

AUTHORIZING RESOLUTION

WHEREAS, in furtherance of the purposes for which it was created, The City of Sugar Hill Downtown Development Authority (the “Issuer”) proposes to issue not to exceed \$25,185,000 in original aggregate principal amount of its Refunding Revenue Bonds (EpiCenter Project), Series 2020 (the “Series 2020 Bonds”), for the purpose of refunding all of the Issuer’s outstanding Revenue Bonds (EpiCenter Project), Series 2016A, in order to refinance the costs of acquiring, constructing, and installing mixed use facilities (the “Facilities”) consisting of (1) a performing arts center, a gymnasium, a walking track, classrooms, and community rooms (the “Public Component”); (2) restaurant, retail, and office space (the “Commercial Component”); and (3) a parking garage (the “Parking Component”), and to finance related costs; and

WHEREAS, the Issuer rents the Commercial Component and a portion of the Parking Component to commercial tenants; and

WHEREAS, Section 36-34-3 of the Official Code of Georgia Annotated authorizes the City of Sugar Hill, Georgia (the “Lessee”) to acquire, construct, lease, own, operate, and improve parking areas, parking buildings, buildings for educational purposes, and buildings used or useful for public amusement purposes, together with facilities or buildings used for any combination of the above; and

WHEREAS, Article IX, Section III, Paragraph I of the Constitution of the State of Georgia of 1983 authorizes the Lessee (1) to contract for any period not exceeding fifty years with any public corporation or public authority for joint services, for the provision of services, or for the joint or separate use of facilities or equipment, if such contract deals with activities, services, or facilities that the contracting parties are authorized by law to undertake or provide, and (2) in connection with any such contract to convey any existing facilities or equipment to any public corporation or public authority; and

WHEREAS, the Issuer, by a Master Bond Resolution duly and validly adopted on November 17, 2015 (the “Master Resolution”), as supplemented and amended by a Supplemental Series 2016 Bond Resolution duly and validly adopted on February 11, 2016, a Series 2018 Bond Resolution duly and validly adopted on January 11, 2018, and a Supplemental Series 2018 Bond Resolution duly and validly adopted on May 29, 2018, authorized, issued, and delivered \$42,155,000 in original aggregate principal amount of (1) its Revenue Bonds (EpiCenter Project), Series 2016A, (2) its Revenue Bonds (EpiCenter Project), Federally Taxable Series 2016B, (3) its Revenue Bonds (EpiCenter Project), Series 2018A, and (4) its Revenue Bonds (EpiCenter Project), Federally Taxable Series 2018B (collectively the “Prior Bonds”), now outstanding in the aggregate principal amount of \$38,900,000; and

WHEREAS, the Lessee agreed to rent the Public Component and a portion of the Parking Component from the Issuer pursuant to a Lease Agreement, dated as of February 1, 2016, as supplemented and amended by a First Amendment to Lease Agreement, dated as of May 1, 2018 (the “Original Lease”), under the terms of which the Lessee (1) agreed to make rent payments to the Issuer in amounts sufficient, after taking into account rent payments received by the Issuer from commercial tenants of the Facilities, to enable the Issuer to pay the principal of, premium, if

any, and interest on the Prior Bonds when due and (2) agreed to levy an annual ad valorem tax on all taxable property located within the corporate limits of the Lessee, at such rates, without limitation as to rate or amount, as may be necessary to produce in each year revenues that are sufficient to fulfill the Lessee's obligations under the Original Lease; and

WHEREAS, pursuant to the Master Resolution, the rent payments to be received by the Issuer from the commercial tenants of the Facilities and the rent payments to be received by the Issuer from the Lessee pursuant to the Original Lease, as it may be amended, are pledged to, and a first priority lien is created thereon as security for, the payment of principal of, premium, if any, and interest on the Prior Bonds and any Additional Bonds (as defined in the Master Resolution) that may be issued; and

