for federal income tax purposes pursuant to the provisions of the Code and regulations promulgated thereunder in effect on the date of original issuance of the Series 2009 Bond and that no use of the proceeds of the Series 2009 Bond shall be made which, if such use had been reasonably expected on the date of issue of the Series 2009 Bond would have caused the Series 2009 Bond to be "arbitrage bonds," as defined in the Code; and to that end the City hereby shall:

(a) comply with the applicable provisions of Section 103 and Sections 141 through 150 of the Code and any regulations promulgated thereunder so long as the Series 2009 Bond is Outstanding;

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

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

Section 13. Series 2009 Bond Designated Qualified Tax-Exempt Obligations. The City covenants that, in accordance with the applicable provisions of the Code, the Series 2009 Bond is designated as a "qualified tax-exempt obligation" as defined in the Code. The City and all subordinate entities thereof do not anticipate issuing more than $30,000,000 in tax-exempt bonds or other tax-exempt obligations in calendar year 2009 other than private activity bonds (other than private activity bonds which are "qualified 501(c)(3) bonds" as defined in the Code). The City represents that the sum of all tax-exempt obligations (other than such private activity bonds) issued by the City and all subordinate entities thereof during calendar year 2009 is not reasonably expected to exceed $30,000,000.

Section 14. Continuing Disclosure. So long as and to the extent required pursuant to Section 11-1-85 of the Code of Laws of South Carolina 1976, as amended ("Section 11-1-85"), the City covenants that it will file with a central repository for availability in the secondary bond market when requested:

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

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

The only remedy for failure by the City to comply with the covenant of this Section 14 shall be an action for specific performance of this covenant; and failure to comply shall not constitute a default or an "Event of Default" under the Ordinance or this Eighth Supplemental Ordinance. The Trustee shall have no responsibility to monitor the City's compliance with this covenant. The City

specifically reserves the right to amend or delete this covenant in order to reflect any change in Section 11-1-85, without the consent of the Trustee, the Purchaser or subsequent Holders of any Series 2009 Bond.

Section 15. Amendments to the General Bond Ordinance. The amendments to the General Bond Ordinance hereinafter set forth below shall not become effective until the date (the "Effective Date") which is the earlier of: (1) the date on which all the Bonds of 1997, the 1999 SRF Note, the Bonds of 2002, the 2004 SRF Note, the 2005 SRF Note, the Bond of 2007 and the 2007 SRF Note (collectively, the "Prior Bonds") shall cease to be Outstanding; or (2) the date on which the Holders of 66 2/3% in principal amount of the Bonds then Outstanding, by an instrument or instruments in writing signed by such Holders and filed with the City and the Trustee, assent to and authorize such amendments to the General Bond Ordinance in accordance with Article IX, Section 9.1(B) of the General Bond Ordinance. Prior to the Effective Date, any Bonds issued after the date of enactment of this Eighth Supplemental Ordinance shall contain a reference to the amendments herein made.

Section 6.5 (Debt Service Reserve Funds) of the General Bond Ordinance is hereby amended as follows:

The sixth and seventh paragraphs of Section 6.5 shall be deleted in their entirety and the following provisions shall apply to any Series of Bonds now Outstanding or any Series of Bonds hereinafter issued under the General Bond Ordinance, as applicable:

> With respect to any Series of Bonds issued pursuant to a Supplemental Ordinance after the Effective Date for which the City obtains a surety bond, insurance policy or letter of credit to satisfy all or a portion of the Reserve Fund Requirement with respect to any Series of Bonds issued after the Effective Date, as described in the foregoing paragraph, such surety bond, insurance policy or letter of credit is required to meet the standards, if any, set forth therefor in the Supplemental Ordinance authorizing that Series of Bonds.
>
> With respect to any Series of Bonds issued prior to the Effective Date, neither the City nor the Commission shall be required to replace any surety bond, insurance policy or letter of credit (each, a "Security Arrangement") previously obtained by the City or the Commission in satisfaction of the applicable Reserve Fund Requirement and credited to the respective Debt Service Reserve Fund, if any, established in connection with such Series of Bonds so long as such Security Arrangement has not been terminated or cancelled (other than on its stated expiration date), notwithstanding any provision in the General Bond Ordinance (including in particular anything in Section 6.5 hereof) or in any Supplemental Ordinance applicable to the respective Series of Bonds issued prior to the Effective Date. If such Security Arrangement is terminated or cancelled (other than on its stated expiration date), the City or the Commission shall either (a) make one or more deposits of Net Revenues into the applicable Debt Service Reserve Fund within twelve (12) months after the date of such termination or cancellation until the amount on deposit in such Debt Service Reserve Fund equals the applicable Reserve Fund Requirement; or (b) obtain another Security Arrangement in satisfaction of the applicable Reserve Fund Requirement within the aforesaid twelve (12) month period.

Section 16. Further Actions. The Mayor, City Administrator, Municipal Clerk and City Attorney are hereby authorized and directed to take any and all such further actions as shall be deemed necessary or desirable in order to effectuate issuance of the Series 2009 Bond.

Section 17. Headings. The headings and titles of the several sections hereof shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of this Eighth Supplemental Ordinance.

Section 18. Notices. All notices, certificates or other communications hereunder or under the Ordinance shall be sufficiently given and shall be deemed given when mailed by registered mail, postage prepaid, or given when dispatched by telegram addressed as follows:

If to the City:

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

If to the Commission:

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

If to the Paying Agent:

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

If to the Purchaser:

Branch Banking and Trust Company
1901 Assembly Street, 2nd Floor (29201)
P. O. Box 714 (29202)
Columbia, South Carolina

If to the Registrar:

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

If to the Trustee:

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

The City, the Commission, the Registrar, the Paying Agent, the Trustee and Purchaser may, by notice given to the other parties, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 19. Repeal of Inconsistent Ordinances and Resolutions. All ordinances and resolutions of the City, and any part of any ordinance or resolution, inconsistent with this Eighth Supplemental Ordinance are hereby repealed to the extent of such inconsistency.

[Signature Page Follows]

Section 20. Effective Date. This Eighth Supplemental Ordinance shall become effective upon its enactment.

Enacted by the City Council of the City of Greer, South Carolina, this 26th day of May, 2009.

CITY COUNCIL OF THE CITY OF GREER,
SOUTH CAROLINA

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

(SEAL)

ATTEST:

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

Introduced By: Councilwoman Belle Coxe Mercado

Date of First Reading: May 12, 2009

Date of Second Reading: May 26, 2009

[Signature Page]

EXHIBIT A

OFFER OF PURCHASER

BB&T

BB&T Governmental Finance

P.O. Box 714
Columbia, S.C. 29202
(803) 251-1328
Fax (803) 251-1329

April 22, 2009

Mr. Jeffery M. Howell - Chairman of Greer CPW
Mr. Rick Danner - Mayor
Mr. Ed Driggers - City Administrator
Greer Commission of Public Works
310 McCall St.
Greer, SC 29650

Dear Messrs. Jeffery Howell and Rick Danner and Ed Driggers:

Branch Banking and Trust Company ("BB&T"), is pleased to offer this proposal for the financing requested by The Greer Commission of Public Works ("Commission").

(1) Project: Combined Utility System Refunding Bond, Series 2009

(2) Amount To Be Financed: $24,600,000 (not to exceed)

(3) Interest Rates, Financing Terms:

We offer a fixed rate of 4.03% for a transaction with final maturity of September 1, 2025. Unless otherwise requested, payments shall consist of semi-annual interest payments with annual principal payments. This proposal is contingent upon the transaction being "bank qualified".

The transaction shall be prepayable in whole, but not in part, on any regularly scheduled payment date without penalty after the eighth anniversary of the issue date. No reserve fund will be required. This transaction shall be issued on a parity basis with the Commission's existing debt issues. The Commission will comply with a minimum debt service reserve coverage ratio of at least 1.20 at all times.

Our underwriting fee for this transaction shall be $16,500 and may be paid from loan proceeds. BB&T will compensate its review counsel out of this underwriting fee.

All applicable taxes, permits, costs of lawyers for the Commission and any other costs shall be the Commission's responsibility and separately payable by the Commission.

The interest rates stated above are valid for a closing not later than 45 days after today. Closing of the financing is contingent upon completing documentation acceptable to BB&T.

The stated interest rates assume that the Commission expects to borrow less than $30,000,000 in calendar year 2009 and that the Commission shall comply with IRS Code Sections 140, 141, 148 and 149(e). BB&T reserves the right to terminate its interest in this bid or to negotiate a mutually acceptable rate if the financing is not qualified tax-exempt financing.

(4) Financing Documents:

It will be the responsibility of the Commission to retain and compensate bond counsel to appropriately structure the transaction. All documentation must be deemed appropriate by BB&T.

BB&T shall have the right to cancel this offer by notifying the Commission of its election to do so (whether or not this offer has previously been accepted by the Commission) if at any time prior to the closing there is a material adverse change in the Commission's financial condition, if we discover adverse circumstances of which we are currently unaware, if we are unable to agree on acceptable documentation with the Commission or if there is a change in law (or proposed change in law) that changes the economic effect of this financing to BB&T. We reserve the right to negotiate and/or terminate our interest in this transaction should we be the successful proposer.

Please call me at 803-251-1328 with your questions and comments. We look forward to hearing from you.

Sincerely,

Branch Banking and Trust Company

Andrew G. Smith
Senior Vice President

FORM OF SERIES 2009 BOND

TRANSFER RESTRICTED

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

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
CITY OF GREER
COMBINED UTILITY SYSTEM REFUNDING REVENUE BOND
SERIES 2009

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

Year	Principal Amount	Year	Principal Amount
2010		2018	
2011		2019	
2012		2020	
2013		2021	
2014		2022	
2015		2023	
2016		2024	
2017		2025	

Interest on the unpaid principal balance of this Bond is payable on September 1, 2009, and semiannually thereafter on March 1 and September 1 of each year. Interest on this Bond shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Upon the occurrence of any Rate Adjustment Event (as defined below) with respect to this Bond, the Interest Rate shall be recalculated to an interest rate equal to the Prime Rate (as defined below) plus two percent (2%) per annum, to the date (retroactively if need be) determined as a result of the Rate Adjustment Event to be the date interest on this Bond became includable in the Purchaser's gross income for federal income tax purposes.

"Prime Rate" shall mean that rate of interest so denominated and set by the Purchaser from time to time as an interest rate basis for borrowings. The Prime Rate is but one of several interest rate bases used by the Purchaser, which lends at rates above and below the Prime Rate. For purposes of calculating any interest rate hereunder which is based on the Prime Rate, such interest rate shall be adjusted automatically on the effective date of any change in the Prime Rate.

"Rate Adjustment Event" shall mean any action by the Internal Revenue Service (including the delivery of a deficiency notice) or any other federal court or administrative body determining, as a result of any misrepresentation by the City or the Greer Commission of Public Works (the "Commission") or as a result of any action the City or the Commission takes or fails to take, that interest on this Bond, or any portion thereof, is includable in the Purchaser's gross income for federal income tax purposes.

In the event that this Bond is subsequently determined not to be a "qualified tax-exempt obligation" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, the Interest Rate on this Bond shall be reset to 4.53% retroactive to the date of issuance. In such case, interest due retroactively on this Bond shall be due upon demand by the Purchaser.

THIS BOND HAS BEEN ISSUED UNDER THE PROVISIONS OF TITLE 6, CHAPTER 17, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED, AND DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION (OTHER THAN ARTICLE X, SECTION 14, PARAGRAPH 10 OF THE SOUTH CAROLINA CONSTITUTION AUTHORIZING OBLIGATIONS PAYABLE SOLELY FROM SPECIAL SOURCES NOT INVOLVING REVENUES FROM ANY TAX OR LICENSE) OR STATUTORY LIMITATION. THIS BOND SHALL NOT BE A DEBT OF THE CITY, NOR A CHARGE, LIEN OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON ANY PROPERTY OF THE CITY OR UPON ANY INCOME, RECEIPTS OR REVENUES THEREOF, OTHER THAN THE AFORESAID NET REVENUES OF THE SYSTEM PLEDGED THERETO. NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THIS BOND OR THE INTEREST THEREON AGAINST THE GENERAL FUND OF THE CITY, NOR SHALL THE CREDIT OR TAXING POWER OF THE CITY BE DEEMED TO BE PLEDGED THERETO. THE FULL FAITH, CREDIT AND TAXING POWERS OF THE CITY ARE NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS BOND.

Both the principal of and interest on this Bond are payable at the principal office of Branch Banking and Trust Company, in Wilson, North Carolina, in any coin or currency of the United States of America which is, at the time of payment, legal tender for public and private debts.

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

This Bond is issued by the City for the purpose of refunding certain outstanding bonds of the City and paying costs of issuance. This Bond is issued under, pursuant to and in full compliance with the Constitution and statutes of the State of South Carolina, including particularly Article X, Section 14(10) of the South Carolina Constitution and Title 6, Chapter 17, of the Code of Laws of South Carolina 1976, as amended (collectively, the "Act"). This Bond is issued under and pursuant to a General Bond Ordinance (the "General Bond Ordinance") of the City Council of the City duly enacted on July 22, 1997, and as amended and supplemented by Eighth Supplemental Ordinance No. ____ of the Council enacted on May 26, 2009, (the "Eighth Supplemental Ordinance," and together with the General Bond Ordinance, the "Bond Ordinance"), under the Act which Bond Ordinance has been duly codified and indexed as prescribed by law.

This Bond and the interest thereon is a special obligation of the City and are secured by and payable solely from, and secured equally and ratably by a pledge of and lien upon, the Net Revenues (as defined in the General Bond Ordinance) derived from the City's combined utility system (the "System") controlled and managed by the Commission on a parity with any pledge of and lien upon Net Revenues securing the 1999 SRF Note, Bonds of 2002, the 2004 SRF Note, the 2005 SRF Note, the Bond of 2007 and the 2007 SRF Note (collectively, the "Prior Bonds" and as such terms are defined in the Eighth Supplemental Ordinance) and any Series of Bonds hereafter issued under the General Bond Ordinance payable from such Net Revenues on a parity and equally and ratably secured therewith.

This Bond is subject to redemption prior to maturity at the option of the City upon the written direction of the Commission as a whole on any March 1 or September 1 on or after September 1, 2017, at the principal amount thereof and interest accrued on such principal amount to the date fixed for redemption. In the event this Bond is called for redemption, the Registrar shall give notice of redemption by first-class mail, postage prepaid, to the registered owner hereof as shown on the Books of Registry of the City not less than five (5) days prior to the dated fixed for the redemption thereof.

The Bond Ordinance contains provisions defining terms, including the properties comprising the System; sets forth the revenues pledged for the payment of the principal of and interest on this Bond and the Bonds of other series which have heretofore or may hereafter be issued on a parity herewith under the Bond Ordinance; sets forth the nature, extent and manner of enforcement of the security of this Bond and of such pledge, and the rights and remedies of the holder hereof with respect thereto; sets forth the terms and conditions upon which and the extent to which the Bond Ordinance may be altered, modified and amended; sets forth the terms and conditions upon which have been issued or upon which other bonds may be hereinafter issued payable as to principal, premium, if any, and interest on a parity with this Bond and equally and ratably secured herewith; sets forth the rights, duties and obligations of the City thereunder; and sets forth the terms and conditions upon which the pledge made in the Bond Ordinance for the security of this Bond and upon which the covenants, agreements and other obligations of the City made therein may be discharged at or prior to the maturity or redemption of this Bond with provisions for

the payment thereof in the manner set forth in the Bond Ordinance. The provisions of the General Bond Ordinance relating to Debt Service Reserve Funds have been amended by the Eighth Supplemental Ordinance. Such amendment will not become effective until the earlier of: (1) all Prior Bonds shall cease to be Outstanding (as defined in the General Bond Ordinance); or the Holders (as defined in the General Bond Ordinance) of 66 2/3% in principal amount of the Bonds then Outstanding assent to and authorize such amendment. Reference is hereby made to the Bond Ordinance to all of the provisions of which any holder of this Bond by the acceptance hereof thereby assents. The provisions of the Act and the Bond Ordinance shall be a contract with the holder of this Bond.

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

Under the laws of the State of South Carolina, this Bond and the interest hereon are exempt from all State, county, municipal, school district and all other taxes or assessments, except estate or other transfer taxes, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise. This Bond has been designated a "qualified tax-exempt obligation" pursuant to Section 265(b)(3)(B)(ii) of the Internal Revenue Code of 1986, as amended.

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and statutes of the State of South Carolina to exist, to happen and to be performed precedent to and in the issuance of this Bond, do exist, have happened and have been performed in due time, form and manner as required by law; that the series of which this Bond is a part does not exceed any constitutional or statutory limitation of indebtedness; and that provision has been made for the payment of the principal of and interest on this Bond and the series of which it is a part, as provided in the Bond Ordinance.

IN WITNESS WHEREOF, the City of Greer, South Carolina, has caused this bond to be executed in its name by the manual signature of the Mayor of the City and attested by the manual signature of the Municipal Clerk of the City under the seal of the City impressed, imprinted or reproduced hereon.

CITY OF GREER, SOUTH CAROLINA

By:_____
Richard W. Danner, Mayor

(SEAL)

ATTEST:

Tammela V. Duncan, Municipal Clerk

(FORM OF REGISTRAR'S CERTIFICATE OF AUTHENTICATION)

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

Branch Banking and Trust Company,
Registrar

Dated:_____

By:_____
Authorized Officer

CERTIFICATE

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

CITY OF GREER, SOUTH CAROLINA

By: Tammela V. Duncan
Tammela V. Duncan, Municipal Clerk

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CITY OF GREER, SOUTH CAROLINA

NINTH SUPPLEMENTAL ORDINANCE NUMBER 20-2009

APPROVING THE FINANCING OF THE IMPROVEMENT, EXTENSION AND ENLARGEMENT OF THE COMBINED UTILITY SYSTEM OF THE CITY OF GREER, SOUTH CAROLINA, THROUGH THE BORROWING BY THE CITY OF NOT EXCEEDING $5,500,000 INCLUDING CAPITALIZED INTEREST, IF ANY, FROM THE STATE DRINKING WATER REVOLVING LOAN FUND, BY AGREEMENT WITH THE SOUTH CAROLINA WATER QUALITY REVOLVING FUND AUTHORITY, PURSUANT TO TITLE 48, CHAPTER 5, CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED; PROVIDING FOR AN AGREEMENT TO MAKE AND TO ACCEPT A LOAN; THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT BETWEEN THE CITY AND THE SOUTH CAROLINA WATER QUALITY REVOLVING FUND AUTHORITY; THE EXECUTION AND DELIVERY OF A PROMISSORY NOTE FROM THE CITY TO THE SOUTH CAROLINA WATER QUALITY REVOLVING FUND AUTHORITY; AND OTHER MATTERS RELATING THERETO.

Enacted: September 8, 2009

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GREER, SOUTH CAROLINA:

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

"1999 SRF Note" shall mean the $1,750,850 original principal amount Promissory Note of the City, Series 1999, dated May 28, 1999, and outstanding as of the effective date of this Ninth Supplemental Ordinance in the principal amount of $1,089,946, and payable to the State Authority for South Carolina Water Pollution Control Revolving Fund Loan No. 1-049-99-463-10.

"2004 SRF Note" shall mean the $9,211,590 original principal amount Promissory Note of the City, Series 2004, dated June 24, 2004, and outstanding as of the effective date of this Ninth Supplemental Ordinance in the principal amount of $8,386,100, and payable to the State Authority for State Drinking Water Revolving Fund Loan No.: 3-018-04-2310005-02.

"2005 SRF Note" shall mean the $7,500,000 original principal amount Promissory Note of the City, Series 2005, dated June 30, 2005, and outstanding as of the effective date of this Ninth Supplemental Ordinance in the principal amount of $6,974,651, and payable to the State Authority for State Drinking Water Revolving Fund Loan No. 3-022-05-2310005-03.

"2007A SRF Note" shall mean the $13,600,000 original principal amount Promissory Note of the City, Series 2007A, dated November 16, 2007, and outstanding as of the effective date of this Ninth Supplemental Ordinance in the principal amount of $12,668,509, and payable to the State Authority for State Water Pollution Control Revolving Fund Loan No. X1-110-07-463-11.

"2009 Debt Service Reserve Fund" shall mean the fund established pursuant to Section 6.5 of the General Bond Ordinance and Section 4.2 of the Loan Agreement to insure the timely payment of the principal of and interest on the 2009 SRF Note.

"2009 Note Payment Fund" shall mean the fund established pursuant to Section 6.4 of the General Bond Ordinance and Section 4.1.2 of the Loan Agreement to provide for the payment of the principal and interest on the 2009 SRF Note.

"2009 Project" shall mean making certain improvements, extensions and enlargements to the System, to wit: construction of a 1.5 million gallon elevated storage tank and 24-inch water transmission line.

"2009 Reserve Fund Requirement" shall mean the maximum amount of principal and interest on the 2009 SRF Note coming due during any calendar year as provided in Section 4.2.1 of the Loan Agreement.

"2009 SRF Note" shall mean the not exceeding $5,500,000 Promissory Note of the City, Series 2009, payable to the State Authority.

"Bonds of 2002" shall mean the $25,060,000 original principal amount Combined Utility System Revenue Bonds, Series 2002, dated May 15, 2002, and outstanding as of the effective date of this Ninth Supplemental Ordinance in the principal amount of $24,495,000.

"Bond of 2007" shall mean the $5,700,000 original principal amount Combined Utility System Revenue Bond, Series 2007, dated May 24, 2007, and outstanding as of the effective date of this Ninth Supplemental Ordinance in the principal amount of $5,508,981.

"Bond of 2009" shall mean the $24,230,000 original principal amount Combined Utility System Refunding Revenue Bond, Series 2009, dated June 4, 2009, and outstanding as of the effective date of this Ninth Supplemental Ordinance in the principal amount of $24,230,000.

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

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

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

"General Bond Ordinance" shall mean General Bond Ordinance No. 27-97 duly enacted on July 22, 1997, by the Council of the City authorizing and providing for the issuance of Combined Utility System Revenue Bonds.

"Loan" shall mean the loan from the State Authority to the City in the amount of not exceeding $5,500,000 plus capitalized interest, if any.

"Loan Agreement" shall mean the Loan Agreement evidencing the Loan to be dated the date of its execution and delivery between the State Authority and the City.

"Ninth Supplemental Ordinance" shall mean this Ninth Supplemental Ordinance enacted by the City on September 8, 2009, authorizing the issuance of the 2009 SRF Note.

"Revolving Fund" shall mean the State Drinking Water Revolving Loan Fund created by the Revolving Fund Act.

"Revolving Fund Act" shall mean the South Carolina Water Quality Revolving Fund Authority Act, Title 48, Chapter 5, South Carolina Code of Laws 1976, as amended.

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

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

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

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

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

SECTION 2. Findings and Determinations. The Council hereby finds and determines:

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

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

(c) Either the City or the Commission, or both, has the power to possess and operate utility systems and is empowered by the provisions of the Revolving Fund Act (i) to undertake the 2009 Project; (ii) to make application for and to receive assistance; (iii) to comply with regulations relating to the receipt and disposition of money of the Revolving Fund; (iv) to apply for and receive state grants; (v) to enter into loan agreements; and (vi) to comply with all terms and conditions of any loan agreement.

(d) On March 10, 2009, the Council adopted Resolution No. 7-2009 authorizing application to the State Authority for the Loan to provide for the financing of the 2009 Project.

(e) Pursuant to the Act, the City has enacted the General Bond Ordinance which sets forth certain conditions which the City must satisfy in order to issue additional indebtedness secured by a pledge of Net Revenues of the System.

(f) Pursuant to Resolution No. 10-2009 adopted on July 27, 2009, the Commission requested the Council of the City to enact the Ninth Supplemental Ordinance and issue a Combined Utility System Revenue Bond in the form of the 2009 SRF Note.

(g) The State Authority has upon review of the City's loan application conditionally approved the Loan.

(h) The Loan must be incurred pursuant to the terms and conditions of the General Bond Ordinance in order for the Loan to be issued on a parity in all respects to the pledge securing the 1999 SRF Note, the Bonds of 2002, the 2004 SRF Note, the 2005 SRF Note, the Bond of 2007, the 2007A SRF Note and the Bond of 2009.

(i) The funds are to be loaned and secured pursuant to the Loan Agreement and a promissory note (herein defined as the 2009 SRF Note) to be executed and delivered by the City and registered in the name of the State Authority. The 2009 SRF Note will constitute a Bond as defined in the General Bond Ordinance. Pursuant to the Loan Agreement, the Commission on behalf of the City will agree to use the proceeds of the Loan only to pay the actual eligible costs of the 2009 Project plus capitalized interest, if any, and the City will agree to pay to the State Authority such amounts as shall be required to provide for the payment of all amounts due with respect to the repayment of the Loan. Upon any failure of the City to make any payments to the State Authority pursuant to the Loan Agreement or the 2009 SRF Note, the State Authority shall require the State Treasurer to pay to the State Authority, subject to the provisions of the Revolving Fund Act, such amount from State appropriations to which the City may be or become entitled as may be necessary to provide for the payment of all amounts due with respect to the 2009 SRF Note.

(j) The Council is enacting this Ninth Supplemental Ordinance in order to:

(i) authorize the execution and delivery on behalf of the City of the Loan Agreement and the 2009 SRF Note;

(ii) evidence the approval of the 2009 Project, the 2009 SRF Note and the Loan by the City; and

(iii) authorize the execution and delivery by, and on behalf of, the City of such other agreements and certificates and the taking of such other action by the City and its officers as shall be necessary or desirable in connection with the financing of the 2009 Project in order to carry out the intent of this Ninth Supplemental Ordinance.

(k) The Commission has advised the Council that the most economical means of financing the 2009 Project is through the Loan from the State Authority.

(l) This Ninth Supplemental Ordinance supplements the General Bond Ordinance, constitutes and is a "Supplemental Ordinance" within the meaning of such quoted term as defined and used in the General Bond Ordinance, and is enacted under and pursuant to the General Bond Ordinance.

(m) The 2009 SRF Note constitutes and is a "Bond" within the meaning of the quoted word as defined and used in the General Bond Ordinance.

(n) The Net Revenues pledged under the General Bond Ordinance are not encumbered by any lien and charge thereon or pledge thereof, other than the lien and charge thereon and pledge created by the General Bond Ordinance and the following Supplemental Ordinances: the Second Supplemental Ordinance for payment and security of the 1999 SRF Note; the Third

Supplemental Ordinance for payment and security of the Bonds of 2002; the Fourth Supplemental Ordinance for payment and security of the 2004 SRF Note; the Fifth Supplemental Ordinance for payment and security of the 2005 SRF Note, the Sixth Supplemental Ordinance for payment and security of the Bond of 2007, the Seventh Supplemental Ordinance for payment and security of the 2007A SRF Note, the Eighth Supplemental Ordinance for payment and security of the Bond of 2009, and this Ninth Supplemental Ordinance for payment and security of the 2009 SRF Note, each on a parity with the lien and charge and pledge thereof securing the 2009 SRF Note.

(o) The Commission has advised the City that the period of usefulness of the System is in excess of thirty (30) years from the date hereof.

(p) The Commission has advised the City that the estimated Costs of Acquisition and Construction of the 2009 Project and Costs of Issuance to be funded in part by the Loan is $5,900,418 ($500,000 of which is anticipated to be paid from an Appalachian Regional Commission grant). The Commission has advised the City that any Costs of Acquisition and Construction or Costs of Issuance not provided for by the Loan shall be funded with internal available resources of the Commission.

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

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

(i) The issuance of the 2009 SRF Note is authorized under and pursuant to an ordinance supplemental to the General Bond Ordinance as provided in Article III and Article IX of the General Bond Ordinance.

(ii) Prior to the issuance of the 2009 SRF Note there shall be executed the certificate required by paragraph A of Section 3.3 of the General Bond Ordinance.

(iii) There shall be delivered a report, based upon the latest available audit of the System as required by Section 7.4 of the General Bond Ordinance, from an Accountant or Consulting Engineer stating that either (i) the amount of the Net Revenues of the System is not less than 120% of the Maximum Debt Service on Bonds then Outstanding and the Bonds, i.e., the 2009 SRF Note, then proposed to be issued, or (ii) the amount of the Net Revenues of the System, as shall have been forecasted by the Consulting Engineer, is not less

than 120% of the actual Debt Service on all Bonds then Outstanding and the Bonds, i.e., the 2009 SRF Note, then proposed to be issued for each of the three (3) Fiscal Years following the later of the date of the delivery of the Bonds of such Series, or the period (if any) for which interest is funded from the proceeds of such Bonds.

(iv) The 2009 SRF Note is being used for the purpose of improving the System, i.e., the 2009 Project.

(v) The 2009 Reserve Fund Requirement will be satisfied by the deposit of funds of the System in the 2009 Debt Service Reserve Fund.

