

ORDINANCE 26-05  
CITY OF DALTON, GEORGIA

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SERIES 2026 BOND ORDINANCE

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Enacted March 30, 2026

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PROVIDING FOR ISSUANCE OF  
CITY OF DALTON COMBINED UTILITIES  
REVENUE BOND, SERIES 2026  
IN THE PRINCIPAL AMOUNT OF  
\$130,000,000.00

## **SERIES 2026 BOND ORDINANCE**

**THIS SERIES 2026 BOND ORDINANCE** (this “**Series 2026 Bond Ordinance**”), enacted March 30, 2026, 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 \$47,410,000.

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, except for additional Parity Bonds which may be issued from time to time by the City.

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.

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. Pursuant to the Original Bond Ordinance and a Series 2020 Bond Ordinance enacted on October 19, 2020, as supplemented by a Supplemental Series 2020 Bond Ordinance enacted on November 16, 2020 (collectively, the “Series 2020 Bond Ordinance”), the City has heretofore authorized and actually issued and delivered its Combined Utilities Revenue Bonds, Series 2020, in the original aggregate principal amount of \$84,510,000 (the “Series 2020 Bonds”) to finance in whole or in part the costs of (a) renovating, adding, extending and expanding the City’s electric generation, transmission and distribution facilities and the facilities of the other systems of the City’s combined utilities system (the “2020 Projects”) and (b) paying costs of issuance of the Series 2020 Bonds. The Series 2020 Bonds are currently outstanding in the aggregate principal amount of \$70,155,000.

8. The Series 2020 Bonds were issued as Parity Bonds pursuant to Original Bond Ordinance, and the Series 2020 Bond Ordinance constitutes a Series Ordinance for the Series 2020 Bonds.

9. 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 “2026 Projects”). The Series 2026 Projects shall include the electricity generating power plant equipment (the “Chateau Generation Equipment”) to be supplied by Chateau Generation, LLC (the “Supplier”) pursuant to the Equipment Supply Agreement, dated as of January 29, 2026, between the Board of Water, Light, and Sinking Fund Commissioners of the City of Dalton, GA d/b/a Dalton Utilities and the Supplier (the “Equipment Supply Agreement”).

10. The City has determined that the most feasible way to fund the costs of the 2026 Projects and to pay for issuance costs is by issuing its Combined Utilities Revenue Bond, Series 2026, in the original principal amount of \$130,000,000.00 (the “Series 2026 Bond”). The Series 2026 Bond shall be issued as a Parity Bond, and this Series 2026 Bond Ordinance shall constitute a Series Ordinance for the Series 2026 Bond.

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 2026 Bond Ordinance, the definitions set forth in the Original Bond Ordinance shall have the same meanings when used in this Series 2026 Bond 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 2026 Bond herein authorized to be issued as follows:

“Bonds” means, after the issuance of the Series 2026 Bond, the outstanding Series 2017 Bonds, the outstanding Series 2020 Bonds and Series 2026 Bond, and, from and after the issuance of any Parity Bonds, unless the context clearly indicates otherwise, such Parity Bonds.

“Change in Law” means the occurrence of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any governmental authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any governmental authority regardless of the date adopted, enacted or issued.

“Ordinance” means the Original Bond Ordinance, the Series 2020 Bond Ordinance, this Series 2026 Bond 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, the Series 2020 Bonds, and the Series 2026 Bond in accordance with the Ordinance.

“Series 2020 Bond Ordinance” means that certain Series 2020 Bond Ordinance of the City enacted on October 19, 2020, as supplemented by a Supplemental Series 2020 Bond Ordinance enacted on November 16, 2020, authorizing the issuance of the Series 2020 Bonds.

“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 the Series 2020 Bond Ordinance.

“Series 2026 Bond” means the City’s Combined Utilities Revenue Bond, Series 2026, authorized to be issued pursuant to the Original Bond Ordinance, as supplemented by this Series 2026 Bond Ordinance.

Section 2. Authorization of Series 2026 Bond.

(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 2026 Bond as a Parity Bond.

(b) That all the terms, provisions and conditions contained in the Original Bond Ordinance having been met and complied with, the Series 2026 Bond is 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 2026 Bond Ordinance, and all the covenants, agreements and provisions of this Series 2026 Bond 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 2026 Bond.

