

CITY OF DALTON, GEORGIA

SERIES 2020 BOND ORDINANCE

Enacted October 19, 2020

PROVIDING FOR ISSUANCE OF
CITY OF DALTON COMBINED UTILITIES
REVENUE BONDS, SERIES 2020
IN AGGREGATE PRINCIPAL AMOUNT OF
NOT TO EXCEED
\$100,000,000

SERIES 2020 BOND ORDINANCE

THIS SERIES 2020 BOND ORDINANCE (this “**Series 2020 Ordinance**”), enacted October 19, 2020, by the Mayor and Council of the City of Dalton (the “**City**”);

PREAMBLE

1. Under and by virtue of authority of the Revenue Bond Law of Georgia, codified in O.C.G.A. § 36-82-60, et seq., the Constitution of the State of Georgia, the general laws of the State of Georgia, and the laws of the State of Georgia relating to the City, a municipal corporation of the State of Georgia as defined in said Revenue Bond Law, the City has heretofore authorized the issuance of its revenue bonds payable from revenue derived from the operation and ownership of the electric generation and electric and gas distribution systems, water and sewerage systems, and telecommunications system of the City’s combined utilities system as such now exist and as such may be hereafter added to, extended, improved and equipped (collectively, the “System”) and the City is authorized to improve the System for its own use and for the use of public and private consumers both within and without the territorial limits of the City. The City is further authorized to prescribe and revise rates and collect fees, tolls and charges for the services and facilities furnished by the System and, in anticipation of the collection of revenues from the System, to issue revenue bonds to finance, in whole or in part, the cost of any such improvements, to refund revenue bonds previously issued, to prepay loans obtained by the City to provide improvements to the System and to pay the expenses incident thereto.

2. Pursuant to a Bond Ordinance enacted on October 6, 2017, as supplemented by a Supplemental Bond Ordinance enacted on November 6, 2017 (collectively, the “Original Bond Ordinance”), the City has heretofore authorized and actually issued and delivered its Combined Utilities Revenue Bonds, Series 2017, in the original aggregate principal amount of \$66,660,000 (the “Series 2017 Bonds”) to finance in whole or in part the costs of (a) renovating, adding, extending and expanding the City’s water, waste water treatment and natural gas distribution facilities of the System and expanding and upgrading the System’s supervisory control and data acquisition system (the “2017 Projects”) and (b) paying costs of issuance of the Series 2017 Bonds. The Series 2017 Bonds are currently outstanding in the aggregate principal amount of \$62,545,000.

3. Capitalized terms used and not otherwise defined in this preamble shall have the meanings given such terms in Article I of this Original Bond Ordinance.

4. The Series 2017 Bonds are secured by a first and prior pledge of and charge or lien on the Net Revenues of the System superior to any other charge or lien now existing or which may hereafter be created thereon.

5. In anticipation of the need to further renovate, add to, extend and expand the System or to refund outstanding revenue bonds, the Original Bond Ordinance provides for the issuance of Parity Bonds from time to time having as their security the same pledge of and lien on the Net Revenues as the Series 2017 Bonds upon certain terms and conditions being met as provided in the Original Bond Ordinance; and

6. The Original Bond Ordinance provides that Parity Bonds may be issued from time to time, pursuant to a Series Ordinance duly enacted by the Mayor and Council of the City and that such Series Ordinance shall establish the date or dates of the pertinent series of Bonds, the schedule of maturities of such Bonds, whether any such Bonds will be Reserve Fund Bonds and/or Hedged Bonds, the name of the Purchaser(s) of such series of Bonds, the purchase price thereof, the rate or rates of interest to be borne thereby, whether fixed or variable, the interest payment dates for such Bonds, the terms and conditions, if any, under which such Bonds may be made subject to redemption (mandatory or optional) prior to maturity, the form of such Bonds, and such other details as the City may determine.

7. The City has determined that there is a need for the renovation, addition, extension and expansion of the City's electric generation, transmission and distribution facilities and the facilities of the other systems of the System (the "2020 Projects"); and

8. The City has determined that the most feasible way to fund the costs of the 2020 Projects and to pay for issuance costs is by issuing its Combined Utilities Revenue Bonds, Series 2020, in the aggregate principal amount of not to exceed \$100,000,000 (the "Series 2020 Bonds"). The Series 2020 Bonds shall be issued as Parity Bonds, and this Series 2020 Ordinance shall constitute a Series Ordinance for the Series 2020 Bonds.

9. The City proposes to enter into the Bond Purchase Agreement (the "Purchase Agreement"), between the City and Citigroup Global Markets Inc. (the "Underwriter"), providing for the sale of the Series 2020 Bonds to the Underwriter; and

10. It is further proposed that the City should authorize and approve the preparation, use and distribution of a Disclosure Certificate, a Preliminary Official Statement and a final Official Statement in connection with the offer and sale of the Series 2020 Bonds; and

NOW, THEREFORE, BE IT ORDAINED by the Mayor and City Council of the City of Dalton in a public meeting properly and lawfully called and assembled, and it is hereby ordained by authority of the same, as follows:

Section 1. Definitions. For the purpose of this Series 2020 Ordinance, the definitions set forth in the Original Bond Ordinance shall have the same meanings when used in this Series 2020 Ordinance except that the definitions set forth below shall be and are hereby amended effective as of the date of the issuance and delivery of the Series 2020 Bonds herein authorized to be issued as follows:

“Bonds” means, after the issuance of the Series 2020 Bonds, the outstanding Series 2017 Bonds and Series 2020 Bonds, and, from and after the issuance of any Parity Bonds, unless the context clearly indicates otherwise, such Parity Bonds.

