
CITY OF LAWRENCEVILLE, GEORGIA

(a municipal corporation duly created and
existing under the laws of
the State of Georgia)

and

**DOWNTOWN DEVELOPMENT AUTHORITY
OF LAWRENCEVILLE, GEORGIA**

(a public body corporate and politic duly created and
existing under the laws of the State of Georgia)

INTERGOVERNMENTAL ECONOMIC DEVELOPMENT CONTRACT

Dated as of _____ 1, 2024

THE RIGHTS AND INTEREST OF THE DOWNTOWN DEVELOPMENT AUTHORITY OF LAWRENCEVILLE, GEORGIA (THE "AUTHORITY") IN THIS INTERGOVERNMENTAL ECONOMIC DEVELOPMENT CONTRACT AND THE REVENUES AND RECEIPTS DERIVED HEREFROM, EXCEPT FOR ITS UNASSIGNED RIGHTS, AS DEFINED HEREIN, HAVE BEEN COLLATERALLY ASSIGNED AND PLEDGED TO SECURE THE BONDHOLDERS (AS DEFINED HEREIN) PURSUANT TO A MASTER BOND RESOLUTION ADOPTED BY THE AUTHORITY ON NOVEMBER 4, 2024, AS SUPPLEMENTED AND AMENDED BY A SUPPLEMENTAL SERIES 2024 BOND RESOLUTION ADOPTED BY THE AUTHORITY ON DECEMBER __, 2024.

INTERGOVERNMENTAL ECONOMIC DEVELOPMENT CONTRACT

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INTERGOVERNMENTAL ECONOMIC DEVELOPMENT CONTRACT

This **INTERGOVERNMENTAL ECONOMIC DEVELOPMENT CONTRACT** (this “Contract”), made and entered into as of _____ 1, 2024, by and between the City of Lawrenceville, Georgia (the “City”), a municipal corporation duly created and existing under the laws of the State of Georgia, and the Downtown Development Authority of Lawrenceville, Georgia (the “Authority”), a public body corporate and politic duly created and existing under the laws of the State of Georgia;

WITNESSETH:

In consideration of the respective covenants, representations, and agreements hereinafter contained and in furtherance of the mutual public purposes hereby sought to be achieved, the City and the Authority agree as follows:

ARTICLE I

DEFINITIONS

Certain words and terms used in this Contract shall have the meaning given them in Section 1.1 of the Bond Resolution, which by this reference is incorporated herein. In addition to the words and terms defined elsewhere herein, the following words and terms shall have the meanings specified below, unless the context or use indicates another or different meaning or intent:

“**Additional Contract**” means a contract or supplemental agreement (including, without limitation, any amendment or supplement to this Contract) between the City and the Authority or any other development authority that is now existing or that may hereafter be created or activated, pursuant to the terms of which a payment obligation from the City to any such authority is created or expanded, the source of which payment obligation is the Tax.

“**Bond Resolution**” shall have the meaning assigned to that term in the recitals to this Contract, as such resolution may be amended, restated, supplemented, or modified from time to time.

“**Bonds**” means the Series 2024 Bonds and all series of Additional Bonds from time to time authenticated and delivered under the Bond Resolution.

“**Cash Management Agreement**” means the Cash Management Agreement, dated _____, 2024, between the Authority and the Manager, relating to the receipt, deposit, transfer, and expenditure of Hotel funds, as such agreement may be supplemented and amended from time to time in accordance with the provisions thereof.

“**Construction Documents**” means the contracts and documents described in Exhibit B attached hereto relating to the design, construction, and pre-opening of the Hotel, as the same may be supplemented and amended from time to time in accordance with the provisions thereof.

“Contract” means this Intergovernmental Economic Development Contract between the City and the Authority, as it may be supplemented and amended from time to time in accordance with the provisions hereof.

“Contracts” means the Prior Contract, this Contract, and all Additional Contracts.

“Developer” means NorthPointe Management & Development LLC, a Georgia limited liability company, in its capacity as Developer under the Development Agreement, and its successors and assigns.

“Development Agreement” means the Development Agreement, dated _____, 2024, between the Authority and the Developer, relating to the development of the Hotel, as such agreement may be supplemented and amended from time to time in accordance with the provisions thereof.

“Disbursement Agreement” means the Construction Disbursement and Monitoring Agreement, dated _____, 2024, among the Authority, the Developer, Alcala Construction Management Inc., as construction monitor, and the Construction Fund Custodian, and joined by Pinkerton & Laws Construction of Atlanta, Inc., as general contractor, as such agreement may be supplemented and amended from time to time in accordance with the provisions thereof.

“Franchise Agreement” means the Franchise Agreement, dated _____, 2024, between the Authority and between Hilton Franchise Holdings LLC, granting a license to operate the Hotel as a Hilton® Tapestry hotel, as such agreement may be supplemented and amended from time to time in accordance with the provisions thereof.

“Hotel” means the approximately 120-room hotel with meeting facilities and retail space to be located on the Premises, to be built above and around an existing parking deck on the site, and to be operated as a Hilton Tapestry hotel, and all related property both real and personal.

“Hotel Documents” means the Cash Management Agreement, the Construction Documents, the Development Agreement, the Disbursement Agreement, the Franchise Agreement, and the Management Agreement.

“Management Agreement” means the Hotel Management Agreement, dated _____, 2024, between the Authority and the Manager, relating to the management and operation of the Hotel, as such agreement may be supplemented and amended from time to time in accordance with the provisions thereof.

“Manager” means NorthPointe Management & Development LLC, a Georgia limited liability company, in its capacity as Manager under the Management Agreement, and its successors and assigns.

