

**INTERGOVERNMENTAL CONTRACT**

**by and between**

**DOWNTOWN DEVELOPMENT AUTHORITY OF  
THE CITY OF DALLAS**

**and**

**CITY OF DALLAS, GEORGIA**

**Dated as of March 1, 2025**

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Relating to the \$5,595,000 Downtown Development Authority of the City of Dallas Taxable  
Revenue Bond (Economic Development Project),  
Series 2025

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The rights and interest of Downtown Development Authority of the City of Dallas (the “Authority”) in the revenues and receipts derived from this Intergovernmental Contract have been assigned and pledged under a Bond Resolution, adopted by the Authority on February 4, 2025.

## TABLE OF CONTENTS

ARTICLE 1. DEFINITIONS AND RULES OF CONSTRUCTION .....	3
Section 1.1.    Definitions.....	3
Section 1.2.    Rules of Construction. ....	3
ARTICLE 2. REPRESENTATIONS, WARRANTIES AND AGREEMENTS.....	4
Section 2.1.    Representations, Warranties and Agreements of the Authority.....	4
Section 2.2.    Representations, Warranties and Agreements of the City. ....	5
ARTICLE 3. ISSUANCE OF BOND; APPLICATION OF BOND PROCEEDS .....	7
Section 3.1.    Agreement to Issue the Bond.....	7
Section 3.2.    Date, Denomination, and Maturities. ....	7
Section 3.3.    Obligations Relating to the Bond.....	7
Section 3.4.    Application of Bond Proceeds. ....	7
Section 3.5.    Investment of Moneys.....	7
ARTICLE 4. EFFECTIVE DATE OF THIS CONTRACT; DURATION OF TERM; CONTRACT PAYMENT PROVISIONS.....	8
Section 4.1.    Effective Date of this Contract; Duration of Term. ....	8
Section 4.2.    Contract Payments. ....	8
Section 4.3.    Optional Redemption and Optional Prepayment of Contract Payments. ....	8
Section 4.4.    Budget and Tax Levy to Pay Contract Payments. ....	8
Section 4.5.    Obligations of City Hereunder Absolute and Unconditional.....	9
Section 4.6.    Enforcement of Obligations.....	10
ARTICLE 5. OWNERSHIP; AND COVENANTS OF THE CITY AND AUTHORITY .....	11
Section 5.1.    Title to the Project.....	11
Section 5.2.    Operation of the Project. ....	11
Section 5.3.    Operating Expenses. ....	11
Section 5.4.    Sale of Assets.....	11
ARTICLE 6. SPECIAL COVENANTS AND AGREEMENTS.....	12
Section 6.1.    Inspection of the Project. ....	12
Section 6.2.    Further Assurances and Corrective Instruments, Recordings and Filings. ....	12
Section 6.3.    Limitations on Future Debt.....	12
ARTICLE 7. EVENTS OF DEFAULT AND REMEDIES .....	14
Section 7.1.    Events of Default Defined. ....	14
Section 7.2.    Remedies on Default.....	14
Section 7.3.    No Waiver of Breach. ....	15
Section 7.4.    City Authorized to Cure Default of Authority.....	15
Section 7.5.    Failure to Enforce Agreement Not a Waiver. ....	15

ARTICLE 8. MISCELLANEOUS.....	16
Section 8.1. Agreement to Pay Attorneys’ Fees and Expenses. ....	16
Section 8.2. Indemnification. ....	16
Section 8.3. Reporting Requirements. ....	16
Section 8.4. Notices. ....	17
Section 8.5. Binding Effect; Third-Party Beneficiaries. ....	18
Section 8.6. Severability ....	18
Section 8.7. Amounts Remaining in Sinking Fund.....	18
Section 8.8. Amendments, Changes and Modifications. ....	18
Section 8.9. Execution Counterparts.....	18
Section 8.10. Captions. ....	18
Section 8.11. Law Governing Contract.....	18
Section 8.12. City a Party to Validation. ....	19

## INTERGOVERNMENTAL CONTRACT

**THIS INTERGOVERNMENTAL CONTRACT** (this “Contract”) is entered into as of March 1, 2025, by and between the **DOWNTOWN DEVELOPMENT AUTHORITY OF THE CITY OF DALLAS** (the “Authority”), a public body corporate and politic, and the **CITY OF DALLAS, GEORGIA** (the “City”), a municipal corporation.