“Ordinance” means the Original Bond Ordinance, this Series 2020 Ordinance, and any supplements or amendments hereto, and any Series Ordinances or supplements or amendments hereto or thereto, which authorizes the future issuance, subject to certain conditions, of Parity Bonds.

“Original Bond Ordinance” means that certain bond ordinance of the City enacted on October 6, 2017, as supplemented by a Supplemental Bond Ordinance enacted on November 6, 2017, authorizing the issuance of the Series 2017 Bonds.

“Parity Bonds” means any Combined Utilities Revenue Bonds of the City which may be issued hereafter on a parity with the Series 2017 Bonds and the Series 2020 Bonds in accordance with the Ordinance.

“Series 2020 Bonds” mean the City’s Combined Utilities Revenue Bonds, Series 2020, authorized to be issued pursuant to the Original Bond Ordinance, as supplemented by this Series 2020 Ordinance.

Section 2. Authorization of Series 2020 Bonds.

(a) The City hereby certifies that the conditions contained in Section 510 of the Original Bond Ordinance have been met in order to issue the Series 2020 Bonds as Parity Bonds.

(b) That all the terms, provisions and conditions contained in the Original Bond Ordinance having been met and complied with, the Series 2020 Bonds are hereby authorized to be issued for the purposes aforesaid pursuant to the Revenue Bond Law of Georgia, codified in O.C.G.A. § 36-82-60, et seq., the Constitution of the State of Georgia, the general laws of the State of Georgia, the laws of the State of Georgia relating to the City and pursuant to the Original Bond Ordinance and this Series 2020 Ordinance, and all the covenants, agreements and provisions of this Series 2020 Ordinance shall be for the equal and proportionate benefit and security of all owners of the Bonds without preference, priority or distinction as to the charge, lien or otherwise of any one Bond over any other Bond.

Section 3. Designation, Date, Denominations, Maturities, Interest Payment Dates and Other Particulars of the Series 2020 Bonds.

(a) The Series 2020 Bonds shall be designated the “CITY OF DALTON COMBINED UTILITIES REVENUE BONDS, SERIES 2020”. The Series 2020 Bonds shall bear interest calculated on the basis of a 360-day year of twelve 30-day months, payable on March 1 and September 1 (each an “Interest Payment Date”) in each year, beginning March 1, 2021.

The Series 2020 Bonds shall be issued in an aggregate principal amount not to exceed \$100,000,000; shall bear interest at a rate or rates not to exceed 5.00% per annum; shall have a final maturity not later than March 1, 2041; and shall have maximum annual debt service in any sinking fund year not to exceed \$7,000,000.

The principal amount in each year (through the operation of a sinking fund or otherwise), the interest rate on each such maturity, and the mandatory sinking fund redemption provisions shall be determined by the City in a supplemental ordinance enacted prior to the delivery of the Series 2020 Bonds.

The Series 2020 Bonds as originally issued shall be lettered and numbered from R-1 upward in order of maturity according to the records maintained by the Bond Registrar, shall be dated as of their date of issuance and delivery, and may be subject to redemption as provided by supplemental ordinance of the City.

(b) Each Series 2020 Bond shall, except as provided in this Section, bear interest from the Interest Payment Date next preceding the date of authentication of such Series 2020 Bond to which interest on such Series 2020 Bond has been paid, unless (i) such date of authentication is an Interest Payment Date to which interest has been paid, in which case from such Interest Payment Date, (ii) such date of authentication of such Series 2020 Bond is after the Record Date with respect to an Interest Payment Date and prior to such Interest Payment Date, in which case from such Interest Payment Date, or (iii) no interest has been paid on such Series 2020 Bond, in which case from its date of issuance and delivery.

The person in whose name any Series 2020 Bond is registered at the close of business on any Record Date with respect to any Interest Payment Date shall be entitled to receive the interest payable on such Interest Payment Date notwithstanding any registration of transfer or exchange subsequent to such Record Date and prior to such Interest Payment Date. The term “Record Date” as used in this Section with respect to any Interest Payment Date shall mean the fifteenth day of the calendar month next preceding such Interest Payment Date; provided, however, that if and to the extent a default shall occur in the payment of interest due on such Interest Payment Date, such past due interest shall be paid to the persons in whose name Outstanding Series 2020 Bonds are registered on a subsequent date of record established by notice given by mail by the Bond Registrar to the holders of the Series 2020 Bonds not less than thirty days preceding such subsequent date of record.