(s) The 2009 SRF Note is being used for the purposes of (i) defraying the costs of the 2009 Project; (ii) capitalizing interest on the 2009 SRF Note, if any; and (iii) paying the Cost of Issuance of the 2009 SRF Note.

(t) It is necessary and in the best interest of the City for the Commission to undertake the 2009 Project and for the City to issue the 2009 SRF Note in the principal amount of not exceeding $5,500,000 in accordance with the General Bond Ordinance, the Act and this Ninth Supplemental Ordinance for the purposes set forth above.

SECTION 3. Authorization of the 2009 Project. There is hereby approved and authorized the undertaking of the 2009 Project. The Commission has advised the City that the period of usefulness of the System after the completion of the 2009 Project is determined to be not less than thirty (30) years from the date hereof. The Council hereby finds that the 2009 Project when completed shall constitute and be operated as an integral part of the System.

SECTION 4. Authorization of Loan. The Council hereby authorizes the City's acceptance of the Loan from the State Authority of not exceeding $5,500,000 including capitalized interest, if any, pursuant to and in accordance with the provisions of the Loan Agreement the terms of which are incorporated herein.

SECTION 5. Repayment of Loan by the City. The Council hereby authorizes the repayment of the Loan by the City to the State Authority from the Net Revenues of the System, pursuant to and in accordance with the provisions of the General Bond Ordinance, the Loan Agreement and the 2009 SRF Note. Notwithstanding the above, upon any failure of the City to make any payments to the State Authority pursuant to the Loan Agreement or the 2009 SRF Note, the State Authority shall require the State Treasurer to pay to the State Authority, subject to the provisions of the Revolving Fund Act, such amount from state appropriations to which the City may be or become entitled as may be necessary to provide for all payments with respect to the 2009 SRF Note.

SECTION 6. Payment of the 2009 SRF Note. The 2009 SRF Note, together with the interest thereon, shall be payable, in such coin or currency of the United States of America which at the time of such payment is legal tender for public and private debts, solely from the Net Revenues of the System, in accordance with the provisions of the General Bond Ordinance and this Ninth Supplemental Ordinance. The 2009 SRF Note is a special obligation of the City payable

solely from, and secured by a pledge of and lien upon, the Net Revenues derived from the System on a parity in all respects with the 1999 SRF Note, the Bonds of 2002, the 2004 SRF Note, the 2005 SRF Note, the 2007 SRF Note, the Bond of 2007, the Bond of 2009 and any Series of Bonds hereafter issued under Section 3.3 of the General Bond Ordinance payable from such Net Revenues on a parity and equally and ratably secured therewith.

The 2009 SRF Note does not constitute an indebtedness of the City within any State Constitutional provisions (other than Article X, Section 14, Paragraph 10 of the South Carolina Constitution authorizing obligations payable solely from special sources not involving revenues from any tax or license) or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the City or a charge against its general credit or taxing power. The full faith, credit and taxing powers of the City are not pledged to the payment of the principal of and interest on the 2009 SRF Note.

SECTION 7. Authorization of Loan Agreement and the 2009 SRF Note. The Loan Agreement including the 2009 SRF Note in substantially the form attached hereto as Exhibit A, with such changes as the executing officers shall approve (their execution to be conclusive evidence of such approval) are hereby approved and the execution and delivery of the Loan Agreement and the 2009 SRF Note, on behalf of the City, are hereby authorized and directed. The Loan Agreement and the 2009 SRF Note shall be executed on behalf of the City by the Mayor and attested by the Municipal Clerk under the seal of the City. Certain duties and responsibilities in the Loan Agreement with respect to the 2009 Project and the construction thereof (as set forth in Article I and Article III thereof) shall be exercised and undertaken by the Commission which duties and responsibilities are hereby approved by the City. The Council hereby authorizes the incurrence of total indebtedness under the 2009 SRF Note in a principal amount not to exceed $5,500,000 in order to allow the City to elect to capitalize interim interest on the 2009 SRF Note in accordance with the terms of the Loan Agreement. The principal amount of the 2009 SRF Note may be adjusted pursuant to the terms of the Loan Agreement.

SECTION 8. Approval of Note Payment Fund Agreement. The Note Payment Fund Agreement in substantially the form attached hereto as Exhibit B, with such changes as the executing officers shall approve (their execution to be conclusive evidence of such approval), is hereby approved; and the execution and delivery of the Note Payment Fund Agreement on behalf of the City is hereby authorized and directed. The Note Payment Fund Agreement shall be executed on behalf of the City by the Mayor or the City Administrator and attested by the Municipal Clerk .

SECTION 9. Approval of Debt Service Reserve Fund Agreement. The Debt Service Reserve Fund Agreement in substantially the form attached hereto as Exhibit C, with such changes as the executing officers shall approve (their execution to be conclusive evidence of such approval), is hereby approved; and the execution and delivery of the Debt Service Reserve Fund Agreement on behalf of the City is hereby authorized and directed. The Debt Service Reserve Fund Agreement shall be executed on behalf of the City by the Mayor or the City Administrator and attested by the Municipal Clerk.

SECTION 10. Filings with Central Repository. So long as and to the extent required pursuant to Section 11-1-85 of the Code of Laws of South Carolina 1976, as amended ("Section 11-1-85"), the City covenants that it will with a central repository for availability in the secondary bond market when requested:

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

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

The only remedy for failure by the City to comply with the covenant of this Section 9 shall be an action for specific performance of this covenant; and failure to comply shall not constitute a default or an "Event of Default" under the General Bond Ordinance or this Ninth Supplemental Ordinance. The Trustee shall have no responsibility to monitor the City's compliance with this covenant. The City specifically reserves the right to amend or delete this covenant in order to reflect any change in Section 11-1-85, without the consent of the Trustee, the State Authority or any subsequent holder of the 2009 SRF Note.

SECTION 11. Amendments to the General Bond Ordinance. The amendments to the General Bond Ordinance hereinafter set forth below shall not become effective until the date (the "Effective Date") which is the earlier of: (1) the date on which all of the 1999 SRF Note, the Bonds of 2002, the 2004 SRF Note, the 2005 SRF Note, the Bond of 2007, the 2007 SRF Note and the Bond of 2009 (collectively, the "Prior Bonds") shall cease to be Outstanding; or (2) the date on which the Holders of 66 2/3% in principal amount of the Bonds then Outstanding, by an instrument or instruments in writing signed by such Holders and filed with the City and the Trustee, assent to and authorize such amendments to the General Bond Ordinance in accordance with Article IX, Section 9.1(B) of the General Bond Ordinance. Prior to the Effective Date, any Bonds issued after the date of enactment of this Ninth Supplemental Ordinance shall contain a reference to the amendments herein made.

Section 6.1(iii) of the General Bond Ordinance is hereby amended to read as follows:

(iii) Debt Service Reserve Fund for each Series of Bonds, if any, to be held by the Trustee or, in the case of any Bonds or other form of indebtedness initially held by the South Carolina Water Quality Revolving Fund Authority, or the South Carolina Infrastructure Facilities Authority, such Debt Service Reserve Fund may be held by the Treasurer of the State of South Carolina (the "State Treasurer"), as custodian.

The last sentence of the first paragraph of Section 6.5 (Debt Service Reserve Funds) shall be deleted in its entirety and the following provision shall apply to any Series of Bonds now Outstanding or any Series of Bonds hereinafter issued under the General Bond Ordinance, as applicable:

The respective Debt Service Reserve Funds shall be kept on deposit with the Trustee or the State Treasurer, as custodian, and withdrawals therefrom shall be made for the purposes provided in this Ordinance.

SECTION 12. Further Actions. The Mayor, or in his absence the Mayor Pro Tempore, City Administrator, Municipal Clerk and City Attorney are hereby authorized and directed to take any and all such further actions as shall be deemed necessary or desirable in order to effectuate issuance of the 2009 SRF Note pursuant to the Loan Agreement, and to carry out the intentions of this Ninth Supplemental Ordinance, and are hereby authorized to execute and deliver such certificates, instruments and agreements as they shall deem necessary or desirable. Further, the Mayor, or in his absence the Mayor Pro Tempore, and the Municipal Clerk are hereby authorized and directed to execute any agreements, including any supplements or amendments to any existing Note Payment Fund and Debt Service Reserve Fund Agreements or Loan Agreements relating to the 1999 SRF Note, the 2004 SRF Note, the 2005 SRF Note and the 2007A SRF Note, among the City, the State Authority, the Commission, the Trustee and the Treasurer of the State of South Carolina (or any combination thereof) in order to effectuate the amendments to the General Bond Ordinance set forth in Section 11 of this Ninth Supplemental Ordinance.

SECTION 13. Notices. All notices, certificates or other communications hereunder or under the Ordinance shall be sufficiently given and shall be deemed given when mailed by registered mail, postage prepaid, or given when dispatched by telegram addressed as follows:

If to the City:

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

If to the State Authority:

Office of Local Government
State Revolving Fund
State Budget and Control Board
Attn: Director
1122 Lady Street
Suite 1080
Columbia, South Carolina 29201

If to the Trustee:

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

The City, the State Authority, and the Trustee by notice given to the other parties, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

SECTION 14. Ordinance a Contract. This Ordinance shall be a contract between the City and the State Authority, and shall be enforceable as such against the City.

SECTION 15. Repeal. All orders, resolutions, ordinances and parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed and this Ordinance shall take effect and be in full force from and after its passage and approval.

SECTION 16. Effective Date. This Ordinance shall become effective upon its enactment.

[Signature Page Follows]

Enacted by the City Council of the City of Greer, South Carolina, this 8th day of September, 2009.

CITY COUNCIL OF THE CITY OF GREER,
SOUTH CAROLINA

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

(SEAL)

ATTEST:

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

Introduced By: Councilman Wayne Griffin

Date of First Reading: August 25, 2009

Date of Second Reading: September 8, 2009.

ORDINANCE NUMBER 21-2010

CITY OF GREER, SOUTH CAROLINA

TENTH SUPPLEMENTAL ORDINANCE NO. 21 -2010

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

Enacted: September 28, 2010

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

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

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

"2004 SRF Note" shall mean the $9,211,590 original principal amount Promissory Note of the City, Series 2004, dated June 24, 2004, and outstanding as of the effective date of this Tenth Supplemental Ordinance in the principal amount of $8,095,027 and payable to the State Authority for South Carolina Drinking Water Revolving Fund Loan No.3-018-04-2310005-02.

"2005 SRF Note" shall mean the $7,500,000 original principal amount Promissory Note of the City, Series 2005, dated June 30, 2005, and outstanding as of the effective date of this Tenth Supplemental Ordinance in the principal amount of $6,763,589 and payable to the State Authority for South Carolina Drinking Water Revolving Fund Loan No. 3-022-05-2310005-03.

"2007 SRF Note" shall mean the $13,600,000 original principal amount Promissory Note of the City, Series 2007, dated November 16, 2007, and outstanding as of the effective date of this Tenth Supplemental Ordinance in the principal amount of $12,766,332 and payable to the State Authority for South Carolina Water Pollution Control Revolving Fund Loan No. X1-110-07-463-11.

"2009 SRF Note" shall mean the $5,310,417 original principal amount Promissory Note of the City, Series 2009, dated September 25, 2009, and outstanding as of the effective date of this Tenth Supplemental Ordinance in the principal amount of $3,430,879 and payable to the State Authority for South Carolina South Carolina Drinking Water Revolving Fund Loan No. S3-043-09-2310005-04.

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

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

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

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

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

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

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

"Bond of 2007" shall mean the $5,700,000 original principal amount Combined Utility System Revenue Bond, Series 2007, dated May 24, 2007, and outstanding as of the effective date of this Tenth Supplemental Ordinance in the principal amount of $5,103,597.

"Bond of 2009" shall mean the $24,230,000 original principal amount Combined Utility System Refunding Revenue Bond, Series 2009, dated June 4, 2009, and outstanding as of the effective date of this Tenth Supplemental Ordinance in the principal amount of $23,990,000.

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

"Bonds of 2002" shall mean the $25,060,000 original principal amount Combined Utility System Revenue Bonds, Series 2002, dated May 15, 2002, and outstanding as of the effective date of this Tenth Supplemental Ordinance in the principal amount of $24,185,000.

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

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

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

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

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

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

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

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

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

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

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

"General Bond Ordinance" shall mean General Bond Ordinance No. 27-97 duly enacted on July 22, 1997, by the Council of the City authorizing and providing for the issuance of Combined Utility System Revenue Bonds.

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

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

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

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

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

"Permitted Investments" shall have the meaning set forth in the General Bond Ordinance; provided, however, that if and to the extent a Bond Insurance Policy is in effect with respect to the Series 2010 Bonds, "Permitted Investments" shall mean, with respect to the 2010 Debt Service Fund and 2010 Debt Service Reserve Fund (if any) established for such Series 2010 Bonds, only such Permitted Investments, as defined in the General Bond Ordinance, as also qualify under the following:

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

2. Federal Housing Administration debentures.

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

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

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

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

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

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

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

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

7. Money market funds rated "Aam" or "AAm-G" by S&P, or better and if rated by Moody's rated "Aa2" or better.

8. "State Obligations", which means:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(k) the investment agreement must provide that if during its term: (i) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the City (who shall give such direction if so directed by the Bond Insurer), be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the City or the Paying Agent, as appropriate, and (ii) the provider shall become insolvent, not pay its debt as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the City or the Paying Agent, as appropriate.

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

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

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

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

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

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

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

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

"Tenth Supplemental Ordinance" shall mean this Tenth Supplemental Ordinance No. 31-2010 enacted by the Council of the City authorizing the issuance of the Series 2010 Bonds.

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

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

"Value" or "Values" means, if a Bond Insurance Policy is in effect, with respect to any Permitted Investments for the 2010 Debt Service Fund and 2010 Debt Service Reserve Fund established for the Series 2010 Bonds, the amount calculated under the Ordinance determined as of any date of calculation as follows:

(a) the bid price published by a nationally recognized pricing service as selected by the City in its sole discretion;

(b) as to certificates of deposit and bankers acceptances: the face amount thereof, plus accrued interest; and

(c) as to any investment not specified above: the value thereof established by prior agreement between the City and the Bond Insurer.

Section 2. Certain Findings and Determinations.

The City hereby finds and determines:

(a) This Tenth Supplemental Ordinance supplements the General Bond Ordinance, constitutes and is a "Supplemental Ordinance" within the meaning of such quoted term as defined and used in the General Bond Ordinance, and is enacted under and pursuant to the General Bond Ordinance.

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

(c) The Net Revenues pledged under the Ordinance are not encumbered by any lien and charge thereon or pledge thereof, other than the lien and charge thereon and pledge created by the General Bond Ordinance and the following Supplemental Ordinances: (i) the Second Supplemental Ordinance for payment and security of the 1999 SRF Note; (iii) the Third Supplemental Ordinance for payment and security of the Bonds of 2002; (iii) the Fourth Supplemental Ordinance for payment and security of the 2004 SRF Note; (iv) the Fifth Supplemental Ordinance for payment and security of the 2005 SRF Note; (v) the Sixth Supplement Ordinance for payment and security of the Bond of 2007; (vi) the Seventh Supplemental Ordinance for the payment and security of the 2007 SRF Note; (vii) the Eighth Supplemental Ordinance for the payment and security of the Bond of 2009; (viii) the Ninth Supplemental Ordinance for the payment and security of the 2009 SRF Note; and (ix) the lien and charge thereon and pledge thereof created by the General Bond Ordinance and this Tenth Supplemental Ordinance for payment and security of the Series 2010 Bonds.

(d) There does not exist an Event of Default, nor does there exist any condition which, after the passage of time or the giving of notice, or both, would constitute such Event of Default.

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

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

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

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

(i) The issuance of the Series 2010 Bonds is authorized under and pursuant to an ordinance supplemental to the General Bond Ordinance as provided in Article III and Article IX of the General Bond Ordinance.

(ii) Prior to the issuance of the Series 2010 Bonds there shall be executed the certificate required by paragraph A of Section 3.3 of the General Bond Ordinance.

(iii) There shall be delivered a report, based upon the latest available audit of the System as required by Section 7.4 of the General Bond Ordinance, from an Accountant or Consulting Engineer stating that either (i) the amount of the Net Revenues of the System is not less than 120% of the Maximum Debt Service on Bonds then Outstanding and the Bonds then proposed to be issued (i.e., the Series 2010 Bonds), or (ii) the amount of the Net Revenues of the System, as shall have been forecasted by the Consulting Engineer, is not less than 120% of the actual Debt Service on all Bonds then Outstanding and the Bonds then proposed to be issued (i.e., the Series 2010 Bonds), for each of the three (3) Fiscal Years following the later of the date of the delivery of the Bonds of such Series, or the period (if any) for which interest is funded from the proceeds of such Bonds.

(iv) The Series 2010 Bonds are being used for the purpose of improving the System, i.e., the 2010 Projects.

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

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

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

Section 3. Authorization of Series 2010 Bonds.

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

Unless otherwise determined by the Mayor and City Administrator pursuant to Section 11 hereof, the Series 2010 Bonds shall mature on September 1 in each of the years (the "Principal Payment Dates") and in the principal amounts, and bear interest at the rates per annum (calculated on the basis of a 360-day year comprised of twelve 30-day months), as determined by the Mayor and City Administrator, pursuant to Section 11 hereof.

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

At its option, to be exercised on or before the sixtieth (60th) day prior to any mandatory redemption date, the City may (i) deliver to the Registrar for cancellation Series 2010 Bonds which are subject to mandatory redemption in any aggregate principal amount desired or (ii) receive a credit in respect of its mandatory redemption obligation for any such Series 2010 Bonds which, prior to such date, have been purchased or redeemed (otherwise than through the

operation of the mandatory redemption requirement) by the City and cancelled by the Registrar and not theretofore applied as a credit against any mandatory redemption obligation. Each Series 2010 Bond so delivered or previously purchased or redeemed shall be credited by the Registrar, at one hundred percent (100%) of the principal amount thereof, to the obligation of the City on those respective mandatory redemption obligations in chronological order, and the principal amount of the Series 2010 Bonds to be redeemed by operation of the mandatory redemption requirement shall be accordingly reduced.

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

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

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

(f) The Series 2010 Bonds and the assignment provisions pertaining thereto shall be in substantially the form set forth in Exhibit A hereto, with such necessary or appropriate variations, omissions and insertions as are incidental to the series, numbers, denominations, maturities, dates, interest rate or rates, redemption provisions, the purpose of issuance and other details thereof or as are otherwise permitted or required by law or by the Ordinance, including this Tenth Supplemental Ordinance.

(g) In the event the Series 2010 Bonds are privately placed with a bank or other financial institution, unless otherwise agreed to by the Mayor and City Administrator, the Series 2010 Bonds may be sold or transferred by the initial purchaser only to purchasers ("Qualified Investors") who execute an investment letter delivered to the City and the Commission, in form satisfactory to the City and the Commission (the "Investment Letter"), containing certain representations, warranties and covenants as to the suitability of such purchasers to purchase and hold the Series 2010 Bonds. Such restriction shall be set forth on the face of the Series 2010 Bonds and shall be complied with by each transferee of the Series 2010 Bonds.

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

STATEMENT OF INSURANCE

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

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

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

CITY OF GREER, SOUTH CAROLINA

By:_____
Municipal Clerk

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

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

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

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

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

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

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

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

Section 5. Optional Redemption of Series 2010 Bonds. Such of the Series 2010 Bonds as may be determined by the Mayor and City Administrator, pursuant to Section 11 hereof shall be subject to redemption prior to maturity, at the option of the City upon the written direction of the City, in whole or in part at any time in such order of their maturities as the City shall determine and by lot within a maturity, at the respective redemption prices with respect to each Series 2010 Bond, expressed as a percentage of principal amount of the Series 2010 Bonds to be redeemed, as shall be determined by the Mayor and City Administrator pursuant to Section 11 hereof, together, in each such case, with the interest accrued on such principal amount to the date fixed for redemption. In the event the Series 2010 Bonds are privately placed with a bank or other financial institution, the Registrar shall give notice of redemption of the Series 2010 Bonds by first-class mail, postage prepaid, to the Underwriter or other Holder thereof as shown on the Books of Registry of the City not less than five (5) Business Days prior to the date fixed for the redemption thereof.

Section 6. Payment of the Series 2010 Bonds. The Series 2010 Bonds, together with the interest thereon, shall be payable, in such coin or currency of the United States of America which at the time of such payment is legal tender for public and private debts, solely from the Net Revenues of the System in accordance with the provisions of the Ordinance and this Tenth Supplemental Ordinance. The Series 2010 Bonds shall be secured by a pledge of Net Revenues on a parity with the pledge of Net Revenues securing the 1999 SRF Note, the Bonds of 2002, the 2004 SRF Note, the 2005 SRF Note, the Bond of 2007, the 2007 SRF Note, the Bond of 2009, and the 2009 SRF

Note (each as defined in this Tenth Supplemental Ordinance) and any other Bonds (as defined in the General Bond Ordinance) issued pursuant to the General Bond Ordinance.

The Series 2010 Bonds do not constitute an indebtedness of the City within any State constitutional provisions (other than Article X, Section 14, Paragraph 10 of the South Carolina Constitution authorizing obligations payable solely from special sources not involving revenues from any tax or license) or statutory limitation. The Series 2010 Bonds shall not be a debt of the City, nor a charge, lien or encumbrance, legal or equitable, upon any property of the City or upon any income, receipts or revenues thereof, other than the aforesaid Net Revenues of the System pledged thereto. No recourse shall be had for the payment of the Series 2010 Bonds or the interest thereon against the general fund of the City, nor shall the credit or taxing power of the City be deemed to be pledged thereto. The full faith, credit and taxing powers of the City are not pledged to the payment of the principal of or interest on the Series 2010 Bonds.

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

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

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

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

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

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

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

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

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

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

sale by private placement with a bank or other financial institution, or the form of a Notice of Sale under which the Series 2010 Bonds will be publicly offered for sale by competitive sale to the Underwriters; (o) approve the form of a Private Placement Offering Memorandum to be distributed to various banks and other financial institutions as the Finance Manager of the Commission determines; (p) approve the form of a Preliminary Official Statement relating to the Series 2010 Bonds and "deem final" such Preliminary Official Statement related to the Series 2010 Bonds for purposes of complying with the requirements set forth in Rule 15c2-12 of the Securities and Exchange Commission, promulgated under the Securities Exchange Act of 1934, as amended; (q) determine the date and time for receipt of bids under the Request for Proposals or Notice of Sale; (r) award the sale of the Series 2010 Bonds to the successful bidder therefor in accordance with the terms of the Request for Proposals or Notice of Sale; (s) determine whether the Series 2010 Bonds will be issued as a traditional tax-exempt bond or as a Build America Bond ("BAB") or a Recovery Zone Economic Development Bond ("RZEDB") pursuant to the authority of the American Recovery and Reinvestment Act of 2009 (the "ARRA") or other legislation similar thereto; and (t) agree to any other terms, provisions and matters necessary or advisable to effect the issuance of the Series 2010 Bonds.

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

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

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

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

(f) The Council hereby authorizes and directs all of the officers and employees of the City to carry out or cause to be carried out all obligations of the City hereunder and to perform such other actions as they shall consider necessary or advisable in connection with the issuance, sale and delivery of the Series 2010 Bonds.

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

(a) comply with the applicable provisions of Section 54AA, Section 103 and Sections 141 through 150 of the Code and any regulations promulgated thereunder so long as the Series 2010 Bonds are Outstanding;

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

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

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

Section 14. Continuing Disclosure.

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

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

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

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

The only remedy for failure by the City to comply with the covenant of this Section 14 shall be an action for specific performance of this covenant; and failure to comply shall not constitute a default or an "Event of Default" under the Ordinance or this Tenth Supplemental Ordinance. The Trustee shall have no responsibility to monitor the City's compliance with this covenant. The City specifically reserves the right to amend or delete this covenant in order to reflect any change in Section 11-1-85, without the consent of the Trustee, the Underwriters or subsequent Holders of any Series 2010 Bond.

Section 15. Amendments to the General Bond Ordinance. The amendments to the General Bond Ordinance hereinafter set forth shall not become effective until the earlier of: (1) all the 1999 SRF Note, the Bonds of 2002, the 2004 SRF Note, the 2005 SRF Note, the Bond of 2007, the 2007 SRF Note, the Bond of 2009 and the 2009 SRF Note shall cease to be Outstanding; or (2) the Holders of 66 2/3% in principal amount of the Bonds then Outstanding assent to and authorize any modification or amendment to the General Bond Ordinance in accordance with Article IX of the General Bond Ordinance. Any Bonds, including the Series 2010 Bonds, issued after the date of enactment of this Tenth Supplemental Ordinance shall contain a reference to the amendments herein made.

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

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

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

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

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

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

Section 16. Bond Insurance Policy and Special Provisions Required Thereby. If the City elects to purchase the Bond Insurance Policy, the provisions of this Section 16 shall apply. All capitalized terms used in this Section 16 but not specifically defined in the General Bond Ordinance or this Tenth Supplemental Ordinance shall have the meanings assigned such terms in the Bond Insurance Policy.

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

A. Notices and Other Information

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

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

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

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

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

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

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

B. Defeasance

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

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

> (a) An opinion of Bond Counsel to the effect that (i) the defeasance will not adversely impact the exclusion from gross income for federal income tax purposes of interest on the Series 2010 Bonds; and (ii) the Series 2010 Bonds are no longer Outstanding.
>
> (b) A refunding trust or escrow agreement (the "Escrow Agreement") shall be executed in connection therewith and there shall be delivered to the Trustee an opinion of counsel regarding the validity and enforceability of the Escrow Agreement.

(c) The Escrow Agreement shall provide that:

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

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

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

C. Trustee

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

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

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

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

D. Amendments and Supplements

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

E. Bond Insurer as Third Party Beneficiary

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

F. Control Rights

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

G. Consent Rights of Bond Insurer

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

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

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

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

(v) *Acceleration Rights.* Upon the occurrence of an Event of Default as defined herein, the Bond Insurer may, by written notice to the City, declare the principal of the Series 2010 Bonds to be immediately due and payable, whereupon that portion of the principal of

the Series 2010 Bonds thereby coming due and the interest thereon accrued to the date of payment shall, without further action, become and be immediately due and payable, anything in this Tenth Supplemental Ordinance or the Series 2010 Bonds to the contrary notwithstanding.

H. No Purchase by the City

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

I. Interest Rate Exchange Agreement

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

J. Reporting Requirements

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

(a) the Annual Budget of the City prior to the beginning of each Fiscal Year;

(b) annual audited financial statements of the System prepared by an independent certified public accountant, within 210 days after the end of the Fiscal Year;

(c) prior to issuing additional Bonds on parity with the Series 2010 Bonds, any disclosure document or financing agreement pertaining to such additional debt, which disclosure document or financing agreement shall include, without limitation, the applicable maturity schedule, interest rate or rates, redemption and security provisions pertaining to any such additional debt; and

(d) notice of any material adverse change in the financial condition of the System, including notice of any litigation or investigation that may have a material adverse affect on the financial position of the System, within thirty (30) days following notice of such litigation or investigation.

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

A. Reimbursement Obligations.

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

(ii) In addition to any and all rights of reimbursement, subrogation and any other rights pursuant hereto or under law or in equity, the City agrees to pay or reimburse the Bond Insurer, to the extent permitted by law, but solely from Net Revenues, any and all charges, fees, costs, claims, losses, liabilities (including penalties), judgments, demands, damages, and

expenses which the Bond Insurer or its officers, directors, shareholders, employees, agents and each Person, if any, who controls the Bond Insurer within the meaning of either Section 15 of the Securities Act of 1933, as amended, or Section 20 of the Securities Exchange Act of 1934, as amended, may reasonably pay or incur, including, but not limited to, fees and expenses of attorneys, accountants, consultants and auditors and reasonable costs of investigations, of any nature in connection with, in respect of or relating to the transactions contemplated by the Ordinance by reason of:

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

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

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

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

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

B. Payment Procedure Under the Bond Insurance Policy

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

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

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

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

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

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

a. If and to the extent there is a deficiency in amounts required to pay interest on the Series 2010 Bonds, the Trustee shall (a) receive as designee of the

respective Bondholders (and not as Trustee) in accordance with the tenor of the Bond Insurance Policy payment from the Bond Insurer with respect to the claims for interest so assigned, and (b) disburse the same to such respective Bondholders; and

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

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

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

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

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

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

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

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

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

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

Section 18. Further Actions. The Mayor, City Administrator, Municipal Clerk and City Attorney are hereby authorized and directed to take any and all such further actions as shall be deemed necessary or desirable in order to effectuate issuance of the Series 2010 Bonds and to carry out the intentions of this Tenth Supplemental Ordinance.

Section 19. Headings. The headings and titles of the several sections hereof shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of this Tenth Supplemental Ordinance.

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

If to the City:

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

If to the Commission:

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

If to the Bond Insurer:

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

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

If to the Paying Agent:

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

If to the Registrar:

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

If to the Trustee:

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

The City, the Commission, the Paying Agent, the Registrar and the Trustee may, by notice given to the other parties, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

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

Section 22. Effective Date. This Tenth Supplemental Ordinance shall become effective upon its enactment.

