

SUPPLEMENTAL SERIES 2020 ORDINANCE

WHEREAS, the City of Dalton, Georgia (the “City”) authorized the issuance of not to exceed \$100,000,000 in aggregate principal amount of City of Dalton, Georgia Combined Utilities Revenue Bonds, Series 2020 (the “Series 2020 Bonds”), pursuant the ordinance of the Mayor and Council of the City of Dalton, Georgia, enacted October 6, 2017, as supplemented by a Supplemental Bond Ordinance enacted on November 6, 2017 (the “Original Bond Ordinance) and a series ordinance duly enacted at a meeting of the Mayor and Council of the City on October 19, 2020 (the “Original Series 2020 Ordinance”); and

WHEREAS, the Original Series 2020 Ordinance provides, among other things, that the Series 2020 Bonds shall not exceed \$100,000,000 in principal amount, shall bear interest at a rate not to exceed 5.00% per annum, shall mature not later than March 1, 2041 and the maximum annual debt service on the Series 2020 Bonds in any sinking fund year shall not exceed \$7,000,000; and

WHEREAS, the Original Series 2020 Ordinance provides, among other things, that the proceeds of the Series 2020 Bonds shall be used 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 relating thereto; and

WHEREAS, the Original Series 2020 Ordinance provides that the application of the proceeds of the Series 2020 Bonds, the principal amount of the Series 2020 Bonds maturing in each year (through the operation of a sinking fund or otherwise), the interest rate on each such maturity and the optional redemption provisions applicable thereto will be determined by the City pursuant to a supplemental ordinance; and

WHEREAS, it is proposed that the City should determine the application of the proceeds of the Series 2020 Bonds, the principal amount of the Series 2020 Bonds maturing in each year, the interest rate on each such maturity and the optional redemption provisions applicable thereto; and

WHEREAS, it is proposed that the City should ratify the use and distribution of the Preliminary Official Statement, dated November ___, 2020 (the “Preliminary Official Statement”) and authorize the execution, use and distribution of the Official Statement, dated the date hereof (the “Official Statement”); and

WHEREAS, 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

WHEREAS, capitalized terms used but not defined herein shall have the meanings assigned to them in the Original Series 2020 Ordinance; and

NOW, THEREFORE, BE IT ORDAINED by the City, and IT IS HEREBY ORDAINED by the City, as follows:

Section 1. Terms of the Series 2020 Bonds. The Series 2020 Bonds shall be dated as of their date of delivery. The Series 2020 Bonds shall be in the aggregate principal amount, mature, and bear interest as set forth in Exhibit A-1 attached hereto. The Series 2020 Bonds shall be subject to optional [and mandatory] redemption as set forth in Exhibit A-2 attached hereto.

Section 2. Application of Proceeds. From the net proceeds derived from the sale of the Series 2020 Bonds (\$_____ par amount, plus original issue premium of \$_____, less purchaser's discount of \$_____), the following payments shall be made, simultaneously with the issuance and delivery of the Series 2020 Bonds, to the extent and in the manner herein set forth:

(a) \$_____ shall be deposited in the Series 2020 Project Account of the Construction Fund created pursuant to the Original Series 2020 Ordinance and used to finance the 2020 Projects.

(b) \$_____ shall be deposited into the Series 2020 Costs of Issuance Account of the Cost of Issuance Fund created pursuant to the Original Series 2020 Ordinance and used to pay costs of issuance of the Series 2020 Bonds.

Section 3. Ratification and Authorization of Preliminary Official Statement and Official Statement. The use and distribution of the Preliminary Official Statement are hereby ratified and approved. The use, distribution and execution of the Official Statement are hereby authorized, provided that the Official Statement is in substantially the same form as the Preliminary Official Statement. The execution of the Official Statement by the Mayor of the City, as hereby authorized shall be conclusive evidence of the approval of any such changes.

Section 4. 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 is attached hereto as Exhibit B, be and the same is hereby authorized. The Purchase Agreement shall be in substantially the form attached hereto, 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 5. Ratification of Ordinance. All of the terms and provisions of the Original Bond Ordinance and the Original Series 2020 Ordinance are hereby ratified and reaffirmed. Capitalized terms used herein and not defined shall have the meanings assigned to them in the Original Series 2020 Ordinance.

Section 6. No Personal Liability. No stipulation, obligation or agreement herein contained or contained in any agreement authorized by this Supplemental Series 2020 Ordinance shall be deemed to be a stipulation, obligation or agreement of any officer, director, member, agent or employee of the City in his or her individual capacity.

Section 7. General Authority. From and after the execution and delivery of the documents hereinabove authorized, the proper officers, directors, members, agents and employees 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 said documents as executed and are further authorized to take any and all further actions and to execute and deliver any and all other documents and certificates as may be necessary or desirable in connection with the issuance of the Series 2020 Bonds and the execution, delivery and performance of the agreements authorized by this Supplemental Series 2020 Ordinance.

Section 8. Actions Approved and Confirmed. All acts and doings of the officers, directors, members, agents and employees of the City which are in conformity with the purposes and intents of this Supplemental Series 2020 Ordinance and in the furtherance of the issuance of the Series 2020 Bonds and the execution, delivery and performance of the agreements authorized by this Supplemental Series 2020 Ordinance are, in all respects, approved and confirmed.