“Permitted Encumbrances” means, as of any particular time:

- (a) liens specifically permitted by, or created by any of the Hotel Documents;

(b) liens for taxes, assessments, fees, levies, or other similar charges that are either not yet due and payable or are being contested in good faith by appropriate proceedings conducted with due diligence, if adequate reserves therefor have been established and are being maintained;

(c) after the Closing Date, materialmen's, mechanics', workmen's, repairmen's, employees' or other like liens arising in the ordinary course of operations or maintenance of the Hotel, in each such case securing obligations which are not delinquent or are bonded in a manner satisfactory to the Authority acting reasonably and in good faith or are being contested in good faith by appropriate proceedings conducted with due diligence (unless by such contest there exists any risk (taking into account any applicable insurance, reserves or bonding covering such lien) that any portion of the Premises or the Hotel may become subject to loss or forfeiture or that such lien or contest thereof might otherwise interfere with the use of the Premises or the Hotel);

(d) presently existing utility, access and other easements and rights of ways, and restrictions as shown on the most current survey of the Premises as of the Closing Date; and

(e) after the Closing Date, purchase money security interests and security interests placed upon personal property being acquired to secure a portion of the purchase price thereof, or lessor's interests in leases required to be capitalized in accordance with Generally Accepted Accounting Principles; provided that the aggregate principal amounts secured by any such interests shall not exceed at any time more than \$50,000.

“Premises” means the approximately 1.94-acre site owned by the Authority at 120 East Crogan Street in the central business district of the City, more particularly described in Exhibit A attached hereto, which, by this reference thereto, is incorporated herein.

“Prior Contract” means the Intergovernmental Economic Development Contract, dated June 12, 2020, between the City and the Authority, as the same may be supplemented and amended from time to time in accordance with the provisions thereof.

“Series 2024A Bonds” means the revenue bonds designated “Lawrenceville Building Authority Revenue Bonds (The Lawrence Hotel Project), Series 2024A,” dated the date of issuance thereof, in the aggregate principal amount of \$_____, to be issued pursuant to the Bond Resolution.

“Series 2024B Bonds” means the revenue bonds designated “Lawrenceville Building Authority Revenue Bonds (The Lawrence Hotel Project), Federally Taxable Series 2024B,” dated the date of issuance thereof, in the aggregate principal amount of \$_____, to be issued pursuant to the Bond Resolution.

“Series 2024 Bonds” means, collectively, the Series 2024A Bonds and the Series 2024B Bonds.

“**Series 2024 Disclosure Certificate**” means the Continuing Disclosure Certificate, dated the date of issuance of the Series 2024 Bonds, of the City, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“**Sinking Fund Custodian**” means the custodian of the Sinking Fund held under the Bond Resolution.

“**State**” means the State of Georgia.

“**Tax**” means the three (3) mill ad valorem tax authorized by Section 48-5-350 of the Official Code of Georgia Annotated.

“**Taxable Property**” means all taxable property located within the corporate limits of the City, as now existent and as the same may hereafter be extended, which is subject to taxation from time to time for purposes of fulfilling the City’s obligations under this Contract.

“**Unassigned Rights**” means all of the rights of the Authority to receive reimbursements and payments pursuant to Section 5.1(c) hereof.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.1. Representations and Warranties by the City. The City makes the following representations and warranties as the basis for the undertakings on its part herein contained:

(a) Creation and Authority. The City is a municipal corporation duly created and validly existing under the laws of the State. The City has all requisite power and authority under the laws of the State to contract with the Authority to finance the costs of the Hotel and to enter into, perform its obligations under, and exercise its rights under this Contract.

(b) Pending Litigation. There are no actions, suits, proceedings, inquiries, or investigations pending or, to the knowledge of the City, after making due inquiry with respect thereto, threatened against or affecting the City in any court or by or before any governmental authority or arbitration board or tribunal, which involve the possibility of materially and adversely affecting the levy and collection of the Tax by the City, or the ability of the City to perform its obligations under this Contract, or the transactions contemplated by this Contract or which, in any way, would adversely affect the validity or enforceability of this Contract or any agreement or instrument to which the City is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby or thereby, nor is the City aware of any facts or circumstances presently existing that would form the basis for any such actions, suits, or proceedings. The City is not in default with respect to any judgment, order, writ, injunction, decree, demand, rule, or regulation of any court, governmental authority, or arbitration board or tribunal.

(c) Contract Is Legal and Authorized. The execution and delivery by the City of this Contract, the consummation of the transactions herein contemplated, and the fulfillment of or

the compliance with all of the provisions hereof (i) are within the power, legal right, and authority of the City; (ii) are legal and will not conflict with or constitute on the part of the City a violation of or a breach of or a default under, any organic document, indenture, mortgage, security deed, pledge, note, lease, loan, or installment sale agreement, contract, or other agreement or instrument to which the City is a party or by which the City or its properties are otherwise subject or bound, or any license, law, statute, rule, regulation, judgment, order, writ, injunction, decree, or demand of any court or governmental agency or body having jurisdiction over the City or any of its activities or properties; and (iii) have been duly authorized by all necessary and appropriate official action on the part of the Governing Body of the City. This Contract is the valid, legal, binding, and enforceable obligation of the City. The officials of the City executing this Contract are duly and properly in office and are fully authorized and empowered to execute the same for and on behalf of the City.

