

DRAFT DATED AUGUST 10, 2019

URBAN REDEVELOPMENT AGENCY OF THE CITY OF AVONDALE ESTATES

AND

CITY OF AVONDALE ESTATES, GEORGIA

INTERGOVERNMENTAL CONTRACT

Dated as of September 1, 2019

The rights and interest of the Urban Redevelopment Agency of the City of Avondale Estates, Georgia in this Intergovernmental Contract (except for certain Unassigned Rights) have been pledged under the Resolution to the holders from time to time of the Note and the Bonds.

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INTERGOVERNMENTAL CONTRACT

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THIS INTERGOVERNMENTAL CONTRACT is entered into as of September 1, 2019 (this “Contract”), between the URBAN REDEVELOPMENT AGENCY OF THE CITY OF AVONDALE ESTATES (the “Agency”), and the CITY OF AVONDALE ESTATES, GEORGIA (the “City”).

WITNESSETH:

WHEREAS, the Board of Mayor and Commissioners of the City of Avondale Estates, Georgia (the “Governing Body”), the body charged with managing the affairs of the City of Avondale Estates, Georgia (the “City”), (a) adopted a resolution on December 17, 2012 finding that slum areas existed within the City limits and that the redevelopment of such slum areas is necessary in the interest of the public health, safety, morals and welfare of the residents of the City, designated an urban redevelopment area within the City (the “Downtown Urban Redevelopment Area”) and approved an urban redevelopment plan in connection therewith (the “2012 Plan”), (b) adopted a resolution on June 13, 2019 reaffirming the Downtown Urban Redevelopment Area as a “pocket of blight” and designating the Downtown Urban Redevelopment Area as appropriate for urban redevelopment projects and (c) following a public hearing, adopted a resolution on June 13, 2019 approving the amendment of the City’s 2012 Plan (the amended plan referred to herein as the “2019 Downtown Urban Redevelopment Plan”) and the urban redevelopment projects described therein (the “Downtown Urban Redevelopment Projects”), all in accordance with the Urban Redevelopment Law of the State of Georgia (“Act”); and

WHEREAS, the Governing Body (a) adopted a resolution on June 13, 2019 (a) finding that a second “pocket of blight” existed within the City limits and that the redevelopment of such area is necessary in the interest of the public health, safety, morals and welfare of the residents of the City (the “Stormwater Urban Redevelopment Area”) and, following a public hearing, approved an urban redevelopment plan in connection therewith (the “2019 Stormwater Urban Redevelopment Plan” and together with the 2019 Downtown Urban Redevelopment Plan, the “Urban Redevelopment Plans”) and (b) adopted a resolution on June 13, 2019 approving the 2019 Stormwater Urban Redevelopment Plan and the urban redevelopment projects described therein (the “Stormwater Urban Redevelopment Projects,” and together with the Downtown Urban Redevelopment Projects, the “Urban Redevelopment Projects”), all in accordance with the Act; and

WHEREAS, the Governing Body adopted a resolution on June 13, 2019 requesting that the Urban Redevelopment Agency of the City of Avondale Estates (the “Agency”) exercise the City’s “urban redevelopment project powers” (as defined in the Act), with the exception of the power of eminent domain; and

WHEREAS, pursuant to the Act, the Agency has the power to (a) undertake and carry out urban redevelopment projects within its area of operation, (b) make and execute contracts and other instruments necessary or convenient to the exercise of its powers under the Act and (c) issue “Bonds,” which as defined in the Act includes bonds, notes and other obligations, to finance the undertaking of any urban redevelopment project; and

WHEREAS, Article IX, Section III, Paragraph I(a) of the Constitution of the State of Georgia authorizes, among other things, any county, municipality or other political subdivision of the State to contract, for a period not exceeding fifty years, with another county, municipality or political subdivision or with any other public agency, public corporation or public authority for joint services, for the provision of services, or for the provision or separate use of facilities or equipment, provided that such contract deals with activities, services or facilities which the contracting parties are authorized by law to undertake or to provide; and