### WITNESSETH:

WHEREAS, the Downtown Development Authority of the City of Dallas (the “Authority”) is a public body corporate and politic created and existing under the Downtown Development Authorities Law (O.C.G.A. § 36-41-1 *et seq.*, as amended) (the “Act”) for the purpose of providing for the revitalization and redevelopment of the central business district of the City of Dallas, Georgia (the “City”) in order to develop and promote for the public good and general welfare trade, commerce, industry and employment opportunities; and

WHEREAS, under the Act and the Revenue Bond Law (O.C.G.A. § 36-82-60 *et seq.*, as amended) (the “Revenue Bond Law”), the Authority has, among others, the power (a) to issue revenue bonds and use the proceeds for the purpose of paying all or part of the cost of any project (as authorized by the Act or the Revenue Bond Law), including projects that develop trade, commerce, industry and employment opportunities, (b) to make and execute contracts and other instruments necessary to exercise the powers of the Authority, and (c) to issue revenue bonds for the purpose of refunding any previously issued revenue bonds issued for the purpose of paying, in whole or in part, the cost of any undertaking; and

WHEREAS, under O.C.G.A. § 48-5-350, as amended, the City has, among others, the power to levy and collect an ad valorem property tax upon all taxable property within the limits of the City to provide financial assistance to the Authority, for the purpose of developing trade, commerce, industry, and employment opportunities, provided, however, that the tax levied for these such purposes shall not exceed three mills per dollar upon the assessed value of such property; 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 (50) 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 Authority proposes to issue its Taxable Revenue Bond (Economic Development Project), Series 2025, in principal amount of \$5,595,000 (the “Bond”) for the purposes of providing funds to finance the acquisition of certain real property and the acquisition and construction of certain improvements thereto for an economic development project and pay the costs incident thereto; and

WHEREAS, the Bond will be issued pursuant to the Act, the Revenue Bond Law, and a resolution of the Authority adopted on February 4, 2025 (the “Bond Resolution”); and

WHEREAS, the Bond shall contain such terms and provisions as provided in the Bond Resolution; and

WHEREAS, the Authority and the City propose to enter into this Contract, pursuant to which the Authority will agree to issue the Bond to provide funds to acquire and construct the Project and to provide economic development facilities and services for the citizens of the City, and the City, in consideration of the Authority’s doing so, will agree to pay to the Authority 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, limited to three mills as prescribed by O.C.G.A. §48-5-350, as amended, as may be necessary to make the payments to the Authority for its services as called for pursuant to this Contract in amounts sufficient to pay the principal of, redemption premium and interest on the Bond.

NOW, THEREFORE, in consideration of the premises and undertakings as hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

## **ARTICLE 1.**

### **DEFINITIONS AND RULES OF CONSTRUCTION**

#### **Section 1.1. Definitions**

In addition to the words and terms elsewhere defined in this Contract and the Bond Resolution, the following words and terms as used in this Contract shall have the following meanings unless the context or use indicates another or different meaning or intent and such definitions shall be equally applicable to both the singular and plural forms of the words and terms herein defined:

“Additional Contracts” means contracts or supplemental agreements entered into after the date hereof binding the City pursuant to Article IX, Section III, Paragraph I of the Constitution of the State of Georgia of 1983, pursuant to the terms of which a payment obligation is created or expanded for the City to the other party to such contract, which payment obligation is secured by the City’s pledge of its taxing power derived from the three mills levy prescribed by O.C.G.A. § 48-5-350, as amended.

“State” shall mean the State of Georgia.

