SANDY SPRINGS

CITY CLERK'S OFFICE

PUBLIC FACILITES AUTHORITY

Rusty Paul, Chair

John Paulson
Steve Soteres
Chris Burnett
Jody Reichel
Tibby DeJulio
Andy Bauman

Tuesday, October 20, 2020	**Public Facilities Authority**	**6:00 pm**

The October 20, 2020 Public Facilities Authority and City Council Meetings will be held at City Hall and via Live-stream.

Live-stream:	**Sandy Springs Facebook:** https://www.facebook.com/SandySpringsGA/ **Zoom Webinar:** http://spr.gs/mcc10202020
Teleconference:	**Dial Options** (for higher quality, dial a number based on your current location)**:** • 1 312 626 6799 • 1 646 558 8656 • 1 301 715 8592 • 1 253 215 8782 **Webinar ID:** 819 4441 6056
Public Comment	**Public Comment Cards may be submitted online:** http://www.sandyspringsga.gov/government/public-meetings-calendar

PUBLIC FACILITES AUTHORITY

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1. CALL TO ORDER - Chairperson Rusty Paul

2. ROLL CALL - Secretary Lia Jones

3. **APPROVAL OF MEETING AGENDA**

4. Approval of the October 6, 2020 Public Facilities Authority Meeting Minutes

NEW BUSINESS

5. Consideration of a Supplemental Bond Resolution Authorizing the Issuance of Revenue Bonds Series 2020B; the Execution of a Lease Agreement; the Issuance and Deliver of the Bonds; and Other Purposes

6. **ADJOURNMENT**

SUPPLEMENTAL BOND RESOLUTION OF
CITY OF SANDY SPRINGS PUBLIC FACILITIES AUTHORITY

WHEREAS, the City of Sandy Springs Public Facilities Authority (the "Authority") was duly created and is validly existing pursuant to the an act of the General Assembly of the State of Georgia (Ga. Laws 2006, page 3908, *et seq*., as amended) (the "Act"); and

WHEREAS, on September 15, 2020, the Authority adopted a Bond Resolution (the "Original Resolution"), authorizing, among other things, the issuance of City of Sandy Springs Public Facilities Authority Revenue Bonds (Public Facilities Project), Series 2020B (the "Series 2020B Bonds"), in the aggregate principal amount of not to exceed $60,000,000; and

WHEREAS, the Original Resolution provides that the Series 2020B Bonds shall bear interest at rates not to exceed 5.00% per annum; and

WHEREAS, the Original Resolution provides that the principal amount of the Series 2020B Bonds maturing in each year (through the operation of a sinking fund or otherwise), the interest rate on each such maturity, and the optional and mandatory redemption provisions applicable thereto will be determined by the Authority in one or more supplemental resolutions; and

WHEREAS, it is proposed that the Authority should determine the principal amount of the Series 2020B Bonds maturing in each year, the interest rate on each such maturity, and the optional and mandatory redemption provisions applicable thereto as provided in this supplemental resolution (the "Supplemental Resolution" and, together with the Original Resolution, the "Bond Resolution"); and

WHEREAS, it is proposed that the Authority should ratify the use and distribution of the Preliminary Official Statement, dated October 9, 2020 (the "Preliminary Official Statement") and authorize the execution, use and distribution of the Official Statement, dated the date hereof (the "Official Statement"); and

NOW, THEREFORE, BE IT RESOLVED by the Authority, and it is hereby resolved by authority of the same as follows:

Section 1. Particulars of the Series 2020B Bonds; Redemption. The principal amount of the Series 2020B Bonds maturing on May 1 of each year together with the interest rate on each such maturity are set forth on Exhibit A hereto.

Optional Redemption. The Series 2020B Bonds maturing on May 1, 2031 and thereafter are redeemable prior to maturity at the option of the City, in whole or in part at any time on or after May 1, 2030, in any order of maturity, from any moneys available therefor, at par plus accrued interest to the redemption date, all in the manner provided in the Bond Resolution.

Method of Redemption. In the event of a partial redemption of the Series 2020B Bonds, the particular maturity or maturities to be redeemed shall be selected by the Authority as directed by the City. If less than all of the Series 2020B Bonds of a maturity are to be called for redemption, the particular certificates of such maturity or portions thereof in the case of bonds in principal amounts greater than $5,000 to be redeemed shall be selected by lot in such manner as may be designated by DTC, when in book-entry form and by the Paying Agent, when not in book-entry form.

Notice of Redemption. Notice of the call for any redemption, identifying the Series 2020B Bonds (or the portions thereof) to be redeemed and specifying the terms of such redemption, will be mailed, by first class mail, to the owners of the Series 2020B Bonds to be redeemed (in whole or in part) at their addresses appearing on the bond register maintained by the Bond Registrar not more than 60 days nor less than 30 days prior to the redemption date; provided, however, that failure to give such notice, or any defect therein, will not affect the validity of the proceedings for the redemption of any Bond or portion thereof with respect to which no such failure has occurred. Any notice mailed as provided in the Bond Resolution will be conclusively presumed to have been duly given, whether or not the registered owner receives the notice.

If at the time of mailing of notice of redemption there have not been deposited with the Bond Registrar moneys sufficient to redeem all Series 2020B Bonds called for redemption, which moneys are or will be available for redemption of Series 2020B Bonds, such notice will state that it is conditional upon the deposit of the redemption moneys with the Paying Agent not later than the opening of business on the date established for redemption, and such notice will be of no effect unless such moneys are so deposited.

On or prior to the date fixed for any redemption of Series 2020B Bonds the moneys required for such redemptions are to be deposited by or on behalf of the Authority in accordance with the Lease Agreement. All Series 2020B Bonds called for redemption will cease to bear interest after the specified redemption date, provided that sufficient funds for redemption are on deposit with the Paying Agent.

Section 2. Application of Bond Proceeds. The net proceeds of the sale of the Series 2020B Bonds (i.e. par, plus net original issue premium, less underwriter's discount) shall be used and applied as follows:

(a) $477,426.60 shall be deposited into the Cost of Issuance Fund and used to pay costs of issuance; and

(b) $58,000,000.00 shall be deposited into the Project Fund and used to pay the costs of the Projects.

Notwithstanding the foregoing, if the Chairman of the Authority shall determine that a different application of funds is required to carry out the intent of this resolution, the Chairman may provide for such different application of funds in a closing certificate to be delivered at the time of issuance of the Series 2020B Bonds.

Section 3. Acceptance of Bid. In accordance with an Official Notice of Sale, the Authority and the City received electronic bids for the purchase of the Series 2020B Bonds on

October 20, 2020, and the City Manager and Interim Finance Director of the City, with the assistance of Davenport & Company LLC, as municipal advisor to the City, reviewed the bids and determined that the best bid for the Series 2020B Bonds was submitted by Wells Fargo Bank, National Association. Said bid is hereby accepted on behalf of the City, and the award of the sale of the Series 2020B Bonds to Wells Fargo Bank, National Association is hereby authorized and approved.

Section 4. Authorization of Lease Agreement. The execution, delivery and performance of the Lease Agreement, a copy of which is attached hereto as Exhibit B, are hereby authorized. The Lease Agreement shall be in substantially the form attached hereto, with such changes, insertions or omissions as may be approved by the Chairman or Vice-Chairman of the Authority, and the execution and delivery by the Chairman or Vice-Chairman as hereby authorized shall be conclusive evidence of the approval of any such changes, insertions or omissions.

Section 5. 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 Chairman or Vice Chairman of the Authority, as hereby authorized shall be conclusive evidence of the approval of any such changes.

Section 6. Reaffirmation of Original Resolution. All of the terms and provisions of the Original Resolution, except as specifically modified by this Supplemental Resolution, are hereby ratified and reaffirmed.

Section 7. No Personal Liability. No stipulation, obligation or agreement herein contained or contained in any agreement, indenture or other instrument authorized or approved hereby shall be deemed to be a stipulation, obligation or agreement of any officer, director, agent or employee of the Authority in his individual capacity, and no such officer, director, agent or employee shall be personally liable on the Series 2020B Bonds or be subject to personal liability or accountability by reason of the issuance thereof.

Section 8. General Authority. From and after the date of adoption of this Supplemental Resolution, the proper officers, directors, agents and employees of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents, instruments or certificates as may be necessary to carry out and comply with the provisions of this Supplemental Resolution and the Original Resolution and are further authorized to take any and all further actions and to execute any and all other documents, certificates and instruments as may be necessary or desirable in connection with the issuance of the Series 2020B Bonds and the execution and delivery of the First Amendment to Lease Agreement or any other similar documents relating to the Series 2020B Bonds.

Section 9. Actions Approved and Confirmed. All acts and doings of the officers, or employees of the Authority which are in conformity with the purposes and intents of this

Supplemental Resolution and the Original Resolution and in furtherance of the issuance of the Series 2020B Bonds shall be, and the same hereby are, in all respects approved and confirmed.

Section 10. Repealing Clause. All resolutions or parts thereof of the Authority in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

Section 11. Effective Date. This Supplemental Resolution shall be effective immediately upon its adoption.

Adopted this 20th day of October, 2020.

CITY OF SANDY SPRINGS PUBLIC FACILITIES AUTHORITY

By: ______________________________
Chairman

(CORPORATE SEAL)

Attest:

____
Secretary

EXHIBIT A

Series 2020B Bonds - Aggregate Principal Amount, Maturity, Interest Rate, Initially Dated

The Series 2020B Bonds shall be dated as of November 10, 2020, their date of issuance and delivery, and shall be issued in the aggregate principal amount equal to $53,170,000. The principal amount of the Series 2020B Bonds maturing May 1 of each year together with the taxable interest rate on each such maturity shall be as follows:

[See Attached]

BOND PRICING

City of Sandy Springs Public Facilities Authority (Georgia)
Revenue Bonds (Public Facilities Project), Series 2020B
Final Numbers