(d) Governmental Consents. Neither the City nor any of its activities or properties, nor any relationship between the City and any other Person, nor any circumstances in connection with the execution, delivery, and performance by the City of its obligations under this Contract or the offer, issue, sale, or delivery by the Authority of the Bonds, is such as to require the consent, approval, permission, order, license, or authorization of, or the filing, registration, or qualification with, any governmental authority on the part of the City in connection with the execution, delivery, and performance of this Contract or the consummation of any transaction herein contemplated, or the offer, issue, sale, or delivery of the Bonds, except as shall have been obtained or made and as are in full force and effect and except as are not presently obtainable. To the knowledge of the City, after making due inquiry with respect thereto, the City will be able to obtain all such additional consents, approvals, permissions, orders, licenses, or authorizations of governmental authorities as may be required on or prior to the date the City is legally required to obtain the same.

(e) No Defaults. To the knowledge of the City, after making due inquiry with respect thereto, the City is not in default or violation in any material respect under any organic document or other agreement or instrument to which it is a party or by which it may be bound, which default might materially and adversely affect the levy and collection of the Tax by the City.

(f) Compliance with Law. To the knowledge of the City, after making due inquiry with respect thereto, the City is not in violation of any laws, ordinances, or governmental rules or regulations to which it or its properties are subject and has not failed to obtain any licenses, permits, franchises, or other governmental authorizations (which are presently obtainable) necessary to the levy and collection of the Tax by the City, which violation or failure to obtain might materially and adversely affect the levy and collection of the Tax by the City, and there have been no citations, notices, or orders of noncompliance issued to the City under any such law, ordinance, rule, or regulation.

(g) Restrictions on the City. The City is not a party to or bound by any contract, instrument, or agreement, or subject to any other restriction, that materially and adversely affects the levy and collection of the Tax by the City. Other than the Prior Contract, the City is not subject to any bylaw or contractual or other limitation or provision of any nature whatsoever that in any way limits, restricts, or prevents it from entering into this Contract and performing its obligations hereunder.

(h) Disclosure. The representations of the City contained in this Contract and any certificate, document, written statement, or other instrument furnished by or on behalf of the City to the Authority in connection with the transactions contemplated hereby, do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein or therein not misleading. There is no fact that the City has not disclosed to the Authority in writing that materially and adversely affects or in the future may (so far as the City can now reasonably foresee) materially and adversely affect the levy and collection of the Tax by the City, or the ability of the City to perform its obligations under this Contract or any of the documents or transactions contemplated hereby or thereby or any other transactions contemplated by this Contract, which has not been set forth in writing to the Authority or in the certificates, documents, and instruments furnished to the Authority by or on behalf of the City prior to the date of execution of this Contract in connection with the transactions contemplated hereby.

(i) Financial Statements. The balance sheet of the City as of June 30, 2023, and the statement of revenues, expenditures, and changes in fund balances of the City for the year ended June 30, 2023 (copies of which, audited by Mauldin & Jenkins, LLC, independent certified public accountants, have been furnished to the Authority) present fairly the financial position of the City as of June 30, 2023, and the changes in financial position for the year ended June 30, 2023, with such exceptions as may be disclosed in the audit report. Since June 30, 2023, there has been no material adverse change in the financial position or changes in financial position of the City, except as disclosed in writing to the Authority.

(j) Other Contracts Related to the Tax. The City represents that there is not presently in force and effect any other contract or agreement that obligates the City to levy the Tax to provide revenues to fulfill the City's obligations under such contract or agreement, except for the Prior Contract. The City has obtained documentation evidencing that the conditions of the Prior Contract have been satisfied, in order to permit the Authority and the City to enter into this Contract, which documentation is attached to this Contract as Exhibit C.

(k) City's Tax Representations. The representations and warranties of the City set forth in the Tax Regulatory Agreement and No-Arbitrage Certificate, to be dated the date of issuance of the Series 2024 Bonds, between the Authority and the City, are hereby incorporated herein and made a part hereof by this reference thereto, as if fully set forth herein, and are true and correct as of the date hereof.

(m) Sovereign Immunity. The City may not assert the defense of sovereign immunity to any action at law (as opposed to equity) for the breach of this Contract or to any action at law (as opposed to equity) to enforce a judgment taken for the breach of this Contract.

Section 2.2. Representations and Warranties by the Authority. The Authority makes the following representations and warranties as the basis for the undertakings on its part herein contained:

(a) Legal Authority. The Authority is a public corporation duly created and validly existing under and by virtue of the laws of the State, including the provisions of the Act, for the purpose of developing and promoting for the public good and general welfare trade, commerce,