(c) The principal of and interest and redemption premium, if any, on the Series 2020 Bonds shall be payable in any coin or currency of the United States of America which at the time

of payment is legal tender for the payment of public and private debts. The principal of the Series 2020 Bonds shall be payable upon the presentation and surrender of the Series 2020 Bonds at the principal corporate trust office of the Paying Agent. The interest on the Series 2020 Bonds shall be paid by check or draft mailed by the Paying Agent by first class mail to the respective owners of the Series 2020 Bonds at their addresses as they appear on the bond register kept by the Bond Registrar (or by wire transfer to the registered owner of Series 2020 Bonds in the minimum aggregate principal amount of \$1,000,000 at a wire transfer address which said registered owner has provided to the Paying Agent not less than five days prior to an Interest Payment Date, which wire instructions shall remain in effect until the Paying Agent is notified to the contrary).

(d) The Series 2020 Bonds shall be issued as fully registered bonds in the denomination of \$5,000 in principal amount or any integral multiple thereof and substantially in the form hereinafter set forth, with such variations, omissions, substitutions and insertions as are therein required or permitted.

Section 4. Redemption. The redemption provisions for the Series 2020 Bonds shall be determined by the City in a supplemental ordinance enacted prior to the issuance and delivery of the Series 2020 Bonds.

Section 5. Disposition of Proceeds of Series 2020 Bonds. The disposition of the proceeds of the Series 2020 Bonds shall be determined by the City in a supplemental ordinance enacted prior to the issuance and delivery of the Series 2020 Bonds.

Section 6. Limited Obligations. The Series 2020 Bonds are limited obligations of the City as described in Section 209 of the Original Bond Ordinance.

Section 7. Reserve Fund Bonds and/or Hedged Bonds. The Series 2020 Bonds are not being issued as Reserve Fund Bonds or Hedged Bonds.

Section 8. Form of Series 2020 Bonds. The Series 2020 Bonds and the certificate of validation and certificate of authentication to be endorsed thereon will be in substantially the following terms and forms, with such variations, omissions and insertions as may be required to complete properly each respective Series 2020 Bond and as may be approved by the officer or officers executing each Series 2020 Bond by facsimile signature, which approval shall be conclusively evidenced by such execution:

[Form of Series 2020 Bond]

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the City of Dalton or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-

UNITED STATES OF AMERICA
STATE OF GEORGIA

CITY OF DALTON COMBINED UTILITIES
REVENUE BONDS,
SERIES 2020

Maturity Date:

CUSIP:

Principal Amount:

Interest Rate:

Bond Date:

Registered Owner: CEDE & CO.

The City of Dalton, a municipal corporation of the State of Georgia (the “City”), in Whitfield County, for value received hereby promises to pay or cause to be paid to the registered owner named above, or registered assigns, the principal amount specified above, solely from the special fund provided therefor as hereinafter set forth, upon presentation and surrender of this bond (this “Bond”) at the principal corporate trust office of U.S. Bank National Association, Atlanta, Georgia, as Paying Agent and Bond Registrar, in lawful money of the United States of America, and to pay to the registered owner hereof solely from said special fund, by check or draft mailed by first class mail to such owner at his address as it shall appear on the bond register kept by the Bond Registrar (or by wire transfer to the registered owner of this Bond in the minimum aggregate principal amount of \$1,000,000 at a wire transfer address which said registered owner has provided to the Paying Agent not less than five days prior to an Interest Payment Date (hereinafter defined), which wire instructions shall remain in effect until the Paying Agent is notified to the contrary), interest on such principal sum, at the interest rate per annum specified above, payable on March 1, 2021 and semi-annually thereafter on the first day of March and the first day of September of each year, from the Bond Date specified above or from the most recent Interest Payment Date to which interest has been paid until payment is made of such principal sum in full.

The Interest so payable on any such March 1 or September 1 (each an “Interest Payment Date”) will be paid to the person in whose name this Bond is registered at the close of business on the fifteenth day of the calendar month preceding such Interest Payment Date; provided, however, that if and to the extent a default shall occur in the payment of interest due on said Interest Payment Date, such past due interest shall be paid to the persons in whose names outstanding Bonds are registered on a subsequent date of record established by notice given by mail by the Paying Agent to the holders of the Bonds not less than thirty days preceding such subsequent date of record. Both the principal of and interest on this Bond are payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

The City of Dalton has established a Book Entry system of registration for this Bond. Except as specifically provided otherwise in the hereinafter defined Resolution, Cede & Co., as nominee of The Depository Trust Company, will be the registered owner and will hold this Bond on behalf of each beneficial owner hereof. By acceptance of a confirmation of purchase, delivery or transfer, each beneficial owner of this Bond shall be deemed to have agreed to such arrangement. Cede & Co., as registered owner of this Bond, will be treated as the owner of this Bond for all purposes.

This Bond is one of a duly authorized series of Bonds designated CITY OF DALTON COMBINED UTILITIES REVENUE BONDS, SERIES 2020 (the “Series 2020 Bonds”), issued in the aggregate principal amount of \$_____ to provide funds to (i) pay the costs of making renovations, additions, extensions and expansions to the City’s electric generation, transmission and distribution facilities and facilities of the other systems of the System (hereinafter defined) and (ii) pay the expenses incurred in connection with the issuance of the Series 2020 Bonds. This Bond is issued pursuant to authority of and in accordance with the provisions of the Constitution of the State of Georgia, the Revenue Bond Law of Georgia, codified in O.C.G.A. § 36-82-60, et seq., the general laws of the State of Georgia, and the laws of the State of Georgia relating to the City, and was duly authorized by an ordinance enacted by the governing body of the City on October 6, 2017, as supplemented on November 6, 2017 (collectively, the “Original Bond Ordinance”) and a series ordinance enacted by the governing body of the City on October 19, 2020, as supplemented on _____, 2020 (collectively, the “Series 2020 Ordinance” and, together with the Original Bond Ordinance, the “Ordinance”).

