
AN ORDINANCE

PROVIDING FOR THE ISSUANCE AND SALE OF A NOT EXCEEDING EIGHT HUNDRED THOUSAND DOLLAR (\$800,000) COMBINED PUBLIC UTILITY SYSTEM IMPROVEMENT REVENUE BOND, SERIES 2022, OF THE CITY OF ABBEVILLE, SOUTH CAROLINA, AND OTHER MATTERS RELATING THERETO.

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

ARTICLE I FINDINGS OF FACT

Section 1.01 Findings.

As an incident to the enactment of this Ordinance, and the issuance of the bond provided for herein, the City Council of the City of Abbeville (the "City Council"), the governing body of the City of Abbeville, South Carolina (the "City"), finds that the facts set forth in this Article exist and that the following statements are in all respects true and correct:

(a) The City Council has made general provision for the issuance from time to time of Combined Public Utility System Revenue Bonds (the "Bonds") of the City through the enactment of an ordinance on January 22, 1998, entitled "AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF COMBINED PUBLIC UTILITY SYSTEM REVENUE BONDS OF THE CITY OF ABBEVILLE, SOUTH CAROLINA, AND OTHER MATTERS RELATING THERETO," as amended by an Ordinance enacted by the City Council on February 9, 2010, and as further amended by ordinance adopted October 23, 2012 (as amended, the "Bond Ordinance"). Capitalized terms used and not otherwise defined herein have the meanings given to such terms in the Bond Ordinance.

(b) It is provided in and by the Bond Ordinance that, upon adoption of a "Series Ordinance," there may be issued one or more series of Bonds for the purpose of obtaining funds for the expansion and improvement of the Combined Public Utility System of the City (the "System"); providing funds for the payment of any bond anticipation notes that may have been issued in anticipation of the issuance and sale of Bonds; refunding Bonds or other obligations issued to provide land or facilities which are or are to become a part of the System or which are or were payable in whole or in part from revenues of the System; providing funds for the payment of interest due on such Bonds; funding a debt service reserve fund or restoring the value of the cash and securities in a debt service reserve fund to the amount equal to its reserve requirement; and paying the costs of issuance of Bonds, including any credit enhancement therefor.

(c) The Bonds presently Outstanding under the Bond Ordinance are:

(i) the \$2,012,112 plus capitalized interest, if any, City of Abbeville, South Carolina, Combined Public Utility System Improvement Revenue Bond (South Carolina Water Quality Revolving Loan Fund Loan), Series 2010;

(ii) the \$3,500,000 City of Abbeville, South Carolina, Combined Public Utility System Improvement Revenue Bond, Series 2012;

(iii) the \$445,002 plus capitalized interest, if any, City of Abbeville, South Carolina, Combined Public Utility System Improvement Revenue Bond (South Carolina Drinking Water Revolving Loan Fund Loan), Series 2013;

(iv) the \$4,620,000 City of Abbeville, South Carolina, Combined Public Utility System Refunding Revenue Bond, Series 2013B;

(v) the \$350,000 City of Abbeville, South Carolina, Combined Public Utility System Revenue Bond, Series 2019A; and

(vi) the \$948,620, Plus Capitalized Interest, if any, Combined Public Utility System Improvement Revenue Bond (State Water Pollution Control Revolving Fund Loan) of the City of Abbeville, South Carolina, Series 2020;

(collectively, the "Parity Bonds").

(d) The City Council has determined that the applicable Reserve Requirements for all Bonds now outstanding have been met, and that no default exists in the payment of the principal of or interest on any Bonds or any Junior Lien Bonds presently outstanding. No Reserve Requirement shall be established for the bond authorized by this ordinance.

(e) The City Council has determined that certain improvements to the electrical component of the System are now necessary, consisting of a tie-in of such component with power supply lines to reduce the frequency and duration of outages in the Lowndesville and Lake Secession Areas (the "Improvements"). The City Council hereby finds and determines that the issuance of a Series of Bonds is necessary to provide funds to be used and expended to pay the costs of the Improvements, associated engineering and design costs, and the costs of issuance of such Series of Bonds, which purposes are permitted by Sections 4.01(A)(1) and 4.01(A)(6) of the Bond Ordinance. The Bond shall be issued on a parity with the Parity Bonds.