[Execution follows on next page]

Enacted by the City Council of the City of Greer, South Carolina, this 28th day of September, 2010.

CITY COUNCIL OF THE CITY OF GREER,
SOUTH CAROLINA

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

(SEAL)

ATTEST:

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

Introduced By: Councilman Lee Dumas

Date of First Reading: September 14, 2010

Date of Second Reading: September 28, 2010

[Signature Page]

EXHIBIT A

FORM OF SERIES 2010 BOND

[PRIVATE PLACEMENT]

TRANSFER RESTRICTED

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

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

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

[Insert principal repayment schedule]

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

THIS BOND HAS BEEN ISSUED UNDER THE PROVISIONS OF TITLE 6, CHAPTER 17, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED, AND DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION (OTHER THAN ARTICLE X, SECTION 14, PARAGRAPH 10 OF THE SOUTH CAROLINA CONSTITUTION AUTHORIZING OBLIGATIONS PAYABLE SOLELY FROM SPECIAL SOURCES NOT INVOLVING REVENUES FROM ANY TAX OR LICENSE) OR STATUTORY LIMITATION. THIS BOND SHALL NOT BE A DEBT OF THE CITY, NOR A CHARGE, LIEN OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON ANY PROPERTY OF THE CITY OR UPON ANY INCOME, RECEIPTS OR REVENUES THEREOF, OTHER THAN THE AFORESAID NET REVENUES OF THE SYSTEM PLEDGED THERETO. NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THIS BOND OR THE INTEREST THEREON AGAINST THE GENERAL FUND OF THE CITY, NOR SHALL THE CREDIT OR TAXING POWER OF THE CITY BE

DEEMED TO BE PLEDGED THERETO. THE FULL FAITH, CREDIT AND TAXING POWERS OF THE CITY ARE NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS BOND.

Both the principal of and interest on this Bond are payable at the principal office of Branch Banking and Trust Company, in Wilson, North Carolina, without presentation and surrender of this Bond, in any coin or currency of the United States of America which is, at the time of payment, legal tender for public and private debts.

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

This Bond is issued by the City for the purpose of making certain improvements, enlargements and extensions to the combined utility system (the "System") which is operated, controlled and managed by the Commission of Public Works of the City, and paying costs of issuance of this Bond. This Bond is issued under, pursuant to and in full compliance with the Constitution and statutes of the State of South Carolina, including particularly Article X, Section 14(10) of the South Carolina Constitution and Title 6, Chapter 17, of the Code of Laws of South Carolina 1976, as amended (collectively, the "Act"). This Bond is issued under and pursuant to a General Bond Ordinance (the "General Bond Ordinance") of the City Council of the City duly enacted on July 22, 1997, and as amended and supplemented by Tenth Supplemental Ordinance No. ____ of the Council enacted on _____ ___, 2010, (the "Tenth Supplemental Ordinance," and together with the General Bond Ordinance, the "Bond Ordinance"), under the Act which Bond Ordinance has been duly codified and indexed as prescribed by law.

This Bond and the interest thereon is a special obligation of the City and are secured by and payable solely from, and secured equally and ratably by a pledge of and lien upon, the Net Revenues (as defined in the General Bond Ordinance) derived from the System on a parity with any pledge of and lien upon Net Revenues securing the 1999 SRF Note, Bonds of 2002, the 2004 SRF Note, the 2005 SRF Note, the Bond of 2007 and the 2007 SRF Note, the Bond of 2009 and the 2009 SRF Note (collectively, the "Prior Bonds" and as such terms are defined in the Tenth Supplemental Ordinance) and any Series of Bonds hereafter issued under the General Bond Ordinance payable from such Net Revenues on a parity and equally and ratably secured therewith.

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

The Bond Ordinance contains provisions defining terms, including the properties comprising the System; sets forth the revenues pledged for the payment of the principal of and

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

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

Under the laws of the State of South Carolina, this Bond and the interest hereon are exempt from all State, county, municipal, school district and all other taxes or assessments, except estate or other transfer taxes, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise. This Bond has been designated a "qualified tax-exempt obligation" pursuant to Section 265(b)(3)(B)(ii) of the Internal Revenue Code of 1986, as amended.

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and statutes of the State of South Carolina to exist, to happen and to be performed precedent to and in the issuance of this Bond, do exist, have happened and have been performed in due time, form and manner as required by law; that the series of which this Bond is a part does not exceed any constitutional or statutory limitation of indebtedness; and that provision has been made for the payment of the principal of and interest on this Bond and the series of which it is a part, as provided in the Bond Ordinance.

IN WITNESS WHEREOF, the City of Greer, South Carolina, has caused this bond to be executed in its name by the manual signature of the Mayor of the City and attested by the manual signature of the Municipal Clerk of the City under the seal of the City impressed, imprinted or reproduced hereon.

CITY OF GREER, SOUTH CAROLINA

By:_____
Richard W. Danner, Mayor

(SEAL)

ATTEST:

_____
Tammela V. Duncan, Municipal Clerk

(FORM OF REGISTRAR'S CERTIFICATE OF AUTHENTICATION)

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

Branch Banking and Trust Company,
Registrar

Dated:_____

By:_____
Authorized Officer

CERTIFICATE

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

CITY OF GREER, SOUTH CAROLINA

By:_____
Tammela V. Duncan, Municipal Clerk

FORM OF SERIES 2010 BONDS

[PUBLIC OFFERING AND SALE]

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

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

REGISTERED

No. R-_____

Original Issue Date	Maturity Date	Interest Rate	CUSIP
_____ 1, 2010	*(As set forth in Schedule A)*		

REGISTERED HOLDER: CEDE & CO.

PRINCIPAL AMOUNT: $_____

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

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

THIS BOND HAS BEEN ISSUED UNDER THE PROVISIONS OF TITLE 6, CHAPTER 17, CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED, AND DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION (OTHER THAN ARTICLE X, SECTION 14, PARAGRAPH 10 OF THE SOUTH CAROLINA CONSTITUTION AUTHORIZING OBLIGATIONS PAYABLE SOLELY FROM SPECIAL SOURCES NOT INVOLVING REVENUES FROM ANY TAX OR LICENSE) OR STATUTORY LIMITATION. THIS BOND AND THE BONDS OF THE SERIES OF WHICH IT IS ONE SHALL NOT CONSTITUTE A DEBT OF THE CITY, NOR A CHARGE, LIEN OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON ANY PROPERTY OF THE CITY OR ON ANY INCOME, RECEIPTS OR REVENUES THEREOF, OTHER THAN THE AFORESAID NET REVENUES OF THE SYSTEM (AS DEFINED HEREIN) PLEDGED THERETO. NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THIS BOND OR THE INTEREST THEREON AGAINST THE GENERAL FUND OF THE CITY AND NEITHER THE CREDIT NOR THE TAXING POWER OF THE CITY SHALL BE DEEMED TO BE PLEDGED THERETO. THE FULL FAITH, CREDIT AND TAXING POWERS OF THE CITY ARE NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS BOND.

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

This Bond is one of an authorized series of Bonds (as defined in the Bond Ordinance) of the aggregate principal amount of _____ ($_____) of like date of original issue, tenor and effect, except as to number, date of maturity, principal amount, date of authentication, registered holder, redemption provisions and rate of interest, issued by the City for the purpose of making certain improvements, enlargements and extensions to the City's Combined Utility System (the "System"). This Bond and the series of Bonds of which it is one are authorized to be issued and are issued under, pursuant to and in full compliance with the Constitution and statutes of the State of South Carolina, including particularly Article X, Section 14(10) of the South Carolina Constitution and Title 6, Chapter 17, and Title 11, Chapter 21 of the Code of Laws of South Carolina, 1976, as amended (collectively the "Act"). This Bond and the series of Bonds of which it is one are also authorized to be issued and are issued under and pursuant to General Bond Ordinance No. 27-97 of the City Council of the City (the "Council") enacted on July 22, 1997 (the "General Bond Ordinance"), as amended by Eighth Supplemental Ordinance No. ____ of the Council enacted on _____ and Ninth Supplemental Ordinance No. ___ of the Council enacted on

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

The Bond Ordinance contains provisions defining terms, including the properties comprising the System; sets forth the revenues pledged for the payment of the principal of and interest on this Bond and the Bonds of other series which may hereafter be issued on a parity herewith under the Bond Ordinance; sets forth the nature, extent and manner of enforcement of the security of this Bond and of such pledge, and the rights and remedies of the holder hereof with respect thereto; sets forth the terms and conditions upon which and the extent to which the Bond Ordinance may be altered, modified and amended; sets forth the terms and conditions upon which this Bond is issued upon which other bonds may be hereinafter issued payable as to principal, premium, if any, and interest on a parity with this Bond and equally and ratably secured herewith; sets forth the rights, duties and obligations of the City thereunder; and sets forth the terms and conditions upon which the pledge made in the Bond Ordinance for the security of this Bond and upon which the covenants, agreements and other obligations of the City made therein may be discharged at or prior to the maturity or redemption of this Bond with provisions for the payment thereof in the manner set forth in the Bond Ordinance. Reference is hereby made to the Bond Ordinance to all of the provisions of which any holder of this Bond by the acceptance hereof thereby assents. The provisions of the Act and the Bond Ordinance shall be a contract with the holder of this Bond.

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

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

Period During Which Redeemed (both dates inclusive)	Redemption Prices

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

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

Year	Principal Amount

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

Year	Principal Amount

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

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

To the extent and in the manner permitted by the terms of the Bond Ordinance, the provisions of this Bond or of the Bond Ordinance, or any ordinance amendatory thereof or supplemental thereto, may be amended or modified by the City with the written consent of the holders of at least sixty-six and two-thirds percent (66-2/3%) in principal amount of the Bonds of the series of which this Bond is one then outstanding under the Bond Ordinance (including the Bonds of the series of which this Bond is one); provided, that no such amendment or modification shall permit a change in the date of maturity of any installment of principal hereof or date of optional or mandatory redemption of any Bond or the date of payment of interest thereon or a reduction in the principal amount or redemption price thereof or rate of interest thereon without the consent of the holder of each such Bond affected thereby, or shall reduce the percentage of the principal amount of Bonds, the consent of the holders of which is required by the Bond Ordinance to effect such an amendment or modification.

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

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and statutes of the State of South Carolina to exist, to happen and to be performed precedent to and in the issuance of this Bond, do exist, have happened and have been performed in due time, form and manner as required by law; that the series of which this Bond is a part does not exceed any constitutional or statutory limitation of indebtedness; and that provision has been made for the payment of the principal of and interest on this Bond and the series of which it is a part, as provided in the Bond Ordinance.

IN WITNESS WHEREOF, the City of Greer, South Carolina, has caused this Bond to be executed in its name by the manual/facsimile signature of the Mayor of the City and attested by the manual/facsimile signature of the Clerk of the City under the seal of the City impressed, imprinted or reproduced hereon.

CITY OF GREER, SOUTH CAROLINA

By: _____
Mayor

(SEAL)

ATTEST:

_____
Municipal Clerk

(FORM OF REGISTRAR'S CERTIFICATE OF AUTHENTICATION)

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

_____,
Registrar

Dated:_____ By:_____
Authorized Officer

[(STATEMENT OF INSURANCE)]

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

(FORM OF ASSIGNMENT)

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

_____
(Name and Address of Transferee)

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

Dated: _____

Signature Guaranteed

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

(Authorized Officer)

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

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

TEN COM - as tenants in common	UNIF GIFT MIN ACT -
TEN ENT - as tenants by the entireties	_____ Custodian _____ (Cust) (Minor) under Uniform Gifts to
JT TEN - as joint tenants with right of survivorship and not as tenants in common	Minors Act _____ (State)

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

CERTIFICATE

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

CITY OF GREER, SOUTH CAROLINA

By:_____
Municipal Clerk

SCHEDULE A

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

Maturity (_____ 1)	Principal Amount	Interest Rate	CUSIP Number

EXHIBIT B

REQUISITION FORM

NO._____

TO:

THIS IS TO CERTIFY:

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

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

1. The amount to be paid: $_____.

2. The nature and purpose of the obligation for which payment is requested is set forth on the attached schedule, and a bill or statement of account for such obligation is also attached hereto.

3. The person, firm or corporation to whom such obligation is owed or to whom a reimbursable advance has been made is also set forth on the attached schedule.

4. This obligation has been properly incurred and is a proper charge against the Construction Fund of 2010 and has not been the basis of any previous withdrawal.

5. Neither the City nor the Commission has received notice of any mechanic's, materialmen's or other liens or right to liens or other obligations (other than those being contested in good faith) which should be satisfied or discharged before payment of such obligation is made.

6. This payment does not include any amount which is then entitled to be retained under any holdbacks or retainages provided for in any agreement.

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

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

By: _____
General Manager

_____, 20___

CITY OF GREER, SOUTH CAROLINA

THIRTEENTH SUPPLEMENTAL ORDINANCE NUMBER 19-2024

A THIRTEENTH SUPPLEMENTAL ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF CITY OF GREER, SOUTH CAROLINA, COMBINED UTILITY SYSTEM REVENUE BONDS, IN ONE OR MORE SERIES, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING $21,700,000; AUTHORIZING THE MAYOR OR CITY ADMINISTRATOR AND THE CHAIRMAN OR GENERAL MANAGER OF THE GREER COMMISSION OF PUBLIC WORKS TO DETERMINE CERTAIN MATTERS WITH RESPECT TO THE BONDS; PRESCRIBING THE FORM AND DETAILS OF THE BONDS; AND OTHER MATTERS RELATING THERETO.

Enacted: April 9, 2024

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

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

"2004 SRF Note" shall mean the $9,258,873 original principal amount Promissory Note of the City, Series 2004, dated June 24, 2004, and outstanding as of the date hereof in the principal amount of $4,092,536.36 and payable to the State Authority for South Carolina Drinking Water Revolving Fund Loan No. 3-018-04-2310005-02.

"2005 SRF Note" shall mean the $7,412,143 original principal amount Promissory Note of the City, Series 2005, dated June 30, 2005, and outstanding as of the date hereof in the principal amount of $3,346,875.14 and payable to the State Authority for South Carolina Drinking Water Revolving Fund Loan No. 3-022-05-2310005-03.

"2007 SRF Note" shall mean the $13,484,454 original principal amount Promissory Note of the City, Series 2007, dated November 16, 2007, and outstanding as of the date hereof in the principal amount of $4,008,561.59 and payable to the State Authority for South Carolina Water Pollution Control Revolving Fund Loan No. X1-110-07-463-11.

"2009 SRF Note" shall mean the $5,310,000 original principal amount Promissory Note of the City, Series 2009, dated September 25, 2009, and outstanding as of the date hereof in the principal amount of $3,089,103.61 and payable to the State Authority for South Carolina South Carolina Drinking Water Revolving Fund Loan No. S3-043-09-2310005-04.

"2024 Projects" shall mean certain improvements, extensions and enlargements to the System, to wit: (a) Lyman Gas Transmission System and Gate Station; (b) SC Highway 414 Gas Transmission Lateral; and (c) South Highway 101 Gas Transmission Upgrades; and (d) any other improvements relating to the foregoing and such other improvements as the Commission may deem necessary or incidental to the System.

"Beneficial Owner" shall mean any purchaser who acquires beneficial ownership interest in any Initial Bond held by the Depository. In determining any Beneficial Owner, the City, the Registrar and the Paying Agent may rely exclusively upon written representations made and information given to the City, the Registrar and the Paying Agent, as the case may be, by the Depository or its Participants with respect to any Series 2024 Bond held by the Depository or its Participants in which a beneficial ownership interest is claimed.

"Bond of 2007" shall mean the $5,700,000 original principal amount Combined Utility System Revenue Bond, Series 2007, dated May 24, 2007, and outstanding as of the date hereof in the principal amount of $1,524,415.

"Bond of 2015" shall mean the $4,590,000 original principal amount Combined Utility System Refunding Revenue Bond, Series 2015, dated September 1, 2015, and outstanding as of the date hereof in the principal amount of $990,000.

"Bond of 2017" shall mean the $14,740,000 original principal amount Combined Utility System Refunding Revenue Bond, Series 2017, dated June 8, 2017, and outstanding as of the date hereof in the principal amount of $3,850,000.

"Bond Purchase Agreement" shall mean, collectively, one or more bond purchase agreements to be dated the date of execution and delivery thereof among the City, the Commission and one or more Underwriters, related to the applicable Series of Series 2024 Bonds.

"Bonds of 2002" shall mean the $25,060,000 original principal amount Combined Utility System Revenue Bonds, Series 2002, dated May 15, 2002, and outstanding as of the date hereof in the principal amount of $21,330,000.

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

"Chairman" shall mean the Chairman of the Commission.

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

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

"Commission Representative" shall mean those persons designated by certificate of the Chairman or General Manager as persons authorized to act as representatives of the Commission with respect to the Resolution, the General Bond Ordinance, this Thirteenth Supplemental Ordinance and the Series 2024 Bonds, for the purpose of performing any act of the Commission hereunder.

"Continuing Disclosure Agreement" shall have the meaning given that term in Section 15 hereof.

"Credit Facility" shall mean one or more instruments provided by a Credit Facility Issuer, which may include a bond insurance policy, letter of credit, contract, agreement or similar credit facility with respect to any Series of Series 2024 Bonds.

"Credit Facility Agreement" shall mean the agreement or agreements, if any, among the City, the Credit Facility Issuer, and any other necessary party (including the Commission) relating to a Credit Facility.

"Credit Facility Issuer" shall mean, if a Credit Facility is in effect, the institution issuing the Credit Facility.

"Depository" shall mean, if applicable, any securities depository that is a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended, operating and maintaining, with its Participants or otherwise, a Book-Entry System to record ownership of beneficial interests in the Series 2024 Bonds, and to effect transfers of the Series 2024 Bonds, in Book-Entry Form,

and includes and means initially The Depository Trust Company (a limited purpose trust company), New York, New York.

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

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

"Finance Manager" shall mean the Finance Manager of the Commission, or equivalent position.

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

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

"General Manager" shall mean the General Manager of the Commission.

"Initial Bonds" shall mean, if applicable, the Series 2024 Bonds initially issued in Book-Entry Form as provided in Section 5 hereof.

"Insurer Default" shall mean there shall occur or exist a default in the payment by the Credit Facility Issuer or Reserve Fund Instrument Provider of principal of or any interest on the applicable Series 2024 Bonds when required to be made by the Credit Facility or Reserve Fund Instrument relating thereto, as the case may be.

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

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

"Parity Bonds" shall mean, collectively, the Bonds of 2002, the 2004 SRF Note, the 2005 SRF Note, the 2007 SRF Note, the Bond of 2007 Bond, the 2009 SRF Note, the Bond of 2015, the Bond of 2017 and any Series of Series 2024 Bonds then Outstanding.

"Participant" shall mean, if applicable, any bank, brokerage house or other financial institution for which, from time to time, the Depository effects book-entry transfers and pledges of securities deposited with the Depository.

"Paying Agent" shall mean Truist Bank, in Wilson, North Carolina, as Paying Agent for the Series 2024 Bonds.

"Permitted Investments" shall mean, with respect to a Series Debt Service Reserve Fund established in connection with any Series 2024 Bonds for which a Credit Facility is in effect, and only

for the time during which such Credit Facility is in effect and no Insurer Default has occurred and is continuing, only such Permitted Investments, as defined in the General Bond Ordinance, as also qualify pursuant to the terms and conditions set forth in the applicable Credit Facility Agreement relating thereto.

"Placement Agent" shall mean the bank, financial institution or other entity designated pursuant to Section 4 hereof to serve as placement agent for one or more Series of Series 2024 Bonds, if applicable.

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

"Purchasers" shall mean, if applicable, the original purchaser or purchasers of a Series of Series 2024 Bonds and their successors or assignees.

"Registrar" shall mean Truist Bank, in Wilson, North Carolina, as Registrar for the Series 2024 Bonds.

"Reserve Fund Instrument" shall mean any surety bond, insurance policy, letter of credit or other instrument provided to meet, in whole or in part, a Series Reserve Fund Requirement for a Series Debt Service Reserve Fund, if any.

"Reserve Fund Instrument Agreement" shall mean the agreement or agreements, if any, among the City, the Reserve Fund Instrument Provider, and any other necessary party (including the Commission), relating to a Reserve Fund Instrument, if any.

"Reserve Fund Instrument Provider" shall mean, with respect to any Series of Series 2024 Bonds, if a Reserve Fund Instrument is in effect, the institution providing the Reserve Fund Instrument.

"Series 2024 Bonds" shall mean the City of Greer, South Carolina, Combined Utility System Revenue Bonds, with appropriate series designations and descriptions as applicable (regardless of whether such Bonds are issued in calendar year 2024), in the aggregate principal amount of not exceeding $21,700,000 authorized to be issued hereunder. The Series 2024 Bonds may be issued in one or more Series.

"Series Capitalized Interest Account" shall mean one or more accounts, if any, within a respective Series Debt Service Fund, established pursuant to Section 8 hereof, to provide for the payment of all or a portion of the interest due and payable on the applicable Series of Series 2024 Bonds.

"Series Construction Fund" shall mean one or more funds with an appropriate Series designation, established pursuant to Section 10 hereof, to defray the Cost of Acquisition and Construction of all or a portion of the 2024 Projects. Funds in a Series Construction Fund may also be used to pay the Cost of Issuance of the applicable Series 2024 Bonds relating thereto.

"Series Costs of Issuance Account" shall mean, if established pursuant to Section 11 hereof, one or more accounts, further identified or designated to relate to a specific Series of the Series 2024 Bonds issued hereunder, to defray the cost of all or a portion of the Cost of Issuance of such Series of Series 2024 Bonds.

"Series Debt Service Fund" shall mean the Fund or Funds (with an appropriate Series designation) established pursuant to Section 8 hereof, and to be used for the purposes set forth in Section 6.4 of the General Bond Ordinance. Pursuant to Section 8, each Series Debt Service Fund shall be further identified or designated to relate to the specific Series of Series 2024 Bonds issued hereunder.

"Series Debt Service Reserve Fund" shall mean one or more Funds, if any, established pursuant to Section 9 hereof, and to be used for the purposes set forth in Section 6.5 of the General Bond Ordinance. Pursuant to Section 9, each Series Debt Service Reserve Fund shall be further identified or designated to relate to the specific Series of the Series 2024 Bonds issued hereunder.

"Series Reserve Fund Requirement" shall mean the amount, if any, established pursuant to Section 4 or Section 9 hereof, with respect to a specific Series of Series 2024 Bonds issued hereunder.

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

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

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

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

"Twelfth Supplemental Ordinance" shall mean Twelfth Supplemental Ordinance No. 11-2017 enacted on March 28, 2017, by the Council of the City authorizing the issuance of the Bond of 2017.

"Underwriter" shall mean, if applicable, the original underwriter or underwriters of the applicable Series of Series 2024 Bonds.

Section 2. Certain Findings and Determinations.

The City hereby finds and determines:

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

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

(c) Pursuant to a Resolution adopted on October 23, 2023 (the "Resolution"), the Commission requested the City Council to enact this Thirteenth Supplemental Ordinance and issue the Series 2024 Bonds.

(d) The Series 2024 Bonds must be issued pursuant to the terms and conditions of the General Bond Ordinance in order for the Series 2024 Bonds to be issued on a parity in all respects to the pledge of Net Revenues securing the Parity Bonds.

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

(i) authorize the execution and delivery, on behalf of the City, of the Series 2024 Bonds in order to defray the Cost of Acquisition and Construction of one or more of the 2024 Projects; and

(ii) authorize the execution and delivery, on behalf of the City, of such other agreements and certificates and the taking of such other action by the City and its officers as shall be necessary or desirable in connection with the Series 2024 Bonds and the 2024 Projects in order to carry out the intent of this Thirteenth Supplemental Ordinance.

(f) This Thirteenth Supplemental Ordinance supplements the General Bond Ordinance, constitutes and is a "Supplemental Ordinance" within the meaning of such quoted term as defined and used in the General Bond Ordinance, and is enacted under and pursuant to the General Bond Ordinance.

(g) The Series 2024 Bonds will constitute and will be "Bonds" within the meaning of the quoted word as defined and used in the General Bond Ordinance.

(h) The Net Revenues pledged under the General Bond Ordinance are not encumbered by any lien and charge thereon or pledge thereof, other than the lien and charge thereon and pledge created by the General Bond Ordinance and the following Supplemental Ordinances: (i) the Third Supplemental Ordinance for payment and security of the Bonds of 2002; (ii) the Fourth Supplemental Ordinance for payment and security of the 2004 SRF Note; (iii) the Fifth Supplemental Ordinance for payment and security of the 2005 SRF Note; (iv) the Sixth Supplement Ordinance for payment and security of the Bond of 2007; (v) the Seventh Supplemental Ordinance for the payment and security of the 2007 SRF Note; (vi) the Ninth Supplemental Ordinance for the payment and security of the 2009 SRF Note; (vii) the Eleventh Supplemental Ordinance for the payment and security of the Bond of 2015; (viii) the Twelfth Supplemental Ordinance for the payment and security of the Bond of 2017; and (ix) upon the issuance of the Series 2024 Bonds, the lien and charge thereon and pledge thereof created by the General Bond Ordinance and this Thirteenth Supplemental Ordinance for payment and security of the Series 2024 Bonds.

(i) There does not exist an Event of Default, nor does there exist any condition which, after the passage of time or the giving of notice, or both, would constitute such Event of Default.

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

(k) The Commission has advised the City that the estimated Cost of Acquisition and Construction of the 2024 Projects (exclusive of (i) funding the applicable Series Debt Service Reserve Fund (if any) in an amount equal to the Series Reserve Fund Requirement through the deposit of cash, the purchase of a Reserve Fund Instrument, or any combination thereof; (ii) paying a portion of the interest coming due on one or more Series of Series 2024 Bonds; and (iii) paying the Cost of Issuance of the applicable Series 2024 Bonds including, if applicable, premiums due to the provider of any Credit Facility or Reserve Fund Instrument capitalized interest, Costs of Issuance) is not less than $15,000,000.

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

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

(i) The issuance of the Series 2024 Bonds is authorized under and pursuant to an ordinance supplemental to the General Bond Ordinance as provided in Article III and Article IX of the General Bond Ordinance.

(ii) Prior to the issuance of the Series 2024 Bonds there shall be executed the certificate required by paragraph A of Section 3.3 of the General Bond Ordinance.

(iii) Prior to the issuance of the Series 2024 Bonds, there shall be delivered a report, based upon the latest available audit of the System as required by Section 7.4 of the General Bond Ordinance, in compliance with paragraph C of Section 3.3 of the General Bond Ordinance.

(iv) The Series 2024 Bonds are being issued for the purpose of improving the System, i.e., the 2024 Projects.

(n) Pursuant to the authority granted in Section 4 hereof, the Mayor or City Administrator and the Chairman or General Manager may determine whether to establish one or more Series Debt Service Reserve Funds (with appropriate Series designations) for the respective Series of Series 2024 Bonds. If a Series Debt Service Reserve Fund is established hereunder, it shall secure only the Series of Series 2024 Bonds relating thereto, and the Series Reserve Fund Requirement (if any) will either be satisfied through the deposit of cash, the purchase of a Reserve Fund Instrument, or any combination of the foregoing, for the benefit of the Holders of applicable Series of the Series 2024 Bonds.

(o) The Series 2024 Bonds are being issued for one or more of the following purposes: (i) defraying the Cost of Acquisition and Construction of one or more of the 2024 Projects; (ii) funding the applicable Series Debt Service Reserve Fund (if any) in an amount equal to the Series Reserve Fund Requirement through the deposit of cash, the purchase of a Reserve Fund Instrument, or any combination thereof; (iii) paying a portion of the interest coming due on one or more Series of Series 2024 Bonds; and (iv) paying the Cost of Issuance of the applicable Series 2024 Bonds including, if applicable, premiums due to the provider of any Credit Facility or Reserve Fund Instrument.

(p) It is necessary and in the best interest of the City for the Commission to undertake one or more of the 2024 Projects and for the City to issue the Series 2024 Bonds, in one or more Series, in the aggregate principal amount of not exceeding $21,700,000 in accordance with the General Bond Ordinance, the Act and this Thirteenth Supplemental Ordinance for the purposes set forth above, which Series 2024 Bonds shall be issued on a parity with the Parity Bonds and any other Bonds which may hereafter be issued.

Section 3. Authorization of Series 2024 Bonds.

(a) There is hereby authorized to be issued one or more Series of Series 2024 Bonds designated "City of Greer, South Carolina, Combined Utility System Revenue Bonds, Series [____]" (the "Series 2024 Bonds"), in the aggregate principal amount of not exceeding $21,700,000. The Series 2024 Bonds may be issued in a year subsequent to calendar year 2024, and may be issued in one or more Series. Accordingly, the Series 2024 Bonds may have such other descriptive terms in its series designation as may be necessary to properly identify the applicable Series of Series 2024 Bonds. The proceeds of the Series 2024 Bonds shall be used for one or more of the purposes set forth in Section 2(o) hereof.

