
CITY OF POWDER SPRINGS, GEORGIA

(a municipal corporation duly created and
existing under the laws of
the State of Georgia)

and

POWDER SPRINGS DOWNTOWN DEVELOPMENT AUTHORITY

(a public body corporate and politic and public corporation duly created and
existing under the laws of the State of Georgia)

**INTERGOVERNMENTAL REDEVELOPMENT
COOPERATION AND ASSISTANCE AGREEMENT**

Dated December 1, 2020

THE RIGHTS AND INTEREST OF THE POWDER SPRINGS DOWNTOWN DEVELOPMENT AUTHORITY IN THIS INTERGOVERNMENTAL REDEVELOPMENT COOPERATION AND ASSISTANCE AGREEMENT AND THE REVENUES AND RECEIPTS DERIVED HEREFROM, EXCEPT FOR ITS UNASSIGNED RIGHTS, AS DEFINED HEREIN, HAVE BEEN COLLATERALLY ASSIGNED AND PLEDGED TO SECURE THE BONDHOLDERS (AS DEFINED HEREIN) PURSUANT TO A MASTER BOND RESOLUTION ADOPTED BY THE POWDER SPRINGS DOWNTOWN DEVELOPMENT AUTHORITY ON NOVEMBER __, 2020.

	<u>Page</u>
Section 6.8. Limitation of Rights.....	13
SIGNATURES AND SEALS	14
EXHIBIT A -- DESCRIPTION OF PROPERTIES	A-1

**INTERGOVERNMENTAL REDEVELOPMENT
COOPERATION AND ASSISTANCE AGREEMENT**

This **INTERGOVERNMENTAL REDEVELOPMENT COOPERATION AND ASSISTANCE AGREEMENT** (this “**Contract**”), made and entered into as of December 1, 2020, by and between the City of Powder Springs, Georgia (the “**City**”), a municipal corporation duly created and existing under the laws of the State of Georgia, and the Powder Springs Downtown Development Authority (the “**Authority**”), a body corporate and politic and public corporation duly created and existing under the laws of the State of Georgia;

W I T N E S S E T H:

WHEREAS, the Authority proposes to issue, sell, and deliver its revenue bonds to be known as “Powder Springs Downtown Development Authority Revenue Bonds, Series 2020A” (the “**Series 2020A Bonds**”), in the original aggregate principal amount of \$ _____, for the purpose of obtaining funds (1) to refund all of the Authority’s outstanding Refunding Revenue Bond (City of Powder Springs, Georgia Project), Series 2014 (the “**Refunded Bond**”), in order to refinance the costs of acquiring, renovating, and expanding an existing building for use as a police station, renovating and expanding an existing police station for use for municipal court services, renovating and expanding an existing building for use as city administrative offices, and acquiring and renovating an existing building for use as a city museum, (2) to finance the costs of renovating and expanding an existing municipal court building for use as a City Hall, Municipal Court, and Community Development Offices, all such properties described in clauses (1) and (2) located in downtown Powder Springs, Georgia (collectively the “**Series 2020A Properties**”), and (3) to finance a portion of the costs of issuing the Series 2020A Bonds; and

WHEREAS, the Authority proposes to issue, sell, and deliver its revenue bonds to be known as “Powder Springs Downtown Development Authority Revenue Bonds, Federally Taxable Series 2020B” (the “**Series 2020B Bonds**”), in the original aggregate principal amount of \$ _____, for the purpose of obtaining funds to finance the costs of acquiring properties located in downtown Powder Springs, Georgia to be held for sale for redevelopment for commercial and residential uses (collectively the “**Series 2020B Properties**”), and to finance a portion of the costs of issuing the Series 2020B Bonds; and

WHEREAS, the Authority and the City propose to enter into this Contract, under the terms of which (1) the Authority will agree to (a) refund the Refunded Bond, (b) renovate and expand the existing municipal court building, (c) make available for the use by the City and its residents the Series 2020A Properties, and (d) acquire the Series 2020B Properties to be held for sale for redevelopment for commercial and residential uses and (2) the City will agree (a) to make payments to the Authority in amounts sufficient to enable the Authority to pay, among other things, the principal of, premium, if any, and interest on the Series 2020A Bonds and the Series 2020B Bonds (collectively the “**Series 2020 Bonds**”) when due and (b) to levy an annual ad valorem tax on all taxable property located within the corporate limits of the City, at such rates, without limitation, as may be necessary to produce in each year revenues that are sufficient to fulfill the City’s obligations under this Contract; and