Bond Component	Maturity Date	Amount	Rate	Yield	Price		Yield to Maturity	Call Date	Call Price
Police Headquarters:									
	05/01/2021	1,460,000	5.000%	0.190%	102.282				
	05/01/2022	1,940,000	2.000%	0.210%	102.634				
	05/01/2023	1,975,000	5.000%	0.230%	111.765				
	05/01/2024	2,075,000	2.000%	0.260%	106.015				
	05/01/2025	2,115,000	5.000%	0.320%	120.777				
	05/01/2026	2,220,000	5.000%	0.520%	124.151				
	05/01/2027	2,335,000	5.000%	0.660%	127.464				
	05/01/2028	2,450,000	5.000%	0.800%	130.415				
	05/01/2029	2,570,000	5.000%	0.960%	132.807				
	05/01/2030	2,700,000	5.000%	1.070%	135.321				
	05/01/2031	2,835,000	3.000%	1.210%	115.978	C	1.358%	05/01/2030	100.000
	05/01/2032	2,920,000	2.000%	1.450%	104.852	C	1.537%	05/01/2030	100.000
	05/01/2033	2,980,000	2.000%	1.550%	103.951	C	1.648%	05/01/2030	100.000
	05/01/2034	3,040,000	2.000%	1.650%	103.058	C	1.744%	05/01/2030	100.000
	05/01/2035	3,100,000	2.000%	1.750%	102.173	C	1.828%	05/01/2030	100.000
	05/01/2036	3,160,000	2.000%	1.850%	101.297	C	1.903%	05/01/2030	100.000
	05/01/2037	3,225,000	2.000%	1.930%	100.603	C	1.957%	05/01/2030	100.000
	05/01/2038	3,290,000	2.000%	1.970%	100.257	C	1.983%	05/01/2030	100.000
	05/01/2039	3,355,000	2.000%	2.010%	99.846				
	05/01/2040	3,425,000	2.000%	2.050%	99.200				
		53,170,000							

BOND PRICING

City of Sandy Springs Public Facilities Authority (Georgia)
Revenue Bonds (Public Facilities Project), Series 2020B
Final Numbers

Dated Date	11/10/2020	
Delivery Date	11/10/2020	
First Coupon	05/01/2021	
Par Amount	53,170,000.00	
Premium	5,509,472.60	
Production	58,679,472.60	110.361995%
Underwriter's Discount	-202,046.00	-0.380000%
Purchase Price	58,477,426.60	109.981995%
Accrued Interest		
Net Proceeds	58,477,426.60	

BOND DEBT SERVICE

City of Sandy Springs Public Facilities Authority (Georgia)
Revenue Bonds (Public Facilities Project), Series 2020B
Final Numbers

Period Ending	Principal	Coupon	Interest	Debt Service
06/30/2021	1,460,000	5.000%	772,587.50	2,232,587.50
06/30/2022	1,940,000	2.000%	1,553,500.00	3,493,500.00
06/30/2023	1,975,000	5.000%	1,514,700.00	3,489,700.00
06/30/2024	2,075,000	2.000%	1,415,950.00	3,490,950.00
06/30/2025	2,115,000	5.000%	1,374,450.00	3,489,450.00
06/30/2026	2,220,000	5.000%	1,268,700.00	3,488,700.00
06/30/2027	2,335,000	5.000%	1,157,700.00	3,492,700.00
06/30/2028	2,450,000	5.000%	1,040,950.00	3,490,950.00
06/30/2029	2,570,000	5.000%	918,450.00	3,488,450.00
06/30/2030	2,700,000	5.000%	789,950.00	3,489,950.00
06/30/2031	2,835,000	3.000%	654,950.00	3,489,950.00
06/30/2032	2,920,000	2.000%	569,900.00	3,489,900.00
06/30/2033	2,980,000	2.000%	511,500.00	3,491,500.00
06/30/2034	3,040,000	2.000%	451,900.00	3,491,900.00
06/30/2035	3,100,000	2.000%	391,100.00	3,491,100.00
06/30/2036	3,160,000	2.000%	329,100.00	3,489,100.00
06/30/2037	3,225,000	2.000%	265,900.00	3,490,900.00
06/30/2038	3,290,000	2.000%	201,400.00	3,491,400.00
06/30/2039	3,355,000	2.000%	135,600.00	3,490,600.00
06/30/2040	3,425,000	2.000%	68,500.00	3,493,500.00
	53,170,000		15,386,787.50	68,556,787.50

EXHIBIT B

Lease Agreement

LEASE AGREEMENT

by and between

CITY OF SANDY SPRINGS PUBLIC FACILITIES AUTHORITY

and

CITY OF SANDY SPRINGS, GEORGIA

Dated as of November 1, 2020

Relating to the City of Sandy Springs Public Facilities Authority Revenue Bonds (Public Facilities Project), Series 2020B

The rights and interest of City of Sandy Springs Public Facilities Authority (the "Authority") in the revenues and receipts derived from this Lease Agreement have been assigned and pledged under a Bond Resolution, adopted by the Authority on September 15, 2020, as supplemented.

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LEASE AGREEMENT

THIS LEASE AGREEMENT (this "Lease") is entered into as of November 1, 2020, by and between the CITY OF SANDY SPRINGS PUBLIC FACILITIES AUTHORITY (the "Authority"), a public body corporate and politic of the State of Georgia, and CITY OF SANDY SPRINGS, GEORGIA (the "City"), a municipal corporation of the State of Georgia.

W I T N E S S E T H:

WHEREAS, the City of Sandy Springs Public Facilities Authority (the "Authority") was duly created and is validly existing pursuant to an act of the General Assembly of the State of Georgia (Ga. Laws 2006, page 3908, *et seq.*, as amended) (the "Act"); and

WHEREAS, under the Act and the Revenue Bond Law (O.C.G.A. § 36-82-60 *et seq*., as amended), the Authority has, among others, the power (a) to issue revenue bonds and use the proceeds for the purpose of paying all or part of the cost of (1) any project (as authorized by the Act), which includes all buildings and facilities necessary or convenient for the efficient operation of the City, or any department, agency, division or commission thereof and (2) any undertaking permitted by the Revenue Bond Law; and (b) to make and execute contracts and other instruments necessary to exercise the powers of the Authority; and

WHEREAS, Article IX, Section III, Paragraph I(a) of the Constitution of the State of Georgia authorizes, among other things, any county, municipality or other political subdivision of the State of Georgia to contract, for a period not exceeding fifty (50) years, with another county, municipality or political subdivision or with any other public agency, public corporation or public authority for joint services, for the provision of services, or for the provision or separate use of facilities or equipment, provided that such contract deals with activities, services or facilities which the contracting parties are authorized by law to undertake or to provide; and

WHEREAS, after careful study and investigation, the Authority issued its Revenue Bonds (Public Facilities Project), Series 2020B, in the aggregate principal amount of $53,170,000 (the "Series 2020B Bonds") for the purpose of providing funds to (a) acquire, construct and install public facility projects (the "Projects"), as more fully described in Exhibit A attached hereto and made a part hereof and (b) pay the costs incident thereto; and

WHEREAS, the Series 2020B Bonds will be issued pursuant to the Act, the Revenue Bond Law, a resolution of the Authority adopted on September 15, 2020, as supplemented by the Authority's Supplemental Bond Resolution, adopted on October 20, 2020 (collectively, the "Bond Resolution"); and

WHEREAS, the Series 2020B Bonds shall contain such terms and provisions as provided in the Bond Resolution; and

WHEREAS, the Authority and the City propose to enter into this Lease, pursuant to which the Projects will be leased by the Authority, as lessor, to the City, as lessee, and the

City will agree to make lease payments in stated amounts which are sufficient to pay when due the principal of and interest on the Series 2020B Bonds; and

NOW, THEREFORE, in consideration of the premises and undertakings as hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1.

DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1. Definitions.

In addition to the words and terms elsewhere defined in this Lease and the Bond Resolution, the following words and terms as used in this Lease shall have the following meanings unless the context or use indicates another or different meaning or intent and such definitions shall be equally applicable to both the singular and plural forms of the words and terms herein defined:

"Bond Resolution" shall mean the resolution of the Authority, adopted on September 15, 2020, as supplemented by the Supplemental Resolution, authorizing the issuance of the Series 2020B Bonds.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Deed" means any one or more bills of sale, deeds, easements, grants of rights of way or other conveyances from the City or its intermediaries conveying the Projects or any portion thereof to the Authority.

"Lease Term" shall mean the duration of the leasehold estate created in this Lease as specified in Section 5.1 hereof.

"Permitted Encumbrances" shall mean, as of any particular time, (i) liens for taxes and assessments not then delinquent, (ii) this Lease, (iii) utility access and other easements and rights of way, restrictions and exceptions that an authorized representative of the Authority certifies will not interfere with or impair the Projects, and (iv) such minor defects, irregularities, encumbrances and clouds on title as normally exist with respect to property similar in character to the Projects and as do not materially impair the property affected thereby for the purpose for which it was acquired or held by the Authority.

"State" shall mean the State of Georgia.

"Supplemental Resolution" shall mean the Supplemental Bond Resolution of the Authority, adopted on October 20, 2020.

Section 1.2. Rules of Construction.

The definitions referred to in Section 1.1 shall be equally applicable to both the singular and the plural forms of the terms therein defined and shall cover all genders. "Herein," "hereby," "hereunder," "hereof," "hereinbefore," "hereinafter," "this Lease" and other equivalent words refer to this Lease and not solely to the particular portion thereof in which any such word is used. All references herein to particular Articles or Sections are references to Articles or Sections of this Lease unless otherwise specified.

[END OF ARTICLE I]

ARTICLE 2.

REPRESENTATIONS, WARRANTIES AND AGREEMENTS

Section 2.1. Representations, Warranties and Agreements of the Authority.

The Authority makes the following representations, warranties and agreements as the basis for the undertakings on its part herein contained:

(a) The Authority is a public body corporate and politic duly created, organized and existing under the Constitution and laws of the State, including the Act, and, unless otherwise required by law, shall maintain its corporate existence so long as the Series 2020B Bonds are outstanding. Under the provisions of the Act, the Authority is authorized to (i) adopt the Bond Resolution and perform its obligations thereunder, (ii) issue, execute, deliver and perform its obligations under the Series 2020B Bonds, and (iii) execute, deliver and perform its obligations under this Lease. The Bond Resolution has been duly adopted and has not been modified or repealed. The Authority has duly authorized (i) the issuance, execution, delivery and performance of the Series 2020B Bonds and (ii) the execution, delivery and performance of this Lease. The Bond Resolution, the Series 2020B Bonds and this Lease are valid, binding and enforceable obligations of the Authority.

(b) The Authority has determined that the Projects are projects in furtherance of the Authority's purpose and mission under the Act.

(c) No approval or other action by any governmental authority or agency or other person is required in connection with the (i) acquisition, construction or installation of the Projects, (ii) issuance of the Series 2020B Bonds, or (iii) execution, delivery and performance of this Lease by the Authority, except as shall have been obtained as of the date hereof; provided, however, no representation is given with respect to any "blue sky" laws.

(d) The adoption of the Bond Resolution, the issuance of the Series 2020B Bonds and the authorization, execution, delivery and performance by the Authority of this Lease do not violate the Act, the Authority's bylaws, any resolutions or ordinances of the City, Fulton County or the laws or Constitution of the State and do not constitute a breach of or a default under any existing court order, administrative regulation, or other legal decree, or any agreement, indenture, mortgage, lease, note or other instrument to which it is a party or by which it is bound.