(A) The Series 2026 Bond shall be designated the “CITY OF DALTON COMBINED UTILITIES REVENUE BOND, SERIES 2026”. The Series 2026 Bond shall be issued in the original principal amount of \$130,000,000.00, shall bear interest at a rate of [3.85%] per annum, calculated on the basis of a 360-day year of twelve 30-day months, payable on March 1 and September 1 (each and “Installment Date”) of each year, commencing September 1, 2026, and shall be paid in principal installments on March 1 of each year, commencing March 1, 2027, as described in Schedule 1 attached hereto.

(b) The principal of, prepayment premium, if any, and interest on the Series 2026 Bond shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

(c) Principal and interest installments other than the final principal and interest installment on the Series 2026 Bond shall be paid by check or draft mailed by first class mail to the Bondholder at such owner’s address as it shall appear on the bond register kept by the Bond Registrar (or by wire transfer to a wire transfer address which the Bondholder has provided to the Paying Agent not less than five days prior to an Installment Date, which wire instructions shall remain in effect until the Paying Agent is notified to the contrary). The final principal and interest installment of the Series 2026 Bond shall be payable upon the presentation and surrender of the same at the office of the Paying Agent and no presentment or surrender of the Series 2026 Bond shall be required for regularly scheduled payments of principal or interest thereon.

(d) Only on \_\_\_\_\_, 2028, and upon five (5) business days’ written notice from the City to the Bondholder, the Series 2026 Bond is subject to a one-time optional redemption in part in a principal amount up to but not exceeding \$30,000,000 at a price of 100% of the principal amount to be redeemed. In addition, commencing on May 1, 2035, and upon five (5) business days’ written notice from the City to the Bondholder, the Series 2026 Bond is subject to optional redemption in whole or in part on any business day at a price of 100% of the principal amount to be redeemed. All partial redemptions of principal shall be applied in the inverse order of scheduled principal payments or maturities.

(e) The Series 2026 Bond shall be initially sold to Regions Capital Advantage, Inc., an Alabama state banking corporation (the “Bondholder”) at a purchase price equal to 100% of the par amount of the Series 2026 Bond. There shall be delivered to the Bondholder a properly executed Series 2026 Bond in the original principal amount, maturing and bearing interest as set forth above and in the form of the Series 2026 Bond in Section 7 hereof.

Upon receipt of the purchase price for the Series 2026 Bond, the Mayor of the City or his designee is authorized to physically deliver the Series 2026 Bond to the Bondholder, and the Mayor of the City or his designee is authorized to execute for and on behalf of the City such receipt for the proceeds of the Series 2026 Bond and such other closing certificates and proofs as may be necessary and proper.

Section 4. Application of Proceeds. From the proceeds derived from the sale of the Series 2026 Bond, the following payments shall be made, simultaneously with the issuance and delivery of the Series 2026 Bond, to the extent and in the manner herein set forth:

(a) \$ \_\_\_\_\_ shall be deposited in the Series 2026 General Account of the Series 2026 Project Account of the Construction Fund created pursuant to Section 9 below and used to finance the 2026 Projects other than the Chateau Generation Equipment;

(b) \$ \_\_\_\_\_ shall be deposited in the Chateau Generation Equipment Purchase Subaccount of the Series 2026 Project Account of the Construction Fund created pursuant to Section 9 below and used to finance the Chateau Generation Equipment; and

(c) \$ \_\_\_\_\_ shall be deposited into the Series 2026 Costs of Issuance Account of the Cost of Issuance Fund created pursuant to Section 10 below and used to pay costs of issuance of the Series 2026 Bond.

Section 5. Limited Obligations. The Series 2026 Bond is a limited obligation of the City as described in Section 209 of the Original Bond Ordinance.

Section 6. Reserve Fund Bonds and/or Hedged Bonds. The Series 2026 Bond is not being issued as a Reserve Fund Bond or a Hedged Bond.

Section 7. Form of Series 2026 Bond. The Series 2026 Bond 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 the Series 2026 Bond and as may be approved by the officer or officers executing the Series 2026 Bond, which approval shall be conclusively evidenced by such execution:

[Form of Series 2026 Bond]

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

No. R-1

UNITED STATES OF AMERICA  
STATE OF GEORGIA

CITY OF DALTON COMBINED UTILITIES  
REVENUE BOND,  
SERIES 2026

Maturity Date: March 1, 2038

Principal Amount:

Interest Rate: [3.85%]

Bond Date: March \_\_\_, 2026

Registered Owner: Regions Capital Advantage, Inc.

