



February 16, 2021 4:30 pm

Urban Redevelopment Agency Agenda

1. Call to Order
2. Approval of Minutes
 - a) 01-19-2021
3. Consideration of motion to approve a Series 2021 Bond Resolution to obtain financing for exercise of Urban Redevelopment powers, particularly as to improvements to Grady Street and Luetta Moore parks.
4. Consideration of a motion to approve an Intergovernmental Contract between City and Urban Redevelopment Agency regarding the issuance of a bond to finance improvements to Luetta Moore and Grady Street parks.
5. Adjourn



CITY OF STATESBORO
URBAN REDEVELOPMENT AGENCY MINUTES
JANUARY 19, 2021

Urban Redevelopment Agency

50 East Main Street

5:00 PM

A meeting of the Urban Redevelopment Agency was held on January 19, 2021 at 5:00 p.m. in City Hall Council Chambers, 50 East Main Street. Present was Chair Jonathan McCollar, Vice-Chair Paulette Chavers, Secretary Shari Barr Agency Members Phil Boyum and John Riggs. Also present was City Clerk Leah Harden, City Attorney Cain Smith, City Manager Charles Penny, Assistant City Manager Jason Boyles and Public Information Officer Layne Phillips. Absent was Agency member Venus Mack.

Jonathan McCollar called the meeting to order.

Organizational Overview by Jon Pannell

City attorney Cain Smith stated this is an organizational meeting and introduced Jon Pannell with Gray, Pannell and Woodard, LLP who would be giving an overview of the Urban Redevelopment Agency.

Jon Pannell the City's Bond Counsel reviewed with Mayor and City Council stating the Urban Redevelopment Agency as an entity created by the City to be used as a conduit by the City for redevelopment purposes. The City has many things in their redevelopment plan they are considering to do in the district. The most immediate are the improvements to some parks inside the district. That is where the authority really comes into play, utilizing the authority as the financing vehicle on behalf of the City to do those improvements. The Urban Redevelopment Agency will be the issuer of a Revenue Bond; the security behind that Revenue Bond will be an intergovernmental contract with the City of Statesboro. The City will make intergovernmental contract payments to satisfy the debt that creates the revenue stream to pay back the revenue bond of the Redevelopment Agency. Today's meeting is to welcome each of you to the agency. In order to get the agency properly created and registered with the state the first point of action is to appoint officers to the agency. The appointments include a Chair, Vice-Chair, and Secretary.

Appointment of Officers:

A motion was made to appoint Jonathan McCollar as the Chair, Paulette Chavers as the Vice-Chair and Shari Barr as the Secretary.

RESULT:	Approved (Unanimous)
MOVER:	Paulette Chavers
SECONDER:	Shari Barr
AYES:	McCollar, Boyum, Chavers, Riggs, Barr
ABSENT	Venus Mack

Adjourn:

A motion was made to adjourn.

RESULT:

Approved (Unanimous)

MOVER:

Shari Barr

SECONDER:

John Riggs

AYES:

McCollar, Boyum, Chavers, Riggs, Barr

ABSENT

Venus Mack

The meeting was adjourned at 5:11 pm.

URBAN REDEVELOPMENT AGENCY

MEMBERS

Jonathan McCollar
Phillip A. Boyum
Paulette Chavers
Venus Mack
John C. Riggs
Shari Barr



50 EAST MAIN STREET • P.O. BOX 348
STATESBORO, GEORGIA 30459-0348

To: Charles Penny, City Manager and Leah Harden, City Clerk

From: Cain Smith, City Attorney

Date: February 8, 2021

RE: February 16, 2021 Urban Redevelopment Agency Agenda Items

Policy Issue: *Consideration of Series 2021 Bond Resolution to obtain financing for exercise of Urban Redevelopment powers, particularly as to improvements to Grady Street and Luetta Moore parks.*

Recommendation: Consideration

Background: The Bond shall be issued in the principal amount not to exceed \$4,500,000, shall bear interest payable semi-annually (each an "Interest Payment Date") on the dates, at a rate per annum not to exceed 5.00% per annum, shall be subject to redemption, and shall mature not later than December 1, 2036, with all final terms of the Bond to be set forth in a supplemental resolution to be adopted by the Agency prior to the issuance and delivery of the Bond. The annual principal of and interest payable on the Bond shall not exceed \$800,000.

Budget Impact: As stated above, with City of Statesboro committing to pay for debt services in IGA to be also be considered at this meeting.

Attachments: Proposed Bond Resolution

URBAN REDEVELOPMENT AGENCY OF THE CITY OF STATESBORO

BOND RESOLUTION

Adopted February 16, 2021

Providing for the issuance of the
URBAN REDEVELOPMENT AGENCY OF THE CITY OF STATESBORO (GEORGIA)
REVENUE BOND, SERIES 2021

in the principal amount not to exceed \$4,500,000

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BOND RESOLUTION

THIS BOND RESOLUTION (this “**Resolution**”), adopted February 16, 2021, by the URBAN REDEVELOPMENT AGENCY OF THE CITY OF STATESBORO, an instrumentality of the State of Georgia and a public corporation thereof (the “**Agency**”);

WITNESSETH:

WHEREAS, the Mayor and City Council of the City of Statesboro (the “**Mayor and City Council**”), as the governing body of the City of Statesboro, Georgia (the “**City**”), in order to exercise the powers conferred upon the City by Chapter 61 of Title 36 of the Official Code of Georgia Annotated (“**O.C.G.A.**”), entitled the “Urban Redevelopment Law,” as amended (the “**Urban Redevelopment Law**”), adopted Resolution 2020-34 on December 15, 2020, finding that one or more “pockets of blight” exist in the City and that the rehabilitation, conservation, or redevelopment, or a combination thereof, of such area or areas is necessary in the interest of the public health, safety, and welfare of the residents of the City; and

WHEREAS, the resolution adopted by the City on December 15, 2020 also designated an “urban redevelopment area,” which the Mayor and City Council designated as appropriate for urban redevelopment projects; and

WHEREAS, the City held a public hearing on January 5, 2021, on a proposed urban redevelopment plan (the “**Urban Redevelopment Plan**”), a copy of which is on file with the City, and the Mayor and City Council adopted Resolution 2021-02 on January 5, 2021 adopting the Urban Redevelopment Plan and the urban redevelopment projects set forth in such plan; and

WHEREAS, the Mayor and City Council adopted Resolution 2021-03 on January 5, 2021, which activated the Agency and conferred to the Agency all of the City’s urban redevelopment powers to administer the Urban Redevelopment Plan; and

WHEREAS, the Urban Redevelopment Law authorizes the Agency to issue revenue bonds in accordance with the Revenue Bond Law of Georgia, codified in O.C.G.A. § 36-82-60 through § 36-82-85, as amended (the “**Revenue Bond Law**”), to finance the undertaking of any “urban redevelopment project” under the Urban Redevelopment Law, which bonds shall be made payable, as to both principal and interest, solely from the income, proceeds, revenues, and funds of the Agency derived from or held in connection with its undertaking and carrying out of urban redevelopment projects under the Urban Redevelopment Law; and

WHEREAS, the Urban Redevelopment Law authorizes the Agency to undertake and carry out within the corporate limits of the City “urban redevelopment projects,” which are defined to include undertakings or activities of the Agency in an urban redevelopment area under the Urban Redevelopment Law for redevelopment, rehabilitation or conservation or any combination or part thereof, including the implementation of public improvements, in accordance with an urban redevelopment plan adopted pursuant to the Urban Redevelopment Law; and

WHEREAS, the Urban Redevelopment Law authorizes the Agency to make and execute contracts and other instruments necessary or convenient to the exercise of its powers under the

Urban Redevelopment Law, to acquire, by purchase, grant, or otherwise, any real property (defined to include all lands, including improvements and fixtures thereon and property of any nature appurtenant thereto or used in connection therewith), to hold, improve, clear, or prepare for redevelopment any such property, to dispose of any real property, and to borrow money for the purposes of the Urban Redevelopment Law and to give such security as may be required and to enter into and carry out contracts in connection therewith; and

WHEREAS, the City has requested that the Agency, a public body corporate and politic duly created and validly existing under and pursuant to the Urban Redevelopment Law, issue its revenue bond, to be secured by an intergovernmental contract by and between the Agency and the City, to provide funds for the City to renovate, construct and equip certain improvements to Grady Street Park and Luetta Moore Park (together, the “**Project**”), and to pay certain costs of issuing the hereinafter defined Bond, all in accordance with the plans and specifications which are on file with the Agency and the City and which, by this reference thereto, are incorporated herein and made a part hereof as fully as if set forth herein in their entirety; and

WHEREAS, the City is authorized pursuant to Article IX, Section III, Paragraph I of the Constitution of the State of Georgia, to contract for any period not exceeding 50 years with the Agency for joint services, for the provision of services or for the joint or separate use of facilities or equipment, provided such contracts deal with activities, services or facilities which the contracting parties are authorized by law to undertake or provide; and

WHEREAS, the City and the Agency are each a “governmental body,” as defined by the Revenue Bond Law, and are authorized to finance any revenue “undertaking” described therein and to issue revenue bonds to finance any undertaking; and

WHEREAS, the Agency hereby finds and determines that the Project is an “urban redevelopment project” within the meaning of the Urban Redevelopment Law and that the financing of the Project will further the purposes and policies of the Urban Redevelopment Law; and

WHEREAS, the Agency has determined that accomplishing the Project is in the best interests of the Agency, and the Agency has found and does hereby declare that such undertaking is for a lawful, valid, and necessary public purpose, which will prevent and eliminate certain pockets of blight, all to the public benefit and good; and

WHEREAS, in furtherance of its public purposes, the Agency proposes to provide funds to finance the construction and equipping of the Project through the issuance of its URBAN REDEVELOPMENT AGENCY OF THE CITY OF STATESBORO REVENUE BOND, SERIES 2021, in the maximum principal amount of \$4,500,000 (the “**Bond**”), pursuant to the provisions of this Resolution; and

WHEREAS, in consideration for the Agency’s issuance of the Bond, the City has agreed to enter into an intergovernmental contract with the Agency, to be dated as of the date of issuance and delivery of the Bond (the “**Contract**”), the form of which is attached hereto as Exhibit A, which Contract will provide, among other provisions, for payment by the City to the Debt Service Fund (as defined herein), for the account of the Agency, of amounts sufficient to

pay the principal of and interest on the Bond, and to pay the reasonable charges and fees, if any, of the Bond Registrar and Paying Agent (as defined herein), and other expenses more fully and clearly referenced by the terms and provisions contained in the Contract; and

WHEREAS, the City is authorized pursuant to the Constitution of the State of Georgia to levy taxes, and to expend tax money of the City and other available funds and to obligate the City to make payment thereof to the Agency of the amounts provided for in the Contract; and

WHEREAS, the Urban Redevelopment Law provides that revenue bonds issued by the Agency shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction and shall not be subject to the provisions of any other law or charter relating to the authorization, issuance, or sale of bonds, but any political subdivision contracting with the Agency may obligate itself to make the payments required under such contract from money received from taxes levied for such purpose and from any other source, and such obligation shall constitute a general obligation and a pledge of the full faith and credit of the obligor but shall not constitute a debt within the meaning of Article IX, Section V, Paragraph I of the Constitution of the State of Georgia, and when the obligation is made to make such payments from taxes to be levied for that purpose, then the obligation shall be mandatory to levy and collect such taxes from year to year in an amount sufficient to fulfill and fully comply with the terms of such obligation.

NOW, THEREFORE, BE IT FURTHER RESOLVED by the Urban Redevelopment Agency of the City of Statesboro in public meeting properly and lawfully called and assembled, and it is hereby resolved by authority of the same, as follows:

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 101. Definitions. Unless the context clearly requires otherwise, all terms used herein shall have the meanings set forth in this Article I.

“**Administration Expense**” shall mean the reasonable and necessary expenses incurred by the Agency or the City with respect to the Contract, this Resolution, and any transaction or event contemplated by the Contract or this Resolution, including the compensation and expenses paid to the Bond Registrar and Paying Agent. All Administrative Expenses incurred in connection with the issuance of the Bond shall be part of the Cost of Construction.

“**Agency**” shall mean the Urban Redevelopment Agency of the City of Statesboro and its successors.

“**Agency Representative**” shall mean the {Secretary} of the Agency or any person at the time designated to act on behalf of the Agency by certificate furnished to the City and the Paying Agent containing the specimen signature of such person and signed by the Chairman of the Agency. Such certificate may designate one or more alternates.

“**Authentication Agent**” shall mean _____, the Finance Director of the City, in its capacity as Authentication Agent for the Bond, and its successor or successors.

“**Bond**” shall mean the URBAN REDEVELOPMENT AGENCY OF THE CITY OF STATESBORO (GEORGIA) REVENUE BOND, SERIES 2021, which shall be issued as a single-instrument bond, to be issued pursuant to the terms of this Resolution, as the same shall be amended by a supplemental resolution to be adopted by the Agency prior to issuance and delivery of the Bond.

“**Bond Counsel**” shall mean an attorney at law or a firm of attorneys, designated by the Agency, of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on bonds issued by states and their political subdivision, duly admitted to the practice of law before the highest court of any state of the United States of America.

