City of Flowery Branch
City Council Meeting
Thursday, February 20, 2020, 6:00 PM
City of Flowery Branch City Hall
5410 West Pine Street, Flowery Branch GA, 30542

CALL WORK SESSION TO ORDER:

PLEDGE OF ALLEGIANCE:

PRESENTATION -
> Jake Xayavong - 10 Anniversary
> Phil Davis - Retirement

UNFINISHED BUSINESS - WORK SESSION:

NEW BUSINESS -WORK SESSION:

- Consider Formal Financial Policies: Balanced Budget Policy, General Fund Reserves Policy, Enterprise Fund Reserves Policy, and Investment Policy
  Executive Summary - Balanced Budget GF Reserve WS Reserve and Investment Policy.pdf
  General Fund Reserves Policy.pdf
  Balanced Budget Policy.pdf
  Enterprise Fund Reserves Policy.pdf
  Investment Policy.pdf
- Consider Supplemental Resolution 20-005: Installment Agreement, as modified, for Series 2020 Bonds with Gainesville and Hall County Development Authority for Old Town Redevelopment Project, and Bond Purchase
  EXECUTIVE SUMMARY - TAD Financing Terms 2-20-2020.pdf
  Moody's Published Credit Opinion Rating 2-11-2020
  DRAFT Res 20-005 -Supplemental City Resolution (00928531xA19C7).pdf
  DRAFT - INSTALLMENT SALE AGREEMENT (00910646-4xA19C7).pdf
  DRAFT - CONTINUING DISCLOSURE CERTIFICATE (00923680-2xA19C7).pdf
  DRAFT - BOND PURCHASE AGREEMENT (00928597xA19C7).pdf
- Consider February 6, 2020 Meeting Minutes
  020620 Draft.pdf
- Consider A Request for Sewer Capacity by Capstone Acquisition, LLC
  Conceptual Layout - Senior Facility Development - Capstone - Flowery Branch.pdf
  Conceptual Layout - Multi-family Development - Capstone - Flowery Branch.pdf
  Final Council Map 20.01.31.pdf

DEPARTMENT REPORTS: -
a. City Manager Report
b. City Clerk Report
c. Finance Director Report

d. Planning Department Report
e. Police Report
f. Attorney Report
g. Council Report

ADJOURNMENT WORK SESSION:

VOTING SESSION AGENDA

CALL VOTING SESSION TO ORDER:

PUBLIC COMMENTS: - Please limit to two minutes

CONSENT AGENDA:

- Consider February 6, 2020 Meeting Minutes
  020620 Draft.pdf
- Per Diem - Mike Miller

UNFINISHED BUSINESS - VOTING SESSION:

- Consider GMEBS Restated Defined Benefit Retirement Plan Adoption Agreement
  Executive Summary - GMEBS Restated Adoption Agreement.pdf
  Flowery Branch GMEBS Cover Letter 1-7-2020.pdf
  Flowery Branch GMEBS Adoption Agreement.pdf
  GMEBS 2018 Master Plan.pdf
  Amendment 1 to DB Master Plan 9.28.2018.pdf
  Summary of Amendments 1 6 2020.pdf

NEW BUSINESS - VOTING SESSION:

- Consider Supplemental Resolution 20-005: Installment Agreement, as modified, for Series 2020 Bonds with Gainesville and Hall County Development Authority for Old Town Redevelopment Project, and Bond Purchase
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EXECUTIVE SESSION:

ADJOURNMENT:

If you have a disability or impairment and need special assistance please contact the City Clerk prior to the meeting at 770-967-6371 - Meeting agenda is subject to change

FLOWERY BRANCH CITY COUNCIL

EXECUTIVE SUMMARY

SUBJECT: Consider Formal Financial Policies: Balanced Budget Policy, General Fund Reserves Policy, Enterprise Fund Reserves Policy, and Investment Policy

COUNCIL MEETING DATE: February 20, 2020

HISTORY:
GFOA (Government Finance Officers Association) Best Practices identify specific policies and procedures that contribute to improved government management. They aim to promote and facilitate positive change or recognize excellence rather than merely to codify the current accepted practice. GFOA has emphasized that these practices be proactive steps that a government should be taking. Best practices are applicable to all governments (both large and small). Over the coming months, the finance department will present for consideration approval of financial policies and guidelines to ensure the City of Flowery Branch is following sound and highly recommended procedures.

Descriptions of the policies and best practices can be located at the following link:
https://www.gfoa.org/best-practices

FACTS AND ISSUES:
Some of the presented policies may be already informally utilized under the Council's direction, while others may be new policies. This consideration of approval step will formalize the recommended best practices for financial budgeting and reporting for local municipalities. Once the policies are approved, they will be reviewed by management on an annual basis. If any changes need to be made, the changes will be presented annually to the Council for request of approval.

OPTIONS:
Continue to have management perform without formal polices or consider approving or modifying the policies as presented.

IF FUNDING IS INVOLVED, ARE FUNDS APPROVED IN THE CURRENT BUDGET:
No

AMOUNT AND SOURCE OF FUNDS:
N/A

RECOMMENDATION:
Approve the Balanced Budget Policy, General Fund Reserves Policy, Enterprise Fund Reserves Policy, and Investment Policy as presented.

