

A RESOLUTION PROVIDING FOR: (1) THE ISSUANCE AND SALE OF A \$3,585,000 PRINCIPAL AMOUNT CITY OF CLARKSTON GENERAL OBLIGATION SALES TAX BOND, SERIES 2020A AND A \$3,697,000 PRINCIPAL AMOUNT CITY OF CLARKSTON GENERAL OBLIGATION SALES TAX REFUNDING BOND, SERIES 2020B; (2) THE NAMING OF A BOND REGISTRAR AND PAYING AGENT FOR SAID BOND; (3) THE ADOPTION OF A FORM TO WHICH SAID BOND SHALL ADHERE; (4) THE PREPARATION OF A TAX DIGEST AND THE LEVY OF A TAX SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON SAID BOND; (5) THE EXECUTION AND DELIVERY OF SAID BONDS; AND (6) FOR OTHER RELATED PURPOSES:

WHEREAS, at an election duly called and held in DeKalb County (the "County") on the 7th day of November, 2017, a majority of the registered voters of the County and the City of Clarkston, Georgia (the "City") voting in said election (the "Election") voted in favor of (a) the issuance by the City of its general obligation debt in an aggregate principal amount of up to \$8,735,000 (the "Debt") to finance all or a portion of the cost of (i) certain capital outlay projects (the "Projects"), (ii) capitalized interest on the Debt and (iii) issuing the Debt and (b) the authorization of a one percent special purpose local option sales tax (the "Sales and Use Tax") for a period of time not to exceed six years; and

WHEREAS, the City has heretofore issued and delivered its City of Clarkston, Georgia General Obligation Sales Tax Bond, Series 2018 in the principal amount of \$5,150,000 (the "Series 2018 Bond"); and

WHEREAS, the City desires to issue pursuant to the terms of this Bond Resolution ("this Resolution") the remaining authorized Debt in the principal amount of \$3,585,000 which is herein authorized to be issued in the form of its General Obligation Sales Tax Bond, Series 2020A (as hereinafter authorized, the "Series 2020A Bond"); and

WHEREAS, pursuant to Article IX, Section V, Paragraph III of the Constitution of the State of Georgia and O.C.G.A. Section 36-82-1(e)(1) (collectively, the "Constitutional Requirements"), the City has the power to refund all or any part of its outstanding bonded indebtedness by the issuance of general obligation refunding bonds without the necessity of conducting a referendum if certain conditions are satisfied; and

WHEREAS, O.C.G.A. Section 36-82-1(e)(2) provides that such refunding bonds so authorized to be issued in compliance with the Constitutional Requirements, when issued, shall be construed and deemed to be issued in lieu of such original debt being so refunded, and the original debt upon the creation of the irrevocable trust fund and the deposit of the requisite proceeds shall not constitute a debt within the meaning of Article IX, Section V, Paragraph I of the Constitution of the State of Georgia, but the refunding bonds shall constitute a debt within the meaning of Article IX, Section V, Paragraph I of the Constitution of the State of Georgia and shall count against the limitation on debt measured by the 10 percent of assessed value of taxable property as expressed therein; and

WHEREAS, the Series 2018 Bond is subject to mandatory prepayment on June 1 of each of the years 2020, 2021, 2022, 2023 with a final maturity date of June 1, 2024, and the City will pay the bondholder such principal of and interest due on the Series 2018 Bond on the June 1, 2020 mandatory prepayment date; and following such mandatory prepayment, the remaining outstanding principal amount of the Series 2018 Bond shall be \$3,670,000; and

WHEREAS, the City has determined that, due to present market conditions, it is advisable, feasible and in the best interest of the City to issue pursuant to the terms of this Resolution its City of Clarkston, Georgia General Obligation Sales Tax Refunding Bond, Series 2020B (as hereinafter authorized, the “Series 2020B Bond” and, together with the Series 2020A Bond, the “Series 2020 Bonds”), the proceeds of which will be used for the purpose of (a) refunding the Series 2018 Bond outstanding in the principal amount of \$3,670,000 (the “Refunded Bond”) in order to achieve debt service savings and (b) paying the costs of issuing the Series 2020B Bond; and

WHEREAS, the proceeds derived from the sale of the Series 2020B Bond will be used simultaneously upon the issuance of the Series 2020B Bond to redeem the Refunded Bond (such date of redemption being the “Redemption Date”), by paying to Truist Bank, a North Carolina banking corporation (as successor to Branch Banking & Trust Company), the sole bondholder (the “2018 Bondholder”), the principal of and interest on the Refunded Bond on the Redemption Date, as provided for herein; and

WHEREAS, upon provision having been duly and legally made for the payment of the Refunded Bonds as provided above, the Refunded Bond shall not constitute debt within the meaning of Article IX, Section V, Paragraph I of the Constitution of the State of Georgia; and

WHEREAS, with respect to the refunding of the Refunded Bond, the City will meet all of the requirements contained in Article IX, Section V, Paragraph III of the Constitution of the State of Georgia and Section 36-82-1(e) of the Official Code of Georgia Annotated, all as more fully set forth herein; and

WHEREAS, to finance the overall undertaking now contemplated, the Series 2020 Bonds were offered for sale pursuant to competitive bid by the Davenport & Company LLC, as financial advisor (the “Financial Advisor”), pursuant to a Request for Proposal, dated April 9, 2020, and the City received bids on April 30, 2020 and this Resolution shall ratify and approve the winning bid; and

WHEREAS, the bid of a responsible bidder resulting in the lowest true interest cost to the was submitted by Truist Bank, a North Carolina banking corporation (the “Purchaser”), and a copy of such bid is attached to this Resolution as Exhibit B and incorporated herein by reference; and

WHEREAS, after due consideration it is deemed advisable and in the best interest of the City that the Series 2020 Bonds be sold to the Purchaser, the Purchaser having in all respects complied with the terms of the Request of Proposal; and

WHEREAS, in order to comply with Article IX, Section V, Paragraph VI of the Georgia Constitution, the City needs to levy an ad valorem tax sufficient to pay the debt service on the Series 2020 Bonds; and

WHEREAS, such ad valorem tax shall only be collected in the event that the proceeds of the Sales and Use Tax are insufficient to pay the debt service on the Series 2020 Bonds; and

WHEREAS, it is necessary for the City to designate a Bond Registrar and Paying Agent to act in its behalf with respect to the Series 2020 Bonds; and

WHEREAS, it is necessary to adopt forms to which the Series 2020 Bonds shall adhere and to provide for the execution and delivery of the Series 2020 Bonds and other matters in connection with the issuance and delivery of the Series 2020 Bonds; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Clarkston, Georgia (the “City Council”), and IT IS HEREBY RESOLVED by the authority of the same, as follows:

Section 1. Terms of Series 2020 Bonds; Payment. (a) There is hereby authorized the issuance and delivery of the Series 2020A Bond, the proceeds of which shall be used to finance all or a portion of the cost of (i) the Projects, and (ii) issuing the Series 2020A Bond. The Series 2020A Bond shall be designated as the “City of Clarkston, Georgia General Obligation Sales Tax Bond, Series 2020A” and shall be issued in the principal amount of \$3,585,000. The Series 2020A Bond shall be dated as of its date of issuance and shall bear interest from its date at 1.740% per annum (based on a 360-day year comprised of twelve 30-day months) until paid. Interest shall be payable on December 1, 2020, and semiannually thereafter on June 1 and December 1 in each year (each such date, an “Interest Payment Date”). The Series 2020A Bond matures on June 1, 2024, subject to mandatory sinking fund prepayments as set forth herein.