(f) By reason of the foregoing, the City Council has determined to adopt this ordinance in accordance with the terms and provisions of the Bond Ordinance in order to effect the issuance of the Bond described herein, and for such purposes this ordinance shall constitute a "Series Ordinance" within the meaning of the Bond Ordinance.

[End of Article I]

**ARTICLE II
DEFINITIONS AND AUTHORITY**

Section 2.01 Definitions.

(a) Except as provided in subsection (b) below, all terms which are defined in Section 2.02 of the Bond Ordinance shall have the same meanings in this Ordinance as such terms are prescribed to have in the Bond Ordinance.

(b) As used in this 2022 Series Ordinance, unless the context shall otherwise require, the following terms shall have the following respective meanings:

“Bond Payment Date” shall mean each March 1, June 1, September 1 and December 1, commencing September 1, 2022 and continuing to and including June 1, 2032.

“Dated Date” means the date of delivery of the Series 2022 Bond.

“Improvements” shall have the meaning assigned thereto in Section 1.01(e) of this 2022 Series Ordinance.

“Series 2022 Bond” shall mean the bond of the City authorized by this 2022 Series Ordinance and designated “City of Abbeville, South Carolina, Combined Public Utility System Improvement Revenue Bond, Series 2022.”

“2022 Construction Fund” shall mean the Fund established in accordance with Section 4.01(B)(17) of the Bond Ordinance for the purposes set forth in Section 5.02 of this 2022 Series Ordinance.

“2022 Debt Service Fund” shall mean the Fund established in accordance with Sections 4.01(B)(17) and 7.03 of the Bond Ordinance to provide for the payment of the principal and interest on the Series 2022 Bond.

“2022 Series Ordinance” shall mean this Ordinance.

Section 2.02 Authority for this Series 2022 Ordinance.

This 2022 Series Ordinance is adopted pursuant to the provisions of the Bond Ordinance.

[End of Article II]

**ARTICLE III
PERIOD OF USEFULNESS**

Section 3.01 Period of Usefulness.

The period of usefulness of the System is determined, for the purpose of this 2022 Series Ordinance, to be not less than thirty (30) years from the date of enactment of this 2022 Series Ordinance.

[End of Article III]

**ARTICLE IV
AUTHORIZATION AND TERMS OF THE SERIES 2022 BOND**

Section 4.01 Principal Amount; Designation of Series.

Pursuant to the provisions of the Bond Ordinance, a Series of Bonds of the City consisting of a single Bond and entitled to the benefits, protection, and security of the provisions of the Bond Ordinance is hereby authorized in the principal amount of Eight Hundred Thousand Dollars (\$800,000). The Bond so authorized shall be designated "City of Abbeville, South Carolina, Combined Public Utility System Improvement Revenue Bond, Series 2022."

Section 4.02 Purposes.

The Series 2022 Bond is authorized for the principal purposes of:

- (a) defraying the cost of the Improvements and all engineering and design costs associated therewith; and
- (b) defraying costs and expenses relating to the issuance of the Series 2022 Bond.

Section 4.03 Date of Issue; Interest Rate; Maturity; Redemption; Record Dates.

The Date of Issue of the Series 2022 Bond shall be the date of its delivery to the purchaser thereof.

The Series 2022 Bond shall bear interest at the rate of Two and fifteen one-hundredths percentum (2.15%) per annum. The Series 2022 Bond shall be payable by way of equal or nearly-equal quarterly installments of principal and interest, due on the first days of March, June, September and December, commencing September 1, 2022, and quarterly thereafter to and including June 1, 2032. Each installment of principal so payable shall constitute a mandatory sinking fund redemption within the meaning of the Bond Ordinance.

The City Manager is authorized to approve, consistent with the preceding paragraph, the payment schedule for the Series 2022 Bond, and such payment schedule in written form shall be signed by the City Manager and attached to the Series 2022 Bond. The execution and delivery of the Series 2022 Bond with the payment schedule so attached shall constitute conclusive evidence of the City Manager's approval of the payment schedule.