“Term” shall have the meaning specified in Section 4.1 hereof.

#### **Section 1.2. Rules of Construction.**

The definitions referred to in Section 1.1 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 2.

### REPRESENTATIONS, WARRANTIES AND AGREEMENTS

#### Section 2.1. Representations, Warranties and Agreements of the Authority.

The Authority makes the following representations, warranties and agreements as the basis for the undertakings on its part herein contained:

(a) The Authority is a public body corporate and politic duly created, organized and existing under the Constitution and laws of the State, including the Act, and, unless otherwise required by law, shall maintain its corporate existence so long as the Bond is outstanding. Under the provisions of the Act, the Authority is authorized to (i) adopt the Bond Resolution, (ii) issue, execute, deliver and perform its obligations under the Bond, and (iii) execute, deliver and perform its obligations under this Contract. The Bond Resolution has been duly adopted and has not been modified or repealed. The Authority has duly authorized (i) the issuance, execution, delivery and performance of the Bond and (ii) the execution, delivery and performance of this Contract. The Bond Resolution, the Bond and this Contract are valid, binding and enforceable obligations of the Authority.

(b) The Authority determined that the acquisition and construction of the Project is a project in furtherance of the Authority's purpose and mission under the Act.

(c) No approval or other action by any governmental authority or agency or other person is required in connection with the (i) acquisition and construction of the Project, (ii) issuance of the Bond, or (iii) execution, delivery and performance of this Contract by the Authority, except as shall have been obtained as of the date hereof; provided, however, no representation is given with respect to any "blue sky" laws.

(d) The adoption of the Bond Resolution, the issuance of the Bond and the authorization, execution, delivery and performance by the Authority of this Contract do not violate the Act, the Authority's bylaws, any resolutions or ordinances of the City of Dallas, Georgia, Paulding County, Georgia, or the laws or Constitution of the State and do not constitute a breach of or a default under any existing court order, administrative regulation, or other legal decree, or any agreement, indenture, mortgage, lease, note or other instrument to which it is a party or by which it is bound.

(e) 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 Authority, threatened against or affecting the Authority (or, to the knowledge of the Authority, any meritorious basis therefor) (i) attempting to limit, enjoin or otherwise restrict or prevent the Authority from issuing the Bond, pledging the Contract Payments and this Contract to the payment of the Bond or acquisition and construction of the Project, (ii) contesting or questioning the existence of the Authority or the titles of the present officers of the Authority to their offices or (iii) wherein an unfavorable decision, ruling or finding would (A) adversely affect the enforceability of the Bond, the Bond Resolution or this Contract or (B) materially adversely affect the transactions contemplated by this Contract.

(f) The Authority is not in violation of the Act, its bylaws, any resolutions or ordinances of the City, Paulding County, Georgia or the laws or Constitution of the State and is not in default under any existing court order, administrative regulation, or other legal decree, or any agreement, indenture, mortgage, lease, note or other instrument to which it is a party or by which it is bound.

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

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

## **Section 2.2. Representations, Warranties and Agreements of the City.**

The City makes the following representations, warranties and agreements as the basis for the undertaking on its part herein contained:

(a) The City is a municipal corporation and organized under the Constitution and laws of the State. Under the Constitution and laws of the State, the City is authorized to execute, deliver and perform its obligations under this Contract. The City has duly authorized the execution, delivery and performance of this Contract. This Contract is a valid, binding and enforceable obligation of the City.

(b) There exists a need in the City to promote and expand for the public good and general welfare certain facilities for the downtown area, so to promote its continued vitality.

(c) The City determined that the acquisition and construction of the Project is in the public interest.

(d) No approval or other action by any governmental authority or agency or other person is required in connection with the (i) acquisition and construction of the Project or (ii) execution, delivery and performance of this Contract by the City, except as shall have been obtained as of the date hereof.