“**Bond Registrar**” shall mean _____, Finance Director of the City, acting in its capacity as Bond Registrar for the Bond, and its successor or successors.

“**Bondholder,**” “**holder,**” “**Holder,**” or “**owner of the Bond**” means the registered owner of the Bond.

“**Business Day**” means a day on which banks located in the city in which the Designated Office of the Paying Agent is located, and banks in New York, New York, are not required or authorized by law or executive order to remain closed.

“**City**” means the City of Statesboro, a municipal corporation of the State of Georgia.

“**City Representative**” shall mean the _____ Finance Director of the City or any person at the time designated to act on behalf of the City by written certificate furnished to

the Agency and the Paying Agent containing the specimen signature of such person and signed by the Mayor.

“**Completion Date**” shall mean the date of completion of the Project as that date shall be certified pursuant to Section 4.04 of the Contract.

“**Construction Fund**” shall mean the fund created by Section 508 of this Resolution.

“**Construction Period**” shall mean the period between the issuance and delivery of the Bond and the Completion Date with respect to the Project.

“**Contract**” shall mean the Intergovernmental Contract, to be dated the date of issuance and delivery of the Bond, between the Agency and the City, as the same may be amended or supplemented.

“**Cost of Construction**” with respect to the Project shall be deemed to include all items permitted to be financed under the provisions of the Urban Redevelopment Law, including but not limited to: (a) obligations incurred or assumed by the Agency or the City for labor, materials, and other expenses and to the contractors, builders, and materialmen in connection with the Project; (b) the cost of contract bonds and of insurance of all kinds relating to the Project that may be deemed to be desirable or necessary during the Construction Period; (c) the expenses of test borings, surveys, estimates, plans and specifications, and preliminary investigations therefor, and for supervising construction, as well as for the performance of all other duties required by or reasonably necessary for the proper completion of the Project; (d) interest accruing on the Bond during the Construction Period and for six months thereafter; (e) Administration Expense and all other costs of the Project, including land acquisition costs, if any; and (f) any sums required to reimburse the City for payments made by the City for any of the above items, or for any other cost incurred in connection with the issuance of the Bond and for work done by the Agency or the City which are properly chargeable to the Project.

“**Costs of Issuance**” shall mean the reasonable and necessary expenses incurred by the Agency and the City with respect to the Contract, this Resolution and any transaction or event contemplated by the Contract or this Resolution, including the legal, accounting financial, advertising, recording, validation, and printing expenses and all other expenses incurred in connection with the issuance of the Bond.

“**Counsel**” shall mean an attorney at law duly admitted to practice law before the highest court in any state.

“**Debt Service Fund**” shall mean the fund created by Section 501 of this Resolution.

“**Debt Service Fund Custodian**” shall mean ~~the Paying Agent for the Bond, [which shall also serve as custodian of the Debt Service Fund.]~~ a bank to be set forth in a supplemental resolution to be adopted by the Agency prior to the issuance and delivery of the Bond.

“**Designated Office**” shall mean the designated ~~trust~~ office of the Paying Agent.

“**Eligible Investments**” shall mean any of the following investments allowed by O.C.G.A. § 36-82-7, as amended, if and to the extent the same are at the time legal for investment of bond proceeds:

1. The local government investment pool created in O.C.G.A. § 36-83-8; or
2. The following securities:
 - A. bonds or other obligations of the State or of counties and municipal corporations of the State rated A or better by Moody’s Investors Service and AA or better by Standard & Poor’s Ratings Group;
 - B. bonds or other obligations of the United States or of subsidiary corporations of the United States government, or obligations representing an interest therein, fully guaranteed by such government;
 - C. obligations of agencies of the United States government issued by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, and the Central Bank for Cooperatives;
 - D. bonds or other obligations issued by any public housing agency or municipal corporation in the United States, which such bonds or obligations are fully secured as to payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States government, or project notes issued by any public housing agency, urban renewal agency or municipal corporation in the United States which are fully secured as to payment of both principal and interest by a requisition, loan or payment agreement with the United States government;
 - E. certificates of deposit of national or state banks located within the State which have deposits insured by the Federal Deposit Insurance Corporation and certificates of deposit of federal savings and loan associations and state building and loan associations or savings and loan associations located within the State which have deposits insured by the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation or the Georgia Credit Union Deposit Insurance Corporation, including the certificates of deposit of any bank, savings and loan association, or building and loan association acting as depository, custodian or trustee for any proceeds of the Bond; provided, however, that the portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation, the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation, or the Georgia Credit Union Deposit Insurance Corporation, if any, shall be secured by deposit with the Federal Reserve Bank of Atlanta, Georgia, or with any national or state bank or federal savings and loan association or state building and loan or savings and loan association located within the State, of one or more of the following securities in an aggregate principal amount equal at least to the amount of such excess: direct and general obligations of the State or any county or municipal corporation in the State, obligations of the United States or subsidiary corporations included in subparagraph (B) above, obligations of the agencies

of the United States government included in subparagraph (C) above, or bonds, obligations, or project notes of public housing agencies, urban renewal agencies, or municipalities included in subparagraph (D) above; and

F. securities of or other interests in any no-load, open-end management type investment company or investment trust registered under the Investment Company Act of 1940, as from time to time amended, or any common trust fund maintained by any bank or trust company which holds such proceeds as trustee or by an affiliate thereof so long as:

(1) the portfolio of such investment company or investment trust or common trust fund is limited to the obligations referenced in subparagraph (B) above and repurchase agreements fully collateralized by any such obligations;

(2) such investment company or investment trust or common trust fund takes delivery of such collateral either directly or through an authorized custodian;

(3) such investment company or investment trust or common trust fund is managed so as to maintain its shares at a constant net asset value; and

(4) securities of or other interests in such investment company or investment trust or common trust fund are purchased and redeemed only through the use of national or state banks having corporate trust powers and located within the State.

“Event of Default” shall have the meaning given such term in Section 801 of this Resolution.

“Federal Tax Certificate” means a certificate executed by the appropriate officer of the Agency, dated the date of issuance and delivery of the Bond, to the effect that on the basis of facts and estimates set forth therein, which may be provided by the City, (A) it is not expected that the proceeds of the Bond will be used in a manner that would cause the Bond to be an “arbitrage bond” within the meaning of § 148 of the Code and applicable regulations thereunder, and (B) to the best knowledge and belief of said officer, such expectations are reasonable.

“Interest Payment Date” shall have the meaning given such term in Section 202 of this Resolution.

“Outstanding under this Resolution,” “Outstanding hereunder, or “Outstanding” when used in reference to the Bond shall mean, as at any particular date, the Bond authenticated and delivered under this Resolution except:

(a) the Bond cancelled after purchase in the open market or because of payment at maturity or redemption prior to maturity;

(b) the Bond otherwise deemed to be paid in accordance with Article VII of this Resolution; and

(c) the Bond in lieu of or in exchange or substitution for which another Bond shall have been authenticated and delivered pursuant to this Resolution unless proof is presented that the Bond is held by a bona fide purchaser.

“**Paying Agent**” shall mean _____, Finance Director of the City, acting in its capacity as Paying Agent for the Bond, and its successor or successors.

“**Person**” or “**persons**,” unless the context shall otherwise indicate, shall include any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government, or any agency or political subdivision thereof.

“**Plans and Specifications**” shall mean the plans and specifications for the Project, kept on file by the City, as they may be revised in accordance with Section 4.06 of the Contract.

“**Project**” shall mean the renovation, construction and equipping of certain improvements to Grady Street Park and Luetta Moore Park, all as more particularly described in the Plans and Specifications, as revised from time to time in accordance with Section 4.06 of the Contract.

“**Record Date**” shall have the meaning given such term in Section 202 of this Resolution.

“**Resolution**” shall mean this Bond Resolution, as the same may be amended or supplemented.

“**Revenues**” shall mean all money paid to the Agency by the City for the services provided by the Agency pursuant to the Contract, and all receipts of the Paying Agent credited under the provisions of this Resolution against such payments.

“**State**” means the State of Georgia.

“**Urban Redevelopment Law**” shall mean O.C.G.A. § 36-61-1, *et seq.*, as amended.

Section 102. Rules of Construction. The definitions set forth herein shall be equally applicable to both the singular and the plural forms of the terms therein defined and shall cover all genders.

“**Herein**,” “**hereby**,” “**hereunder**,” “**hereof**,” “**hereinbefore**,” “**hereinafter**” and other equivalent words refer to this Resolution and not solely to the particular portion thereof in which any such word is used.

All references herein to particular Articles or Sections are references to Articles or Sections of this Resolution unless otherwise specified.

[END OF ARTICLE I]

ARTICLE II

AUTHORIZATION, TERMS, AND FORM OF BOND

Section 201. Authorization of the Bond. The Bond is hereby authorized to be issued pursuant to the Revenue Bond Law of Georgia, codified in O.C.G.A. § 36-82-60 *et seq.*, the Constitution of the State of Georgia, the general laws of the State of Georgia, the laws of the State of Georgia relating to the Agency and pursuant to this Resolution, and all the covenants, agreements and provisions of this Resolution shall be for the equal and proportionate benefit and security of the owner of the Bond.

Section 202. Designation, Date, Denominations, Maturities, Interest Payment Dates, and Other Particulars of the Bond.

(a) The Bond shall be designated URBAN REDEVELOPMENT AGENCY OF THE CITY OF STATESBORO (GEORGIA) REVENUE BOND, SERIES 2021.

(b) The Bond shall be issued in the principal amount not to exceed \$4,500,000, shall bear interest payable semi-annually (each an “**Interest Payment Date**”) on the dates, at a rate per annum not to exceed 5.00% per annum, shall be subject to redemption, and shall mature not later than December 1, 2036, with all final terms of the Bond to be set forth in a supplemental resolution to be adopted by the Agency prior to the issuance and delivery of the Bond. The annual principal of and interest payable on the Bond shall not exceed \$800,000.

The Bond as originally issued shall be lettered and numbered R-1, and shall be dated as of its date of issuance and delivery.

(c) The Bond shall, except as provided in this Section, bear interest from the Interest Payment Date next preceding the date of authentication of the Bond to which interest on the Bond has been paid, unless (i) such date of authentication is an Interest Payment Date to which interest has been paid, in which case from such Interest Payment Date, (ii) such date of authentication of the Bond is after the Record Date with respect to an Interest Payment Date and prior to such Interest Payment Date, in which case from such Interest Payment Date, or (iii) no interest has been paid on the Bond, in which case from its dated date.

The person in whose name the Bond is registered at the close of business on any Record Date with respect to any Interest Payment Date shall be entitled to receive the interest payable on such Interest Payment Date notwithstanding any registration of transfer or exchange subsequent to such Record Date and prior to such Interest Payment Date. The term “Record Date” as used in this Section with respect to any Interest Payment Date shall mean the fifteenth day of the calendar month next preceding such Interest Payment Date; provided, however, that if and to the extent a default shall occur in the payment of interest due on such Interest Payment Date, such past due interest shall be paid to the person in whose name the Bond is registered on a subsequent date of record established by notice given by mail by the Bond Registrar to the holder of the Bond not less than thirty days preceding such subsequent date of record.

(d) The principal of and interest and redemption premium, if any, on the Bond shall be 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. The principal of the Bond shall be

payable upon the presentation and surrender of the Bond at the Designated Office of the Paying Agent. The interest on the Bond shall be paid by check or draft mailed by the Paying Agent by first class mail to the owner of the Bond at its address as appears on the bond register kept by the Bond Registrar (or by wire transfer to the registered owner of a Bond at a wire transfer address which said registered owner has provided to the Paying Agent not less than five days prior to an Interest Payment Date, which wire instructions shall remain in effect until the Paying Agent is notified to the contrary).

(e) The Bond shall be issued as a fully registered bond substantially in the form hereinafter set forth, with such variations, omissions, substitutions and insertions as are therein required or permitted.

Section 203. Execution of the Bond. The Bond shall be executed on behalf of the Agency with the manual or facsimile signature of its Chairman and shall have printed or impressed thereon the official seal of the Agency and be attested with the manual or facsimile signature of its Secretary. In case any officer of the Agency whose signature shall appear on the Bond shall cease to be such officer before the delivery of the Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Section 204. Authentication of the Bond; Temporary Bond. Only a Bond as shall have endorsed thereon a certificate of authentication executed by the Authentication Agent shall be entitled to any right or benefit under this Resolution. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been executed by the Authentication Agent, and such executed certificate of the Authentication Agent upon the Bond shall be conclusive evidence that the Bond has been authenticated and delivered hereunder. Said certificate of authentication on the Bond shall be deemed to have been executed by the Authentication Agent if signed by an authorized signatory of the Authentication Agent.

Pending preparation of a definitive Bond, there may be executed, and upon request of the Agency, the Authentication Agent shall authenticate and deliver, in lieu of a definitive Bond and subject to the same limitation and conditions, a temporary typewritten, printed, engraved, or lithographed Bond, in the form of a registered Bond without coupons and with such appropriate omissions, insertions, and variations as may be required with respect to such temporary Bond.