The Series 2020 Bonds and the City’s Combined Utilities Revenue Bonds, Series 2017 (the “Series 2017 Bonds”) are secured by, and shall have equal rank with respect to, a first and prior pledge of and lien on the Net Revenues (as such term is defined in the Ordinance) of the City’s combined electric generation and electric and gas distribution systems, water and sewerage systems, and telecommunications system as such now exist and as such may be hereafter added to, extended, improved and equipped (collectively, the “System”).

The City may, under certain conditions as provided in the Ordinance, issue additional revenue bonds (“Parity Bonds”) which, if issued in accordance with such provisions, will rank *pari passu* with the Series 2017 Bonds and the Series 2020 Bonds with respect to the pledge of and the charge or lien on the revenue pledged to the payment thereof.

Reference to the Ordinance is hereby made for a complete description of the funds charged with and pledged to the payment of the principal of and interest on the Series 2020 Bonds, a complete description of the nature and extent of the security provided for the payment of the Series 2020 Bonds, a statement of the rights, duties and obligations of the City, the rights of the owners of the Series 2020 Bonds, and the terms and conditions under which Parity Bonds may be issued, to all the provisions of which the owner hereof, by the acceptance of this Bond, assents.

The Ordinance provides, *inter alia*, for prescribing, establishing and revising rates and collecting fees, tolls and charges for the services, facilities and commodities furnished by the System as the same now exists and as it may be hereafter extended, improved and equipped, sufficient in amount to provide funds to pay into a special fund, designated CITY OF DALTON, GEORGIA - COMBINED UTILITIES SINKING FUND (the "Sinking Fund"), an amount sufficient, together with the investment income thereon, if any, to pay the principal of and the interest on the Series 2020 Bonds and any Parity Bonds hereafter issued pursuant to the provisions of the Ordinance, as such principal and interest shall become due and be payable, and to create and maintain a reserve for that purpose. The Sinking Fund, by the provisions of the Ordinance, is pledged to and charged with the payment of the principal of the Series 2020 Bonds and the interest thereon.

The pledge of and charge or lien on the Net Revenues of the System securing the payment of the Series 2020 Bonds is a first and prior pledge of and charge or lien on such revenues.

The Series 2020 Bonds do not constitute a debt of the City within the meaning of any constitutional or statutory limitation or provision nor a pledge of the faith and credit of the City nor shall the City be subject to any pecuniary liability thereon, and the taxing power of the City is not pledged to the payment thereof, either as to principal or interest. The Series 2020 Bonds shall not be payable from nor a charge upon any funds other than the funds pledged to the payment thereof and are payable solely from the funds provided therefor including the Net Revenues to be derived from the operation of the System of the City. No owner of the Series 2020 Bonds shall ever have the right to compel the exercise of the taxing power of the City to pay the same or the interest thereon or to enforce payment thereof against any property of the City nor shall the Series 2020 Bonds or any interest payment thereon constitute a charge, lien or encumbrance, legal or equitable, upon any property of the City other than said funds and Net Revenues.

[The Series 2020 Bonds maturing on March 1, 20__ and thereafter may be redeemed prior to their respective maturities at the option of the City, either in whole or in part (maturities to be designated by the City) at any time, beginning March 1, 20__ (if less than all of the Series 2020 Bonds of any maturity are to be redeemed, the actual Series 2020 Bonds of such maturity to be redeemed shall be selected by lot in such manner as the Bond Registrar may determine), from any money available for such purpose as provided in the Ordinance. Such redemption shall be made at a redemption price equal to 100% of the principal amount of each such Series 2020 Bond to be redeemed plus accrued interest to the date of redemption.]

[The Series 2020 Bonds maturing on March 1, 20__ are subject to scheduled mandatory redemption prior to maturity in part (the actual Series 2020 bonds to be redeemed to be selected by lot in such manner as the Bond Registrar may determine) at a redemption price equal to one hundred percent of the principal amount thereof plus accrued interest to the redemption date, on March 1 in the year and in the principal amount set forth below (the March 1, 20__ amount to be paid at maturity rather than redeemed):

<u>Year</u>	<u>Principal Amount</u>
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Any such redemption, either in whole or in part, shall be made following notice to the owners of the affected Series 2020 Bonds given not less than 30 days nor more than 60 days prior to the date fixed for redemption in the manner and upon the terms and conditions provided in the Ordinance. If this Bond or any portion hereof shall be called for redemption, interest shall cease to accrue on this Bond or such portion hereof from and after the date fixed for redemption unless default shall be made in payment of the redemption price hereof upon presentation and surrender hereof; and, except as otherwise provided in the Ordinance, the owner of this Bond shall not be entitled to any rights under the Ordinance except the right to receive payment, and this Bond or the portion hereof so called shall not be considered to be outstanding. Upon surrender of this Bond paid or redeemed in part only, the City shall execute and the Bond Registrar shall deliver to the owner hereof, at the expense of the City, a new Series 2020 Bond or Series 2020 Bonds of the same type, of authorized denominations in the aggregate principal amount equal to the unpaid or unredeemed portion of this Bond.]