The Series 2022 Bond shall be subject to redemption, in whole, but not in part, without penalty at any time on 30 days' written notice to the Holder thereof. The Record Dates for payment of interest on the Series 2022 Bond shall be the fifteenth day of the month immediately preceding each Bond Payment Date.

Section 4.04 Authentication; Payment of Interest.

The Series 2022 Bond shall be authenticated on such date as it shall be delivered and shall bear interest from the later of such date, or the date to which interest has been paid immediately preceding the authentication date thereof, unless the authentication date thereof is a Bond Payment Date, in which event, the Series 2022 Bond shall bear interest from the earlier of such authentication date, or the date to which interest has been paid. Payments of principal of and interest on the Series 2022 Bond shall be

made by wire transfer to the Holder thereof according to such instructions provided by such Holder at least 15 days prior to the next following Bond Payment Date.

Section 4.05 Denomination, Numbering.

The Series 2022 Bond shall be issued as a single bond in the denomination of \$800,000. The Series 2022 Bond shall be numbered by the Registrar in such fashion as to reflect the fact that it is the single Series 2022 Bond or a bond issued in exchange therefor, and to identify the owner thereof on the books kept by the Registrar.

Section 4.06 Appointment of Trustee and Registrar; Maintenance of Offices for Payment; Transfer and Exchange of Bond.

U.S. Bank National Association (the "Trustee") was appointed to act as Trustee with respect to Bonds issued under the Bond Ordinance. U.S. Bank Trust Company, National Association is successor to U.S. Bank National Association within the meaning of Section 15.12 of the Bond Ordinance and continues as Trustee pursuant to the Bond Ordinance. The Trustee shall signify its acceptance of the duties of the Trustee under this 2022 Series Ordinance upon delivery of the Series 2022 Bond.

As long as the Series 2022 Bond remains Outstanding, the City shall maintain a Registrar therefor. U.S. Bank Trust Company, National Association is hereby appointed to act as Registrar with respect to the Series 2022 Bond under the Bond Ordinance (in such capacity, the "Registrar") and this 2022 Series Ordinance. The Registrar shall signify its acceptance of the duties of the Registrar under the Bond Ordinance and this 2022 Series Ordinance upon delivery of the Series 2022 Bond.

The Series 2022 Bond shall be presented for registration of transfers and exchanges, and notices and demands to or upon the Trustee and the City in respect of the Series 2022 Bond may be served, at the corporate trust office of the Registrar.

Section 4.07 Form of Bond.

The Series 2022 Bond (which shall not be issued in book-entry form), together with the Certificate of Authentication and Assignment, are to be in substantially the following form with necessary and appropriate variations, omissions, and insertions as permitted or required by the Bond Ordinance or this 2022 Series Ordinance, to wit:

(FORM OF BOND)

CITY OF ABBEVILLE, SOUTH CAROLINA,
COMBINED PUBLIC UTILITY SYSTEM IMPROVEMENT REVENUE BOND,
SERIES 2022

No. R-1

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Issue Date</u>
2.15%	June 1, 2032	_____, 2022

Registered Holder: ABBEVILLE FIRST BANK

Principal Amount: EIGHT HUNDRED THOUSAND AND NO/100 DOLLARS (\$800,000)

The CITY OF ABBEVILLE, SOUTH CAROLINA (the “City”) acknowledges itself indebted and for value received hereby promises to pay, solely from the sources and as hereinafter provided, to the Registered Holder named above or registered assigns, the Principal Amount set forth above as provided herein and to pay interest on such Principal Amount at the annual Interest Rate stated above until the obligation of the City with respect to the payment of such Principal Amount shall be discharged.