(e) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the knowledge of the Authority, threatened against or affecting the Authority (or, to the knowledge of the Authority, any meritorious basis therefor) (i) attempting to limit, enjoin or otherwise restrict or prevent the Authority from issuing the Series 2020B Bonds, pledging the Lease Payments and this Lease to the payment of the Series 2020B Bonds of financing of the Projects, (ii) contesting or questioning the existence of the Authority or the titles of the present officers of the Authority to their offices or (iii) wherein an unfavorable decision, ruling or finding would (A) adversely affect the enforceability of the Series 2020B Bonds, the Bond Resolution or this Lease or (B) materially adversely affect the transactions contemplated by this Lease.

(f) The Authority is not in violation of the Act, its bylaws, any resolutions or ordinances of the City, Fulton County or the laws or Constitution of the State and is not in default under any existing court order, administrative regulation, or other legal decree, or any agreement, indenture, mortgage, lease, note or other instrument to which it is a party or by which it is bound.

(g) The Authority has not made, done, executed or suffered, and warrants that it will not make, do, execute or suffer any act or thing whereby the City's interest in the Projects will or may be, impaired or encumbered in any manner except as permitted herein and the Bond Resolution and except for acts or things done or permitted by the City.

(h) Except as herein and in the Bond Resolution provided, the Authority will not encumber any part of its interest in the Lease Payments or its rights under this Lease. The pledge made of the Lease Payments constitutes a first and prior pledge of and lien on said Lease Payments and said pledge shall at no time be impaired by the Authority and the Lease Payments shall not otherwise be pledged.

(i) The Authority makes no representation as to the financial position or business condition of the City and does not represent or warrant as to any of the statements, materials (financial or otherwise), representations or certifications with respect to the City in connection with the sales of the Series 2020B Bonds, or as to the correctness, completeness or accuracy of such statements.

Section 2.2. <u>Representations, Warranties and Agreements of the City</u>.

The City makes the following representations, warranties and agreements as the basis for the undertaking on its part herein contained:

(a) The City is a municipal corporation duly created and organized under the Constitution and laws of the State. Under the Constitution and laws of the State, the City is authorized to execute, deliver and perform its obligations under this Lease. The City has duly authorized the execution, delivery and performance of this Lease. This Lease is a valid, binding and enforceable obligation of the City.

(b) The City has determined that the Projects are in the public interest.

(b) No approval or other action by any governmental authority or agency or other person is required in connection with the (i) acquisition, construction or installation of the Projects or (ii) execution, delivery and performance of this Lease by the City, except as shall have been obtained as of the date hereof.

(c) The authorization, execution, delivery and performance by the City of this Lease do not violate the laws or Constitution of the State and do not constitute a breach of or a default under any existing resolution or ordinance, court order, administrative regulation, or other legal decree, or any agreement, indenture, mortgage, lease, note or other instrument to which it is a party or by which it is bound.

(d) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the knowledge of the City, threatened against or affecting the City (or, to the knowledge of the City, any meritorious basis therefor) (i) attempting to limit, enjoin or otherwise restrict or prevent the City from (A) collecting ad valorem taxes and using it to make the Lease Payments or (B) acquiring, constructing and installing the Projects, (ii) contesting or questioning the existence of the City or the titles of the present officers of the City to their offices or (iii) wherein an unfavorable decision, ruling or finding would (A) adversely affect the enforceability of this Lease or (B) materially adversely affect (1) the financial condition or results of operations of the City or (2) the transactions contemplated by this Lease.

(e) The City is not in violation of the laws or the Constitution of the State and is not in default under any existing resolution or ordinance, court order, administrative regulation, or other legal decree, or any agreement, indenture, mortgage, lease, note or other instrument to which it is a party or by which it is bound.

[END OF ARTICLE II]

ARTICLE 3.

ISSUANCE OF SERIES 2020B BONDS; APPLICATION OF BONDS PROCEEDS; COMMENCEMENT AND COMPLETION OF PROJECTS

Section 3.1. Agreement to Issue the Series 2020B Bonds.

In order to provide funds, as provided in the Bond Resolution, to acquire, construct and install the Projects and pay the costs incident thereto, the Authority, in accordance with the Act, will issue the Series 2020B Bonds, and all of the covenants, agreements and provisions hereof shall, to the extent provided herein and in the Bond Resolution, be for the benefit and security of the Bondholders. The Authority has delivered a certified copy of the Bond Resolution to the City.

Section 3.2. Date, Denomination, and Maturities.

The Series 2020B Bonds will be issued in one or more series to be issued at one or more times, in fully registered form and will mature and be paid pursuant to the provisions of Article II of the Bond Resolution, as supplemented by the Supplemental Resolutions. Interest on the Series 2020B Bonds will be paid to the person or persons and in the manner stated in the Series 2020B Bonds and in the Bond Resolution, until the obligation of the Authority with respect to the payment of the principal of the Series 2020B Bonds shall be discharged in accordance therewith.

Section 3.3. Obligations Relating to the Series 2020B Bonds.

The City agrees to perform all such obligations as are contemplated by the Bond Resolution to be performed by the City.

Section 3.4. Application of Bond Proceeds.

At and upon the delivery of and payment for the Series 2020B Bonds, the proceeds received therefrom shall be applied in the manner set forth in the Bond Resolution, as supplemented by the Supplemental Resolutions.

Section 3.5. Agreement to Acquire, Construct and Install the Projects.

(a) The Authority hereby appoints the City as its sole and exclusive agent to proceed forthwith with acquiring, constructing and equipping the Projects in accordance with the Project Report as defined in the Bond Resolution. The City shall obtain or cause to be obtained all necessary approvals from any and all governmental agencies requisite to undertaking the acquisition, construction and equipping of the Projects. The Projects shall be acquired, constructed and installed in compliance with all federal, state and local laws, ordinances and regulations applicable thereto. The City will take or cause to be taken such action and institute or cause to be instituted such proceedings as it shall deem appropriate to cause and require all contractors and suppliers of materials to complete their contracts, including the correcting of any defective work. Any amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing shall (i) if the City has corrected at its own expense the matter which gave rise to such default or breach, be paid to the City or (ii) if the City has not corrected at its own expense the matter which gave rise to such default or breach, be paid into the Project Fund.

(b) The City, as the sole and exclusive agent of the Authority, shall acquire, construct and install, or cause to be acquired, constructed and installed, the Projects substantially as described in the Project Report with such change orders as may be approved by the City and the Authority.

(c) The moneys credited to the Project Fund from the sale of the Series 2020B Bonds shall be used and applied only for the purpose of paying the cost of the Projects described in the Project Report and otherwise disbursed as provided in the Bond Resolution.

(d) All payments from the Project Fund shall be made upon the terms and conditions set forth in the Bond Resolution. The City shall prepare the requisitions and certificates required by the Bond Resolution, a form of such requisition being attached as <u>Exhibit D</u> to the Bond Resolution.

(e) All real or tangible personal property acquired with the proceeds of the Series 2020B Bonds shall be titled in the name of the Authority and shall hereby be leased to the City. All such property shall be free of any liens and encumbrances and the same shall constitute part of the Projects.

Section 3.6. <u>Establishment of Completion Date</u>.

The Completion Date shall be evidenced to the Project Fund Depository by a certificate signed by a duly authorized representative of the City stating that, except for amounts retained by the Project Fund Depository at the City's direction to pay any cost of the Projects not then due and payable, (a) the Projects have been completed and all costs of labor, services, materials and supplies have been paid, and (b) all other facilities necessary in connection with the Projects have been acquired, constructed and equipped and all costs and expenses incurred in connection therewith have been paid. Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being. Upon receipt of such certificate, the Project Fund Depository shall retain in the Project Fund a sum equal to the amounts necessary for payment of the costs of the Projects not then due and payable according to such certificate. If any such amounts so retained are not subsequently used, prior to any transfer of such amounts to the Sinking Fund, the Project Fund Depository shall give notice to the Authority and the City of the failure to apply such funds for payment of the costs of the Projects. Any amount not to be retained in the Project Fund for payment of the costs of the Projects, and all amounts so retained but not subsequently used, shall be transferred by the Project Fund Depository into the Sinking Fund and shall be used to pay the next occurring principal amount due on the Series 2020B Bonds.

[END OF ARTICLE III]

ARTICLE 4.

DEMISING CLAUSE; RENTAL PROVISIONS

Section 4.1. Lease of Project.

The Authority hereby leases to the City, and the City leases from the Authority, the Projects, subject only to Permitted Encumbrances, in accordance with the provisions of this Lease, to have and to hold for the Lease Term. The Authority warrants and covenants that it has good and marketable fee simple title to the Projects free from any encumbrances other than Permitted Encumbrances.

Section 4.2. Quite Enjoyment.

The Authority will not take any action to prevent the City from having quiet and peaceable possession and enjoyment of the Projects during the term of this Lease and will, at the request of the Lessee, and at its cost, to the extent that it may lawfully do so, join in any legal action in which the Lessee asserts its right to such possession and enjoyment.

[END OF ARTICLE IV]

ARTICLE 5.

EFFECTIVE DATE OF THIS LEASE; DURATION OF TERM; LEASE PAYMENT PROVISIONS;

Section 5.1. Effective Date of this Lease; Duration of Term.

This Lease shall become effective as of November 1, 2020, and the leasehold interests created by this Lease shall then begin, and, subject to the other provisions of this Lease, shall expire on the later of (a) May 1, 2040, or if at said time and on said date the Series 2020B Bonds have not been paid in full as to principal and interest then on such date as such payment shall have been made or (b) the date the Series 2020B Bonds have been paid in full, but in no event in excess of fifty (50) years from the date hereof. Notwithstanding the foregoing, the provisions of Section 10.9 hereof shall expire fifty (50) years from the date hereof.

Section 5.2. Lease Payments.

On or prior to each May 1 and November 1 of each year (each a "Lease Payment Date"), commencing May 1, 2021, the City shall make the Lease Payments to the Authority as set forth on Schedule 1 attached hereto. Upon the issuance of each additional series of Series 2020B Bonds, this Lease shall be amended to provide an updated schedule of Lease Payments for the coming Fiscal Year, which schedule shall take into account the additional principal and interest requirements of such additional series of Series 2020B Bonds and shall be and become for all purposes thereafter Schedule 1. In addition to the foregoing, each Lease Payment shall include the charges as billed specified in subparagraphs (e) and (f) of Section 5.03 of the Bond Resolution. Notwithstanding anything in the Bond Resolution or herein to the contrary, if such date is on or prior to May 1, the City shall pay an amount sufficient to enable the Authority to pay in full the principal and interest on the Series 2020B Bonds coming due on May 1, and if such date is on or prior to November 1, the City shall pay an amount sufficient to enable the Authority to pay in full the interest on the Series 2020B Bonds coming due on November 1, and such Lease Payments shall continue and recontinue until provision has been made for the payment in full of the Series 2020B Bonds as to principal, interest and premium, if any. In addition to the foregoing, the Lease Payments provided for herein shall be made by payment directly to the Sinking Fund Custodian for deposit into the Sinking Fund (except the amounts billed which are specified in subparagraphs (e) and (f) of Section 5.03 of the Bond Resolution).