SAMPLE MOTION:
I make a motion to approve the following policies as presented: Balanced Budget Policy, General Fund Reserves Policy, Enterprise Fund Reserves Policy, and Investment Policy.

COLLABORATING DEPARTMENT:
Administration

DEPARTMENT: Finance

Prepared by: Melissa McCain

ATTACHMENTS

- Executive Summary - Balanced Budget GF Reserve WS Reserve and Investment Policy.pdf
- General Fund Reserves Policy.pdf
- Balanced Budget Policy.pdf
- Enterprise Fund Reserves Policy.pdf
- Investment Policy.pdf

FLOWERY BRANCH CITY COUNCIL

EXECUTIVE SUMMARY

SUBJECT: Consider Formal Financial Policies: Balanced Budget Policy; General Fund Reserves Policy; Enterprise Fund Reserves Policy; and Investment Policy

DATE: February 20, 2020

(X) RECOMMENDATION
( ) POLICY DISCUSSION
( ) STATUS REPORT
( ) OTHER

BUDGET INFORMATION:
ANNUAL-
CAPITAL-

COMMISSION ACTION REQUESTED ON: March 5, 2020

PURPOSE: Approve the Balanced Budget Policy, General Fund Reserves Policy, Enterprise Fund Reserves Policy, and Investment Policy as presented.

HISTORY:
GFOA (Government Finance Officers Association) Best Practices identify specific policies and procedures that contribute to improved government management. They aim to promote and facilitate positive change or recognize excellence rather than merely to codify the current accepted practice. GFOA has emphasized that these practices be proactive steps that a government should be taking. Best practices are applicable to all governments (both large and small). Over the coming months, the finance department will present for consideration approval financial policies and guidelines to ensure the City of Flowery Branch is following sound and highly recommended procedures.

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OPTIONS: Continue to have management perform without formal polices or consider approving or modifying the policies as presented.

RECOMMENDED SAMPLE MOTION:
I make a motion to approve the following policies as presented: Balanced Budget Policy, General Fund Reserves Policy, Enterprise Fund Reserves Policy, and Investment Policy.

DEPARTMENT: Finance

Prepared by: Alisha Gamble

City of Flowery Branch

General Fund Reserves Policy

Authority

The Finance Department is responsible for all financial operations, budgeting reporting and compliance, payroll processing, coordinating, and preparing for the annual audit for the City of Flowery Branch. The Finance Director, as head of the Finance Department, therefore, upholds the responsibility for administering the General Fund Reserves policy on behalf of the Finance Department and City Administration.

Although the Finance Department is responsible for all financial operations, authority over the General Fund Reserves policy remains under the discretion of City Council, as indicated by Part 1 - City Charter, Article VIII, §8.1.

Purpose

General Fund Reserves exist to support the City during unexpected revenue shortage or unplanned, necessary expenditures. This policy is intended to specify targets for the inflows and outflows of the General Fund Reserves, including the quanity of resources to be held in reserves and conditions under which reserves may be used.

Applicability and Scope

This policy shall apply to the General Fund.

Definitions and Acronyms

General Fund

- Refers to the city's main operating fund that accounts for resource inflows and outflows for governmental activities along with all other activities that are not accounted for in some other fund

General Fund Reserves

- Refers to the portion of the General Fund that is intended to provide stability in the event of unplanned occurrences

General Fund Expenditures

- Refers to the annual outflow of resources from the General Fund

Policy

Reserve Levels

- The City shall maintain a General Fund Reserves balance of 4.5 months of the General Fund Expenditures.

Cash Balance

- As of the fiscal year 2019, 4.5 months of General Fund Expenditures is approximately $1,965,913. Although the exact amount of 4.5 months' worth of General Fund Expenditures is bound to fluctuate as expenditures themselves do, the cash balance of General Fund Reserves shall remain approximately $1,965,913, or whatever 4.5 months' worth happens to amount to.

Funding the Reserve

- The City's annual budget surplus funds, and unencumbered sources of funds contribute to the the General Fund Reserve.

Conditions for the Use of Reserves

- Any expenditure requested by the City out of the fiscal annual budget cycle is subject to the approval of City Council. General Fund Reserves are to be used to sustain the City in situations of revenue shortages or unplanned expenditures. It is under the discretion of City Council to determine whether the state of the City warrants the use of General Fund Reserves.

Authority over Reserves

- The Finance Department for the City of Flowery Branch upholds the responsibility to maintain the General Fund Reserves at the level determined by City Council.

Assigning Fund Balance

- City Council retains the authority to assign and amend the General Fund Reserves balance, while the City Finance Department is responsible for administering the fund balance to the General Fund Reserves.

Replenishment of Reserves

- General Fund Reserves are to be replenished annually with unencumbered funds available during the annual budget process.

Excess of Reserves

- If General Fund Reserves should exceed 4.5 months of General Fund Expenditures, they are to be reviewed by both the City Finance Department along with City Council as part of their annual review. If there is a capital project in place to which the excess reserves

may go to, then the reserves shall be transferred to the Local Resources Capital Projects Fund. If no such capital project exists, the excess reserves shall remain in the General Fund Reserves until one such project arises or held as operating contingency at the discretion of City Council.