(b) There is hereby authorized the issuance and delivery of the Series 2020B Bond, the proceeds of which shall be used to finance all or a portion of the cost of (i) refunding the Series 2018 Bond outstanding in the principal amount of \$3,670,000 in order to achieve debt service savings, and (ii) issuing the Series 2020B Bond. The Series 2020B Bond shall be designated as the “City of Clarkston, Georgia General Obligation Sales Tax Refunding Bond, Series 2020B” and shall be issued in the principal amount of \$3,697,000. The Series 2020B Bond shall be dated as of its date of issuance and shall bear interest from its date at 1.740% per annum (based on a 360-day year comprised of twelve 30-day months) until paid. Interest shall be payable on each Interest Payment Date, commencing, December 1, 2020. The Series 2020B Bond matures on June 1, 2024, subject to mandatory sinking fund prepayments as set forth herein.

(c) Upon the occurrence of a Determination of Taxability, then, from and after the Date of Taxability, the interest rate used to calculate interest on the Series 2020 Bonds, shall be the Taxable Rate, as defined below. After a Determination of Taxability and upon demand of the owner or any prior owner of the Series 2020 Bonds, the City shall pay to such owner or prior owner such additional amount as shall be necessary to provide, together with interest received at

the Stated Rate, an equivalent amount as if interest on the Series 2020 Bonds shall have been payable at the Taxable Rate from the Date of Taxability.

(d) Upon the occurrence of a Determination of Non-Bank Qualified Status, then, from and after the Date of Non-Bank Qualified Status, the interest rate used to calculate interest on the Series 2020 Bonds shall be the Non-Bank Qualified Rate, as defined below. After a Determination of Non-Bank Qualified Status and upon demand of the owner or any prior owner of the Series 2020 Bonds, the City shall pay to such owner or prior owner such additional amount as shall be necessary to provide, together with interest received at the Stated Rate, an equivalent amount as if interest on the Series 2020 Bonds shall have been payable at the Non-Bank Qualified Rate from the Date of Non-Bank Qualified Status.

(e) Upon a Determination of Taxability or a Determination of Non-Bank Qualified Status, the City shall also pay to such owner or to any prior owner upon demand of such owner or prior owner any taxes, interest, penalties or other charges assessed against or payable by such owner or prior owner and attributable to such Determination of Taxability or such Determination of Non-Bank Qualified Status and all reasonable administrative, out-of-pocket and other expenses incurred by such owner or prior owner that are attributable to such event, including, without limitation, the costs incurred by such owner or prior owner to amend any of its tax returns, notwithstanding the repayment of the entire principal amount of the Series 2020A Bonds or any transfer or assignment of the Series 2020 Bonds.

(f) The following terms shall have the following meanings in this Resolution unless the context otherwise requires:

“Date of Non-Bank Qualified Status” shall mean the earliest date as of which the Series 2020 Bonds were not “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code (or any successor provision) pursuant to a Determination of Non-Bank Qualified Status.

“Date of Taxability” shall mean the earliest date as of which interest on Series 2020 Bonds shall have been determined to be includable in the gross income of any owner or prior owner of the Series 2020 Bonds as a result of a Determination of Taxability.

“Determination of Non-Bank Qualified Status” shall mean any determination by the Internal Revenue Service, any federal administrative agency, any court or by the owner based upon a written opinion of nationally recognized bond counsel that the Series 2020 Bonds, individually or collectively, are not “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code (or any successor provision).

“Determination of Taxability” shall mean and shall be deemed to have occurred on the first to occur of the following:

(a) on that date when the City files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have in fact occurred;

(b) on the date when the City shall be advised in writing by the Commissioner or any District Director of Internal Revenue (or any other government official or agent exercising the same or a substantially similar function from time to time) that, based upon filings of the City, or upon any review or audit of the City or upon any other ground whatsoever, an Event of Taxability shall have occurred; and

(c) on that date when the City shall receive notice from any owner or prior owner that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of such owner or any prior owner the interest on the Series 2020 Bonds, individually or collectively, paid to such owner or prior owner due to the occurrence of an Event of Taxability;

provided, however, that no Determination of Taxability shall occur under clauses (b) or (c) above in the definition of Determination of Taxability unless the City has been afforded the opportunity, at its expense, to contest any such assessment; and provided further that no Determination of Taxability shall occur until such contest, if made, has been finally determined; and provided further that upon demand from the owner or any prior owner, the City shall immediately reimburse such owner or prior owner for any payments such owner (or any prior owner) shall be obligated to make as a result of the Determination of Taxability during any such contest.

“Event of Taxability” means the taking of any action by the City, or the failure to take any action by the City, or the making by the City of any misrepresentation herein or in any certificate required to be given in connection with the issuance, sale or delivery of the Series 2020 Bonds, which has the effect of causing interest paid or payable on the Series 2020 Bonds to become includable, in whole or in part, in the gross income of the owner or any prior owner for federal income tax purposes.

“Non-Bank Qualified Rate” shall mean a rate of interest per annum equal to 1.82%.

“Stated Rate” shall mean a rate of interest per annum equal to 1.74%.

“Taxable Rate” shall mean a rate of interest per annum equal to 2.20%.

(g) Payments of interest on the Series 2020 Bonds shall be paid by check or draft at the close of business on the 15th day of the calendar month next preceding each Interest Payment Date (the “Record Date”), and such payments of interest shall be mailed by first class mail to such person at the address on the books of registry kept by the Bond Registrar; provided, however, interest and mandatory prepayments on the Series 2020 Bonds shall be paid to any registered owner of more than \$1,000,000 in aggregate principal amount of the Series 2020 Bonds by wire transfer to such registered owner if written instructions are given to the Paying Agent prior to the Record Date preceding the Interest Payment Date, and interest shall continue to be so paid until such wire instructions are revoked in writing. Both the principal of and interest on the Series 2020 Bonds shall be payable in lawful money of the United States of America.

Section 2. Findings. The City hereby finds that (a) the Constitutional Requirements have been satisfied in that:

(i) The final maturity date of the Refunded Bond is June 1, 2024. The final maturity date of the Series 2020B Bond is June 1, 2024 and does not extend beyond the final maturity date of the Refunded Bond. The average term of the Refunded Bond is 2.5583 years and the average term of the Series 2020B Bond is 2.546 years.

(ii) The interest rate on the Refunded Bond is 2.650%. The interest rate on the Series 2020B Bond is 1.740%, less than the interest rate on the Refunded Bond. As demonstrated in Exhibit C hereto, the refunding of the Refunded Bond results in debt service savings in each year in which the Refunded Bond is outstanding.