WHEREAS, the Agency proposes to issue its (a) drawdown bond anticipation note to be known as the “Urban Redevelopment Agency of the City of Avondale Estates Drawdown Bond Anticipation Note, Series 2019” in the principal face amount of \$8,400,000 (the “Note”) for the purpose of financing on an interim basis a portion of the costs of the Urban Redevelopment Projects (herein defined more specifically as the 2019 Urban Redevelopment Projects) and the costs of issuing the Note and (b) a revenue bond or revenue bonds to be known as the “Urban Redevelopment Agency of the City of Avondale Estates Revenue Bonds, Series _____” in the total principal amount not to exceed \$8,900,000 (the “Bonds”) for the purpose of providing permanent financing for the costs of the 2019 Urban Redevelopment Projects through repayment of the Note and the costs of issuing the Bonds; and

WHEREAS, the Agency and the City propose to enter into this Contract pursuant to which the Agency will agree to issue the Note and the Bonds, and the City will agree to pay to the Agency amounts sufficient to pay the debt service on the Note and the Bonds.

NOW, THEREFORE, for and in consideration of the mutual covenants hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Agency and the City hereto agree as follows:

ARTICLE I.

DEFINITIONS

All capitalized, undefined terms used in this Contract shall have the meanings ascribed to them in the Resolution. The following words and phrases shall have the following meanings:

“Default” and “Event of Default” mean with respect to any Default or Event of Default under this Contract any occurrence or event specified and defined by Section 6.1 hereof.

“Disclosure Certificate” means the written undertakings executed by the City in connection with the issuance of the Bonds if and as required by the Rule.

“Resolution” means the resolution of the Agency adopted on August 12, 2019 pursuant to which the Note and the Bonds are authorized to be issued, including any resolution supplemental thereto.

“Rule” means Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended.

“State” means the State of Georgia.

“Term” refers to the term of this Contract as set forth in Section 4.1 hereof.

ARTICLE II.

REPRESENTATIONS

Section 2.1. Representations of Agency.

The Agency represents as follows:

(a) The Agency is a body corporate and politic duly created and validly existing under the Constitution and laws of the State. The Agency is authorized and has the power to (i) adopt the Resolution and perform its obligations thereunder, (ii) issue, execute, deliver and perform its obligations under the Note, (iii) issue, execute, deliver and perform its obligations under the Bonds and (iv) execute, deliver and perform its obligations under this Contract (collectively, the “Agency Transactions”).

(b) The Agency has duly authorized the Agency Transactions. The Resolution has been duly adopted and constitutes a valid, binding and enforceable obligation of the Agency. The Resolution creates a lien on the Pledged Security. The Agency has not created any other lien on the Pledged Security.

(c) The Note has been duly executed by the Agency and is a valid, binding and enforceable limited obligation of the Agency. The Bonds will be duly executed by the Agency and, when issued, will be valid, binding and enforceable limited obligations of the Agency. This Contract has been duly executed by the Agency and is a valid, binding and enforceable obligation of the Agency.

(d) All licenses, consents, approvals, authorizations, permits and orders of governmental or regulatory authorities, if any, that are required to be obtained by the Agency in connection with the Agency Transactions have been duly obtained and remain in full force and effect, except that no representation is made as to compliance with any applicable federal or state securities laws.

(e) The Agency Transactions do not and will not conflict with or constitute on the part of the Agency a violation of, breach of or default under any (i) indenture, mortgage, lease, resolution, or other agreement or instrument to which the Agency is a party or by which the Agency or its property is bound (a “Contractual Requirement”) or (iii) any constitutional provision, statute, order, rule or regulation of any court or governmental agency or body having jurisdiction over the Agency or its properties, including the Act (a “Legal Requirement”).

(f) The Agency is not in violation of, breach of or default under any Contractual Requirement or Legal Requirement which violation, breach or default would adversely affect the Agency Transactions. No event has occurred and is continuing which, with the passage of time or the giving of notice or both, would constitute such a violation, breach or default.

(g) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the knowledge of the Agency, threatened against or affecting the Agency (or, to the knowledge of the Agency, any

meritorious basis therefor) (i) attempting to limit, enjoin or otherwise restrict or prevent the Agency from issuing the Note or the Bonds, (ii) contesting or questioning the existence of the Agency or the titles of the present officers of the Agency to their offices or (iii) wherein an unfavorable decision, ruling or finding would adversely affect (A) the enforceability of the Resolution, the Note, the Bonds or this Contract, or (B) the financial condition or results of operations of the Agency or (C) the Agency Transactions.

(h) The 2019 Urban Redevelopment Projects constitute urban redevelopment projects within the meaning of the Act. The issuance of the Note and the Bonds is within the public purposes intended to be served by the Agency.