Section 5.3. Optional Redemption and Optional Prepayment of Lease Payments.

(a) The Series 2020B Bonds shall be subject to optional redemption, in whole or in part, as provided in the Bond Resolution, as supplemented, and the Lease Payments due under Section 5.2 shall be subject to prepayment, both at the option of the City.

(b) No prepayment of any Lease Payment in accordance with the provisions of the preceding sentence shall relieve the City to any extent from its obligations thereafter to make Lease Payments required by the provisions hereof until the Series 2020B Bonds and interest thereon has been paid in full. Upon the prepayment of the Lease Payments in whole, the amount of such prepayment shall be used to retire the Series 2020B Bonds, in the manner provided in, and subject to, the Bond Resolution.

Section 5.4. Budget and Tax Levy to Pay Lease Payments.

(a) The obligations of the City to make the Lease Payments when due under Section 5.2 hereof, and to perform its other obligations hereunder, are absolute and unconditional general obligations of the City as herein provided, and the City hereby pledges its full faith and credit and taxing power, subject to the mileage limitation provided below, to such payment and performance. In the event the amount of funds lawfully available to the City is not sufficient to pay the Lease Payments when due in any year, the City shall levy an ad valorem tax on all taxable property located within the limits of the City subject to taxation for such purposes, as now existent and as same may hereafter be extended, at such rate or rates, not to exceed 4.731 mills per dollar (or such greater amount as may hereafter be recommended by the Mayor and Council of the City and approved by a majority of the eligible voters of the City by referendum), as may be necessary to produce in each calendar year revenues which shall be sufficient to fulfill the City's obligations hereunder, from which revenues there shall be appropriated sums sufficient to pay in full when due the obligations herein contracted to be paid by the City including specifically the obligation to make the Lease Payments as provided herein. The City hereby creates a lien on any and all revenues realized by it pursuant to the provisions of this subparagraph to enable it to make the Lease Payments required pursuant to Section 5.2 hereof and such lien is superior to any that can hereafter be made; provided, however, the City may create a lien on a parity with the lien created herein in connection with the issuance of Additional Bonds.

(b) The City further covenants and agrees that in order to make funds available for such purpose, it will, in its general revenue, appropriation and budgetary measures whereby its tax funds or revenues and the allocation thereof are controlled or provided for, include sums sufficient to satisfy any such Lease Payments that may be required to be made, whether or not any other sums are included in such measure, until all payments so required to be made shall have been made in full. The obligation of the City to make the Lease Payments shall constitute a general obligation of the City and a pledge of the full faith and credit of the City, subject to the mileage limitation provided above, to provide the funds required to fulfill such obligation; provided, however, nothing herein contained shall be construed as limiting the right of the City to pay the obligations hereunder assumed out of its general funds or from other sources lawfully available to it for such purpose.

(c) In the event for any reason any such provision or appropriation is not made as provided in the preceding subsection (b), then the fiscal officers of the City are hereby authorized and directed to set up as an appropriation on their accounts in the appropriate fiscal year the amounts required to pay the obligations which may be due from the general funds of the City. The amount of such appropriation shall be due and payable and shall be expended for the purpose of paying any such obligations, and such appropriation shall have the same legal status as if the City had included the amount of the appropriation in its general revenue, appropriation and budgetary measures, and the fiscal officers of the City shall make such Lease Payments to the Sinking Fund Custodian for deposit to the Sinking Fund if for any reason the payment of such obligations shall not otherwise have been made.

Section 5.5. Obligations of City Hereunder Absolute and Unconditional.

The obligations of the City to make the payments required in Section 5.2 hereof and to perform and observe any and all of the other covenants and agreements on its part contained herein shall be absolute and unconditional irrespective of any defense or any rights of set off, recoupment, or counterclaim it may otherwise have against the Authority. Until such time as all amounts owing hereunder have been paid or provision for the payment thereof shall have been made in accordance with the Bond Resolution and hereof, the City (a) will not suspend, abate, reduce, abrogate, diminish, postpone, modify or discontinue the Lease Payments provided for herein, (b) will perform and observe all of its other agreements contained in this Lease, and (c) will not terminate the Term of this Lease or its obligations hereunder for any contingency, act of God, event, or cause whatsoever, including, without limiting the generality of the foregoing, failure of title in and to the Projects or any part thereof, any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Projects, the taking by eminent domain of title to or the use of all or any part of the Projects, 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, any declaration or finding that the Series 2020B Bonds are unenforceable or invalid, the invalidity of any provision of this Lease, 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 Lease, or the Bond Resolution. Nothing contained in this Section shall be construed to release the Authority from the performance of any of the agreements on its part contained herein or in the Bond Resolution; and if the Authority should fail to perform any such agreement, the City may institute such action against the Authority as the City may deem necessary to compel performance or recover its damages for nonperformance as long as such action shall not do violence to or adversely affect the agreements on the part of the City contained in this Lease and to make the Lease Payments specified herein. The City may, however, at its own cost and expense and in its own name, prosecute or defend any action or proceeding or take any other action involving third persons which the City deems reasonably necessary in order to secure or protect its rights hereunder, and in such event the Authority hereby agrees to cooperate to the extent required.

Section 5.6. Enforcement of Obligations.

The obligation of the City to make Lease Payments under this Article may be enforced by (a) the Authority, (b) the Bondholders, in accordance with the applicable provisions of the Bond Resolution and independently of the Authority or (c) such receiver or receivers as may be appointed pursuant to the Bond Resolution or applicable law. The covenants and agreements hereunder, including specifically the obligation to make the Lease Payments, shall be enforceable by specific performance; it being acknowledged and agreed by the Authority and the City that no other remedy at law is adequate to protect the interests of the parties hereto or the Bondholders.

[END OF ARTICLE V]

ARTICLE 6.

OWNERSHIP; MAINTENANCE AND OPERATION COVENANTS OF THE CITY; CITY'S OWN PERSONAL PROPERTY

Section 6.1. Ownership of Projects.

For and in consideration of the Authority issuing its revenue bonds to provide funds sufficient, together with other funds available to the City and the Authority, to finance the costs of the Projects, and in accordance with the foregoing constitutional and statutory power and authority, the City, as grantor, directly or through its intermediaries, contemporaneously with the issuance of the Series 2020B Bonds, shall convey to the Authority, as grantee, in accordance with the provisions of the Deed, said Projects or portions thereof held by the City.

Equipment and other facilities constituting a part of the Projects which may be acquired, constructed and installed with proceeds of the Series 2020B Bonds subsequent to the execution of this Lease, shall be titled in the name of the Authority and shall immediately become subject to the provisions hereof, and the Authority and the City will take such actions as are necessary to amend this Lease to reflect the inclusion of such property under the provisions hereof.

Section 6.2. Maintenance and Operation of the Projects.

The City shall operate and maintain the Projects or cause the Projects to be operated and maintained economically, efficiently and in accordance with good business practices and in compliance with the terms of the laws, regulations and ordinances of any federal, state or county government having jurisdiction over the operation of such facilities. All compensation, salaries, fees and wages paid or caused to be paid by the City shall be reasonable, and no more persons will be employed to operate the Projects than are necessary. The City shall at all times maintain the Projects or cause the Projects to be maintained in good condition and repair and shall promptly repair, replace or restore any damage to the Projects or cause the proceeds from insurance from such damage or destruction to be applied in accordance with the terms hereof.

Section 6.3. Operating Expenses.

The City shall pay or cause to be paid the reasonable and necessary costs of operating, maintaining and repairing the Projects, including salaries, wages, employee benefits, the payment of any contractual obligations incurred pertaining to the operation of the Projects, cost of materials and supplies, rentals (excluding Lease Payments) of leased property, real or personal, insurance premiums, audit fees, any incidental expenses and such other charges as may properly be made for the purpose of operating, maintaining and repairing the Projects in accordance with sound business practice.

Section 6.4. Liens; Easements; Subleases; Sale of Assets.

The City shall not create or suffer to be created, any lien, security interest or charge on the Projects, or any part thereof, and it shall pay, or cause to be discharged, or it shall make adequate provisions to satisfy and discharge, within sixty (60) days after the same shall accrue, all lawful claims and demands for labor, materials, supplies or other objects, which, if unpaid, might by law become a lien upon the Projects, or any part thereof; provided, however, that nothing contained in the Lease shall require the City to pay, or cause to be discharged, or make provision for, any such lien, security interest or charge, so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings.

The City may grant or cause to be granted, whether to itself or otherwise, easements, licenses, rights-of-way (temporary or perpetual and including the dedication of public highways) and other rights or privileges in the nature of easements with respect to any property included in the Projects, or the City may cause to be released existing easements, licenses, rights-of-way and other rights or privileges in the nature of easements, held with respect to any property included in the Projects with or without consideration. In connection with any such grant, the Authority and the City agree that they shall execute and deliver any instrument necessary or appropriate to confirm and grant or release any such easement, license, right-of-way or other right or privilege or assent.

The Authority, at the direction of the City, may sell, sublease or give away all or a portion of the Projects. Prior to such conveyance, the Authority and the City shall obtain an opinion of nationally recognized bond counsel to the effect that such sale or lease will not adversely affect the tax-exempt status of the Series 2020B Bonds as provided in Section 7.05 of the Bond Resolution.

Section 6.5. Removal of Equipment.

Neither the Authority nor the City is under any obligation to renew, repair or replace any inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary equipment or other personalty forming a part of the Projects. In any instance where the City in its discretion determines that any items of such equipment or personalty have become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary, the City may remove such items of such equipment or personalty, in which event title to the same shall thereupon vest in the City, and the City may sell, trade, exchange or otherwise dispose thereof, as a whole or in part, without any responsibility or accountability to the Authority, and upon such determination said equipment or personalty shall no longer be a part of the Projects. Prior to such conveyance, the Authority and the City shall obtain an opinion of nationally recognized bond counsel to the effect that such sale or lease will not adversely affect the tax-exempt status of the Series 2020B Bonds as provided in Section 7.05 of the Bond Resolution.

Section 6.6. Alterations and Improvements to Projects.

The City, from time to time, in its sole discretion and at its own expense, may make any additions, deletions, alterations, modifications or improvements to the Projects, or to any buildings or other facilities constituting any part thereof, which it may deem desirable for its governmental or proprietary purposes. Portions of the real property constituting part of the Projects may be deleted from the Projects description in the event that the final plans and specifications for the Projects do not use all of the real property or portions of the Projects are located on other parcels which are added to the description of the Projects. Portions of the Projects which the City determines are no longer needed as part of the Projects may be conveyed to the City by the Authority upon request of the City and shall no longer be subject to the provisions of the Lease. Any such conveyance shall not affect the obligations of the City to pay the Lease Payments or additional rent due under the provisions of the Lease.