industry, and employment opportunities, to promote the general welfare of the State by creating a climate favorable to the location of new industry, trade, and commerce and the development of existing industry, trade, and commerce within the City, and to revitalize and redevelop the central business district of the City. The Authority has all requisite power and authority under the Act and the laws of the State (1) to issue its revenue bonds and to use the proceeds thereof for the purpose of paying all or any part of the cost of any “project,” which includes the acquisition, construction, installation, modification, renovation, or rehabilitation of land, interests in land, buildings, structures, facilities, or other improvements located or to be located within the downtown development area designated by the Governing Body of the City, and the acquisition, installation, modification, renovation, rehabilitation, or furnishing of fixtures, machinery, equipment, furniture, or other property of any nature whatsoever used on, in, or in connection with any such land, interest in land, building, structure, facility, or other improvement, all for the essential public purpose of the development of trade, commerce, industry, and employment opportunities in its authorized area of operation, which project may be for any industrial, commercial, business, office, parking, public, or other use, provided that a majority of the members of the Authority determines, by a duly adopted resolution, that the project and such use thereof would further the public purpose of the Act, to otherwise carry out the purposes of the Act, refunding any such bonds of the Authority theretofore issued, whether or not the Series 2024 Bonds to be refunded have matured, and paying all other costs of the Authority incident to or necessary and appropriate to such purposes; (2) to acquire by purchase or otherwise and to hold, lease, and dispose of real and personal property of every kind and character, or any interest therein; (3) to finance (by loan, grant, lease, or otherwise), refinance, construct, erect, assemble, purchase, acquire, own, repair, remodel, renovate, rehabilitate, modify, maintain, extend, improve, install, sell, equip, expand, add to, operate, or manage projects; (4) to make and execute contracts, agreements, and other instruments necessary or convenient to exercise the powers of the Authority or to further the public purpose for which the Authority is created, including, but not limited to, the Hotel Documents and other contracts with respect to the use of projects; (5) to contract for any period, not exceeding 50 years, with any municipal corporation of the State for the use by any such municipal corporation of any facilities or services of the Authority, provided that such contracts shall deal with such activities and transactions as the Authority and any such municipal corporation are authorized by law to undertake; (6) to receive and use the proceeds of any tax levied by a municipal corporation to pay the costs of any project or for any other purpose for which the Authority may use its own funds pursuant to the Act; and (7) as security for repayment of its revenue bonds, to pledge, convey, assign, hypothecate, or otherwise encumber any property of the Authority and to execute any agreement for the sale of its revenue bonds, security agreement, assignment, or other agreement or instrument as may be necessary or desirable, in the judgment of the Authority, to secure any such revenue bonds. The Authority has found that the acquisition, construction, equipping, and furnishing of the Hotel constitutes a “project” within the meaning of that term as defined in the Act, has found that such acquisition, construction, equipping, and furnishing of the Hotel will develop and promote for the public good and general welfare trade, commerce, industry, and employment opportunities, will promote the general welfare of the State by creating a climate favorable to the location of new industry, trade, and commerce and the development of existing industry, trade, and commerce within the City, and will revitalize and redevelop the central business district of the City, and has found that such acquisition,

construction, equipping, and furnishing of the Hotel and the use thereof will further the public purpose of the Act.

(b) Pending Litigation. There are no actions, suits, proceedings, inquiries, or investigations pending or, to the knowledge of the Authority, after making due inquiry with respect thereto, threatened against or affecting the Authority in any court or by or before any governmental authority or arbitration board or tribunal, which involve the possibility of materially and adversely affecting the ability of the Authority to perform its obligations under this Contract, or the transactions contemplated by this Contract or which, in any way, would adversely affect the validity or enforceability of this Contract or any agreement or instrument to which the Authority is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby or thereby (including, without limitation, the Hotel Documents), nor is the Authority aware of any facts or circumstances presently existing that would form the basis for any such actions, suits, or proceedings. The Authority is not in default with respect to any judgment, order, writ, injunction, decree, demand, rule, or regulation of any court, governmental authority, or arbitration board or tribunal.

(c) Contract Is Legal and Authorized. The execution and delivery by the Authority of this Contract, the consummation of the transactions herein contemplated, and the fulfillment of or the compliance with all of the provisions hereof (i) are within the power, legal right, and authority of the Authority; (ii) are legal and will not conflict with or constitute on the part of the Authority a violation of or a breach of or a default under, any organic document, indenture, mortgage, security deed, pledge, note, lease, loan, or installment sale agreement, contract, or other agreement or instrument to which the Authority is a party or by which the Authority or its properties are otherwise subject or bound, or any license, law, statute, rule, regulation, judgment, order, writ, injunction, decree, or demand of any court or governmental agency or body having jurisdiction over the Authority or any of its activities or properties; and (iii) have been duly authorized by all necessary and appropriate official action on the part of the Board of Directors of the Authority. This Contract is the valid, legal, binding, and enforceable obligation of the Authority. The officials of the Authority executing this Contract are duly and properly in office and are fully authorized and empowered to execute the same for and on behalf of the Authority.

(d) Governmental Consents. Neither the Authority nor any of its activities or properties, nor any relationship between the Authority and any other Person, nor any circumstances in connection with the execution, delivery, and performance by the Authority of its obligations under this Contract or the Hotel Documents or the offer, issue, sale, or delivery by the Authority of the Bonds, is such as to require the consent, approval, permission, order, license, or authorization of, or the filing, registration, or qualification with, any governmental authority on the part of the Authority in connection with the execution, delivery, and performance of this Contract or the Hotel Documents or the consummation of any transaction herein or therein contemplated, or the offer, issue, sale, or delivery of the Bonds, except as shall have been obtained or made and as are in full force and effect and except as are not presently obtainable. To the knowledge of the Authority, after making due inquiry with respect thereto, the Authority will be able to obtain all such additional consents, approvals, permissions, orders, licenses, or authorizations of governmental authorities as may be required on or prior to the date the Authority is legally required to obtain the same.

(e) No Defaults. To the knowledge of the Authority, after making due inquiry with respect thereto, the Authority is not in default or violation in any material respect under any organic document or other agreement or instrument to which it is a party or by which it may be bound, which default might materially and adversely affect the performance by the Authority of its obligations under this Contract or the Hotel Documents.

(f) Compliance with Law. To the knowledge of the Authority, after making due inquiry with respect thereto, the Authority is not in violation of any laws, ordinances, or governmental rules or regulations to which it or its properties are subject and has not failed to obtain any licenses, permits, franchises, or other governmental authorizations (which are presently obtainable) necessary to the performance by the Authority of its obligations under this Contract or the Hotel Documents, which violation or failure to obtain might materially and adversely affect the performance by the Authority of its obligations under this Contract or the Hotel Documents, and there have been no citations, notices, or orders of noncompliance issued to the Authority under any such law, ordinance, rule, or regulation.

(g) Restrictions on the Authority. The Authority is not a party to or bound by any contract, instrument, or agreement, or subject to any other restriction, that materially and adversely affects the performance by the Authority of its obligations under this Contract or the Hotel Documents.