The Agency makes no representation as to the (a) condition or workmanship of the 2019 Urban Redevelopment Projects, (b) suitability of the 2019 Urban Redevelopment Projects for the City's purposes or (c) the financial condition of the City. Furthermore, the Agency makes no representation that the proceeds of the Note will be sufficient to pay the costs of the 2019 Urban Redevelopment Projects and the costs of issuing the Note.

Section 2.2. Representations of the City.

The City represents as follows:

(a) The City is a municipal corporation duly created and validly existing under the Constitution and laws of the State. The City is authorized and has the power and all licenses and permits to (i) acquire, construct, equip, own and operate the 2019 Urban Redevelopment Projects and (ii) execute, deliver and perform its obligations under this Contract (collectively, the "City Transactions").

(b) The City has duly authorized the City Transactions.

(c) This Contract has been duly executed by the City and is a valid, binding and enforceable obligation of the City.

(d) No approval or other action by any governmental authority or agency or other person is required to be obtained by the City as of the date hereof in connection with the (i) acquisition, construction and equipping of the 2019 Urban Redevelopment Projects or (ii) execution, delivery and performance of its obligations under this Contract except as shall have been obtained; provided, however, no representation is given with respect to any "blue sky" laws.

(e) The City Transactions do not and will not conflict with or constitute on the part of the City a violation of, breach of or default under any (i) indenture, mortgage, lease, resolution, or other agreement or instrument to which the City is a party or by which the City or its property is bound (a "City Contractual Requirement") or (ii) its charter, any constitutional provision, statute, order, rule or regulation of any court or governmental agency or body having jurisdiction over the City or its properties, including the Act (a "City Legal Requirement").

(f) The City is not in violation of, breach of or default under any City Contractual Requirement or City Legal Requirement which violation, breach or default would

adversely affect the City Transactions. No event has occurred and is continuing which, with the passage of time or the giving of notice or both, would constitute such a violation, breach or default.

(g) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the knowledge of the City, threatened against or affecting the City (or, to the knowledge of the City, any meritorious basis therefor) (i) contesting or questioning the existence of the City or the titles of the present officers of the City to their offices or (ii) wherein an unfavorable decision, ruling or finding would adversely affect (A) the enforceability of this Contract, (B) the financial condition or results of operations of the City or (C) the City Transactions.

The City makes no representation or warranty with respect to the financial condition of the Agency.

ARTICLE III.

ISSUANCE OF THE NOTE AND THE BONDS; COMMENCEMENT AND COMPLETION OF 2019 URBAN REDEVELOPMENT PROJECTS

Section 3.1. Agreement to Issue the Note and the Bonds; Application of Bond Proceeds.

The Agency agrees that it will validate and issue the Note and the Bonds. The proceeds from the sale of the Note shall be applied as provided in the Resolution. The proceeds from the sale of the Bonds shall be applied as provided in the Resolution. The City hereby approves the issuance of the Note and the Bonds. The Agency shall deliver a certified copy of the Resolution to the City promptly upon the adoption thereof.

Section 3.2. Agreement to Construct the 2019 Urban Redevelopment Projects.

The City shall be solely responsible for the acquisition, construction and equipping of the 2019 Urban Redevelopment Projects, and the City shall prepare the requisitions and certifications and shall perform all acts required by Sections 503 and 504 of the Resolution.

The City shall obtain all necessary approvals from any and all governmental agencies requisite to the acquisition, construction and equipping of the 2019 Urban Redevelopment Projects. The 2019 Urban Redevelopment Projects shall be acquired, constructed and equipped in compliance with all federal, state and local laws, ordinances and regulations applicable thereto. The City will take such action and institute such proceedings as it shall deem appropriate to cause and require all contractors and suppliers of materials to complete their contracts, including the correcting of any defective work, and may, from time to time, take such action as may be necessary or advisable, as determined by the City, to assure that the acquisition, construction and equipping of the 2019 Urban Redevelopment Projects will proceed in an efficient and workmanlike manner.

The City shall acquire, construct and equip the 2019 Urban Redevelopment Projects with all reasonable dispatch and shall use its best efforts to cause the acquisition, construction and equipping of the 2019 Urban Redevelopment Projects to be completed as soon as may be practical, delays incident to strikes, riots, acts of God or the public enemy beyond the reasonable control of the City excepted.

Section 3.3. In the Event Note Proceeds Insufficient.