Section 6.7. Installation of City's Own Personal Property.

The City may, from time to time in its sole discretion and at its own expense, install machinery, equipment and other tangible property in the Projects or on the real property comprising the Projects. All such machinery, equipment and other tangible property shall remain the sole property of the City in which the Authority shall have no interest.

Section 6.8. Use of Proceeds and Specific Tax Covenants.

The Series 2020B Bonds are being issued by the Authority in compliance with the conditions necessary for interest income on the Series 2020B Bonds to be excluded from gross income for federal income tax purposes pursuant to the provisions of Section 103(a) of the Code relating to obligations of the State or political subdivisions thereof. It is the intention of the Authority and the City that the interest on the Series 2020B Bonds be and remain excludable from gross income for federal income tax purposes, and, to that end, the Authority and the City hereby covenants with the Bondholders as follows:

(a) That they 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 interest on the Series 2020B Bonds under Section 103 of the Code.

(b) That they will not directly or indirectly use or permit the use of any of the proceeds of the Series 2020B Bonds or take or omit to take any action in a way that would cause the Series 2020B Bonds to be (i) "private activity bonds" within the meaning of Section 141 of the Code or (ii) obligations which are "federally guaranteed" within the meaning of Section 149(b) of the Code.

(c) That they will not directly or indirectly use or permit the use of any proceeds of the Series 2020B Bonds or any other funds of the Authority or the City or take or omit to take any action that would cause the Series 2020B Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code. To that end, the Authority and the City will comply with all requirements of Section 148 of the Code and any regulations promulgated thereunder to the extent applicable to the Authority or the City. In the event that at any time the Authority or the City is of the opinion that for purposes of this Section it is necessary to restrict or limit the yield on the investment of any moneys held under the Bond Resolution, the Authority and the City shall take such action as may be necessary to effect the same.

Section 6.9. Arbitrage Covenants.

Neither the Authority nor the City shall, subsequent to the date of the issuance and delivery of the Series 2020B Bonds, intentionally use any portions of the proceeds of the Series 2020B Bonds to acquire higher yielding investments, or to replace funds which were used directly or indirectly to acquire higher yielding investments, except as may otherwise be permitted by the Code, including, but not limited to, complying with the requirements of Section 148(f) of the Code and the payment of rebate, if any, required to be made by the Authority, and that they will expend the proceeds of the Series 2020B Bonds in compliance with the applicable provisions of Section 141 to 149, inclusive, of the Code.

[END OF ARTICLE VI]

ARTICLE 7.

SPECIAL COVENANTS AND AGREEMENTS

Section 7.1. No Warranty of Condition or Suitability by the Authority.

THE AUTHORITY MAKES NO REPRESENTATION OR WARRANTY WITH RESPECT TO THE CONDITION OR WORKMANSHIP OF ANY PART OF THE PROJECTS OR ITS SUITABILITY.

Section 7.2. Further Assurances and Corrective Instruments, Recordings and Filings.

The Authority and the City agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required to facilitate the performance of this Lease.

Section 7.3. Bonds Made Subject to this Lease.

No Additional Bonds shall be subject to this Lease unless and until the City and the Authority shall execute an amendment or supplement to this Lease specifically incorporating such Additional Bonds.

The City hereby covenants that it will not enter into an amendment or supplement to this Lease with respect to the issuance of Additional Bonds or enter into any other agreement pledging its taxing power, unless the City's pledge of its taxing power, subject to the 4.731 mill per dollar limitation (or such greater amount as may hereafter be recommended by the Mayor and Council of the City and approved by a majority of the eligible voters in the City by referendum), produces an amount that is at least 1.00 times the maximum annual debt service coming due on the Bonds (including the proposed Additional Bonds) and any other debt in any Sinking Fund Year.

Section 7.4. Continuing Disclosure Certificate.

The City hereby covenants for the benefit of the owners of the Series 2020B Bonds and the Underwriter of the Series 2020B Bonds to comply with its obligations under a Continuing Disclosure Certificate, to be entered into in connection with the issuance of the Series 2020B Bonds, to assist the initial purchaser of the Series 2020 Bonds in complying with its obligations under Rule 15c2-12 of the Securities Exchange Act of 1934, as amended. A breach of this covenant shall not be deemed to be an event of default hereunder, and the sole remedy under this Lease shall be an action to compel performance.

[END OF ARTICLE VII]

ARTICLE 8.

OBLIGATION TO PURCHASE

Section 8.1. Option to Purchase Projects.

The City shall have the option to purchase all, or any portion of, the Projects for Ten Dollars ($10.00) at the expiration or sooner termination of the Lease Term following payment in full of the Bonds. The obligation specified in this Section shall be and remain prior and superior to the Bond Resolution and may be exercised whether or not there exists an event of default hereunder provided that the existence of such event of default will not result in nonfulfillment of any condition to this obligation.

Section 8.2. Conveyance on Purchase.

At the closing of the purchase pursuant to Section 8.1, the Authority will upon receipt of the purchase price deliver to the City documents conveying to the City good and marketable fee simple title in and to the property with respect to which such purchase is being consummated, as such property then exists, subject to the following (i) those liens, security interests and encumbrances (if any) to which such title in and to said property was subject when conveyed by the Authority, (ii) those liens, security interests and encumbrances created by the City or to the creation or suffering of which City consented, (iii) those liens, security interests and encumbrances resulting from the failure of the City to perform or observe any of its agreements contained herein, and (iv) Permitted Encumbrances.

[END OF ARTICLE VIII]

ARTICLE 9.

EVENTS OF DEFAULT AND REMEDIES

Section 9.1. Events of Default Defined.

The following shall be "events of default" under this Lease and the term "event of default" shall mean, whenever used in this Lease, any one or more of the following events:

(a) Failure by the City to pay when due any amount required to be paid under Section 5.2 hereof;

(b) The City shall fail to perform any of the other agreements, conditions, covenants or terms herein required to be performed by the City and such default shall continue for a period of 30 days after written notice has been given to the City by the Authority, the Paying Agent or the Bondholders specifying such default and requesting that it be remedied, or within a greater number of days if such remedy has been undertaken and is being diligently pursued and more than 30 days is required for its completion; provided, however, that if, by reason of force majeure, the City is unable, in whole or in part, to perform the obligations on its part herein undertaken (other than the obligations relating to the payments to be made under Section 5.2 hereof), the City shall not be deemed in default during the continuance of such inability to perform. The term force majeure shall mean, without limitation, acts of God; strikes; work stoppages or similar disturbances; acts of public enemies; orders of any kind of the government of the United States of America or of the State or any of their departments, agencies or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes, fire; hurricanes; storms; floods; washouts; droughts; arrests; restrain of government and people; civil disturbances; explosions; breakage or accident to machinery or equipment; partial or entire failure of utilities, or any other cause or event not reasonably within the control of the City. The City will use its best efforts, however, to remedy, with all reasonable dispatch, the cause or causes preventing the City from carrying out such obligation; provided, that the settlement of strikes, work stoppages and similar disturbances shall be entirely within the discretion of the City and the City shall not be required to make settlement of such disturbances by acceding to the demands of the opposing party or parties when such course is, in the judgment of the City, unfavorable to the City; or

(c) An "event of default" shall have occurred under the Bond Resolution.

Notwithstanding the foregoing, a breach of the covenant contained in Section 7.4 hereof shall not be deemed an event of default hereunder, and the sole remedy shall be an action to compel performance.

Section 9.2. <u>Remedies on Default</u>.

Whenever any event of default referred to in Section 9.1 hereof shall have happened and be subsisting, the nondefaulting party, or the Bondholder as provided in the Bond Resolution, may take any one or more of the following remedial steps:

(a) The Authority or the Bondholders may seek the appointment of a receiver for the Projects;

(b) The Authority or the Bondholders may require the City to furnish copies of all books and records of the City pertaining to the Projects;

(c) The Authority or the Bondholders may required any depository under the Bond Resolution to turn over to the Sinking Fund Custodian any moneys held in any of the funds created pursuant to the Bond Resolution;

(d) The Authority or the Bondholders may take whatever action at law or in equity may appear necessary or desirable to collect the Lease Payments then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the City under this Lease; and

(e) The bondholders may exercise any remedies provided for in the Bond Resolution.

Any amounts collected pursuant to action taken under this Section 9.2 shall be applied in accordance with the Bond Resolution to the extent the provisions of the Bond Resolution relate to such amounts.

Section 9.3. <u>No Remedy Exclusive</u>.

No remedy herein conferred upon or reserved to the Authority or the Bondholders is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon the occurrence of any event of default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority or the Bondholders to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice or notices as may be herein expressly required. Such rights and remedies as are given to the Authority hereunder shall also extend to the Bondholders, and the Bondholders shall be deemed third party beneficiaries of all covenants and agreements herein contained.

Section 9.4. <u>No Waiver of Breach</u>.

In the event any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 9.5. City Authorized to Cure Default of Authority.

With regard to any default on the part of the Authority under this Lease or under the Bond Resolution, the Authority hereby vests the City, with full power, for the account of the Authority, to perform any obligation in remedy of such default in the name and stead of the Authority with full power to do any and all things and acts to the same extent that the Authority could do and perform any such acts.

Section 9.6. Failure to Enforce Agreement Not a Waiver.

The failure of the Authority or the Bondholders to enforce any agreement, condition, covenant or term by reason of any default or breach by the City shall not be deemed to void or affect the right to enforce the same agreement, condition, covenant or term on the occasion of any subsequent default or breach.

[END OF ARTICLE IX]

ARTICLE 10.

INSURANCE AND INDEMNITY

Section 10.1. Insurance.

During the acquisition, construction and installation of the Projects and throughout the term of the Lease, the City shall carry comprehensive public liability insurance (provided the same is available at a reasonable premium) covering the Authority and the City, insuring against liability arising out of the interests of the insured parties in the Projects and the acquisition thereof to the same extent as the City is covered by insurance against liability arising out of its interest in comparable facilities, and the City shall keep the insurable portions of the Projects continuously insured in the same manner and with the same relative coverage as comparable facilities of the City are insured and shall pay, as the same shall become due, all premiums with respect to such insurance. The City may in its discretion self-insure against its liability and the components of the Projects.

Section 10.2. Notice of Cancellation.

All insurance policies hereby required shall contain, to the extent obtainable, an agreement by the insurer not to cancel such insurance without at least thirty days prior written notice to each of the insured parties. Certificates of all such insurance shall be furnished by the City to the Authority.

Section 10.3. Deductible Amounts.