(e) The authorization, execution, delivery and performance by the City of this Contract do not violate the laws or Constitution of the State and do not constitute a breach of or a default under any existing resolution or ordinance, court order, administrative regulation, or other legal decree, or any agreement, indenture, mortgage, lease, note or other instrument to which it is a party or by which it is bound.

(f) 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) attempting to limit, enjoin or otherwise restrict or prevent the City from collecting ad valorem taxes and using it to make the Contract Payments, (ii) contesting or questioning the existence of the City or the titles of the present officers of the City to their offices or (iii) wherein an unfavorable decision, ruling or finding would (A) adversely affect the enforceability of this Contract or (B) materially adversely affect (1) the financial condition or results of operations of the City or (2) the transactions contemplated by this Contract.

(g) The City is not in violation of the laws or the Constitution of the State and is not in default under any existing resolution or ordinance, court order, administrative regulation, or other legal decree, or any agreement, indenture, mortgage, lease, note or other instrument to which it is a party or by which it is bound.

[END OF ARTICLE II]

## **ARTICLE 3.**

### **ISSUANCE OF BOND; APPLICATION OF BOND PROCEEDS**

#### **Section 3.1. Agreement to Issue the Bond.**

In order to provide funds, as provided in the Bond Resolution, to finance the acquisition of certain real property and the acquisition and construction of certain improvements thereto for an economic development project (the "Project") and pay the costs incident thereto, the Authority, in accordance with the Act, will issue the Bond, and all of the covenants, agreements and provisions hereof shall, to the extent provided herein and in the Bond Resolution, be for the benefit and security of the Bondholder. The Authority has delivered a certified copy of the Bond Resolution to the City.

#### **Section 3.2. Date, Denomination, and Maturities.**

The Bond will be issued in fully registered form and will mature and be paid pursuant to the provisions of Article II of the Bond Resolution. Interest on the Bond will be paid to the person or persons and in the manner stated in the Bond and in the Bond Resolution, until the obligation of the Authority with respect to the payment of the principal of the Bond shall be discharged in accordance therewith.

#### **Section 3.3. Obligations Relating to the Bond.**

The City agrees to perform all such obligations as are contemplated by the Bond Resolution to be performed by the City.

#### **Section 3.4. Application of Bond Proceeds.**

At and upon the delivery of and payment for the Bond, the proceeds received therefrom shall be applied in the manner set forth in Section 3.2 of the Bond Resolution.

#### **Section 3.5. Investment of Moneys.**

Any moneys held as a part of the Sinking Fund shall be invested or reinvested as directed by the City in accordance with Article V of the Bond Resolution.

[END OF ARTICLE III]

## **ARTICLE 4.**

### **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 March 1, 2025 and the interests created by this Contract shall then begin, and, subject to the other provisions of this Contract, shall expire on the later of (a) February 1, 2044 or if at said time and on said date the Bond has not been paid in full as to principal, interest and premium, if any, then on such date as such payment shall have been made or (b) the date the Bond has been paid in full, but in no event in excess of fifty (50) years from the date hereof. Notwithstanding the foregoing, the provisions of Sections 8.1 and 8.2 hereof shall expire fifty (50) years from the date hereof.

#### **Section 4.2. Contract Payments.**

On or prior to each February 1 and August 1 of each year (each a “Contract Payment Date”), commencing August 1, 2025, the City shall make the Contract Payments with respect to the Bond to the Authority as set forth on Schedule 1 attached hereto. Notwithstanding anything in the Bond Resolution or herein to the contrary, if such date is on or prior to February 1, the City shall pay an amount sufficient to enable the Authority to pay in full the principal and interest on the Bond coming due on February 1, and if such date is on or prior to August 1, the City shall pay an amount sufficient to enable the Authority to pay in full the interest on the Bond coming due on August 1, and such Contract Payments shall continue and recontinue until provision has been made for the payment in full of the Bond as to principal, interest and premium, if any. The Contract Payments provided for herein shall be made by payment directly to the Sinking Fund Custodian for deposit into the Sinking Fund.

