

SUPPLEMENTAL CERTIFICATE AS TO ARBITRAGE MATTERS

The undersigned officer of the Powder Springs Downtown Development Authority (the “Authority”) executes and delivers this Certificate pursuant to Treasury Regulation Section 1.148-2(b)(2) for the purpose of establishing the reasonable expectations of the Authority as to future events regarding the Authority’s Revenue Bond, Series 2005, dated March 30, 2005, in the original principal amount of \$4,895,000 (the “Bond”), and certifies as follows:

(1) The undersigned is the duly elected, qualified, and acting Chairperson of the Authority and is duly authorized to execute and deliver this Certificate on behalf of the Authority.

(2) Reference is made to the Certificate as to Arbitrage Matters, dated March 30, 2005 (the “Original Certificate”), executed and delivered by the Authority in connection with the issuance of the Bond on March 30, 2005, a portion of the proceeds of which were used by the Authority to finance the costs of acquiring 1.47 acres of land and a building located thereon used by the City of Powder Springs, Georgia (the “City”) as its City Hall (the “Property”), which the Authority sold to the City pursuant to the terms of an Agreement of Sale, dated as of March 1, 2005 (the “Sale Agreement”), between the Authority and the City.

(3) The Authority proposes to sell the Property, as part of a sale of 6.41 acres, to NGI Acquisitions, LLC (the “Purchaser”), pursuant to the terms of a Purchase and Sale Agreement, dated May 21, 2021, as supplemented and amended by a First Amendment to Purchase and Sale Agreement, dated August 18, 2021, a Second Amendment to Purchase and Sale Agreement, dated September 20, 2021, a Third Amendment to Purchase and Sale Agreement, dated March 2022, a Fourth Amendment to Purchase and Sale Agreement, dated March 24, 2022, and a Fifth Amendment to Purchase and Sale Agreement, dated April 2022 (collectively the “Purchase Agreement”), between the Authority and the Purchaser.

(4) The purchase price to be paid by the Purchaser to the Authority pursuant to the Purchase Agreement will be \$3,600,000, of which \$825,585.02 will be allocable to the Property, which is the product of \$3,600,000 multiplied by the quotient obtained by dividing the acreage of the Property (1.47 acres) by the total acreage sold pursuant to the Purchase Agreement (6.41 acres).

(5) Accordingly, the amount to be derived from the sale of property financed with the proceeds of the Bond will be \$825,585.02 (the “Disposition Proceeds”).

(6) The Authority will hold the Disposition Proceeds in a segregated account (the “Account”) and use the Disposition Proceeds to pay the costs of renovating and expanding an existing municipal court building for use as a City Hall, Municipal Court, and Community Development Offices (the “Project”).

(7) The Authority has entered into, or will enter into within six months after the date of receipt of the Disposition Proceeds (the “Receipt Date”), a contract or contracts or binding obligations with or to a third party (which are not subject to contingencies within the Authority’s

or a related party's control) to expend an amount equal to, at a minimum, five percent of the Disposition Proceeds on the renovation and expansion of the Project.

(8) The renovation and expansion of the Project and the allocation of the Disposition Proceeds to expenditures will commence and will proceed with due diligence to completion.

(9) It is estimated that the renovation and expansion of the Project will be completed and that the Project will be ready for occupancy and use is not later than two years from the Receipt Date. At least 85 percent of the Disposition Proceeds are expected to be allocated to expenditures on the Project not later than two years from the date.

(10) All money remaining in the Account after payment in full of the costs of the Project will be used to prepay the Bond.

(11) Disposition Proceeds deposited in the Account and expected earnings on such amounts will be expended solely to pay the costs of renovating and expanding the Project. Amounts held in the Account will be completely expended by two years from the Receipt Date. All Disposition Proceeds deposited in the Account may be invested at an unrestricted yield for a period not to exceed two years from the Receipt Date. Earnings on such amounts may be invested at an unrestricted yield for a period not exceeding the later of two years from the Receipt Date or one year from the date of receipt of the amount earned. Amounts described in this paragraph (11) that cannot be invested at an unrestricted yield, if any such amounts ever exist, will be invested at a yield not in excess of the yield on the Bond plus one-eighth of one percentage point.

(12) To the best of the knowledge, information, and belief of the undersigned, the above expectations are reasonable. Any statements in this Certificate involving future events, whether or not so stated, are intended as expectations by the Authority and not as representations of fact.

**POWDER SPRINGS DOWNTOWN
DEVELOPMENT AUTHORITY**

By: _____
Chairperson

(SEAL)

Attest:

Secretary/Treasurer

Dated: May 31, 2022