(iii) The principal amount of the Series 2020B Bond exceeds the principal amount of the Refunded Bond only to the extent necessary to effectuate the refunding and to allow the reduction of the total principal and interest requirements over the remaining term of the Refunded Bond.

(iv) The total debt service on the Refunded Bond is \$3,921,776.50. The total debt service on the Series 2020B Bond of \$3,860,804.23 is less than the total debt service on the Refunded Bond.

(v) The proceeds derived from the sale of the Series 2020B Bond will be sufficient to provide for payment of the principal of and interest on the Refunded Bond and the Refunded Bond shall be deposited in an irrevocable trust fund created for that purpose redeemed and paid in full on the date of issuance of the Bond and shall no longer be outstanding.

(b) The Series 2020 Bonds, when added to all other indebtedness of the City, will be within the applicable 10% constitutional debt limitation imposed by Article IX, Section V, Paragraph I of the Constitution of the State of Georgia.

Section 3. Authorization of Call of Refunded Bond. The Refunded Bond is hereby irrevocably called for redemption on June 12, 2020 and the 2018 Bondholder should present the same for payment on June 12, 2020 and receive the principal amount thereof and all interest due thereon to June 12, 2020. The City hereby authorizes and directs the paying agent for the Refunded Bond to mail the notice of redemption of the Refunded Bond to the 2018 Bondholder at the address which appears on the bond registration book kept by the bond registrar for the Refunded Bond, which notice shall be in substantially the form attached as Exhibit D to this Resolution.

Section 4. Designation of Bond Registrar and Paying Agent. The Finance Director of the City is hereby designated to act as Bond Registrar and Paying Agent with respect to the Series 2020 Bonds.

Section 5. Debt Service Schedule. The City Council does hereby determine that for the purpose of paying the principal of and interest on the Series 2020 Bonds, it is necessary to raise by a tax on all the taxable property in the City in the amounts and years as more fully set forth in Exhibit A attached hereto and made a part hereof.

Section 6. Preparation of Tax Digest. Prior to the issuance of the Series 2020 Bonds and in each year that the Series 2020 Bonds are outstanding, the City Clerk or the Finance Director is hereby directed to ascertain from the tax returns made to the Tax Commissioner of DeKalb County, and from the tax returns made to the Commissioner of Revenue of the State of Georgia, the total value of all the property in the City subject to taxation for general obligation bond purposes, and to prepare a digest of all such property.

Section 7. Tax Levy. There is hereby levied an annual tax upon all the property within the City subject to taxation for general obligation bond purposes, at such rate as will raise the amounts in the years listed in Exhibit A. The funds provided by such tax are irrevocably pledged to the payment of the principal of and interest on the Series 2020 Bonds. Notwithstanding the foregoing, such tax shall not be collected unless the Sales and Use Tax shall not be sufficient to make payments of principal and interest on the Series 2020 Bonds when due.

Section 8. Execution of Series 2020 Bonds. The Series 2020 Bonds shall be executed for and on behalf of the City by the manual or duly authorized reproduced facsimile signature of the Vice Mayor and the corporate seal of the City shall be imprinted or impressed thereon and attested by the manual or duly authorized reproduced facsimile signature of the City Clerk. In case any officer whose signature shall be affixed to the Series 2020 Bonds or who shall have sealed the Series 2020 Bonds shall cease to be such officer before the Series 2020 Bonds so signed and sealed shall have been actually delivered, the Series 2020 Bonds, nevertheless, shall be valid Series 2020 Bonds of the City and may be delivered as such notwithstanding the fact that such officer or officers may have ceased to be such officer or officers of the City when the Bond shall be actually delivered.

Section 9. Bond Forms. The Series 2020 Bonds, the certificates of validation, certificates of authentication and the provisions for registration shall be in substantially the following forms:

(FORM OF BOND)

UNITED STATES OF AMERICA

STATE OF GEORGIA

CITY OF CLARKSTON, GEORGIA

GENERAL OBLIGATION SALES TAX BOND, SERIES 2020A

| | | | | |
|----------------|-------|-------------|-----|--------|
| No. RA-1Dated | Date: | June | 12, | 2020 |
| | | \$3,585,000 | | |
| Maturity | Date: | June | 1, | 2024 |
| Interest Rate: | | | | 1.740% |

KNOW ALL MEN BY THESE PRESENTS: That the City of Clarkston, Georgia (the “City”) hereby acknowledges itself to owe, and for value received hereby promises to pay to Truist Bank, a North Carolina banking corporation, or registered assigns, in lawful money of the United States of America, the principal sum shown above on the Maturity Date indicated above and interest hereon at the rate per annum set forth above (defined herein as the Stated Rate) (based on a 360-day year comprised of twelve 30-day months), subject to adjustment as herein provided, payable December 1, 2020, and semiannually thereafter on the first days of June and December in each year (each an “Interest Payment Date”) from the Interest Payment Date next preceding the date of authentication and registration hereof to which interest has previously been paid (unless the date of authentication and registration hereof is prior to the first Interest Payment Date, in which event from June 12, 2020, or unless the date of authentication and registration is an Interest Payment Date, in which event from the date of authentication hereof, or unless the date of authentication and registration hereof is after a Record Date (hereinafter defined) and before the next succeeding Interest Payment Date, in which event from such next succeeding Interest Payment Date) until payment of the principal amount hereof. The interest hereon shall be paid to the person in whose name this bond is registered at the close of business on the 15th day of the calendar month preceding each Interest Payment Date (each such date a “Record Date”) by check or draft, drawn on the Finance Director of the City, as the Bond Registrar and Paying Agent (the “Paying Agent” or the “Bond Registrar”) and mailed, by first class mail, postage prepaid, to such person at the address on the books of registry kept by the Bond Registrar. Mandatory sinking fund prepayments and interest on this bond shall be paid by wire transfer to such registered owner if written wire transfer instructions are given to the Paying Agent prior to the Record Date. Interest and mandatory sinking fund prepayments shall continue to be so paid until such wire transfer instructions are revoked in writing.

The proceeds of the sale of this bond will be used to finance all or a portion of the cost of (i) certain capital outlay projects for the City (the “Projects”), and (ii) issuing this bond. This bond

is authorized by the Constitution and laws of the State of Georgia, an election held on November 7, 2017 (the “Election”) and by a resolution of the City Council duly adopted on May 5, 2020 (the “Bond Resolution”).

Upon the occurrence of a Determination of Taxability, then, from and after the Date of Taxability, the interest rate used to calculate interest on this bond shall be the Taxable Rate, as defined below. After a Determination of Taxability and upon demand of the owner or any prior owner of this bond, the City shall pay to such owner or prior owner such additional amount as shall be necessary to provide, together with interest received at the Stated Rate, an equivalent amount as if interest on this bond shall have been payable at the Taxable Rate from the Date of Taxability.

Upon the occurrence of a Determination of Non-Bank Qualified Status, then, from and after the Date of Non-Bank Qualified Status, the interest rate used to calculate interest on this bond shall be the Non-Bank Qualified Rate, as defined below. After a Determination of Non-Bank Qualified Status and upon demand of the owner or any prior owner of this bond, the City shall pay to such owner or prior owner such additional amount as shall be necessary to provide, together with interest received at the Stated Rate, an equivalent amount as if interest on this bond shall have been payable at the Non-Bank Qualified Rate from the Date of Non-Bank Qualified Status.