The City of Dalton, a municipal corporation of the State of Georgia (the “City”), in Whitfield County, for value received hereby promises to pay to or cause to be paid to the registered owner specified above or to payee’s registered assigns (the “owner”), the principal sum specified above, in annual installments due on March 1 of each year beginning March 1, 2027, and to pay interest on the outstanding principal amount due (calculated on the basis of a 360-day year of twelve 30-day months), on March 1 and September 1 of each year beginning September 1, 2026 (each an “Installment Date”) as set forth in Exhibit A, which is attached hereto and made a part hereof, by check or draft mailed by first class mail to such owner at such owner’s address as it shall appear on the bond register kept by the Bond Registrar (or by wire transfer to the registered owner at a wire transfer address which said registered owner has provided to the Paying Agent not less than five days prior to an Installment Date, which wire instructions shall remain in effect until the Paying Agent is notified to the contrary). Both the principal of and interest on this bond are payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This bond is the duly authorized bond designated CITY OF DALTON COMBINED UTILITIES REVENUE BOND, SERIES 2026 (this “Series 2026 Bond”), issued in the 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 this Series 2026 Bond. This Series 2026 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 March 30, 2026 (the “Series 2026 Bond Ordinance” and, together with the Original Bond Ordinance, the “Ordinance”).

This Series 2026 Bond and the City’s Combined Utilities Revenue Bonds, Series 2017 (the “Series 2017 Bonds”) and the City’s Combined Utilities Revenue Bonds, Series 2020 (the “Series 2020 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, the Series 2020 Bonds and this Series 2026 Bond 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 this Series 2026 Bond, a complete description of the nature and extent of the security provided for the payment of this Series 2026 Bond, a statement of the rights, duties and obligations of the City, the rights of the owner of this Series 2026 Bond, 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 Series 2026 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 2017 Bonds, the Series 2020 Bonds, this Series 2026 Bond and any future series of 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 this Series 2026 Bond and the interest thereon.

The pledge of and charge or lien on the Net Revenues of the System securing the payment of this Series 2026 Bond is a first and prior pledge of and charge or lien on such revenues.

This Series 2026 Bond does 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. This Series 2026 Bond 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 this Series 2026 Bond 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 this Series 2026 Bond 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.

Only on \_\_\_\_\_, 2028, and upon five (5) business days' written notice from the City to the Bondholder, the Series 2026 Bond is subject to a one-time optional redemption in part in a principal amount up to but not exceeding \$30,000,000 at a price of 100% of the principal amount to be redeemed. In addition, commencing on May 1, 2035, and upon five (5) business days' written notice from the City to the Bondholder, this Series 2026 Bond is subject to optional redemption in whole or in part on any business day at a price of 100% of the principal amount to be redeemed. All partial redemptions of the principal amount hereof shall be applied in the inverse order of scheduled principal payments or maturities.

If any payment under this Series 2026 Bond is received by the Bondholder more than ten (10) days following the due date, the City shall pay to the Bondholder a late fee of five percent (5%) of the total payment due.

Upon a default in payment of the amounts due hereunder or an [Event of Default] under the Ordinance, the interest rate on this Series 2026 Bond shall be increased by 4.0% (400 basis points) for so long as the default or Event of Default continues.

Upon the occurrence of a "Determination of Taxability" as defined below, the interest rate payable hereunder shall be an increased rate of interest (the "Adjusted Rate") equal to \_\_\_%, effective retroactively from the "Date of Taxability" as defined below.

"Date of Taxability" shall mean the earliest date as of which interest on this Series 2026 Bond shall have been determined to be includable in the gross income of a Bondholder as a result of a Determination of Taxability.

An "Event of Taxability" shall mean the taking of, or the failure to take, any action by the City, or the making by the City of any misrepresentation herein or in any certificate required to be given in connection with the issuance, sale or delivery of this Series 2026 Bond, which has the effect of causing the interest payable on this Series 2026 Bond to become includable in the gross income of the Bondholder.