The Agency does not make any warranty, either express or implied, that the proceeds derived from the sale of the Note will be sufficient to pay all the costs of the 2019 Urban Redevelopment Projects. In the event that the proceeds derived from the sale of the Notes are insufficient to pay all the costs of the 2019 Urban Redevelopment Projects, the City shall pay

the remaining costs, and the City shall not be entitled to (a) any reimbursement therefor from the Agency or from the owner of the Notes or (b) a reduction in Contract Payments.

ARTICLE IV.

**EFFECTIVE DATE OF THIS CONTRACT;
DURATION OF TERM; CONTRACT PAYMENT PROVISIONS**

Section 4.1. Effective Date of this Contract; Duration of Term.

This Contract shall become effective as of its the date of execution and delivery, and the obligations created by this Contract shall then begin, and subject to other provisions of this Contract, this Contract shall expire when the Note and the Bonds and the fees and expenses of the Agency, the custodians and depositories, the Paying Agent, the Bond Registrar and the Authenticating Agent shall have been fully paid or provision made for such payment, whichever is later, but in no event later than 50 years from the date hereof.

Section 4.2. Contract Payments.

(a) The City agrees to pay the Contract Payments at least one business day before the Payment Date on the Note and the Interest Payment Date on the Bonds. The Agency has assigned the Contract (except for Unassigned Rights) and the Contract Payments to the owners of the Note and the Bonds, and the City consents to such assignment. The Agency hereby directs the City to make the Contract Payments directly to the Sinking Fund Custodian unless the Agency, the City and the owner of the Note and the Bonds shall provide otherwise pursuant to Section 208 or Section 312 of the Resolution.

(b) The City also agrees to pay the reasonable fees and expenses of all custodians and depositories, the Paying Agent, Bond Registrar and Authenticating Agent and of their successors and assigns as provided by Section 702 of the Resolution, such reasonable fees and expenses to be paid directly to the party to whom the payment is due when such reasonable fees and expenses become due and payable.

(c) In the event the City should fail to make any of the Contract Payments required in this Section 4.2, the item or installment so in Default shall continue as an obligation of the City until the amount in Default shall have been fully paid, and the City agrees to pay the same with interest thereon at the rate borne by the Note and the Bond, to the extent permitted by law, from the date thereof.

Section 4.3. Prepayment of Contract Payments.

The City may prepay the Contract Payments in whole or in part at any time and may elect to apply such prepayments to prepay or redeem the Note and the Bonds in accordance with the provisions of the Resolution.

Section 4.4. Obligations of City Hereunder Absolute and Unconditional.

The obligations of the City to make the Contract Payments required in Section 4.2 hereof and to perform and observe any and all of the other covenants and agreements on its part contained herein shall be absolute and unconditional irrespective of any defense or any rights of

set off, recoupment, or counterclaim it may otherwise have against the Agency. Until such time as all amounts owing hereunder have been paid or provision for the payment thereof shall have been made in accordance with the Resolution and hereof, the City (a) will not suspend, abate, reduce, abrogate, diminish, postpone, modify or discontinue the Contract Payments provided for herein, (b) will perform and observe all of its other agreements contained in this Contract, and (c) will not terminate the Term of this Contract or its obligations hereunder for any contingency, act of God, event, or cause whatsoever, including, without limiting the generality of the foregoing, failure of title in and to the 2019 Urban Redevelopment Projects or any part thereof, any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the 2019 Urban Redevelopment Projects, the taking by eminent domain of title to or the use of all or any part of the 2019 Urban Redevelopment Projects, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State or any political subdivision of either, any declaration or finding that the Note or the Bonds are unenforceable or invalid, the invalidity of any provision of this Contract, 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 the Resolution. Nothing contained in this Section shall be construed to release the Agency from the performance of any of the agreements on its part contained herein or in the Resolution; and if the Agency should fail to perform any such agreement, the City may institute such action against the Agency as the City may deem necessary to compel performance or recover its damages for nonperformance as long as such action shall not do violence to or adversely affect the agreements on the part of the City contained in this Contract and to make the Contract Payments specified herein. The City may, however, at its own cost and expense and in its own name, prosecute or defend any action or proceeding or take any other action involving third persons which the City deems reasonably necessary in order to secure or protect its rights hereunder, and in such event the Agency hereby agrees to cooperate to the extent required.

Section 4.5. Budget and Tax Levy to Pay Contract Payments.