Upon a Determination of Taxability or a Determination of Non-Bank Qualified Status, the City shall also pay to such owner or to any prior owner upon demand of such owner or prior owner any taxes, interest, penalties or other charges assessed against or payable by such owner or prior owner and attributable to such Determination of Taxability or such Determination of Non-Bank Qualified Status and all reasonable administrative, out-of-pocket and other expenses incurred by such owner or prior owner that are attributable to such event, including, without limitation, the costs incurred by such owner or prior owner to amend any of its tax returns, notwithstanding the repayment of the entire principal amount of this bond or any transfer or assignment of this bond.

“Code” shall mean Internal Revenue Code of 1986, as amended and any applicable regulations thereunder.

“Date of Non-Bank Qualified Status” shall mean the earliest date as of which this bond was not a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3) of the Code (or any successor provision) pursuant to a Determination of Non-Bank Qualified Status.

“Date of Taxability” shall mean the earliest date as of which interest on this bond shall have been determined to be includable in the gross income of any owner or prior owner of this bond as a result of a Determination of Taxability.

“Determination of Non-Bank Qualified Status” shall mean any determination by the Internal Revenue Service, any federal administrative agency, any court or by the owner based upon a written opinion of nationally recognized bond counsel that this bond is not a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3) of the Code (or any successor provision).

“Determination of Taxability” shall mean and shall be deemed to have occurred on the first to occur of the following:

(a) on that date when the City files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have in fact occurred;

(b) on the date when the City shall be advised in writing by the Commissioner or any District Director of Internal Revenue (or any other government official or agent exercising the same or a substantially similar function from time to time) that, based upon filings of the City, or upon any review or audit of the City or upon any other ground whatsoever, an Event of Taxability shall have occurred; and

(c) on that date when the City shall receive notice from any owner or prior owner that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of such owner or any prior owner the interest on this bond paid to such owner or prior owner due to the occurrence of an Event of Taxability;

provided, however, that no Determination of Taxability shall occur under clauses (b) or (c) above unless the City has been afforded the opportunity, at its expense, to contest any such assessment; and provided further that no Determination of Taxability shall occur until such contest, if made, has been finally determined; and provided further that upon demand from the owner or any prior owner, the City shall immediately reimburse such owner or prior owner for any payments such owner (or any prior owner) shall be obligated to make as a result of the Determination of Taxability during any such contest.

“Event of Taxability” shall mean the taking of any action by the City, or the failure to take any action by the City, or the making by the City of any misrepresentation herein or in any certificate required to be given in connection with the issuance, sale or delivery of this bond which has the effect of causing interest paid or payable on this bond to become includable, in whole or in part, in the gross income of the owner or any prior owner for federal income tax purposes.

“Non-Bank Qualified Rate” shall mean a rate of interest per annum equal to 1.82%.

“Stated Rate” shall mean a rate of interest per annum equal to 1.74%.

“Taxable Rate” shall mean a rate of interest per annum equal to 2.20%.

This bond may be registered as transferred only upon the registration books kept for that purpose at the designated office of the Bond Registrar by the registered owner hereof in person, or by his or her attorney duly authorized in writing, upon presentation and surrender to the Bond Registrar of this bond duly endorsed for registration of transfer or accompanied by an assignment duly executed by the registered owner or his or her attorney duly authorized in writing, and thereupon a new registered bond shall be issued to the transferee in exchange therefor, subject to the conditions and upon payment of charges, if any, provided in the Bond Resolution. This bond may not be exchanged.

The person in whose name this bond is registered shall be deemed and regarded as the absolute owner hereof for all purposes, and payment of or on account of either principal or interest made to such registered holder shall be valid and effectual to satisfy and discharge the liability upon this bond to the extent of the sum or sums so paid.

This bond is subject to optional prepayment in whole, but not in part, at any time, without prepayment premium, prior to its maturity. This bond is subject to mandatory sinking fund prepayment in the amounts and on the dates set forth below:

| <u>Date</u> | <u>Amount</u> |
|---------------|---------------|
| June 1, 2022 | \$1,132,000 |
| June 1, 2023 | 1,192,000 |
| June 1, 2024* | 1,261,000 |

*Final Maturity.

Pursuant to O.C.G.A. Section 48-8-110 *et seq.*, as amended (the “Sales Tax Act”) and the Election, there has been enacted a one percent special purpose local option sales tax (the “Sales and Use Tax”) on all sales and uses within DeKalb County for the purpose of financing the Projects and paying the principal of and interest on this bond as the same become due. The Sales and Use Tax commenced April 1, 2018 and will be collected for a period of six years, in accordance with the Sales Tax Act.

The City has designated this bond as a “qualified tax-exempt obligation” under Section 265 of the Internal Revenue Code of 1986, as amended.

It is further certified and recited, that all acts, conditions and things required by the Constitution or statutes of the State of Georgia to exist, be performed or happen pursuant to and in the issuance of this bond, exist, have been performed and have happened in due and regular form as required by law, that provision has been made for the collection, if necessary, of a direct annual tax, unlimited as to rate or amount, on all property subject to taxation for general obligation bond purposes located in the City, sufficient to pay the principal of interest on this bond, in accordance with its terms, and that the total indebtedness of the City, including this bond, does not exceed any limitation prescribed by said Constitution or statutes.

This bond shall not be entitled to any benefit under the authorizing resolution and shall not become valid or obligatory for any purpose until it shall have been authenticated by execution by the Bond Registrar by manual signature of the authentication certificate hereon endorsed.

IN WITNESS WHEREOF, City of Clarkston, Georgia has caused this bond to be executed by the duly authorized manual or facsimile signature of the Vice Mayor of the City and its corporate seal to be impressed or imprinted hereon and attested by the duly authorized manual or facsimile signature of the City Clerk.

(CORPORATE SEAL)

CITY OF CLARKSTON, GEORGIA

By: _____
Vice Mayor

Attest:

City Clerk

* * * * *

CERTIFICATE OF AUTHENTICATION

This bond was authorized by the within mentioned authorizing resolution of the Vice Mayor and City Council of the City of Clarkston, Georgia, adopted May 5, 2020, and is hereby authenticated as of the date of its execution as stated in this bond.

CITY OF CLARKSTON, GEORGIA,
as Bond Registrar

By: _____
Finance Director

Date of Authentication: June 12, 2020

* * * * *

VALIDATION CERTIFICATE

STATE OF GEORGIA

COUNTY OF DEKALB

The undersigned Clerk of the Superior Court of DeKalb County, State of Georgia, DOES HEREBY CERTIFY that this bond was confirmed and validated by judgment of the Superior Court of DeKalb County, Georgia, on the 9th day of January, 2018, that no intervention or objection was filed thereto and that no appeal has been prosecuted therefrom.

WITNESS my manual or facsimile signature and the seal of the Superior Court of DeKalb County, Georgia.