WHEREAS, the Authority proposes to issue the Series 2020 Bonds pursuant to a Master Bond Resolution adopted by the Authority on November __, 2020, as supplemented and amended by a Supplemental Series 2020 Bond Resolution adopted by the Authority on December __, 2020 (collectively the “Bond Resolution”); and

WHEREAS, to secure its obligation to pay principal of, premium, if any, and interest on the Series 2020 Bonds, the Authority proposes to collaterally assign and pledge for the benefit of the owners of the Series 2020 Bonds all of its right, title, and interest in this Contract (except for the Unassigned Rights, as defined herein) and all revenues, payments, receipts, and moneys to be received and held thereunder, pursuant to the Bond Resolution;

NOW, THEREFORE, in consideration of the respective covenants, representations, and agreements hereinafter contained and in furtherance of the mutual public purposes hereby sought to be achieved, the City and the Authority agree as follows:

ARTICLE I

DEFINITIONS

In addition to the words and terms defined elsewhere herein, the following words and terms shall have the meanings specified below, unless the context or use indicates another or different meaning or intent:

“**Act**” means an amendment to Article IX, Section VIII, Paragraph II of the Constitution of the State of Georgia of 1976 (1980 Ga. Laws 2035 to 2044, inclusive, as amended by 1982 Ga. Laws 2505 to 2506, inclusive), now specifically continued as a part of the Constitution of the State of Georgia of 1983 pursuant to Article XI, Section I, Paragraph IV of the Constitution of the State of Georgia of 1983 and Acts of the General Assembly of the State of Georgia (1986 Ga. Laws 4513 to 4514, inclusive, 1987 Ga. Laws 4199 to 4201, inclusive, and 1987 Ga. Laws 4770 to 4773, inclusive), as amended by Acts of the General Assembly of the State of Georgia (1983 Ga. Laws 4299 to 4301, inclusive, 1984 Ga. Laws 3801 to 3803, inclusive, 1987 Ga. Laws 4770 to 4773, inclusive, 1987 Ga. Laws 4852 to 4854, inclusive, and 2003 Ga. Laws 4759 to 4760, inclusive) and as the same may be from time to time additionally supplemented and amended.

“**Additional Bonds**” means the additional parity Bonds authorized to be issued by the Authority pursuant to the terms and conditions of Section ___ of the Bond Resolution.

“**Authority**” shall have the meaning assigned to that term in the recitals to this Contract and its successors and assigns.

“**Bond Counsel**” means any firm of nationally recognized bond counsel experienced in matters relating to tax-exempt financing, appointed by the Authority at the direction of the City.

“**Bond Documents**” means, collectively, the Bond Resolution and the Bonds.

“**Bond Resolution**” shall have the meaning assigned to that term in the recitals to this Contract, as it may be amended, restated, supplemented, or modified from time to time.

“Bond Year” means the twelve-month period beginning on February 2 of each calendar year and ending on February 1 of the next succeeding calendar year.

“Bondholders” means the Persons in whose names any of the Bonds are registered on the books kept and maintained by the bond registrar.

“Bonds” means the Series 2020 Bonds and all series of Additional Bonds from time to time authenticated and delivered under the Bond Resolution.

“City” shall have the meaning assigned to that term in the recitals to this Contract and its successors and assigns.

“Contract” means this Intergovernmental Redevelopment Cooperation and Assistance Agreement between the City and the Authority, as it may be supplemented and amended from time to time in accordance with the provisions hereof.

“Fiscal Year” means any period of twelve consecutive months adopted by the City as its fiscal year for financial reporting purposes and shall initially mean the period beginning on July 1 of each calendar year and ending on June 30 of the following calendar year.

“Person” means an individual, a corporation, a partnership, a limited liability company, an association, a joint stock company, a joint venture, a trust, an unincorporated organization, a governmental unit or an agency, a political subdivision or instrumentality thereof, or any other group or organization of individuals.

“Properties” means, collectively, the Series 2020A Properties and the Series 2020B Properties, legal descriptions of which are attached hereto as Exhibit A.