If a temporary Bond shall be issued, the Agency shall cause the definitive Bond to be prepared and to be executed and delivered to the Authentication Agent, and the Authentication Agent, upon surrender to it at its designated office of a temporary Bond, shall authenticate and deliver in exchange therefor at the place designated by the Bondholder, without charge to the Bondholder thereof, a definitive Bond of an equal principal amount, of the same maturity, and bearing interest at the same rate as the temporary Bond surrendered. A temporary Bond surrendered in any such exchange shall forthwith be delivered to the Bond Registrar and shall be cancelled by the Bond Registrar. Until so exchanged, the temporary Bond shall in all respects be entitled to the same benefit and security of this Resolution as the definitive Bond to be issued and authenticated thereunder.

Section 205. Delivery of the Bond. Following the adoption and delivery of this Resolution, the Agency shall execute and deliver the Bond to the Authentication Agent, and the

Authentication Agent shall authenticate the Bond and deliver the Bond to the purchaser as shall be directed by the Agency. Prior to the delivery of the Bond by the Authentication Agent, there shall be filed with the Authentication Agent:

- (a) a copy, duly certified by the Secretary or an Assistant Secretary of the Agency, of this Resolution;
- (b) an original executed counterpart of the Contract;
- (c) a direction and authorization to the Authentication Agent on behalf of the Agency and signed by either its Chairman, Vice-Chairman, or Secretary to authenticate and deliver the Bond to the purchaser therein identified upon payment to the Agency, but for the account of the City, of a sum specified in such authorization;
- (d) a copy of the validation proceedings with respect to the issuance of the Bond duly certified by the Clerk of Superior Court of Bulloch County, Georgia;
- (e) an opinion of Bond Counsel to the effect that (i) the Bond has been issued in conformity with the Urban Redevelopment Law, has been properly authorized by this Resolution, has been executed, authenticated, and issued in accordance with the terms of this Resolution and in accordance with the Constitution and laws of the State of Georgia, and is the legal, valid, and binding special obligation of the Agency enforceable in accordance with its terms and secured in accordance with its tenor and (ii) the interest on the Bond is excludable from federal income taxes under existing statutes, regulations, rulings, and court decisions; and
- (f) an opinion of counsel for the City that the Contract has been duly authorized, executed, and delivered by the City and is in full force and effect and constitutes a legal, valid, and binding obligation of the City enforceable in accordance with its terms.

Section 206. Mutilated, Lost, Stolen, or Destroyed Bond. In the event the Bond is mutilated, lost, stolen, or destroyed, the Agency shall execute and the Authentication Agent shall authenticate and deliver a new Bond of like date, maturity and denomination to that mutilated, lost, stolen, or destroyed, provided that, in the case of a mutilated Bond, such mutilated Bond shall first be surrendered to the Agency or the Bond Registrar, and in the case of any lost, stolen, or destroyed Bond, there first shall be furnished to the Agency and the Bond Registrar evidence of such loss, theft or destruction satisfactory to the Agency and the Bond Registrar, together with an indemnity satisfactory to them. In the event the Bond shall have matured, instead of issuing a duplicate Bond, the Paying Agent may pay the same without surrender thereof making such requirements as it deems fit for its protection, including a lost instrument bond. In executing a new Bond, the Agency may rely conclusively upon a representation of the Bond Registrar that the Bond Registrar is satisfied with the adequacy of the evidence presented concerning the mutilation, loss, theft, or destruction of the Bond.

Section 207. Validation Certificate. A duly executed validation certificate of the Clerk of Superior Court of Bulloch County, Georgia, signed with the manual or facsimile signature of such Clerk, will be endorsed on the Bond and will be essential to its validity.

Section 208. Paying Agent and Bond Registrar; Authentication Agent. The Bond Registrar and Paying Agent for the Bond and the Authentication Agent for the Bond will keep, at its designated office, proper registration, exchange, and transfer records in which it shall register the name and address of the owner of the Bond.

Section 209. Transfer and Registration of the Bond. The Bond shall be transferable only upon the books of the Agency, which shall be kept for that purpose at the designated office of the Bond Registrar, 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 Bond Registrar duly executed by the registered owner or his duly authorized attorney. Upon the transfer of any such registered bond the Agency shall issue in the name of the transferee a new fully-registered Bond, without coupons, of the same aggregate principal amount and maturity as the surrendered Bond.

Section 210. Regulations With Respect to Exchanges and Transfers. In all cases in which the privilege of exchanging or transferring a Bond is exercised, the Agency shall execute and the Bond Registrar shall authenticate and deliver the Bond in accordance with the provisions hereof. The Bond surrendered in any such exchanges or transfers shall forthwith be delivered to the Bond Registrar and cancelled or retained by the Bond Registrar. No service charge shall be made to the Bondholder for any registration of transfer or exchange of the Bond, but for every such exchange or transfer the Agency or the Bond Registrar may make a charge sufficient to reimburse it for any tax or other governmental charge, if any, required to be paid with respect to such exchange or transfer. The Bond Registrar shall not be required (i) to issue, transfer, or exchange a Bond during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of the Bond selected for redemption and ending at the close of business on the day of such mailing or (ii) to register the transfer of or exchange of the Bond so selected for redemption.

Section 211. Form of the Bond. The Bond and the certificate of validation and certificate of authentication to be endorsed thereon will be in substantially the following terms and form, with such variations, omissions, and insertions as may be required to complete properly the Bond and as may be approved by the officer or officers executing the Bond by manual or facsimile signature, which approval shall be conclusively evidenced by such execution:

[FORM OF BOND]

THIS BOND IS SUBJECT TO AN INVESTMENT LETTER AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED, OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO THE TERMS OF SUCH INVESTMENT LETTER.

This Bond shall not be sold or transferred if such sale or transfer would void the exemption, contained in U.S. Securities and Exchange Commission Rule 15c2-12(d)(1)(i), from the disclosure requirements of Securities and Exchange Commission Rule 15c2-12(b)(5) or any similar rules or statutes in effect at the time of such sale or transfer.

UNITED STATES OF AMERICA

STATE OF GEORGIA
URBAN REDEVELOPMENT AGENCY OF THE CITY OF STATESBORO (GEORGIA)
REVENUE BOND, SERIES 2021

No. R-1

Maturity Date: _____, 20__
Principal Amount: \$ _____
Interest Rate: _____ %
Bond Date: [date of issuance and delivery]
Registered Owner: _____

The Urban Redevelopment Agency of the City of Statesboro (the "Agency"), a public body corporate and politic, duly created and existing pursuant to the Constitution and laws of the State of Georgia, and the Urban Redevelopment Law, codified in O.C.G.A. § 36-61-1 *et seq.*, as amended, for value received hereby promises to pay or cause to be paid to the registered owner named above, or registered assigns, the principal amount specified above, subject to the scheduled mandatory payments of principal on _____ in the manner and the years and amounts hereinafter set forth, on the maturity date specified above, without the requirement of presentation and surrender of this Bond (this "Bond") at the ~~designated trust~~ office of _____ the Finance Director of the City (as Bond Registrar and Paying Agent).

The interest so payable on any such _____ 1 and _____ 1 (each an "Interest Payment Date") will be paid to the person in whose name this Bond is registered at the close of business on the fifteenth day of the calendar month preceding such Interest Payment Date by check or draft mailed by first class mail to such owner at its address as it shall appear on the bond register kept by the Bond Registrar or by wire transfer to the Registered Owner of this Bond at a wire transfer address which the Registered Owner has provided to the Paying Agent, which wire instructions shall remain in effect until the Paying Agent is notified to the contrary; provided, however, that if and to the extent a default shall occur in the payment of interest due on said Interest Payment Date, such past due interest shall be paid to the persons in whose names The Bond is registered on a subsequent date of record established by notice given by mail by the Paying Agent to the holder of the Bond not less than thirty days preceding such subsequent date

of record. Both the principal of and interest on this Bond are 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 Bond is issued as a single instrument Bond designated URBAN REDEVELOPMENT AGENCY OF THE CITY OF STATESBORO (GEORGIA) REVENUE BOND, SERIES 2021 (the "Bond"), in the principal amount of \$ _____, issued under a bond resolution adopted by the Agency on February 16, 2021, as amended and supplemented by a supplemental bond resolution adopted on _____, 2021 (together, the "Resolution"), for the purposes of providing funds needed to (i) finance the renovation, construction and equipping of certain improvements to Grady Street Park and Luetta Moore Park within the urban redevelopment plan of the City of Statesboro (the "City") and (ii) pay expenses incurred in connection with the issuance of the Bond. Pursuant to an Intergovernmental Contract (the "Contract"), dated the date of issuance and delivery of the Bond, between the Agency and the City, a municipal corporation of the State of Georgia, the City is obligated to pay amounts which are sufficient to pay the principal of and interest on the Bond as the same shall become due in accordance with its terms and provisions and to pay all fees and expenses as provided for in the Resolution.

Except as otherwise provided herein and in the Resolution, this Bond is transferable, as provided in the Resolution, only upon the books of the Bond Registrar, kept at its principal ~~corporate trust~~ office, upon presentation at said office of this Bond with the written request of the registered owner hereof or his attorney duly authorized in writing, and a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

Upon such transfer a new registered Bond for the proper principal amount shall be authenticated and delivered by the Authentication Agent. The Agency and the Paying Agent may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and neither the Agency nor the Paying Agent shall be affected by any notice to the contrary.

[Insert optional redemption provisions]

This Bond is subject to scheduled mandatory redemption prior to maturity in part at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of such redemption on _____ 1 in the principal amounts and in the years set forth below (the _____ 1, ~~2035,20~~, amount to be paid at maturity rather than redeemed):

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
-------------	-------------------------	-------------	-------------------------

The person in whose name this Bond is registered shall be deemed and regarded as the absolute owner hereof for all purposes, and payment of or on account of either principal or interest made to such registered owner shall be valid and effectual to satisfy and discharge the liability upon this Bond to the extent of the sum or sums so paid. This Bond is registrable as transferred by the owner hereof in person or by his attorney duly authorized in writing at the designated ~~trust~~ office of the Bond Registrar, all subject to the terms and conditions of the Resolution.

To the extent and in the manner permitted by the Resolution, modifications or alterations of the provisions thereof or of any supplement thereto or of the Bond may be made by the Agency with the consent of the registered owner of the Bond without necessity for notation hereon or reference thereto.

Pursuant to the Contract, payments sufficient for the prompt payment when due of the principal of and interest on the Bond is to be paid to the Paying Agent for the account of the Agency and deposited in the Debt Service Fund.

No covenant or agreement contained in this Bond or the Resolution shall be deemed to be a covenant or agreement of any official, officer, agent or employee of the Agency in his individual capacity, and neither the members of the Agency nor any official executing this Bond shall be liable personally on this Bond or be subject to any personal liability or accountability by reason of the issuance of this Bond.

[The Agency has designated the Bond as a “qualified tax-exempt obligation” for purposes of § 265(b)(3) of the Internal Revenue Code of 1986, as amended.]

It is hereby certified and recited that all conditions, acts and things required by law and the Resolution to exist, to have happened, and to have been performed precedent to and in the issuance of this Bond, do exist, have happened, and have been performed and that this Bond complies in all respects with all applicable laws of the State of Georgia.

This Bond shall not be entitled to any benefit under the Resolution or be valid or become obligatory for any purpose until this Bond shall have been authenticated by the execution by the Authentication Agent of the certificate of authentication hereon.

This Bond shall not constitute a debt or a loan or pledge of the faith and credit of the Agency, the State of Georgia, or of any political subdivision thereof, but this Bond shall be payable from certain revenues and other funds of the Agency as provided in the Resolution. The issuance of this Bond shall not obligate the State of Georgia or any political subdivision thereof to levy or pledge any form of taxation whatever for the payment hereof. No holder hereof or receiver or trustee in connection herewith shall have the right to enforce payment hereof against any property of the State of Georgia or any political subdivision thereof, or of the Agency (other than the property specifically pledged therefor pursuant to the Resolution), nor shall this Bond constitute a charge, lien or encumbrance, legal or equitable, upon any such property. No recourse shall be had for the payment of the principal of or the interest on this Bond against any officer, director or member of the Agency. The Agency has no taxing power.

Terms defined in the Resolution and used but not defined herein, shall, unless the context otherwise requires, have the meanings ascribed to such terms in the Resolution.

IN WITNESS WHEREOF, the Urban Redevelopment Agency of the City of Statesboro has caused this Bond to be executed with the manual or facsimile signature of its Chairman, and its corporate seal to be hereunto reproduced and attested with the manual or facsimile signature of its Secretary, as of the day first above written.

URBAN REDEVELOPMENT AGENCY OF
THE CITY OF STATESBORO

By: _____ (FORM)
Chairman

(S E A L)

Attest: _____ (FORM)
Secretary

CERTIFICATE OF AUTHENTICATION

This Bond is the Bond authorized by the within mentioned Resolution.

as Authentication Agent

By: _____ (FORM)

Authorized Signatory
Finance Director of the City of Statesboro

* * * * *

STATE OF GEORGIA)
)
CHATHAM COUNTY)

VALIDATION CERTIFICATE

I, the undersigned Clerk of Superior Court of Bulloch County, State of Georgia, keeper of the records and seal thereof, hereby certify that this Bond was validated and confirmed by judgment of the Superior Court of Bulloch County, Georgia, on _____, 2021.

IN WITNESS WHEREOF, I have hereunto set my hand or caused my official signature and the seal of the Superior Court of Bulloch County, Georgia, to be reproduced hereon in facsimile.