Unless otherwise determined by the Mayor or City Administrator and the Chairman or General Manager pursuant to Section 4 hereof, the Series 2024 Bonds shall mature on September 1 in each of the years (the "Principal Payment Dates") and in the principal amounts, and bear interest at the rates per annum

as determined by the Mayor or City Administrator and the Chairman or General Manager, pursuant to Section 4 hereof.

(b) Such of the Series 2024 Bonds as the Mayor or City Administrator and Chairman or General Manager shall determine pursuant to Section 4 hereof may be subject to mandatory redemption at a redemption price equal to the principal amount of the Series 2024 Bonds to be redeemed, together with interest accrued from the date of redemption, in the years and in the amounts determined by the Mayor or City Administrator and Chairman or General Manager pursuant to Section 4 hereof.

At its option, to be exercised on or before the sixtieth (60th) day prior to any mandatory redemption date, the City may (i) deliver to the Trustee for cancellation Series 2024 Bonds which are subject to mandatory redemption in any aggregate principal amount desired or (ii) receive a credit in respect of its mandatory redemption obligation for any such Series 2024 Bonds which, prior to such date, have been purchased or redeemed (otherwise than through the operation of the mandatory redemption requirement) by the City and cancelled by the Trustee and not theretofore applied as a credit against any mandatory redemption obligation. Each Series 2024 Bond so delivered or previously purchased or redeemed shall be credited by the Trustee, at one hundred percent (100%) of the principal amount thereof, to the obligation of the City on those respective mandatory redemption obligations in chronological order or such other order as may be directed in writing by the City to the Trustee, and the principal amount of the Series 2024 Bonds to be redeemed by operation of the mandatory redemption requirement shall be accordingly reduced.

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

(c) The Series 2024 Bonds shall originally be dated the date of their respective delivery, or such other date as the Mayor or City Administrator and the Chairman or General Manager shall determine pursuant to Section 4 hereof, and shall be issued as fully registered Bonds in the denominations of $5,000 and integral multiples of $5,000, or in such other denominations as the Mayor or City Administrator and the Chairman or General Manager shall determine pursuant to Section 4 hereof. The Series 2024 Bonds shall be numbered and lettered in such a fashion as to maintain a proper record thereof.

(d) Principal of and redemption premium, if any, on the Series 2024 Bonds shall be payable at the designated corporate trust office of the Paying Agent. Interest on the Series 2024 Bonds shall be payable on each Interest Payment Date, in each case to the Holders as of the immediately preceding Record Date, such interest to be paid by the Paying Agent by check or draft mailed to each Holder at the address as it appears on the Books of Registry maintained at the designated corporate trust office of the Registrar or, in the case of a Holder of $1,000,000 or more in principal amount of Series 2024 Bonds, by wire transfer to an account within the continental United States upon the timely receipt of a written request of such Holder. Payment of the principal of and interest on such Series 2024 Bonds may be payable to the Holder thereof without presentation and surrender of such Series 2024 Bonds except upon maturity or final payment.

(e) The Series 2024 Bonds and the assignment provisions pertaining thereto shall be in substantially one of the forms set forth in Exhibit A hereto (depending on whether such Series 2024 Bonds are sold in a public or private offering), with such necessary or appropriate variations, omissions and insertions as are incidental to the series, numbers, denominations, maturities, dates, interest rate or rates, redemption provisions, the purpose of issuance and other details thereof or as are otherwise permitted or required by law, by the General Bond Ordinance or by this Thirteenth Supplemental Ordinance. The Series

2024 Bonds shall be executed in the name and on behalf of the City by the manual or facsimile signatures of the Mayor or the Mayor Pro-Tempore and the Municipal Clerk.

(g) A copy of the approving opinion to be rendered on the Series 2024 Bonds may be attached to each Series 2024 Bond and, if so, preceding the same a certificate shall appear, which shall be signed on behalf of the City by a manual or facsimile signature of the Municipal Clerk of the City. Such certificate shall be in the form substantially as follows:

> IT IS HEREBY CERTIFIED that the following is a true and correct copy of the approving opinion of Burr & Forman LLP, Greenville, South Carolina, the original of which was manually executed, dated and issued as of the date of the delivery of and payment for the bonds, and a copy of which is on file with the City of Greer, South Carolina.
>
> CITY OF GREER, SOUTH CAROLINA
>
> By: Tammela Duncan
> Tammela Duncan, Municipal Clerk

(h) In the event a Credit Facility is purchased with respect to a Series of Series 2024 Bonds, a "statement of insurance" or similar provision may be attached to each applicable Series of Series 2024 Bonds in the form provided in the applicable Credit Facility Agreement.

(i) In the event a Series of Series 2024 Bonds is sold on a private placement basis to a Purchaser, such Series 2024 Bond may be represented by a single, fully-registered Bond, registered in the name of the Purchaser thereof. To the extent agreed to by the applicable Purchaser, such Series 2024 Bond may be sold or transferred by the initial Purchaser only to purchasers ("Qualified Investors") who execute an investment letter delivered to the City and the Commission, in form satisfactory to the City and the Commission (the "Investment Letter"), containing certain representations, warranties and covenants as to the suitability of such purchasers to purchase and hold such Series 2024 Bond to be transferred. Such restriction shall be set forth on the face of such Series 2024 Bond and shall be complied with by each transferee thereof.

Section 4. Sale and Issuance of Series 2024 Bonds; Authority of the Mayor or City Administrator and Chairman or General Manager.

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

(i) determine the original issue date of each Series of the Series 2024 Bonds (if different from than the date of delivery thereof);

(ii) determine whether to issue the Series 2024 Bonds in one or more Series;

(iii) determine the aggregate principal amounts and authorized denominations (if different from that set forth herein) of the applicable Series 2024 Bonds;

(iv) determine the principal repayment schedule for the applicable Series 2024 Bonds and the Principal Payment Dates of the applicable Series 2024 Bonds if different from that set forth herein;

(v) determine the date and time of sale of the applicable Series 2024 Bonds, and the interest rates for each Series of Series 2024 Bonds;

(vi) determine the Interest Payment Dates and initial Interest Payment Date for the applicable Series 2024 Bonds if different from that set forth herein;

(vii) determine the optional and mandatory redemption dates and terms of redemption for the applicable Series 2024 Bonds;

(viii) determine whether a Series Debt Service Reserve Fund will be established and funded with respect to one or more Series 2024 Bonds and, if so, the amount of the Series Reserve Fund Requirement and the manner and timing of which the Series Reserve Fund Requirement will be satisfied (including, but not limited to determine whether to purchase a Reserve Fund Instrument);

(ix) approve any original issue discount or original issue premium at which a Series of Series 2024 Bonds may be sold, or whether any Underwriter's discount or other fee will be paid to the purchaser of such Series of Series 2024 Bonds;

(x) determine whether a Credit Facility will be purchased with respect to the respective Series 2024 Bonds;

(xi) determine whether a portion of the proceeds of a Series of New Bonds shall be used to pay a portion of the interest due and payable on such Series of New Bonds.

(xii) determine the manner in which the New Bonds will be offered for sale (i.e., as a private-placement or as a public-offering), and determine the identity of the Placement Agent or Underwriter (if any) with respect thereto;

(xiii) if a Series of Series 2024 Bonds is not sold to the Underwriter, (a) approve the forms of one or more Requests for Proposals under which such Series 2024 Bonds will be offered for sale and the distribution of such Requests for Proposals to various banks and other financial institutions as the General Manager or Finance Manager determine; (b) determine the date and time for receipt of bids under such Requests for Proposals, and (c) approve the sale of such Series 2024 Bonds to the bidders providing the most advantageous proposals therefor, in accordance with the terms of such Requests for Proposals;

(xiv) determine whether the applicable Series 2024 Bonds will be issued as obligations the interest on which is exempt from federal income taxation; and

(xv) agree to any other covenants, terms, provisions and matters necessary or advisable to effect the issuance of the Series 2024 Bonds, including such terms as may be requested by the respective Underwriters or Purchasers thereof.

(b) The Mayor or City Administrator and the Chairman or General Manager are hereby authorized and empowered to take such actions as may be necessary or desirable to conduct a public offering of a Series of Series 2024 Bonds, and are hereby authorized and empowered to enter into, on behalf of the City, one or more Bond Purchase Agreements relating thereto. In connection with any public offering of a Series of Series 2024 Bonds, the Mayor or City Administrator and the Chairman or General Manager are hereby authorized and directed:

(1) to execute and deliver such executed Bond Purchase Agreement to the Underwriter, such execution and delivery of the Bond Purchase Agreement constituting conclusive evidence of their approval of the matters therein contained;

(2) to approve the form of a Preliminary Official Statement relating to the City, the Commission and the Series 2024 Bonds (the "Preliminary Official Statement"), and to "deem final" the Preliminary Official Statement for purposes of complying with the requirements set forth in Rule 15c2-12 of the Securities and Exchange Commission promulgated under the Securities Exchange Act of 1934, as amended;

(3) to approve the form of a final Official Statement relating to the City, the Commission and the Series 2024 Bonds substantially in the form of the Preliminary Official Statement, with such modifications as the Mayor or City Administrator and the Chairman or General Manager may approve, and to deliver the same to the Underwriter, which delivery shall be conclusive evidence of the approval of any such modifications; and

(4) to authorize the use of the Preliminary Official Statement, the final Official Statement, the General Bond Ordinance, this Thirteenth Supplemental Ordinance, the Resolution, and the information contained herein and therein in connection with the public offering and sale of the Series 2024 Bonds by the Underwriter.

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

(e) The Mayor or City Administrator and the Chairman or General Manager are hereby authorized and empowered to execute and deliver investment agreements, forward delivery agreements, repurchase agreements, guaranteed investment contracts, Credit Facility Agreements, Reserve Fund Instrument Agreements, letters of credit, surety bonds, and any other agreements (including agreements relating to any credit enhancement) in connection with each Series of Series 2024 Bonds, to prepare and solicit bids for providers of such agreements, and to execute, in the name and on behalf of the City, written confirmations of any such agreements and other documents as may be necessary in connection therewith.

(f) The City hereby authorizes and directs all of the officers and employees of the City to carry out or cause to be carried out all obligations of the City and to perform such other actions as they shall consider necessary or advisable in connection with the issuance, sale and delivery of each Series of Series 2024 Bonds.

Section 5. Book-Entry System; Recording and Transfer of Ownership of the Series 2024 Bonds.

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

The Initial Bonds will be issued in fully-registered form, as a single bond representing the entire principal amount of each Series of the Series 2024 Bonds or one bond for each of the maturities of each Series of the Series 2024 Bonds, in the name of Cede & Co., as the nominee of the Depository. When any principal of, premium, if any, or interest on the Initial Bonds becomes due, the City shall transmit or cause the Paying Agent to transmit to the Depository an amount equal to such installment of principal, premium, if

any, and interest. Such payments will be made to Cede & Co. or other nominee of the Depository as long as it is the owner of record on the applicable Record Date. Cede & Co. or other nominee of the Depository shall be considered to be the owner of the Initial Bonds so registered for all purposes of this Thirteenth Supplemental Ordinance, including, without limitation, payments as aforesaid and receipt of notices. The Depository shall remit such payments to the Beneficial Owners of the Series 2024 Bonds or their nominees in accordance with its rules and regulations.

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

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

The City, the Trustee, the Paying Agent and the Registrar may treat the Depository (or its nominee) as the sole and exclusive owner of the Series 2024 Bonds registered in its name for the purpose of payment of the principal of, interest or premium, if any, on the Series 2024 Bonds, giving any notice permitted or required to be given to Bondholders under the General Bond Ordinance and this Thirteenth Supplemental Ordinance, registering the transfer of the Series 2024 Bonds, obtaining any consent or other action to be taken by Bondholders, and for all other purposes whatsoever, and shall not be affected by any notice to the contrary. The City, the Paying Agent and the Registrar shall not have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Series 2024 Bonds under or through the Depository or any Participant, or any other person which is not shown on the Books of Registry of the City maintained by the Registrar as being a Bondholder, with respect to: the accuracy of any records maintained by the Depository or any Participant or the maintenance of any records; the payment by the Depository or any Participant of any amount in respect of the principal of, interest or premium, if any, on the Series 2024 Bonds; or the sending of any transaction statements; the delivery or timeliness of delivery by the Depository or any Participant of any notice which is permitted or required to be given to Bondholders thereunder; the selection of Bondholders to receive payments upon any partial redemption of the Series 2024 Bonds; or any consent given or other actions taken by the Depository as a Bondholder.

If (a) the Depository determines not to continue to act as securities depository for the Series 2024 Bonds and gives reasonable notice to the Registrar or the City, or (b) the City has advised the Depository of the City's determination that the Depository is incapable of discharging its duties, then the City shall attempt to retain another qualified securities depository to replace the Depository. Upon receipt by the City or the Registrar of the Initial Bonds together with an assignment duly executed by the Depository, the City shall execute and deliver to the successor depository, Series 2024 Bonds of the same principal amount, interest rate and maturity. If the City is unable to retain a qualified successor to the Depository, or the City has determined that it is in its best interest not to continue the Book-Entry System of transfer or that interests of the Beneficial Owners of the Series 2024 Bonds might be adversely affected if the Book-Entry System of transfer is continued (the City undertakes no obligation to make any investigation to determine the occurrence of any events that would permit it to make any such determination), and has made provision to so notify Beneficial Owners of the Series 2024 Bonds by mailing an appropriate notice to the Depository, upon receipt by the City of the Initial Bonds together with an assignment duly executed by the Depository, the City shall execute, authenticate and deliver to the Participants the Series 2024 Bonds in fully-registered form, in authorized denominations; 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 Depository or any successor depository shall be subject to the applicable rules and procedures of the Depository or such successor depository on file or otherwise approved by the Securities and Exchange Commission. Prior to any transfer of the Series 2024 Bonds outside the Book-Entry Only system (including, but not limited to, the initial transfer outside the Book-Entry Only system) the transferor shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Section 6045 of the Code. The Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

Notwithstanding the foregoing, in the event a Series of Series 2024 Bonds is sold in a private-placement basis to a Purchaser, such Series 2024 Bonds may be issued in fully-registered form, as a single Bond representing the entire principal amount of the applicable Series 2024 Bonds in the name of the respective Purchaser thereof. The City, the Paying Agent and the Registrar may treat the respective Purchaser or subsequent Holder of such Series 2024 Bonds as the sole and exclusive owner of such Series 2024 Bonds registered in its name for the purpose of payment of the principal of, and interest or premium, if any, on the Series 2024 Bonds, giving any notice permitted or required to be given to the Purchaser or subsequent Holder under the General Bond Ordinance or this Thirteenth Supplemental Ordinance, registering the transfer of the applicable Series 2024 Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever, and shall not be affected or by any notice to the contrary.

Section 6. Optional Redemption of Series 2024 Bonds. Such of the Series 2024 Bonds as may be determined by the Mayor or City Administrator and the Chairman or General Manager pursuant to Section 4 hereof shall be subject to redemption prior to maturity, at the option of the City upon the written direction of the Commission, in whole or in part at any time in such order of their maturities as the Commission shall determine and by lot within a maturity, at the respective redemption prices with respect to each Bond, which may include redemption premiums (if any) thereof or be expressed as a percentage of principal amount of the Series 2024 Bonds to be redeemed, as shall be determined by the Mayor or City Administrator and the Chairman or General Manager pursuant to Section 4 hereof, together, in each such case, with the interest accrued on such principal amount to the date fixed for redemption.

In the event a particular Series 2024 Bond is called for redemption, the Registrar shall give notice of redemption by first-class mail, postage prepaid, to the registered Holder thereof as shown on the Books of Registry of the City in accordance with the provisions of the General Bond Ordinance; provided however, (a) in the event such Series of Series 2024 Bonds is placed on a private placement basis with a Purchaser, notice of redemption to the Holder thereof shall be provided in accordance with the redemption terms agreed upon between the City and the Purchaser; and (b) the notice of redemption may state that the redemption of the Series 2024 Bonds being called for redemption is conditioned upon the Trustee receiving on or before the redemption date sufficient money for the redemption thereof.

Section 7. Payment of the Series 2024 Bonds. The Series 2024 Bonds, together with the interest thereon, shall be payable, in such coin or currency of the United States of America which at the time of such payment is legal tender for public and private debts, solely from the Net Revenues of the System in accordance with the provisions of the General Bond Ordinance and this Thirteenth Supplemental Ordinance. The applicable Series 2024 Bonds shall be secured by a pledge of Net Revenues on a parity with the pledge of Net Revenues securing the Outstanding Parity Bonds and any other Bonds (as defined in the General Bond Ordinance) hereafter issued under the General Bond Ordinance.

The Series 2024 Bonds, and the interest thereon, shall not be a debt of the City, nor a charge, lien or encumbrance, legal or equitable, upon any property of the City or upon any income, receipts or revenues of the City other than the Net Revenues of the System which are hereby pledged to the payment thereof.

No recourse shall be had for the payment of the Series 2024 Bonds, or the interest thereon, or any part thereof, against the general fund of the City, nor shall the credit or taxing powers of the City be deemed to be pledged to the payment of the principal of and interest on the Series 2024 Bonds. The full faith, credit and taxing powers of the State of South Carolina or of the City are not pledged to the payment of the principal of or the interest on the Series 2024 Bonds, and the Series 2024 Bonds shall never constitute an indebtedness of the City within the meaning of any State constitutional provision (other than Article X, Section 14, Paragraph 10, of the South Carolina Constitution authorizing obligations payable solely from special sources not involving revenues from any tax or license) or statutory limitation.

Section 8. Establishment of Series Debt Service Funds. In accordance with Section 6.4 of the General Bond Ordinance, a Series Debt Service Fund is hereby directed to be established by the Trustee on the date of the original delivery of a Series of Series 2024 Bonds for the benefit of the Holders of the such Series of Series 2024 Bonds; provided, however, that upon the issuance of one or more Series of Series 2024 Bonds, separate funds or accounts may be established for the payment of debt service on such Series 2024 Bonds, with such additional numbers or letters to identify its relevance, but each such separate fund or account will be considered the "Series Debt Service Fund" with respect to the related Series of Series 2024 Bonds. In accordance with Section 6.4(a) and (b) of the General Bond Ordinance, there is hereby directed to be established within each respective Series Debt Service Fund an Interest Account and a Principal Account for the payment of interest, principal and sinking fund installment requirements on a Series of Series 2024 Bonds as the same become due and payable. In addition, to the extent it is determined by the Mayor or City Administrator and the Chairman or General Manager pursuant to Section 4 that a portion of the proceeds of a Series of Series 2024 Bonds shall be used to pay a portion of the interest due and payable on such Series of Series 2024 Bonds, there shall be established within the applicable Series Debt Service Fund a Series Capitalized Interest Account into which such proceeds shall be deposited.

Section 9. Establishment of the Series Reserve Fund Requirement and Series Debt Service Reserve Funds. In accordance with Section 6.5 of the General Bond Ordinance, and pursuant to the authority granted to the Mayor or City Administrator and the Chairman or General Manager in Section 4 hereof, there may be established one or more Series Debt Service Reserve Funds for the benefit of the Holders of one or more Series of Series 2024 Bonds (if any), the amount and timing of funding of the Series Reserve Fund Requirement, and, if so, such Series Debt Service Reserve Fund shall be established on the date of the original delivery of such Series of Series 2024 Bonds and held by the Trustee, all as provided in the General Bond Ordinance; provided, however, that upon the issuance of one or more Series of Series 2024 Bonds, separate funds or accounts may be established (if at all) for each Series of Series 2024 Bonds, with such additional numbers or letters to identify its relevance, but each such separate fund or account will be considered the "Series Debt Service Reserve Fund" with respect to the related Series of Series 2024 Bonds. If a Series Debt Service Reserve Fund is established with respect to a Series of Series 2024 Bonds, the method of satisfying the applicable Series Reserve Fund Requirement will be determined by the Mayor or City Administrator and the Chairman or General Manager pursuant to Section 4 hereof. A Series Reserve Fund Requirement shall be deemed permanently satisfied to the extent of the original policy amount of any Reserve Fund Instrument deposited with the Trustee for the benefit of the Holders of the applicable Series of Series 2024 Bonds notwithstanding any downgrade to bond insurer ratings of the Reserve Fund Instrument Provider.

Section 10. Series Construction Funds. There is hereby authorized to be created and established one or more Series Construction Funds with such further words, numbers or letters as may be necessary or desirable to distinguish such fund or funds, which fund or funds shall be held by one or more Custodians selected by the General Manager or Finance Manager. The Series Construction Funds may be accounted for as a single fund or as multiple funds, however the moneys on deposit therein may be held by one or more Custodians designated by the City. The moneys on deposit in the Series Construction Funds shall be used and applied to the payment of the Cost of Acquisition and Construction of one or more 2024 Projects, and to pay Cost of Issuance.

Moneys held for the credit of the Series Construction Funds shall be invested, at the written direction of the General Manager or Finance Manager, to the fullest extent practicable and reasonable, in Permitted Investments, maturing at such times and in such amounts as shall be required to provide moneys to make the payments required to be made from such Series Construction Fund. Withdrawals from a Series Construction Fund shall be made in the manner withdrawals from other funds of the Commission are made.

If, after the payment in full of all Cost of Acquisition and Construction of the applicable 2024 Projects and Cost of Issuance, any moneys remain in the applicable Series Construction Fund, such excess shall, pursuant to written instructions of the Commission, be paid to the Trustee, which shall deposit such moneys into a subaccount to be created only for the benefit of the Holders of the respective Series of Series 2024 Bonds in the applicable Series Debt Service Fund which shall be applied to pay the principal of or the interest on, or both, the applicable Series of Series 2024 Bonds.

Section 11. Series Costs of Issuance Account. There is hereby authorized to be created and established one or more Series Costs of Issuance Accounts which fund shall be held by one or more Custodians; provided, however, that upon the issuance of one or more Series of Series 2024 Bonds, separate funds or accounts may be established for such Series of Series 2024 Bonds, with such additional numbers or letters to identify its relevance, but each such separate fund or account will be considered the "Series Costs of Issuance Account" with respect to the related Series of Series 2024 Bonds. The Series Costs of Issuance Account established for a particular Series of Series 2024 Bonds shall be accounted for as a single fund, however the moneys on deposit therein may be held by one or more Custodians designated by the General Manager or Finance Manager. The moneys on deposit in the Series Costs of Issuance Account shall be used and applied to pay Costs of Issuance incidental to the issuance and sale of the applicable Series 2024 Bonds.

Moneys held for the credit of the Series Costs of Issuance Account may be invested in Permitted Investments, maturing at such times and in such amounts as shall be required to provide moneys to make the payments required to be made from such account. Withdrawals from the Series Costs of Issuance Account shall be made in the manner withdrawals from other funds of the Commission are made.

If any moneys remain in the Series Costs of Issuance Account after the payment in full (or after adequate provision has been made therefor) of all Costs of Issuance, such excess shall be paid into the related Series Construction Fund or the related Series Debt Service Fund, as determined by a Commission Representative.

Section 12. Designation of Registrar, Paying Agent and Custodian. The Council hereby designates Truist Bank as Registrar and as Paying Agent for the Series 2024 Bonds. The Registrar and Paying Agent shall signify its acceptance of its respective duties upon delivery of the respective Series 2024 Bonds. The initial Custodian of the respective Series Construction Fund and the Series Costs of Issuance Account, if any, shall be selected by the General Manager or Finance Manager, and the General Manager or Finance Manager may, at any time, remove the initial Custodian of any Series Construction Fund or Series Costs of Issuance Account, and replace such initial Custodian with one or more alternate Custodians.

Section 13. Disposition of Proceeds of Series 2024 Bonds. The proceeds derived from the sale of the Series 2024 Bonds, net of (1) the net original issue discount or original issue premium, or both, and the Underwriter's discount, if applicable; or (2) any fees payable to the Purchaser thereof, if applicable, shall be used for the following purposes:

(a) A portion of the proceeds thereof shall be deposited in a Series Construction Fund established pursuant to Section 10 hereof to be used for and applied to the payment of Cost of Acquisition and Construction of one or more of the 2024 Projects. A portion of the proceeds deposited in such Series Construction Fund may also be used to pay all or a portion of the Costs of Issuance of the Series 2024 Bonds relating thereto.

(b) If the Mayor or City Administrator and the Chairman or General Manager determine that a Series Debt Service Reserve Fund shall be established for a Series of Series 2024 Bonds and the Series Reserve Fund Requirement shall be funded with a portion of the proceeds of a Series of Series 2024 Bonds, there shall be deposited with the Trustee for deposit into such Series Debt Service Reserve Fund an amount which, together with other available funds, equals the applicable Series Reserve Fund Requirement.

(c) If the Mayor or City Administrator and the Chairman or General Manager determine that a portion of the proceeds of a Series of Series 2024 Bonds shall be used to pay a portion of the interest due and payable on such Series of Series 2024 Bonds, such amount shall be deposited with the Trustee for deposit into the applicable Series Capitalized Interest Account within the applicable Series Debt Service Fund

(d) If the Mayor or City Administrator and the Chairman or General Manager determine that a Credit Facility or Reserve Fund Instrument shall be acquired in connection with a Series of Series 2024 Bonds, a portion of the proceeds may be paid directly to the Credit Facility Issuer or Reserve Fund Instrument Provider, respectively, for the cost of provision such Credit Facility or Reserve Fund Instrument.

(d) A portion of the proceeds of the Series 2024 Bonds may be deposited with a Custodian into a Cost of Issuance Account authorized to be established pursuant to Section 11 hereof to be used and applied to the payment of Cost of Issuance to the extent such Cost of Issuance are not paid from the applicable Series Construction Fund as provided in subsection (a) of this Section 13.

The respective amounts specified in this Section 13 shall be determined by the General Manager or Finance Manager upon delivery of the applicable Series 2024 Bonds.

Section 14. Federal Tax Covenant. To the extent that a Series of Series 2024 Bonds is issued on a federal tax-exempt basis, as determined pursuant to Section 4 hereof, the City (and pursuant to the Resolution, the Commission) hereby covenants and agrees with the Holders of such Series 2024 Bonds that it will not take any action which will, or fail to take any action which failure will, cause interest on such Series 2024 Bonds to become includable in the gross income of the Holders for federal income tax purposes pursuant to the applicable provisions of Section 103 and Sections 141 through 150 of the Code and regulations promulgated thereunder in effect on the date of original issuance so long as any of such Series 2024 Bonds are Outstanding. The City (and pursuant to the Resolution, the Commission) further covenants and agrees that no use of the proceeds of such Series 2024 Bonds shall be made which, if such use had been reasonably expected on the date of issue of such Series 2024 Bonds would have caused such Series 2024 Bonds to be "arbitrage bonds," as defined in the Code; and to that end the City (and pursuant to the Resolution, the Commission) shall:

(a) comply with the applicable provisions of Section 103 and Sections 141 through 150 of the Code and any regulations promulgated thereunder so long as any of such Series 2024 Bonds are Outstanding;

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

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

The Mayor or City Administrator and the Chairman or General Manager are hereby authorized to adopt written procedures to ensure the City's and the Commission's compliance with federal tax matters relating to the Series 2024 Bonds, if applicable.

The Mayor or City Administrator and the Chairman or General Manager are authorized to determine whether one or more of the respective Series of Series 2024 Bonds shall be designated as "qualified tax-exempt obligations" as defined in the Code. In such event, the City and all subordinate entities thereof will not anticipate issuing more than $10,000,000 (or the applicable limitation effect at the time of issuance of such Series of Series 2024 Bonds) in tax-exempt bonds or other tax-exempt obligations in the calendar year in which such Series 2024 Bonds are issued other than private activity bonds (except for qualified 501(c)(3) bonds) within the meaning of the Code.

This Thirteenth Supplemental Ordinance shall constitute the City's declaration of official intent pursuant to Regulation §1.150-2 of the Code to reimburse the City or the Commission from a portion of the proceeds of the Series 2024 Bonds for expenditures the City or Commission anticipates incurring (the "Expenditures") with respect to the 2024 Projects prior to the issuance of the Series of Series 2024 Bonds relating thereto. Expenditures which may be reimbursed are limited to Expenditures which are: (a) properly chargeable to capital account (or would be so chargeable with a proper election or with the application of the definition of placed in service under Regulation §1.150-2 of the Code) under general federal income tax principals; or (b) certain *de minimis* or preliminary Expenditures satisfying the requirements of Regulation §1.150-2(f) of the Code. The source of funds for the Expenditures with respect to the 2024 Projects will be the Revenues, cash on hand, and available reserves of the System. To be eligible for reimbursement of the Expenditures, the reimbursement allocation must be made not later than 18 months after the later of (a) the date on which the Expenditures were paid; or (b) the date the applicable 2024 Projects were placed in service, but in no event more than three (3) years after the original Expenditures.