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

The Series 2020 Bonds are issuable as fully registered bonds in the principal denomination of \$5,000 or any integral multiple thereof. Subject to the limitations provided in the Ordinance, Series 2020 Bonds may be exchanged at the principal corporate trust office of the Bond Registrar for a like principal amount of Series 2020 Bonds of the same maturity and of other authorized denominations.

To the extent and in the manner permitted by the Ordinance, modifications or alterations of the provisions thereof or of any supplement thereto or of the Bonds may be made by the City with the consent of the owners of at least two-thirds in principal amount of the Bonds then outstanding without necessity for notation hereon or reference thereto.

This Bond shall not be entitled to any right or benefit under the Ordinance and shall not be valid or obligatory for any purpose until the certificate of authentication printed on the face hereof shall have been manually executed by an authorized signatory of the Authentication Agent.

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

This Bond is issued with the intent that the laws of the State of Georgia shall govern its construction, and, in case of default, the owner hereof shall be entitled to the remedies provided by the Ordinance and by all applicable laws.

It is hereby recited and certified that all acts, conditions and things required to exist, happen or be performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due and legal time, form and manner as required by law and that provision has been made for the allocation of the anticipated revenue and receipts to be derived from the ownership and operation of the System in amounts sufficient to pay the principal of and interest on all Series 2020 Bonds and any Parity Bonds as the same shall mature and become due and, if needed, to maintain a reserve for that purpose and that said funds are irrevocably allocated and pledged to the payment of all of the Series 2020 Bonds and any Parity Bonds and the interest thereon.

IN WITNESS WHEREOF, the City of Dalton has caused this Bond to be executed by the manual or facsimile signature of its Mayor and its corporate seal to be hereunto produced and attested by the manual or facsimile signature of its Clerk of Council, as of the day first above written.

(S E A L)

CITY OF DALTON

By: _____
Mayor

Attest: _____
City Clerk

CERTIFICATE OF AUTHENTICATION

This Bond is one of the City of Dalton Combined Utilities Revenue Bonds, Series 2020, described in the within-mentioned Resolution.

Date of Authentication: _____

U.S. BANK NATIONAL ASSOCIATION,
Authentication Agent

By: _____
Authorized Signatory

STATE OF GEORGIA)
)
WHITFIELD COUNTY) VALIDATION CERTIFICATE

I, the undersigned Clerk of the Superior Court of Whitfield County, State of Georgia, keeper of the records and seal thereof, hereby certify that this Bond was validated and confirmed by judgment of the Superior Court of Whitfield County, Georgia, on _____, 2020.

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

CLERK, SUPERIOR COURT
WHITFIELD COUNTY, GEORGIA

ASSIGNMENT

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

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER
OF ASSIGNEE

Please print or typewrite name and address, including postal zip code of transferee.

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

Assignor

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

Date: _____

Signature Guaranteed:

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

[END OF SERIES 2020 BOND FORM]

Section 9. Registration, Transfer and Exchange of Bonds. U.S. Bank National Association, Atlanta, Georgia, as Bond Registrar and Paying Agent for the Series 2020 Bonds, shall keep registers for registration of transfer of the Series 2020 Bonds. U.S. Bank National Association, Atlanta, Georgia, is also hereby designated Authentication Agent for purposes of authenticating any Series 2020 Bonds issued hereunder or issued in exchange or in replacement for Series 2020 Bonds previously issued.

Section 10. Creation of Series 2020 Projects Account. There has heretofore been created and established in the Original Bond Ordinance a trust fund to be designated as the “CITY OF DALTON, GEORGIA COMBINED UTILITIES - CONSTRUCTION FUND” (the “**Construction Fund**”). Simultaneously with the issuance and delivery of the Series 2020 Bonds, the City shall deposit, or shall cause to be deposited, into a special account in the Construction Fund which is hereby created and designated the “Series 2020 Project Account,” the amount from the proceeds of the sale of the Series 2020 Bonds, as specified by the City in a supplemental ordinance to be enacted prior to the issuance and delivery of the Series 2020 Bonds, and any other funds acquired for such purpose by gift, donation, grant or otherwise. Such monies as are deposited in the Series 2020 Project Account of the Construction Fund shall be held by the Construction Fund Custodian and withdrawn only in accordance with the provisions and restrictions set forth in Article IV of the Original Bond Ordinance, and the City will not cause or permit to be paid therefrom any sums except in accordance herewith.

The Construction Fund Custodian is hereby authorized and directed to make each disbursement from the Series 2020 Project Account required by the provisions hereof upon receipt by the Construction Fund Custodian of a requisition executed by an officer of the Board of Water, Light & Sinking Fund Commissioners of the City (the “Commission”), properly authorized to sign on its behalf (the “**Authorized Representative**”), in substantially the form attached hereto as Exhibit A.