(FORM)
Clerk of Superior Court
Bulloch County, Georgia

ASSIGNMENT

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

Social Security Number or
Other Identifying Number of Assignee:

Please print or type name and address
(including postal zip code) of Assignee:

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

(FORM)

Assignor

NOTICE: The signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Date: _____, 20__

Signature Guaranteed:

(FORM)

NOTICE: Signature(s) must be guaranteed by a member firm of the STAMP, SEMP, or MSP signature guarantee medallion programs.

[END OF BOND FORM]

[END OF ARTICLE II]

ARTICLE III

REDEMPTION OF BOND BEFORE MATURITY

Section 301. Optional Redemption of the Bond. Provisions relating to optional redemption of the Bond shall be set forth in the supplemental resolution described in Section 202(b).

Section 302. Scheduled Mandatory Redemption. Provisions relating to scheduled mandatory redemption of the Bond shall be set forth in the supplemental resolution described in Section 202(b).

Section 303. Notice of Redemption. Provisions relating to notice of redemption of the Bond shall be set forth in the supplemental resolution to be adopted by the Agency.

Section 304. Redemption Payments. Provisions relating to redemption payments shall be set forth in the supplemental resolution to be adopted by the Agency.

Section 305. Cancellation. Upon full redemption or maturity of the Bond, the same shall be surrendered to and cancelled by the Bond Registrar.

[END OF ARTICLE III]

ARTICLE IV

GENERAL AUTHORIZATIONS AND AGREEMENTS; NON-ARBITRAGE AND TAX COVENANTS

Section 401. Payment of Principal and Interest; Limited Obligation. The Agency agrees that it will promptly pay the principal of, premium, if any, and the interest on the Bond at the places, on the dates, and in the manner provided herein and in the Bond according to the true intent and meaning hereof and thereof. The Bond shall not constitute a debt or a loan or pledge of the faith and credit of the State of Georgia or of any political subdivision thereof, including the Agency, but shall be payable from Revenues as provided herein. The issuance of the Bond shall not obligate the State of Georgia or any political subdivision thereof, including the Agency, to levy or pledge any form of taxation whatever for the payment thereof. No holder of the Bond or receiver or trustee in connection therewith shall have the right to enforce payment thereof against any property of the State of Georgia or any political subdivision thereof, including the Agency (other than the funds specifically pledged therefor pursuant to this Resolution), nor shall the Bond constitute a charge, lien or encumbrance, legal or equitable, upon any such property. No recourse shall be had for the payment of the principal of, premium, if any, or interest on the Bond against any officer, director, or member of the Agency. The Agency has no taxing power.

Section 402. Performance of Covenants; Agency. The Agency covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Resolution and in the Contract, in any and every Bond executed, authenticated and delivered hereunder and in all of its proceedings pertaining hereto. The Agency covenants that it is duly authorized under the Constitution and laws of the State of Georgia, including particularly and without limitation the Urban Redevelopment Law, to issue the Bond authorized hereby and to execute this Resolution and the Contract, that all action on its part for the issuance of the Bond and the execution and delivery of this Resolution has been duly and effectively taken, and that the Bond in the hands of the owner thereof is and will be a valid and enforceable obligation of the Agency according to the terms thereof and hereof.

Section 403. Instruments of Further Assurance. The Agency will execute, acknowledge and deliver or cause to be executed, acknowledged and delivered, such resolutions supplemental hereto and such further acts and instruments for the better assuring, pledging and confirming the amounts pledged hereby to the payment of the principal of, premium, if any, and interest on the Bond. The Agency, except as herein and in the Contract provided, will not encumber any part of its interest in the Revenues payable under the Contract or its rights under the Contract.

Section 404. Priority of Pledge. The pledge made in Section 504 of the Revenues payable under the Contract constitutes a first and prior pledge of and lien on said Revenues. Said pledge shall at no time be impaired by the Agency and said Revenues shall not otherwise be pledged.

Section 405. Authorization of Contract. The execution, delivery and performance of the Contract is hereby authorized. The Contract shall be executed by the Chairman or Vice-Chairman and attested by the Secretary of the Agency.

Section 406. Authorization for Validation of the Bond. In order to carry out the issuance of the Bond, and pursuant to the Constitution and laws of the State of Georgia, the Chairman, Vice-Chairman or Secretary of the Agency is hereby authorized and directed to immediately notify the District Attorney of the Ogeechee Judicial District of Georgia of the adoption of this Resolution by the Agency, to request said District Attorney to file a petition and complaint to confirm and validate the Bond and to pass upon the security therefor, and said Chairman, Vice-Chairman, or Secretary is further authorized to acknowledge service and make answer in such proceeding.

Section 407. Acceptance of Bid for Purchase of the Bond. The bid to be submitted by the successful bidder for the purchase of the Bond will be accepted and approved by supplemental resolution adopted by the Agency and by acceptance and approval by the City.

Section 408. Non-Arbitrage and Tax Covenants; Designation of Bond as Qualified Tax-Exempt Obligation.

(a) The Agency covenants and agrees for the benefit of the purchaser and owner of the Bond that so long as the Bond remains outstanding, it will not intentionally cause any proceeds of the Bond to be used to acquire higher yielding investments, except as may be otherwise permitted by § 148 of the Code, and that, at the written request of the City, it will comply with, and take such action and make such payments as may be permitted or required by, § 148(f) of the Code to insure that the Bond does not constitute an “arbitrage bond” within the meaning of § 148(a) of the Code.

(b) The Agency hereby covenants and agrees that it will cause the proceeds from the sale of the Bond to be expended and will take such action as may be requested of it by the City so that the interest on the Bond will be and will remain excluded from the gross income of the owners thereof for federal income tax purposes, including, without limitation, compliance with provisions of §§ 141-149 of the Code, as applicable. In furtherance of this covenant, for the benefit of the Bondholders, the Agency agrees to comply with the provisions of a Federal Tax Certificate to be executed by the Agency and delivered concurrently with the issuance and delivery of the Bonds.

(c) The Agency hereby designates the Bond as a “qualified tax-exempt obligation” within the meaning of § 265(b)(3) of the Code. The reasonably anticipated amount of qualified tax exempt obligations (including the Bond) which the City, together with any entity subordinate to the City (including the Agency) and all entities which issue obligations on behalf of the City, will issue during the calendar year in which the Bond is issued will not exceed \$10,000,000.

Section 409. Waiver of Performance Audit. The Agency hereby specifically waives the requirements of O.C.G.A. § 36-82-100 that the expenditure of the proceeds of the Bond be subject to an ongoing performance audit or performance review, and authorizes such waiver to be published in the notice of hearing relating to the validation of the Bond.

Section 410. General Authorization. Any officer of the Agency is hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of this Resolution and the Contract and is further authorized to take any and all further actions and execute and deliver any and all other

documents as may be necessary in the issuance of the Bond and the execution and delivery of the Contract and all other documents authorized hereby.

[END OF ARTICLE IV]

ARTICLE V

ESTABLISHMENT OF DEBT SERVICE FUND AND CONSTRUCTION FUND AND APPLICATION THEREOF; PLEDGE OF REVENUES; APPLICATION OF BOND PROCEEDS

Section 501. Creation of Debt Service Fund. There is hereby created and established with the Debt Service Fund Custodian a fund in the name of the Agency to be designated the URBAN REDEVELOPMENT AGENCY OF THE CITY OF STATESBORO DEBT SERVICE FUND, SERIES 2021, which shall be used by the Paying Agent, ~~as Debt Service Fund Custodian,~~ to pay when due the principal of and interest on the Bond, whether at maturity, by redemption, or otherwise.

Section 502. Source of Payment of the Bond. The payments provided for in Section 5.01(a) of the Contract are to be paid directly to the ~~Paying Agent, as Debt Service Fund Custodian,~~ for the account of the Agency and deposited in the Debt Service Fund. The Agency hereby covenants and agrees that so long the Bond issued hereunder is outstanding, it will deposit, or cause to be deposited, in the Debt Service Fund sufficient sums from the Revenues promptly to meet and pay the principal of, premium, if any, and interest on the Bond as the same become due and payable.

Section 503. Deposits into Debt Service Fund. There shall be paid into the Debt Service Fund, as and when received by the Paying Agent (a) all payments under the Contract which are required to be paid into the Debt Service Fund, (b) all money required to be deposited therein pursuant to this Resolution and (c) any other money received by the Debt Service Fund Custodian when accompanied by directions that such money is to be paid into the Debt Service Fund.

Section 504. Pledge of Revenues. The Revenues to be paid directly to the Debt Service Fund Custodian are hereby pledged to the payment of the principal of, premium, if any, and interest on the Bond. The Agency hereby covenants and agrees that it will not create any lien upon the Revenues other than the lien hereby created.

Section 505. Use of Money in Debt Service Fund.

(a) Except as otherwise provided in this Section 505, money in the Debt Service Fund shall be used solely for the payment of the principal of and interest on the Bond, whether at maturity, by redemption, or otherwise. Whenever the amount in the Debt Service Fund from any source whatsoever is sufficient to redeem the Bond and to pay interest to accrue thereon prior to such redemption, and redemption premium, if any, the Agency, at the request of the City, subject to the requirements of the Contract and to any limitations on redemption provided for in Article III, covenants to take and cause to be taken the necessary steps to redeem the Bond on the redemption date for which the required redemption notice has been given. Any amount in the Debt Service Fund at the close of business of the Debt Service Fund Custodian on the day immediately preceding any Interest Payment Date or redemption date shall be credited against the obligations of the City to make payments under the Contract on such Interest Payment Date or redemption date.

(b) Any amounts remaining in the Debt Service Fund after payment in full of the principal of and premium, if any, and interest on Bond (or provision for payment thereof as provided in this Resolution), the fees, charges and expenses of the Bond Registrar and Paying Agent and all other amounts required to be paid hereunder, shall be paid to the City.

Section 506. Custody and Application of Debt Service Fund. The Debt Service Fund shall be in the custody of the Paying Agent but in the name of the Agency and the Agency hereby authorizes and directs the Paying Agent to withdraw sufficient funds from the Debt Service Fund to pay the principal of and interest on the Bond as the same shall become due and payable, whether at maturity, by redemption, or otherwise.

Section 507. Bond Not Presented When Due. In the event the Bond shall not be presented for payment when the principal thereof becomes due, either at maturity or at the date fixed for redemption thereof or otherwise, if money sufficient to pay the Bond is on deposit in the Debt Service Fund for the benefit of the holder thereof, all liability of the Agency to the holder thereof for the payment of the Bond shall forthwith cease, determine and be completely discharged, and it shall be the duty of the Paying Agent to segregate and hold such money in trust, without liability for interest thereon, for the benefit of holder of the Bond who shall thereafter be restricted exclusively to such fund or funds for the satisfaction of any claim of whatever nature on their part under this Resolution or relating to the Bond. Such segregated funds shall not be subject to investment.

Any money deposited with the Paying Agent in trust for the payment of the principal of or interest on the Bond and remaining unclaimed for five years after such principal, premium, if any, or interest has become due and payable shall, upon the City's request to the Paying Agent, be paid to the City. After the payment of such unclaimed money to the City, the Bondholder shall thereafter look only to the City for the payment thereof, and any liability of the Paying Agent with respect to such money shall thereupon cease.

Section 508. Creation of Construction Fund; Payments Therefrom; Records. There is hereby created and established with the City a fund in the name of the Agency to be designated the URBAN REDEVELOPMENT AGENCY OF THE CITY OF STATESBORO CONSTRUCTION FUND, SERIES 2021. The proceeds from the sale of the Bond shall be deposited into the Construction Fund as described in Section 511. There shall be retained in the Construction Fund interest and other income received on investments of the Construction Fund moneys to the extent provided in Section 601.

The funds in the Construction Fund shall be expended on the Project in accordance with the provisions of Section 4.03 of the Contract; provided that no disbursement shall be made from the Construction Fund at any time that an Event of Default has occurred and is continuing under this Resolution. The City shall keep and maintain adequate records pertaining to the Construction Fund and all disbursements therefrom. After the Project has been completed and a certificate of payment of all costs filed as provided in Section 509, the City shall, if requested by the Agency, file an accounting thereof with the Agency.

Section 509. Disposition Upon Completion of Project. The completion of the Project and payment of all Cost of Construction shall be evidenced by the filing with the Agency of

(a) the certificate required by Section 4.04 of the Contract and (b) a certificate signed by the City Representative stating that all of the Cost of Construction has been paid and discharged except for certain specified amounts to be retained by the City for the payment of any Cost of Construction not then due and payable, as provided in the Contract. As soon as practicable and in any event not more than sixty days from the date of the certificate referred to in clause (b) of the preceding sentence, any balance remaining in the Construction Fund (other than the amounts retained by the City pursuant to such certificate) shall, (1) be withdrawn by the City from the Construction Fund to be used to provide for payment of the cost of additions, modifications or improvements to the Project or (2) be transferred to the Debt Service Fund and be applied to the payment of principal of and interest on the Bond.

Section 510. Fees, Charges, and Expenses. Pursuant to the Contract, the City is to pay, commencing with the effective date of the Contract and continuing until the principal of and interest on the Bond shall have been fully paid or provision for the payment thereof shall have been made in accordance with the provisions of this Resolution, the reasonable and necessary fees and expenses of the Bond Registrar and Paying Agent, as and when the same become due, upon the submission by the Bond Registrar and Paying Agent of statements therefor.