(h) No Prior Pledge. Neither this Contract nor any of the payments or amounts to be received by the Authority hereunder have been or will be assigned, pledged, or hypothecated in any manner or for any purpose or have been or will be the subject of a grant of a security interest by the Authority other than as provided in the Bond Resolution.

(i) Disclosure. The representations of the Authority contained in this Contract and any certificate, document, written statement, or other instrument furnished by or on behalf of the Authority to the City in connection with the transactions contemplated hereby, do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein or therein not misleading. There is no fact that the Authority has not disclosed to the City in writing that materially and adversely affects or in the future may (so far as the Authority can now reasonably foresee) materially and adversely affect the ability of the Authority to perform its obligations under this Contract or the Hotel Documents or any of the documents or transactions contemplated hereby or thereby or any other transactions contemplated by this Contract, which has not been set forth in writing to the City or in the certificates, documents, and instruments furnished to the City by or on behalf of the Authority prior to the date of execution of this Contract in connection with the transactions contemplated hereby.

(j) Compliance with Conditions Precedent to the Issuance of the Series 2024 Bonds. All acts, conditions, and things required to exist, happen, and be performed precedent to and in the execution and delivery by the Authority of the Series 2024 Bonds do exist, have happened, and have been performed in due time, form, and manner as required by law; the issuance of the Series 2024 Bonds, together with all other obligations of the Authority, do not exceed or violate any constitutional or statutory limitation; and the revenues, funds, property, and amounts

pledged to the payment of the principal of, premium, if any, and interest on the Series 2024 Bonds, as the same become due, have been calculated to be sufficient in amount for that purpose

Section 2.3. Reliance by Bondholders. The City and the Authority acknowledge and agree that these representations and warranties are made to induce the Bondholders to purchase the Bonds and that such representations and warranties and any other representations and warranties made by the City or the Authority in this Contract are made for the benefit of the Bondholders and may be relied upon by the Bondholders.

ARTICLE III

TERM OF CONTRACT; CONTRACT AS SECURITY FOR BONDS

Section 3.1. Term. The term of this Contract shall commence with the execution and delivery hereof and shall extend until 91 days after the principal of, premium, if any, and interest on the Bonds and all other amounts payable under the Bond Resolution have been paid in full or until provision has been duly made therefor, but in no event shall the term hereof exceed fifty (50) years from the date hereof. The obligations of the City set forth in Section 5.1(c) and (d) hereof shall survive the termination of this Contract, but in no event shall extend beyond fifty (50) years from the date hereof.

Section 3.2. This Contract as Security for the Bonds. The parties hereto agree and intend that:

(a) This Contract shall constitute security for the benefit of the Bondholders, and the obligations of the City hereunder shall be absolute and unconditional irrespective of any defense or any rights of setoff, recoupment, or counterclaim, except for payment, it may otherwise have against the Authority. The City agrees that it shall not (i) withhold, suspend, abate, reduce, abrogate, diminish, postpone, modify, or discontinue any payments provided for in Section 5.1 hereof; (ii) fail to observe any of its other agreements contained in this Contract; or (iii) terminate its obligations under this Contract for any contingency, act of God, event, or cause whatsoever, including, without limiting the generality of the foregoing, failure of the Authority to acquire, construct, or install all or any part of the Hotel; any change or delay in the time of availability of all or any part of the Hotel; any acts or circumstances that may impair or preclude the use or possession of all or any part of the Hotel; any defect in the title, merchantability, fitness, or condition of all or any part of the Hotel or in the suitability of all or any part of the Hotel for the Authority's purposes or needs; failure of consideration; any declaration or finding that any of the Bonds are unenforceable or invalid; the invalidity of any provision of this Contract; any acts or circumstances that may constitute an eviction or constructive eviction; the taking by eminent domain of title to or the use of all or any part of the Hotel; commercial frustration of purpose; any change in the tax or other laws of the United States of America or of the State or any political subdivision of either thereof or in the rules or regulations of any governmental authority; or any failure of the Authority to perform and observe any agreement, whether express or implied, or any duty, liability, or obligation arising out of or connected with this Contract. Nothing contained in this Section 3.2(a) shall be construed to release the Authority from the performance of any of the agreements on its part herein contained. In the event the Authority should fail to perform any such agreement on its

part, the City may institute such action against the Authority as the City may deem necessary to compel performance so long as such action does not abrogate or limit in any way the City's obligations hereunder. The Authority hereby agrees that it shall not take or omit to take any action that would cause this Contract to be terminated.

(b) The payments to be made under Section 5.1(a) and (b) of this Contract by the City to the Authority will be assigned and pledged by the Authority to the Bondholders pursuant to the Bond Resolution.

(c) Following the issuance of the Series 2024 Bonds, the payments to be made to the Authority by the City under the provisions of Section 5.1(a) and (b) of this Contract shall be made directly to the Sinking Fund Custodian for the account of the Authority.

(d) This Contract may not be amended, changed, modified, altered, or terminated except as provided in the Bond Resolution.

(e) As security for the payment of the Bonds, the Authority has adopted the Bond Resolution. The City hereby assents to the assignment and pledge made in the Bond Resolution and hereby agrees that its obligations to make all payments under this Contract shall be absolute and shall not be subject to any defense, except payment, or to any right of setoff, counterclaim, or recoupment arising out of any breach by the Authority of any obligation to the City, whether hereunder or otherwise, or arising out of any indebtedness or liability at any time owing to the City by the Authority. The Bondholders shall have all rights and remedies herein accorded to the Authority (except for Unassigned Rights), and any reference herein to the Authority shall be deemed, with the necessary changes in detail, to include the Bondholders, and the Bondholders are deemed to be and are third party beneficiaries of the representations, covenants, and agreements of the City herein contained.