All insurance carried by the City shall be maintained with generally recognized responsible insurance companies or other entity authorized and qualified under the laws of the State to assume the risks thereof against loss or damage thereto from the following causes:

(a) all buildings and all machinery and equipment therein against loss or damage by fire, lightning, tornado or winds; and

(b) all other property against loss or damage by fire or lightning if the same is not fireproof, and against loss or damage from other causes customarily insured against by entitles engaged in similar enterprises.

Such coverage shall be selected by the City, and may be written with deductible amounts comparable to those on similar policies carried by the City. All policies evidencing such insurance shall provide for the payment of all losses to be made directly to the City. All insurance herein required may be contained in blanket policies now or hereafter maintained by the City.

Section 10.4. Damage or Destruction.

(a) If, prior to full payment of the Bonds or prior to provision for payment thereof having been made in accordance with the provisions of the Bond Resolution, any building or other facility constituting any portion of the Projects is destroyed or damaged by fire or other casualty to such extent as to require the repair, rebuilding, or replacement thereof, the City will continue to make the Lease Payments and additional rent required hereby, and all proceeds of insurance resulting from the claim for any such loss, after deducting therefrom the legal and other expenses, if any, incurred in obtaining such proceeds, shall be paid to and held by the City in a separate trust account, whereupon the City will proceed promptly to repair, rebuild or restore the property damaged or destroyed to substantially the same condition as existed prior to the event causing such damage or destruction, with such changes, alterations, and modifications, including the substitution and addition of other property, as may be desired by the City unless the City determines that such replacement or repair is not in the best interest of the City. If such property is to be repaired, rebuilt, or restored, the City will apply so much as may be necessary of such net proceeds of insurance to payment of the costs of such replacement or repair, either on completion thereof or, at the City's option, as the work progresses. In the event such net proceeds are not sufficient to pay in full the cost of such rebuilding, replacement or repair, the City will pay that portion of the costs thereof in excess of the amount of such net proceeds. The City will not, by reason of the payment of such excess costs, be entitled to any reimbursement or to any abatement or diminution of the rents payable hereunder.

(b) Any balance of such net proceeds remaining after payment of all the costs of such repair, rebuilding or restoration, or if it shall be determined that such repair, rebuilding or restoration is not in the best interest of the City, then and in that event all of such net proceeds shall be paid into the Sinking Fund and may, at the City's option and to the extent practicable, be used for the payment of Bonds as provided in the Bond Resolution or may be applied against Lease Payments. If all Bonds payable from the Sinking Fund and the interest thereon shall have been paid or if sufficient funds will, under the provisions of this subsection, be placed in the Sinking Fund for the payment and defeasance of all Bonds payable from the Sinking Fund, then the excess, if any, of such proceeds over the amount required for such payment and defeasance shall be paid to the City.

Section 10.5. Condemnation.

In the event that title to, or the temporary use of, the Projects, or any part hereof, shall be taken under the exercise of the power of eminent domain, the City shall be obligated to continue to make the Lease Payments, and the Authority will cause the proceeds received by it from any award made in such eminent domain proceedings, after deducting therefrom the legal and other expenses, if any, incurred in obtaining such award, to be paid to and held by the City in a separate trust account. All such proceeds received by the City referable to taking of all or substantially all the Projects, unless the City by resolution of its governing body shall elect to have the proceeds applied in the manner provided in Section 10.07, shall be paid into the Sinking Fund, or, if all Bonds payable from the Sinking Fund and the interest thereon shall have been paid or if sufficient funds will be placed in the Sinking Fund for the payment of all Bonds payable from the Sinking Fund by the payment of a portion of such condemnation proceeds, then the excess, if any, of such proceeds over the amount required for such payment shall be paid to the City.

Section 10.6. <u>Condemnation Proceeds</u>.

All condemnation proceeds received by the City referable to a taking of less than substantially all the Projects, or less than substantially all of any facility constituting a part thereof, shall be applied by the City as follows:

(a) If the City, by resolution of its governing body, determines that the efficient utilization of the Projects or the affected part thereof is not impaired by such taking, the net condemnation award shall be paid to the Sinking Fund.

(b) If determination is not made by the governing body of the City that the efficient utilization of the Projects or the affected part thereof is not impaired by such taking, the City shall proceed promptly to use the proceeds of the net condemnation award to repair, rebuild and restore or to rearrange the Projects, or the portions thereof affected by such taking, to a condition substantially comparable to that which existed prior to such taking insofar as may be possible, or the City shall direct the Authority to use such proceeds, to the extent practicable, to acquire unencumbered title to other facilities suitable for the City's purposes, which facilities shall, upon such acquisition, become a part of the Projects and shall be available for use by the City without the payment of any rent other than that herein provided, to the same extent as if such other facilities were specifically described herein and demised hereby, and any balance of the net condemnation award shall be paid into the Sinking Fund or, if such repair, replacement or rearrangement is not possible so as to make the Projects and all portions thereof suitable for the use of the City, or if the City, by resolution of its governing body shall determine that such repair, rebuilding, replacement or rearrangement would not be in the best interest of the City, all the net condemnation award shall be deposited into the Sinking Fund, and the City may apply such deposits to the Lease Payments. If such property is to be repaired, replaced, or rearranged, the City will apply so much as may be necessary of such net proceeds of the condemnation award to payment of the costs of such repair, replacement, or rearrangement, either on completion thereof or, at the City's option, as the work progresses. In the event such net proceeds are not sufficient to pay in full the costs of such repair, replacement or rearrangement, the City will complete the work involved and will pay that portion of the costs thereof in excess of the amount of such net proceeds. The City will not, by reason of the payment of such excess costs, be entitled to any reimbursement or to any abatement or diminution of the Lease Payments.

(c) If all Bonds payable from the Sinking Fund and the interest thereon shall have been paid or if sufficient funds will be placed in the Sinking Fund for the payment and defeasance of all Bonds payable from the Sinking Fund, together with the reasonable charges and fees, if any, to the Bond Registrar and Paying Agent, by the payment therein of a portion of such condemnation proceeds, then the excess, if any, of such proceeds over the amount required for such payment shall be paid to the City.

Section 10.7. Repair by City.

If, in accordance with any of the foregoing provisions of this Article, the property is to be repaired or replaced after such damage, destruction, or taking, all proceeds from such insurance or compensation for such taking shall be paid into a special trust fund to be then created. Such trust fund shall be held by the City during such repairing, renewing or replacing, in accordance with and subject to, and the City, acting as trustee of said fund, shall disburse the money held in such special fund.

Section 10.8. Parties to Condemnation.

In the event proceedings shall be instituted for the exercise of the power of eminent domain, the City shall be made a party thereto and, if not made a party thereto by the condemnor, shall be brought into the proceedings by appropriate proceedings of the Authority so that adjudication may be made of such damages, if any, as are to be paid to the City as compensation for loss of its rights in the premises.

Section 10.9. Authority Indemnified; Immunity of Members of Authority.

(a) During the term of this Lease, the City, at its own expense, shall handle to conclusion all claims and pay all judgments obtained against the Authority by reason of (i) any injury to or death of any person or damage to property occurring on or about any portion of the Projects occasioned by or growing out of or arising or resulting from any tortious or negligent act on the part of the City, its agents or employees in connection with the operation, management, or maintenance of any part of the Projects, (ii) any use, non-use, condition of or defect in any part of the Projects, and (iii) any failure, breach, or default on the part of the City in the performance of or compliance with any of the obligations of the City under the terms of this Lease, provided, however, that the indemnity provided by this Section shall be effective only to the extent that the amount of liability arising from any such loss shall exceed the proceeds available therefor obtained for insurance carried with respect to such loss.

(b) Notwithstanding the fact that it is the intention of the parties that the Authority shall not incur any pecuniary liability by reason of the terms of this Lease or the undertakings required of the Authority hereunder by reason of the issuance of the Bonds, the adoption of the Bond Resolution, or the performance of any act requested of the Authority by the City, nevertheless, if the Authority should incur any such pecuniary liability, then it that event, the City shall indemnify and hold the Authority harmless against all claims, demands, or causes of action arising therefrom and all costs and expenses incurred in connection with any such claim or in connection with any action or proceeding brought thereon, and, upon notice from the Authority, the City shall defend the Authority in any such action or proceeding.

(c) No recourse shall be had for the enforcement of any obligation, covenant, or agreement of the Authority contained in this Lease or in the Bonds or the Bond Resolution for any claim based hereon or thereon against any member, officer, or employee, of the Authority or of any successor thereto, in his individual capacity, either directly or through the Authority whether by virtue of any constitutional provision, statute, or rule of law. This Lease, the Bonds, and the Bond Resolution are solely corporate obligations, and no personal liability shall attach to, or be incurred by, any member, officer, or employee of the Authority or of any successor thereto, either directly or by reason of the obligations, covenants, or agreements entered into between the Authority and the City, and all personal liability of any character against every such member, officer, and employee is, by the execution of this Lease, expressly waived and released. The immunity of members, officers, and employees of the Authority under the provisions contained in this Section shall survive the completion of the acquisition, construction, and equipping of the Projects and the termination of this Lease.

[END OF ARTICLE X]

ARTICLE 11.

MISCELLANEOUS

Section 11.1. Agreement to Pay Attorneys' Fees and Expenses.

If a party should default under any of the provisions of this Lease and either or both the nondefaulting party or the Bondholders should employ attorneys or incur other expenses for the enforcement of performance or observance of any obligation or agreement on the part of the City or the Authority herein contained, the defaulting party agrees that it shall on demand therefor pay to the nondefaulting party and the Bondholders the reasonable fee of such attorneys and such other reasonable expenses so incurred by the nondefaulting party and the Bondholders.

Section 11.2. Notices.

All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by registered or certified mail, return receipt requested, postage prepaid and addressed as follows:

If to the Authority:	City of Sandy Springs Public Facilities Authority 1 Galambos Way Sandy Springs, Georgia 30328 Attention: Chairman cc: Daniel W. Lee, Esq. 100 Galleria Center Suite 1600 Atlanta, Georgia 30339 City Attorney
If to the City:	City of Sandy Springs, Georgia 1 Galambos Way Sandy Springs, Georgia 30328 Attention: Mayor cc: Daniel W. Lee, Esq. 100 Galleria Center Suite 1600 Atlanta, Georgia 30339 City Attorney

Any party, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications will be sent.

Section 11.3. Binding Effect; Third-Party Beneficiaries.

This Lease shall inure to the benefit of and shall be binding upon the Authority, the City and their respective successors and assigns, subject, however, to the limitations contained in this Lease. The City hereby acknowledges and agrees that the Authority has pledged its rights, title and interests (but not its obligations) under the Lease as security for the payment of the principal or, premium, if any, and interest on the Series 2020B Bonds. The City hereby consents to such pledge and the Authority and the City agree that the Bondholders are third-party beneficiaries of this Lease, and may enforce the terms and provisions hereof. There are no other third-party beneficiaries.