“Refunded Bond” shall have the meaning assigned to that term in the recitals to this Contract.

“Series 2020 Bonds” means, collectively, the Series 2020A Bonds and the Series 2020B Bonds.

“Series 2020 Disclosure Certificate” means the Continuing Disclosure Certificate, dated the date of issuance of the Series 2020 Bonds, of the City, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Series 2020A Bonds” shall have the meaning assigned to that term in the recitals to this Contract.

“Series 2020B Bonds” shall have the meaning assigned to that term in the recitals to this Contract.

“Series 2020A Properties” shall have the meaning assigned to that term in the recitals to this Contract.

“**Series 2020B Properties**” shall have the meaning assigned to that term in the recitals to this Contract.

“**Tax-Exempt Bonds**” means any Bonds the interest on which has been determined, in an unqualified opinion of Bond Counsel, to be excludable from the gross income of the owners thereof for federal income tax purposes.

“**Unassigned Rights**” means all of the rights of the Authority to receive reimbursements and payments pursuant to Section 5.1(c) and (d) hereof.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE CITY

Section 2.1. Representations and Warranties by the City. The City makes the following representations and warranties as the basis for the undertakings on its part herein contained:

(a) Creation and Authority. The City is a municipal corporation duly created and validly existing under the laws of the State of Georgia. The City has all requisite power and authority under the laws of the State of Georgia to contract for the Authority to own and make available for the City and its residents the Series 2020A Properties and for the Authority to acquire and hold for sale for redevelopment the Series 2020B Properties and to enter into, perform its obligations under, and exercise its rights under this Contract.

(b) Pending Litigation. There are no actions, suits, proceedings, inquiries, or investigations pending or, to the knowledge of the City, after making due inquiry with respect thereto, threatened against or affecting the City in any court or by or before any governmental authority or arbitration board or tribunal, which involve the possibility of materially and adversely affecting the properties, activities, prospects, profits, operations, or condition (financial or otherwise) of the City, or the ability of the City to perform its obligations under this Contract, or the transactions contemplated by this Contract or which, in any way, would adversely affect the validity or enforceability of this Contract or any agreement or instrument to which the City is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby or thereby, nor is the City aware of any facts or circumstances presently existing that would form the basis for any such actions, suits, or proceedings. The City is not in default with respect to any judgment, order, writ, injunction, decree, demand, rule, or regulation of any court, governmental authority, or arbitration board or tribunal.

(c) Contract Is Legal and Authorized. The execution and delivery by the City of this Contract, the consummation of the transactions herein contemplated, and the fulfillment of or the compliance with all of the provisions hereof (i) are within the power, legal right, and authority of the City; (ii) are legal and will not conflict with or constitute on the part of the City a violation of or a breach of or a default under, any organic document, indenture, mortgage, security deed, pledge, note, lease, loan, or installment sale agreement, contract, or other agreement or instrument to which the City is a party or by which the City or its properties are otherwise

subject or bound, or any license, law, statute, rule, regulation, judgment, order, writ, injunction, decree, or demand of any court or governmental agency or body having jurisdiction over the City or any of its activities or properties; and (iii) have been duly authorized by all necessary and appropriate official action on the part of the Mayor and City Council of the City. This Contract is the valid, legal, binding, and enforceable obligation of the City. The officials of the City executing this Contract are duly and properly in office and are fully authorized and empowered to execute the same for and on behalf of the City.

(d) Governmental Consents. Neither the City nor any of its activities or properties, nor any relationship between the City and any other Person, nor any circumstances in connection with the execution, delivery, and performance by the City of its obligations under this Contract or the offer, issue, sale, or delivery by the Authority of the Bonds, is such as to require the consent, approval, permission, order, license, or authorization of, or the filing, registration, or qualification with, any governmental authority on the part of the City in connection with the execution, delivery, and performance of this Contract or the consummation of any transaction herein contemplated, or the offer, issue, sale, or delivery of the Bonds, except as shall have been obtained or made and as are in full force and effect and except as are not presently obtainable. To the knowledge of the City, after making due inquiry with respect thereto, the City will be able to obtain all such additional consents, approvals, permissions, orders, licenses, or authorizations of governmental authorities as may be required on or prior to the date the City is legally required to obtain the same.