(a) The obligations of the City to make the Contract Payments when due under Section 4.2 hereof, and to perform its other obligations hereunder, are absolute and unconditional general obligations of the City as herein provided, and the City hereby pledges its full faith and credit and taxing power to such payment and performance. In the event the amount of funds lawfully available to the City is not sufficient to pay the Contract Payments when due in any year, the City shall levy an ad valorem tax on all taxable property located within the limits of the City subject to taxation for such purposes, as now existent and as same may hereafter be extended, at such rate or rates as may be necessary to produce in each calendar year revenues which shall be sufficient to fulfill the City's obligations hereunder, from which revenues there shall be appropriated sums sufficient to pay in full when due the obligations herein contracted to be paid by the City including specifically the obligation to make the Contract Payments as provided herein.

(b) The City further covenants and agrees that in order to make funds available for such purpose, it will, in its general revenue, appropriation and budgetary measures whereby its tax funds or revenues and the allocation thereof are controlled or provided for, include sums sufficient to satisfy any such Contract Payments that may be required to be made, whether or not any other sums are included in such measure, until all payments so required to be

made shall have been made in full. The obligation of the City to make the Contract Payments 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; provided, however, nothing herein contained shall be construed as limiting the right of the City to pay the obligations hereunder assumed out of its general funds or from other sources lawfully available to it for such purpose.

(c) In the event for any reason any such provision or appropriation is not made as provided in the preceding subsection (b), then the fiscal officers of the City are hereby authorized and directed to set up as an appropriation on their accounts in the appropriate fiscal year the amounts required to pay the obligations which may be due from the general funds of the City. The amount of such appropriation shall be due and payable and shall be expended for the purpose of paying any such obligations, and such appropriation shall have the same legal status as if the City had included the amount of the appropriation in its general revenue, appropriation and budgetary measures, and the fiscal officers of the City shall make such Contract Payments to the Sinking Fund Custodian for deposit to the Sinking Fund or to the owner of the Note or the owners of the Bonds if a Sinking Fund is not being maintained if for any reason the payment of such obligations shall not otherwise have been made.

Section 4.6. Enforcement of Obligations.

The obligation of the City to make Contract Payments under this Article may be enforced by (a) the Agency, (b) the owner of the Note, independently of the Agency, (c) the owners of the Bonds, independently of the Agency, or (d) such receiver or receivers as may be appointed pursuant to the Resolution or applicable law. The covenants and agreements hereunder, including specifically the obligation to make the Contract Payments, shall be enforceable by specific performance; it being acknowledged and agreed by the Agency and the City that no other remedy at law is adequate to protect the interests of the parties hereto or the interests of the owner of the Note or the owners of the Bonds.

ARTICLE V.

SPECIAL COVENANTS

Section 5.1. Further Assurances and Corrective Instruments.

The Agency and the City agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the expressed intention of this Contract.

Section 5.2. Agency and City Representatives.

Whenever under the provisions of this Contract or the Resolution the approval of the Agency or the City is required or the Agency or the City is required to take some action at the request of the other, such approval or such request shall be given for the Agency by its designated representative and for the City by its Authorized City Representative.

Section 5.3. City's Obligations in the Resolution.

The City agrees to perform all of its obligations under the Resolution.

Section 5.4. Financial Statements and Other Notices.

The City shall provide a copy of its audited financial statements to the owner of the Note within 210 days following the end of each fiscal year. The City shall provide the owner of the Note with such other information as the owner of the Note shall reasonably request.

Section 5.5. Ownership/Sale and Operation of the Urban Redevelopment Projects.

The City shall own the 2019 Urban Redevelopment Projects. The City may sell or lease all or a portion of the 2019 Urban Redevelopment Projects without the consent of the Agency or the owner of the Note or the owners of the Bonds. The City shall operate the 2019 Urban Redevelopment Projects or shall cause the 2019 Urban Redevelopment Projects to be operated and shall pay all costs of operating the 2019 Urban Redevelopment Projects or shall cause all costs of operating the 2019 Urban Redevelopment Projects to be paid, including, without limitation, salaries, wages, employee benefits, the payment of any contractual obligations incurred pertaining to the operation of the 2019 Urban Redevelopment Projects, cost of materials and supplies, rentals of leased property, real or personal, insurance premiums, audit fees, any incidental expenses and such other charges as may properly be made for the purpose of operating the 2019 Urban Redevelopment Projects in accordance with sound business practice. The Agency shall not be responsible for the payment of any such costs.