This Series 2022 Bond shall bear interest from _____, 2022. This Series 2022 Bond is payable by way of quarterly amortized payments of principal and interest as shown on Schedule A attached to this Series 2022 Bond Each installment of principal so payable shall constitute a mandatory sinking fund redemption within the meaning of the Bond Ordinance. The principal and interest so payable on a Bond Payment Date as shown on Schedule A will be paid to the person in whose name this Series 2022 Bond is registered at the close of business on the 15th day of the month immediately preceding such Bond Payment Date (each, a “Record Date”).

This Series 2022 Bond shall be subject to redemption, in whole, but not in part, without penalty at any time on 30 days’ written notice to the Holder.

Principal of this Series 2022 Bond and interest hereon shall be payable by wire transfer from the office U.S. Bank Trust Company, National Association (the “Trustee”) to the person in whose name this Series 2022 Bond is registered on the Record Date pursuant to instructions supplied by the Holder hereof to the Trustee by the Record Date as to the next succeeding Bond Payment Date. The principal of and interest on this Series 2022 Bond is payable 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.

This Series 2022 Bond is issued in the principal amount of Eight Hundred Thousand Dollars (\$800,000) in accordance with the Constitution and statutes of the State of South Carolina (the “State”), including particularly Chapter 17, Title 6, inclusive, Code of Laws of South Carolina 1976, as amended, an ordinance duly enacted by the City Council of the City, its governing body, on January 22, 1998, as amended (the “Bond Ordinance”), and an ordinance duly enacted by the City Council on July 20, 2022 (the “2022 Series Ordinance”) (the Bond Ordinance and the 2022 Series Ordinance are herein together referred to as the “Ordinances”) for the purpose of (a) obtaining funds to defray the cost of constructing Improvements to the Combined Public Utility System of the City

(the "System") and associated engineering and design costs, and (b) paying certain costs related to the issuance of this Series 2022 Bond.

Certain capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Ordinances. Certified copies of the Ordinances are on file in the office of the Trustee and in the office of the Clerk of Court for Abbeville County, South Carolina.

BOTH THE PRINCIPAL OF AND INTEREST ON THIS SERIES 2022 BOND, AS THE SAME SHALL BECOME DUE, ARE PAYABLE SOLELY FROM THE GROSS REVENUES OF THE SYSTEM. THIS SERIES 2022 BOND SHALL NOT IN ANY EVENT CONSTITUTE A GENERAL INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY PROVISION, LIMITATION, OR RESTRICTION OF THE CONSTITUTION OR STATUTES OF THE STATE. THE CITY IS NOT OBLIGATED TO PAY THIS SERIES 2022 BOND, OR THE INTEREST HEREON, SAVE AND EXCEPT FROM THE GROSS REVENUES OF THE SYSTEM AS SUCH ARE DEFINED IN THE BOND ORDINANCE.

This Series 2022 Bond is issued on a parity with:

(i) the \$2,012,112 plus capitalized interest, if any, City of Abbeville, South Carolina, Combined Public Utility System Improvement Revenue Bond, Series 2010;

(ii) the \$355,000 City of Abbeville, South Carolina, Combined Public Utility System Improvement Revenue Bond, Series 2012;

(iii) the \$445,002 plus capitalized interest, if any, City of Abbeville, South Carolina, Combined Public Utility System Improvement Revenue Bond (South Carolina Drinking Water Revolving Loan Fund Loan), Series 2013; and

(iv) the \$4,620,000 City of Abbeville, South Carolina, Combined Public Utility System Refunding Revenue Bond, Series 2013B;

(v) the \$350,000 City of Abbeville, South Carolina, Combined Public Utility System Revenue Bond, Series 2019A; and

(vi) the \$948,620, Plus Capitalized Interest, if any, Combined Public Utility System Improvement Revenue Bond (State Water Pollution Control Revolving Fund Loan) of the City of Abbeville, South Carolina, Series 2020

(collectively, the "Parity Bonds"). The Bond Ordinance authorizes the issuance of additional bonds on a parity with the Parity Bonds and this Series 2022 Bond, which, when issued in accordance with the provisions of the Bond Ordinance, will rank equally and be on a parity therewith.