Clerk, Superior Court,
DeKalb County, Georgia

(SEAL)

* * * * *

ASSIGNMENT FOR TRANSFER

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY
OR OTHER IDENTIFYING NUMBER
OF ASSIGNEE

the within Bond of the CITY OF CLARKSTON, GEORGIA and does hereby constitute and appoint _____ attorney to transfer the said Bond on the books of the Bond Registrar, with full power of substitution in the premise.

Date: _____

In the presence _____
of: _____

Bondholder

Notice: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program ("STAMP") or similar program.

NOTICE: The signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

* * * * *

(End of Bond Form)

(FORM OF BOND)

UNITED STATES OF AMERICA

STATE OF GEORGIA

CITY OF CLARKSTON, GEORGIA

GENERAL OBLIGATION SALES TAX REFUNDING BOND, SERIES 2020B

| | | | |
|----------------|--------|-------------|------|
| No. RB-1 Dated | Date: | June 12, | 2020 |
| | | \$3,697,000 | |
| Maturity | Date: | June 1, | 2024 |
| Interest Rate: | 1.740% | | |

KNOW ALL MEN BY THESE PRESENTS: That the City of Clarkston, Georgia (the “City”) hereby acknowledges itself to owe, and for value received hereby promises to pay to Truist Bank, a North Carolina banking corporation, or registered assigns, in lawful money of the United States of America, the principal sum shown above on the Maturity Date indicated above and interest hereon at the rate per annum set forth above (defined herein as the Stated Rate) (based on a 360-day year comprised of twelve 30-day months), subject to adjustment as herein provided, payable December 1, 2020, and semiannually thereafter on the first days of June and December in each year (each an “Interest Payment Date”) from the Interest Payment Date next preceding the date of authentication and registration hereof to which interest has previously been paid (unless the date of authentication and registration hereof is prior to the first Interest Payment Date, in which event from June 12, 2020, or unless the date of authentication and registration is an Interest Payment Date, in which event from the date of authentication hereof, or unless the date of authentication and registration hereof is after a Record Date (hereinafter defined) and before the next succeeding Interest Payment Date, in which event from such next succeeding Interest Payment Date) until payment of the principal amount hereof. The interest hereon shall be paid to the person in whose name this bond is registered at the close of business on the 15th day of the calendar month preceding each Interest Payment Date (each such date a “Record Date”) by check or draft, drawn on the Finance Director of the City, as the Bond Registrar and Paying Agent (the “Paying Agent” or the “Bond Registrar”) and mailed, by first class mail, postage prepaid, to such person at the address on the books of registry kept by the Bond Registrar. Mandatory sinking fund prepayments and interest on this bond shall be paid by wire transfer to such registered owner if written wire transfer instructions are given to the Paying Agent prior to the Record Date. Interest and mandatory sinking fund prepayments shall continue to be so paid until such wire transfer instructions are revoked in writing.

The proceeds of the sale of this bond will be used to finance all or a portion of the cost of (i) refunding the outstanding City of Clarkston, Georgia General Obligation Sales Tax Bond,

Series 2018, and (ii) issuing this bond. This bond is authorized by the Constitution and laws of the State of Georgia and by a resolution of the City Council duly adopted on May 5, 2020 (the “Bond Resolution”).

Upon the occurrence of a Determination of Taxability, then, from and after the Date of Taxability, the interest rate used to calculate interest on this bond shall be the Taxable Rate, as defined below. After a Determination of Taxability and upon demand of the owner or any prior owner of this bond, the City shall pay to such owner or prior owner such additional amount as shall be necessary to provide, together with interest received at the Stated Rate, an equivalent amount as if interest on this bond shall have been payable at the Taxable Rate from the Date of Taxability.

Upon the occurrence of a Determination of Non-Bank Qualified Status, then, from and after the Date of Non-Bank Qualified Status, the interest rate used to calculate interest on this bond shall be the Non-Bank Qualified Rate, as defined below. After a Determination of Non-Bank Qualified Status and upon demand of the owner or any prior owner of this bond, the City shall pay to such owner or prior owner such additional amount as shall be necessary to provide, together with interest received at the Stated Rate, an equivalent amount as if interest on this bond shall have been payable at the Non-Bank Qualified Rate from the Date of Non-Bank Qualified Status.

Upon a Determination of Taxability or a Determination of Non-Bank Qualified Status, the City shall also pay to such owner or to any prior owner upon demand of such owner or prior owner any taxes, interest, penalties or other charges assessed against or payable by such owner or prior owner and attributable to such Determination of Taxability or such Determination of Non-Bank Qualified Status and all reasonable administrative, out-of-pocket and other expenses incurred by such owner or prior owner that are attributable to such event, including, without limitation, the costs incurred by such owner or prior owner to amend any of its tax returns, notwithstanding the repayment of the entire principal amount of this bond or any transfer or assignment of this bond.

“Code” shall mean Internal Revenue Code of 1986, as amended and any applicable regulations thereunder.

“Date of Non-Bank Qualified Status” shall mean the earliest date as of which this bond was not a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3) of the Code (or any successor provision) pursuant to a Determination of Non-Bank Qualified Status.

“Date of Taxability” shall mean the earliest date as of which interest on this bond shall have been determined to be includable in the gross income of any owner or prior owner of this bond as a result of a Determination of Taxability.

“Determination of Non-Bank Qualified Status” shall mean any determination by the Internal Revenue Service, any federal administrative agency, any court or by the owner based upon a written opinion of nationally recognized bond counsel that this bond is not a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3) of the Code (or any successor provision).

“Determination of Taxability” shall mean and shall be deemed to have occurred on the first to occur of the following:

- (a) on that date when the City files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have in fact occurred;
- (b) on the date when the City shall be advised in writing by the Commissioner or any District Director of Internal Revenue (or any other government official or agent exercising the same or a substantially similar function from time to time) that, based upon filings of the City, or upon any review or audit of the City or upon any other ground whatsoever, an Event of Taxability shall have occurred; and
- (c) on that date when the City shall receive notice from any owner or prior owner that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of such owner or any prior owner the interest on this bond paid to such owner or prior owner due to the occurrence of an Event of Taxability;

provided, however, that no Determination of Taxability shall occur under clauses (b) or (c) above unless the City has been afforded the opportunity, at its expense, to contest any such assessment; and provided further that no Determination of Taxability shall occur until such contest, if made, has been finally determined; and provided further that upon demand from the owner or any prior owner, the City shall immediately reimburse such owner or prior owner for any payments such owner (or any prior owner) shall be obligated to make as a result of the Determination of Taxability during any such contest.

“Event of Taxability” shall mean the taking of any action by the City, or the failure to take any action by the City, or the making by the City of any misrepresentation herein or in any certificate required to be given in connection with the issuance, sale or delivery of this bond which has the effect of causing interest paid or payable on this bond to become includable, in whole or in part, in the gross income of the owner or any prior owner for federal income tax purposes.

“Non-Bank Qualified Rate” shall mean a rate of interest per annum equal to 1.82%.

“Stated Rate” shall mean a rate of interest per annum equal to 1.74%.

“Taxable Rate” shall mean a rate of interest per annum equal to 2.20%.