(e) No Defaults. To the knowledge of the City, after making due inquiry with respect thereto, the City is not in default or violation in any material respect under any organic document or other agreement or instrument to which it is a party or by which it may be bound, which default might materially and adversely affect the performance by the City of its obligations under this Contract.

(f) Compliance with Law. To the knowledge of the City, after making due inquiry with respect thereto, the City is not in violation of any laws, ordinances, or governmental rules or regulations to which it or its properties are subject and has not failed to obtain any licenses, permits, franchises, or other governmental authorizations (which are presently obtainable) necessary to the ownership of its properties or to the conduct of its affairs, which violation or failure to obtain might materially and adversely affect the properties, activities, prospects, profits, and condition (financial or otherwise) of the City, and there have been no citations, notices, or orders of noncompliance issued to the City under any such law, ordinance, rule, or regulation.

(g) Restrictions on the City. The City is not a party to or bound by any contract, instrument, or agreement, or subject to any other restriction, that materially and adversely affects its activities, properties, assets, operations, or condition (financial or otherwise). The City is not a party to any contract or agreement that restricts the right or ability of the City to enter into agreements for the ownership, availability, or sale for redevelopment of the Properties by the Authority in exchange for payments on an installment basis.

(h) Disclosure. The representations of the City contained in this Contract and any certificate, document, written statement, or other instrument furnished by or on behalf of the City

to the Authority in connection with the transactions contemplated hereby, do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein or therein not misleading. There is no fact that the City has not disclosed to the Authority in writing that materially and adversely affects or in the future may (so far as the City can now reasonably foresee) materially and adversely affect the properties, activities, prospects, operations, profits, or condition (financial or otherwise) of the City, or the ability of the City to perform its obligations under this Contract or any of the documents or transactions contemplated hereby or thereby or any other transactions contemplated by this Contract, which has not been set forth in writing to the Authority or in the certificates, documents, and instruments furnished to the Authority by or on behalf of the City prior to the date of execution of this Contract in connection with the transactions contemplated hereby.

(i) Financial Statements. The balance sheet of the City's Governmental Funds as of June 30, 2019, and the statement of revenues, expenditures, and changes in fund balances of the City's Governmental Funds for the year ended June 30, 2019 (copies of which, audited by Mauldin & Jenkins, LLC, independent certified public accountants, have been furnished to the Authority) present fairly the financial position of the City's Governmental Funds as of June 30, 2019, and the changes in financial position for the year ended June 30, 2019, with such exceptions as may be disclosed in the audit report. Since June 30, 2019, there has been no material adverse change in the financial position or changes in financial position of the City's Governmental Funds, except as disclosed in writing to the Authority.

(j) City's Tax Certificate. The representations and warranties of the City set forth in the City's Tax Certificate, dated the date hereof, are hereby incorporated herein and made a part hereof by this reference thereto, as if fully set forth herein, and are true and correct as of the date hereof.

(k) Sovereign Immunity. The City may not assert the defense of sovereign immunity to any action at law (as opposed to equity) for the breach of this Contract or to any action at law (as opposed to equity) to enforce a judgment taken for the breach of this Contract.

Section 2.2. Reliance by Bondholders. The City acknowledges and agrees that these representations and warranties are made to induce the Bondholders to purchase the Bonds and that such representations and warranties and any other representations and warranties made by the City in this Contract are made for the benefit of the Bondholders and may be relied upon by the Bondholders and shall remain operative and in full force and effect, regardless of any investigations made by any Bondholder or on its behalf, and shall survive delivery of the Bonds to the Bondholders.

ARTICLE III

TERM OF CONTRACT; CONTRACT AS SECURITY FOR BONDS

Section 3.1. Term. The term of this Contract shall commence with the execution and delivery hereof and shall extend until 91 days after the principal of, premium, if any, and interest on the Bonds and all other amounts payable under the Bond Documents have been paid in full or until provision has been duly made therefor, but in no event shall the term hereof exceed fifty

years from the date hereof. The obligations of the City set forth in Section 5.1(c) and (d) hereof shall survive the termination of this Contract, but in no event shall extend beyond fifty years from the date hereof.