Both the principal of and interest on the Series 2024 Bonds shall be exempt, in accordance with the provisions of Section 12-2-50 of the South Carolina Code 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.

Section 15. Continuing Disclosure. (a) To the extent that Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934 applies to a particular Series of Series 2024 Bonds, the Mayor or City Administrator and the Chairman or General Manager or the Finance Manager are hereby authorized and directed to execute and deliver a Continuing Disclosure Agreement related to such Series of Series 2024 Bonds as required by applicable law, the execution and delivery of the Continuing Disclosure Agreement constituting conclusive evidence of approval of the matters therein contained. Notwithstanding any other provisions of this Thirteenth Supplemental Ordinance, failure of the City or Commission to comply with the Continuing Disclosure Agreement shall

not be considered an Event of Default, and no liability for damages shall attach therefor. The sole remedy for such failure to comply shall be that any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City or Commission to comply with such Continuing Disclosure Agreement. The City and the Commission are authorized to adopt written procedures relating to compliance with continuing disclosure obligations in connection with the Series 2024 Bonds, if applicable.

(b) The City covenants, so long as and to the extent required pursuant to Section 11-1-85, Code of Laws of South Carolina 1976, as amended, to 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 the audit; and

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

The only remedy for failure by the City to comply with the covenant in this Section 15(b) shall be an action for specific performance of this covenant; and failure to comply shall not constitute a default or an "Event of Default" under the General Bond Ordinance or this Thirteenth Supplemental Ordinance. Notwithstanding anything to the contrary contained in the General Bond Ordinance, the Trustee, the Registrar and the Paying Agent shall have no responsibility to monitor the City's compliance with this covenant. The City specifically reserves the right to amend or delete this covenant in order to reflect any change in Section 11-1-85 of the Code of Laws of South Carolina 1976, as amended, without the consent of the Trustee, the Registrar and the Paying Agent or the Holder of any Series 2021 Bond.

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

Section 17. Further Actions. The Mayor (or in his or her absence the Mayor Pro-Tempore), City Administrator, City Clerk, City Attorney and any Commission Representative are hereby authorized and directed to take any and all such further actions as shall be deemed necessary or desirable in order to effectuate issuance of the Series 2024 Bonds, to carry out the provisions of this Thirteenth Supplemental Ordinance, to fulfill the requirements of any Bond Purchase Agreement, to purchase any Credit Facility or Reserve Fund Instrument in connection with a Series of Series 2024 Bonds, and execute any agreements (including any Credit Facility Agreements or Reserve Fund Instrument Agreements) with the providers thereof.

Section 18. Credit Facility. In the event that the Mayor or City Administrator and the Chairman or General Manager determine pursuant to the authorization set forth in Section 4 hereof that one or more Credit Facilities shall be purchased with respect to a Series of Series 2024 Bonds, the City Administrator and the General Manager are hereby authorized to approve the form of any Credit Facility Agreement and the City Administrator and General Manager are hereby directed and authorized to execute the Credit Facility Agreement and deliver the Credit Facility Agreement to the Credit Facility Issuer, the execution and delivery of the Credit Facility Agreement constituting conclusive evidence of approval of the matters therein contained.

Section 19. Reserve Fund Instrument. In the event that the Mayor or City Administrator and the Chairman or General Manager determine pursuant to the authorization set forth in Section 4 hereof that one or more Reserve Fund Instruments shall be purchased with respect to a Series of Series 2024 Bonds, the City Administrator and the General Manager are hereby authorized to approve the form of any Reserve Fund Instrument Agreement and the City Administrator and General Manager are hereby directed and authorized to execute the Reserve Fund Instrument Agreement and deliver the Reserve Fund Instrument Agreement to the Reserve Fund Instrument Provider, the execution and delivery of the Reserve Fund Instrument Agreement constituting conclusive evidence of approval of the matters therein contained.

Section 20. Amendments to General Bond Ordinance. The following provisions of the General Bond Ordinance are hereby amended, which amendments to the General Bond Ordinance hereinafter set forth below shall not become effective until the earlier of: (1) all the Outstanding Parity Bonds (other than to the extent such Parity Bonds constitute Series 2024 Bonds) shall cease to be Outstanding; or (2) the Holders of 66 2/3% in principal amount of the Bonds (as defined in the General Bond Ordinance) then Outstanding assent to and authorize any modification or amendment to the General Bond Ordinance as amended in accordance with Article IX of the General Bond Ordinance. Notwithstanding the foregoing, to the extent that the following amendments are assented to and authorized pursuant to one or more assents executed by the Underwriter of a Series of Series 2024 Bonds, or the underwriter of any subsequent Series of Bonds, such amendments will not become effective until the earlier of: (1) all the Outstanding Parity Bonds (other than to the extent such Parity Bonds constitute Series 2024 Bonds) shall case to be Outstanding; or (2) the Holders of all Outstanding Parity Bonds (other than to the extent such Parity Bonds constitute Series 2024 Bonds) assent to and authorize such amendments. Any Bonds (as defined in the General Bond Ordinance), including the Series 2024 Bonds, issued after the date of enactment of this Thirteenth Supplemental Ordinance shall contain a reference to the amendments herein made.

(a) Section 9.1 of the General Bond Ordinance is hereby amended by adding the following text at the end thereof:

> The City expressly authorizes the underwriter or purchaser of any Series of Bonds, or provider of bond insurance for any Series of Bonds, to assent to and consent to such amendments to this General Bond Ordinance as contemplated by this paragraph in the same manner as the Holders of the Bonds.

(b) The definition of "Expenses of Operating and Maintaining the System" shall be amended by deleting the last sentence thereof and replacing it with the following text in its entirety:

> Notwithstanding the foregoing, Expenses of Operating and Maintaining the System shall not include (i) the payment of interest on Bonds, (ii) any allowance for depreciation or renewals or replacements of capital assets of the System, (iii) any amounts deemed to be payments in lieu of taxes or other equity transfers, (iv) any pension-related and other post-employment benefit-related expenses (other than such amounts actually paid) of the System, (v) any payment or amortization of financing expenses, underwriting discounts, call premiums, losses on the extinguishment of debt due to refinancing of the same, and other related and non-recurring expenses resulting from the issuance or refinancing of long term indebtedness, or (vi) any losses on the sale or other disposition of investments or fixed or capital assets.

(c) The definition of "Custodian" shall be amended by replacing the existing definition with the following:

"Custodian" shall mean any bank, depository or trust company duly qualified and doing business within the State, or the South Carolina Pooled Investment Fund, selected by the Commission as a depository of moneys or securities held in the Construction Fund or other fund or account used to pay Cost of Issuance.

(d) Section 3.3(C) of the General Bond Ordinance is amended by deleting the previous language thereunder and replacing it with the following:

C. For the issuance of Bonds to finance the Cost of Acquisition and Construction, or a portion thereof, of any Project, there shall be delivered either (i) a certificate or report, based upon the latest available audit of the System as required by Section 7.4 hereof, from the General Manager or Finance Manager of the Commission, or an Accountant or Consulting Engineer, stating that the amount of the Net Revenues of the System is not less than 120% of the sum of the Maximum Debt Service on Bonds then Outstanding and the Bonds then proposed to be issued, or (ii) a certificate from the General Manager or Finance Manager of the Commission, or an Accountant or Consulting Engineer, stating that the amount of the Net Revenues of the System, as shall have been forecasted by the General Manager or Finance Manager of the Commission, an Accountant or Consulting Engineer, is not less than 120% of the actual Debt Service on all Bonds then Outstanding and the Bonds then proposed to be issued for each of the three (3) Fiscal Years following the later of the date of the delivery of the Bonds of such Series, or the period (if any) for which interest is funded from the proceeds of such Bonds; provided the amount of Net Revenues for the periods referred to above may be adjusted by adding the following:

(1) in case the rates and charges for the services furnished by the System shall have been revised and such revised rates and charges shall have gone into effect or will be effective on a future date or dates as evidenced by a resolution adopted by the Commission prior to the delivery of the Bonds proposed to be issued, the additional amount of Net Revenues which would have been realized during the periods referred to above if such rates and charges had been in effect during such periods as determined by the General Manager or Finance Manager of the Commission, or an Accountant or Consulting Engineer, and

(2) in case an existing sewer system, existing water system, existing electric system, existing natural gas system, or any other public utility system is to be acquired and combined or made a part of the System from the proceeds of the Bonds proposed to be issued, the additional amount of Net Revenues which would have been realized during the periods referred to above if such existing system or systems to be acquired had been a part of the System during such periods (which computation of the additional amount of Net Revenues shall be based upon the method of computing Net Revenues under this Ordinance and approved by the General Manager or Finance Manager of the Commission, or an Accountant or Consulting Engineer).

(e) Section 8.6 of the General Bond Ordinance is amended by adding the following language at the end thereof:

Each of the Trustee, Paying Agent and Registrar agrees to accept and act on instructions or directions pursuant to this Ordinance sent by the City or the Commission by unsecured e-mail, facsimile transmission, or other similar unsecured electronic methods, provided, however, that the City and the Commission shall provide to the Trustee, Paying Agent, and/or Registrar, as applicable, an incumbency certificate listing designated persons with the authority to provide such instructions, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing, and the City and the Commission may act through an authorized signatory shown on such listing. If the City or the Commission elects to give the Trustee, Paying Agent, and/or Registrar, as applicable, e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee, Paying Agent, and/or Registrar, as applicable, acts upon such instructions, the Trustee's, Paying Agent's, and/or Registrar's understanding of such instructions shall be deemed controlling. The Trustee, Paying Agent, and/or Registrar, as applicable, shall not be liable for any losses, costs, or expenses arising directly or indirectly from the Trustee's Paying Agent's, and/or Registrar's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction that the Trustee, Paying Agent, and/or Registrar receives after the Trustee, Paying Agent, and/or Registrar has acted on a previous direction. Each of the City and the Commission, as applicable, agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, Paying Agent, and/or Registrar including without limitation the risk of the Trustee, Paying Agent, and/or Registrar acting on instructions, and the risk of interception or misuse of any information by third parties.

Section 21. Notices. All notices, certificates or other communications hereunder shall be given or made in writing and shall be delivered personally, or sent by registered mail, postage prepaid, return receipt requested, or overnight delivery service, to the party to whom they are directed at the following addresses, or at such other addresses as may be designated by notice from such party to all other parties:

If to the City:

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

If to the Commission:

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

If to the Paying Agent:

Truist Bank
Attn: Corporate Trust Department
2713 Forest Hills Road, SW, Building 2, Floor 2
Mail Code: 100-50-02-80
Wilson, North Carolina 27893

If to the Registrar:

Truist Bank
Attn: Corporate Trust Department
2713 Forest Hills Road, SW, Building 2, Floor 2
Mail Code: 100-50-02-80
Wilson, North Carolina 27893

If to the Trustee:

Truist Bank
Attn: Corporate Trust Department
2713 Forest Hills Road, SW, Building 2, Floor 2
Mail Code: 100-50-02-80
Wilson, North Carolina 27893

The City, the Commission, the Paying Agent, the Registrar and the Trustee may, by notice given to the other parties, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 22. Repeal of Inconsistent Ordinances and Resolutions. All ordinances and resolutions of the City, and any part of any ordinance or resolution, inconsistent with this Thirteenth Supplemental Ordinance are hereby repealed to the extent of such inconsistency.

Section 23. Effective Date. This Thirteenth Supplemental Ordinance shall become effective upon its enactment.

[Execution follows on next page]

Enacted by the City Council of the City of Greer, South Carolina, this 9th day of April, 2023.

CITY COUNCIL OF THE CITY OF GREER,
SOUTH CAROLINA

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

(SEAL)

ATTEST:

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

Introduced By: Councilman Mark Hopper

Date of First Reading: March 26, 2024

Date of Second Reading: April 9, 2024

[Signature Page]

EXHIBIT A

FORM OF SERIES 2023 BOND
[PRIVATE PLACEMENT]

[TRANSFER RESTRICTED

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

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

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

[Insert principal repayment schedule]

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

THIS BOND HAS BEEN ISSUED UNDER THE PROVISIONS OF TITLE 6, CHAPTER 17, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED, AND DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION (OTHER THAN ARTICLE X, SECTION 14, PARAGRAPH 10 OF THE SOUTH CAROLINA CONSTITUTION AUTHORIZING OBLIGATIONS PAYABLE SOLELY FROM SPECIAL SOURCES NOT INVOLVING REVENUES FROM ANY TAX OR LICENSE) OR STATUTORY LIMITATION. THIS BOND SHALL NOT BE A DEBT OF THE CITY, NOR A CHARGE, LIEN OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON ANY PROPERTY OF THE CITY OR UPON ANY INCOME, RECEIPTS OR REVENUES THEREOF, OTHER THAN THE AFORESAID NET REVENUES OF THE SYSTEM PLEDGED THERETO. NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THIS BOND OR THE INTEREST THEREON AGAINST THE GENERAL FUND OF THE CITY, NOR SHALL THE CREDIT OR TAXING POWER OF THE CITY BE DEEMED TO BE PLEDGED THERETO. THE FULL FAITH, CREDIT AND TAXING POWERS OF THE CITY ARE NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS BOND.

Both the principal of and interest on this Bond are payable at the principal office of Truist Bank in Wilson, North Carolina, as Paying Agent (as defined in the hereinafter-defined Bond Ordinance), without presentation and surrender of this Bond, in any coin or currency of the United States of America which is, at the time of payment, legal tender for public and private debts.

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

This Bond is issued by the City for the purpose of defraying all or a portion of the Cost of Acquisition and Construction of the 2024 Projects and paying Cost of Issuance of this Bond (as such terms are defined in the Bond Ordinance). This Bond is issued under, pursuant to and in full compliance with the Constitution and statutes of the State of South Carolina, including particularly Article X, Section 14(10) of the South Carolina Constitution and Title 6, Chapter 17, of the Code of Laws of South Carolina 1976, as amended (collectively, the "Act"). This Bond is issued under and pursuant to a General Bond Ordinance (the "General Bond Ordinance") of the City Council of the City duly enacted on July 22, 1997, as amended, and as supplemented by Thirteenth Supplemental Ordinance No. ____ of the City Council of the City enacted on April 9, 2024 (the "Thirteenth Supplemental Ordinance," and together with the General Bond Ordinance, the "Bond Ordinance"), under the Act which Bond Ordinance has been duly codified and indexed as prescribed by law. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Bond Ordinance.

This Bond and the interest thereon is a special obligation of the City and are secured by and payable solely from, and secured equally and ratably by a pledge of and lien upon, the Net Revenues derived from the System on a parity with any pledge of and lien upon Net Revenues securing the Parity Bonds, the [other Series 2024 Bonds previously issued, if any] and any Series of Bonds hereafter issued under the General Bond Ordinance payable from such Net Revenues on a parity and equally and ratably secured therewith.

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

The Bond Ordinance contains provisions defining terms, including the properties comprising the System; sets forth the revenues pledged for the payment of the principal of and interest on this Bond and the Bonds of other series which have heretofore or may hereafter be issued on a parity herewith under the Bond Ordinance; sets forth the nature, extent and manner of enforcement of the security of this Bond and of such pledge, and the rights and remedies of the Holder hereof with respect thereto; sets forth the terms and conditions upon which and the extent to which the Bond Ordinance may be altered, modified and amended; sets forth the terms and conditions upon which have been issued or upon which other bonds may be hereinafter issued payable as to principal, premium, if any, and interest on a parity with this Bond and equally and ratably secured herewith; sets forth the rights, duties and obligations of the City thereunder; and sets forth the terms and conditions upon which the pledge made in the Bond Ordinance for the security of this Bond and upon which the covenants, agreements and other obligations of the City made therein may be discharged at or prior to the maturity or redemption of this Bond with provisions for the payment thereof in the manner set forth in the Bond Ordinance. Reference is hereby made to the Bond Ordinance to all of the provisions of which any Holder of this Bond by the acceptance hereof thereby assents. The provisions of

the Act and the Bond Ordinance shall be a contract with the Holder of this Bond.

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

The provisions of the General Bond Ordinance relating to Debt Service Reserve Funds have been amended by the Eighth Supplemental Ordinance and the Ninth Supplemental Ordinance. The provisions of the General Bond Ordinance relating to the definition of Debt Service and Maximum Debt Service have been amended by the Tenth Supplemental Ordinance. The provisions of the General Bond Ordinance relating to the definition of Expenses of Operating and Maintaining the System and Custodian, the ability of underwriters or purchasers of any Series of Bonds to consent to amendments to the General Bond Ordinance, and the conditions for the issuance of Bonds to finance the Cost of Acquisition and Construction, or a portion thereof, of any Project, have been amended by the Thirteenth Supplemental Ordinance.

The amendments set forth in the Eighth Supplemental Ordinance and the Ninth Supplemental Ordinance are in effect. The amendments set forth in the Tenth Supplemental Ordinance will not become effective until the earlier of: (1) all of the Bonds of 2002, the 2004 SRF Note, the 2005 SRF Note, the Bond of 2007, the 2007 SRF Note, the Bond of 2009 and the 2009 SRF Note shall cease to be Outstanding; or (2) the Holders of 66 2/3% in principal amount of the Bonds then Outstanding assent to and authorize such amendments; provided, any such assent provided by an underwriter of a Series of Bonds shall not become effective until the Holders of all Bonds affected by such amendments (other than the prospective purchasers for whom the underwriter has provided such assent) have also consented to such amendments. The amendments set forth in the Thirteenth Supplemental Ordinance will not become effective until the earlier of: (1) all the Outstanding Parity Bonds [(other than the [other Series 2024 Bonds])] shall cease to be Outstanding; or (2) the Holders of 66 2/3% in principal amount of the Bonds then Outstanding assent to and authorize such amendment; provided, any such assent provided by an underwriter of a Series of Bonds shall not become effective until the Holders of all Bonds affected by such amendments (other than the prospective purchasers for whom the underwriter has provided such assent) have also consented to such amendments.

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

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and statutes of the State of South Carolina to exist, to happen and to be performed precedent to and in the issuance of this Bond, do exist, have happened and have been performed in due time, form and manner as required by law; that the series of which this Bond is a part does not exceed any constitutional or statutory limitation of indebtedness; and that provision has been made for the payment of the principal of and interest on this Bond and the series of which it is a part, as provided in the Bond Ordinance.

IN WITNESS WHEREOF, the City of Greer, South Carolina, has caused this bond to be executed in its name by the manual signature of the Mayor of the City and attested by the manual signature of the Municipal Clerk of the City under the seal of the City impressed, imprinted or reproduced hereon.

CITY OF GREER, SOUTH CAROLINA

By:_____
Richard W. Danner, Mayor

(SEAL)

ATTEST:

_____
Tammela Duncan, Municipal Clerk

(FORM OF REGISTRAR'S CERTIFICATE OF AUTHENTICATION)

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

Truist Bank
Registrar

Dated:_____

By:_____
Authorized Officer

FORM OF SERIES 2021 BOND
[PUBLIC ISSUE]

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

REGISTERED

No. R-_____

ORIGINAL ISSUE DATE	MATURITY DATE	INTEREST RATE	CUSIP

REGISTERED HOLDER: CEDE & CO.

PRINCIPAL AMOUNT: $_____

The City of Greer, South Carolina (the "City"), is justly indebted and, for value received, hereby promises to pay to the Registered Holder (named above), or registered assigns, but solely from the Net Revenues hereinafter mentioned and not otherwise, the Principal Amount shown above on the Maturity Date shown above (unless the within Bond shall be subject to prior redemption and shall have been duly called for previous redemption and payment of redemption price made or provided for), upon presentation and surrender of this Bond at the designated office of Truist Bank, as paying agent (the "Paying Agent"), and to pay interest, but solely from the Net Revenues hereinafter mentioned and not otherwise, on such principal amount from the date hereof at the Interest Rate per annum shown above (calculated on the basis of a 360-day year of twelve 30-day months) until this Bond matures. Interest on this Bond is payable semiannually on March 1 and September 1 of each year commencing _____ 1, _____ until this Bond matures or is earlier redeemed, and shall be payable by wire transfer to the registered holder owning at least $1,000,000 aggregate principal amount of the Bonds to an account within the continental United States or by check or draft mailed to the person in whose name this Bond is registered on the registration books of the City maintained by Truist Bank, as registrar (the "Registrar"), at the close of business on the fifteenth (15th) day of the calendar month preceding each semiannual interest payment date. The principal, redemption premium, if any, and interest on this Bond are payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for public and private debts; provided, however, that interest on this fully registered Bond shall be paid by wire transfer, check or draft as set forth above.

THIS BOND HAS BEEN ISSUED UNDER THE PROVISIONS OF TITLE 6, CHAPTER 17 CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED (THE "ACT"), AND DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY STATE

CONSTITUTIONAL PROVISION (OTHER THAN ARTICLE X, SECTION 14, PARAGRAPH 10 OF THE SOUTH CAROLINA CONSTITUTION AUTHORIZING OBLIGATIONS PAYABLE SOLELY FROM SPECIAL SOURCES NOT INVOLVING REVENUES FROM ANY TAX OR LICENSE) OR STATUTORY LIMITATION. THIS BOND AND THE BONDS OF THE SERIES OF WHICH IT IS ONE SHALL NOT CONSTITUTE A DEBT OF THE CITY, NOR A CHARGE, LIEN OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON ANY PROPERTY OF THE CITY OR ON ANY INCOME, RECEIPTS OR REVENUES THEREOF, OTHER THAN THE AFORESAID REVENUES OF THE SYSTEM (AS DEFINED HEREIN) PLEDGED THERETO. NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THIS BOND OR THE INTEREST THEREON AGAINST THE GENERAL FUND OF THE CITY AND NEITHER THE CREDIT NOR THE TAXING POWER OF THE CITY SHALL BE DEEMED TO BE PLEDGED THERETO. THE FULL FAITH, CREDIT AND TAXING POWERS OF THE CITY ARE NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS BOND.

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

This Bond is one of an authorized series of Bonds (as defined in the Bond Ordinance) of the aggregate principal amount of _____ Dollars ($_____) of like date of original issue, tenor and effect, except as to number, date of maturity, principal amount, date of authentication, registered holder, redemption provisions and rate of interest, issued by the City for the purpose of defraying all or a portion of the Costs of Acquisition and Construction of the 2024 Projects and paying Cost of Issuance relating to the Bonds (as such terms are defined in the Bond Ordinance). This Bond and the Series of Bonds of which it is one are authorized to be issued and are issued under, pursuant to and in full compliance with the Constitution and statutes of the State of South Carolina, including particularly Article X, Section 14(10) of the South Carolina Constitution and the Act. This Bond and the series of Bonds of which it is one are also authorized to be issued and are issued under and pursuant to a General Bond Ordinance of the City duly enacted on July 22, 1997, as amended (the "General Bond Ordinance"), and Thirteenth Supplemental Ordinance No. _____ of the City duly enacted on April 9, 2024 (the "Thirteenth Supplemental Ordinance" and, together with the General Bond Ordinance, the "Bond Ordinance"), under the Act which Bond Ordinance has been duly codified and indexed as prescribed by law. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Bond Ordinance.

This Bond and the series of which it is one, and the interest thereon is a special obligation of the City and are secured by and payable solely from, and secured equally and ratably by a pledge of and lien upon, the Net Revenues derived from the System on a parity with any pledge of and lien upon Net Revenues securing the Parity Bonds, [the [other Series 2024 Bonds] previously issued, if any] and any Series of Bonds hereafter issued under the General Bond Ordinance payable from such Net Revenues on a parity and equally and ratably secured therewith.

This Bond and the series of Bonds of which it is one maturing on or prior to September 1, ____, shall not be subject to redemption prior to their stated maturities. This Bond and the series of Bonds of which it is one maturing on or after September 1, _____, shall be subject to redemption prior to maturity, at the option of the City, on and after September 1, _____, in whole or in part at any time in such order of their maturities as the City shall determine and by lot within a maturity, at the redemption price equal to 100% of the principal amount of this Bond and the series of Bonds of which it is one to be redeemed together with the interest accrued on such principal amount to the date fixed for redemption.

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

[The Bonds of the series of which this Bond is one maturing in the year 20__ shall be retired by sinking fund installments which shall be accumulated in the Series Debt Service Fund established for the Bonds in amounts sufficient to redeem on September 1 of each year, at a redemption price equal to the principal amount of the Bond or Bonds to be redeemed, together with interest accrued thereon to the date fixed for redemption, the principal amount of such Bonds specified for each of the years shown below:

Year	Principal Amount

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

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

The Bond Ordinance contains provisions defining terms, including the properties comprising the System; sets forth the revenues pledged for the payment of the principal of and interest on this Bond and the Bonds of other series which have heretofore or may hereafter be issued on a parity herewith under the Bond Ordinance; sets forth the nature, extent and manner of enforcement of the security of this Bond and of such pledge, and the rights and remedies of the Holder hereof with respect thereto; sets forth the terms and

conditions upon which and the extent to which the Bond Ordinance may be altered, modified and amended; sets forth the terms and conditions upon which have been issued or upon which other bonds may be hereinafter issued payable as to principal, premium, if any, and interest on a parity with this Bond and equally and ratably secured herewith; sets forth the rights, duties and obligations of the City thereunder; and sets forth the terms and conditions upon which the pledge made in the Bond Ordinance for the security of this Bond and upon which the covenants, agreements and other obligations of the City made therein may be discharged at or prior to the maturity or redemption of this Bond with provisions for the payment thereof in the manner set forth in the Bond Ordinance. Reference is hereby made to the Bond Ordinance to all of the provisions of which any Holder of this Bond by the acceptance hereof thereby assents. The provisions of the Act and the Bond Ordinance shall be a contract with the Holder of this Bond.

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

The provisions of the General Bond Ordinance relating to Debt Service Reserve Funds have been amended by the Eighth Supplemental Ordinance and the Ninth Supplemental Ordinance. The provisions of the General Bond Ordinance relating to the definition of Debt Service and Maximum Debt Service have been amended by the Tenth Supplemental Ordinance. The provisions of the General Bond Ordinance relating to the definition of Expenses of Operating and Maintaining the System and Custodian, the ability of underwriters or purchasers of any Series of Bonds to consent to amendments to the General Bond Ordinance, and the conditions for the issuance of Bonds to finance the Cost of Acquisition and Construction, or a portion thereof, of any Project, have been amended by the Thirteenth Supplemental Ordinance.

The amendments set forth in the Eighth Supplemental Ordinance and the Ninth Supplemental Ordinance are in effect. The amendments set forth in the Tenth Supplemental Ordinance will not become effective until the earlier of: (1) all of the Bonds of 2002, the 2004 SRF Note, the 2005 SRF Note, the Bond of 2007, the 2007 SRF Note, the Bond of 2009 and the 2009 SRF Note shall cease to be Outstanding; or (2) the Holders of 66 2/3% in principal amount of the Bonds then Outstanding assent to and authorize such amendments; provided, any such assent provided by an underwriter of a Series of Bonds shall not become effective until the Holders of all Bonds affected by such amendments (other than the prospective purchasers for whom the underwriter has provided such assent) have also consented to such amendments. The amendments set forth in the Thirteenth Supplemental Ordinance will not become effective until the earlier of: (1) all the Outstanding Parity Bonds [(other than the [other Series 2024 Bonds])] shall cease to be Outstanding; or (2) the Holders of 66 2/3% in principal amount of the Bonds then Outstanding assent to and authorize such amendment; provided, any such assent provided by an underwriter of a Series of Bonds shall not become effective until the Holders of all Bonds affected by such amendments (other than the prospective purchasers for whom the underwriter has provided such assent) have also consented to such amendments.

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

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and statutes of the State of South Carolina to exist, to happen and to be performed precedent to and in the issuance of this Bond, do exist, have happened and have been performed in due time, form and manner as required by law; that the series of which this Bond is a part does not exceed any constitutional or statutory limitation of indebtedness; and that provision has been made for the payment of the principal of and interest on this Bond and the series of which it is a part, as provided in the Bond Ordinance.

IN WITNESS WHEREOF, the City of Greer, South Carolina, has caused this Bond to be executed in its name by the facsimile/manual signature of the Mayor of the City and attested by the facsimile/manual signature of the Municipal Clerk of the City under the seal of the City impressed, imprinted or reproduced hereon.

CITY OF GREER, SOUTH CAROLINA

By: _____
Richard W. Danner, Mayor

(SEAL)

ATTEST:

_____
Tammela Duncan, Municipal Clerk

(FORM OF REGISTRAR'S CERTIFICATE OF AUTHENTICATION)

This Bond is one of the Bonds described in the within-mentioned Thirteenth Supplemental Ordinance of City of Greer, South Carolina.