Periodic Review of the Targets

- The targets, as mentioned above for the General Fund Reserves, shall be reviewed every fiscal year during the budget planning process or whenever city conditions indicate that a policy update is necessary. Any updates to the policy shall be subject to the approval of City Council. The following notes the creation, revision, and planned review dates:

    - Date Created: January 13, 2020
    - Last Revised: February 11, 2020
    - Next Annual Review by: March 5, 2021

City of Flowery Branch

Structurally Balanced Budget Policy

Preface:

The Finance Department is responsible for all financial operations, budgeting reporting and compliance, payroll processing, coordinating, and preparing for the annual audit for the City of Flowery Branch ("City"). The Finance Director, as head of the Finance Department, therefore, upholds the responsibility for administering the Structurally Balanced Budget policy on behalf of the Finance Department and City Administration.

Although the Finance Department is responsible for all financial operations, authority over the Balanced Budget policy remains under the discretion of City Council, as indicated by Part 1 - City Charter, Article VIII, §8.1.

Section 1: Definitions

This section defines key terms related to a structurally balanced budget:

Recurring revenue

- The portion of the City's revenues that can reasonably be expected to continue year to year, with some degree of predictability. Property taxes are an example of recurring revenue.

Non-recurring revenue

- The portion of the City's revenues that cannot be reasonably expected to continue from year to year. A grant with a term of one year is an example of non-recurring revenue.

Some revenue sources may have both recurring and non-recurring components. These sources require the City to exercise judgement in determining how much of the source is truly recurring. For instance, the City regularly receives sales tax revenue, but the exact amount of revenue varies year to year depending on the goods and services actually sold. In this case, it may be prudent to regard unusually high revenue yields as a non-recurring revenue under the assumption that such revenues are unlikely to continue, making it imprudent to use them for recurring expenditures.

Recurring expenditures

- The portion of the City's expenditures that can be reasonably expected to continue from year to year in order to maintain the current service levels. Salaries, benefits, materials, services, and asset maintenance and replacement costs are all examples of recurring expenditures.

Non-recurring expenditures

- The portion of the City's expenditures that cannot be reasonably expected to continue from year to year in order to maintain the current service levels. Special projects such as capital improvements and asset acquisition are examples of non-recurring expenditures.

Generally, the City has a greater degree of flexibility to defer non-recurring expenditures than recurring ones.

Reserves

- The portion of fund balance that is set aside to support the City during unexpected revenue shortage or unplanned, necessary expenditures. If reserves are maintained at their desired levels [see General Fund Reserves and Enterprise Fund Reserves policies], it is an indication that the City is maintaining a structurally balanced budget. If reserves are declining, it may indicate an imbalance in the budget.

Section 2: Structurally Balanced Budget Policy

The City shall endeavor to adopt a structurally balanced budget. Generally, this means that recurring revenues should fund recurring expenditures and that non-recurring revenues should fund non-recurring expenditures. On occasion, the recurring revenues may cover the non-recurring expenditures when these revenues increase due to property values or state funding.

The City's Finance Department, as a component of their annual budget presentation, shall report the City's progress in achieving a structurally balanced budget.

Section 3: Structurally Balanced Budget Directives

While it is the City's intent to provide City Council with flexibility on how to pursue and achieve a structurally balanced budget, there are some points which the City should observe very closely when developing a budget.

Employee compensation, pension liability, and other recurring expenditures

- Except in extreme circumstances, non-recurring revenues, and especially reserves, should not be used to fund employee compensation. Even one such circumstance, it should only

be done in the context of a plan to return to structure balance and replenish any reserves that had been used.

Operation and maintenance costs of capital assets purchased with non-recurring revenues

- While capital assets are often appropriate to fund with non-recurring revenues, the City shall be observant of the long-term operating and maintenance costs of such purposes, lest it create new recurring expenditures that the City cannot maintain.

Replacement of short-lived assets and non-recurring revenues

- The City shall give preference to using non-recurring revenues to replace assets that have outlived their useful lives over purchasing entirely new assets, where the replacement of the obsolete or expired assets is critical to the maintenance of the City's core priorities and programs. A replacement schedule for such assets is a good indicator of when to budget for these items.

Section 4: Review

The targets, as mentioned above for the structurally balanced budget, shall be reviewed every fiscal year during the budget planning process or whenever city conditions indicate that a policy update is necessary. Any updates to the policy shall be subject to the approval of City Council. The following notes the creation, revision, and planned review dates:

- Date Created: January 31, 2020
- Last Revised: February 11, 2020
- Next Annual Review By: March 5, 2021

The City of Flowery Branch

Enterprise Fund Reserves Policy

Authority

The Finance Department is responsible for all financial operations, budgeting reporting and compliance, payroll processing, coordinating and preparing for the annual audit for the City of Flowery Branch. The Finance Director, as head of the Finance Department, therefore, upholds the responsibility for administering the Enterprise Funds Reserves policy on behalf of the Finance Department and City Administration.

Although the Finance Department is responsible for all financial operations, authority over the Enterprise Fund Reserves policy remains under the discretion of City Council, as indicated by Part 1 - City Charter, Article 8, §8.1.

Purpose

Reserves exist to support the City during unexpected revenue shortage or unplanned, necessary expenditures. This policy is intended to specify targets for the inflows and outflows of reserves in funds other than the General Fund, including the amount of resources to be held in reserves and conditions under which reserves may be used.