Section 3.2. This Contract as Security for the Bonds. The parties hereto agree and intend that:

(a) This Contract shall constitute security for the benefit of the Bondholders and the obligations of the City hereunder shall be absolute and unconditional irrespective of any defense or any rights of setoff, recoupment, or counterclaim, except for payment, it may otherwise have against the Authority. The City agrees that it shall not (i) withhold, suspend, abate, reduce, abrogate, diminish, postpone, modify, or discontinue any payments provided for in Section 5.1 hereof; (ii) fail to observe any of its other agreements contained in this Contract; or (iii) terminate its obligations under this Contract for any contingency, act of God, event, or cause whatsoever, including, without limiting the generality of the foregoing, failure of the Authority to own, make available, or sell for redevelopment any Properties; any change or delay in the time of availability of any Properties; any acts or circumstances that may impair or preclude the use or possession of any Properties; any defect in the title, merchantability, fitness, or condition of any Properties or in the suitability of any Properties for the Authority's or the City's purposes or needs; failure of consideration; any declaration or finding that any of the Bonds are unenforceable or invalid; the invalidity of any provision of this Contract; any acts or circumstances that may constitute an eviction or constructive eviction, destruction of or damage to any Properties, or the taking by eminent domain of title to or the use of all or any part of any Properties; commercial frustration of purpose; any change in the tax or other laws of the United States of America or of the State of Georgia or any political subdivision of either thereof or in the rules or regulations of any governmental authority; or any failure of the Authority to perform and observe any agreement, whether express or implied, or any duty, liability, or obligation arising out of or connected with this Contract. Nothing contained in this Section 3.2(a) shall be construed to release the Authority from the performance of any of the agreements on its part herein contained. In the event the Authority should fail to perform any such agreement on its part, the City may institute such action against the Authority as the City may deem necessary to compel performance so long as such action does not abrogate or limit in any way the City's obligations hereunder. The Authority hereby agrees that it shall not take or omit to take any action that would cause this Contract to be terminated.

(b) The payments to be made under Section 5.1(a) and (b) of this Contract by the City to the Authority will be assigned and pledged by the Authority for the benefit of the Bondholders pursuant to the Bond Resolution.

(c) Following the issuance of the Series 2020 Bonds, the payments to be made to the Authority by the City under the provisions of Section 5.1(a) and (b) of this Contract shall be made directly to the Sinking Fund Custodian (as defined in the Bond Resolution) for the account of the Authority for deposit in the Sinking Fund.

(d) This Contract may not be amended, changed, modified, altered, or terminated except as provided in the Bond Resolution.

(e) The Authority may collaterally assign or otherwise collaterally transfer its rights in this Contract to any other person or entity, and such other person or entity shall thereupon become vested with all the benefits in respect thereof granted to the Authority herein or otherwise. It is understood and agreed that the Authority, contemporaneously with the execution and delivery of this Contract, will collaterally assign its rights under this Contract for the benefit of the Bondholders pursuant to the Bond Resolution, and the City hereby consents to the collateral assignment. Upon the issuance and delivery of the Series 2020 Bonds, all appointments, designations, representations, warranties, covenants, assurances, remedies, title, interest, privileges, permits, licenses, and rights of every kind whatsoever herein conferred upon the Authority shall be deemed to be conferred also upon the Bondholders, and any reference herein to the Authority shall be deemed, with the necessary changes in detail, to include the Bondholders, and the Bondholders are deemed to be and are third party beneficiaries of the representations, covenants, and agreements of the City herein contained.

ARTICLE IV

AUTHORITY'S OBLIGATIONS HEREUNDER

Section 4.1. Issuance of Series 2020 Bonds; Application of Bond Proceeds and Other Funds. The Authority agrees that simultaneously with the execution and delivery hereof it will issue the Series 2020 Bonds containing the terms, including principal amounts, interest rates, and maturities, set forth in the Bond Resolution, for the purposes of (1) refunding the Refunded Bond, (2) financing the costs of renovating and expanding an existing municipal court building for use as a City Hall, Municipal Court, and Community Development Offices, (3) financing the costs of acquiring the Series 2020B Properties, and (4) financing the costs of issuing the Series 2020 Bonds. The Authority hereby covenants and agrees that it will apply the proceeds derived from the sale of the Series 2020 Bonds as specified in Section ___ of the Bond Resolution. The Authority will use all revenues derived from the operation of the Properties to pay the costs of operating the Properties.