TRUIST BANK, as Registrar

Dated: _____

By: _____
Authorized Officer

(FORM OF ASSIGNMENT)

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

(Name and Address of Transferee)

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

Dated: _____ By: _____
(Authorized Officer)

Signature Guaranteed

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

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

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

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

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

UNIF GIFT MIN ACT -

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

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

CERTIFICATE

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

CITY OF GREER, SOUTH CAROLINA

By: 
Tammela Duncan, Municipal Clerk

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CITY OF GREER, SOUTH CAROLINA

FOURTEENTH SUPPLEMENTAL

ORDINANCE NUMBER 13-2026

A FOURTEENTH SUPPLEMENTAL ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF CITY OF GREER, SOUTH CAROLINA, COMBINED UTILITY SYSTEM REVENUE BONDS, IN ONE OR MORE SERIES, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING $33,000,000; AUTHORIZING THE MAYOR OR CITY ADMINISTRATOR AND THE CHAIRMAN OR GENERAL MANAGER OF THE GREER COMMISSION OF PUBLIC WORKS TO DETERMINE CERTAIN MATTERS WITH RESPECT TO THE BONDS; PRESCRIBING THE FORM AND DETAILS OF THE BONDS; AND OTHER MATTERS RELATING THERETO.

Enacted: May 12, 2026

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

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

"2004 SRF Note" shall mean the $9,258,873 original principal amount Promissory Note of the City, Series 2004, dated June 24, 2004, and outstanding as of the date hereof in the principal amount of $3,294,848.45 and payable to the State Authority for South Carolina Drinking Water Revolving Fund Loan No. 3-018-04-2310005-02.

"2005 SRF Note" shall mean the $7,412,143 original principal amount Promissory Note of the City, Series 2005, dated June 30, 2005, and outstanding as of the date hereof in the principal amount of $2,657,907.82 and payable to the State Authority for South Carolina Drinking Water Revolving Fund Loan No. 3-022-05-2310005-03.

"2007 SRF Note" shall mean the $13,484,454 original principal amount Promissory Note of the City, Series 2007, dated November 16, 2007, outstanding as of the date hereof in the principal amount of $2,458,885.58, outstanding after the June 1, 2026 payment in the principal amount of $2,260,240.72, and payable to the State Authority for South Carolina Water Pollution Control Revolving Fund Loan No. X1-110-07-463-11.

"2009 SRF Note" shall mean the $5,310,000 original principal amount Promissory Note of the City, Series 2009, dated September 25, 2009, outstanding as of the date hereof in the principal amount of $2,923,552.33, outstanding after the July 1, 2026 payment in the principal amount of $2,881,621.38, and payable to the State Authority for South Carolina South Carolina Drinking Water Revolving Fund Loan No. S3-043-09-2310005-04.

"2026 Projects" shall mean certain improvements, extensions and enlargements to the System, to wit: (a) an electric system microgrid generation and energy storage project, a Maple Creek Wastewater Treatment Plant expansion and improvement project, a water system rehabilitation project, a water plant rehabilitation project, a wastewater collection system assessment and improvement project, and a general lift station improvement project; and (b) any other improvements relating to the foregoing and such other improvements as the Commission may deem necessary or incidental to the System.

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

"Bond of 2007" shall mean the $5,700,000 original principal amount Combined Utility System Revenue Bond, Series 2007, dated May 24, 2007, and outstanding as of the date hereof in the principal amount of $792,232.00.

"Bond Purchase Agreement" shall mean, collectively, one or more bond purchase agreements to be dated the date of execution and delivery thereof among the City, the Commission and one or more Underwriters, related to the applicable Series of New Bonds.

"Bonds of 2002" shall mean the $25,060,000 original principal amount Combined Utility System Revenue Bonds, Series 2002, dated May 15, 2002, and outstanding as of the date hereof in the principal amount of $20,695,000.

"Bonds of 2024" shall mean the $15,115,000 original principal amount Combined Utility System Revenue Bonds, Series 2024, dated December 18, 2024, and outstanding as of the date hereof in the principal amount of $15,115,000.

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

"Chairman" shall mean the Chairman of the Commission.

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

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

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

"Continuing Disclosure Agreement" shall have the meaning given that term in Section 15 hereof.

"Credit Facility" shall mean one or more instruments provided by a Credit Facility Issuer, which may include a bond insurance policy, letter of credit, contract, agreement or similar credit facility with respect to any Series of New Bonds.

"Credit Facility Agreement" shall mean the agreement or agreements, if any, among the City, the Credit Facility Issuer, and any other necessary party (including the Commission) relating to a Credit Facility.

"Credit Facility Issuer" shall mean, if a Credit Facility is in effect, the institution issuing the Credit Facility.

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

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

"Finance Manager" shall mean the Finance Manager of the Commission, or equivalent position.

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

"Fourteenth Supplemental Ordinance" shall mean this Fourteenth Supplemental Ordinance No. _____ enacted on May 12, 2026 by the Council of the City authorizing the issuance of the New Bonds.

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

"General Manager" shall mean the General Manager of the Commission.

"Initial Bonds" shall mean, if applicable, the New Bonds initially issued in Book-Entry Form as provided in Section 5 hereof.

"Insurer Default" shall mean there shall occur or exist a default in the payment by the Credit Facility Issuer or Reserve Fund Instrument Provider of principal of or any interest on the applicable New Bonds when required to be made by the Credit Facility or Reserve Fund Instrument relating thereto, as the case may be.

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

"New Bonds" shall mean the City of Greer, South Carolina, Combined Utility System Revenue Bonds, with appropriate series designations and descriptions as applicable, in the aggregate principal amount of not exceeding $33,000,000 authorized to be issued hereunder. The New Bonds may be issued in one or more Series.

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

"Parity Bonds" shall mean, collectively, the Bonds of 2002, the 2004 SRF Note, the 2005 SRF Note, the 2007 SRF Note, the Bond of 2007 Bond, the 2009 SRF Note, the Bonds of 2024, and any Series of New Bonds then Outstanding.

"Participant" shall mean, if applicable, any bank, brokerage house or other financial institution for which, from time to time, the Depository effects book-entry transfers and pledges of securities deposited with the Depository.

"Paying Agent" shall mean Truist Bank, in Wilson, North Carolina, as Paying Agent for the New Bonds.

"Permitted Investments" shall mean, with respect to a Series Debt Service Reserve Fund

established in connection with any Series of New Bonds for which a Credit Facility is in effect, and only for the time during which such Credit Facility is in effect and no Insurer Default has occurred and is continuing, only such Permitted Investments, as defined in the General Bond Ordinance, as also qualify pursuant to the terms and conditions set forth in the applicable Credit Facility Agreement relating thereto.

"Placement Agent" shall mean the bank, financial institution or other entity designated pursuant to Section 4 hereof to serve as placement agent for one or more Series of New Bonds, if applicable.

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

"Purchasers" shall mean, if applicable, the original purchaser or purchasers of a Series of New Bonds and their successors or assignees.

"Registrar" shall mean Truist Bank, in Wilson, North Carolina, as Registrar for the New Bonds.

"Reserve Fund Instrument" shall mean any surety bond, insurance policy, letter of credit or other instrument provided to meet, in whole or in part, a Series Reserve Fund Requirement for a Series Debt Service Reserve Fund, if any.

"Reserve Fund Instrument Agreement" shall mean the agreement or agreements, if any, among the City, the Reserve Fund Instrument Provider, and any other necessary party (including the Commission), relating to a Reserve Fund Instrument, if any.

"Reserve Fund Instrument Provider" shall mean, with respect to any Series of New Bonds, if a Reserve Fund Instrument is in effect, the institution providing the Reserve Fund Instrument.

"Series Capitalized Interest Account" shall mean one or more accounts, if any, within a respective Series Debt Service Fund, established pursuant to Section 8 hereof, to provide for the payment of all or a portion of the interest due and payable on the applicable Series of New Bonds.

"Series Construction Fund" shall mean one or more funds with an appropriate Series designation, established pursuant to Section 10 hereof, to defray the Cost of Acquisition and Construction of all or a portion of the 2026 Projects. Funds in a Series Construction Fund may also be used to pay the Cost of Issuance of the applicable Series of New Bonds relating thereto.

"Series Costs of Issuance Account" shall mean, if established pursuant to Section 11 hereof, one or more accounts, further identified or designated to relate to a specific Series of New Bonds issued hereunder, to defray the cost of all or a portion of the Cost of Issuance of such Series of New Bonds.

"Series Debt Service Fund" shall mean the Fund or Funds (with an appropriate Series designation) established pursuant to Section 8 hereof, and to be used for the purposes set forth in Section 6.4 of the General Bond Ordinance. Pursuant to Section 8, each Series Debt Service Fund shall be further identified or designated to relate to the specific Series of New Bonds issued hereunder.

"Series Debt Service Reserve Fund" shall mean one or more Funds, if any, established pursuant to Section 9 hereof, and to be used for the purposes set forth in Section 6.5 of the General Bond Ordinance. Pursuant to Section 9, each Series Debt Service Reserve Fund shall be further identified or designated to relate to the specific Series of New Bonds issued hereunder.

"Series Reserve Fund Requirement" shall mean the amount, if any, established pursuant to Section 4 or Section 9 hereof, with respect to a specific Series of New Bonds issued hereunder.

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

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

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

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

"Thirteenth Supplemental Ordinance" shall mean Thirteenth Supplemental Ordinance No. 19-2024 enacted on April 9, 2024, by the Council of the City authorizing the issuance of the Bonds of 2024.

"Underwriter" shall mean, if applicable, the original underwriter or underwriters of the applicable Series of New Bonds.

Section 2. Certain Findings and Determinations.

The City hereby finds and determines:

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

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

(c) Pursuant to a Resolution adopted on April 27, 2026 (the "Resolution"), the Commission requested the City Council to enact this Fourteenth Supplemental Ordinance and issue the New Bonds.

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

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

(i) authorize the execution and delivery, on behalf of the City, of the New Bonds in order to defray the Cost of Acquisition and Construction of one or more of the 2026 Projects; and

(ii) authorize the execution and delivery, on behalf of the City, of such other agreements and certificates and the taking of such other action by the City and its officers as shall be necessary or desirable in connection with the New Bonds and the 2026 Projects in order to carry out the intent of this Fourteenth Supplemental Ordinance.

(f) This Fourteenth Supplemental Ordinance supplements the General Bond Ordinance, constitutes and is a "Supplemental Ordinance" within the meaning of such quoted term as defined and used in the General Bond Ordinance, and is enacted under and pursuant to the General Bond Ordinance.

(g) The New Bonds will constitute and will be "Bonds" within the meaning of the quoted word as defined and used in the General Bond Ordinance.

(h) The Net Revenues pledged under the General Bond Ordinance are not encumbered by any lien and charge thereon or pledge thereof, other than the lien and charge thereon and pledge created by the General Bond Ordinance and the following Supplemental Ordinances: (i) the Third Supplemental Ordinance for payment and security of the Bonds of 2002; (ii) the Fourth Supplemental Ordinance for payment and security of the 2004 SRF Note; (iii) the Fifth Supplemental Ordinance for payment and security of the 2005 SRF Note; (iv) the Sixth Supplement Ordinance for payment and security of the Bond of 2007; (v) the Seventh Supplemental Ordinance for the payment and security of the 2007 SRF Note; (vi) the Ninth Supplemental Ordinance for the payment and security of the 2009 SRF Note; (vii) the Thirteenth Supplemental Ordinance for the payment and security of the Bonds of 2024; and (viii) upon the issuance of the New Bonds, the lien and charge thereon and pledge thereof created by the General Bond Ordinance; and this Fourteenth Supplemental Ordinance for payment and security of the New Bonds.

(i) There does not exist an Event of Default, nor does there exist any condition which, after the passage of time or the giving of notice, or both, would constitute such Event of Default.

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

(k) The Commission has advised the City that the estimated Cost of Acquisition and Construction of the 2026 Projects (inclusive of (i) funding the applicable Series Debt Service Reserve Fund (if any) in an amount equal to the Series Reserve Fund Requirement through the deposit of cash, the purchase of a Reserve Fund Instrument, or any combination thereof; (ii) paying a portion of the interest coming due on one or more Series of New Bonds; and (iii) paying the Cost of Issuance of the applicable New Bonds (including, if applicable, premiums due to the provider of any Credit Facility or Reserve Fund Instrument) is approximately $30,000,000.

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

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

(i) The issuance of the New Bonds is authorized under and pursuant to an ordinance supplemental to the General Bond Ordinance as provided in Article III and Article IX of the General Bond Ordinance.

(ii) Prior to the issuance of the New Bonds there shall be executed the certificate required by paragraph A of Section 3.3 of the General Bond Ordinance.

(iii) Prior to the issuance of the New Bonds, there shall be delivered a report, based upon the latest available audit of the System as required by Section 7.4 of the General Bond Ordinance, in compliance

with paragraph C of Section 3.3 of the General Bond Ordinance.

(iv) The New Bonds are being issued for the purpose of improving the System, i.e., the 2026 Projects.

(n) Pursuant to the authority granted in Section 4 hereof, the Mayor or City Administrator and the Chairman or General Manager may determine whether to establish one or more Series Debt Service Reserve Funds (with appropriate Series designations) for the respective Series of New Bonds. If a Series Debt Service Reserve Fund is established hereunder, it shall secure only the Series of New Bonds relating thereto, and the Series Reserve Fund Requirement (if any) will either be satisfied through the deposit of cash, the purchase of a Reserve Fund Instrument, or any combination of the foregoing, for the benefit of the Holders of applicable Series of the New Bonds.

(o) The New Bonds are being issued for one or more of the following purposes: (i) defraying the Cost of Acquisition and Construction of one or more of the 2026 Projects; (ii) funding the applicable Series Debt Service Reserve Fund (if any) in an amount equal to the Series Reserve Fund Requirement through the deposit of cash, the purchase of a Reserve Fund Instrument, or any combination thereof; (iii) paying a portion of the interest coming due on one or more Series of New Bonds; and (iv) paying the Cost of Issuance of the applicable New Bonds including, if applicable, premiums due to the provider of any Credit Facility or Reserve Fund Instrument.

(p) It is necessary and in the best interest of the City for the Commission to undertake one or more of the 2026 Projects and for the City to issue the New Bonds, in one or more Series, in the aggregate principal amount of not exceeding $33,000,000 in accordance with the General Bond Ordinance, the Act and this Fourteenth Supplemental Ordinance for the purposes set forth above, which New Bonds shall be issued on a parity with the Parity Bonds and any other Bonds which may hereafter be issued.

Section 3. Authorization of New Bonds.

(a) There is hereby authorized to be issued one or more Series of New Bonds designated "City of Greer, South Carolina, Combined Utility System Revenue Bonds, Series [___]" (being defined above as the "New Bonds"), in the aggregate principal amount of not exceeding $33,000,000. The New Bonds may be issued in a year subsequent to calendar year 2026, and may be issued in one or more Series. Accordingly, the New Bonds may have such other descriptive terms in its series designation as may be necessary to properly identify the applicable Series of New Bonds. The proceeds of the New Bonds shall be used for one or more of the purposes set forth in Section 2(o) hereof.

Unless otherwise determined by the Mayor or City Administrator and the Chairman or General Manager pursuant to Section 4 hereof, the New Bonds shall mature on September 1 in each of the years (the "Principal Payment Dates") and in the principal amounts, and bear interest at the rates per annum as determined by the Mayor or City Administrator and the Chairman or General Manager, pursuant to Section 4 hereof.

(b) Such of the New Bonds as the Mayor or City Administrator and Chairman or General Manager shall determine pursuant to Section 4 hereof may be subject to mandatory redemption at a redemption price equal to the principal amount of the New Bonds to be redeemed, together with interest accrued from the date of redemption, in the years and in the amounts determined by the Mayor or City Administrator and Chairman or General Manager pursuant to Section 4 hereof.

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

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

(c) The New Bonds shall originally be dated the date of their respective delivery, or such other date as the Mayor or City Administrator and the Chairman or General Manager shall determine pursuant to Section 4 hereof, and shall be issued as fully registered Bonds in the denominations of $5,000 and integral multiples of $5,000, or in such other denominations as the Mayor or City Administrator and the Chairman or General Manager shall determine pursuant to Section 4 hereof. The New Bonds shall be numbered and lettered in such a fashion as to maintain a proper record thereof.

(d) Principal of and redemption premium, if any, on the New Bonds shall be payable at the designated corporate trust office of the Paying Agent. Interest on the New Bonds shall be payable on each Interest Payment Date, in each case to the Holders as of the immediately preceding Record Date, such interest to be paid by the Paying Agent by check or draft mailed to each Holder at the address as it appears on the Books of Registry maintained at the designated corporate trust office of the Registrar or, in the case of a Holder of $1,000,000 or more in principal amount of New Bonds, by wire transfer to an account within the continental United States upon the timely receipt of a written request of such Holder. Payment of the principal of and interest on such New Bonds may be payable to the Holder thereof without presentation and surrender of such New Bonds except upon maturity or final payment.

(e) The New Bonds and the assignment provisions pertaining thereto shall be in substantially one of the forms set forth in Exhibit A hereto (depending on whether such New Bonds are sold in a public or private offering), with such necessary or appropriate variations, omissions and insertions as are incidental to the series, numbers, denominations, maturities, dates, interest rate or rates, redemption provisions, the purpose of issuance and other details thereof or as are otherwise permitted or required by law, by the General Bond Ordinance or by this Fourteenth Supplemental Ordinance. The New Bonds shall be executed in the name and on behalf of the City by the manual or facsimile signatures of the Mayor or the Mayor Pro-Tempore and the Municipal Clerk.

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

IT IS HEREBY CERTIFIED that the following is a true and correct copy of the approving opinion of Burr & Forman LLP, Greenville, South Carolina, the original of which was

manually executed, dated and issued as of the date of the delivery of and payment for the bonds, and a copy of which is on file with the City of Greer, South Carolina.

CITY OF GREER, SOUTH CAROLINA

By: Tammela V. Duncan

Tammela V. Duncan, Municipal Clerk

(h) In the event a Credit Facility is purchased with respect to a Series of New Bonds, a "statement of insurance" or similar provision may be attached to each applicable Series of New Bonds in the form provided in the applicable Credit Facility Agreement.

(i) In the event a Series of New Bonds is sold on a private placement basis to a Purchaser, such New Bonds may be represented by a single, fully-registered Bond, registered in the name of the Purchaser thereof. To the extent agreed to by the applicable Purchaser, such New Bonds may be sold or transferred by the initial Purchaser only to purchasers ("Qualified Investors") who execute an investment letter delivered to the City and the Commission, in form satisfactory to the City and the Commission (the "Investment Letter"), containing certain representations, warranties and covenants as to the suitability of such purchasers to purchase and hold such New Bonds to be transferred. Such restriction shall be set forth on the face of such New Bonds and shall be complied with by each transferee thereof.

Section 4. Sale and Issuance of New Bonds; Authority of the Mayor or City Administrator and Chairman or General Manager.

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

(i) determine the original issue date of each Series of the New Bonds (if different from than the date of delivery thereof);

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

(iii) determine the aggregate principal amounts and authorized denominations (if different from that set forth herein) of the applicable New Bonds;

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

(v) determine the date and time of sale of the applicable New Bonds, and the interest rates for each Series of New Bonds;

(vi) determine the Interest Payment Dates and initial Interest Payment Date for the applicable New Bonds if different from that set forth herein;

(vii) determine the optional and mandatory redemption dates and terms of redemption for the applicable New Bonds;

(viii) determine whether a Series Debt Service Reserve Fund will be established and funded with respect to one or more New Bonds and, if so, the amount of the Series Reserve Fund Requirement and the

manner and timing of which the Series Reserve Fund Requirement will be satisfied (including, but not limited to determine whether to purchase a Reserve Fund Instrument);

(ix) approve any original issue discount or original issue premium at which a Series of New Bonds may be sold, or whether any Underwriter's discount or other fee will be paid to the purchaser of such Series of New Bonds;

(x) determine whether a Credit Facility will be purchased with respect to the respective New Bonds;

(xi) determine whether a portion of the proceeds of a Series of New Bonds shall be used to pay a portion of the interest due and payable on such Series of New Bonds.

(xii) determine the manner in which the New Bonds will be offered for sale (i.e., as a private-placement or as a public-offering), and determine the identity of the Placement Agent or Underwriter (if any) with respect thereto;

(xiii) if a Series of New Bonds is not sold to the Underwriter, (a) approve the forms of one or more Requests for Proposals under which such New Bonds will be offered for sale and the distribution of such Requests for Proposals to various banks and other financial institutions as the General Manager or Finance Manager determine; (b) determine the date and time for receipt of bids under such Requests for Proposals, and (c) approve the sale of such New Bonds to the bidders providing the most advantageous proposals therefor, in accordance with the terms of such Requests for Proposals;

(xiv) determine whether the applicable New Bonds will be issued as obligations the interest on which is exempt from federal income taxation; and

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

(b) The Mayor or City Administrator and the Chairman or General Manager are hereby authorized and empowered to take such actions as may be necessary or desirable to conduct a public offering of a Series of New Bonds, and are hereby authorized and empowered to enter into, on behalf of the City, one or more Bond Purchase Agreements relating thereto. In connection with any public offering of a Series of New Bonds, the Mayor or City Administrator and the Chairman or General Manager are hereby authorized and directed:

(1) to execute and deliver such executed Bond Purchase Agreement to the Underwriter, such execution and delivery of the Bond Purchase Agreement constituting conclusive evidence of their approval of the matters therein contained;

(2) to approve the form of a Preliminary Official Statement relating to the City, the Commission and the New Bonds (the "Preliminary Official Statement"), and to "deem final" the Preliminary Official Statement for purposes of complying with the requirements set forth in Rule 15c2-12 of the Securities and Exchange Commission promulgated under the Securities Exchange Act of 1934, as amended;

(3) to approve the form of a final Official Statement relating to the City, the Commission and the New Bonds substantially in the form of the Preliminary Official Statement, with such

modifications as the Mayor or City Administrator and the Chairman or General Manager may approve, and to deliver the same to the Underwriter, which delivery shall be conclusive evidence of the approval of any such modifications; and

(4) to authorize the use of the Preliminary Official Statement, the final Official Statement, the General Bond Ordinance, this Fourteenth Supplemental Ordinance, the Resolution, and the information contained herein and therein in connection with the public offering and sale of the New Bonds by the Underwriter.

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

(e) The Mayor or City Administrator and the Chairman or General Manager are hereby authorized and empowered to execute and deliver investment agreements, forward delivery agreements, repurchase agreements, guaranteed investment contracts, Credit Facility Agreements, Reserve Fund Instrument Agreements, letters of credit, surety bonds, and any other agreements (including agreements relating to any credit enhancement) in connection with each Series of New Bonds, to prepare and solicit bids for providers of such agreements, and to execute, in the name and on behalf of the City, written confirmations of any such agreements and other documents as may be necessary in connection therewith.

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

Section 5. Book-Entry System; Recording and Transfer of Ownership of the New Bonds.

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

The Initial Bonds will be issued in fully-registered form, as a single bond representing the entire principal amount of each Series of the New Bonds or one bond for each of the maturities of each Series of the New Bonds, in the name of Cede & Co., as the nominee of the Depository. When any principal of, premium, if any, or interest on the Initial Bonds becomes due, the City shall transmit or cause the Paying Agent to transmit to the Depository an amount equal to such installment of principal, premium, if any, and interest. Such payments will be made to Cede & Co. or other nominee of the Depository as long as it is the owner of record on the applicable Record Date. Cede & Co. or other nominee of the Depository shall be considered to be the owner of the Initial Bonds so registered for all purposes of this Fourteenth Supplemental Ordinance, including, without limitation, payments as aforesaid and receipt of notices. The Depository shall remit such payments to the Beneficial Owners of the New Bonds or their nominees in accordance with its rules and regulations.

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

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

and the City, the Trustee, the Registrar and the Paying Agent shall have no responsibility for any such maintenance of records or transfer of payments by the Depository to its Participants, or by the Participants or persons acting through Participants to the Beneficial Owners.

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

If (a) the Depository determines not to continue to act as securities depository for the New Bonds and gives reasonable notice to the Registrar or the City, or (b) the City has advised the Depository of the City's determination that the Depository is incapable of discharging its duties, then the City shall attempt to retain another qualified securities depository to replace the Depository. Upon receipt by the City or the Registrar of the Initial Bonds together with an assignment duly executed by the Depository, the City shall execute and deliver to the successor depository, New Bonds of the same principal amount, interest rate and maturity. If the City is unable to retain a qualified successor to the Depository, or the City has determined that it is in its best interest not to continue the Book-Entry System of transfer or that interests of the Beneficial Owners of the New Bonds might be adversely affected if the Book-Entry System of transfer is continued (the City undertakes no obligation to make any investigation to determine the occurrence of any events that would permit it to make any such determination), and has made provision to so notify Beneficial Owners of the New Bonds by mailing an appropriate notice to the Depository, upon receipt by the City of the Initial Bonds together with an assignment duly executed by the Depository, the City shall execute, authenticate and deliver to the Participants the New Bonds in fully-registered form, in authorized denominations; provided, however, that the discontinuation of the Book Entry System of registration and transfer with respect to the New Bonds or the replacement of the Depository or any successor depository shall be subject to the applicable rules and procedures of the Depository or such successor depository on file or otherwise approved by the Securities and Exchange Commission. Prior to any transfer of the New Bonds outside the Book-Entry Only system (including, but not limited to, the initial transfer outside the Book-Entry Only system) the transferor shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Section 6045 of the Code. The Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

Notwithstanding the foregoing, in the event a Series of New Bonds is sold in a private-placement basis to a Purchaser, such New Bonds may be issued in fully-registered form, as a single Bond representing the entire principal amount of the applicable New Bonds in the name of the respective Purchaser thereof. The City, the Paying Agent and the Registrar may treat the respective Purchaser or subsequent Holder of such New Bonds as the sole and exclusive owner of such New Bonds registered in its name for the purpose of payment of the

principal of, and interest or premium, if any, on the New Bonds, giving any notice permitted or required to be given to the Purchaser or subsequent Holder under the General Bond Ordinance or this Fourteenth Supplemental Ordinance, registering the transfer of the applicable New Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever, and shall not be affected or by any notice to the contrary.

Section 6. Optional Redemption of New Bonds. Such of the New Bonds as may be determined by the Mayor or City Administrator and the Chairman or General Manager pursuant to Section 4 hereof shall be subject to redemption prior to maturity, at the option of the City upon the written direction of the Commission, in whole or in part at any time in such order of their maturities as the Commission shall determine and by lot within a maturity, at the respective redemption prices with respect to each Bond, which may include redemption premiums (if any) thereof or be expressed as a percentage of principal amount of the New Bonds to be redeemed, as shall be determined by the Mayor or City Administrator and the Chairman or General Manager pursuant to Section 4 hereof, together, in each such case, with the interest accrued on such principal amount to the date fixed for redemption.

In the event a particular New Bond is called for redemption, the Registrar shall give notice of redemption by first-class mail, postage prepaid, to the registered Holder thereof as shown on the Books of Registry of the City in accordance with the provisions of the General Bond Ordinance; provided however, (a) in the event such Series of New Bonds is placed on a private placement basis with a Purchaser, notice of redemption to the Holder thereof shall be provided in accordance with the redemption terms agreed upon between the City and the Purchaser; and (b) the notice of redemption may state that the redemption of the New Bonds being called for redemption is conditioned upon the Trustee receiving on or before the redemption date sufficient money for the redemption thereof.

Section 7. Payment of the New Bonds. The New Bonds, together with the interest thereon, shall be payable, in such coin or currency of the United States of America which at the time of such payment is legal tender for public and private debts, solely from the Net Revenues of the System in accordance with the provisions of the General Bond Ordinance and this Fourteenth Supplemental Ordinance. The applicable New Bonds shall be secured by a pledge of Net Revenues on a parity with the pledge of Net Revenues securing the Outstanding Parity Bonds and any other Bonds (as defined in the General Bond Ordinance) hereafter issued under the General Bond Ordinance.

The New Bonds, and the interest thereon, shall not be a debt of the City, nor a charge, lien or encumbrance, legal or equitable, upon any property of the City or upon any income, receipts or revenues of the City other than the Net Revenues of the System which are hereby pledged to the payment thereof.

No recourse shall be had for the payment of the New Bonds, or the interest thereon, or any part thereof, against the general fund of the City, nor shall the credit or taxing powers of the City be deemed to be pledged to the payment of the principal of and interest on the New Bonds. The full faith, credit and taxing powers of the State of South Carolina or of the City are not pledged to the payment of the principal of or the interest on the New Bonds, and the New Bonds shall never constitute an indebtedness of the City within the meaning of any State constitutional provision (other than Article X, Section 14, Paragraph 10, of the South Carolina Constitution authorizing obligations payable solely from special sources not involving revenues from any tax or license) or statutory limitation.