WHEREAS, the Master Resolution provides for the issuance under certain conditions of Additional Bonds (as defined in the Master Resolution) payable from and secured by Pledged Revenues (as defined in the Master Resolution) and ranking on a parity as to the pledge of and lien on the Pledged Revenues with the Prior Bonds; and

WHEREAS, the Issuer adopted a Series 2020 Bond Resolution on August 25, 2020 (the "Series 2020 Resolution") authorizing the issuance of the Series 2020 Bonds as Additional Bonds; and

WHEREAS, in consideration of the issuance of the Series 2020 Bonds by the Issuer, the Lessee proposes to enter into a Second Amendment to Lease Agreement, to be dated as of the first day of the month of its execution and delivery (the "Second Amendment"), with the Issuer, supplementing and amending the Original Lease, the form of which has been filed with the Lessee and submitted to the City Council of the Lessee, under the terms of which the Lessee (1) will agree to make rent payments to the Issuer in amounts sufficient, after taking into account rent payments received by the Issuer from commercial tenants of the Facilities, to enable the Issuer to pay the principal of, premium, if any, and interest on the Prior Bonds and the Series 2020 Bonds when due and (2) will agree to levy an annual ad valorem tax on all taxable property located within the corporate limits of the Lessee, at such rates, without limitation as to rate or amount, as may be necessary to produce in each year revenues that are sufficient to fulfill the Lessee's obligations under the Original Lease, as supplemented and amended by the Second Amendment (collectively the "Lease"); and

WHEREAS, the Series 2020 Resolution (as it will be supplemented by a Supplemental Series 2020 Bond Resolution) will set forth, among other things, the interest rates that the Series 2020 Bonds will bear and the principal amount of the Series 2020 Bonds that will mature, either at maturity or by proceedings for mandatory redemption, in each year, and the Issuer will furnish the Lessee with a certified copy of the Series 2020 Resolution (as supplemented by a Supplemental Series 2020 Bond Resolution) in order that any payments required to be made by the Lessee under the Lease may be accurately computed and conclusively established; and

WHEREAS, the Issuer will authorize the marketing of the Series 2020 Bonds by means of a Preliminary Official Statement, to be dated the date of its printing (the "Preliminary Official Statement"), and an Official Statement, to be dated the date of its printing (the "Official

Statement”), both of which shall contain information about the Issuer, the Lessee, and the Facilities; and

WHEREAS, the Issuer will agree to sell the Series 2020 Bonds to Raymond James & Associates, Inc. and Stifel, Nicolaus & Company, Incorporated (collectively the “Underwriters”) pursuant to a Bond Purchase Agreement, to be dated the date of its execution and delivery (the “Bond Purchase Agreement”), among the Issuer, the Lessee, and the Underwriters; and

WHEREAS, after careful study and investigation, the Lessee desires to enter into the Second Amendment and the Bond Purchase Agreement (collectively the “Contracts”);

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Sugar Hill, Georgia as follows:

1. The forms, terms, and conditions and the execution, delivery, and performance of the Contracts, which have been filed with the Lessee, are hereby approved and authorized. The Contracts shall be in substantially the forms submitted to the City Council of the Lessee with such changes, corrections, deletions, insertions, variations, additions, or omissions as may be approved by the Mayor or Mayor Pro Tempore of the Lessee, whose approval thereof shall be conclusively evidenced by the execution of the Contracts.