Section 11.4. Severability.

If any provision of this Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 11.5. Amounts Remaining in Sinking Fund.

It is agreed by the parties hereto that, subject to and in accordance with the terms and conditions of the Bond Resolution certain surplus moneys remaining in the Sinking Fund after payment of the Series 2020B Bonds shall belong to and be paid to the City.

Section 11.6. Amendments, Changes and Modifications.

The Lease may be amended, changed and modified (a) to cure any ambiguity or formal defect or omission in this Lease; (b) to provide for the issuance of Additional Bonds in accordance with the terms of this Lease (including, without limitation, the addition of events of default and remedies relating to any Additional Bonds hereafter incurred by the City); (c) to grant any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Bondholders by the City; (d) to further expand or clarify the amounts required to be paid into the Sinking Fund and the timing thereof; (e) to conform to supplements to the Bond Resolution; (f) to make any other amendments, changes and modifications that in the opinion of counsel are not materially adverse to the interests of the Bondholders. Any other amendments, changes and modification in this Lease will become effective only with the consent of the owners of fifty-one (51%) in aggregate principal amount of the Bonds secured hereby. In no event, however, may any such amendments, changes and modifications permit (a) the reduction of Lease Payments required to be made to ensure the payment of the Bonds and the other obligations secured by the Bond Resolution; or (b) the reduction of the percentage of the principal amount of the Bonds required to consent to any such amendment, change or modification.

Section 11.7. Execution Counterparts.

This Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11.8. Captions.

The captions and headings in this Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions of this Lease.

Section 11.9. Law Governing Lease.

This Lease shall be governed by, and construed in accordance with, the laws of the State of Georgia.

Section 11.10. Net Lease.

This Lease shall be deemed and construed to be a "net lease," and the City shall pay absolutely net during the Lease Term the rent and all other payments required hereunder, free of any deductions, and without abatement, deduction or setoff, other than those herein expressly provided.

[END OF ARTICLE XI]

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

CITY OF SANDY SPRINGS PUBLIC FACILITIES AUTHORITY

(SEAL)

By:________________________________
Chairman

Attest:

____
Secretary

CITY OF SANDY SPRINGS, GEORGIA

(SEAL)

By:_________________________________
Mayor

Attest:

____
Clerk

SCHEDULE 1

LEASE PAYMENTS

[ATTACHED.]

Bond Debt Service

City of Sandy Springs Public Facilities Authority (Georgia)

Revenue Bonds (Public Facilities Project), Series 2020B

Final Numbers

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
5/1/2021	1,460,000	5.000%	772,587.50	2,232,587.50	2,232,587.50
11/1/2021			776,750.00	776,750.00	
5/1/2022	1,940,000	2.000%	776,750.00	2,716,750.00	3,493,500.00
11/1/2022			757,350.00	757,350.00	
5/1/2023	1,975,000	5.000%	757,350.00	2,732,350.00	3,489,700.00
11/1/2023			707,975.00	707,975.00	
5/1/2024	2,075,000	2.000%	707,975.00	2,782,975.00	3,490,950.00
11/1/2024			687,225.00	687,225.00	
5/1/2025	2,115,000	5.000%	687,225.00	2,802,225.00	3,489,450.00
11/1/2025			634,350.00	634,350.00	
5/1/2026	2,220,000	5.000%	634,350.00	2,854,350.00	3,488,700.00
11/1/2026			578,850.00	578,850.00	
5/1/2027	2,335,000	5.000%	578,850.00	2,913,850.00	3,492,700.00
11/1/2027			520,475.00	520,475.00	
5/1/2028	2,450,000	5.000%	520,475.00	2,970,475.00	3,490,950.00
11/1/2028			459,225.00	459,225.00	
5/1/2029	2,570,000	5.000%	459,225.00	3,029,225.00	3,488,450.00
11/1/2029			394,975.00	394,975.00	
5/1/2030	2,700,000	5.000%	394,975.00	3,094,975.00	3,489,950.00
11/1/2030			327,475.00	327,475.00	
5/1/2031	2,835,000	3.000%	327,475.00	3,162,475.00	3,489,950.00
11/1/2031			284,950.00	284,950.00	
5/1/2032	2,920,000	2.000%	284,950.00	3,204,950.00	3,489,900.00
11/1/2032			255,750.00	255,750.00	
5/1/2033	2,980,000	2.000%	255,750.00	3,235,750.00	3,491,500.00
11/1/2033			225,950.00	225,950.00	
5/1/2034	3,040,000	2.000%	225,950.00	3,265,950.00	3,491,900.00
11/1/2034			195,550.00	195,550.00	
5/1/2035	3,100,000	2.000%	195,550.00	3,295,550.00	3,491,100.00
11/1/2035			164,550.00	164,550.00	
5/1/2036	3,160,000	2.000%	164,550.00	3,324,550.00	3,489,100.00
11/1/2036			132,950.00	132,950.00	
5/1/2037	3,225,000	2.000%	132,950.00	3,357,950.00	3,490,900.00
11/1/2037			100,700.00	100,700.00	
5/1/2038	3,290,000	2.000%	100,700.00	3,390,700.00	3,491,400.00
11/1/2038			67,800.00	67,800.00	
5/1/2039	3,355,000	2.000%	67,800.00	3,422,800.00	3,490,600.00
11/1/2039			34,250.00	34,250.00	
5/1/2040	3,425,000	2.000%	34,250.00	3,459,250.00	3,493,500.00
	53,170,000		15,386,787.50	68,556,787.50	68,556,787.50

EXHIBIT A

DESCRIPTION OF PROJECT

The acquisition, construction and installation of certain land, public buildings, facilities and equipment necessary and convenient for the efficient operation of the City, consisting of the following:

1) Acquisition of land for public safety;
2) Acquisition, construction, renovation, installation and equipping of public safety facilities; and
3) Acquisition of land and the acquisition, construction, installation and equipping of fire stations.

SECRETARY'S CERTIFICATE

The undersigned Secretary of the City of Sandy Springs Public Facilities Authority (the "Authority"), does hereby certify that the foregoing pages of typewritten matter constitute a true and correct copy of the resolution adopted on October 20, 2020, by the members of the Authority in a meeting which was duly called and assembled, which was open to the public and at which a quorum was present and acting throughout, and that the original of such resolution appears of record in the minute book of the Authority which is in my custody and control.

WITNESS my hand and the official seal of the City of Sandy Springs Public Facilities Authority, this 20th day of October, 2020.

____
Secretary, City of Sandy Springs Public Facilities Authority

(CORPORATE SEAL)

Davenport & Company

City of Sandy Springs, Georgia

Pricing Results Presentation – Series 2020B Bonds

SANDY SPRINGS
GEORGIA

October 20, 2020

Member NYSE | FINRA | SIPC

Credit Ratings

City of Sandy Springs, Georgia				
Moody's	**S&P**			
Aaa	AAA	Top Tier "Highest Possible Rating"		Considered Investment Grade
Aa1	AA+	2nd Tier "Very Strong"	(Highest)	
Aa2	AA		(Middle)	
Aa3	AA-		(Lowest)	
A1	A+	3rd Tier "Strong"	(Highest)	
A2	A		(Middle)	
A3	A-		(Lowest)	
Baa1	BBB+	4th Tier "Adequate Capacity to Repay"	(Highest)	
Baa2	BBB		(Middle)	
Baa3	BBB-		(Lowest)	
BB, B, CCC, CC, C, D		5th - 10th Tiers "Below Investment Grade"		Below Investment Grade

General Obligation Rating

As part of the credit reviews, the City received a positive outlook from S&P, which typically means that if the City continued on its trajectory in the next 18-36 months, a rating upgrade could be anticipated.

Moody's Observations – Affirmed Aaa Rating

SANDY SPRINGS
GEORGIA

Moody's Rating Results

The City of Sandy Springs' (Aaa stable) strong economy and tax base, which are comparable to its Aaa-rated peers, will experience growth given its ongoing economic expansion and diversification. The city benefits from its favorable proximity to the Atlanta metropolitan area, diverse public and private employment base, and an extensive transportation network that includes three metro rail stations.

Credit Strengths	Credit Challenges
Sizable tax base that benefits from its proximity to Atlanta; strong demographics	Reliance on economically sensitive revenues
Significant operating flexibility due to annual capital projects transfers upwards of 30% of expenditures	Locally imposed property tax cap
Robust fund balance reserves bolstered by formal polices and manageable debt burden; no pension liability	

Factors that could lead to a upgrade

N/A

Factors that could lead to a downgrade

Significant declines in fund balance and liquidity

Erosion of the city's tax base and demographic profile

S&P Observations – Affirmed AA+ Rating (**Positive Outlook**)

SANDY SPRINGS GEORGIA

Rationale:

- S&P Global Ratings revised its outlook to positive from stable and affirmed its 'AA+' long-term rating on the Sandy Springs Public Facilities Authority, Ga.'s general obligation (GO)-equivalent debt. The outlook is positive.

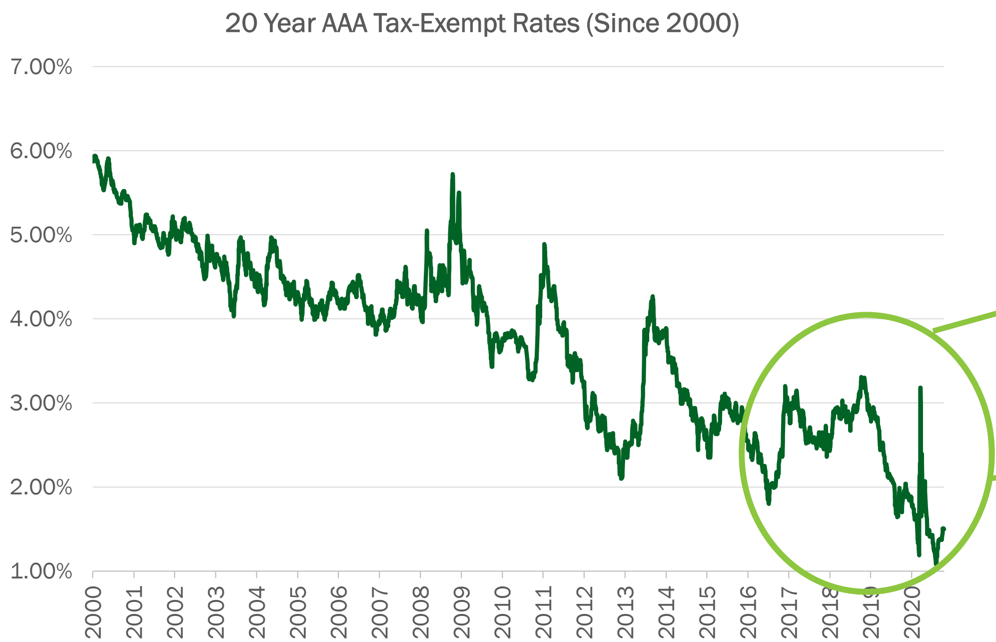
"The positive outlook revision reflects the city's robust economic growth, consistent positive financial performance, and formalization of additional long-term planning and financial policies."