This bond may be registered as transferred only upon the registration books kept for that purpose at the designated office of the Bond Registrar by the registered owner hereof in person, or by his or her attorney duly authorized in writing, upon presentation and surrender to the Bond Registrar of this bond duly endorsed for registration of transfer or accompanied by an assignment duly executed by the registered owner or his or her attorney duly authorized in writing, and thereupon a new registered bond shall be issued to the transferee in exchange therefor, subject to the conditions and upon payment of charges, if any, provided in the Bond Resolution. This bond may not be exchanged.

The person in whose name this bond is registered shall be deemed and regarded as the absolute owner hereof for all purposes, and payment of or on account of either principal or interest made to such registered holder shall be valid and effectual to satisfy and discharge the liability upon this bond to the extent of the sum or sums so paid.

This bond is subject to optional prepayment in whole, but not in part, at any time, without prepayment premium, prior to its maturity. This bond is subject to mandatory sinking fund prepayment in the amounts and on the dates set forth below:

| <u>Date</u> | <u>Amount</u> |
|---------------|---------------|
| June 1, 2021 | \$799,000 |
| June 1, 2022 | 949,000 |
| June 1, 2023 | 966,000 |
| June 1, 2024* | 983,000 |

*Final Maturity.

Pursuant to O.C.G.A. Section 48-8-110 *et seq.*, as amended (the “Sales Tax Act”) and the Election, there has been enacted a one percent special purpose local option sales tax (the “Sales and Use Tax”) on all sales and uses within DeKalb County for the purpose of financing the Projects and paying the principal of and interest on this bond as the same become due. The Sales and Use Tax commenced April 1, 2018 and will be collected for a period of six years, in accordance with the Sales Tax Act.

The City has designated this bond as a “qualified tax-exempt obligation” under Section 265 of the Internal Revenue Code of 1986, as amended.

It is further certified and recited, that all acts, conditions and things required by the Constitution or statutes of the State of Georgia to exist, be performed or happen pursuant to and in the issuance of this bond, exist, have been performed and have happened in due and regular form as required by law, that provision has been made for the collection, if necessary, of a direct annual tax, unlimited as to rate or amount, on all property subject to taxation for general obligation bond purposes located in the City, sufficient to pay the principal of interest on this bond, in accordance with its terms, and that the total indebtedness of the City, including this bond, does not exceed any limitation prescribed by said Constitution or statutes.

This bond shall not be entitled to any benefit under the authorizing resolution and shall not become valid or obligatory for any purpose until it shall have been authenticated by execution by the Bond Registrar by manual signature of the authentication certificate hereon endorsed.

IN WITNESS WHEREOF, City of Clarkston, Georgia has caused this bond to be executed by the duly authorized manual or facsimile signature of the Vice Mayor of the City and its corporate seal to be impressed or imprinted hereon and attested by the duly authorized manual or facsimile signature of the City Clerk.

(CORPORATE SEAL)

CITY OF CLARKSTON, GEORGIA

By: _____
Vice Mayor

Attest:

City Clerk

* * * * *

CERTIFICATE OF AUTHENTICATION

This bond was authorized by the within mentioned authorizing resolution of the Vice Mayor and City Council of the City of Clarkston, Georgia, adopted May 5, 2020, and is hereby authenticated as of the date of its execution as stated in this bond.

CITY OF CLARKSTON, GEORGIA,
as Bond Registrar

By: _____
Finance Director

Date of Authentication: June 12, 2020

* * * * *

VALIDATION CERTIFICATE

STATE OF GEORGIA

COUNTY OF DEKALB

The undersigned Clerk of the Superior Court of DeKalb County, State of Georgia, DOES HEREBY CERTIFY that this bond was confirmed and validated by judgment of the Superior Court of DeKalb County, Georgia, on the ____ day of June, 2020, that no intervention or objection was filed thereto and that no appeal has been prosecuted therefrom.

WITNESS my manual or facsimile signature and the seal of the Superior Court of DeKalb County, Georgia.

Clerk, Superior Court,
DeKalb County, Georgia

(SEAL)

* * * * *

ASSIGNMENT FOR TRANSFER

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY
OR OTHER IDENTIFYING NUMBER
OF ASSIGNEE

the within Bond of the CITY OF CLARKSTON, GEORGIA and does hereby constitute and appoint _____ attorney to transfer the said Bond on the books of the Bond Registrar, with full power of substitution in the premise.

Date: _____

In the presence _____
of: _____

Bondholder

Notice: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program ("STAMP") or similar program.

NOTICE: The signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

* * * * *

[End of Bond Form]

Section 10. Approval of Winning Bid; Sale of Bond. The use and distribution of the Request for Proposals dated April 2, 2020 is hereby ratified and approved. The City hereby approves and accepts the bid of the Purchaser attached hereto as Exhibit B. The sale of the Bond to the Purchaser at a price of 100% of par is hereby authorized.

Upon receipt of the purchase price for the Series 2020 Bonds, the Vice Mayor or his designee is authorized to physically deliver the Series 2020 Bonds to the Purchaser, and the Vice Mayor or his designee is authorized to execute for and on behalf of the City such receipt for the proceeds of the Series 2020 Bonds and such other closing certificates and proofs as may be necessary and proper. The Series 2020 Bonds shall be properly executed, numbered and shall contain the terms set forth in this Resolution.

Section 11. Application of Proceeds; ~~Closing Fund~~. (a) The proceeds from the sale of the Series 2020A Bond (excluding the proceeds to be used to pay costs of issuance) shall be remitted to the City and shall be used by the City to pay the costs of all or a portion of the Projects. The proceeds of the Series 2020A Bond to be used for the payment of issuance costs of the Series 2020A Bond shall be ~~deposited to the Closing Fund~~disbursed as provided in Section 11(b). The proceeds of the Series 2020A Bond remitted to the City shall be invested and reinvested by the City in the investments specified in O.C.G.A. Section 36-82-7 or any other applicable State of Georgia law.

~~(b) — A special fund is hereby created and designated “City of Clarkston Closing Fund” (the “Closing Fund”) to which proceeds~~(b) Proceeds of the Series 2020B Bonds ~~and the proceeds of the Series 2020A Bonds that are to be used to pay costs of issuance of the Series 2020A Bonds shall be deposited. Such moneys in the Closing Fund shall be held by Truist Bank, a North Carolina banking corporation, as custodian (the “Custodian”). The Closing Fund shall be kept as a trust fund with the Custodian separate from other deposits of the City. The Custodian shall (a) use~~in the amount of \$3,672,971.68 shall be used to pay the principal of and interest on the Refunded Bond to the holder of the Refunded Bond on the Redemption Date ~~and (b) use the balance of the moneys on deposit in the Closing Fund to pay the costs of issuing the Series 2020B Bond and the costs of issuing the Series 2020A Bond.~~ No further authorization or direction by the City shall be required ~~for the Custodian~~ to make the transfer to the bondholder of the ~~Series 2020B Bond.~~ Refunded Bond. ~~Prior to paying any costs of issuance the Custodian shall receive a requisition~~

The proceeds of the Series 2020A Bonds that are to be used to pay costs of issuance of the Series 2020A Bonds and the proceeds of the Series 2020B Bonds that are to be used to pay costs of issuance of the Series 2020B Bonds shall be disbursed by Truist Bank, a North Carolina banking corporation, in accordance with a closing memo dated the date of issuance of the Series 2020 Bonds and signed by an officer (or officers) of the City properly authorized and designated to sign on the City’s behalf for this purpose. Any ~~moneys remaining in the Closing Fund as of the date thirty (30) days from the date of initial issuance and delivery~~undisbursed proceeds of the Series 2020B ~~Bond~~ Bonds shall be paid to the City and applied to the next debt service payment coming due on the ~~Series 2020B Bond.~~ Bonds

Section 12. Authentication of Series 2020 Bonds. The Series 2020 Bonds shall not be valid or obligatory for any purpose unless and until the certificate of authentication shall have been executed by the Bond Registrar, and such executed certificate of the Bond Registrar upon the Series 2020 Bonds shall be conclusive evidence that the Series 2020 Bonds have been authenticated and delivered hereunder.