2. The Mayor or Mayor Pro Tempore of the Lessee is hereby authorized and directed to execute on behalf of the Lessee the Contracts, and the City Clerk or Deputy City Clerk of the Lessee is hereby authorized and directed to affix thereto and attest the seal of the Lessee, upon proper execution and delivery by the other parties thereto, provided, that in no event shall any such attestation or affixation of the seal of the Lessee be required as a prerequisite to the effectiveness thereof, and the Mayor or Mayor Pro Tempore and City Clerk or Deputy City Clerk of the Lessee are authorized and directed to deliver the Contracts on behalf of the Lessee to the other parties thereto, and to execute and deliver all such other contracts, instruments, documents, affidavits, or certificates (including, without limitation, a Rule 15c2-12 Certificate and a Continuing Disclosure Certificate) and to do and perform all such things and acts as each shall deem necessary or appropriate in furtherance of the issuance of the Series 2020 Bonds and the carrying out of the transactions authorized by this Resolution or contemplated by the instruments and documents referred to in this Resolution.

3. The use and distribution of the Preliminary Official Statement and the Official Statement with respect to the Series 2020 Bonds shall be and is hereby authorized, ratified, confirmed, and approved, and execution and delivery of the Official Statement in final form shall be and is hereby authorized, ratified, confirmed, and approved. The Mayor or Mayor Pro Tempore of the Lessee is hereby authorized and directed to ratify, confirm, approve, execute, and deliver the Official Statement on behalf of the Lessee, and the execution of an Official Statement by the Mayor or Mayor Pro Tempore of the Lessee shall constitute conclusive evidence of the Mayor or Mayor Pro Tempore’s ratification, confirmation, approval, and delivery thereof on behalf of the Lessee.

4. This Resolution and the Contracts, as approved by this Resolution, which are hereby incorporated in this Resolution by this reference thereto, shall be placed on file at the office of the

Lessee and made available for public inspection by any interested party immediately following the passage and approval of this Resolution.

PASSED, ADOPTED, SIGNED, APPROVED, and EFFECTIVE this 14th day of September 2020.

CITY OF SUGAR HILL, GEORGIA

(SEAL)

By: _____
Mayor

Attest:

City Clerk

CITY CLERK’S CERTIFICATE

I, **JANE WHITTINGTON**, the duly appointed, qualified, and acting City Clerk of the City of Sugar Hill, Georgia (the “Lessee”), **DO HEREBY CERTIFY** that the foregoing pages of typewritten matter constitute a true and correct copy of a resolution adopted on September 14, 2020 by the City Council of the Lessee in a meeting duly called and assembled in accordance with applicable laws and with the procedures of the Lessee, by a vote of ____ Yea and ____ Nay, which meeting was open to the public and at which a quorum was present and acting throughout, and that the original of the foregoing resolution appears of public record in the Minute Book of the Lessee, which is in my custody and control.

GIVEN under my hand and the seal of the Lessee, this 14th day of September 2020.

(SEAL)

City Clerk, City of Sugar Hill, Georgia

STATE OF GEORGIA)
)
COUNTY OF GWINNETT)

**THE CITY OF SUGAR HILL DOWNTOWN DEVELOPMENT
AUTHORITY**

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

and

CITY OF SUGAR HILL, GEORGIA

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

SECOND AMENDMENT TO LEASE AGREEMENT

Dated as of _____ 1, 2020

THE RIGHTS AND INTEREST OF THE CITY OF SUGAR HILL DOWNTOWN DEVELOPMENT AUTHORITY IN THIS SECOND AMENDMENT TO LEASE AGREEMENT AND THE REVENUES AND RECEIPTS DERIVED HEREFROM, EXCEPT FOR ITS UNASSIGNED RIGHTS, AS DEFINED HEREIN, HAVE BEEN COLLATERALLY ASSIGNED AND PLEDGED TO SECURE THE BONDHOLDERS (AS DEFINED HEREIN) PURSUANT TO A MASTER BOND RESOLUTION ADOPTED BY THE CITY OF SUGAR HILL DOWNTOWN DEVELOPMENT AUTHORITY ON NOVEMBER 17, 2015.