All monies in and all securities held for the Construction Fund shall be subject to a lien and charge in favor of the holders of the Series 2017 Bonds, the Series 2020 Bonds and any additional Parity Bonds and shall be held for the security of such holders until paid out as hereinafter provided.

Said account shall be used for the purposes herein provided and for the applicable purposes provided in Article IV of the Original Bond Ordinance, and moneys therein shall be expended in the manner and by the procedure established under the provisions of said Article IV of the Original Bond Ordinance.

Section 11. Creation of Series 2020 Costs of Issuance Account. There has heretofore been created and established in the Original Bond Ordinance a trust fund to be designated as the “CITY OF DALTON, GEORGIA COMBINED UTILITIES – COSTS OF ISSUANCE FUND” (the “**Cost of Issuance Fund**”). Simultaneously with the issuance and delivery of the Series 2020 Bonds, the City shall deposit, or shall cause to be deposited, into a special account in the Costs of Issuance Fund which is hereby created and designated the “Series 2020 Costs of Issuance Account,” the amount from the proceeds of the sale of the Series 2020 Bonds as specified by the City in a supplemental resolution to be enacted prior to the issuance and delivery of the Series 2020

Bonds. Such monies as are deposited in the Series 2020 Costs of Issuance Account of the Costs of Issuance Fund shall be held by the Costs of Issuance Fund Custodian and withdrawn only in accordance with the provisions and restrictions set forth in Article IV of the Original Bond Ordinance, and the City will not cause or permit to be paid therefrom any sums except in accordance herewith.

Said Funds shall be used for the purposes herein provided and for the applicable purposes provided in Article IV of the Original Bond Ordinance, and moneys therein shall be expended in the manner and by the procedure established under the provisions of said Article IV of the Original Bond Ordinance. Said Article IV and each appropriate provision thereof are hereby declared applicable to the Series 2020 Bonds and they are specifically reaffirmed and enacted as a part of this Resolution as if set forth verbatim herein.

Section 12. Costs of Issuance Fund Custodian. U.S. Bank National Association, Atlanta, Georgia, is hereby designated as the Costs of Issuance Fund custodian.

Section 13. Non-Arbitrage and Tax Covenants. The City covenants not to make or permit the use of, nor direct any depository or custodian to make any investment of, any proceeds of the Series 2020 Bonds which, if such use or investment had been reasonably expected on the date of issuance of the Series 2020 Bonds, would have caused the Series 2020 Bonds to be “arbitrage” bonds within the meaning of the Internal Revenue Code of 1986, as amended (the “Code”), and such regulations promulgated from time to time thereunder as may be applicable to the Series 2020 Bonds. The City further covenants that it will comply throughout the term of the bonds with the requirements of said Code and any such applicable regulations to the end of preventing the bonds from becoming “arbitrage” bonds. In addition, the City will take or cause to be taken all actions required to comply with all provisions of Federal law applicable to the Series 2020 Bonds necessary to be complied with in order for the interest on the Series 2020 Bonds to be exempt from Federal income taxation and it will not take nor permit anyone under its direction or control to take any action which would cause the exemption from Federal income taxation to be lost. Nothing contained in this Section 13 shall be construed to impose contractual obligations on the City which are more onerous or burdensome than the requirements (as they shall exist from time to time) of said Code and any such applicable regulations which must be observed in order to prevent the interest on the Series 2020 Bonds from becoming subject to Federal income taxation. The City shall not knowingly invest or participate in the investment of any money held hereunder which investment would render interest on any bonds subject to Federal income taxation. The City will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the tax-exempt status of the interest on the Series 2020 Bonds under Section 103 of the Code.

The City hereby adopts and agrees to comply with the Tax Policy, attached hereto as Exhibit B.

Section 14. Particular Covenants. All of the terms, covenants, conditions and provisions of the Original Bond Ordinance, except to the extent specifically amended by the terms of this Series 2020 Ordinance relating to the Series 2020 Bonds, are hereby declared applicable and are broadened and extended so long as to cover the Series 2020 Bonds and they

are specifically reaffirmed and enacted as a part of this Series 2020 Ordinance as if set forth verbatim herein.

Section 15. Validation. The Series 2020 Bonds shall be validated in the manner provided in the Revenue Bond Law, as amended, and to that end notice of the adoption of this Series 2020 Ordinance and a certified copy thereof shall be served immediately on the District Attorney of the Conasauga Judicial Circuit in order that proceedings for the confirmation and validation of the Series 2020 Bonds by the Superior Court of Whitfield County may be instituted by said District Attorney.

Section 16. Continuing Disclosure. The Commission, acting on behalf of the City, will undertake all responsibility for compliance with the continuing disclosure requirements contained in Securities and Exchange Commission Rule 15c2-12(b)(5) pursuant to a Continuing Disclosure Certificate (the "Continuing Disclosure Certificate"). The execution and delivery of the Continuing Disclosure Certificate by the Mayor of the City is hereby authorized. Notwithstanding any other provision of this Series 2020 Ordinance, failure of the City or the Commission, acting on behalf of the City, to comply with the Continuing Disclosure Certificate shall not be considered a default hereunder, and under no circumstances shall such failure affect the validity or the security for the payment of the Bonds. It is expressly provided, however, that any Holder or Beneficial Owner of Bonds may take such action, to the extent and in such manner as may be allowed by applicable law, as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City to comply with its obligations under this Series 2020 Ordinance and the Bonds. For purposes of this Section, "Beneficial Owner" means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the Owner of any Bonds for federal income tax purposes. The cost to the Commission of performing its obligations set forth in this Section shall be paid solely from funds lawfully available for such purpose. Nothing contained in this Series 2020 Ordinance shall obligate the levy of any tax to effect the City's obligations set forth in this Section.