Applicability and Scope

This policy shall apply to reserves in the Enterprise Fund, other than the General Fund, for which a separate policy applies [See General Fund Reserves Policy]

Policy

Reserve Levels

- The City shall maintain an Enterprise Fund Reserves balance of 6 months of expenditures with the exception of the General Fund.

Funding the Reserve

- Enterprise Fund Reserves, in addition to General Fund Reserves, are funded by the City's annual budget surplus and other unencumbered operating income.

Conditions for Use of Reserves

- Any expenditure made by the City is subject to the approval of City Council. Enterprise Fund Reserves are to be used to sustain the City's Enterprise Fund in the situations of revenue shortages or unplanned expenditures. It is under the discretion of City Council to determine whether the state of the City warrants the use of any reserves.

Authority over Reserves

- The Finance Department for the City of Flowery Branch upholds the responsibility to maintain the Enterprise Fund Reserves at the level determined by City Council.

Assigning Fund Balance

- City Council retains the authority to assign and amend the Enterprise Fund Reserves balance, while the City Finance Department is responsible for administering the fund balance to Enterprise Fund Reserves.

Replenishment of Reserves

- Enterprise Fund Reserves are to be replenished annually though the annual budget surplus. In the event that Enterprise Fund Reserves are used resulting in a balance below the six-month minimum, a plan will be developed to replenish them through the annual budget process.

Excess of Reserves

- If Enterprise Fund Reserves should exceed six months of expenditures for all funds except for the General Fund, they are to be reviewed by both the City Finance Department along with City Council as part of their annual review. If there is a capital project in place to which the excess reserves may go to, then the reserves shall be transferred to the Capital Projects Fund. If no such capital project exists, the excess reserves shall remain in the Enterprise Funds Reserves until one such project arises.

Periodic Review of the Targets

- The aforementioned targets for the Enterprise Fund Reserves shall be reviewed every fiscal year or whenever city conditions indicate that a policy update is necessary. Any updates to the policy shall be subject to the approval of City Council.

    - Date Created: January 13, 2020
    - Last Revised: February 11, 2020
    - Next Annual Review by: March 5, 2021

The City of Flowery Branch

Investment Policy

Purpose

The purpose of this Investment Policy is to comply with Chapter 2256 of the Government Code ("Public Funds Investment Act"), which required each local government to adopt a written investment policy regarding the investment of its funds and funds under its control. The Investment Policy addresses the methods, procedures and practices that must be exercised to ensure effective and judicious fiscal management for the City's funds.

Although the Finance Department is responsible for all financial operations, authority over the Investment policy remains under the discretion of City Council, as indicated by Part 1 - City Charter, Article 8, §8.1.

Section 1: Goals and Scope

Goals

- The primary goals of the City of Flowery Branch's Investment Policy shall be:
    1. Ensure the safety of all funds entrusted to the City;
    2. Maintenance of sufficient liquidity to meet all necessary obligations to the City;
    3. Public trust from prudent investment activities; and
    4. Provide optimization of interest earnings on the portfolio

Scope

- The investment policy of the City of Flowery Branch shall govern the investments of all financial assets of the City. These funds are accounted for in the City's Annual Audit Report and include:
    - General Fund
    - Enterprise Funds
    - Special Revenue Funds
    - Capital Project Funds
    - Debt Service Funds, including reserves and sinking funds, to the extent not required by law or existing contract to be kept segregated and managed separately
    - Other funds established from time to time

- Except for cash in certain restricted and special funds, the City may consolidate cash and investment balances to ease cash management operations and maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.
- This Investment Policy shall apply to all transactions involving the financial assets and related activity for all the forgoing funds. However, this policy does not apply to the assets administered for the benefit of the City by outside agencies under deferred compensation programs or other post-employment benefits (OPEB) trust funds.

Section 2: Investment Objectives

- The primary objectives of investment activities shall be safety, liquidity, public trust and optimization of interest earnings. The safety of the principal invested always remains the primary objective. All investments shall be designed and managed in a manner responsive to the public trust and consistent with State and Local Law.

Safety

- Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.
    - Credit Risk
        - The City of Flowery Branch will minimize credit risk, which is the risk of loss of all or part of the investment due to the failure of the security issuer or backer by:
            - Limiting investments to the types of securities listed later in this investment policy;
            - Pre-qualifying and conducting ongoing due diligence of the financial institutions, broker/dealers, intermediaries, and advisors with which the City of Flowery Branch will do business with;
            - Diversifying the investment portfolio so that the impact of potential losses from any one type of security or any one individual issuer will be minimized.
    - Interest Rate Risk
        - The City of Flowery Branch will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates by:
            - Structuring the investment portfolio so that security materials match cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market before maturity

- Investing operating funds primarily in shorter-term securities, money market mutual funds, or local government investment pools functioning as money market mutal funds or cretificates of deposit
- Diversifying maturities and staggering purchase states to minimize the impact of market movements over time.

Liquidity

- This investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrently with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). Alternatively, a portion of the portfolio may be placed in money market mutual funds or local government investment pools which offer same-day liquidity for short-term funds.

Public Trust

- All participants in the City's investment process shall seek to act responsibly as custodians of the public trust. Investment officers shall avoid any transaction that might impair public confidence in the City's ability to govern effectively.