A "Determination of Taxability" shall be deemed to have occurred on the first to occur of the following:

- (a) on that date when the City files any statement, supplemental statement of other tax schedule, return or document which discloses that an Event of Taxability shall have occurred (a "Supplemental Statement");
- (b) on that date when the City is advised in writing by the Commissioner or any District Director of Internal Revenue that, based upon the filings of the City

hereunder, or upon any review or audit of the City, or upon any other ground whatsoever, an Event of Taxability shall have occurred;

- (c) on that date when the City receives notice from the Bondholder that the Bondholder has been advised by the Commissioner or any District Director of Internal Revenue that the interest on this Series 2026 Bond is includable in the gross income of Bondholder due to the occurrence of an Event of Taxability;
- (d) on that date when the City is advised in writing by the Commissioner or any District Director of Internal Revenue that there has been issued a public or private ruling of the Internal Revenue Service or a technical advice memorandum issued by the national office of the Internal Revenue Service in which the City has participated or have been given the opportunity to participate which concludes that the interest on this Series 2026 Bond is includable in the gross income of the Bondholder due to the occurrence of an Event of Taxability; or
- (e) on that date when the City is advised in writing that a final determination, from which no further right of appeal exists, has been entered by a court of competent jurisdiction in the United States of America in a proceeding with respect to which the City has been given written notice and an opportunity to participate and defend, which concludes that the interest on this Series 2026 Bond is includable in the gross income of the Bondholder due to the occurrence of an Event of Taxability.

No Determination of Taxability shall occur under subparagraph (b) above unless the City has been afforded the opportunity, at its expense, to contest any such conclusion and/or assessment and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined.

The rate of interest payable on this Series 2026 Bond shall be adjusted to the Adjusted Rate effective retroactively to the Date of Taxability. Any deficiency resulting from such retroactive adjustment in the interest rate shall be payable within sixty (60) days of the date of Determination of Taxability, together with an amount equal to any interest, penalties on overdue interest and additions to tax as referred to in Subchapter A of Chapter 68 of the Internal Revenue Code owing by Bondholder. The City shall also pay all reasonable administrative out-of-pocket and other expenses incurred by the Bondholder that are attributable to such event, including, without limitation, the costs incurred by the Bondholder to amend any of its tax returns, notwithstanding the repayment of the entire principal amount of the Series 2026 Bond or any transfer or assignment of the Series 2026 Bond. The obligation to pay interest retroactively as detailed above shall survive the payment in full of the principal of this Series 2026 Bond.

The person in whose name this Series 2026 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 Series 2026 Bond to the extent of the sum or sums so paid. This Series 2026 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.

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 Series 2026 Bond shall not be entitled to any benefit under the Ordinance or be valid or become obligatory for any purpose until this Series 2026 Bond shall have been authenticated by the execution by the Authentication Agent of the certificate of authentication hereon.

This Series 2026 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 Series 2026 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 the Series 2017 Bonds, the Series 2020 Bonds, this Series 2026 Bond and any future series of 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 this Series 2026 Bond and any Parity Bonds and the interest thereon.

**IN WITNESS WHEREOF**, the City of Dalton has caused this Series 2026 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 Series 2026 Bond is the City of Dalton Combined Utilities Revenue Bond, Series 2026, described in the within-mentioned Ordinance.

Date of Authentication: \_\_\_\_\_

U.S. BANK TRUST COMPANY, 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 \_\_\_\_\_, 2026.

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

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PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER  
OF ASSIGNEE

---

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

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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.

EXHIBIT A  
DEBT SERVICE SCHEDULE

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[END OF SERIES 2026 BOND FORM]

Section 8. Registration, Transfer and Exchange of Bonds. U.S. Bank Trust Company, National Association, Atlanta, Georgia, as Bond Registrar and Paying Agent for the Series 2026 Bond, shall keep registers for registration of transfer of the Series 2026 Bond. U.S. Bank Trust Company, National Association, Atlanta, Georgia, is also hereby designated Authentication Agent for purposes of authenticating any Series 2026 Bond issued hereunder or issued in exchange or in replacement for Series 2026 Bond previously issued.

Section 9. Creation of Series 2026 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 2026 Bond, 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 2026 Project Account,” the amount from the proceeds of the sale of the Series 2026 Bond, as specified in Section 4 hereof, and any other funds acquired for such purpose by gift, donation, grant or otherwise. Such monies as are deposited in the Series 2026 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 for the purpose of financing the Series 2026 Projects, and the City will not cause or permit to be paid therefrom any sums except in accordance herewith.