Section 5.6. Insurance.

The City shall insure the 2019 Urban Redevelopment Projects or shall cause the

2019 Urban Redevelopment Projects to be insured in accordance with its customary insurance practices.

Section 5.7. Authenticating Agent, Bond Registrar, Paying Agent and Custodians.

The City hereby agrees to pay the Authenticating Agent, Paying Agent, the Bond Registrar, the Sinking Fund Custodian, the Project Fund Custodian, the Note Retirement Account Depository and the Bonds Project Fund Custodian for their services under the Resolution.

Section 5.8. Tax Covenants.

The Agency and the City shall take all actions required to maintain the tax-exempt status of the Note and the Bonds and shall refrain from taking any actions that will adversely affect the tax-exempt status of the Note and the Bonds. The City shall comply with any and all of its policies related to the issuance of tax-exempt debt.

Section 5.9. Release and Indemnification Covenants.

(a) To the extent permitted by law, the City hereby agrees to release the Agency from and to indemnify the Agency for any and all liabilities and claims against the Agency arising from the issuance of the Note or the Bonds and the acquisition, construction, ownership and operation of the 2019 Urban Redevelopment Projects, including without limitation, (i) any condition of the 2019 Urban Redevelopment Projects, (ii) any breach or Default on the part of the City in the performance of any of its obligations under this Contract, (iii) any act or negligence of the City or of any of its agents, contractors, servants, employees or licensees, or (iv) any act or negligence of any assignee or lessee of the City, or of any agents, contractors, servants, employees or licensees of any assignee or lessee of the City or (v) any material statement or omission by the City in connection with the sale of the Note or the Bonds. Upon notice from the Agency, the City shall defend the Agency in any such action or proceeding. Notwithstanding the foregoing, the City shall not be required to indemnify the Agency for its gross negligence or willful misconduct.

If any such claim is asserted, the Agency or any individual indemnified herein, as the case may be, will give prompt written notice to the City, and the City will promptly assume the defense thereof, including the employment of counsel and payment of all expenses of such defense, with full power to litigate, compromise or settle the same in its sole discretion; provided that the Agency shall have the right to approve in writing all counsel engaged by the City to conduct such defense, which approval shall not be unreasonably withheld.

(b) The Agency shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of the Agency unless the employment of such counsel has been specifically authorized by the City.

(c) For purposes of this Section 5.9, all references to the Agency shall include its present and future directors, officers, members, agent and employees.

(d) The provisions of this Section 5.9 shall survive the termination of this Contract.

Section 5.10. Disclosure Certificate.

The City will comply with the Rule to the extent applicable to the Bonds. The City shall comply with its obligations under the Disclosure Certificate; provided, however, a failure of the City to comply with its obligations under the Disclosure Certificate shall not constitute a Default or an Event of Default and the only action that may be taken hereunder is an action for specific performance.

Section 5.11. Amounts Remaining in Funds.

Any amounts remaining in the Sinking Fund, the Bonds Project Fund, or other funds provided for herein or in the Resolution upon expiration or sooner termination of this Contract, after payment in full of the Note (or provision for payment having been made in accordance with Section 210 of the Resolution) and the Bonds (or provision for payment thereof having been made in accordance with the provisions of Article X of the Resolution), and all fees, charges, expenses or other sums due and owing to the Agency hereunder or under the Resolution, shall belong to and be paid to the City by the Agency as overpayment of amounts due hereunder.

ARTICLE VI.

EVENTS OF DEFAULT AND REMEDIES

Section 6.1. Events of Default Defined.

The following shall be “Events of Default” under this Contract and the terms “Event of Default” and “Default” shall mean, whenever they are used in this Contract, any one or more of the following events:

(a) Failure by the City to make the Contract Payments when due.

(b) Failure by the City or the Agency to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subparagraph (a) of this Section 6.1, for a period of 30 days after written notice specifying such failure and requesting that it be remedied is given to the City or the Agency, as appropriate by the non-defaulting party, the owner of the Note, the bondholders or any other assignee of the Agency, unless the non-defaulting party and the owner of the Note or the bondholders, as appropriate, shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice be such that it cannot be corrected within the 30-day period, it shall not constitute an Event of Default if corrective action is instituted by the defaulting party within the applicable period and is being diligently pursued until the Default is corrected.

(c) Any representation or warranty made in this Contract shall be untrue.