ARTICLE IV

AUTHORITY'S OBLIGATIONS HEREUNDER

Section 4.1. Issuance of Series 2024 Bonds; Application of Bond Proceeds. The Authority agrees that simultaneously with the execution and delivery hereof it will issue the Series 2024 Bonds containing the terms, including principal amounts, interest rates, and maturities, set forth in the Bond Resolution, for the purposes of obtaining funds to (i) finance the cost of acquiring, constructing, and installing the Hotel; (ii) fund start-up expenses for the Hotel; (iii) fund interest on the Series 2024 Bonds for a period of 24 months; and (iv) pay the costs of issuance of the Series 2024 Bonds. The Authority hereby covenants and agrees that it will apply the proceeds derived from the sale of the Series 2024 Bonds as specified in Section 12.2 of the Bond Resolution.

Section 4.2. The Hotel. (a) The Authority agrees that simultaneously with or promptly following the execution of this Contract it shall enter into or have entered into the Hotel Documents with the other parties thereto in substantially the forms presented to and approved by the City in order to provide for the design, development, construction, operation, and management of the Hotel. The Authority shall faithfully and punctually perform and observe all obligations and undertakings on its part to be performed and observed under the Hotel Documents. The Authority

covenants to maintain, at all times, the validity and effectiveness of the Hotel Documents and shall take no action, shall permit no action to be taken by others, and shall not omit to take any action or permit others to omit to take any action, which action or omission might release any the other party from its liabilities or obligations under the Hotel Documents or result in the surrender, termination, amendment, or modification of, or impair the validity of, the Hotel Documents, except as provided in Section 4.2(d) hereof. The Authority covenants to diligently enforce all covenants, undertakings, and obligations of the other parties to each of the Hotel Documents, and the Authority hereby authorizes the City to enforce any and all of the Authority's rights under the Hotel Documents on behalf of the Authority. The Authority agrees that, if an event of default occurs and is continuing under any Hotel Document, it shall, as directed in writing by the City, pursue or forbear from pursuing such other remedies available thereunder as are directed in writing from time to time by the City.

(b) So long as this Contract remains in full force and effect, the Authority shall operate, or cause to be operated, the Hotel on as economical a basis as is reasonably practicable, and any sums received over and above maintenance and operation costs, debt service requirements, required reserves for contingencies and capital improvements, whether by payments from the City or from other sources, shall be deposited or disposed of as provided in the Cash Management Agreement or as otherwise directed by the City (including, if directed by the City, transferred to the City). The Authority agrees that unless it receives written approval of the City it will not (1) directly, indirectly, or beneficially sell, convey, lease, or otherwise dispose of any part of its interest in the Hotel, (2) permit any part of the Hotel or the Premises to become subject to any mortgage, lien, claim of title, encumbrance, security interest, conditional sale contract, title retention arrangement, finance lease, or other charge of any kind, except for Permitted Encumbrances or except as otherwise permitted under this Contract, or (3) assign, transfer, or hypothecate any revenues or income derived from the Hotel or its operations then due or available or to accrue in the future. The City shall be the final arbiter and judge as to such excess earnings over and above debt service requirements, maintenance and operation costs, and reserves for contingencies and capital improvements.

(c) The Authority agrees that during the term of this Contract if NorthPointe Hospitality Management & Development LLC, the initial Manager, ceases to serve as manager, the Authority will employ promptly and at all times thereafter employ an experienced manager of hotels. Prior to entering into a contract with any successor Manager, the Authority must first receive written approval of the City and a favorable opinion of Bond Counsel regarding the proposed management contract.

(d) The Authority may not amend, change, modify, alter, waive, or terminate any of the Hotel Documents without in each instance the prior written approval of the City.

Section 4.3. Additional Bonds. (a) Additional Bonds may be issued by the Authority to provide funds to pay any one or more of the following: (i) the costs of acquiring, constructing, installing, and renovating any Project as the City may deem necessary or desirable and as will not impair the nature of the Hotel; (ii) to refund any Bonds; and (iii) the costs of the issuance and sale of the Bonds and capitalized or funded interest for such period and such other costs reasonably related to the financing as shall be agreed upon by the City and the Authority.

(b) If the City is not in default hereunder, the Authority shall, on the written request of the City, from time to time exercise reasonable efforts to issue the amount of Additional Bonds specified by the City; provided that the terms of such Additional Bonds, the purchase price to be paid therefor, and the manner in which the proceeds therefrom are to be disbursed shall have been approved in writing by the City; and provided further that the sale of any Additional Bonds shall be the sole responsibility of the City; and provided further that the City and the Authority shall have entered into an amendment to this Contract to provide for additional payments in an amount at least sufficient to pay principal of and interest on the Additional Bonds when due and to provide for any additional terms or changes to this Contract required because of such Additional Bonds; and provided further that the Authority shall have otherwise complied with the provisions of Section 2.9 of the Bond Resolution with respect to the issuance of such Additional Bonds.

Section 4.4. Redemption of Bonds. The Authority, at the written request of the City at any time and if the Bonds are then callable or available for purchase, and if there are funds available therefor, shall forthwith take all steps that may be necessary under the applicable redemption or purchase provisions of the Bond Resolution to effect redemption or purchase of all or part of the then unpaid Bonds, as may be specified by the City, on the earliest date on which such redemption or purchase may be made under such applicable provisions.