SECOND AMENDMENT TO LEASE AGREEMENT

This **SECOND AMENDMENT TO LEASE AGREEMENT** (this “Second Amendment”), dated as of _____ 1, 2020, by and between The City of Sugar Hill Downtown Development Authority (the “Issuer”), a public body corporate and politic created and existing under the laws of the State of Georgia, and the City of Sugar Hill, Georgia (the “Lessee”), a municipal corporation created and existing under the laws of the State of Georgia;

WITNESSETH:

In consideration of the respective representations and agreements hereinafter contained and in furtherance of the mutual public purposes hereby sought to be achieved, the Issuer and the Lessee do hereby agree, and the Lease Agreement, dated as of February 1, 2016, as supplemented and amended by the First Amendment to Lease Agreement, dated as of May 1, 2018 (collectively the “Original Lease”), between the Issuer and the Lessee, is hereby supplemented and amended, as follows:

ARTICLE I

DEFINITIONS

The definitions contained in Article I of the Original Lease are hereby amended, modified, and supplemented as follows:

“**Series 2020 Bonds**” means the revenue bonds designated “The City of Sugar Hill Downtown Development Authority Refunding Revenue Bonds (EpiCenter Project), Series 2020,” dated the date of issuance thereof, in the aggregate principal amount of \$ _____, to be issued pursuant to the Bond Resolution.

“**Series 2020 Disclosure Certificate**” means the Continuing Disclosure Certificate, dated the date of issuance of the Series 2020 Bonds, of the Lessee, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“**Underwriter**” means, for purposes of the Series 2020 Bonds, _____.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.01. Representations by the Issuer. The Issuer makes the following representations and warranties as the basis for the undertakings on its part herein contained:

(a) Reaffirmation. The Issuer hereby reaffirms each of its representations and warranties contained in Section 2.01 of the Original Lease, except that all references therein to the “Series 2016 Bonds” shall be deemed to include a reference to the “Series 2020 Bonds.”

Section 2.02. Representations by the Lessee. The Lessee makes the following representations and warranties as the basis for the undertakings on its part herein contained:

(a) Reaffirmation. The Lessee hereby reaffirms each of its representations and warranties contained in Section 2.02(a), (b), (c), (d), (e), (f), (g), (h), and (i) of the Original Lease, except that all references therein to the “Series 2016 Bonds” shall be deemed to include a reference to the “Series 2020 Bonds.”

(b) Lessee’s Tax Certificate. The representations and warranties of the Lessee set forth in the Lessee’s Tax Certificate, dated the date of issuance and delivery of the Series 2020 Bonds, are hereby incorporated herein and made a part hereof by this reference thereto, as if fully set forth herein, and are true and correct as of the date hereof.

(c) Financial Statements. The balance sheet of the Lessee as of December 31, 2019, and the statement of revenues, expenditures, and changes in fund balance and the statement of cash flow for the year ended December 31, 2019 (copies of which, audited by Walker, Pierce & Tuck, P.C., independent certified public accountants, have been furnished to the Underwriter) present fairly the financial position of the Lessee as of December 31, 2019, and the results of its operations and its cash flows for the year ended December 31, 2019, with such exceptions as may be disclosed in the audit report. Since December 31, 2019, there has been no material adverse change in the financial position or results of operations or cash flows of the Lessee.

ARTICLE III

ISSUANCE OF THE SERIES 2020 BONDS

Section 3.01. Agreement to Issue the Series 2020 Bonds; Application of Proceeds. In order to provide funds to refund the Series 2016A Bonds, the Issuer agrees that it shall sell and cause to be delivered to the Persons designated by the Underwriter the Series 2020 Bonds in the aggregate principal amount of \$ _____ and shall thereupon apply the proceeds of the sale of the Series 2020 Bonds (1) to redeem on December 1, 2020 all of the Series 2016A Bonds maturing on and after December 1, 2021 and (2) to pay the costs of issuing the Series 2020 Bonds.