Section 9. Severability of Invalid Provisions. If anyone or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements and provisions and shall in no way affect the validity of any of the other covenants, agreements and provisions hereof or of the Original Bond Ordinance, the Original Series 2020 Ordinance or the Series 2020 Bonds.

Section 10. Repealing Clause. Any and all ordinances or resolutions or parts of ordinances or resolutions in conflict with this Supplemental Series 2020 Ordinance shall be and the same hereby are repealed, and this Supplemental Series 2020 Ordinance shall be in full force and effect from and after its enactment.

Section 11. Effective Date. This Supplemental Series 2020 Ordinance shall be effective immediately upon its enactment.

APPROVED AND ENACTED this _____ day of November, 2020.

CITY OF DALTON, GEORGIA

By: _____
Mayor

Attest: _____
City Clerk

Exhibit A-1
Terms of Series 2020 Bonds

[Attached.]

Exhibit A-2

Redemption Provisions for Series 2020 Bonds

Optional Redemption

The Series 2020 Bonds maturing on or after March 1, 20____ are redeemable at the option of the City, in whole (as to each series) on any date or in part on any scheduled Interest Payment Date, not earlier than March 1, 20____, from any moneys available therefor and deposited with the Paying Agent on or before the date fixed for redemption and at a redemption price of 100% of principal amount of such bonds, plus accrued interest to the redemption date, all in the manner provided below and in the Original Bond Ordinance. If the Series 2020 Bonds are called for optional redemption in part, then any bonds so called for redemption shall be called in such manner as may be designated by the Bond Registrar.

Mandatory Redemption

The Series 2020 Bonds maturing on March 1, 20____ are Term Bonds subject to mandatory redemption prior to maturity, in whole, on the following dates and in the following principal or maturity amounts at a redemption price equal to the principal amount of each Series 2020 Bond (or portion thereof) to be redeemed plus accrued interest to the date fixed for such redemption (the March 1, 20____ amount to be paid rather than redeemed):

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
|-------------|---------------|

Selection of Series 2020 Bonds to the Redeemed.

If less than all of the Series 2020 Bonds of a particular series are to be redeemed, the particular Series 2020 Bonds to be redeemed shall be selected in such order of maturities as may be specified in writing by the Commission, acting on behalf of the City. If less than all of the Series 2020 Bonds of a single maturity are to be redeemed, any Series 2020 Bond of such maturity outstanding in a denomination of greater than \$5,000 may be called for partial redemption in the principal amount of \$5,000 or any integral multiple thereof, and for the purpose of determining the Series 2020 Bonds to be redeemed or the amount of any such Series 2020 Bonds in a principal amount in excess of \$5,000 to be partially redeemed, the Paying Agent shall treat the entire principal amount of the Series 2020 Bonds of such maturity then outstanding as if the same were separate Series 2020 Bonds of \$5,000 each and shall assign separate numbers to each for the purpose of determining the particular Series 2020 Bonds or the principal amount of any such Series 2020 Bond in a denomination greater than \$5,000 to be redeemed by lot.

Partially Redeemed Series 2020 Bonds

In case any Series 2020 Bond shall be redeemed in part only, upon the surrender of such Series 2020 Bond for partial redemption, the Paying Agent shall authenticate and shall deliver or cause to be delivered to or upon the written order of the owner thereof a Series 2020 Bond or Series 2020 Bonds of the same maturity and interest rate, in any authorized denominations, for the unredeemed portion of such partially-redeemed Series 2020 Bond. Any Series 2020 Bond, a portion of which has been redeemed as contemplated by this Section, shall be considered to be outstanding only in an amount reduced by the portion thereof so redeemed whether or not it has been surrendered as aforesaid.

Notice of Redemption

Notice of redemption (unless waived) shall be given by first class mail, postage prepaid, mailed not less than 30 nor more than 60 days prior to the redemption date to the owners of Series 2020 Bonds to be redeemed at the addresses appearing in the registration books maintained by the Paying Agent. The Commission, acting on behalf of the City, and the Paying Agent may agree as to any additional or other means of giving notices of redemption with respect to the Series 2020 Bonds. Provided that notice is mailed as provided hereby, neither failure of any owner of a Series 2020 Bond to receive such notice, nor any defect therein, shall affect the validity of the proceedings to redeem any Series 2020 Bond as to which proper notice was mailed. For any optional redemptions, any notice of redemption shall state any condition to such redemption. If on the date set for redemption any conditions to redemption stated in the notice have not been met, the Paying Agent shall return to the owners thereof any Series 2020 Bonds tendered for redemption, and as soon as practicable, send out a notice to the owners of such Series 2020 Bonds in the same manner as notices of redemption notifying them of the cancellation of such redemption.

Exhibit B

Bond Purchase Agreement

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 a Supplemental Series 2020 Ordinance enacted by the Mayor and Council of the City of Dalton in public meeting properly and lawfully assembled on November ____, 2020, the original of which ordinance 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