Yield (Optimization of Interest Earnings)

- The investment portfolio shall be designed to attain a market rate of return throughout budgetary and economic cycles, considering the investment risk constraints and liquidity needs. The core investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall generally be held until maturity with the following exceptions:
    - A security with declining credit may be sold early to minimize loss of principal;
    - Selling a security and reinvesting the proceeds that would improve the quality, yield, or target duration in the portfolio may be undertaken;
    - Unanticipated liquidity needs of the portfolio require that the security be sold

Section 3: Standards of Care

Prudence

- The standard of prudence to be used by investment officials shall be the "uniform prudent investor act" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this

investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion, and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

Ethics and Conflicts of Interest

- Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business, in accordance with applicable laws. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.

Delegation of Authority

- Authority to manage the investment program is granted to the City's Finance Director herein referred to as the investment officer. Responsibility for the operation of the investment program is hereby delegated to the investment officer, who shall act in accordance with established objectives and standards of care for the operation of this investment program. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the investment officer.

Training Requirement

- In accordance with the Public Funds Investment Act, designated Investment Officers shall attend an investment training session no less often than once in a two-year period that begins on the first day of the City's fiscal year and consists of two consecutive fiscal years after that date and shall receive not less than 8 hours of instruction relating to investment responsibilities. A newly appointed Investment Officer must attend a training session of atleast 10 hours of instruction within twelve months of the date the Officer took office or assumed the Officer's duties.
- The investment training session shall be provided by an independent source approved by the City Council. For purposes of this policy, an "independent source" from which investment training shall be obtained shall include a professional organization, an insititution of higher education or any other sponsor other than a business organization with whom the City may engage in an investment transaction.
    - Sources approved to provide training to the City's Investment Officer include:
        - Government Finance Officers Association (GFOA)
        - Georgia Government Finance Officers Association (GGFOA)

- University of Georgia – Carl Vinson Institute of Government (CVIOG)
- Any higher education organization that has an Public Management or Public Administration program.

Section 4: Authorized Financial Institutions, Depositories, and Broker/Dealers

Authorized Financial Institutions, Depositories, and Broker/Dealers

- A list will be maintained of financial institutions and depositories authorized to provide investment services. In addition, a list will be maintained of approved security broker/dealers selected by creditworthiness and/or other factors, such as FINRA broker check.
- All financial institutions and broker/dealers who desire to become qualified for investment transactions must supply the following as appropriate:
    - Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines
    - Proof of Financial Industry Regulatory Authority (FINRA) certification (not applicable to Certificate of Deposit counterparties)
    - Proof of state registration
    - Completed broker/dealer questionnaire (not applicable to Certificate of Deposit counterparties)
    - Certification of having read and understood and agreeing to comply with the City of Flowery Branch's investment policy
    - Evidence of adequate insurance coverage exceeding at a minimum of 10% over the amount of the investment by the City.
- An annual review of the financial condition and registration of all qualified financial institutions and broker/dealers will be conducted by the investment officer.

Section 5: Safekeeping and Custody

Delivery vs. Payment

- All trades of marketable securities will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible custody account prior to the release of funds.

Safekeeping

- The City's Finance Department will hold securities with all securities held in the City's name.

Internal Controls

- The investment officer shall establish a system of internal controls, which shall be documented in writing. The internal controls shall be reviewed annually by City Council

and with the independent auditor for the City. The controls shall be designed to prevent the loss of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the City. The internal controls shall address the following points:

- Control of collusion
- Separation of transactions authority from accounting and record keeping
- Custodial safekeeping
- Avoidance of physical delivery securities
- Clear delegation of authority to subordinate staff members
- Written confirmation for telephone (voice) transactions for investments and wire transfers
- Development of a wire transfer agreement with the depository bank or third party custodian
- Documentation of transactions and strategies
- Monitor rating changes in investment acquired with public funds through websites such as Moody's, Standard & Poor's (S&P), and Electronic Municipal Market Access (EMMA)

Section 6: Suitable and Authorized Investments

Investment Types

- Consistent with the GFOA Policy Statement on State and Local Laws Concerning Investment Practices and O.C.G.A. §36-80-3 , this policy will permit the following investments:
  - Obligations of the United States and of its agencies and instrumentalities;
  - Bonds or certificates of indebtedness of this state and of its agencies and instrumentalities; and
  - Certificates of deposit of banks which have deposits insured by the Federal Deposit Insurance Corporation; provided, however, that the portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation shall be secured by direct obligations of this state or the United States which are par value equal to that portion of such certificates of deposit which would be uninsured.
- Investment derivatives of the above instruments shall require authorization by City Council.

Collateralization

- Where allowed by governing legislation and in accordance with the GFOA Recommended Practices on the Collateralization of Public Deposits, full collateralization will be required on all demand deposit accounts, including checking accounts and non-negotiable certificates of deposit (See GFOA Recommended Practices in Appendix).

Repurchase Agreements

- Repurchase agreements shall be consistent with GFOA Recommended Practices on Repurchase Agreements. (See GFOA Recommended Practices in Appendix.)