The City has covenanted to continuously operate and maintain the System and fix and maintain such rates for the services and facilities furnished by the System as shall at all times be sufficient (a) to maintain the Debt Service Funds and thus provide for the punctual payment of the principal of and interest on the Bonds; (b) to maintain the Debt Service Reserve Funds in the manner prescribed in the Ordinances; (c) to provide for the payment of the expenses of administration and operation and such expenses for maintenance of the System as may be necessary to preserve the same in good repair and working order; (d) to build and maintain a reserve for depreciation of the System, for contingencies and for improvements, betterments and extensions to the System other than those necessary to maintain the same in good repair and working order; (e) to pay all amounts owing under

a reimbursement agreement with any provider of a surety bond, insurance policy or letter of credit as contemplated under Section 7.04(D) of the Bond Ordinance; (f) to discharge all obligations imposed by the Enabling Act and by the Bond Ordinance; and (g) to provide for the punctual payment of the principal of and interest on all Junior Lien Bonds that may from time to time be outstanding.

For the payment of the principal of and interest on this Series 2022 Bond, there are hereby irrevocably pledged the Gross Revenues of the System. The Bond Ordinance provides that, in addition to other remedies, upon a default in payment of principal of or interest on any Bond, the Trustee may, and upon the written request of the Holders of not less than twenty-five percent (25%) in aggregate principal amount of Bonds Outstanding shall, declare all Bonds Outstanding immediately due and payable; provided, however, that, with respect to any Series of Bonds insured by a municipal bond insurance company, any such declaration, and any subsequent annulment thereof, shall not be made without the written consent of such municipal bond insurance company.

This Series 2022 Bond and the interest hereon are exempt from all State, county, municipal, school district, and all other taxes or assessments imposed within the State, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except estate or other transfer and certain franchise taxes.

This Series 2022 Bond is transferable, as provided in the Bond Ordinance, only upon the registration books of the City kept for that purpose and maintained by the Registrar, by the Holder hereof in person or by his duly authorized attorney, upon (a) surrender of this Series 2022 Bond and an assignment with a written instrument of transfer satisfactory to the Registrar, duly executed by the Holder hereof or his duly authorized attorney and (b) payment of the charges, if any, prescribed in the Ordinances. Thereupon a new Bond of the same principal amount, maturity, and interest rate shall be issued to the transferee in exchange therefor as provided in the Bond Ordinance. The City, the Trustee, and the Registrar may deem and treat the person in whose name this Series 2022 Bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal or redemption price hereof and interest due hereon and for all other purposes.

For every exchange or transfer of this Series 2022 Bond, the City or the Trustee or Registrar, as the case may be, may make a charge sufficient to reimburse it for any tax, fee, or other governmental charge required to be paid with respect to such exchanges or transfers.

It is hereby certified and recited that all conditions, acts and things required by the Constitution and statutes of the State to exist, be performed or happen precedent to or in the issuance of this Series 2022 Bond, exist, have been performed and have happened, that the amount of this Series 2022 Bond, together with all other indebtedness of the City, does not exceed any limit prescribed by such Constitution or statutes.

This Series 2022 Bond shall not be valid or obligatory for any purpose until the Certificate of Authentication hereon shall have been duly executed by the Registrar.

* * * *

IN WITNESS WHEREOF, the CITY OF ABBEVILLE, SOUTH CAROLINA, has caused this Series 2022 Bond to be signed by the manual signature of its Mayor, its corporate seal to be reproduced hereon, and the same to be attested by the manual signature of its Clerk.

CITY OF ABBEVILLE, SOUTH CAROLINA

(SEAL)

Mayor, City of Abbeville

Attest:

Clerk, City of Abbeville

CERTIFICATE OF AUTHENTICATION

This Bond is the single Bond of the issue described in the within mentioned Ordinances.