Section 4.2. The Properties. (a) Unless default shall have occurred on the part of the City in the performance of the covenants herein contained on its part to be performed, the Authority shall at all times during the term of this Contract maintain and have available for the use on the part of the City or its residents, upon direction and authorization from the proper City authorities, the Series 2020A Properties. So long as this Contract remains in full force and effect, the Authority shall operate, or cause to be operated, the Series 2020A Properties on an economical a basis as is reasonably practicable, and any sums received over and above maintenance and operation costs, debt service requirements, required reserves for contingencies and capital improvements, whether by payments from the City or from other sources, shall be deposited or disposed of as directed by the City (including, if directed by the City, transferred to the City). The Authority, however, shall be the final arbiter and judge as to such excess earnings over and above debt service requirements, maintenance and operation costs, and reserves for contingencies and capital improvements.

(b) The Authority agrees that throughout the term of this Contract title to the Series 2020B Properties shall be vested in and shall be the sole property of the Authority, subject to any liens or leases that the Authority, with the written consent of the City, may create during the term

of this Contract. The Authority shall, as directed by the City, negotiate sales and leases of the Series 2020B Properties and work with prospective purchasers and prospective tenants of the Series 2020B Properties upon such terms and conditions as are directed by the City and as are permitted by the Act. The Authority shall investigate and make financial analyses and recommendations to the City with respect to all proposals submitted by such prospective purchasers or tenants desiring to purchase or lease the Series 2020B Properties. The Authority agrees that the proceeds of any sale, lease, or other disposition of any of the Series 2020B Properties shall be deposited or disposed of as directed by the City (including, if directed by the City, transferred to the City). The City agrees that none of the sale, lease, or other disposition of all or any portion of the Series 2020B Properties or any interest therein shall affect its obligations under this Contract.

Section 4.3. Option to Purchase Series 2020A Properties. (a) At any time within one hundred eighty (180) days after the expiration or sooner termination of the term of this Contract, the City shall have, and is hereby granted, the option to purchase the Series 2020A Properties for a purchase price of One Hundred Dollars (\$100.00), which shall be paid directly to the Authority for its own account, and any and all other sums then due to the Authority under this Contract. To exercise such option, the City shall give written notice of exercise to the Authority. The purchase of the Series 2020A Properties shall be closed within sixty (60) days from the date of such notice.

(b) At the closing of the purchase pursuant to the exercise of the option to purchase granted in this Section 4.3, the Authority shall upon receipt of the purchase price deliver to the City documents conveying to the City good and marketable title (of the same quality as received by the Authority) to the property being purchased, as such property then exists, subject to the following: (i) those liens (if any) to which title to such property was subject immediately following the acquisition by the Authority; (ii) those liens created by, through, or under the City or to the creation or suffering of which the City consented; and (iii) if title to the Series 2020A Properties is subject to an eminent domain proceeding, the rights and title of the condemning authority.

Section 4.4. Additional Bonds. (a) Additional Bonds may be issued by the Authority to provide funds to pay any one or more of the following: (i) the costs of acquiring, constructing, and installing any capital improvements to the Properties as the City may deem necessary or desirable and as will not impair the nature of the Properties; (ii) to refund any Bonds; and (iii) the costs of the issuance and sale of the Bonds and capitalized or funded interest for such period and such other costs reasonably related to the financing as shall be agreed upon by the City and the Authority.

(b) If the City is not in default hereunder, the Authority may, on request of the City, from time to time in its sole discretion issue the amount of Additional Bonds specified by the City; provided that the sale of any Additional Bonds shall be the sole responsibility of the City, and provided further that the City and the Authority shall have entered into an amendment to this Contract to provide for additional payments in an amount at least sufficient to pay principal of and interest on the Additional Bonds when due and to provide for any additional terms or changes to this Contract required because of such Additional Bonds, and provided further that

the Authority shall have otherwise complied with the provisions of Section ___ of the Bond Resolution with respect to the issuance of such Additional Bonds.

Section 4.5. Redemption of Bonds. The Authority, at the written request of the City at any time and if the Bonds are then callable or available for purchase, and if there are funds available therefor, shall forthwith take all steps that may be necessary under the applicable redemption or purchase provisions of the Bond Resolution to effect redemption or purchase of all or part of the then unpaid Bonds, as may be specified by the City, on the earliest date on which such redemption or purchase may be made under such applicable provisions.