#### **Section 4.3. Optional Redemption and Optional Prepayment of Contract Payments.**

(a) Principal on the Bond may be prepaid as provided in the Bond Resolution, and the Contract Payments due under Section 4.2 shall be subject to prepayment, both at the option of the City.

(b) No prepayment of any Contract Payment in accordance with the provisions of the preceding sentence shall relieve the City to any extent from its obligations thereafter to make Contract Payments required by the provisions hereof until the Bond and interest thereon has been paid in full. Upon the prepayment of the Contract Payments in whole, the amount of such prepayment shall be used to retire the Bond, in the manner provided in, and subject to, the Bond Resolution.

#### **Section 4.4. 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, not to exceed three mills per dollar (prescribed by O.C.G.A. §48-5-350, as amended), 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. The City hereby creates a lien on any and all revenues realized by it pursuant to the provisions of this subparagraph to enable it to make the Contract Payments required pursuant to Section 4.2 hereof and such lien is superior to any that can hereafter be made.

(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, subject to the millage limitations described in paragraph (a) above; 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 if for any reason the payment of such obligations shall not otherwise have been made.

#### **Section 4.5. Obligations of City Hereunder Absolute and Unconditional.**

The obligations of the City to make the 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 Authority. 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 Bond 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 Project or any part thereof, any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Project, the taking by eminent domain of title to or the use of all or any part of the Project, 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 Bond is unenforceable or invalid, the invalidity of any provision of this Contract, or any failure of the Authority to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Contract, or the Bond Resolution. Nothing contained in this Section shall be construed to release the Authority from the performance of any of the agreements on its part contained herein or in the Bond Resolution; and if the Authority should fail to perform any such agreement, the City may institute such action against the Authority 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 Authority hereby agrees to cooperate to the extent required.

**Section 4.6. Enforcement of Obligations.**

The obligation of the City to make Contract Payments under this Article may be enforced by (a) the Authority, (b) the owner of the Bond, in accordance with the applicable provisions of the Bond Resolution and independently of the Authority or (c) such receiver or receivers as may be appointed pursuant to the Bond 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 Authority and the City that no other remedy at law is adequate to protect the interests of the parties hereto.

[END OF ARTICLE IV]

## **ARTICLE 5.**

### **OWNERSHIP; AND COVENANTS OF THE CITY AND AUTHORITY**

#### **Section 5.1. Title to the Project**

Title to the Project shall be held in the name of the Authority.

#### **Section 5.2. Operation of the Project.**

The Authority hereby appoints the City as its sole and exclusive agent to operate and maintain the Project. The City shall operate and maintain the Project or cause the Project to be operated and maintained economically, efficiently and in accordance with good business practices and in compliance with the terms of the laws, regulations and ordinances of any federal, state or county government having jurisdiction over the operation of such facilities. All compensation, salaries, fees and wages paid or caused to be paid by the City shall be reasonable, and no more persons will be employed to operate the Project than are necessary. The City shall at all times maintain the Project or cause the Project to be maintained in good condition and repair and shall promptly repair, replace or restore any damage to the Project or cause the proceeds from insurance from such damage or destruction to be applied in accordance with the terms hereof.

The revenues derived from the operation of the Project after the payment of all operating expenses shall be used by the City for any lawful purpose.

#### **Section 5.3. Operating Expenses.**

The City shall pay or cause to be paid the reasonable and necessary costs of operating, maintaining and repairing the Project, including salaries, wages, employee benefits, the payment of any contractual obligations incurred pertaining to the operation of the Project, 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, maintaining and repairing the Project in accordance with sound business practice.

#### **Section 5.4. Sale of Assets.**

The Authority, at the direction of the City, may sell, lease or give away all or a portion of the Project.

[END OF ARTICLE V]

## ARTICLE 6.

### SPECIAL COVENANTS AND AGREEMENTS

#### **Section 6.1. Inspection of the Project.**

The City agrees that the Authority, the Bondholder and their duly authorized agents who are acceptable to the City shall have the right at reasonable times during business hours, subject to the City's usual safety and security requirements to examine and inspect the Project without interference or prejudice to the City's operations.