(d) The occurrence of an “Event of Default” under the Resolution.

Section 6.2. Remedies on Default.

Whenever any Event of Default referred to in Section 6.1 hereof shall have happened and be continuing, the non-defaulting party, the owner of the Note or owner of any of the Bonds may proceed to protect and enforce its rights hereunder by (a) a suit, action or special proceeding for the specific performance of any covenant or agreement contained herein or (b) any proper legal or equitable remedy as the non-defaulting party, the owner of the Note or the owner of the Bond shall deem most effectual to protect and enforce rights hereunder; provided, however, the non-defaulting party, the owner of the Note or owners of the Bond shall not have the right to accelerate the Contract Payments required under Section 4.2 hereof.

Section 6.3. No Remedy Exclusive.

No remedy conferred herein or in the Resolution is intended to be exclusive of any other 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 or the Resolution or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any Default shall impair any such right or power or shall be construed to be a waiver 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 exercise any remedy reserved in this Article, it shall not be necessary to give any notice, other than such notice or notices as may be herein expressly required. Such rights and remedies as are given to the Agency hereunder shall also extend to the owner of the Note and the bondholders, and the owner of the Note and the bondholders shall be deemed third party beneficiaries of all covenants and agreements herein contained.

Section 6.4. Agreement to Pay Attorneys' Fees and Expenses.

If an event of default shall occur hereunder and the non-defaulting party, the owner of the Note or the bondholders should employ attorneys or consultants or incur other expenses for or the enforcement of performance or observance of any obligation or agreement on the part of the City or the Agency herein contained, the defaulting party agrees that it shall on demand therefor pay to the non-defaulting party, the owner of the Note or the bondholders the reasonable fees of such attorneys and consultants and such other reasonable expenses so incurred by the non-defaulting party, the owner of the Note and the bondholders.

Section 6.5. No Additional Waiver Implied by One Waiver.

In the event any agreement contained in this Contract 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.

ARTICLE VII.

MISCELLANEOUS

Section 7.1. Notices.

All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when (a) hand delivered, (b) sent via overnight mail, (c) sent by electronic mail or (d) mailed by registered mail, postage prepaid. A copy of each notice hereunder shall be provided promptly to the owner of the Note at its registered address.

Section 7.2. Binding Effect; Third Party Beneficiary.

This Contract shall inure to the benefit of and shall be binding upon the Agency and the City and their successors and assigns. The owner of the Note and the bondholders shall be third-party beneficiaries hereof. No other party is a beneficiary of this Contract.

Section 7.3. Severability.

In the event 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 7.4. Amendments, Changes and Modifications.

This Contract may be amended, changed and modified without the consent of the owners of the Bonds or the owner of the Note to (a) cure any ambiguity or formal defect or omission in this Contract; (b) grant any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the owner of the Note and the bondholders by the City; (c) further expand or clarify the amounts required to be paid into the Sinking Fund and the timing thereof; (d) conform to supplements to the Resolution; or (e) make any other amendments, changes and modifications that in the opinion of counsel are not materially adverse to the interest of the owner of the Note or the bondholders. Any other amendments, changes and modification in this Contract will become effective only with the consent of the owner of the Note (while the Note is Outstanding) and the owners of a majority in aggregate principal amount of the Bonds secured hereby. In no event, however, may any such amendments, changes and modifications permit (x) the reduction of Contract Payments required to be made to ensure the payment of the Note, the Bonds and the other obligations secured by the Resolution; or (y) the reduction of the percentage of the principal amount of the Bonds required for consent to any such amendment, change or modification.

Section 7.5. Execution in 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 7.6. Applicable Law.

This Contract shall be governed by and construed in accordance with the laws of the State.

Section 7.7. Captions.

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

Section 7.8. No Personal Recourse.

No personal recourse shall be had for any claim based on this Contract against any member, officer or employee of the Agency or the City in his or her individual capacity.

IN WITNESS WHEREOF, the parties have caused this Contract to be executed in their corporate names by duly authorized officers and have caused their seals to be impressed hereon, all as of the date first above written.

URBAN REDEVELOPMENT AGENCY OF THE
CITY OF AVONDALE ESTATES

(SEAL)

By: _____
Chairman

Attest:

By: _____
Secretary

CITY OF AVONDALE ESTATES, GEORGIA

(SEAL)

By: _____
Mayor

Attest:

By: _____
City Clerk