U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION

Name:

Title:

Date of Authentication: _____, 2022

ASSIGNMENT

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

(please print or type name and address of Transferee and Social Security or other identifying number of Transferee)

the within Series 2022 Bond and all rights and title thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Series 2022 Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: _____

Signature Guaranteed: _____

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

SCHEDULE A

**\$800,000 COMBINED PUBLIC UTILITY SYSTEM REVENUE BOND, SERIES 2022
CITY OF ABBEVILLE, SOUTH CAROLINA**

PRINCIPAL AND INTEREST PAYMENT SCHEDULE

[Payment Schedule Inserted Here Upon Delivery of Series 2022 Bond]

Approved

**City Manager, City of Abbeville,
South Carolina**

[END OF FORM OF BOND]

[End of Article IV]

ARTICLE V
APPLICATION OF SERIES 2022 BOND PROCEEDS;
CREATION OF 2022 CONSTRUCTION FUND,
AND 2022 DEBT SERVICE FUND

Section 5.01 Use and Disposition of Bond Proceeds.

Upon the delivery of the Series 2022 Bond and receipt of the proceeds thereof, all such funds shall be deposited in the 2022 Construction Fund established by the City Council pursuant to the provisions of Section 5.02 hereof, and the funds so deposited and the interest earnings thereon shall be used for the purpose of defraying the cost of the Improvements and the costs of issuing the Series 2022 Bond.

Section 5.02 Establishment of 2022 Construction Fund; Investment of Bond Proceeds.

The City Council hereby establishes, pursuant to Section 4.01(B)(17) of the Bond Ordinance, the 2022 Construction Fund. There shall be paid into the 2022 Construction Fund the sums prescribed under Section 5.01 hereof. The 2022 Construction Fund shall be held, maintained, and controlled by the City Council.

Moneys in the 2022 Construction Fund shall be invested and reinvested in Authorized Investments. All earnings shall be added to and become a part of the 2022 Construction Fund. Withdrawals from the 2022 Construction Fund shall be made upon written order of the City Council. The Trustee shall have no duty to monitor the 2022 Construction Fund or disbursements made therefrom. Any amounts remaining in the 2022 Construction Fund following completion of the Improvements shall be deposited in the 2022 Debt Service Fund and used to pay the maturing principal on the Series 2022 Bond.

Section 5.03 Establishment of 2022 Debt Service Fund.

The City Council hereby establishes, pursuant to Section 7.03 of the Bond Ordinance, the 2022 Debt Service Fund for the purposes set forth in said Section 7.03. The 2022 Debt Service Fund shall be held by the Trustee.

[End of Article V]

**ARTICLE VI
SALE OF BOND**

Section 6.01 Sale of Bond; Ratification.

The Series 2022 Bond shall be sold to Abbeville First Bank (the "Purchaser") at a price of \$800,000 and an interest rate of Two and fifteen one-hundredths percentum (2.15%) per annum. All actions taken heretofore by the City in negotiating the sale of the Series 2022 Bond to the Purchaser are hereby ratified and confirmed.

[End of Article VI]

**ARTICLE VII
COMPLIANCE WITH REQUIREMENTS OF CODE**

Section 7.01 General Covenant.

The City hereby represents and covenants that it will comply with all requirements of the Code, and that it will not take any action which will, or fail to take any action (including, without limitation, filing the required information report with the Internal Revenue Service) which failure will, cause interest on the Series 2022 Bond to become includable in the gross income of the Holders thereof for federal income tax purposes. Without limiting the generality of the foregoing, the City represents and covenants that:

(a) All property provided by the net proceeds of the Series 2022 Bond will be owned by the City for federal income tax purposes.

(b) The City does not reasonably expect that the proceeds of the Series 2022 Bond or any property financed with the proceeds of the Series 2022 Bond will be used in any manner that would cause the Series 2022 Bond to be a “private activity bond,” within the meaning of Section 141 of the Code.

(c) The City hereby covenants that no use of the proceeds of the Series 2022 Bond will be made which, if such use had been reasonably expected on the date of issue of the Series 2022 Bond would have caused the Series 2022 Bond to be an “arbitrage bond,” as defined in the Code, and that it will comply with the requirements of Section 148 of the Code and Regulations with respect to the Series 2022 Bond.

(d) The City is not a party to nor will it enter into any contracts with any entity for the use or management of any property financed with the proceeds of the Series 2022 Bond that do not conform to the guidelines set forth in Revenue Procedure 2017-13 and any successor regulations or pronouncements of the United States Treasury Department.