Section 17. Official Statement. The City will cause to be prepared and distributed a Preliminary Official Statement with respect to the Series 2020 Bonds, and the City shall execute and deliver an Official Statement in final form and the execution and delivery of the Official Statement in final form be and the same is hereby authorized and approved. The use and distribution of a Preliminary Official Statement with respect to the Series 2020 Bonds and the execution by the Mayor of the City or the City Clerk of a certificate which will "deem final" the Preliminary Official Statement within the meaning of Securities Exchange Act Rule 15c2-12 be and the same are hereby authorized and approved. The Mayor of the City is hereby authorized to execute and deliver the Official Statement for and on behalf of the City, and the Official Statement shall be in substantially the form of the Preliminary Official Statement as presented to the City on the date hereof and filed with the City Clerk of the City subject to such minor changes, insertions or omissions as may be approved by the Mayor of the City and the execution of said Official Statement by the Mayor of the City as hereby authorized shall be conclusive evidence of any such approval. The distribution of the Official Statement for and on behalf of the City is hereby authorized and approved.

Section 18. Approval of Purchase Agreement. The execution, delivery, and performance of the Purchase Agreement providing for the purchase and sale of the Series 2020 Bonds, by and between the City and the Underwriter, a copy of which has been presented to the City at the time of adopting this Series 2020 Ordinance and considered by its members and which is on file and of record with the Clerk of the City, be and the same is hereby authorized. The Purchase Agreement shall be in substantially the form as presented to the City, subject to such minor changes, insertions or omissions as may be approved by the Mayor of the City, and the execution of the Purchase Agreement by the Mayor of the City as hereby authorized shall be conclusive evidence of any such approval.

Section 19. Authorization of Execution of 8038-G and Other Documents. The Mayor or Chief Financial Officer of the City is hereby authorized and to direct the filing with the Internal Revenue Service a form 8038-G upon closing of the Series 2020 Bonds. The proper officers and agents of the City are hereby authorized, empowered, and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of this Series 2020 Ordinance and are further authorized to take any and all further actions and execute and deliver any and all other documents as may be necessary in the issuance of the Series 2020 Bonds. All actions heretofore taken and all documents heretofore executed in connection with the issuance of the Series 2020 Bonds are ratified and approved.

Section 20. Waiver of Performance Audit. The City hereby specifically waives the requirements of O.C.G.A. § 36-82-100 that the expenditure of the proceeds of the Series 2020 Bonds be subject to an ongoing performance audit or performance review, and authorizes such waiver to be published in the notice of hearing relating to the validation of the Series 2020 Bonds.

Section 21. Severability. In case anyone or more of the provisions of this Series 2020 Ordinance, or the Series 2020 Bonds, shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Series 2020 Ordinance, or the bonds, but this Series 2020 Ordinance and the bonds shall be construed and enforced as if such illegal or invalid provisions had not been contained therein.

Section 22. Proceedings Authorizing Parity Bonds. The provisions of the Original Bond Ordinance and this Series 2020 Ordinance and every sentence thereof and herein shall be construed as including and as being applicable to the Series 2017 Bonds, the Series 2020 Bonds and any future series of Parity Bonds, and the Series 2017 Bonds, the Series 2020 Bonds and any such Parity Bonds shall be treated for all intents and purposes, unless otherwise specifically stated, just as if they had been issued together with the initial series of bonds and pursuant to the terms of the Original Bond Ordinance and this Series 2020 Ordinance.

Adopted and approved on the 19th day of October, 2020, at the regular meeting of the Mayor and Council of the City of Dalton.

CITY OF DALTON, GEORGIA

By: _____
Mayor

Attest: _____
City Clerk

The foregoing Ordinance received its first reading on October 19, 2020. Upon the motion for passage of the Ordinance made by Council member _____, second by Council member _____, and upon the question the vote is _____ ayes, _____ nays and the Ordinance is adopted.

EXHIBIT A

FORM OF REQUISITION

In accordance with the terms of the Bond Ordinance enacted October 6, 2017, as supplemented (the “Original Bond Ordinance”) by the Mayor and Council of the City of Dalton, Georgia (the “City”) and the Series 2020 Bond Ordinance enacted October 19, 2020, as supplemented (the “Series 2020 Ordinance” and, together with the Original Bond Ordinance, the “Ordinance”) by the Mayor and Council of the City, the Commission (as defined in the Ordinance), acting on behalf of the City, hereby requests the Custodian of the Construction Fund to pay the following persons the following amounts from the “2020 Project Account” within the Construction Fund for the following purposes:

<u>Payee’s Name and Address</u>	<u>Invoice Number</u>	<u>Dollar Amount</u>	<u>Purpose</u>
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The Commission hereby certifies as follows:

1. An obligation in the stated amount has been incurred, is a proper charge against the Construction Fund and has not been paid.
2. A bill or statement of account for such obligation, or a copy thereof, is attached hereto or is on file in the office of the director of the Commission.
3. The undersigned has no notice of any vendor’s, mechanic’s or other liens or rights to liens, security interests, chattel mortgages, or conditional sales contracts which should be satisfied or discharge before such payment is made.
4. This requisition contains no item representing payment on account or any retained percentages which the Commission is, as of the date of this certification, entitled to retain.
5. Insofar as such obligation was incurred for work, materials, supplies or equipment, such work was actually performed or such materials, supplies or equipment were actually installed in or about the construction or delivered at the site of the work for that purpose.