Investment Diversification and Constraints

- Diversification
- It is the policy of the City of Flowery Branch to diversify its investment portfolios. To eliminate the risk of loss resulting from the overconcentration of assets in a specific maturity, issuer, or class of securities, all cash and cash equivalent assets in all City funds shall be diversified by maturity, issuer, and security type. Diversification strategies shall be determined and revised periodically by the investment officer for all invested funds.
- In establishing specific diversification strategies, the following general policies and constraints shall apply:
    - Portfolio maturities shall be staggered to avoid undue concentration of assets in a specific maturity sector. Maturities selected shall provide for stability of income and reasonable liquidity
    - Liquidity shall be assured through practices ensuring that the next disbursement date and payroll date are covered through maturing investments or marketable U.S. Treasury bills.
    - Positions in securities having potential default risk (i.e. commercial paper) shall be limited in size so that in case of default, the portfolio's annual investment income will exceed a loss in a single issuer's securities.
    - Risks of market price volatility shall be controlled through maturity diversification and duration management.
    - The investment officer shall establish strategies and guidelines for the percentage of the total portfolio that may be invested in securities other than repurchase agreements, Treasury bills, or collateralized certificates of deposit. The investment officer shall conduct a quarterly review of these guidelines and evaluate the probability of market and default risk in various investment sectors as part of its considerations.

Maximum Exposure Guidelines

- Risk of principal loss in the portfolio shall be minimized by diversifying investment types according to the following limitations:

Investment Type	% of Portfolio
U.S. Treasury Obligations	100%
U.S. Agency Obligations	60%
Local Government Investment Pools	50%
State/Local Government Obligations	50%
Repurchase Agreements	30%
Certificates of Deposit	30%
Corporate Bonds	20%

Default risk

- No more than 15 percent of the overall portfolio may be invested in the securities of a single issuer, except for securities of the U.S. Treasury. No more than 15 percent of the portfolio may be invested in each of the following categories of securities:
    - Money Market Mutual Funds,
    - Negotiable certificates of deposit,
    - Bankers' acceptances,
    - Any other obligation that does not bear the full faith and credit of the United States government or which is not fully collateralized or insured

Liquidity risk

- Based on liquidity needs, at least 10 percent of the overall portfolio shall be invested in overnight instruments or in marketable securities, which can be converted to cash within one day.

Maximum Maturities

- No more than 20 percent of the portfolio may be invested beyond 12 months, and the weighted average maturity of the portfolio shall never exceed 5 years.
- To the extent possible, the City shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than five (5) years from the date of purchase or in accordance with governing legislation. The City shall adopt weighted average maturity limitations consistent with the investment objectives.
- Reserve funds shall be considered the "core" investment portfolio and invested in securities exceeding five (5) years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of funds. The intent to invest in securities with longer maturities shall be disclosed in writing to City Council. (See the GFOA Recommended Practice on "Maturities of Investments in a Portfolio" in Appendix.)

Competitive Bids

- The investment officer shall solicit competitive bids from at least three brokers or financial institutions on all purchases and sales of investment instruments transacted on the secondary market.

Section 7: Reporting

Methods

- The investment officer shall prepare an investment report at least quarterly, including a management summary that provides an analysis of the status of the current investment portfolio and the individual transactions executed over the last quarter. This management summary shall be prepared in a manner that will allow the City to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report should be provided to the City Manager, City Council, and any pool participants. The report will include the following:
    - Listing of individual securities held at the end of the reporting period, including type, acquisition, cost, and market value.
    - Realized and unrealized gains or losses resulting from appreciation or depreciation by listing the cost and market value of securities over a one-year duration that is not intended to be held until maturity (in accordance with Government Accounting Standards Board (GASB) requirements)
    - Average weighted return on investments as compared to applicable benchmarks
    - Percentage of the total portfolio which each type of investment represents
    - A statement that the investment portfolio follows the investment policy and is meeting the investment policy objectives
    - List ratings for active investments from research from websites such as Moody's, Standard & Poor's (S&P), and Electronic Municipal Market Access (EMMA)

Performance Standards

- The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain an average market rate of return during a market/economic environment of stable interest rates. A series if appropriate benchmarks shall be established against which portfolio performance shall be compared on a regular basis. The benchmarks shall be reflective of the actual securities being purchased and risks undertaken, and the benchmarks shall have similar weighted average maturity as the portfolio.

Market to Market

- The market value of the portfolio shall be calculated at least quarterly, and a statement of the market value of the portfolio shall be issued at least quarterly. This will ensure that review of the investment portfolio, in terms of value and price volatility, has been performed consistent with the GFOA Recommended Practice on "Mark-to-Market Practices for State and Local Government Investment Portfolios and Investment Pools." (See GFOA Recommended Practices in Appendix.)

Section 8: Policy Considerations

Amendments

- This policy shall be reviewed on an annual basis. Any changes must be submitted by the investment officer and approved by City Council.

Approval of Investment Policy

- The investment policy shall be formally approved and adopted by the governing body of the City of Flowery Branch and reviewed annually.