ARTICLE V

CITY'S OBLIGATIONS HEREUNDER

Section 5.1. City's Payment Obligations. In order to provide financial assistance to the Authority for the purpose of aiding the City in carrying out the City's Downtown Redevelopment Plan, the City agrees that:

(a) It shall pay to the Authority, by making such payments directly to the Sinking Fund Custodian for the account of the Authority for deposit in the Sinking Fund held under the Bond Resolution on or before July 25 of each year, an amount sufficient, when added to funds held at the time of such payment in the Sinking Fund, to cause the balance held therein to equal the full amount of principal of, premium, if any, and interest on the Bonds coming due during the then current Bond Year.

(b) The provisions of paragraph (a) above to the contrary notwithstanding, if, for any reason, on the third business day preceding any interest payment date and any redemption date with respect to the Bonds, there is not on deposit in the Sinking Fund moneys sufficient to pay the total principal, interest, and premium coming due on the Bonds on such interest payment date or redemption date (whether by mandatory redemption, maturity, or otherwise), the City shall on such date pay to the Authority, by making such payments directly to the Sinking Fund Custodian for the account of the Authority for deposit into the Sinking Fund, an amount equal to the amount by which the total principal, interest, and premium coming due on the Bonds (whether by mandatory redemption, maturity, or otherwise) on the next interest payment date or redemption date exceeds the amount in the Sinking Fund (and not being held for the payment of Bonds not yet presented for payment or interest checks not cashed).

(c) It shall also pay to the Authority an amount equal to any costs incurred by the Authority in connection with the issuance and carrying of any series of Bonds to the extent such costs are not paid from proceeds of such Bonds.

(d) In addition to and over and above the sums set forth in Section 5.1(a), (b), and (c) of this Contract, the City shall pay additional monthly payments to the Authority as may be necessary to assure the continuous operation of the Properties and to provide reasonable reserves for contingencies and for the maintenance and repair of the properties constituting, and the services provided by, the Properties.

Section 5.2. Security for Payments under this Contract. (a) As security for the payments required to be made and the obligations required to be performed by the City under this Contract, the City hereby pledges to the Authority its full faith and credit and taxing power for such payment and performance. The City covenants that, in order to make any payments when due under Section 5.1 hereof from its general funds to the extent required hereunder, it shall exercise its power of taxation to the extent necessary to pay the amounts required to be paid hereunder and will make available and use for such payments all taxes levied and collected for that purpose together with funds received from any other sources. The City further covenants and agrees that in order to make funds available for such purpose in each Fiscal Year, it will, in its general revenue, appropriation, and budgetary measures through which its tax funds or revenues and the allocation thereof are controlled or provided for, include sums sufficient to satisfy any such payments that may be required to be made under Section 5.1 hereof, whether or not any other sums are included in such measure, until all payments so required to be made under Section 5.1 hereof shall have been made in full. The obligation of the City to make any payments that may be required to be made from its general funds shall constitute a general obligation of the City and a pledge of the full faith and credit of the City to provide the funds required to fulfill any such obligation. In the event for any reason any such provision or appropriation is not made as provided in this Section 5.2, then the fiscal officers of the City are hereby authorized and directed to set up as an appropriation on their accounts in the appropriate Fiscal Year the amounts required to pay the obligations that may be due from the general funds of the City. The amount of such appropriation shall be due and payable and shall be expended for the purpose of paying any such obligations, and such appropriation shall have the same legal status as if the City had included the amount of the appropriation in its general revenue, appropriation, and budgetary measures, and the fiscal officers of the City shall make such payments due under Section 5.1 hereof to the Authority if for any reason the payment of such obligations shall not otherwise have been made.

(b) The City covenants and agrees that it shall, to the extent necessary, levy an annual ad valorem tax on all taxable property located within the corporate limits of the City, as now existent and as the same may hereafter be extended, at such rate or rates, without limitation as to rate or amount, as may be necessary to produce in each year revenues that will be sufficient to fulfill the City's obligations under this Contract, from which revenues the City agrees to appropriate sums sufficient to pay in full when due all of the City's obligations under Section 5.1 hereof. Nothing herein contained, however, shall be construed as limiting the right of the City to make the payments called for by Section 5.1 hereof out of any funds lawfully available to it for such purpose, from whatever source derived (including general funds).