Section 8. Establishment of Series Debt Service Funds. In accordance with Section 6.4 of the General Bond Ordinance, a Series Debt Service Fund is hereby directed to be established by the Trustee on the date of the original delivery of a Series of New Bonds for the benefit of the Holders of the such Series of New Bonds; provided, however, that upon the issuance of one or more Series of New Bonds, separate funds or accounts

may be established for the payment of debt service on such New Bonds, with such additional numbers or letters to identify its relevance, but each such separate fund or account will be considered the "Series Debt Service Fund" with respect to the related Series of New Bonds. In accordance with Section 6.4(a) and (b) of the General Bond Ordinance, there is hereby directed to be established within each respective Series Debt Service Fund an Interest Account and a Principal Account for the payment of interest, principal and sinking fund installment requirements on a Series of New Bonds as the same become due and payable. In addition, to the extent it is determined by the Mayor or City Administrator and the Chairman or General Manager pursuant to Section 4 that a portion of the proceeds of a Series of New Bonds shall be used to pay a portion of the interest due and payable on such Series of New Bonds, there shall be established within the applicable Series Debt Service Fund a Series Capitalized Interest Account into which such proceeds shall be deposited.

Section 9. Establishment of the Series Reserve Fund Requirement and Series Debt Service Reserve Funds. In accordance with Section 6.5 of the General Bond Ordinance, and pursuant to the authority granted to the Mayor or City Administrator and the Chairman or General Manager in Section 4 hereof, there may be established one or more Series Debt Service Reserve Funds for the benefit of the Holders of one or more Series of New Bonds (if any), the amount and timing of funding of the Series Reserve Fund Requirement, and, if so, such Series Debt Service Reserve Fund shall be established on the date of the original delivery of such Series of New Bonds and held by the Trustee, all as provided in the General Bond Ordinance; provided, however, that upon the issuance of one or more Series of New Bonds, separate funds or accounts may be established (if at all) for each Series of New Bonds, with such additional numbers or letters to identify its relevance, but each such separate fund or account will be considered the "Series Debt Service Reserve Fund" with respect to the related Series of New Bonds. If a Series Debt Service Reserve Fund is established with respect to a Series of New Bonds, the method of satisfying the applicable Series Reserve Fund Requirement will be determined by the Mayor or City Administrator and the Chairman or General Manager pursuant to Section 4 hereof. A Series Reserve Fund Requirement shall be deemed permanently satisfied to the extent of the original policy amount of any Reserve Fund Instrument deposited with the Trustee for the benefit of the Holders of the applicable Series of New Bonds notwithstanding any downgrade to bond insurer ratings of the Reserve Fund Instrument Provider.

Section 10. Series Construction Funds. There is hereby authorized to be created and established one or more Series Construction Funds with such further words, numbers or letters as may be necessary or desirable to distinguish such fund or funds, which fund or funds shall be held by one or more Custodians selected by the General Manager or Finance Manager. The Series Construction Funds may be accounted for as a single fund or as multiple funds, however the moneys on deposit therein may be held by one or more Custodians designated by the City. The moneys on deposit in the Series Construction Funds shall be used and applied to the payment of the Cost of Acquisition and Construction of one or more 2026 Projects, and to pay Cost of Issuance.

Moneys held for the credit of the Series Construction Funds shall be invested, at the written direction of the General Manager or Finance Manager, to the fullest extent practicable and reasonable, in Permitted Investments, maturing at such times and in such amounts as shall be required to provide moneys to make the payments required to be made from such Series Construction Fund. Withdrawals from a Series Construction Fund shall be made in the manner withdrawals from other funds of the Commission are made.

If, after the payment in full of all Cost of Acquisition and Construction of the applicable 2026 Projects and Cost of Issuance, any moneys remain in the applicable Series Construction Fund, such excess shall, pursuant to written instructions of the Commission, be paid to the Trustee, which shall deposit such moneys into a subaccount to be created only for the benefit of the Holders of the respective Series of New Bonds in the applicable Series Debt Service Fund which shall be applied to pay the principal of or the interest on, or both, the applicable Series of New Bonds.

Section 11. Series Costs of Issuance Account. There is hereby authorized to be created and established one or more Series Costs of Issuance Accounts which fund shall be held by one or more Custodians; provided, however, that upon the issuance of one or more Series of New Bonds, separate funds or accounts may be established for such Series of New Bonds, with such additional numbers or letters to identify its relevance, but each such separate fund or account will be considered the "Series Costs of Issuance Account" with respect to the related Series of New Bonds. The Series Costs of Issuance Account established for a particular Series of New Bonds shall be accounted for as a single fund, however the moneys on deposit therein may be held by one or more Custodians designated by the General Manager or Finance Manager. The moneys on deposit in the Series Costs of Issuance Account shall be used and applied to pay Costs of Issuance incidental to the issuance and sale of the applicable New Bonds.

Moneys held for the credit of the Series Costs of Issuance Account may be invested in Permitted Investments, maturing at such times and in such amounts as shall be required to provide moneys to make the payments required to be made from such account. Withdrawals from the Series Costs of Issuance Account shall be made in the manner withdrawals from other funds of the Commission are made.

If any moneys remain in the Series Costs of Issuance Account after the payment in full (or after adequate provision has been made therefor) of all Costs of Issuance, such excess shall be paid into the related Series Construction Fund or the related Series Debt Service Fund, as determined by a Commission Representative.

Section 12. Designation of Registrar, Paying Agent and Custodian. The Council hereby designates Truist Bank as Registrar and as Paying Agent for the New Bonds. The Registrar and Paying Agent shall signify its acceptance of its respective duties upon delivery of the respective New Bonds. The initial Custodian of the respective Series Construction Fund and the Series Costs of Issuance Account, if any, shall be selected by the General Manager or Finance Manager, and the General Manager or Finance Manager may, at any time, remove the initial Custodian of any Series Construction Fund or Series Costs of Issuance Account, and replace such initial Custodian with one or more alternate Custodians.

Section 13. Disposition of Proceeds of New Bonds. The proceeds derived from the sale of the New Bonds, net of (1) the net original issue discount or original issue premium, or both, and the Underwriter's discount, if applicable; or (2) any fees payable to the Purchaser thereof, if applicable, shall be used for the following purposes:

(a) A portion of the proceeds thereof shall be deposited in a Series Construction Fund established pursuant to Section 10 hereof to be used for and applied to the payment of Cost of Acquisition and Construction of one or more of the 2026 Projects. A portion of the proceeds deposited in such Series Construction Fund may also be used to pay all or a portion of the Costs of Issuance of the New Bonds relating thereto.

(b) If the Mayor or City Administrator and the Chairman or General Manager determine that a Series Debt Service Reserve Fund shall be established for a Series of New Bonds and the Series Reserve Fund Requirement shall be funded with a portion of the proceeds of a Series of New Bonds, there shall be deposited with the Trustee for deposit into such Series Debt Service Reserve Fund an amount which, together with other available funds, equals the applicable Series Reserve Fund Requirement.

(c) If the Mayor or City Administrator and the Chairman or General Manager determine that a portion of the proceeds of a Series of New Bonds shall be used to pay a portion of the interest due and payable on such Series of New Bonds, such amount shall be deposited with the Trustee for deposit into the applicable Series Capitalized Interest Account within the applicable Series Debt Service Fund

(d) If the Mayor or City Administrator and the Chairman or General Manager determine that a Credit Facility or Reserve Fund Instrument shall be acquired in connection with a Series of New Bonds, a portion of the proceeds may be paid directly to the Credit Facility Issuer or Reserve Fund Instrument Provider, respectively, for the cost of provision such Credit Facility or Reserve Fund Instrument.

(d) A portion of the proceeds of the New Bonds may be deposited with a Custodian into a Cost of Issuance Account authorized to be established pursuant to Section 11 hereof to be used and applied to the payment of Cost of Issuance to the extent such Cost of Issuance are not paid from the applicable Series Construction Fund as provided in subsection (a) of this Section 13.

The respective amounts specified in this Section 13 shall be determined by the General Manager or Finance Manager upon delivery of the applicable New Bonds.

Section 14. Federal Tax Covenant. To the extent that a Series of New Bonds is issued on a federal tax-exempt basis, as determined pursuant to Section 4 hereof, the City (and pursuant to the Resolution, the Commission) hereby covenants and agrees with the Holders of such New Bonds that it will not take any action which will, or fail to take any action which failure will, cause interest on such New Bonds to become includable in the gross income of the Holders for federal income tax purposes pursuant to the applicable provisions of Section 103 and Sections 141 through 150 of the Code and regulations promulgated thereunder in effect on the date of original issuance so long as any of such New Bonds are Outstanding. The City (and pursuant to the Resolution, the Commission) further covenants and agrees that no use of the proceeds of such New Bonds shall be made which, if such use had been reasonably expected on the date of issue of such New Bonds would have caused such New Bonds to be "arbitrage bonds," as defined in the Code; and to that end the City (and pursuant to the Resolution, the Commission) shall:

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

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

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

The Mayor or City Administrator and the Chairman or General Manager are hereby authorized to adopt written procedures to ensure the City's and the Commission's compliance with federal tax matters relating to the New Bonds, if applicable.

The Mayor or City Administrator and the Chairman or General Manager are authorized to determine whether one or more of the respective Series of New Bonds shall be designated as "qualified tax-exempt obligations" as defined in the Code. In such event, the City and all subordinate entities thereof will not anticipate issuing more than $10,000,000 (or the applicable limitation effect at the time of issuance of such Series of New Bonds) in tax-exempt bonds or other tax-exempt obligations in the calendar year in which such New Bonds are issued other than private activity bonds (except for qualified 501(c)(3) bonds) within the meaning of the Code.

This Fourteenth Supplemental Ordinance shall constitute the City's declaration of official intent pursuant to Regulation §1.150-2 of the Code to reimburse the City or the Commission from a portion of the proceeds of the New Bonds for expenditures the City or Commission anticipates incurring (the "Expenditures")

with respect to the 2026 Projects prior to the issuance of the Series of New Bonds relating thereto. Expenditures which may be reimbursed are limited to Expenditures which are: (a) properly chargeable to capital account (or would be so chargeable with a proper election or with the application of the definition of placed in service under Regulation §1.150-2 of the Code) under general federal income tax principals; or (b) certain *de minimis* or preliminary Expenditures satisfying the requirements of Regulation §1.150-2(f) of the Code. The source of funds for the Expenditures with respect to the 2026 Projects will be the Revenues, cash on hand, and available reserves of the System. To be eligible for reimbursement of the Expenditures, the reimbursement allocation must be made not later than 18 months after the later of (a) the date on which the Expenditures were paid; or (b) the date the applicable 2026 Projects were placed in service, but in no event more than three (3) years after the original Expenditures.

Both the principal of and interest on the New Bonds shall be exempt, in accordance with the provisions of Section 12-2-50 of the South Carolina Code 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.

Section 15. Continuing Disclosure. (a) To the extent that Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934 applies to a particular Series of New Bonds, the Mayor or City Administrator and the Chairman or General Manager or the Finance Manager are hereby authorized and directed to execute and deliver a Continuing Disclosure Agreement related to such Series of New Bonds as required by applicable law, the execution and delivery of the Continuing Disclosure Agreement constituting conclusive evidence of approval of the matters therein contained. Notwithstanding any other provisions of this Fourteenth Supplemental Ordinance, failure of the City or Commission to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default, and no liability for damages shall attach therefor. The sole remedy for such failure to comply shall be that any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City or Commission to comply with such Continuing Disclosure Agreement. The City and the Commission are authorized to adopt written procedures relating to compliance with continuing disclosure obligations in connection with the New Bonds, if applicable.

(b) The City covenants, so long as and to the extent required pursuant to Section 11-1-85, Code of Laws of South Carolina 1976, as amended, to 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 the audit; and

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

The only remedy for failure by the City to comply with the covenant in this Section 15(b) shall be an action for specific performance of this covenant; and failure to comply shall not constitute a default or an "Event of Default" under the General Bond Ordinance or this Fourteenth Supplemental Ordinance. Notwithstanding anything to the contrary contained in the General Bond Ordinance, the Trustee, the Registrar and the Paying Agent shall have no responsibility to monitor the City's compliance with this covenant. The City specifically reserves the right to amend or delete this covenant in order to reflect any change in Section 11-1-85 of the Code of Laws of South Carolina 1976, as amended, without the consent of the Trustee, the Registrar and the Paying Agent or the Holder of any New Bond.

Section 16. Headings. The headings and titles of the several sections hereof shall be solely for

convenience of reference and shall not affect the meaning, construction, interpretation or effect of this Fourteenth Supplemental Ordinance.

Section 17. Further Actions. The Mayor (or in his or her absence the Mayor Pro-Tempore), City Administrator, City Clerk, City Attorney and any Commission Representative are hereby authorized and directed to take any and all such further actions as shall be deemed necessary or desirable in order to effectuate issuance of the New Bonds, to carry out the provisions of this Fourteenth Supplemental Ordinance, to fulfill the requirements of any Bond Purchase Agreement, to purchase any Credit Facility or Reserve Fund Instrument in connection with a Series of New Bonds, and execute any agreements (including any Credit Facility Agreements or Reserve Fund Instrument Agreements) with the providers thereof.

Section 18. Credit Facility. In the event that the Mayor or City Administrator and the Chairman or General Manager determine pursuant to the authorization set forth in Section 4 hereof that one or more Credit Facilities shall be purchased with respect to a Series of New Bonds, the City Administrator and the General Manager are hereby authorized to approve the form of any Credit Facility Agreement and the City Administrator and General Manager are hereby directed and authorized to execute the Credit Facility Agreement and deliver the Credit Facility Agreement to the Credit Facility Issuer, the execution and delivery of the Credit Facility Agreement constituting conclusive evidence of approval of the matters therein contained.

Section 19. Reserve Fund Instrument. In the event that the Mayor or City Administrator and the Chairman or General Manager determine pursuant to the authorization set forth in Section 4 hereof that one or more Reserve Fund Instruments shall be purchased with respect to a Series of New Bonds, the City Administrator and the General Manager are hereby authorized to approve the form of any Reserve Fund Instrument Agreement and the City Administrator and General Manager are hereby directed and authorized to execute the Reserve Fund Instrument Agreement and deliver the Reserve Fund Instrument Agreement to the Reserve Fund Instrument Provider, the execution and delivery of the Reserve Fund Instrument Agreement constituting conclusive evidence of approval of the matters therein contained.

Section 20. Notices. All notices, certificates or other communications hereunder shall be given or made in writing and shall be delivered personally, or sent by registered mail, postage prepaid, return receipt requested, or overnight delivery service, to the party to whom they are directed at the following addresses, or at such other addresses as may be designated by notice from such party to all other parties:

If to the City:

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

If to the Commission:

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

If to the Paying Agent:

Truist Bank

Department Attention: Corporate Trust
223 West Nash Street
Wilson, North Carolina 27893

If to the Registrar:

Truist Bank
Department Attention: Corporate Trust
223 West Nash Street
Wilson, North Carolina 27893

If to the Trustee:

Truist Bank
Department Attention: Corporate Trust
223 West Nash Street
Wilson, North Carolina 27893

The City, the Commission, the Paying Agent, the Registrar and the Trustee may, by notice given to the other parties, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

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

Section 22. Effective Date. This Fourteenth Supplemental Ordinance shall become effective upon its enactment.

[Execution follows on next page]

Enacted by the City Council of the City of Greer, South Carolina, this 12th day of May, 2026.

CITY COUNCIL OF THE CITY OF GREER,
SOUTH CAROLINA

(SEAL)

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

ATTEST:

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

Introduced by: Councilman Paul Lamb

Date of First Reading: April 28, 2026

Date of Second Reading: May 12, 2026

[Signature Page]

EXHIBIT A

FORM OF [SERIES 2026] BOND
[PRIVATE PLACEMENT]

[TRANSFER RESTRICTED

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

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

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

[Insert principal repayment schedule]

Interest on the unpaid principal balance of this Bond is payable on _____ _, ___, and semiannually thereafter on March 1 and September 1 of each year. Interest on this Bond shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

THIS BOND HAS BEEN ISSUED UNDER THE PROVISIONS OF TITLE 6, CHAPTER 17, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED, AND DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION (OTHER THAN ARTICLE X, SECTION 14, PARAGRAPH 10 OF THE SOUTH CAROLINA CONSTITUTION AUTHORIZING OBLIGATIONS PAYABLE SOLELY FROM SPECIAL SOURCES NOT INVOLVING REVENUES FROM ANY TAX OR LICENSE) OR STATUTORY LIMITATION. THIS BOND SHALL NOT BE A DEBT OF THE CITY, NOR A CHARGE, LIEN OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON ANY PROPERTY OF THE CITY OR UPON ANY INCOME, RECEIPTS OR REVENUES THEREOF, OTHER THAN THE AFORESAID NET REVENUES OF THE SYSTEM PLEDGED THERETO. NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THIS BOND OR THE INTEREST THEREON AGAINST THE GENERAL FUND OF THE CITY, NOR SHALL THE CREDIT OR TAXING POWER OF THE CITY BE DEEMED TO BE PLEDGED THERETO. THE FULL FAITH, CREDIT AND TAXING POWERS OF THE CITY ARE NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS BOND.

Both the principal of and interest on this Bond are payable at the principal office of Truist Bank in Wilson, North Carolina, as Paying Agent (as defined in the hereinafter-defined Bond Ordinance), without presentation and surrender of this Bond, in any coin or currency of the United States of America which is, at the time of payment, legal tender for public and private debts.

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

This Bond is issued by the City for the purpose of defraying all or a portion of the Cost of Acquisition and Construction of the 2026 Projects and paying Cost of Issuance of this Bond (as such terms are defined in the Bond Ordinance). This Bond is issued under, pursuant to and in full compliance with the Constitution and statutes of the State of South Carolina, including particularly Article X, Section 14(10) of the South Carolina Constitution and Title 6, Chapter 17, of the Code of Laws of South Carolina 1976, as amended (collectively, the "Act"). This Bond is issued under and pursuant to a General Bond Ordinance (the "General Bond Ordinance") of the City Council of the City duly enacted on July 22, 1997, as amended, and as supplemented by Fourteenth Supplemental Ordinance No. __of the City Council of the City enacted on [May 12, 2026] (the "Fourteenth Supplemental Ordinance," and together with the General Bond Ordinance, the "Bond Ordinance"), under the Act which Bond Ordinance has been duly codified and indexed as prescribed by law. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Bond Ordinance.

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

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

The Bond Ordinance contains provisions defining terms, including the properties comprising the System; sets forth the revenues pledged for the payment of the principal of and interest on this Bond and the Bonds of other series which have heretofore or may hereafter be issued on a parity herewith under the Bond Ordinance; sets forth the nature, extent and manner of enforcement of the security of this Bond and of such pledge, and the rights and remedies of the Holder hereof with respect thereto; sets forth the terms and conditions upon which and the extent to which the Bond Ordinance may be altered, modified and amended; sets forth the terms and conditions upon which have been issued or upon which other bonds may be hereinafter issued payable as to principal, premium, if any, and interest on a parity with this Bond and equally and ratably secured herewith; sets forth the rights, duties and obligations of the City thereunder; and sets forth the terms and conditions upon which the pledge made in the Bond Ordinance for the security of this Bond and upon which the covenants, agreements and other obligations of the City made therein may be discharged at or prior to the maturity or redemption of this Bond with provisions for the payment thereof in the manner set forth in the Bond Ordinance. Reference is hereby made to the Bond Ordinance to all of the provisions of which any Holder of this Bond by the acceptance hereof thereby assents. The provisions of the Act and the Bond Ordinance shall be a contract with the Holder of this Bond.

To the extent and in the manner permitted by the terms of the Bond Ordinance, the provisions of the

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

The provisions of the General Bond Ordinance relating to Debt Service Reserve Funds have been amended by the Eighth Supplemental Ordinance and the Ninth Supplemental Ordinance. The provisions of the General Bond Ordinance relating to the definition of Debt Service and Maximum Debt Service have been amended by the Tenth Supplemental Ordinance. The provisions of the General Bond Ordinance relating to the definition of Expenses of Operating and Maintaining the System and Custodian, the ability of underwriters or purchasers of any Series of Bonds to consent to amendments to the General Bond Ordinance, and the conditions for the issuance of Bonds to finance the Cost of Acquisition and Construction, or a portion thereof, of any Project, have been amended by the Thirteenth Supplemental Ordinance.

The amendments set forth in the Eighth Supplemental Ordinance and the Ninth Supplemental Ordinance are in effect. The amendments set forth in the Tenth Supplemental Ordinance will not become effective until the earlier of: (1) all of the Bonds of 2002, the 2004 SRF Note, the 2005 SRF Note, the Bond of 2007, the 2007 SRF Note, the Bond of 2009 and the 2009 SRF Note shall cease to be Outstanding; or (2) the Holders of 66 2/3% in principal amount of the Bonds then Outstanding assent to and authorize such amendments; provided, any such assent provided by an underwriter of a Series of Bonds shall not become effective until the Holders of all Bonds affected by such amendments (other than the prospective purchasers for whom the underwriter has provided such assent) have also consented to such amendments. The amendments set forth in the Thirteenth Supplemental Ordinance will not become effective until the earlier of: (1) all the Outstanding Parity Bonds (other than the Bonds of 2024 and the [New Bonds]) shall cease to be Outstanding; or (2) the Holders of 66 2/3% in principal amount of the Bonds then Outstanding assent to and authorize such amendment; provided, any such assent provided by an underwriter of a Series of Bonds shall not become effective until the Holders of all Bonds affected by such amendments (other than the prospective purchasers for whom the underwriter has provided such assent) have also consented to such amendments.

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

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and statutes of the State of South Carolina to exist, to happen and to be performed precedent to and in the issuance of this Bond, do exist, have happened and have been performed in due time, form and manner as required by law; that the series of which this Bond is a part does not exceed any constitutional or statutory limitation of indebtedness; and that provision has been made for the payment of the principal of and interest on this Bond and the series of which it is a part, as provided in the Bond Ordinance.

IN WITNESS WHEREOF, the City of Greer, South Carolina, has caused this bond to be executed in its name by the manual signature of the Mayor of the City and attested by the manual signature of the Municipal Clerk of the City under the seal of the City impressed, imprinted or reproduced hereon.

CITY OF GREER, SOUTH CAROLINA

Richard W. Danner, Mayor

(SEAL)

ATTEST:

Tammela V. Duncan, Municipal Clerk

(FORM OF REGISTRAR'S CERTIFICATE OF AUTHENTICATION)

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

Truist Bank
Registrar

Dated:_____ By:_____
Authorized Officer

FORM OF [SERIES 2026] BOND
[PUBLIC ISSUE]

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

REGISTERED

No. R-_____

ORIGINAL ISSUE DATE	MATURITY DATE	INTEREST RATE	CUSIP

REGISTERED HOLDER: CEDE & CO.

PRINCIPAL AMOUNT: $_____

The City of Greer, South Carolina (the "City"), is justly indebted and, for value received, hereby promises to pay to the Registered Holder (named above), or registered assigns, but solely from the Net Revenues hereinafter mentioned and not otherwise, the Principal Amount shown above on the Maturity Date shown above (unless the within Bond shall be subject to prior redemption and shall have been duly called for previous redemption and payment of redemption price made or provided for), upon presentation and surrender of this Bond at the designated office of Truist Bank, as paying agent (the "Paying Agent"), and to pay interest, but solely from the Net Revenues hereinafter mentioned and not otherwise, on such principal amount from the date hereof at the Interest Rate per annum shown above (calculated on the basis of a 360-day year of twelve 30-day months) until this Bond matures. Interest on this Bond is payable semiannually on March 1 and September 1 of each year commencing _____1, ____until this Bond matures or is earlier redeemed, and shall be payable by wire transfer to the registered holder owning at least $1,000,000 aggregate principal amount of the Bonds to an account within the continental United States or by check or draft mailed to the person in whose name this Bond is registered on the registration books of the City maintained by Truist Bank, as registrar (the "Registrar"), at the close of business on the fifteenth (15th) day of the calendar month preceding each semiannual interest payment date. The principal, redemption premium, if any, and interest on this Bond are payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for public and private debts; provided, however, that interest on this fully registered Bond shall be paid by wire transfer, check or draft as set forth above.

THIS BOND HAS BEEN ISSUED UNDER THE PROVISIONS OF TITLE 6, CHAPTER 17 CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED (THE "ACT"), AND DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION (OTHER THAN ARTICLE X, SECTION 14, PARAGRAPH 10 OF THE SOUTH CAROLINA CONSTITUTION AUTHORIZING OBLIGATIONS PAYABLE SOLELY FROM SPECIAL SOURCES NOT INVOLVING REVENUES FROM ANY TAX OR LICENSE) OR STATUTORY LIMITATION. THIS BOND AND THE BONDS OF THE SERIES OF WHICH IT IS ONE SHALL NOT CONSTITUTE A DEBT OF THE CITY, NOR A CHARGE, LIEN OR ENCUMBRANCE,

LEGAL OR EQUITABLE, UPON ANY PROPERTY OF THE CITY OR ON ANY INCOME, RECEIPTS OR REVENUES THEREOF, OTHER THAN THE AFORESAID REVENUES OF THE SYSTEM (AS DEFINED HEREIN) PLEDGED THERETO. NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THIS BOND OR THE INTEREST THEREON AGAINST THE GENERAL FUND OF THE CITY AND NEITHER THE CREDIT NOR THE TAXING POWER OF THE CITY SHALL BE DEEMED TO BE PLEDGED THERETO. THE FULL FAITH, CREDIT AND TAXING POWERS OF THE CITY ARE NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS BOND.

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

This Bond is one of an authorized series of Bonds (as defined in the Bond Ordinance) of the aggregate principal amount of _____ Dollars ($_____) of like date of original issue, tenor and effect, except as to number, date of maturity, principal amount, date of authentication, registered holder, redemption provisions and rate of interest, issued by the City for the purpose of defraying all or a portion of the Costs of Acquisition and Construction of the 2026 Projects and paying Cost of Issuance relating to the Bonds (as such terms are defined in the Bond Ordinance). This Bond and the Series of Bonds of which it is one are authorized to be issued and are issued under, pursuant to and in full compliance with the Constitution and statutes of the State of South Carolina, including particularly Article X, Section 14(10) of the South Carolina Constitution and the Act. This Bond and the series of Bonds of which it is one are also authorized to be issued and are issued under and pursuant to a General Bond Ordinance of the City duly enacted on July 22, 1997, as amended (the "General Bond Ordinance"), and Fourteenth Supplemental Ordinance No. ___of the City duly enacted on [May 12, 2026] (the "Fourteenth Supplemental Ordinance" and, together with the General Bond Ordinance, the "Bond Ordinance"), under the Act which Bond Ordinance has been duly codified and indexed as prescribed by law. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Bond Ordinance.

This Bond and the series of which it is one, and the interest thereon is a special obligation of the City and are secured by and payable solely from, and secured equally and ratably by a pledge of and lien upon, the Net Revenues derived from the System on a parity with any pledge of and lien upon Net Revenues securing the Parity Bonds, [the [other New Bonds] previously issued, if any] and any Series of Bonds hereafter issued under the General Bond Ordinance payable from such Net Revenues on a parity and equally and ratably secured therewith.

This Bond and the series of Bonds of which it is one maturing on or prior to September 1, ___, shall not be subject to redemption prior to their stated maturities. This Bond and the series of Bonds of which it is one maturing on or after September 1, ____, shall be subject to redemption prior to maturity, at the option of the City, on and after September 1, ____, in whole or in part at any time in such order of their maturities as the City shall determine and by lot within a maturity, at the redemption price equal to 100% of the principal amount of this Bond and the series of Bonds of which it is one to be redeemed together with the interest accrued on such principal amount to the date fixed for redemption.

If less than all the Bonds of the series of which this Bond is one of any maturity are called for redemption, the Bonds of such maturity to be redeemed shall be selected by lot by the Registrar. In the event this Bond is redeemable, as aforesaid, and shall be called for redemption, notice of the redemption hereof, describing this Bond and specifying the redemption date, the premium payable upon such redemption and any conditions applicable to such redemption, including but not limited to the availability of money therefor, shall be given by the Registrar by first class mail, postage prepaid, to the registered owner thereof not less than thirty (30) days and not more than sixty (60) days prior to the redemption date at the last address appearing upon the registration books of the City. If this Bond be redeemable and shall have been duly called for redemption and

notice of the redemption hereof mailed as aforesaid, and if on or before the date fixed for such redemption, payment hereof shall be duly made or provided for, interest hereon shall cease to accrue from and after the redemption date hereof.

[The Bonds of the series of which this Bond is one maturing in the year 20 shall be retired by sinking fund installments which shall be accumulated in the Series Debt Service Fund established for the Bonds in amounts sufficient to redeem on September 1 of each year, at a redemption price equal to the principal amount of the Bond or Bonds to be redeemed, together with interest accrued thereon to the date fixed for redemption, the principal amount of such Bonds specified for each of the years shown below:

Year	Principal Amount

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

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

The Bond Ordinance contains provisions defining terms, including the properties comprising the System; sets forth the revenues pledged for the payment of the principal of and interest on this Bond and the Bonds of other series which have heretofore or may hereafter be issued on a parity herewith under the Bond Ordinance; sets forth the nature, extent and manner of enforcement of the security of this Bond and of such pledge, and the rights and remedies of the Holder hereof with respect thereto; sets forth the terms and conditions upon which and the extent to which the Bond Ordinance may be altered, modified and amended; sets forth the terms and conditions upon which have been issued or upon which other bonds may be hereinafter issued payable as to principal, premium, if any, and interest on a parity with this Bond and equally and ratably secured herewith; sets forth the rights, duties and obligations of the City thereunder; and sets forth the terms and conditions upon which the pledge made in the Bond Ordinance for the security of this Bond and upon which the covenants, agreements and other obligations of the City made therein may be discharged at or prior to the maturity or redemption of this Bond with provisions for the payment thereof in the manner set forth in the Bond Ordinance. Reference is hereby made to the Bond Ordinance to all of the provisions of which any Holder of this Bond by the acceptance hereof thereby assents. The provisions of the Act and the Bond Ordinance shall

be a contract with the Holder of this Bond.