    - Date Created: January 13, 2020
    - Last Revised: February 11, 2020
    - Next Annual Review by: March 5, 2021

FLOWERY BRANCH CITY COUNCIL

EXECUTIVE SUMMARY

SUBJECT: Consider Supplemental Resolution 20-005: Installment Agreement, as modified, for Series 2020 Bonds with Gainesville and Hall County Development Authority for Old Town Redevelopment Project, and Bond Purchase

COUNCIL MEETING DATE: February 20, 2020

HISTORY:

The presentation of the Old Town Redevelopment Project plans and agreement between the Residential Group and the City was presented to the Tax Allocation District Advisory Committee (TADAC) on 8/30/2018 with unanimous recommendation from the committee to Council for up to $6.6 million in financing through the Gainesville and Hall County Development Authority. The City of Flowery Branch City Council received the recommendations from the TADAC through a presentation at the 11/15/2018 Council Meeting. The motion was approved by City Council to proceed with the recommendations of the TADAC on 11/15/2018. Resolution 20-002 was approved at the 1/16/2020 meeting for the draft Installment Agreement of the TAD Financing.

A sample of the Gainesville and Hall County Development Authority supplemental bond resolution is attached for reference.

FACTS AND ISSUES:

The supplemental Resolution 20-005 is the final step in the bond financing process for the TAD Old Town redevelopment projects. Parameters are listed below but actual principal amounts and interest rates will be presented 2/20/2020 as we are not able to finalize financing rates and terms until the day this resolution and agreement is finalized. Mr. William Camp, our underwriter from Raymond James, will be at the meeting to present the final results for approval.

- Not to exceed principal amount of $5.4 million;
- Not to exceed rate of 5.00%;
- Maximum Annual debt service of $450,000;
- Final maturity date of April 1, 2039.

OPTIONS:

To approve the supplemental Resolution 20-005: Installment Agreement, as modified, for Series 2020 Bonds with Gainesville and Hall County Development Authority for Old Town Redevelopment Project and Bond Purchase Agreement.

IF FUNDING IS INVOLVED, ARE FUNDS APPROVED IN THE CURRENT BUDGET:

No

AMOUNT AND SOURCE OF FUNDS:
$5,400,000 Debt Financing, Series 2020 Revenue Bonds, with the Gainesville and Hall County Redevelopment Authority.

RECOMMENDATION:
Approve revised TAD financing documents as presented.

SAMPLE MOTION:
I make a motion to approve supplemental Resolution 20-005: Installment Agreement, as modified, for Series 2020 Bonds with Gainesville and Hall County Development Authority for Old Town Redevelopment Project and Bond Purchase Agreement as presented.

COLLABORATING DEPARTMENT:
Administration

DEPARTMENT: Finance

Prepared by: Melissa McCain

ATTACHMENTS

- EXECUTIVE SUMMARY - TAD Financing Terms 2-20-2020.pdf
- Moody's Published Credit Opinion Rating 2-11-2020
- DRAFT Res 20-005 -Supplemental City Resolution (00928531xA19C7).pdf
- DRAFT - INSTALLMENT SALE AGREEMENT (00910646-4xA19C7).pdf
- DRAFT - CONTINUING DISCLOSURE CERTIFICATE (00923680-2xA19C7).pdf
- DRAFT - BOND PURCHASE AGREEMENT (00928597xA19C7).pdf

FLOWERY BRANCH CITY COUNCIL

EXECUTIVE SUMMARY

SUBJECT: Consider Supplemental Resolution 20-005: Installment Agreement, as modified, for Series 2020 Bonds with Gainesville and Hall County Development Authority for Old Town Redevelopment Project, and Bond Purchase

DATE: February 20, 2020

(X) RECOMMENDATION
( ) POLICY DISCUSSION
( ) STATUS REPORT
( ) OTHER

BUDGET INFORMATION:
ANNUAL-
CAPITAL-

COMMISSION ACTION REQUESTED ON: February 20, 2020

PURPOSE: Approve revised TAD financing documents as presented.

HISTORY:
The presentation of the Old Town Redevelopment Project plans and agreement between the Residential Group and the City was presented to the Tax Allocation District Advisory Committee (TADAC) on 8/30/2018 with unanimous recommendation from the committee to Council for up to $6.6 million in financing through the Gainesville and Hall County Development Authority. The City of Flowery Branch City Council received the recommendations from the TADAC through a presentation at the 11/15/2018 Council Meeting. The motion was approved by City Council to proceed with the recommendations of the TADAC on 11/15/2018. Resolution 20-002 was approved at the 1/16/2020 meeting for the draft Installment Agreement of the TAD Financing.

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OPTIONS: To approve the supplemental Resolution 20-005: Installment Agreement, as modified, for Series 2020 Bonds with Gainesville and Hall County Development Authority for Old Town Redevelopment Project and Bond Purchase Agreement.

RECOMMENDED SAMPLE MOTION:
I make a motion to approve supplemental Resolution 20-005: Installment Agreement, as modified, for Series 2020 Bonds with Gainesville and Hall County Development Authority for Old Town Redevelopment Project and Bond Purchase Agreement as presented.