There shall be created two subaccounts within the Series 2026 Project Account designated the Series 2026 General Subaccount and the Chateau Generation Equipment Purchase Subaccount.

The Construction Fund Custodian is hereby authorized and directed to make each disbursement from the Series 2026 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. Notwithstanding the foregoing, draws on the Construction Fund will be limited to a maximum of one (1) draw per month, in a minimum amount of \$250,000.

Notwithstanding the foregoing, the amounts held in the Chateau Generation Equipment Purchase Subaccount of the Series 2026 Project Account shall be used and applied to finance the Chateau Generation Equipment pursuant to the terms of the Equipment Supply Agreement. Regions Bank (the “Letter of Credit Provider”) has provided a standby letter of credit in connection with financing of the Chateau Generation Equipment as required by the Equipment Supply Agreement (the “Standby Letter of Credit”). The Board of Water, Light and Sinking Fund Commissioners of the City of Dalton, Georgia, d/b/a Dalton Utilities and the Letter of Credit Provider entered into that certain Agreement for Irrevocable Standby Letter of Credit, dated as of \_\_\_\_\_, 2026, in connection with the issuance of the Standby Letter of Credit. The City is hereby authorized to enter into any security agreement and/or collateral account control agreement with the Letter of Credit Provider pledging the Letter of Credit Provider a security interest in the amounts held in the Chateau Generation Equipment Purchase Subaccount of the Series 2026 Project Account. In addition, any disbursements from the Chateau Generation

Equipment Purchase Subaccount of the Series 2026 Project Account shall be approved in writing by the Letter of Credit Provider.

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 the Series 2026 Bond and any additional Parity Bonds and shall be held for the security of such holders until paid out as hereinafter provided.

The completion of the 2026 Projects and payment or provision for payment of all costs of the 2026 Projects shall be evidenced by the filing with the Construction Fund Custodian of a completion certificate signed by an Authorized Representative and delivered to the Construction Fund Custodian stating that, except for amounts retained by the Construction Fund Custodian for costs of the 2026 Projects not then due and payable, or the liability for which the Commission is, in good faith, contesting or disputing, (a) the 2026 Projects have been completed to the satisfaction of the Commission, and (b) the 2026 Projects are suitable and sufficient for the efficient operation as a “project” (as defined in the Revenue Bond Law). As soon as practicable and in any event not more than 60 days from the date of the certificate referred to in the preceding sentence, any balance remaining in the Series 2026 Project Account of the Construction Fund (except amounts the Commission shall have directed the Construction Fund Custodian in writing to retain for any cost of the 2026 Projects not then due and payable) shall without further authorization be transferred into the Sinking Fund and used to pay the next occurring installment of principal due on the Series 2026 Bonds.

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. Said Article IV and each appropriate provision thereof are hereby declared applicable to the Series 2026 Bond and they are specifically reaffirmed and enacted as a part of this Series 2026 Bond Ordinance as if set forth verbatim herein.

Section 10. Creation of Series 2026 Costs of Issuance Fund. 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 2026 Bond, 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 2026 Costs of Issuance Fund,” the amount from the proceeds of the sale of the Series 2026 Bond as specified in Section 4 hereof. Such monies as are deposited in the Series 2026 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 to pay the costs of issuance of the Series 2026 Bond, and the City will not cause or permit to be paid therefrom any sums except in accordance herewith.

Said fund 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 2026 Bond and they are specifically reaffirmed and enacted as a part of this Series 2026 Bond Ordinance as if set forth verbatim herein.

Section 11. Designation of Bond Registrar, Paying Agent, and Authentication Agent; Designation of Depositories and Custodians.

(a) U.S. Bank Trust Company, National Association, in the City of Atlanta, Georgia, is hereby designated as Bond Registrar, Paying Agent, and Authentication Agent for the Series 2026 Bond and the Sinking Fund Custodian.

(b) [Truist Bank], in the City of Dalton, Georgia, is hereby designated as Revenue Fund Depository, the Renewal and Extension Fund Custodian, the Rebate Fund Custodian and the Rate Stabilization Fund Depository.

(c) Regions Bank is hereby designated as the Construction Fund Custodian and the Costs of Issuance Fund Custodian.

(d) The City or the Commission, from time to time, may designate in writing, by an authorized officer of the City or the Commission, a successor Bond Registrar, Paying Agent, and Authentication Agent, depository or custodian of any fund or account described in the Original Ordinance; provided such successor agrees to comply with the relevant provisions of Original Ordinance, as supplemented.