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

The provisions of the General Bond Ordinance relating to Debt Service Reserve Funds have been amended by the Eighth Supplemental Ordinance and the Ninth Supplemental Ordinance. The provisions of the General Bond Ordinance relating to the definition of Debt Service and Maximum Debt Service have been amended by the Tenth Supplemental Ordinance. The provisions of the General Bond Ordinance relating to the definition of Expenses of Operating and Maintaining the System and Custodian, the ability of underwriters or purchasers of any Series of Bonds to consent to amendments to the General Bond Ordinance, and the conditions for the issuance of Bonds to finance the Cost of Acquisition and Construction, or a portion thereof, of any Project, have been amended by the Thirteenth Supplemental Ordinance.

The amendments set forth in the Eighth Supplemental Ordinance and the Ninth Supplemental Ordinance are in effect. The amendments set forth in the Tenth Supplemental Ordinance will not become effective until the earlier of: (1) all of the Bonds of 2002, the 2004 SRF Note, the 2005 SRF Note, the Bond of 2007, the 2007 SRF Note, the Bond of 2009 and the 2009 SRF Note shall cease to be Outstanding; or (2) the Holders of 66 2/3% in principal amount of the Bonds then Outstanding assent to and authorize such amendments; provided, any such assent provided by an underwriter of a Series of Bonds shall not become effective until the Holders of all Bonds affected by such amendments (other than the prospective purchasers for whom the underwriter has provided such assent) have also consented to such amendments. The amendments set forth in the Thirteenth Supplemental Ordinance will not become effective until the earlier of: (1) all the Outstanding Parity Bonds (other than the Bonds of 2024 and the [New Bonds])] shall cease to be Outstanding; or (2) the Holders of 66 2/3% in principal amount of the Bonds then Outstanding assent to and authorize such amendment; provided, any such assent provided by an underwriter of a Series of Bonds shall not become effective until the Holders of all Bonds affected by such amendments (other than the prospective purchasers for whom the underwriter has provided such assent) have also consented to such amendments.

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

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and statutes of the State of South Carolina to exist, to happen and to be performed precedent to and in the issuance of this Bond, do exist, have happened and have been performed in due time, form and manner as required by law; that the series of which this Bond is a part does not exceed any constitutional or statutory limitation of indebtedness; and that provision has been made for the payment of the principal of and interest on this Bond and the series of which it is a part, as provided in the Bond Ordinance.

IN WITNESS WHEREOF, the City of Greer, South Carolina, has caused this Bond to be executed in its name by the facsimile/manual signature of the Mayor of the City and attested by the facsimile/manual signature of the Municipal Clerk of the City under the seal of the City impressed, imprinted or reproduced hereon.

CITY OF GREER, SOUTH CAROLINA

By: _____
Richard W. Danner, Mayor

(SEAL)

ATTEST:

_____
Tammela V. Duncan, Municipal Clerk

(FORM OF REGISTRAR'S CERTIFICATE OF AUTHENTICATION)

This Bond is one of the Bonds described in the within-mentioned Thirteenth Supplemental Ordinance of City of Greer, South Carolina.

TRUIST BANK, as Registrar

Dated: _____

By: _____
Authorized Officer

(FORM OF ASSIGNMENT)

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

(Name and Address of Transferee)

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

Dated: _____ By: _____
(Authorized Officer)

Signature Guaranteed

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

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

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

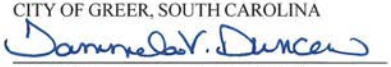
TEN COM - as tenants in common	UNIF GIFT MIN ACT -
TEN ENT - as tenants by the entireties	_____Custodian _____ (Cust) (Minor) under Uniform Gifts to Minors Act _____ (State)
JT TEN - as joint tenants with right of survivorship and not as tenants in common	

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

CERTIFICATE

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

CITY OF GREER, SOUTH CAROLINA

By: 

Tammela V. Duncan, Municipal Clerk

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APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the COMMISSION OF PUBLIC WORKS OF THE CITY OF GREER (the "Commission"), in connection with the issuance of the $_____ City of Greer, South Carolina, Combined Utility System Revenue Bonds, Series 2026 (the "Bonds"), issued pursuant to (i) General Bond Ordinance No. 27-97 enacted by the City Council of the City of Greer, South Carolina (the "City") on July 22, 1997, as amended (the "Bond Ordinance"); (ii) Fourteenth Supplemental Ordinance No. ____ enacted by the City Council of the City on _____, 2026 (the "Supplemental Ordinance") (collectively, the Bond Ordinance and the Supplemental Ordinance and any other ordinances amendatory thereof or supplemental thereto are referred to as the "Ordinance"); and (iii) a resolution adopted on _____, 2026 by the Commission. The Commission hereby agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Commission for the benefit of the Beneficial Owners (as such term is defined below) of the Bonds and in order to assist the Participating Underwriter (defined below) in complying with the Rule (as such terms are defined below).

SECTION 2. Definitions. The following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Commission pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any 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" shall mean the General Manager of the Commission or his or her designee, or such other officer or employee as the Commission shall designate in writing from time to time.

"Dissemination Agent" shall mean an agent appointed in accordance with Section 7 herein.

"Financial Obligation" is defined by the Rule as and for purposes of this Disclosure Certificate shall mean (1) a debt obligation, (2) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (3) a guarantee of either of the foregoing; provided, however, that a "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"National Repository" shall mean, for purposes of the Rule, the Electronic Municipal Market Access (EMMA) system created by the Municipal Securities Rulemaking Board, or any other information repository designated by the Securities and Exchange Commission for purposes of receiving information reports pursuant to the Rule.

"Official Statement" shall mean the official statement dated _____, 2026 of the City, prepared in connection with the issuance of the Bonds.

"Participating Underwriter" shall mean Raymond James & Associates, Inc., and any other original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Repository" shall mean each National Repository and each State Depository, if any.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of South Carolina.

"State Depository" shall mean any public or private repository or entity designated by the State as a state information depository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of this Agreement, there is no State Depository.

SECTION 3. Provision of Annual Reports.

(a) The Commission shall, or shall cause the Dissemination Agent to, provide to each Repository within seven months after the end of the Commission's fiscal year (presently December 31), commencing with the fiscal year ending December 31, 2026, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate provided that the audited financial statements of the Commission may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Commission's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b).

(b) If the Annual Report has not been provided to the Repositories by the date required in subsection (a) above, the Commission, in a timely manner, shall send a notice to the Municipal Securities Rulemaking Board and the State Depository, if any, in substantially the form attached hereto as Exhibit A.

(c) The Commission shall determine each year prior to the date for providing the Annual Report the name and address of the National Repository.

SECTION 4. Content of Annual Reports. The Commission's Annual Report shall contain or include by reference the following:

1. The audited financial statements of the Commission for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board (or if not in conformity, to be accompanied by a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information). If the Commission's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

2. The financial information included in the Official Statement in the table under the heading and subheading entitled "FINANCIAL FACTORS – Summary of Revenues, Expenses and Changes in Net Position" for the fiscal year then concluded.

3. The financial information included in the Official Statement in the table under the heading and subheading entitled "FINANCIAL FACTORS – Historical Coverage" for the fiscal year then concluded.

4. The statistics included in the Official Statement in the tables under the heading entitled "THE COMBINED UTILITY SYSTEM – The Waterworks Unit" showing the total number of water meters, total water consumption, average and peak quantities of finished water supplied by the water treatment plant of the System, and the ten largest water users, each for the fiscal year then concluded.

5. The statistics contained in the tables included under the heading entitled "THE COMBINED UTILITY SYSTEM – The Wastewater Unit" included in the Official Statement showing the number of wastewater meters, average and maximum daily treatment (Maple Creek Plant) and ten largest wastewater system users, each for the fiscal year then concluded.

6. The statistics contained in the tables included under the heading entitled "THE COMBINED UTILITY SYSTEM – The Electric Unit" included in the Official Statement showing the total number of electric

meters, kilowatt hour consumption and sales, peak electric demand, and the ten largest electric users, each for the fiscal year then concluded.

7. The statistics contained in the tables included under the heading entitled "THE COMBINED UTILITY SYSTEM – The Natural Gas Unit" included in the Official Statement showing the total number of natural gas meters, ten largest natural gas customers and total natural gas sales, each for the fiscal year then concluded.

Any or all of the items listed above may be incorporated by specific reference to other documents, including official statements of debt issues of the Commission or related public entities, which have been filed with each of the Repositories or with the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Commission shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Commission shall give, or cause to be given, notice of the occurrence of any of the following events (the "Listed Events"):

(1) Principal and interest payment delinquencies;
(2) Non-payment related defaults, if material;
(3) Unscheduled draws on debt service reserves reflecting financial difficulties;
(4) Unscheduled draws on credit enhancements reflecting financial difficulties;
(5) Substitution of credit or liquidity providers, or their failure to perform;
(6) 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 tax status of the security, or other material events affecting the tax status of the security;
(7) Modifications to rights of security holders, if material;
(8) Bond calls, if material;
(9) Tender offers;
(10) Defeasances;
(11) Release, substitution, or sale of property securing repayment of the securities, if material;
(12) Rating changes;
(13) Bankruptcy, insolvency, receivership or similar event of the Commission;
(14) The consummation of a merger, consolidation, or acquisition involving the Commission or the sale of all or substantially all of the assets of the Commission 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 actions, other than pursuant to its terms, if material;
(15) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
(16) Incurrence of a Financial Obligation of the Commission, if material; or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Commission, any of which affect security holders, if material; and
(17) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Commission, any of which reflect financial difficulties.

(b) Whenever the Commission obtains knowledge of the occurrence of a Listed Event described in subsections (a)(2), (7), (8), (11), (14), (15) or (16) above, the Commission shall as soon as possible determine if such event would be material under applicable federal securities laws. If the Commission determines that knowledge of the occurrence of such event would be material under applicable federal securities laws, the Commission shall promptly, and no later than 10 business days after the occurrence of the event, file a notice of such occurrence with the Repository.

(c) Whenever the Commission obtains knowledge of the occurrence of a Listed Event described in subsections (a)(1), (3), (4), (5), (6), (9), (10), (12), (13) or (17) above, the Commission shall promptly, and no later than 10 business days after the occurrence of the event, file a notice of such occurrence with the Repository.

(d) Notwithstanding the foregoing, notice of the Listed Events described in subsections (a)(8, (9) and (10) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to owners of affected Bonds. For the purposes of the event identified in (a)(13) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Commission in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Commission, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Commission.

(e) For the purposes of the events identified in (a)(16) or (17) above, a "Financial Obligation of the Commission" shall include a Financial Obligation of the City issued on behalf or for the benefit of the Commission and for which the Commission is the obligor.

SECTION 6. Termination of Reporting Obligation. The Commission's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 7. Dissemination Agent. The Commission may, from time to time, appoint or engage a Dissemination Agent to assist in carrying out the obligations of the Commission under this Disclosure Certificate, and may discharge any such 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 Commission pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the Commission.

SECTION 8. Amendment and Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Commission may amend this Disclosure Certificate and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to the Commission, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Commission from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Commission chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Commission shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Commission to comply with any provision of this Disclosure Certificate, the Beneficial Owners of the Bonds may take such actions as may be necessary and appropriate, including seeking injunctive relief or specific performance by court order, to cause the Commission or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Ordinance, and the sole remedy under this Disclosure Certificate in the event of any failure of the Commission, or the Dissemination Agent, to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Commission, the Dissemination Agent, if any, the Participating Underwriter and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: _____ __, _____

COMMISSION OF PUBLIC WORKS OF THE CITY OF GREER, SOUTH CAROLINA

By: _____
General Manager

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	City of Greer, South Carolina
Name of Obligated Person:	Commission of Public Works of the City of Greer, South Carolina
Name of Bond Issue:	$_____ City of Greer, South Carolina, Combined Utility System Revenue Bonds, Series 2026
Date of Issuance:	_____ ___, 20__

NOTICE IS HEREBY GIVEN that the Commission of Public Works of the City of Greer, South Carolina has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Disclosure Certificate dated _____, _____. [The Commission anticipates that the Annual Report will be filed by _____.]

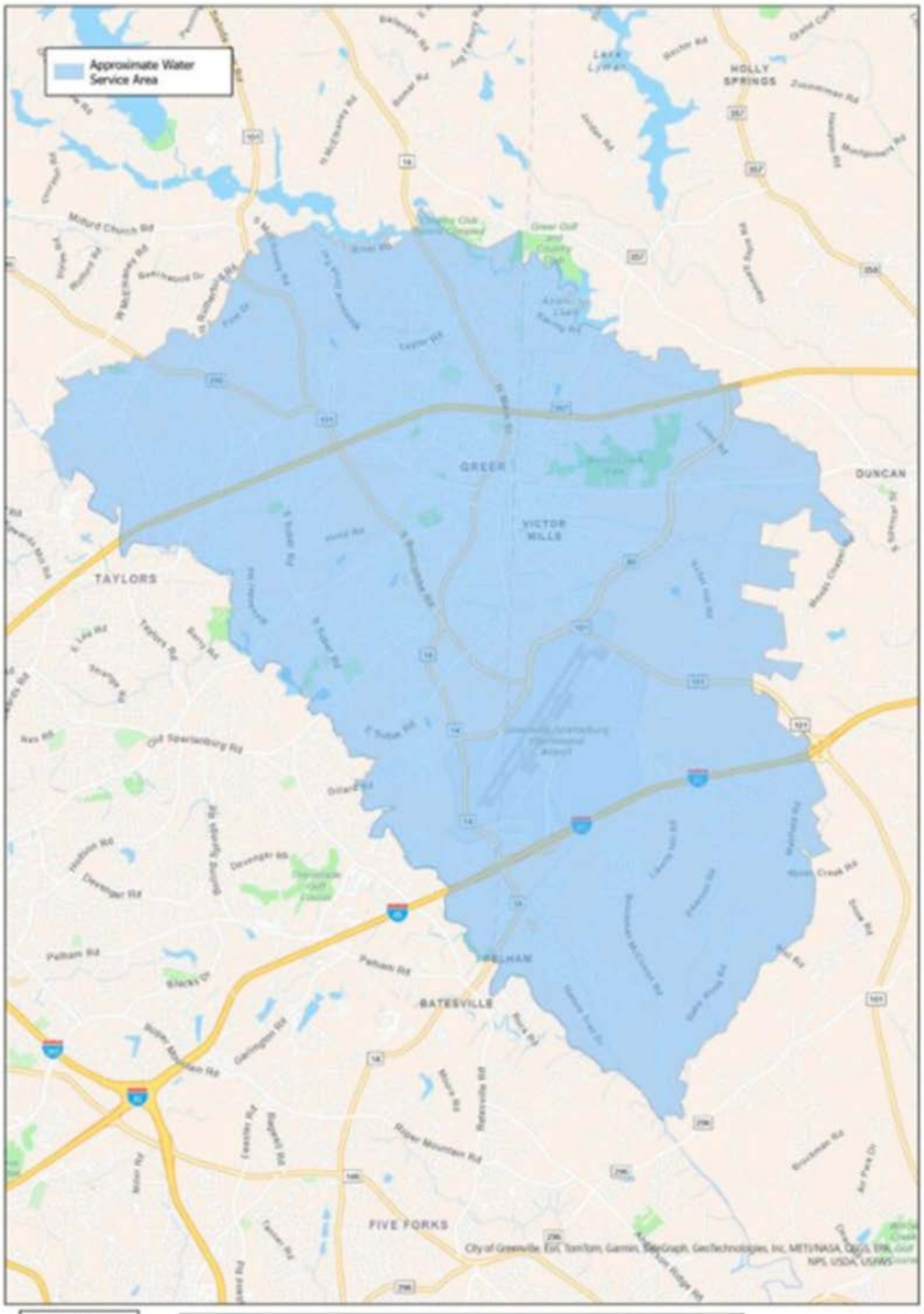
Dated: _____

COMMISSION OF PUBLIC WORKS OF THE
CITY OF GREER, SOUTH CAROLINA

APPENDIX E

SERVICE AREA MAPS

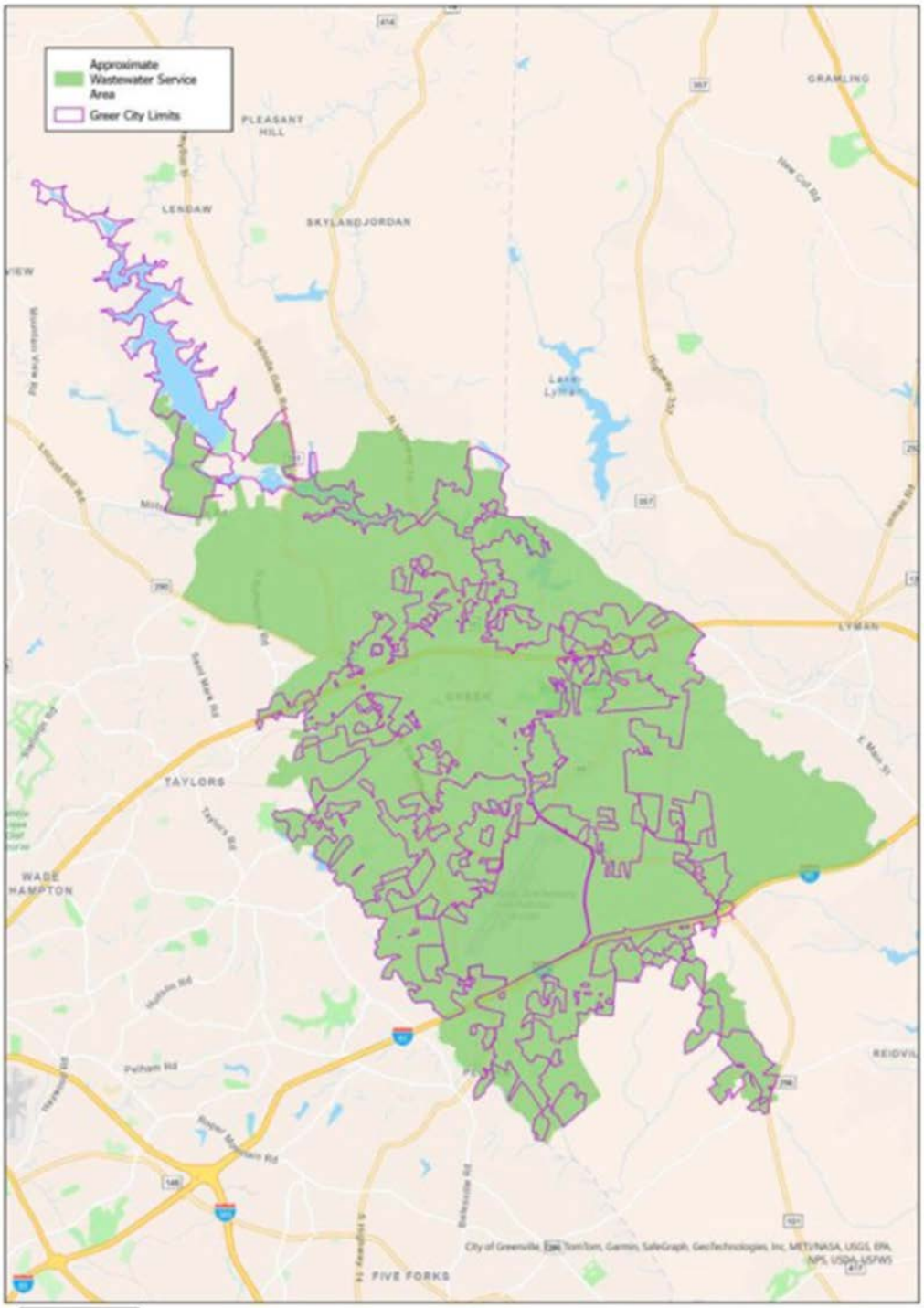
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2026 Greer CPW Water Service Area

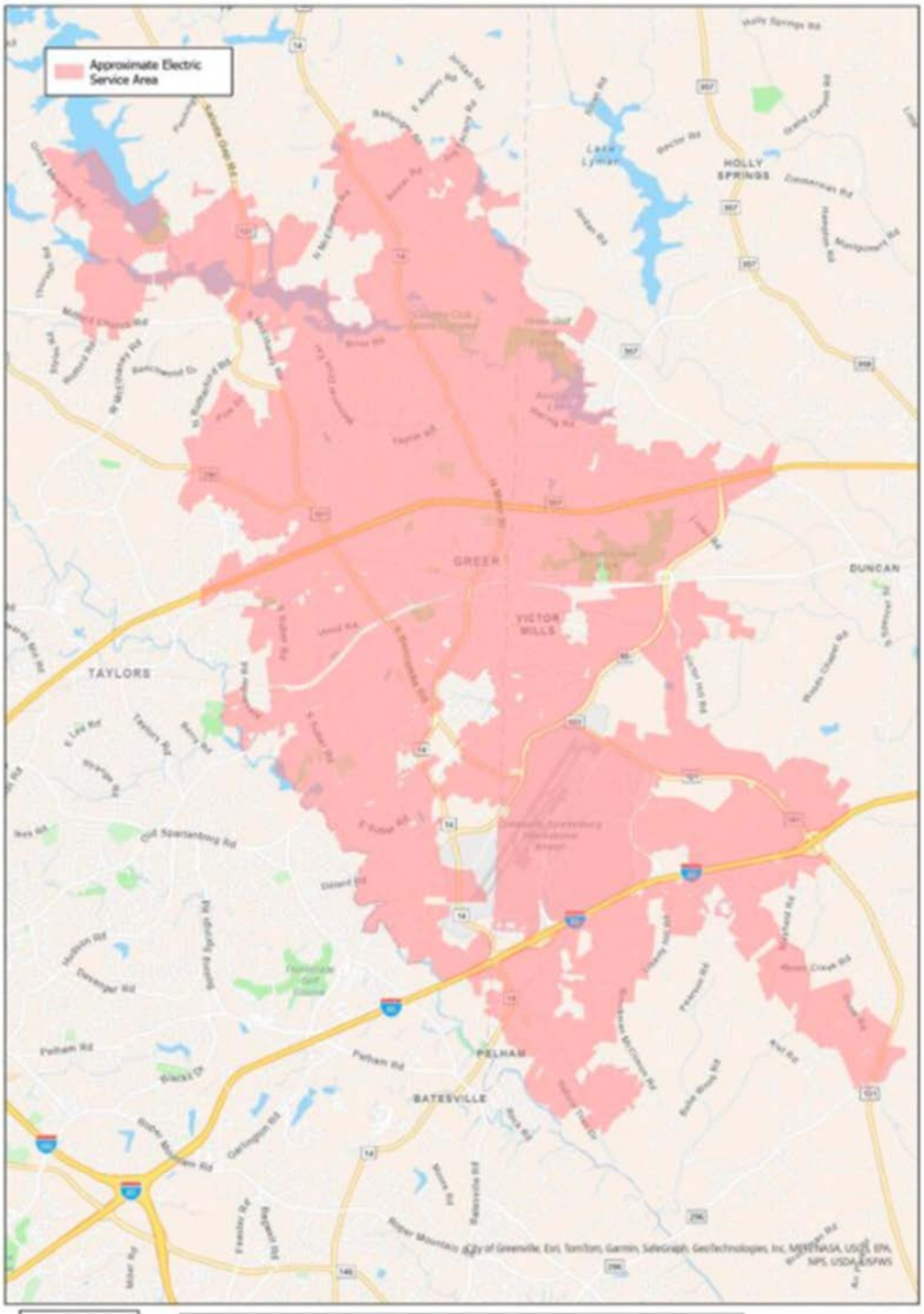
Greer Commission of Public Works Disclaimer

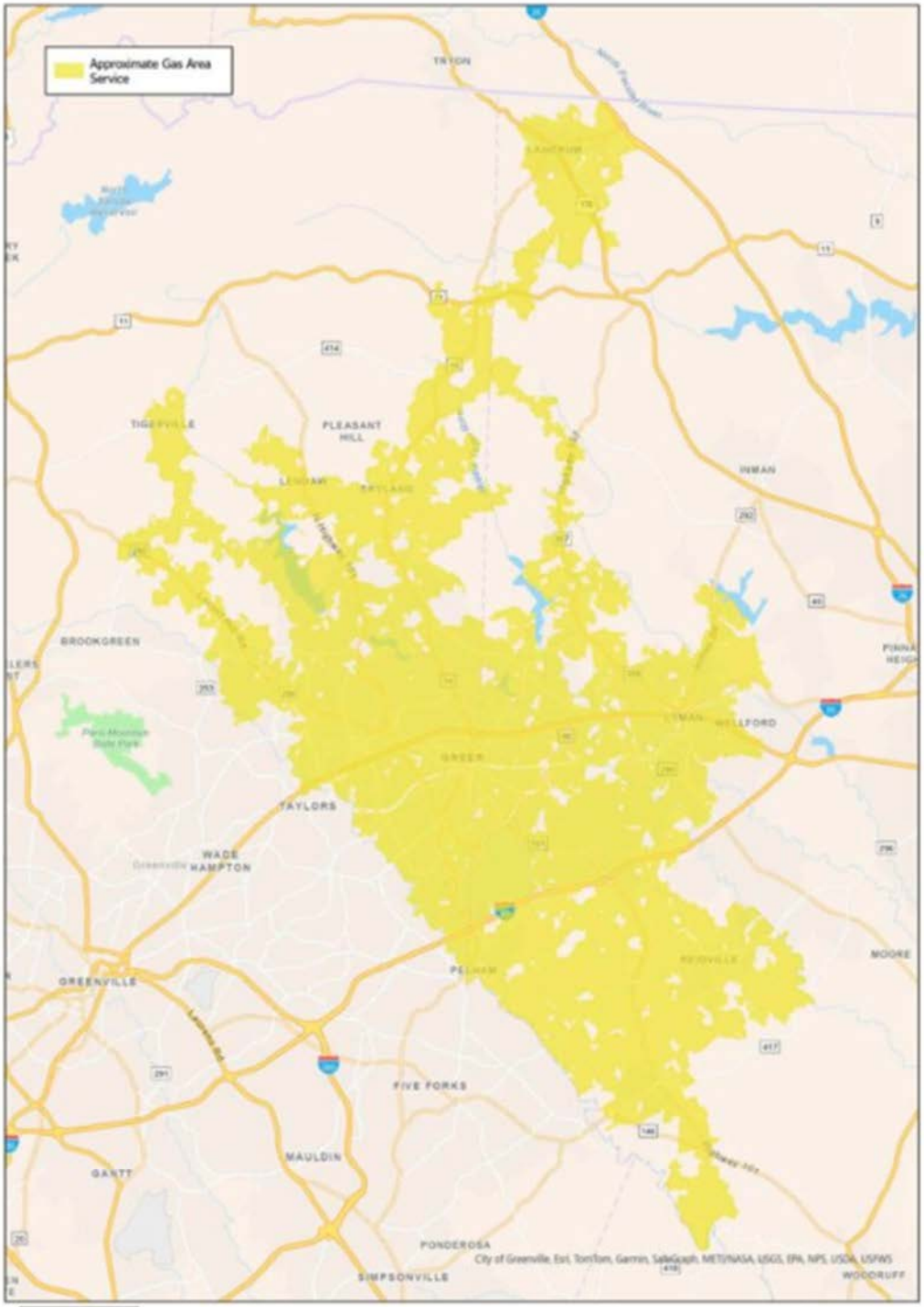
Information developed by the Greer Commission of Public Works (GCPW) is intended for use by the owner. Distribution of such data to the public is provided as a service. GCPW makes no representations or warranties, expressed or implied, regarding the accuracy, completeness, or suitability of this data for any specific purpose desired by the recipient. Existing utility locations and related infrastructure data are subject to change without notice. By receipt and acceptance of this data, the recipient agrees that GCPW shall have no liability whatsoever in connection with the use, interpretation, or reliance upon this information.



2026 Greer CPW Wastewater Service Area

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Approximate Electric Service Area
HOLLY SPRINGS
GREER
DUNCAN
VICTOR MILLS
TAYLORS
PELHAM
BATESVILLE
N
W
E
S
2026 Greer CPW Electric Service Area
Greer Commission of Public Works Disclaimer
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2026 Greer CPW Natural Gas Service Area

Greer Commission of Public Works Disclaimer
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