Section 13. Transfer and Exchange of Series 2020 Bonds. The Bond Registrar shall cause books for the registration of transfer of the Series 2020 Bonds to be kept. The Series 2020 Bonds may be registered as transferred on the books of registration by the registered owner thereof in person or by his duly authorized attorney, upon surrender thereof, together with a written instrument of transfer executed by the owner or his duly authorized attorney. Upon surrender for registration of transfer of the Series 2020 Bonds at the principal office of the Bond Registrar, the City shall execute, and the Bond Registrar shall authenticate and deliver in the name of the transferee or transferees, a new Series 2020 Bond of the same series so surrendered and numbered consecutively in order of issuance according to the records of the Bond Registrar. The Series 2020 Bonds may not be exchanged. Such transfers of registration shall be without charge to the owner of the Series 2020 Bonds, but any tax or other governmental charge, required to be paid with respect to the same shall be paid by the owner of the Series 2020 Bonds requesting such transfer as a condition precedent to the exercise of such privilege.

If the Series 2020 Bonds are surrendered upon any transfer provided for in this Resolution, the Series 2020 Bonds shall be promptly canceled by the Bond Registrar and shall not be reissued. Upon request of the City, a certificate evidencing such cancellation shall be furnished by the Bond Registrar to the City.

Section 14. Registered Owners. The person in whose name the Series 2020 Bonds are registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of either principal or interest shall be made only to or upon the order of the registered owner thereof or his duly authorized attorney, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon the Series 2020 Bonds to the extent of the sum or sums so paid.

Section 15. Continuing Request. The inclusion of the foregoing provisions shall constitute (a) a continuing request from the City to the Clerk of the Superior Court of DeKalb County, unless her signature shall occur by facsimile, to execute the certificate of validation on any replacement Bond issued pursuant hereto, and (b) the appointment of the Bond Registrar as agent for the City to do any and all things necessary to affect any replacement or registration of transfer.

Section 16. Mutilated or Destroyed Series 2020 Bonds. In case a Series 2020 Bond of a series shall become mutilated or be destroyed or lost, the City Council, on behalf of the City, may cause to be executed, authenticated and delivered a new Series 2020 Bond in exchange or substitution for the Series 2020 Bond so mutilated, destroyed or lost, upon, in the case of a mutilated Series 2020 Bond of a series, surrender of such Series 2020 Bond, or in the case of a destroyed or lost Series 2020 Bond, the owner filing with the City, the Paying Agent and the Bond Registrar evidence satisfactory to them that such Bond was destroyed or lost and providing

indemnity satisfactory to them; provided, however, that if the owner of such destroyed or lost Series 2020 Bond has a minimum net worth of at least \$25,000,000, such owner’s own unsecured agreement of indemnity shall be deemed to be satisfactory. If the Series 2020 Bond shall have matured, instead of issuing a new Series 2020 Bond, the City may pay the same Series 2020 Bond.

Section 17. Prepayment. The Series 2020 Bonds are subject to optional prepayment in whole, but not in part, at any time, without prepayment premium, prior to their maturity.

The Series 2020A Bond is subject to mandatory sinking fund prepayment in the amounts and on the dates set forth below:

| <u>Date</u> | <u>Amount</u> |
|---------------|---------------|
| June 1, 2022 | \$1,132,000 |
| June 1, 2023 | 1,192,000 |
| June 1, 2024* | 1,261,000 |

*Final Maturity.

The Series 2020B Bond is subject to mandatory sinking fund prepayment in the amounts and on the dates set forth below:

| <u>Date</u> | <u>Amount</u> |
|---------------|---------------|
| June 1, 2021 | \$799,000 |
| June 1, 2022 | 949,000 |
| June 1, 2023 | 966,000 |
| June 1, 2024* | 983,000 |

*Final Maturity.

No presentment of the Series 2020 Bonds shall be required to receive prepayments.

Section 18. Pledge of Sales and Use Tax. Based upon historical levels of other sales and use taxes collected in the City, and the required debt service on the Series 2020 Bonds, the City hereby determines that during each year in which any payment of principal or interest on the Series 2020 Bonds becomes due, the City will receive Sales and Use Tax proceeds sufficient to fully satisfy its liability for debt service on the Series 2020 Bonds. The proceeds of the Sales and Use Tax are hereby pledged irrevocably to the payment of the principal of and interest on the Series 2020 Bonds, and ~~the Vice Mayor is hereby authorized to direct~~ the State of Georgia, Department of Revenue, Sales and Use Tax Division, in connection with the issuance of the Series 2018 Bonds, has heretofore been directed to mail all proceeds of the Sales and Use Tax being collected in the City to the custodian of the separate trust fund (the “Sales Tax Fund”) identified by the City in which the proceeds of the Sales and Use Tax are ~~to be~~being deposited to or for the account of the City.

The Sales and Use Tax commenced April 1, 2018 and will be collected for a period of six years, in accordance with O.C.G.A. Section 48-8-110 et seq., as amended. The Sales and Use Tax proceeds received by the City in any bond year (June 2 through the following June 1) shall first be used for paying debt service requirements on the Series 2020 Bonds until such time as there is on deposit with the City in the Sales Tax Fund to be maintained by the City sufficient moneys to pay the principal and interest on the Series 2020 Bonds coming due in that bond year; thereafter, such Sales and Use Tax proceeds shall be used for Projects of the City.

Section 19. Tax Covenants and Representations; Bank Qualification. The Series 2020 Bonds are being issued by the City in compliance with the conditions necessary for the interest income on the Series 2020 Bonds to be exempt from federal income taxation pursuant to the provisions of Section 103(a) of the Internal Revenue Code of 1986, as amended (the “Code”) relating to obligations of the State or political subdivisions thereof. It is the intention of the City that the interest on the Series 2020 Bonds be and remain excludable from gross income for federal income tax purposes, and, to that end, the City hereby covenants that it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the tax-exempt status of the interest on the Series 2020 Bonds under Section 103 of the Code.