Section 12. 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 2026 Bond which, if such use or investment had been reasonably expected on the date of issuance of the Series 2026 Bond, would have caused the Series 2026 Bond 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 2026 Bond. The City further covenants that it will comply throughout the term of the bond with the requirements of said Code and any such applicable regulations to the end of preventing the bond from becoming an “arbitrage” bond. 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 2026 Bond necessary to be complied with in order for the interest on the Series 2026 Bond 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 12 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 2026 Bond 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 2026 Bond under Section 103 of the Code.

Section 13. 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 2026 Bond Ordinance relating to the Series 2026 Bond, are hereby declared applicable and are broadened and extended so long as to cover the Series 2026 Bond and they are specifically reaffirmed and enacted as a part of this Series 2026 Bond Ordinance as if set forth verbatim herein.

Section 14. Bondholder Provisions. (a) The Bondholder and its representatives are not registered municipal advisors and do not provide advice to municipal entities or obligated persons with respect to municipal financial products or the issuance of municipal securities (including regarding the structure, timing, terms and similar matters concerning municipal financial products or municipal securities issuances) or engage in the solicitation of municipal entities or obligated persons for the provision by non-affiliated persons of municipal advisory services and/or investment advisory services. With respect to any information, materials or communications provided by the Bondholder: (a) the Bondholder and its representatives are not recommending an action to any municipal entity or obligated person; (b) the Bondholder and its representatives are not acting as an advisor to any municipal entity or obligated person and do not owe a fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to any municipal entity or obligated person with respect to information, materials or communications; (c) the Bondholder and its representatives are acting for their own interests; and (d) the City has been informed that the City should discuss any information, materials or communications with any and all internal and external advisors and experts that the City deem appropriate before acting on any such information, materials or communications.

(b) The City acknowledges and agrees that the Bondholder is purchasing the Series 2026 Bond in evidence of a privately negotiated loan and in that connection the Series 2026 Bond shall not be (i) assigned a separate rating by any municipal securities rating agency, (ii) registered with The Depository Trust Company or any other securities depository, (iii) issued pursuant to any type of offering document or official statement or (iv) assigned a CUSIP number.

(c) The City represents and warrants to the Bondholder that neither it nor any of its principals, shareholders, members, partners, or affiliates, as applicable, is a Person named as a Specially Designated National and Blocked Person (as defined in Presidential Executive Order 13224) and that it is not acting, directly or indirectly, for or on behalf of any such person. The City further represents and warrants to the Bondholder that the City and its principals, shareholders, members, partners, or affiliates, as applicable, are not directly or indirectly, engaged in, nor facilitating, the transactions contemplated by this transaction on behalf of any Person named as a Specially Designated National and Blocked Person.

Section 15. Validation. The Series 2026 Bond 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 2026 Bond 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 2026 Bond by the Superior Court of Whitfield County may be instituted by said District Attorney.

Section 16. Continuing Disclosure. The City covenants that the disclosure requirements of U.S. Securities and Exchange Commission Rule 15c2-12 do not apply to the Series 2026 Bond because the issuance and delivery of the Series 2026 Bond to the purchaser thereof comply with the exemption contained in Section 15c2-12(d)(1)(i) of said rule.

Section 17. Authorization of Execution of 8038-G and Other Documents. The Mayor or Chief Financial Officer of the City is hereby authorized to direct the filing with the Internal Revenue Service a form 8038-G upon closing of the Series 2026 Bond. 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 2026 Bond 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 2026 Bond. All actions heretofore taken and all documents heretofore executed in connection with the issuance of the Series 2026 Bond are ratified and approved.

Section 18. 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 2026 Bond be subject to an ongoing performance audit or performance review, and authorizes such waiver to be published in the notice of hearing relating to the validation of the Series 2026 Bond.

Section 19. Severability. In case anyone or more of the provisions of this Series 2026 Bond Ordinance, or the Series 2026 Bond, shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Series 2026 Bond Ordinance, or the bonds, but this Series 2026 Bond Ordinance and the Series 2026 Bond shall be construed and enforced as if such illegal or invalid provisions had not been contained therein.