(e) The City will not sell, lease, or otherwise dispose of any property financed with the proceeds of the Series 2022 Bond to any person unless it obtains the opinion of nationally recognized bond counsel that such lease, sale, or other disposition will not adversely affect the tax exemption of the Series 2022 Bond.

(f) The Series 2022 Bond will not be federally guaranteed within the meaning of Section 149(b) of the Code. The City shall not enter into any leases or sales or service contracts with any federal government agency unless it obtains the opinion of nationally recognized bond counsel that such action will not adversely affect the tax exemption of the Series 2022 Bond.

Section 7.02 Arbitrage Covenant.

In addition to the covenants contained in Section 7.01 hereof, the City covenants that it will comply with the provisions of Section 148 of the Code and applicable Treasury Regulations promulgated thereunder.

Section 7.03 Qualified Tax-Exempt Obligation.

In accordance with the provisions of the Code, the City Council hereby represents that it and entities subordinate thereto have issued no tax-exempt indebtedness in calendar year 2022, and that it reasonably expects that the City and entities subordinate thereto will not issue additional tax-exempt obligations in the 2022 calendar year which, when added to the Series 2022 Bond, will total more than \$10,000,000. Accordingly, the City Council does hereby designate the Series 2022 Bond as a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3) of the Code.

[End of Article VII]

**ARTICLE VIII
MISCELLANEOUS**

Section 8.01 Continuing Disclosure.

(a) The City covenants to provide the Holder of the Series 2022 Bond with its audited financial statements within 210 days after the close of each fiscal year so long as the Series 2022 Bond shall be outstanding.

(b) Further, the City covenants 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 Gross Revenues or the City's tax base.

The only remedy for failure by the City to comply with the covenants in this Section 8.01 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 Bond Ordinance or this 2022 Series Ordinance. The Trustee shall have no responsibility to monitor the City's compliance with these covenant. The City specifically reserves the right to amend Section 8.01(b) 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 or the Holders of any Bonds.

Section 8.02 Severability.

If any one or more of the covenants or agreements provided in this 2022 Series Ordinance on the part of the City or any fiduciary to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this 2022 Series Ordinance.

Section 8.03 Table of Contents, Section Headings Not Controlling.

The Table of Contents and the Headings of the several Articles and Sections of this 2022 Series Ordinance have been prepared for convenience of reference only and shall not control, affect the meaning of, or be taken as an interpretation of any provision of this 2022 Series Ordinance.

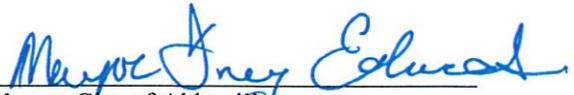
Section 8.04 Effective Date.

This 2022 Series Ordinance is effective upon its enactment.

[End of Article VIII]

DONE, RATIFIED AND ADOPTED THIS 20th day of July, 2022.

(SEAL)



Mayor, City of Abbeville

Attest:



Councilman



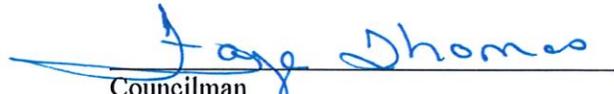
Clerk, City of Abbeville



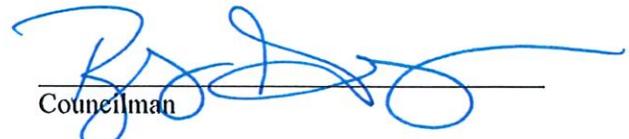
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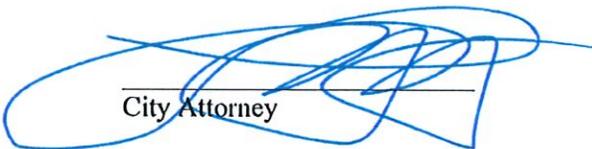
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APPROVED AS TO FORM:



City Attorney

First Reading: June 8, 2022

Second Reading: July 20, 2022