THE BOARD OF WATER, LIGHT AND
SINKING FUND COMMISSIONERS OF THE
CITY OF DALTON

Dated: _____

By: _____
Title: Authorized Representative

EXHIBIT B

POLICY WITH RESPECT TO TAX-EXEMPT DEBT

[Attached.]

POLICY WITH RESPECT TO TAX-EXEMPT DEBT

WHEREAS, the City of Dalton, Georgia (the “**Issuer**”) is a municipal corporation organized and existing under the laws of the State of Georgia; and

WHEREAS, the Issuer has previously issued or may in the future issue one or more series of governmental purpose bonds or other form of tax-exempt obligations (the “**Tax-Exempt Bonds**”) the interest on which is excluded from gross income of the owners thereof pursuant to Sections 103 and 141-150 of the Internal Revenue Code of 1986, as amended (the “**Code**”); and

WHEREAS, in connection with the issuance of each series of Tax-Exempt Bonds, the Issuer has executed or will execute covenants and certificates wherein the Issuer represents that it expects and intends to be able to comply with and will, to the extent permitted by law, comply with the provisions and procedures set forth in such covenants and certificates and will do and perform all acts and things necessary or desirable in order to assure that the interest on the series of Tax-Exempt Bonds to which such covenants and certificates relate will be excluded from gross income of the owners thereof for federal income tax purposes; and

WHEREAS, upon recommendation of the Internal Revenue Service (the “**IRS**”), the Issuer has determined that it is advantageous and in the best interests of the Issuer and the owners of the Tax-Exempt Bonds to adopt certain post-issuance compliance policies and procedures (“**PICPP**”) as set forth in this tax policy (this “**Policy**”) as may be supplemented from time to time as provided herein.

Incorporation of Tax Closing Documents. This Policy shall be deemed to include and hereby incorporates all covenants, certificates, instructions and information reporting documentation contained in the closing transcript or record of proceedings for any series of Tax-Exempt Bonds, whether executed in connection with the issuance of any such series of obligations or executed post-closing, (the “**Tax Closing Documentation**”) for each issue of Tax-Exempt Bonds of the Issuer.

Assignment of Responsibility. The Issuer hereby assigns the responsibility for post-issuance compliance set forth in this Policy to the Chief Financial Officer of the Issuer. Such officer is hereby designated the Post-Issuance Compliance Officer (the “**PICO**”). Some or all of the responsibilities of the PICO may be assigned by the Issuer to another officer or employee of the Issuer (the “**Authorized Representatives**”).

Tax Documentation and Retention. The PICO will assemble and document to his or her satisfaction the location of all Tax Closing Documentation for each issue of Tax-Exempt Bonds of the Issuer issued for the benefit of their respective governments. All Tax Closing Documentation accumulated for each series of Tax-Exempt Bonds shall be maintained for a period of three (3) years following the final maturity of the Tax-Exempt Bonds.

IRS Correspondence and Audits. The PICO will consult with qualified bond counsel immediately upon receipt of any correspondence from, or opening of an examination of any type with respect to Tax-Exempt Bonds of the Issuer by, the IRS.

Periodic Review Requirements. The PICO will review the implementation of the PICPP set forth in this Policy with the Issuer at least annually during the term of any outstanding series of Tax-Exempt Bonds.

Training Requirements. The PICO will develop a training program that is designed to inform any successor PICO of the requirements of the PICPP and periodically train all the Authorized Representatives of their duties under the PICPP. Such training program may be developed with internal materials and shall include a review of the Code and the IRS's website established for the use of the tax-exempt bond community located at <http://www.irs.gov/taxexemptbond/index.html?navmenu=menu1>.

Approval and Adoption. The Issuer hereby approves and adopts the PICPP set forth in this Policy.

Time is of the Essence. The Issuer hereby authorizes and directs the PICO and any designated Authorized Representatives to take such actions deemed necessary, appropriate or desirable to effect the implementation of the PICPP set forth in this Policy immediately.

CITY CLERK'S CERTIFICATE

I, the undersigned City Clerk of the City of Dalton, keeper of the records and seal thereof, hereby certify that the foregoing is a true and correct copy of an ordinance enacted by the Mayor and City Council of the City of Dalton in public meeting properly and lawfully assembled on October 19, 2020, the original of which resolution has been entered in the official records of the City under my supervision and is in my official possession, custody and control.

I further certify that the meeting was held in conformity with the requirements of Title 50, Chapter 14 of the Official Code of Georgia Annotated.

(SEAL)

City Clerk