Section 4.5. Prepayment. There is expressly reserved to the City the right, and the City is authorized and permitted, at any time it may choose, to prepay all or any part of amounts payable under Section 5.1 hereof, and the Authority agrees that the Sinking Fund Custodian may accept such prepayments when the same are tendered by the City. All amounts so prepaid shall at the written direction of the City be credited toward the payments specified in Section 5.1 hereof, in the order of their due dates, or be applied to the retirement of Bonds prior to maturity (either by redemption or purchase) in accordance with the Bond Resolution. The City shall also have the right to surrender Bonds acquired by it in any manner whatsoever to the Authority for cancellation, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired and shall be allocated as credits to amounts payable under Section 5.1 hereof as provided in the Bond Resolution.

ARTICLE V

CITY'S OBLIGATIONS HEREUNDER

Section 5.1. City's Payment Obligations. In order to provide financial assistance to the Authority for the purpose of developing trade, commerce, industry, and employment opportunities, the City agrees that:

(a) It shall pay to the Authority, by making such payments directly to the Sinking Fund Custodian for the account of the Authority for deposit in the Sinking Fund on or before the third (3rd) business day preceding any Interest Payment Date and any redemption date with respect to the Bonds, an amount sufficient, when added to funds held at the time of such payment in the Sinking Fund (and not being held for the payment of Bonds not yet presented for payment or interest checks not cashed), to cause the balance held therein to equal the total principal, interest, and premium coming due on the Bonds on such Interest Payment Date or redemption date (whether by mandatory redemption, maturity, or otherwise).

(b) It shall also pay to the Authority an amount equal to (i) any costs incurred by the Authority in connection with the issuance of any series of Bonds to the extent such costs are not paid from proceeds of such Bonds and (ii) the fees and expenses of the Sinking Fund Custodian, the Construction Fund Custodian, and any paying agents and bond registrars for the Bonds.

Section 5.2. Source of Funds for City's Payment Obligations; Limitations on Additional Contracts. (a) The obligation of the City to make payments under this Contract shall constitute a general obligation of the City, payable out of any funds lawfully available to it for such purpose, from whatever source derived (including general funds). The City covenants and agrees that it shall, to the extent necessary, levy an annual ad valorem tax on all Taxable Property, at such rate or rates within the three (3) mill limit authorized pursuant to Section 48-5-350 of the Official Code of Georgia Annotated or within such greater millage as may hereafter be prescribed by applicable law, as may be necessary to produce in each year revenues that will be sufficient to fulfill the City's obligations under this Contract, from which revenues the City agrees to appropriate sums sufficient to pay in full when due all of the City's obligations under this Contract. The City hereby creates and grants a lien in favor of the Authority on any and all revenues realized by the City from such tax, to make the payments that are required under Section 5.1(a) and (b) of this Contract, which lien is superior to any that can hereafter be created, except that this lien shall be on a parity basis with the lien on such revenues created by the Prior Contract and may be extended to cover any Additional Contracts, as permitted by Section 5.2(d) hereof. Nothing herein contained, however, shall be construed as limiting the right of the City to make the payments called for by this Contract out of any funds lawfully available to it for such purpose, from whatever source derived (including general funds).

(b) The City's obligation to levy an annual ad valorem tax within the three (3) mill limit authorized by Section 48-5-350 of the Official Code of Georgia Annotated, or such greater millage hereafter authorized by law, for the purpose of providing funds to meet the City's payment obligations under this Contract shall not be junior and subordinate, but shall be superior or equal to the City's obligation to levy an annual ad valorem tax at such rate or rates within such three (3) mill limit or such greater millage as hereafter prescribed by law pursuant to the provisions of the Prior Contract and any Additional Contract. It is expressly provided, however, that the City shall not be required to levy a tax in any year at a rate or rates exceeding in the aggregate the maximum three (3) mills now authorized by Section 48-5-350 of the Official Code of Georgia Annotated, or any greater millage hereafter prescribed by law, in order to meet its obligations under all Contracts.

(c) So long as any of the Bonds are Outstanding (as defined in the Bond Resolution), the City shall not:

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

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

(3) enter into any Additional Contract that provides for payment to be made by the City from moneys derived from the levy of a tax within the maximum millage now or hereafter authorized by law if each annual payment of all amounts payable with respect to debt service or that are otherwise fixed in amount or currently budgeted in amount under all Contracts then in existence, together with each annual payment to be made under the proposed Additional Contract, in each future calendar year, would exceed the amount then capable of being produced by a levy of a tax within the maximum millage now or hereafter authorized by law on the taxable value of property located within the territorial limits of the City subject to taxation for such purposes, as shown by the latest tax digest available immediately preceding the execution of any such Additional Contract.

(d) It is further expressly provided that so long as any of the Bonds are Outstanding, the City shall not hereafter enter into any Additional Contract for the purpose of debt service payments (including creation and maintenance of reserves therefor), unless the amount then capable of being produced by the levy of an ad valorem tax within the maximum millage then authorized under Section 48-5-350 of the Official Code of Georgia Annotated or any successor provision on all Taxable Property as shown by the latest tax digest available immediately preceding the execution of such Additional Contract, is equal to at least one and ten hundredths (1.10) times the maximum combined amount payable in any future calendar year with respect to debt service under all existing Contracts and any such Additional Contract. Debt service for purposes of this paragraph (d) shall mean required payments of principal, including principal to be paid through mandatory redemption, interest, and amounts required to be paid for creation and maintenance of reasonable debt service reserves and to establish and maintain mandatory investment programs, less principal and interest received or to be received from investment of any of the foregoing amounts (except funds on hand or to be on hand in any debt service reserve) required to be applied to debt service in each calendar year. The City shall furnish the Authority, not less than five (5) nor more than sixty (60) days prior to the date of execution and delivery of any such Additional Contract, a report of an independent certified public accountant to the effect that, based upon an affidavit of the Tax Commissioner of Gwinnett County as to the assessed value of Taxable Property, the requirements of this paragraph (d) have been met.