Section 511. Application of Bond Proceeds. The proceeds from the sale of the Bond shall be shall be applied as set forth in the supplemental resolution to be adopted by the Agency

Section 512. Costs of Issuance Account. A special account is hereby authorized to be established with the Agency in the name of the City, in the discretion of the City, with a custodian to be designated by the City, contemporaneously with the issuance and delivery of the Bond, said account to be designated the URBAN REDEVELOPMENT AGENCY OF THE CITY OF STATESBORO, SERIES 2021 COSTS OF ISSUANCE ACCOUNT (the “**Costs of Issuance Account**”). If established, said fund shall be held separate and apart from all other deposits or funds of the Agency, and proceeds of the Bond, if any, deposited into the Costs of Issuance Account shall be disbursed to pay, or reimburse the Agency or the City for all or a portion of the Costs of Issuance of the Bond. Disbursements from the Costs of Issuance Account shall require an invoice for such payment. Adequate records shall be kept by the Agency or the City pertaining to the Costs of Issuance Account and all disbursements therefrom relating to the Bond.

[END OF ARTICLE V]

ARTICLE VI

INVESTMENT OF MONEYS

Section 601. Fund Investments. Any moneys deposited in the Construction Fund created herein shall be invested and reinvested as directed by a City Representative in Eligible Investments. Any Construction Fund investments shall be held by or under the control of the City. The City shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in the Construction Fund is insufficient to pay a requisition when presented or whenever the cash balance in such fund is insufficient to satisfy a required payment therefrom. The interest accruing on such investments and any profit realized therefrom shall be credited to the Construction Fund. Any losses on such investments shall be charged against the Construction Fund.

[END OF ARTICLE VI]

ARTICLE VII

DEFEASANCE

Section 701. Defeasance.

(a) The Bond shall be deemed to have been paid in full and the lien of this Resolution shall be discharged, (A) after there shall have been irrevocably deposited with the Paying Agent for that purpose, either (i) sufficient money or (ii) obligations of, or guaranteed as to principal and interest by, the United States of America, or certificates of an ownership interest in the principal or interest of obligations of or guaranteed as to principal and interest by the United States of America, which shall not contain provisions permitting the redemption thereof prior to their stated maturity, the principal of and the interest on which when due, will be sufficient, without further investment or reinvestment of either the principal amount thereof or the interest earnings thereon (said earnings to be held in trust also), together with any money deposited therewith, for the payment at the maturity or redemption date of the Bond, of the principal thereof and the interest to accrue thereon to such maturity or redemption date, as the case may be; (B) there shall have been paid, or satisfactory arrangements shall have been made to pay, to the Bond Registrar and Paying Agent all fees and expenses due or to become due in connection with the payment or redemption of the Bond or there shall be sufficient money deposited with the Bond Registrar and Paying Agent to make said payments; (C) if the Bond is to be redeemed on any date prior to its maturity, the Agency shall have given to the Bond Registrar and Paying Agent in form satisfactory to the Bond Registrar and Paying Agent irrevocable instructions to redeem the Bond on such date and either evidence satisfactory to the Bond Registrar and Paying Agent that all redemption notices required by this Resolution have been given or irrevocable power authorizing the Bond Registrar and Paying Agent to give such redemption notices; and (D) unless the Bond is to mature or be redeemed within the next 45 days, the Agency shall have given the Bond Registrar and Paying Agent irrevocable instructions to give notice, as soon as practicable, to the owner of the Bond, by first class mail, postage prepaid, at the last address appearing upon the books of registration, that the deposit required by (A) above has been made with the Bond Registrar and Paying Agent and that the Bond is deemed to have been paid in accordance with this Section 701 and stating such maturity or redemption date upon which money is to be available for the payment of the principal or redemption price, if applicable, on the Bond.

(b) In addition to the foregoing provisions of this Article VII, the lien of this Resolution shall only be discharged pursuant to this Article VII if the City delivers an opinion of Bond Counsel providing that all conditions precedent to the discharge of the lien of this Resolution pursuant to this Article VII have been satisfied and such deposit and discharge will not adversely affect the exclusion of the interest on the Bond from federal income taxation.

(c) Whenever the Bond shall be deemed to have been paid pursuant to this Section 701, any balance remaining in the Debt Service Fund shall be delivered to the City and used for any lawful purpose.

[END OF ARTICLE VII]

ARTICLE VIII

**DEFAULT PROVISIONS
AND REMEDIES OF BONDHOLDER**

Section 801. Defaults; Events of Default. If any of the following events occur, it is hereby declared to constitute an “Event of Default”:

(a) default in the due and punctual payment of the principal on the Bond when and as the same shall become due and payable, or within 30 days thereafter, whether at maturity, redemption, or otherwise; or

(b) default in the due and punctual payment of any installment of interest on the Bond when and as such interest installment shall become due and payable, or within 30 days thereafter; or

(c) default in the performance or observance of any other of the covenants, agreements, or conditions on the part of the Agency in this Resolution or in the Bond contained and failure to remedy the same within 30 days after written notice specifying such default and requiring the same to be remedied shall have been received by the Agency and the City from the Bondowner; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, within a greater number of days if corrective action is instituted by the Agency or the City within the applicable period and diligently pursued until the default is corrected; or

(d) the dissolution or liquidation of the City or the voluntary initiation by the City of any proceeding under any law relating to bankruptcy, insolvency, arrangement, reorganization, readjustment of debt or any other form of debtor relief, or the initiation against the City of any such proceeding which shall remain undismissed for 60 Business Days, or assignment by the City for the benefit of creditors, or the entry by the City into an agreement of composition with creditors or the failure generally by the City to pay its debts as they become due; or

(e) the occurrence and continuance of any event of default as described in Section 8.01 of the Contract.

Section 802. Actions by Bondholder.

(a) Upon the happening and continuance of any Event of Default as provided in Section 801, then and in every such case the Bondholder may proceed, subject to the provisions of Section 804, to protect and enforce the rights of the Bondholder hereunder by a suit, action, or special proceeding in equity or at law for the specific performance of any covenant or agreement contained herein or in the Contract or in aid or execution of any power herein granted, or for the enforcement of any proper legal or equitable remedy as such Bondholder shall deem most effectual to protect and enforce the rights aforesaid, insofar as such may be authorized by law; and

(b) No payments due under this Resolution shall be subject to the remedy of acceleration.

Section 803. Proceedings Discontinued, Abandoned, or Adversely Determined. In case any proceeding taken by the Bondholder on account of any Event of Default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to such Bondholder, then and in every such case the Agency, the City, and the Bondholder shall be restored to its former position and rights hereunder and under the Contract, respectively, and all rights, remedies, powers, and duties of the Bondholder shall continue as though no such proceedings had been taken.

Section 804. Limitation of Actions. The Bondholder shall not have any right in any manner whatever by its action to affect, disturb, or prejudice the security granted and provided for herein or to enforce any right hereunder, except in the manner herein provided.

Section 805. No Remedy Exclusive. No remedy herein conferred upon the Bondholder is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 806. Delay or Omission to Exercise Right or Power. No delay or omission of the Bondholder to exercise any right or power accruing upon any Event of Default occurring and continuing as aforesaid shall impair any such Event of Default or be construed as an acquiescence therein, and every power and remedy given by this Article to the Bondholder may be exercised from time to time and as often as may be deemed expedient.

Section 807. Rights to Enforce Payment. Nothing in this Resolution, the Contract, or in the Bond shall affect or impair the right of action of the owner of the Bond, which is absolute and unconditional, to enforce payment of the Bond in accordance with the provisions of this Resolution and the Contract.

Section 808. Application of Money. After payment of the costs and expenses of the proceedings resulting in the collection of money and of the expenses, liabilities, and advances incurred or made pursuant to any right given or action taken under the provisions of this Article, all money received shall be deposited in the Debt Service Fund and all money in the Debt Service Fund shall be applied to or in connection with the payment of Bondholder in respect of all accrued and unpaid interest or unpaid principal which has become due on the Bond.

[END OF ARTICLE VIII]

ARTICLE IX

**SUPPLEMENTAL RESOLUTION;
AMENDMENTS TO CONTRACT**

Section 901. Supplemental Resolutions Not Requiring Consent of Bondholder. The Agency may, with the consent of the City, but without the consent of or notice to the Bondholder, adopt such resolution or resolutions supplemental to this Resolution as shall not be inconsistent with the terms and provisions hereof for any one or more of the following purposes:

(a) to cure any ambiguity or formal defect or omission or inconsistent provision in this Resolution;

(b) to grant to or confer upon the Bondholder any additional rights, remedies, powers, or authority that may lawfully be granted to or conferred upon the Bondholder; or

(c) to subject to the lien and pledge of this Resolution to additional revenues, properties, or collateral.

Section 902. Supplemental Resolutions Requiring Consent of Bondholder.

(a) Exclusive of supplemental resolutions covered by Section 901 and subject to the terms and provisions contained in this Section 902, and not otherwise, the owner of the Bond shall have the right from time to time anything contained in this Resolution to the contrary notwithstanding, to consent to and approve, in writing, the adoption by the Agency of such other resolution or resolutions supplemental hereto as shall be deemed necessary and desirable by the Agency for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Resolution or in any supplemental resolution, provided, that without the written consent of owner of the Bond the Agency may not adopt any supplemental resolution that has the effect of permitting a change in the terms of redemption (other than changes in the procedures for redemption) or maturity of the principal of the Bond or of any installment of interest thereon or a reduction in the principal amount or redemption price thereof or in the rate of interest thereon without the consent of the holder of the Bond or shall change or modify any of the rights or obligations of the Bond Registrar or Paying Agent without its written assent thereto.

(b) If at any time the Agency shall seek to adopt any such supplemental resolution for any purposes of this Section, it shall notify the City and the Bond Registrar, and the Bond Registrar shall cause notice of the proposed execution of such supplemental resolution to be mailed by first class mail to the registered owner of the Bond. Such notice shall briefly set forth the nature of the proposed supplemental resolution and shall state that a copy of the same is on file with the Bond Registrar. If the owner of the Bond, at the time of the execution of any such supplemental resolution, shall have consented to and approved the execution thereof as herein provided, this Resolution shall be deemed to be modified and amended in accordance therewith.

(c) Anything herein to the contrary notwithstanding, a supplemental resolution adopted under this Article IX shall not become effective unless and until the City shall have consented in writing to the adoption and delivery of such supplemental resolution. In this regard,

the Agency shall cause notice of the proposed adoption and delivery of any such supplemental resolution to which the City has not already consented, together with a copy of the proposed supplemental resolution and a written consent form to be signed by the City to be hand delivered to the City at least 30 days prior to the proposed date of adoption and delivery of any such supplemental resolution.

Section 903. Amendments to Contract Not Requiring Consent of Bondholder. The Agency and the City, without the consent of or prior notice to the Bondholder, may amend the Contract for the following purposes:

(a) to cure any ambiguity or formal defect or omission or inconsistent provisions of the Contract; or

(b) for any other purpose which does not adversely affect the interest of the Bondholder.

Section 904. Amendments to Contract Requiring Consent of Bondholder. Except for the amendments as provided in Section 903, neither the Agency nor the City may amend the Contract whereby such amendment would operate to affect adversely the interest of the holder of the Bond unless written consent is obtained from the holder of the Bond. No such amendment shall ever affect the obligations of the City to make payments under the Contract or the City's covenants with respect to the use of the proceeds of the Bond.

Section 905. Notice of Supplemental Resolutions and Amendments. To the extent herein not otherwise required, a copy of each supplemental resolution or Contract amendment made or entered into in accordance with the preceding Sections of this Article IX shall be furnished to each of the Agency, the City, and the Paying Agent.

[END OF ARTICLE IX]

ARTICLE X

MISCELLANEOUS

Section 1001. Consents of Bondholder. Any consent, request, direction, approval, objection, or other instrument required by this Resolution to be signed and executed by the Bondholder may be in any number of concurrent documents and may be executed by the Bondholder in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection, or other instrument or of the written appointment of any such agent or the ownership of Bond, if made in the following manner, shall be sufficient for any of the purposes of this Resolution, and shall be conclusive with regard to any action taken under such request or other instrument, namely:

(a) the fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by an affidavit of any witness to such execution; and

(b) the fact of ownership of the Bond and the amount, number, and other identification of the Bond, and the date of holding the same shall be provided by the registration books of the Agency maintained by the Bond Registrar.

Section 1002. Limitation of Rights. With the exception of any rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Resolution or the Bond is intended or shall be construed to give to any person or company other than the parties hereto and the owner of the Bond any legal or equitable right, remedy, or claim under or with respect to this Resolution or any covenants, conditions, and provisions herein contained, this Resolution and all of the covenants, conditions, and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the holder of the Bond as herein provided.

Section 1003. Severability. If any provision of this Resolution shall be held or deemed to be or shall in fact be illegal, inoperative, or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative, or unenforceable to any extent whatever.