#### **Section 6.2. Further Assurances and Corrective Instruments, Recordings and Filings.**

The Authority 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 to facilitate the performance of this Contract.

#### **Section 6.3. Limitations on Future Debt.**

(a) The Authority and the City covenant and agree that no other bonds or obligations of any kind or nature will be issued which are payable or enjoy a lien on the payments received under the Contract prior to the lien created for the payment of the Bond.

(b) So long as the Bond is unpaid, the City shall not:

(1) enter into any Additional Contract that creates a lien on the revenues to be derived from the tax to be levied hereunder by the City to fulfill its obligations hereunder, which is superior to the lien created hereunder, and

(2) enter into any other contract or agreement creating a lien on such tax revenues for any purpose other than debt service payments (including creation and maintenance of reasonable reserves therefor) superior to the lien created thereon to fulfill the obligations of the City hereunder.

(c) It is further expressly provided that so long as the Bond is unpaid, the City shall not hereafter enter into any Additional Contract for the purpose of debt service payments (including creation and maintenance of reserves therefor) without the written consent of the Bondholder.

(d) Notwithstanding anything herein to the contrary, the Authority shall be authorized to issue any additional bonds or obligations which are secured by a contract or obligation of the City, pursuant to the terms of which a payment obligation is created or expanded for the City to the other party to such contract, which payment obligation is not secured by the City's pledge of its taxing power derived from the three mills levy prescribed by O.C.G.A. § 48-5-350, as amended.

[END OF ARTICLE VI]

## **ARTICLE 7.**

### **EVENTS OF DEFAULT AND REMEDIES**

#### **Section 7.1. 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 4.2 hereof;

(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 30 days after written notice has been given to the City by the Authority, 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 30 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 4.2 hereof), 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 use its best efforts, however, 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 Bond Resolution.

#### **Section 7.2. Remedies on Default.**

If an event of default referred to in Section 7.1(a) hereof occurs and is continuing, then the Bondholder (i) by written notice to the City, may declare the payments to be made under Section 4.2 hereof to be immediately due and payable, and (ii) may take whatever action at law or in equity may appear necessary or desirable to collect said amounts payable by the City under Section 4.2 hereof. 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 or now or hereafter existing at law or in equity or by statute, subject to the provisions of

the Bond Resolution.

If an event of default referred to in Section 7.1(b) hereof occurs and is continuing, then the Paying Agent or the Bondholder, by written notice to the City, may take whatever action at law or in equity may appear necessary or desirable to enforce the performance and observance of the obligation, 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 (b) 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 Bond Resolution.

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 VII, it shall not be necessary to give any notice, other than any notice required herein.

Any amounts collected pursuant to action taken under subsection (a) of this Section 7.2 shall be applied in accordance with the Bond Resolution to the extent the provisions of the Bond Resolution relate to such amounts.

**Section 7.3. No Waiver of Breach.**

In the event 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 7.4. City Authorized to Cure Default of Authority.**

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

**Section 7.5. Failure to Enforce Agreement Not a Waiver.**

The failure of the Authority 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 VII]

**ARTICLE 8.**

## MISCELLANEOUS

### **Section 8.1. Agreement to Pay Attorneys' Fees and Expenses.**

If a party should default under any of the provisions of this Contract and either or both the nondefaulting party or the Bondholder should employ attorneys or incur other expenses for the enforcement of performance or observance of any obligation or agreement on the part of the City or the Authority herein contained, the defaulting party agrees that it shall on demand therefor pay to the nondefaulting party and the Bondholder the reasonable fee of such attorneys and such other reasonable expenses so incurred by the nondefaulting party and the Bondholder.