Section 20. Proceedings Authorizing Parity Bonds. The provisions of the Original Bond Ordinance, the Series 2020 Ordinance and this Series 2026 Bond 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, the Series 2026 Bond and any future series of Parity Bonds, and the Series 2017 Bonds, the Series 2020 Bonds, the Series 2026 Bond 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, the Series 2020 Bond Ordinance and this Series 2026 Bond Ordinance.

Section 21. Audited Financial Statements; Rate Covenant.

(a) The City shall deliver to the Bondholder the annual audited financial statements of The Board of Water, Light and Sinking Fund Commissioners of the City of Dalton, within 270 days of the end of each fiscal year of the City, commencing with the fiscal year ending \_\_\_\_\_, 2026.

(b) The City shall prescribe, fix, maintain and collect rates, fees and other charges for the services, facilities and commodities furnished by the System during each Fiscal Year in order to produce [Adjusted Available Revenues] for such [Fiscal Year] equal

to at least the [Coverage Requirement] for such Fiscal Year. The Issuer may make adjustments from time to time in such fees and charges and may make such classification thereof as it deems necessary, but shall not reduce the rates, fees and charges then in effect unless the Adjusted Available Revenues from such reduced rates, fees and charges are estimated to be sufficient to meet the requirements of this section.

Section 22. Increased Costs and Capital Requirements.

(a) If any Change in Law shall: (i) impose, modify or deem applicable any reserve, liquidity ratio, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or advances, loans or other credit extended or participated in by, the Bondholder; (ii) subject the Bondholder to any Taxes (other than taxes related to changes to the tax rate on the overall net income of the Bondholder) on the Series 2026 Bond or other obligations, or its deposits, reserves or other liabilities or capital attributable thereto; or (iii) impose on the Bondholder any other condition, cost or expense affecting the Series 2026 Bond; and the result of any of the foregoing shall be to increase the cost to the Bondholder related to issuing or maintaining the Series 2026 Bond, or to reduce the amount of any sum received or receivable by the Bondholder with respect to the Series 2026 Bond hereunder (whether of principal, interest or any other amount) then, upon written request of the Bondholder, the City shall promptly pay to the Bondholder, as the case may be, such additional amount or amounts as will compensate the Bondholder, as the case may be, for such additional costs incurred or reduction suffered.

(b) If the Bondholder determines that any Change in Law affecting the Bondholder or the Bondholder's parent or holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on the Bondholder's capital or liquidity or the capital or liquidity of the Bondholder's parent or holding company holding, if any, as a consequence of the Series 2026 Bond, or for maintaining the Series 2026 Bond, to a level below that which the Bondholder or the Bondholder's parent or holding company could have achieved but for such Change in Law (taking into consideration the Bondholder's policies and the policies of the Bondholder's parent or holding company with respect to capital adequacy), then from time to time upon written request of the Bondholder the City shall promptly pay to the Bondholder such additional amount or amounts as will compensate the Bondholder or the Bondholder's parent or holding company for any such reduction suffered.

Section 23. Waiver of Jury Trial. To the extent permitted by applicable law, each of the City and Bondholder irrevocably and voluntarily waives any right it may have to a trial by jury with respect to any controversy or claim between the City and Bondholder, whether arising in contract or tort or by statute, including but not limited to any controversy or claim that arises out of or relates to the term sheet provided by the Bondholder to the City, the Series 2026 Bond or any of the other documents associated with the Series 2026 Bond. This provision is a material inducement for the Bondholder's determination to make the loan represented by its purchase of the Series 2026 Bond and for the parties to enter into the associated documents and agreements.

Section 24. Transfer of Series 2026 Bond. Subject only to the restrictions set forth in the form of Series 2026 Bond above, the Bondholder have the right to transfer and/or assign, in whole or in part, the Series 2026 Bond and its rights hereunder, or, in either case, any interest therein, to any person or entity in its sole and absolute discretion. The City may not assign its rights hereunder or under the Series 2026 Bond to any person without the prior written consent of the Bondholder.

Adopted and approved on the 30<sup>th</sup> day of March, 2026, 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 March 16, 2026. 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.

Schedule 1  
DEBT SERVICE

[Attached.]

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 2026 Bond Ordinance enacted March 30, 2026 (the “Series 2026 Bond 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 “2026 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

For each Draw on Chateau Generation Equipment Purchase Subaccount:

**Approved:**

REGIONS BANK, as Letter of Credit Provider

By: \_\_\_\_\_  
Title: \_\_\_\_\_

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 March 30, 2026, 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