Section 1004. Notice. All notices or other communications required or permitted to be given pursuant to this Resolution shall be in writing and shall be considered as properly given if mailed by first-class United States mail, postage prepaid, registered or certified with return receipt requested, by overnight delivery, by delivering same in person to the intended addressee, or by prepaid telegram, telex, or telecopy. Notice so mailed shall be effective three days after its deposit. Notice given in any other manner, including overnight delivery and telecopy, shall be effective only if and when received by the addressee. Each such notice or other communication given hereunder shall be given to all of the other parties. For purposes of notice, the addresses of the parties shall be as set forth herein; provided, however, that hereinafter either party shall have the right to change its address for notice hereunder to any other location within the continental United States by the giving of notice to the other party in the manner set forth hereinabove.

If to the Agency: Urban Redevelopment Agency of the City of Statesboro
50 East Main Street
Statesboro, Georgia 30458
Attention: Secretary

If to the City: City of Statesboro
50 East Main Street
Statesboro, Georgia 30458
Attention: City Manager

If to the Bond Registrar and Paying Agent: -Finance Director
City of Statesboro

50 East Main Street
Statesboro, Georgia 30458

Section 1005. Payments Due on Saturdays, Sundays, and Holidays. When the date on which any payment is due hereunder shall not be a Business Day, then such payment need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date fixed for such payment and no additional interest shall accrue because of such payment occurring on said next Business Day.

Section 1006. Laws Governing Resolution. The effect and meaning of this Resolution and the rights of all parties hereunder shall be governed by, and construed according to, the laws of the State.

Section 1007. Captions. The captions and headings in this Resolution are for convenience only and in no way define, limit, or describe the scope or intent of any provisions or Sections of this Resolution.

Section 1008. Resignation or Removal of Paying Agent and Bond Registrar. The Paying Agent, Bond Registrar, and Authentication Agent may at any time resign and be discharged of the duties and obligations created by this Resolution by giving at least 60 days prior written notice to the Agency and the City. The Paying Agent, Bond Registrar and Authentication Agent may be removed at any time at the written direction of the City by an instrument, signed by the City Representative and filed with the Paying Agent, Bond Registrar and Authentication Agent, the Agency and the City. Any successor Paying Agent, Bond Registrar and Authentication Agent shall be appointed by the Agency with the approval of the City and shall be a bank or trust company organized under the laws of any state of the United States or a national banking association having capital stock and surplus aggregating at least \$25,000,000, willing and able to accept the office on reasonable and customary terms and being authorized by law to perform all of the duties imposed upon it by this Resolution. Except as provided below, no resignation or removal will be effective until the successor has delivered an acceptance of its appointment to the Agency and the City.

In the event of the resignation or removal of the Paying Agent, Bond Registrar, and Authentication Agent, the Paying Agent, Bond Registrar, and Authentication Agent shall pay over, assign, and deliver any property held by it in such capacity to its successor.

Section 1009. Immunity of Members, Officers, and Employees of Agency. No recourse shall be had for the enforcement of any obligation, covenant, promise or agreement of the Agency contained in this Resolution or in the Bond or for any claim based hereon or otherwise in respect hereof or upon any obligation, covenant, promise, or agreement of the Agency contained in the Contract, against any member, officer, or employee, as such, in his individual capacity, past, present, or future, of the Agency or of any successor corporation, either directly or through the Agency or any successor corporation, 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 Resolution, the Bond and the Contract are solely corporation 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 Agency or of any successor corporation, either directly or by reason of the obligations, covenants, promises, or agreements entered into between the Agency and the City 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 Resolution and the Bond, and as a condition of, and as a part of the consideration for, the adoption of this Resolution and execution of the Bond, expressly waived and released. The immunity of members, officers and employees of the Agency under the provisions contained in this Section 1009 shall survive the termination of this Resolution.

Section 1010. Repealer. Any and all ordinances or resolutions or parts of ordinances or resolutions in conflict with this Resolution shall be and the same hereby are repealed, and this Resolution shall be in full force and effect from and after its adoption.

[END OF ARTICLE X]

APPROVED AND ADOPTED this February 16, 2021.

URBAN REDEVELOPMENT AGENCY OF
THE CITY OF STATESBORO

By: _____
Chairman

SECRETARY'S CERTIFICATE

The undersigned Secretary of the Urban Redevelopment Agency of the City of Statesboro (the "Agency") DOES HEREBY CERTIFY that the foregoing constitutes a true and correct copy of a resolution adopted on February 16, 2021, by a majority of the entire membership of the Agency in a meeting duly called and assembled and open to the public at which a quorum of members was present and acting throughout, and that the original of said resolution appears of record in the minute book of the Agency, which is in my custody and control.

(S E A L)

Secretary

URBAN REDEVELOPMENT AGENCY

MEMBERS

Jonathan McCollar
Phillip A. Boyum
Paulette Chavers
Venus Mack
John C. Riggs
Shari Barr



50 EAST MAIN STREET • P.O. BOX 348
STATESBORO, GEORGIA 30459-0348

To: Charles Penny, City Manager and Leah Harden, City Clerk

From: Cain Smith, City Attorney

Date: February 8, 2021

RE: February 16, 2021 City Council Agenda Items

Policy Issue: *Consideration of Intergovernmental Contract between City and Urban Redevelopment Agency regarding the issuance of a bond to finance improvements to Luetta Moore and Grady Street parks.*

Recommendation: Consideration

Background: This Contract will authorize the URA to obtain bond financing for the parks improvements with the City accepting role as development agent and committing to service the debt incurred by URA in obtaining the bond.

Budget Impact: Not to exceed \$4,500,000

Council Person and District: All

Attachments: Proposed IGA

INTERGOVERNMENTAL CONTRACT

by and between

URBAN REDEVELOPMENT AGENCY OF THE CITY OF STATESBORO

and

THE CITY OF STATESBORO, GEORGIA

dated as of _____, 2021

relating to the

URBAN REDEVELOPMENT AGENCY OF THE CITY OF STATESBORO (GEORGIA)
REVENUE BOND, SERIES 2021

in the principal amount of \$ _____

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INTERGOVERNMENTAL CONTRACT

THIS INTERGOVERNMENTAL CONTRACT (this “**Contract**”), dated as of _____, 2021, made and entered into by and between the URBAN REDEVELOPMENT AGENCY OF THE CITY OF STATESBORO, an instrumentality of the State of Georgia and a public corporation thereof (the “**Agency**”), and the CITY OF STATESBORO, GEORGIA a municipal corporation of the State of Georgia (the “**City**”);

W I T N E S S E T H:

WHEREAS, the Mayor and City Council of the City of Statesboro (the “**Mayor and City Council**”), as the governing body of the City of Statesboro, Georgia (the “**City**”), in order to exercise the powers conferred upon the City by Chapter 61 of Title 36 of the Official Code of Georgia Annotated (“**O.C.G.A.**”), entitled the “Urban Redevelopment Law,” as amended (the “**Urban Redevelopment Law**”), adopted Resolution 2020-34 on December 15, 2020, finding that one or more “pockets of blight” exist in the City and that the rehabilitation, conservation, or redevelopment, or a combination thereof, of such area or areas is necessary in the interest of the public health, safety, and welfare of the residents of the City; and

WHEREAS, the resolution adopted by the City on December 15, 2020 also designated an “urban redevelopment area,” which the Mayor and City Council designated as appropriate for urban redevelopment projects; and

WHEREAS, the City held a public hearing on January 5, 2021, on a proposed urban redevelopment plan (the “**Urban Redevelopment Plan**”), a copy of which is on file with the City, and the Mayor and City Council adopted Resolution 2021-02 on January 5, 2021 adopting the Urban Redevelopment Plan and the urban redevelopment projects set forth in such plan; and

WHEREAS, the Mayor and City Council adopted Resolution 2021-03 on January 5, 2021, which activated the Agency and conferred to the Agency all of the City’s urban redevelopment powers to administer the Urban Redevelopment Plan; and

WHEREAS, the Urban Redevelopment Law authorizes the Agency to issue revenue bonds in accordance with the Revenue Bond Law of Georgia, codified in O.C.G.A. § 36-82-60 through § 36-82-85, as amended (the “**Revenue Bond Law**”), to finance the undertaking of any “urban redevelopment project” under the Urban Redevelopment Law, which bonds shall be made payable, as to both principal and interest, solely from the income, proceeds, revenues, and funds of the Agency derived from or held in connection with its undertaking and carrying out of urban redevelopment projects under the Urban Redevelopment Law; and

WHEREAS, the Urban Redevelopment Law authorizes the Agency to undertake and carry out within the corporate limits of the City “urban redevelopment projects,” which are defined to include undertakings or activities of the Agency in an urban redevelopment area under the Urban Redevelopment Law for redevelopment, rehabilitation or conservation or any combination or part thereof, including the implementation of public improvements, in accordance with an urban redevelopment plan adopted pursuant to the Urban Redevelopment Law; and

WHEREAS, the Urban Redevelopment Law authorizes the Agency to make and execute contracts and other instruments necessary or convenient to the exercise of its powers under the Urban Redevelopment Law, to acquire, by purchase, grant, or otherwise, any real property (defined to include all lands, including improvements and fixtures thereon and property of any nature appurtenant thereto or used in connection therewith), to hold, improve, clear, or prepare for redevelopment any such property, to dispose of any real property, and to borrow money for the purposes of the Urban Redevelopment Law and to give such security as may be required and to enter into and carry out contracts in connection therewith; and

WHEREAS, the City has requested that the Agency, a public body corporate and politic duly created and validly existing under and pursuant to the Urban Redevelopment Law, issue its revenue bond, to be secured by an intergovernmental contract by and between the Agency and the City, to provide funds for the City to renovate, construct and equip certain improvements to Grady Street Park and Luetta Moore Park (together, the “**Project**”), and to pay certain costs of issuing the hereinafter defined Bond, all in accordance with the plans and specifications which are on file with the Agency and the City and which, by this reference thereto, are incorporated herein and made a part hereof as fully as if set forth herein in their entirety; and

WHEREAS, the City is authorized pursuant to Article IX, Section III, Paragraph I of the Constitution of the State of Georgia, to contract for any period not exceeding 50 years with the Agency for joint services, for the provision of services or for the joint or separate use of facilities or equipment, provided such contracts deal with activities, services or facilities which the contracting parties are authorized by law to undertake or provide; and

WHEREAS, the City and the Agency are each a “governmental body,” as defined by the Revenue Bond Law, and are authorized to finance any revenue “undertaking” described therein and to issue revenue bonds to finance any undertaking; and

WHEREAS, the Agency hereby finds and determines that the Project is an “urban redevelopment project” within the meaning of the Urban Redevelopment Law and that the financing of the Project will further the purposes and policies of the Urban Redevelopment Law; and

WHEREAS, the Agency has determined that accomplishing the Project is in the best interests of the Agency, and the Agency has found and does hereby declare that such undertaking is for a lawful, valid, and necessary public purpose, which will prevent and eliminate certain pockets of blight, all to the public benefit and good; and

WHEREAS, the Urban Redevelopment Law provides that revenue bonds issued by the Agency shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction and shall not be subject to the provisions of any other law or charter relating to the authorization, issuance, or sale of bonds, but any political subdivision contracting with the Agency may obligate itself to make the payments required under such contract from money received from taxes levied for such purpose and from any other source, and such obligation shall constitute a general obligation and a pledge of the full faith and credit of the obligor but shall not constitute a debt within the meaning of Article IX, Section V, Paragraph I of the Constitution of the State of Georgia, and when the obligation is made to make such payments

from taxes to be levied for that purpose, then the obligation shall be mandatory to levy and collect such taxes from year to year in an amount sufficient to fulfill and fully comply with the terms of such obligation; and

WHEREAS, on behalf of and at the request of the City, and pursuant to a bond resolution adopted by the Agency on February 16, 2021, as amended and supplemented by a first supplemental bond resolution adopted on _____, 2021 (together, the “**Resolution**”), the Agency proposes to issue its REVENUE BOND, SERIES 2021 (the “**Bond**”) in the principal amount of \$ _____ to provide funds and services for the purposes of (i) financing the renovation, construction and equipping of the Project and (ii) paying the expenses incurred in connection with the issuance of the Bond; and

WHEREAS, the Bond, which is being issued as a single instrument bond, shall contain such terms and provisions as provided in the Resolution; and

WHEREAS, the Agency and the City propose to enter into this Contract, pursuant to which the Agency will agree to issue the Bond to provide funds for the above-described purposes and to provide facilities and services for the citizens of the City, including the renovation, construction, and equipping of the Project; and the City, in consideration of the Agency’s doing so, will agree to pay to the Agency from its general fund or from the proceeds of a tax levied on all taxable property located within the boundaries of the City, at such rate or rates as may be necessary to make the payments to the Agency for its services as called for pursuant to this Contract in amounts sufficient to pay the principal of and interest on the Bond.

NOW, THEREFORE, in consideration of the foregoing and the respective representations, covenants, and agreements hereinafter set forth, the Agency and the City hereby agree as follows; provided, that in the performance of the covenants and agreements of the Agency herein contained, any obligation it may thereby incur for the payment of money shall not be a general debt of the Agency but shall be payable solely out of the proceeds derived from the sale of the Bond and the revenues and receipts derived from this Contract:

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.01. Definitions. All words and phrases defined in Section 101 of the Resolution shall have the same meanings in this Contract.