### **Section 8.2. Indemnification.**

(a) The City agrees that the Authority (including any person at any time serving as a director, an officer, an agent or an employee of the Authority) shall not be liable for, and agrees to indemnify and hold the Authority (including any person at any time serving as an officer or member of the Authority) harmless (including attorneys' fees), to the fullest extent authorized by law, from: (i) any liability for any loss or damage to property or any injury to, or death of, any person that may be occasioned by any cause whatsoever pertaining to the Project, (ii) any liabilities, losses or damages, or claims therefor, arising out of the failure, or claimed failure, of the City to comply with its covenants contained in this Contract, (iii) the work done on the Project or the operation of the Project during the term of this Contract or at any other time, (iv) any willful act or act of negligence of the City or any of its agents, contractors, servants or employees in connection with the use, operation or occupancy of the Project, (v) any violation of law, ordinance or regulation affecting the Project or any part thereof or the ownership, occupancy or use thereof (including, without limitation, CERCLA, the Hazardous Materials Transportation Amendment, The Resource Conservation and Recovery Act, the Toxic Substances Control Act, the Clean Water Act or any so-called "Super Fund" or "Super Lien" legislation), (vi) any condition of the Project, or (vii) any accident, injury or damage whatsoever caused to any person, firm or corporation, in, on or about the Project. In addition, the City agrees to indemnify and hold the Authority (including any person at any time serving as a member, an agent or an employee of the Authority) harmless to the fullest extent permitted by law from any losses, costs, charges, expenses, judgments and liabilities incurred by it in connection with any action, suit or proceeding instituted or threatened in connection with the transactions contemplated by this Contract or the Bond. If any such claim is asserted, the Authority 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 Authority 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.

The Authority shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the City shall not be required to pay the fees and expenses of such separate counsel unless the separate counsel is employed with the approval of the City. The City shall not unreasonably withhold its approval of such separate counsel.

### **Section 8.3. Reporting Requirements.**



**Section 8.5. Binding Effect; Third-Party Beneficiaries.**

This Contract shall inure to the benefit of and shall be binding upon the Authority, the City and their respective successors and assigns, subject, however, to the limitations contained in this Contract. The Bondholder is a third-party beneficiary of this Contract, and may enforce the terms and provisions hereof. There are no other third-party beneficiaries.

**Section 8.6. 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 8.7. Amounts Remaining in Sinking Fund.**

It is agreed by the parties hereto that, subject to and in accordance with the terms and conditions of the Bond Resolution certain surplus moneys remaining in the Sinking Fund after payment of the Bond shall belong to and be paid to the City.

**Section 8.8. Amendments, Changes and Modifications.**

This Contract may be amended without the consent of the Bondholder in order to grant any additional rights, remedies, powers, authority or security that may be lawfully granted to or conferred upon the Bondholder or to make any other change that does not materially adversely affect the Bondholder. All other amendments shall require the consent of the Bondholder in accordance with Section 8.4 of the Bond Resolution. Notwithstanding the foregoing, this Contract shall not be amended if such amendment reduces the Contract Payments or extends the time in which the Contract Payments must be made. The Authority shall cause a notice of the execution and delivery of any amendment to this Contract to be mailed, postage prepaid, to any rating agency then rating the Bond at least fifteen (15) days prior to the effective date thereof.

**Section 8.9. 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 8.10. 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 of this Contract.

**Section 8.11. Law Governing Contract.**

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

**Section 8.12. City a Party to Validation.**

The City hereby agrees to be a party defendant in the validation proceedings related to the Bond and covenants and agrees that it shall cooperate with the Authority in validating the Bond and in connection therewith, shall execute such certificates, consent to service of process and make sworn answers as may be necessary for the validation proceedings.

[END OF ARTICLE VIII]

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

(SEAL)

**DOWNTOWN DEVELOPMENT  
AUTHORITY OF THE CITY OF  
DALLAS**

By: \_\_\_\_\_  
Chairman

Attest:

\_\_\_\_\_  
Secretary

**CITY OF DALLAS, GEORGIA**

**(SEAL)**

By: \_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
Clerk

SCHEDULE 1

CONTRACT PAYMENTS