
INTERGOVERNMENTAL CONTRACT

by and between

URBAN REDEVELOPMENT AGENCY OF THE CITY OF DALLAS

and

THE CITY OF DALLAS, GEORGIA

dated as of June 1, 2025

relating to the

URBAN REDEVELOPMENT AGENCY OF THE CITY OF DALLAS (GEORGIA)
REVENUE BOND, SERIES 2025

in the principal amount of \$8,105,000

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INTERGOVERNMENTAL CONTRACT

THIS INTERGOVERNMENTAL CONTRACT (this “**Contract**”), dated as of June 1, 2025, made and entered into by and between the URBAN REDEVELOPMENT AGENCY OF THE CITY OF DALLAS, an instrumentality of the State of Georgia and a public corporation thereof (the “**Agency**”), and the CITY OF DALLAS, GEORGIA a municipal corporation of the State of Georgia (the “**City**”);

WITNESSETH:

WHEREAS, the Mayor and City Council of the City of Dallas (the “**Mayor and City Council**”), as the governing body of the City of Dallas, 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 July 22, 2004 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 City adopted a resolution on May 5, 2025 designating 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 May 5, 2025, 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 a resolution on May 5, 2025, adopting the Urban Redevelopment Plan and the urban redevelopment projects set forth in such plan; and

WHEREAS, the Mayor and City Council adopted a resolution on May 5, 2025, which reactivated 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 the historic courthouse to be used as the City's new city hall (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 May 21, 2025 (the “**Resolution**”), the Agency proposes to issue its REVENUE BOND, SERIES 2025 (the “**Bond**”) in the principal amount of \$8,105,000 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 enforceable 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, the Urban Redevelopment Law, 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.

Section 2.03. Reliance by Bondholder. The Agency and the City acknowledge and agree that these representations and warranties are made to induce Regions Capital Advantage, Inc. (the “Lender”) to purchase the Bond and that such representations and warranties and any other representations and warranties made by the Agency and the City in the Resolution and this Contract are made for the benefit of the Bondholder and may be relied upon by the Bondholder and shall remain operative and in full force and effect (unless expressly waived in writing by the Lender), regardless of any investigations made by the Lender or on its behalf, and shall survive delivery of the Bond to the Lender.

[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, as provided in Schedule 1 attached hereto. 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; and

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

The principal and interest schedule provided in Schedule 1 shall be revised upon an Event of Default (as defined in the Resolution) to provide for the Default Rate (as defined in the Resolution).

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 subsections (b) and (c) 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, any declaration or finding that the Bond is unenforceable or invalid, *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, which is not limited to rate or amount, 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.

If for any reason any such provision or appropriation is not made as provided in the preceding paragraph, then the fiscal officers of the City are hereby authorized and directed to set

up as an appropriation on their accounts in each fiscal year the amounts required to pay the obligations called for under this Contract from its general funds. The amount of the appropriation in each fiscal year to meet the obligations of this Contract shall be due and payable and shall be expended for the purpose of paying and meeting the obligations provided under the terms and conditions hereof, and such appropriation shall have the same legal status as if the City had included the amount of the appropriation in its general revenue, appropriation, and budgetary measures, and the fiscal officers of the City shall make such payments for deposit to the Debt Service Fund if for any reason such appropriation is not otherwise made.

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 Revenues, including revenue derived from this Contract superior to the lien created in the Resolution for the payment of the Bond.

Section 5.09 Enforcement of Obligations. The obligation of the City to make payments under this Article may be enforced by (a) the Agency, (b) the owner of the Bond, independently of the Agency, or (c) 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 payments under this Article 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 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 Revenues, including 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.

[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) or 501(c) 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 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, in no event shall the cure period for any default described in this paragraph exceed 120 days; provided further 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) and 501(c) 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, 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. 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 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 Dallas 129 East Memorial Drive Dallas, Georgia 30132 Attention: Chairman
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If to the City:	City of Dallas 129 East Memorial Drive Dallas, Georgia 30132 Attention: City Manager
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If to the Bond Registrar and Paying Agent:	Kendall Smith City of Dallas 129 East Memorial Drive Dallas, Georgia 30132
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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. The Contract may not be sold, assigned or encumbered by the City without the prior written consent of the Agency and the holder of the Bond.

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 210 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 and with the consent of the Lender.

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 DALLAS

(S E A L)

By: _____
Chairman

Attest: _____
Secretary

CITY OF DALLAS, GEORGIA

(S E A L)

By: _____
Mayor

Attest: _____
City Clerk

SCHEDULE 1
DEBT SERVICE SCHEDULE