Section 1.02. Rules of Construction. The definitions referred to in Section 1.01 shall be equally applicable to both the singular and the plural forms of the terms therein defined and shall cover all genders.

“**Herein,**” “**hereby,**” “**hereunder,**” “**hereof,**” “**hereinbefore,**” “**hereinafter,**” “**this Contract,**” and other equivalent words refer to this Contract and not solely to the particular portion thereof in which any such word is used.

All references herein to particular Articles or Sections are references to Articles or Sections of this Contract unless otherwise specified.

[END OF ARTICLE I]

ARTICLE II

REPRESENTATIONS, WARRANTIES, AND AGREEMENTS

Section 2.01. Representations, Warranties, and Agreements of the Agency. The Agency represents, warrants, and agrees that:

(a) The Agency is a public body corporate and politic created and existing under the Urban Redevelopment Law and, unless otherwise required by law, shall maintain its corporate existence so long as any Bond is Outstanding. Under the provisions of the Urban Redevelopment Law, the Agency is authorized to enter into and carry out the transactions contemplated by this Contract and the Resolution;

(b) The Agency and the City heretofore have agreed that the Agency will provide financing and services for the undertakings described in the preamble to this Contract by the issuance of the Bond as set forth in the Resolution;

(c) There is no litigation or proceeding pending, or to the knowledge of the Agency threatened, against the Agency or against any other party which would have a material adverse effect on the right of the Agency to execute this Contract or the ability of the Agency to comply with any of its obligations under the Bond, this Contract, the Resolution, or any other documents contemplated to be executed by the Agency in connection with the issuance and delivery of the Bond;

(d) This Contract, upon execution of the same, will constitute the legal, valid, and binding obligation of the Agency in accordance with its terms, and performance by the Agency of its obligations hereunder will not violate, or result in a breach of any of the provisions of, or constitute a default under, any agreement or instrument to which the Agency is a party or by which the Agency is bound;

(e) The Agency has not made, done, executed, or suffered, and warrants that it will not make, do, execute, or suffer, any act or thing whereby the Agency's or the City's title to or interest in the Project will or may be impaired or encumbered in any manner except as permitted herein and the Resolution and except for acts or things done or permitted by the City; and

(f) Except as herein and in the Resolution provided, the Agency will not encumber any part of its interest in the Project or in the Revenues payable under this Contract or its rights under this Contract. The pledge made in the Resolution of the Revenues payable under this Contract constitutes a first and prior pledge of and lien on said Revenues and said pledge shall at no time be impaired by the Agency and the Revenues shall not otherwise be pledged.

Section 2.02. Representations, Warranties, and Agreements of the City. The City represents, warrants and agrees as follows:

(a) The City is a municipal corporation of the State, having power to enter into and execute, deliver and perform this Contract, and, by proper action of its governing body, has authorized the execution and delivery of this Contract and the taking of any and all such actions as may be required on its part to carry out, give effect to, and consummate the transactions

contemplated by this Contract and the Resolution, and no approval or other action by any governmental authority, agency or other person is required in connection with the delivery and performance of this Contract by it except as shall have been obtained as of the date of delivery of the Bond;

(b) There is no litigation or proceeding pending, or to the knowledge of the City threatened, against or affecting the City, nor to the best of the knowledge of the City is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by this Contract or which, in any way, would adversely affect the validity or enforceability of the Bond, this Contract, the Resolution or any other documents contemplated to be executed in connection with the issuance and delivery of the Bond;

(c) This Contract, upon execution of the same, will constitute the legal, valid and binding obligation of the City enforceable in accordance with its terms, and performance by the City of its obligations hereunder will not violate, or result in a breach of any of the provisions of, or constitute a default under, any agreement or instrument to which the City is a party or by which the City is bound; and

(d) No actions will be taken by the City which shall in any way impair the exclusion of interest on the Bond from federal income taxation.

[END OF ARTICLE II]

ARTICLE III

ISSUANCE OF BOND

Section 3.01. The Bond. In order to provide funds for the purposes set forth in the preamble to this Contract, the Agency will, in accordance with the Urban Redevelopment Law, issue the Bond, and all of the covenants, agreements, and provisions hereof shall, to the extent provided herein and in the Resolution, be for the benefit and security of the owner of the Bond.

Section 3.02. Date, Denomination, and Maturities. The Bond will be issued in registered form and will mature and be paid pursuant to the provisions of Article II of the Resolution. Interest on the Bond will be paid to the person and in the manner stated in the Bond and in the Resolution, until the obligation of the Agency with respect to the payment of the principal of the Bond shall be discharged in accordance therewith.

Section 3.03. Obligations Relating to the Resolution and the Bond. The City agrees to perform all undertakings and obligations which are contemplated or required to be performed by the City pursuant to the provisions of the Resolution.

Section 3.04. Application of Bond Proceeds. At and upon the delivery of and payment for the Bond, the proceeds received therefrom shall be applied in accordance with the provisions of the Resolution.

[END OF ARTICLE III]

ARTICLE IV

FINANCING OF THE PROJECT; CONSTRUCTION

Section 4.01. The Project; Financing of Project. The Agency, in providing its services hereunder, agrees to acquire and construct the Project, or to cause the Project to be acquired and constructed, with the proceeds of the Bond. The Agency hereby agrees to finance the cost of the Project in accordance with the provisions hereof and of the Urban Redevelopment Law. The City agrees to make the payments provided for in Section 5.01 in accordance with the provisions of this Contract.

Section 4.02. Completion of Project. The City, as sole and exclusive agent of the Agency, agrees to undertake the acquisition and construction of the Project in accordance with the Plans and Specifications; and the City hereby agrees to undertake and complete the Project on behalf of the Agency with due diligence. Payment therefor shall be made from the Construction Fund in accordance with the provisions of Section 4.03.

Section 4.03. Disbursements from the Construction Fund. The Agency hereby appoints the City as agent of the Agency to make disbursements from the Construction Fund to pay the Cost of Construction. Such disbursements shall be made only upon the execution and filing with the City of a requisition signed by the City Representative stating (i) the requisition number, (ii) the name and address of the person, firm or corporation (which may include the City) to whom payment is due or was made, (iii) the amount paid or to be paid, (iv) that none of the items for which the payment is proposed to be made has formed the basis for any payment theretofore made from the Construction Fund, and (v) that each item for which payment is proposed to be made is a proper charge against the Construction Fund in accordance with the provisions of the Resolution and this Contract.

Section 4.04. Establishment of Completion Date. At such time as the Project is completed, the City shall so notify the Agency by a certificate executed by the City Representative. Such certificate shall establish the Completion Date and shall state that, except for any amounts retained by the City for any Cost of Construction not then due and payable or the liability for payment of which is being contested or disputed by the City (i) the Project has been completed substantially in accordance with the Plans and Specifications and all the Cost of Construction has been paid, (ii) all other facilities necessary in connection with the Project have been acquired, constructed and installed in accordance with the Plans and Specifications and (iii) payment has been made for all labor, services, materials, and supplies used in connection with the Project. Notwithstanding the foregoing, such certificate may state that it is given without prejudice to any rights against third parties which exist at the date thereof or which may subsequently come into being. Upon completion of the Project, title thereto shall vest in its entirety in the City.

Section 4.05. Completion of Project if Construction Fund Insufficient. If moneys in the Construction Fund available for payment of the Cost of Construction are not sufficient to pay the Cost of Construction in full, the City shall use its best efforts to cause the Project to be completed and the City shall pay that portion of the Cost of Construction in excess of the moneys available therefor in the Construction Fund. The Agency does not make any warranty, either

express or implied, that the moneys which will be paid into the Construction Fund will be sufficient to pay all the Cost of Construction. If the City pays any portion of the Cost of Construction pursuant to this Section 4.05, it shall not be entitled to any reimbursement therefor from the Agency or from holder of the Bond, nor shall it be entitled to any diminution in or postponement of the payments required to be paid under Article V.

Section 4.06. Plans and Specifications. The Plans and Specifications are on file with the City, and any amendments thereto shall be filed with the City. The City may revise the Plans and Specifications at any time and from time to time prior to the Completion Date, provided that no such change shall render inaccurate any of the representations contained in this Contract, including any amendments which would cause the interest on the Bond to be includable in gross income of the holder of the Bond for federal income tax purposes.

Section 4.07. Investment of Money. Any money held as a part of the Construction Fund shall be invested or reinvested as directed by the City Representative in accordance with Article VI of the Resolution.

[END OF ARTICLE IV]

ARTICLE V

CONTRACT PAYMENTS BY THE CITY

Section 5.01. Contract Payments by the City. Pursuant to this Contract, the City agrees to provide funds sufficient to pay the following:

(a) the principal of and interest due on the Bond, upon maturity, redemption or otherwise. All such payments shall be made to the Paying Agent in lawful money of the United States of America in immediately available funds on or before the date on which due;

(b) the reasonable fees of the Paying Agent and Bond Registrar as provided in the Resolution; said fees and expenses shall be paid when due directly to the Paying Agent and Bond Registrar for its own account;

Each payment to be made by the City hereunder is to be made on a parity with every other payment hereunder.

Section 5.02. Credits. Any amounts in the Debt Service Fund prior to any Interest Payment Date or date fixed for redemption of the Bond, shall be credited against the payments due by the City under this Contract.

If the Bond is called for full redemption, any funds held in the Construction Fund shall be deposited in the Debt Service Fund and said funds together with all other amounts in the Construction Fund and the Debt Service Fund one Business Day prior to the redemption date shall be credited against the payments due by the City under Section 5.01(a).

Section 5.03. Place of Payments. The payments to be made pursuant to Section 5.01(a) shall be paid directly to the Paying Agent for the account of the Agency and shall be deposited in the Debt Service Fund as required by the Resolution. The payments to be made pursuant to subsection (b) of Section 5.01 shall be paid directly to the party to whom such payment is to be made for its own use.

Section 5.04. Taxes and Other Governmental Charges. The City will pay promptly, as the same become due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Project.

Section 5.05. City's Obligations Unconditional.

(a) The obligations of the City to make payments required in this Article V on the dates and in the manner herein specified and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional, regardless of any contingencies whatever and notwithstanding any circumstances or occurrences that may arise or take place hereafter, and shall not be subject to diminution by set-off, counterclaim, abatement or otherwise. Until such time as the principal of and interest on the Bond shall have been paid or provision for such payment shall have been made in accordance with the Resolution, the City (i) will not suspend or discontinue any payments for which provision is made in Section 5.01, (ii) will perform and observe all of its other covenants and agreements contained in this Contract,

and (iii) will not terminate this Contract for any cause including, without limiting the generality of the foregoing, impossibility or illegality of performance on the part of the Agency of any of its obligations hereunder or under the Resolution, any acts or circumstances that may constitute failure of consideration, *force majeure*, destruction of or damage to the Project or any part thereof, frustration of purpose, the unavailability for use by the City on the date hereof or on any date hereafter of the Project, any change in the tax or other laws of the United States of America or the State of Georgia or any political subdivision thereof, or any failure of the Agency to perform and observe any agreement, whether express or implied, or any duty, liability, or obligation arising out of or connected with this Contract or out of the Resolution.

(b) The City will bear all risk of damage to, or destruction in whole or in part, of the Project or any part thereof including without limitation any loss, complete or partial, or interruption in the use or operation thereof or any manner or thing which for any reason interferes with, prevents or renders burdensome the use thereof or the compliance by the City with any of the terms of this Contract.

Section 5.06. City's Remedies. If the Agency shall fail to perform any of its agreements in this Contract, the City may institute such action against the Agency as the City may deem necessary to compel such performance so long as such action shall not affect, impair or diminish the obligation of the City to make the payments provided for herein, which obligation shall be absolute, unconditional and irrevocable. The City may at its own cost and expense, and in its own name, prosecute or defend any action or proceedings against third parties or take any other action which the City deems reasonably necessary to secure or protect its rights of possession and use of the Project, in which event the Agency agrees to cooperate fully with the City.

Section 5.07. Tax Levy to Make Payments. The City will 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 the payment of its obligations incurred hereunder all such taxes levied and collected for that purpose together with funds received from any other source. The City, in order to make such funds available for such purpose in each fiscal year, will in its general revenue, appropriation and budgetary measures whereby its tax funds or revenues and the allocation thereof are controlled or provided for in each fiscal year during the term of this Contract, include sums sufficient to satisfy the payments required to be made under this Contract, whether or not any other sums are included in such measure, until all payments required to be made hereby shall have been made in full. The obligation of the City to make the payments provided for pursuant to the terms of this Contract 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 such obligation.

Section 5.08. Prior Lien of Bond. The Agency will not hereafter issue any other bonds or obligations of any kind or nature payable from or enjoying a lien on the revenue derived from this Contract superior to the lien created in the Resolution for the payment of the Bond.

[END OF ARTICLE V]

ARTICLE VI

MAINTENANCE, REPAIR, AND MODIFICATION OF THE PROJECT BY CITY; TAX COVENANTS

Section 6.01. Maintenance and Repair. The City, at its own expense, will from time to time, in the discretion of the City, make all needed and proper repairs, replacements, additions, betterments, modifications and improvements to the Project so that the use thereof shall at all times be conducted properly.