Section 5.3. Continuing Disclosure. The City hereby covenants and agrees that it shall comply with and carry out all of the provisions of the Series 2024 Disclosure Certificate. Notwithstanding any other provision of this Contract, failure of the City to comply with the Series 2024 Disclosure Certificate shall not be considered an event of default or default under this Contract; however, any beneficial owner of the Series 2024 Bonds may take such actions 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 Section 5.3.

ARTICLE VI

MISCELLANEOUS

Section 6.1. Governing Law. This Contract and the rights and obligations of the parties hereto (including third party beneficiaries) shall be governed, construed, and interpreted according to the laws of the State of Georgia.

Section 6.2. Entire Agreement. This Contract expresses the entire understanding and all agreements between the parties hereto.

Section 6.3. Severability. If any provision of this Contract shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses, or sections contained in this Contract shall not affect the remaining portions of this Contract or any part hereof.

Section 6.4. Survival of Warranties. All agreements, representations, and warranties of the parties hereunder, or made in writing by or on behalf of them in connection with the transactions contemplated hereby, shall survive the execution and delivery hereof, regardless of any investigation or other action taken by any person relying thereon.

Section 6.5. Counterparts. This Contract may be executed in several counterparts, each of which shall be an original, and all of which shall constitute but one and the same instrument.

Section 6.6. Amendments in Writing. No waiver, amendment, release, or modification of this Contract shall be established by conduct, custom, or course of dealing, but solely by an instrument in writing only executed by the parties hereto in accordance with the Bond Resolution.

Section 6.7. Notices. Except as otherwise specifically provided herein, any notices, demands, approvals, consents, requests, and other communications hereunder shall be in writing and shall be deemed given when the writing is delivered in person or five days after being mailed, if mailed, by certified mail, return receipt requested, postage prepaid, to the City and the Authority, respectively, at the addresses shown below or at such other addresses as may be furnished by the City or the Authority in writing from time to time:

If to the City: City of Lawrenceville, Georgia
70 South Clayton Street
Lawrenceville, Georgia 30046
Attention: City Manager and Chief Financial Officer

If to the Authority: Downtown Development Authority of
Lawrenceville, Georgia
70 South Clayton Street
Lawrenceville, Georgia 30046
Attention: Chairman and Executive Director

Section 6.8. Limitation of Rights. Nothing in this Contract, express or implied, shall give to any person, other than the parties hereto and their successors and assigns hereunder and any third party beneficiaries hereof, any benefit or any legal or equitable right, remedy, or claim under this Contract.

Section 6.9. Immunity of Officials, Officers, and Employees of Authority and City.

No recourse shall be had for the enforcement of any obligation, covenant, promise, or agreement of the Authority or the City contained in this Contract or for any claim based hereon or otherwise in respect hereof against any director, commissioner, officer, or employee, as such, in his individual capacity, past, present, or future, of the Authority, the City, or any successor body, whether by virtue of any constitutional provision, statute, or rule of law, or by the enforcement of any assessment or penalty or otherwise, it being expressly agreed and understood that this Contract is solely a corporate obligation of the City and the Authority payable only from the funds and assets of the City and the Authority herein specifically provided to be subject to such obligation and that no personal liability whatsoever shall attach to, or be incurred by, any director, commissioner, officer, or employee, as such, past, present, or future, of the City or the Authority, or of any successor corporation, either directly or through the City, the Authority, or any successor corporation, under or by reason of any of the obligations, covenants, promises, or agreements entered into between the Authority and the City whether contained in this Contract or in the Bond Resolution or to be implied herefrom or therefrom as being supplemental hereto or thereto, and that all personal liability of that character against every such director, commissioner, officer, and employee is, by the execution of this Contract and as a condition of and as part of the consideration for the execution of this Contract, expressly waived and released. The immunity of directors, commissioners, officers, and employees of the Authority and the City under the provisions contained in this Section 6.9 shall survive the termination of this Contract.

[Signatures and Seals to Follow]

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

CITY OF LAWRENCEVILLE, GEORGIA

(SEAL)

By: _____
Mayor

Attest:

City Clerk

Approved as to form:

City Attorney

**DOWNTOWN DEVELOPMENT
AUTHORITY OF LAWRENCEVILLE,
GEORGIA**

(SEAL)

By: _____
Chairman

Attest:

Secretary

EXHIBIT A

DESCRIPTION OF PREMISES

[Attached]

EXHIBIT B

**DOCUMENTATION SATISFYING CONDITIONS OF
PRIOR CONTRACT**

[Attached]

EXHIBIT C

CONSTRUCTION CONTRACTS

1. Agreement Between Owner and Architect, dated September 19, 2018, between Rio Lawrenceville, LLC and Ponder & Ponder, Architects (the “Architect”), as revised March 18, 2019 and April 18, 2019 and as modified October 26, 2022, July 7, 2023, and July 18, 2023, and assigned to the Authority on _____, 2024.
2. Contract, dated _____, 2024, between _____ and Bowman Consulting Group, Ltd.
3. Standard Form of Agreement Between Owner and Construction Manager as Constructor where the basis of the payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price (AIA Document A133™-2019), dated _____, 2024, between the Authority and Pinkerton & Laws Construction of Atlanta, Inc. (the “Construction Contract”).
4. Pre-Opening and Technical Services Agreement, dated as of _____, 2024, between the Authority and NorthPointe Management & Development LLC, as Consultant.
5. [ADDITIONAL CONTRACTS]