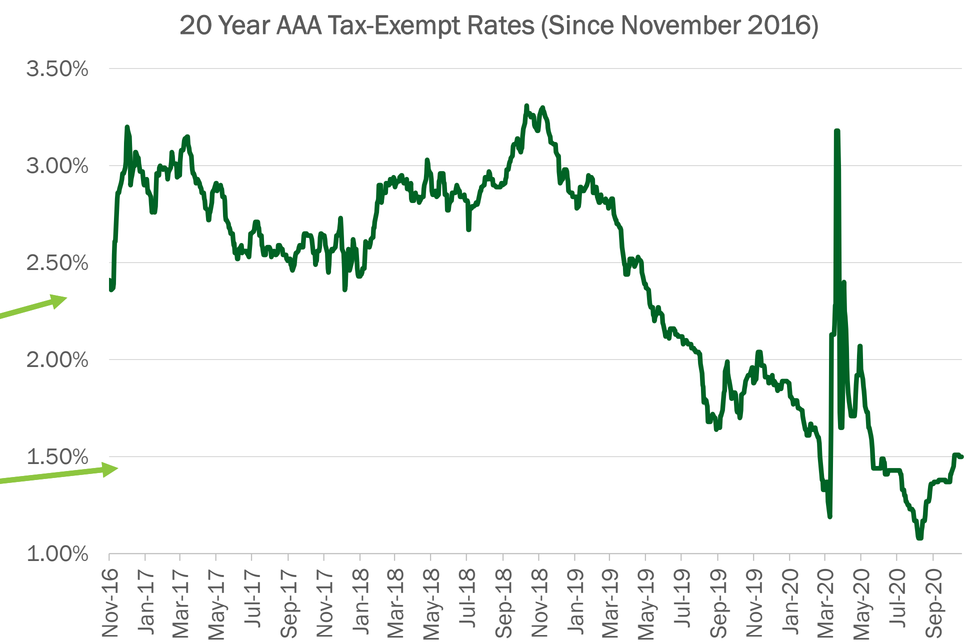
Summary Rating Rationale:

- Very Strong economy, with access to a broad and diverse metropolitan statistical area (MSA);
- Strong management, revised from adequate, with good financial policies and practices under our Financial Management Assessment methodology;
- Adequate budgetary performance, with operating surpluses in the general fund and at the total governmental fund level in fiscal 2019 but with potential for revenue pressure from COVID-19 and the recession;
  - *NOTE: The report states "Our adequate assessment accounts for potential budgetary pressure related to COVID-19 and the national recession."*
- Very Strong budgetary flexibility, with an available fund balance in fiscal 2019 of 43% of operating expenditures;
- Very Strong liquidity, with total government available cash at 92.5% of total governmental fund expenditures and 9.5x governmental debt service, and access to external liquidity we consider strong;
- Adequate debt and contingent liability position, with debt service carrying charges at 9.7% of expenditures and net direct debt that is 153.0% of total governmental fund revenue, as well as low overall net debt at less than 3% of market value; and,
- Very Strong institutional framework score.

On April 1, 2020 S&P put the entire Public Finance Sector on Negative Outlook due to COVID-19.

Tax-Exempt Interest Rate Trends





As shown in the charts above, long term interest rates remain at or near historic lows.

Source: Thomson Reuters MMD Publication.

Tax-Exempt Interest Rate Trends

SANDY SPRINGS
GEORGIA

Change in Rates since the Refunding

SANDY SPRINGS
GEORGIA

AAA GO Tax-Exempt Yields Curve

Year	9/15/2020	10/20/2020	Increase
2021	0.12	0.17	0.05
2022	0.13	0.18	0.05
2023	0.14	0.19	0.05
2024	0.18	0.22	0.04
2025	0.24	0.28	0.04
2026	0.35	0.43	0.08
2027	0.49	0.58	0.09
2028	0.62	0.72	0.10
2029	0.74	0.86	0.12
2030	0.84	0.96	0.12
2031	0.91	1.05	0.14
2032	0.99	1.13	0.14
2033	1.07	1.21	0.14
2034	1.12	1.26	0.14
2035	1.17	1.31	0.14
2036	1.22	1.36	0.14
2037	1.26	1.40	0.14
2038	1.30	1.44	0.14
2039	1.34	1.48	0.14
2040	1.38	1.52	0.14

U.S. Treasury Rates

Year	9/15/2020	10/20/2020	Increase
1 Yr	0.13	0.13	-
2 Yr	0.14	0.16	0.02
3 Yr	0.16	0.19	0.03
5 Yr	0.27	0.34	0.07
7 Yr	0.46	0.54	0.08
10 Yr	0.68	0.78	0.10
20 Yr	1.21	1.32	0.11
30 Yr	1.43	1.55	0.12

Competitive Bid Results

SANDY SPRINGS GEORGIA

City of Sandy Springs, Georgia Series 2020B Bonds	
Name of Bidder	TIC
Wells Fargo Bank, National Association	1.622858%
Piper Sandler & Co	1.672792%
Robert W. Baird & Co., Inc.	1.684308%
Citigroup Global Markets Inc.	1.764387%
Mesirow Financial, Inc.	1.813138%
Bank of America Merrill Lynch	1.876858%

Wells Fargo was the winning bidder. When including all of the costs of issuance, Sandy Springs' final All-In True Interest Cost for the Series 2020B Bonds was 1.71%.

Final Pricing Results

SANDY SPRINGS
GEORGIA

City of Sandy Springs, Georgia Series 2020B Final Pricing				
Maturity Date	Principal Amount	Coupon	Yield	Price
5/1/2021	$1,460,000	5.000%	0.190%	$102.282
5/1/2022	1,940,000	2.000%	0.210%	102.634
5/1/2023	1,975,000	5.000%	0.230%	111.765
5/1/2024	2,075,000	2.000%	0.260%	106.015
5/1/2025	2,115,000	5.000%	0.320%	120.777
5/1/2026	2,220,000	5.000%	0.520%	124.151
5/1/2027	2,335,000	5.000%	0.660%	127.464
5/1/2028	2,450,000	5.000%	0.800%	130.415
5/1/2029	2,570,000	5.000%	0.960%	132.807
5/1/2030	2,700,000	5.000%	1.070%	135.321
5/1/2031	2,835,000	3.000%	1.210%	115.978
5/1/2032	2,920,000	2.000%	1.450%	104.852
5/1/2033	2,980,000	2.000%	1.550%	103.951
5/1/2034	3,040,000	2.000%	1.650%	103.058
5/1/2035	3,100,000	2.000%	1.750%	102.173
5/1/2036	3,160,000	2.000%	1.850%	101.297
5/1/2037	3,225,000	2.000%	1.930%	100.603
5/1/2038	3,290,000	2.000%	1.970%	100.257
5/1/2039	3,355,000	2.000%	2.010%	99.846
5/1/2040	3,425,000	2.000%	2.050%	99.200
Total	$53,170,000			

The Bonds are schedule to close on November 10, 2020.

Transaction Comparison

SANDY SPRINGS
GEORGIA

	Sandy Springs $53.2M 10:30am Aaa/AA+		Virginia Public School Authority $143.6M 10:00am Aa1/AA+/AA+		Difference	
Year	Coupon	Yield	Coupon	Yield	Coupon	Yield
2021	5.00	0.19	5.00	0.22	-	(0.03)
2022	2.00	0.21	5.00	0.25	(3.00)	(0.04)
2023	5.00	0.23	5.00	0.26	-	(0.03)
2024	2.00	0.26	5.00	0.31	(3.00)	(0.05)
2025	5.00	0.32	5.00	0.38	-	(0.06)
2026	5.00	0.52	5.00	0.54	-	(0.02)
2027	5.00	0.66	5.00	0.68	-	(0.02)
2028	5.00	0.80	5.00	0.82	-	(0.02)
2029	5.00	0.96	5.00	0.98	-	(0.02)
2030	5.00	1.07	5.00	1.11	-	(0.04)
2031	3.00	1.21	5.00	1.2	(2.00)	0.01
2032	2.00	1.45	4.00	1.43	(2.00)	0.02
2033	2.00	1.55	4.00	1.53	(2.00)	0.02
2034	2.00	1.65	4.00	1.59	(2.00)	0.06
2035	2.00	1.75	2.00	2.05	-	(0.30)
2036	2.00	1.85	2.00	2.1	-	(0.25)
2037	2.00	1.93	2.00	2.15	-	(0.22)
2038	2.00	1.97	2.00	2.2	-	(0.23)
2039	2.00	2.01	2.25	2.25	(0.25)	(0.24)
2040	2.00	2.05	2.25	2.3	(0.25)	(0.25)

Final Series 2020B New Money Debt Service

SANDY SPRINGS
GEORGIA

City of Sandy Springs, Georgia Series 2020B Final Debt Service			
Fiscal Year	Principal	Interest	Total
2021	$ 1,460,000	$ 772,588	$ 2,232,588
2022	1,940,000	1,553,500	3,493,500
2023	1,975,000	1,514,700	3,489,700
2024	2,075,000	1,415,950	3,490,950
2025	2,115,000	1,374,450	3,489,450
2026	2,220,000	1,268,700	3,488,700
2027	2,335,000	1,157,700	3,492,700
2028	2,450,000	1,040,950	3,490,950
2029	2,570,000	918,450	3,488,450
2030	2,700,000	789,950	3,489,950
2031	2,835,000	654,950	3,489,950
2032	2,920,000	569,900	3,489,900
2033	2,980,000	511,500	3,491,500
2034	3,040,000	451,900	3,491,900
2035	3,100,000	391,100	3,491,100
2036	3,160,000	329,100	3,489,100
2037	3,225,000	265,900	3,490,900
2038	3,290,000	201,400	3,491,400
2039	3,355,000	135,600	3,490,600
2040	3,425,000	68,500	3,493,500
Total	$ 53,170,000	$ 15,386,788	$ 68,556,788

Sources	Total
Par Amount	$ 53,170,000
Net Pemium	5,509,473
Total	$ 58,679,473

Uses	
Project Fund	$ 58,000,000
Cost of Issuance	475,000
Underwriter's Discount	202,046
Additional Proceeds	2,427
Total	$ 58,679,473

10 basis points is equal to about $675,000 over the life of the loan. The difference between the winning bid and the last place bid is equal to about $17 million.

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