Section 6.02. Removal of Equipment. Neither the Agency nor the City is under any obligation to renew, repair or replace any inadequate, obsolete, worn out, unsuitable, undesirable, or unnecessary equipment or other personalty forming a part of the Project. In any instance where the City in its discretion determines that any items of such equipment or personalty have become inadequate, obsolete, worn out, unsuitable, undesirable, or unnecessary, the City may remove such items of such equipment or personalty, and the City may sell, trade, exchange, or otherwise dispose of such items, as a whole or in part, without any responsibility or accountability to the Agency, and upon such determination said equipment or personalty shall no longer be a part of the Project.

Section 6.03. Liens. Neither the Agency nor the City will permit any lien, debt, pledge, assessment, encumbrance, or charge ranking equally with or superior to the charge or lien created by the Resolution upon the payments provided for in Article V. All lawful claims and demands for labor, materials, supplies, or other charges or assessments which if unpaid might by law become a lien upon the Project will be promptly paid or discharged by the City, or adequate provisions will be made to satisfy and discharge the same promptly after the same shall accrue; provided, however, that the City may, at its own expense and in its own name and behalf or in the name and behalf of the Agency, in good faith and by appropriate legal proceedings contest any such lien, charge, or assessment and, in the event of such contest, may permit such lien, charge or assessment so contested to remain unpaid during the period of such contest and any appeal therefrom. The Agency will cooperate fully with the City in any such contest.

Section 6.04. Tax Covenants. The City hereby covenants and represents to the Agency for the benefit of the holder of the Bond that:

(a) It will not expend the proceeds from the sale of the Bond nor take any other action which would cause the interest on the Bond to be included in the gross income of the owners thereof for federal income tax purposes;

(b) It will not make or permit any use of the proceeds from the issue and sale of the Bond which would cause the Bond to be classified as an “arbitrage bond” within the meaning of § 148(a) of the Code and any Treasury Regulations promulgated thereunder as such provisions may apply to obligations issued as of the date of issuance of the Bond; and

(c) It will comply with, and take such action and make such payments as may be permitted or required by, § 148(f) of the Code to ensure that the Bond does not constitute an “arbitrage bond” within the meaning of § 148(a) of the Code.

Section 6.05. Qualified Tax-Exempt Obligation. The Agency acknowledges that the City, pursuant to § 265(b)(3) of the Code, heretofore has irrevocably allocated to the Agency such amount of the City's \$10,000,000 qualified small issuer exemption under § 265(b)(3) of the Code as equals the par amount of the Bond when issued. The Agency and the City agree that said allocation was made for and in consideration of and bears a reasonable relationship to the respective benefits said parties are to receive pursuant to this Contract.

[END OF ARTICLE VI]

ARTICLE VII

INDEMNITY

Section 7.01. Indemnification; Immunity of Members of Agency.

(a) During the term of this Contract, the City, at its own expense, shall handle to conclusion all claims and pay all judgments obtained against the City or the Agency by reason of (i) any injury to or death of any person or damage to property occurring on or about any facilities constituting the Project or any part thereof occasioned by or growing out of or arising or resulting from any tortious or negligent act on the part of the City, its agents or employees in connection with the operation, management or maintenance of any facilities constituting a part of the Project; (ii) any use, non-use, condition of, or defect in any facilities constituting a part of the Project; and (iii) any failure, breach, or default on the part of the City in the performance of or compliance with any of the obligations of the City under the terms of this Contract; provided, however, that the indemnity provided by this Section 7.01 shall be effective only to the extent that the amount of liability arising from any such loss shall exceed the proceeds available therefor obtained from insurance carried with respect to such loss.

(b) Notwithstanding the fact that it is the intention of the parties that the Agency shall not incur any pecuniary liability by reason of the terms of this Contract or the undertakings required of the Agency hereunder by reason of the issuance of the Bond, the adoption of the Resolution, or the performance of any act requested of the Agency by the City; nevertheless, if the Agency should incur any such pecuniary liability, then in that event, the City shall indemnify and hold the Agency harmless against all claims, demands, or causes of action arising therefrom and all costs and expenses incurred in connection with any such claim or in connection with any action or proceeding brought thereon, and, upon notice from the Agency, the City shall defend the Agency in any such action or proceeding.

(c) No recourse shall be had for the enforcement of any obligation, covenant, or agreement of the Agency contained in this Contract or in the Bond or the Resolution for any claim based hereon or thereon against any member, officer, or employee of the Agency or of any successor thereto, in his individual capacity, either directly or through the Agency whether by virtue of any constitutional provision, statute, or rule of law. This Contract, the Bond, and the Resolution are solely corporate obligations, and no personal liability shall attach to or be incurred by, any member, officer, or employee of the Agency or of any successor thereto, either directly or by reason of the obligations, covenants or agreements entered into between the Agency and the City, and all personal liability of any character against every such member, officer, and employee is, by the execution of this Contract, expressly waived and released. The immunity of members, officers, and employees of the Agency under the provisions contained in this Section 7.01 shall survive the completion of the acquisition and construction of the facilities constituting the Project and the termination of this Contract.

[END OF ARTICLE VII]

ARTICLE VIII

DEFAULT; REMEDIES

Section 8.01. Events of Default Defined. The following shall be “events of default” under this Contract and the term “event of default” shall mean, whenever used in this Contract, any one of the following events:

(a) failure by the City to pay when due any amount required to be paid under Section 5.01(a);

(b) The City shall fail to perform any of the other agreements, conditions, covenants, or terms herein required to be performed by the City and such default shall continue for a period of thirty days after written notice has been given to the City by the Agency, the Paying Agent, or the Bondholder specifying such default and requesting that it be remedied, or within a greater number of days if such remedy has been undertaken and is being diligently pursued and more than thirty days is required for its completion; provided, however, that if, by reason of force majeure, the City is unable, in whole or in part, to perform the obligations on its part herein undertaken (other than the obligations relating to the payments to be made under Section 5.01(a)), the City shall not be deemed in default during the continuance of such inability to perform. The term *force majeure* shall mean, without limitation, acts of God; strikes; work stoppages or similar disturbances; acts of public enemies; orders of any kind of the government of the United States of America or of the State or any of their departments, agencies, or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes, fire; hurricanes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accident to machinery or equipment; partial or entire failure of utilities, or any other cause or event not reasonably within the control of the City. The City will, however, use its best efforts to remedy, with all reasonable dispatch, the cause or causes preventing the City from carrying out such obligation; provided, that the settlement of strikes, work stoppages and similar disturbances shall be entirely within the discretion of the City and the City shall not be required to make settlement of such disturbances by acceding to the demands of the opposing party or parties when such course is, in the judgment of the City, unfavorable to the City; and

(c) An “Event of Default” shall have occurred under the Resolution.

Section 8.02. Remedies on Default.

(a) If an event of default referred to in Section 8.01 occurs and is continuing, then and in every such case any Bondholder may, by written notice to the City, take whatever action at law or in equity may appear necessary or desirable to enforce the performance and observance of the obligation (other than the remedy of acceleration), agreement or covenant of the City then in default under this Contract, whether for specific performance of any covenant or agreement contained herein or therein or in aid of the execution of any power herein granted. No remedy conferred upon or reserved to the Bondholder in this subsection (a) is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and

shall be in addition to every other remedy given under this Contract and now or hereafter existing at law or in equity or by statute, subject to the provisions of the Resolution.

(b) No delay or omission to exercise any right or power accruing upon any event of default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Bondholder to exercise any respective remedy reserved to them in this Article VIII, it shall not be necessary to give any notice, other than any notice required herein.

(c) Any amounts collected pursuant to action taken under subsection (a) of this Section 8.02 shall be applied in accordance with the Resolution to the extent the provisions of the Resolution relate to such amounts.

Section 8.03. Attorneys' Fees and Expenses. If the City should default under any of the provisions of this Contract and the owners of a majority in principal amount of the Bond Outstanding shall employ attorneys or incur other expenses for the collection of the amounts payable hereunder or the enforcement, performance, or observance of any obligation or agreement on the part of the City herein contained, the City will, on demand therefor, pay the amount of the reasonable fees and expenses of such attorneys and such other reasonable expenses so incurred.

Section 8.04. No Waiver of Breach. If any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 8.05. City Authorized to Cure Default of Agency. With regard to any default on the part of the Agency under this Contract or under the Resolution, the Agency hereby vests the City with full power, for the account of the Agency, to perform any obligation in remedy of such default in the name and stead of the Agency with full power to do any and all things and acts to the same extent that the Agency could do and perform any such acts.

Section 8.06. Failure to Enforce Agreement Not a Waiver. The failure of the Agency or the Bondholder to enforce any agreement, condition, covenant, or term by reason of any default or breach by the City shall not be deemed to void or affect the right to enforce the same agreement, condition, covenant, or term on the occasion of any subsequent default or breach.

[END OF ARTICLE VIII]

ARTICLE IX

PREPAYMENT

Section 9.01. Optional Prepayment. The City shall have, and is hereby granted, subject to the provisions of the Resolution, the option to prepay all or any portion of the amounts payable under Section 5.01(a), at the times and under the conditions provided for in the Resolution, by taking the actions required by of the Resolution to effect the full or partial redemption of the Bond.

Section 9.02. Exercise of Optional Prepayment. To exercise the option granted in Section 9.01, the City shall give written notice to the Agency and the Bond Registrar of the exercise of such option and a direction to effect redemption of the Bond, ~~which notice shall specify therein (i) the maturity of the Bond, (ii) the date of redemption, which date shall not be less than 45 days from the date the notice is given, (iii) the principal amount of the Bond or portions thereof to be redeemed, (iv) the applicable redemption price or prices and (v) the provision or provisions of the Resolution pursuant to which the Bond is to be redeemed.~~

_____. Upon receipt of a notice given by the City pursuant to this Section 9.02, the Bond Registrar shall forthwith take or cause to be taken all actions necessary under the Resolution to effect the redemption of the Bond in accordance with such notice.

[END OF ARTICLE IX]

ARTICLE X

TERM; MISCELLANEOUS

Section 10.01. Term of this Contract. This Contract shall be in full force and effect from the date of delivery hereof until such time as the Bond shall have been paid or provision for such payment shall have been made in accordance with the Resolution and all payments due or to become due to the Paying Agent and Bond Registrar have been made.

Section 10.02. Notices. All notices or other communications required or permitted to be given pursuant to this Contract shall be in writing and shall be considered as properly given if mailed by first-class United States mail, postage prepaid, registered or certified with return receipt requested, by overnight delivery, by delivering same in person to the intended addressee, or by prepaid telegram, telex or telecopy. Notice so mailed shall be effective three days after its deposit. Notice given in any other manner, including overnight delivery and telecopy, shall be effective only if and when received by the addressee. Each such notice or other communication given hereunder shall be given to all of the other parties. For purposes of notice, the addresses of the parties shall be as set forth herein; provided, however, that hereinafter either party shall have the right to change its address for notice hereunder to any other location within the continental United States by the giving of notice to the other party in the manner set forth hereinabove.

If to the Agency: Urban Redevelopment Agency of the City of Statesboro
50 East Main Street
Statesboro, Georgia 30458
Attention: Secretary

If to the City: City of Statesboro
50 East Main Street
Statesboro, Georgia 30458
Attention: City Manager

If to the Bond Registrar
and Paying Agent: -Finance Director
City of Statesboro

50 East Main Street
Statesboro, Georgia 30458

Section 10.03. Binding Effect. This Contract shall inure to the benefit of and shall be binding upon the Agency, the City and their respective successors and assigns.

Section 10.04. Severability. If any provision of this Contract shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 10.05. Amounts Remaining in Funds. It is agreed by the parties hereto that any amounts remaining in any fund after payment in full of the principal of and interest on the Bond

(or provision for payment shall have been made as provided for in the Resolution), the fees, charges and expenses of the Paying Agent and Bond Registrar and all other amounts required to be paid under the Resolution, shall be paid to the City.

Section 10.06. Delegation of Duties by Agency. It is agreed that under the terms of this Contract and also under the terms of the Resolution, the Agency has delegated certain responsibilities to the City. The fact of such delegation shall be deemed a sufficient compliance by the Agency to satisfy the responsibilities so delegated and the Agency shall not be liable in any way by reason of acts done or omitted by the City or the City Representative. The Agency shall have the right at all times to act in reliance upon the authorization, representation or certification of the City Representative.

Section 10.07. Financial Statements. Within ~~180~~270 days from the end of each fiscal year, the City shall furnish to the Bondholder the audited financial statements of the City and such other information as may be reasonably requested by the Bondholder.

Section 10.08. Amendments, Changes, and Modifications. Subsequent to the initial issuance of the Bond and prior to the payment in full of the Bond, this Contract may not be amended, changed, modified, or altered except as provided in Article IX of the Resolution.

Section 10.09. Execution Counterparts. This Contract may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 10.10. Captions. The captions or headings in this Contract are for convenience only and in no way define, limit, or describe the scope or intent of any provisions of this Contract.

Section 10.11. Law Governing Construction of Contract. This Contract shall be governed by, and construed in accordance with, the laws of the State.

[END OF ARTICLE X]

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

URBAN REDEVELOPMENT AGENCY OF
THE CITY OF STATESBORO

(S E A L)

By: _____
Chairman

Attest: _____
Secretary

CITY OF STATESBORO, GEORGIA

(S E A L)

By: _____
Mayor

Attest: _____
City Clerk