Section 5.3. Continuing Disclosure. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Series 2020 Disclosure Certificate. Notwithstanding any other provision of this Contract, failure of the City to comply with the Series 2020 Disclosure Certificate shall not be considered a default hereunder; however, any beneficial owner of the Series 2020 Bonds may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the City to comply with its obligations under this Section 5.3.

Section 5.4. Tax-Exempt Status of Tax-Exempt Bonds. The City recognizes that the purchasers and owners of the Tax-Exempt Bonds will have accepted the Tax-Exempt Bonds on,

and paid for the Tax-Exempt Bonds a price that reflects, the understanding that interest on the Tax-Exempt Bonds is excluded from the gross income of the owners for federal income tax purposes under laws in force at the time the Tax-Exempt Bonds shall have been delivered.

The City covenants that it shall not take or omit to take any action nor permit any action to be taken or omitted that would cause the interest on any Tax-Exempt Bonds to become includable in the gross income of any owner thereof.

The City further covenants and agrees that it shall comply with the representations and certifications it made in its City's Tax Certificate dated the date of issuance of the Series 2020 Bonds and that it shall take no action nor omit to take any action that would cause such representations and certifications to be untrue.

The City agrees to furnish the Authority any items (including, without limitation, certificates of the City and opinions of Bond Counsel) reasonably requested by it to evidence compliance with the covenants contained in this Section 5.4.

ARTICLE VI

MISCELLANEOUS

Section 6.1. Governing Law. This Contract and the rights and obligations of the parties hereto (including third party beneficiaries) shall be governed, construed, and interpreted according to the laws of the State of Georgia.

Section 6.2. Entire Agreement. This Contract expresses the entire understanding and all agreements between the parties hereto.

Section 6.3. Severability. If any provision of this Contract shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or 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 in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses, or sections contained in this Contract shall not affect the remaining portions of this Contract or any part thereof.

Section 6.4. Survival of Warranties. All agreements, representations, and warranties of the parties hereunder, or made in writing by or on behalf of them in connection with the transactions contemplated hereby, shall survive the execution and delivery hereof, regardless of any investigation or other action taken by any person relying thereon.

Section 6.5. Counterparts. This Contract may be executed in several counterparts, each of which shall be an original, and all of which shall constitute but one and the same instrument.

Section 6.6. Amendments in Writing. No waiver, amendment, release, or modification of this Contract shall be established by conduct, custom, or course of dealing, but solely by an instrument in writing only executed by the parties hereto in accordance with the Bond Resolution.

Section 6.7. Notices. Except as otherwise specifically provided herein, any notices, demands, approvals, consents, requests, and other communications hereunder shall be in writing and shall be deemed given when the writing is delivered in person or five days after being mailed, if mailed, by certified mail, return receipt requested, postage prepaid, to the City and the Authority, respectively, at the addresses shown below or at such other addresses as may be furnished by the City or the Authority in writing from time to time:

City: City of Powder Springs, Georgia
4484 Marietta Street
Powder Springs, Georgia 30127
Attention: City Manager

Authority: Powder Springs Downtown Development Authority
4484 Marietta Street
Powder Springs, Georgia 30127
Attention: Chairman

Section 6.8. Limitation of Rights. Nothing in this Contract, express or implied, shall give to any person, other than the parties hereto and their successors and assigns hereunder and any third party beneficiaries hereof, any benefit or any legal or equitable right, remedy, or claim under this Contract.

[Signatures and Seals to Follow]

IN WITNESS WHEREOF, the City and the Authority have caused this Contract to be executed in their respective corporate names and have caused their respective corporate seals to be hereunto affixed and attested by their duly authorized officers, all as of the day and year first above written.

(SEAL)

CITY OF POWDER SPRINGS, GEORGIA

Attest:

By: _____
Mayor

City Clerk

SUBMITTED TO AND REVIEWED BY:

City Attorney

(SEAL)

**POWDER SPRINGS DOWNTOWN
DEVELOPMENT AUTHORITY**

Attest:

By: _____
Chairman

Secretary

EXHIBIT A
DESCRIPTION OF PROPERTIES

[Attached]