ARTICLE IV

ADDITIONAL COVENANTS

Section 4.01. Continuing Disclosure. The Lessee hereby covenants and agrees that it will comply with and carry out all of the provisions of the Series 2020 Disclosure Certificate. Notwithstanding any other provision of this Second Amendment, failure of the Lessee to comply with the Series 2020 Disclosure Certificate shall not be considered an Event of Default; however, any beneficial owner of the Series 2020 Bonds may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Lessee to comply with its obligations under this Section 4.01.

Section 4.02. Tax-Exempt Status of Tax-Exempt Bonds. The Lessee covenants and agrees that it shall comply with the representations and certifications it made in its Lessee’s Tax

Certificate dated the date of issuance of the Series 2020 Bonds and that it shall take no action nor omit to take any action that would cause such representations and certifications to be untrue.

The Lessee agrees to furnish the Issuer any items (including, without limitation, certificates of the Lessee and opinions of Bond Counsel) reasonably requested by it to evidence compliance with the covenants contained in this Section 4.02.

ARTICLE V

RENT PREPAYMENTS

Section 5.01. Option to Prepay the Bond Rent and Redeem the Series 2020 Bonds at Prior Optional Redemption Dates. The Lessee shall have the option to prepay Bond Rent related to the Series 2020 Bonds and other amounts payable under this Lease Agreement in such manner and amounts as will enable the Issuer to redeem the Series 2020 Bonds prior to maturity on or after December 1, ____, in whole or in part on any date, as provided in Section 4.1 of the Supplemental Series 2020 Bond Resolution. Series 2020 Bonds redeemed pursuant to this Section shall be redeemed in accordance with the procedures set forth in Article III of the Bond Resolution. The Bond Rent and other amounts payable by the Lessee in the event of its exercise of the option granted under this Section shall be (i), in the case of partial redemption, the amount necessary to pay principal, all interest to accrue to the redemption date, the applicable redemption premium, as provided in Section 4.1 of the Supplemental Series 2020 Bond Resolution, and any redemption expense and (ii) in the case of a total redemption, the amounts set forth in Article XI of the Bond Resolution and the applicable redemption premium, as provided in Section 4.1 of the Supplemental Series 2020 Bond Resolution.

ARTICLE VI

MISCELLANEOUS

Section 6.01. Confirmation of Original Lease. Except as expressly supplemented and amended by this Second Amendment, the Original Lease is and shall remain unchanged and in full force and effect in accordance with its terms. The Issuer and the Lessee hereby confirm the existence and applicability of the Original Lease and reaffirm their respective representations, warranties, covenants, and agreements and all of the applicable terms, conditions, and provisions of the Original Lease and as supplemented and amended by this Second Amendment.

Section 6.02. Execution of Counterparts. This Second Amendment may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Signatures and Seals to Follow]

SIGNATURES AND SEALS

IN WITNESS WHEREOF, the Issuer has executed this Second Amendment by causing its name to be hereunto subscribed by its Chairman and by causing the official seal of the Issuer to be impressed hereon and attested by its Secretary, and the Lessee has executed this Second Amendment by causing its name to be hereunto subscribed by its Mayor and by causing the official seal of the Lessee to be impressed hereon and attested by its City Clerk.

**THE CITY OF SUGAR HILL
DOWNTOWN DEVELOPMENT
AUTHORITY**

By:

Chairman

(SEAL)

Attest:

Secretary

As to the Issuer, signed, sealed, and delivered this ____ day of _____ 2020, in the presence of:

Unofficial Witness

Notary Public

My Commission Expires:

(date)

(NOTARIAL SEAL)

[Signatures and Seals Continued on Following Page]

[Signatures and Seals Continued From Preceding Page]

CITY OF SUGAR HILL, GEORGIA

By:

Mayor

(SEAL)

Attest:

City Clerk

As to the Lessee, signed, sealed, and delivered this _____ day of _____ 2020, in the presence of:

Unofficial Witness

Notary Public

My Commission Expires:

(date)

(NOTARIAL SEAL)