The City reasonably expects that the principal amount of the Series 2020 Bonds, together with the original principal amount of all other tax-exempt obligations of the City and any entity subordinate thereto (other than obligations which are private activity bonds not qualified under Section 145 of the Code) issued in calendar year 2020, will, in the aggregate, not exceed \$10 million. The City hereby designates the Series 2020 Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3)(B) of the Code.

Section 20. Approval of Prior Actions; General Authority. All actions taken by the City Council, any officer or member of the City Council, any officer of the City or any agent or employee of the City relating to the authorization and issuance of the Series 2020 Bonds, including, but not limited to, actions taken in connection with the validation of the Series 2020 Bonds, be and the same are hereby ratified, approved and confirmed.

Section 21. Payments Due on Saturday, Sunday or Holiday. If a payment on the Series 2020 Bonds is due on a Saturday, Sunday or any day that the office of the Paying Agent is authorized or required by law to remain closed, such payment shall be made on the next succeeding business day, provided, however, interest shall continue to accrue until such time as the payment is actually received by the registered owner.

Section 22. Validation. The Series 2020B Bond shall be validated in the manner required by the laws of the State of Georgia. To that end, notice of the adoption of this Resolution and a certified copy hereof shall be immediately served on the District Attorney in order that proceedings for the confirmation and validation of the Series 2020B Bond by the Superior Court of DeKalb County may be instituted by said District Attorney. The Vice Mayor and City Clerk are hereby authorized to execute any and all documents and to take any and all actions required to validate the Series 2020B Bond.

Section 22. Waiver of Bond Audit. The City hereby waives the performance audit or performance review requirement referred to in O.C.G.A. Section 36-82-100.

Section 23. Repeal of Conflicting Resolutions. All resolutions, or parts thereof, that conflict with this Resolution are hereby repealed.

Section 24. Financial Covenants. The City shall furnish the registered owner of the Series 2020 Bonds, for so long as the Series 2020 Bonds remain outstanding, annual audited financial statements of the City as soon as they are available, but no later than 270 days after the end of each fiscal year.

Section 25. Assistant Clerk. In the event that the City Clerk is unavailable to sign the documents authorized herein, the Assistant or Deputy City Clerk, if any, is hereby authorized and directed to sign all such documents.

Section 26. General Authority. The proper officers, agents and employees of the City Council and the City are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents and certificates as may be necessary or desirable in connection with the issuance of the Series 2020 Bonds and the execution, delivery and performance of the documents and agreements authorized by this Resolution.

ADOPTED AND APPROVED this 5th day of May, 2020.

(CORPORATE SEAL)

CITY OF CLARKSTON, GEORGIA

By: _____
Vice Mayor

Attest:

City Clerk

EXHIBIT A
TO BOND RESOLUTION

DEBT SERVICE SCHEDULE

| Period Ending | Principal | Interest | Debt Service | Annual Debt Service |
|------------------|--------------------|---------------------|-----------------------|------------------------|
| 12/01/2020 | \$ — | \$ 59,481.81 | \$ 59,481.81 | \$ — |
| 12/31/2020 | — | — | — | 59,481.81 |
| 06/01/2021 | 799,000 | 63,353.40 | 862,353.40 | — |
| 12/01/2021 | — | 56,402.10 | 56,402.10 | — |
| 12/31/2021 | — | — | — | 918,755.50 |
| 06/01/2022 | 2,081,000 | 56,402.10 | 2,137,402.10 | — |
| 12/01/2022 | — | 38,297.40 | 38,297.40 | — |
| 12/31/2022 | — | — | — | 2,175,699.50 |
| 06/01/2023 | 2,158,000 | 38,297.40 | 2,196,297.40 | — |
| 12/01/2023 | — | 19,522.80 | 19,522.80 | — |
| 12/31/2023 | — | — | — | 2,215,820.20 |
| 06/01/2024 | 2,244,000 | 19,522.80 | 2,263,522.80 | — |
| 12/31/2024 | — | — | — | 2,263,522.80 |
| | <u>\$7,282,000</u> | <u>\$351,279.81</u> | <u>\$7,633,279.81</u> | <u>\$7,633,279.81</u> |

EXHIBIT B
TO BOND RESOLUTION

WINNING BID

(Attached)

EXHIBIT C
TO BOND RESOLUTION

ANNUAL DEBT SERVICE SAVINGS

| <u>Date</u> | <u>Series 2018 Debt Service</u> | <u>Series 2020B Debt Service</u> | <u>Savings</u> |
|-------------|-------------------------------------|--------------------------------------|--------------------|
| 12/31/2020 | \$ 48,627.50 | \$ 30,198.33 | \$ 18,429.17 |
| 12/31/2021 | 866,920.00 | 856,376.50 | 10,543.50 |
| 12/31/2022 | 1,002,156.50 | 991,168.90 | 10,987.60 |
| 12/31/2023 | 1,001,968.25 | 991,508.40 | 10,459.85 |
| 12/31/2024 | <u>1,002,104.25</u> | <u>991,552.10</u> | <u>10,552.15</u> |
| | <u>\$3,921,776.50</u> | <u>\$3,860,804.23</u> | <u>\$60,972.27</u> |

EXHIBIT D
TO BOND RESOLUTION

NOTICE OF REDEMPTION

CITY OF CLARKSTON, GEORGIA
GENERAL OBLIGATION SALES TAX BOND, SERIES 2018

NOTICE IS HEREBY GIVEN that the above-captioned bond outstanding in the principal amount of \$3,670,000 (the "Refunded Bond") is called for redemption prior to maturity and will be redeemed on June 12, 2020 (the "Redemption Date") at a price of 100% plus accrued interest to the Redemption Date. From and after the Redemption Date, interest on the Refunded Bond shall cease to accrue and any lien or interest in or to any pledge of security or collateral for the Refunded Bond called for redemption shall also cease and become null on the Redemption Date.

The Holder of the Refunded Bond will receive payment of the redemption price and accrued interest to which they are entitled on the Redemption Date specified above, after which date no further interest will accrue or be paid on said Refunded Bond.

This ____ day of May, 2020.

CITY CLERK'S CERTIFICATE

STATE OF GEORGIA

CITY OF CLARKSTON

The undersigned, City Clerk to the City Council of the City of Clarkston, Georgia DOES HEREBY CERTIFY that the foregoing pages of typewritten matter constitute a true and correct copy of a resolution adopted by the City Council, in a meeting duly assembled and open to the public at which a quorum was present, on the 5th day of May, 2020, relating to the sale and form of a \$3,585,000 City of Clarkston, Georgia General Obligation Sales Tax Bond, Series 2020A and a \$3,697,000 City of Clarkston,, Georgia General Obligation Sales Tax Refunding Bond, Series 2020B the original of which has been duly recorded in the Minute Book of said City Council, which is in my custody and control.

GIVEN this the 5th day of May, 2020.

City Clerk

(CORPORATE SEAL)

Document comparison by Workshare Professional on Monday, May 4, 2020
6:20:03 PM

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| Inserted cell | |
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| Moved cell | |
| Split/Merged cell | |
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| | Count |
| Insertions | 19 |
| Deletions | 16 |
| Moved from | 2 |
| Moved to | 2 |
| Style change | 0 |
| Format changed | 0 |
| Total changes | 39 |