DEPARTMENT: Finance

Prepared by: Alisha Gamble

MOODY'S INVESTORS SERVICE

CREDIT OPINION
11 February 2020

Rate this Research

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CLIENT SERVICES

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Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

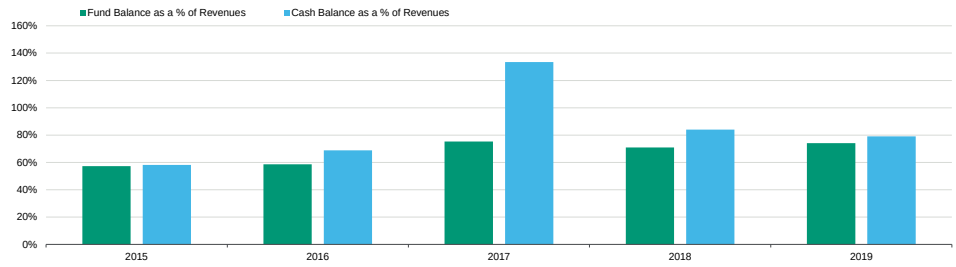
Flowery Branch (City of) GA

New issuer

Summary

The City of Flowery Branch (Aa2) has a growing tax base in the metro Atlanta region because of ongoing residential development. The city's population is rapidly increasing, driving property tax revenue growth and contributing to larger reserve ratios. As a result, the city is investing in its capital program to revitalize its downtown area and support infrastructure projects, which will be funded by moderate debt issues. The city's debt burden remains low and manageable, and revenues from its tax allocation district will likely support debt service payments as it is built out. The city has low pension liabilities and does not offer other post-employment benefits (OPEB), resulting in low fixed costs.

Exhibit 1
History of Strong Financial Reserves and Liquidity
Fiscal 2015-2019



Source: Flowery Branch, GA & Moody's Investors Service

On February 7, we assigned a Aa2 rating to the city's Revenue Bonds (City of Flowery Branch Old Town Project), Series 2020, issued through the Gainesville and Hall County Development Authority.

Credit strengths

» Healthy reserves and liquidity

» Low debt and pension liabilities

Credit challenges

» Small tax base and overall nominal budget

» Rapidly growing population that needs additional infrastructure throughout the city

Rating outlook

Outlooks are not usually assigned to local governments with this amount of debt outstanding.

Factors that could lead to an upgrade

» Tax base expansion and diversification

» Growth in overall budget and financial reserves

Factors that could lead to a downgrade

» Material tax base contraction

» Substantial erosion of liquidity and reserves

Key indicators

Exhibit 2

Flowery Branch (City of) GA	2015	2016	2017	2018	2019
Economy/Tax Base					
Total Full Value ($000)	$608,359	$700,605	$743,464	$849,459	$1,003,973
Population	6,216	6,216	6,801	7,934	7,934
Full Value Per Capita	$97,870	$112,710	$109,317	$107,066	$126,541
Median Family Income (% of US Median)	116.7%	107.5%	111.1%	111.1%	111.1%
Finances					
Operating Revenue ($000)	$4,198	$5,497	$5,015	$5,697	$6,000
Fund Balance ($000)	$2,402	$3,220	$3,775	$4,039	$4,446
Cash Balance ($000)	$2,441	$3,783	$6,696	$4,783	$4,748
Fund Balance as a % of Revenues	57.2%	58.6%	75.3%	70.9%	74.1%
Cash Balance as a % of Revenues	58.2%	68.8%	133.5%	84.0%	79.1%
Debt/Pensions					
Net Direct Debt ($000)	$1,390	$2,450	$5,929	$5,674	$3,841
3-Year Average of Moody's ANPL ($000)	N/A	$1,149	$1,280	$1,330	$1,415
Net Direct Debt / Full Value (%)	0.2%	0.3%	0.8%	0.7%	0.4%
Net Direct Debt / Operating Revenues (x)	0.3x	0.4x	1.2x	1.0x	0.6x
Moody's - adjusted Net Pension Liability (3-yr average) to Full Value (%)	N/A	0.2%	0.2%	0.2%	0.1%
Moody's - adjusted Net Pension Liability (3-yr average) to Revenues (x)	N/A	0.2x	0.3x	0.2x	0.2x

Source: Moody's Investors Service

Profile

The City of Flowery Branch is located approximately 40 miles Northeast of the City of Atlanta (Aa1 stable), in Hall County (Aa2) and serves an estimated population of 6,800.

Detailed credit considerations

Economy and tax base: moderate, expanding tax base in the Atlanta MSA

The City of Flowery Branch's $1.2 billion (2019) tax base falls below the national medians ($3.1 billion) for the Aa2 rating category, however, substantial increases averaging 13.8% annually over the last five years have been fueled by rapid population growth and residential development. The city benefits from its proximity to Atlanta and is the headquarters of the NFL's Atlanta Falcons training facility, and recent development downtown through its tax allocation district (TAD) is contributing to assessed value growth. The TAD is currently 41% developed, and an additional 2,500 housing units and 900,000 square feet of commercial and industrial space will likely be completed as the district gets built out. The tax base is somewhat concentrated with the top ten taxpayers accounting for 16.5%

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of 2019 assessed value, and the largest is an apartment rental developer. The largest employers in the city include the Atlanta Falcons Football Club (113 employees), Home Depot (104 employees), and Publix Supermarket (101 employees).

Between 2012 and 2018, the city's population increased by 17% to over 6,800 residents according to U.S. Census American Community Survey. Resident wealth levels are aligned with similarly rated cities, with median family income at 111% of the nation. Full value per capita is a stronger $146,136, which exceeds the Aa2 median of $117,041. The rate of unemployment in the city was 2.2% in December 2019, which is below the state (2.9%) and national (3.4%) rates for the same period.

Financial operations and reserves: healthy financial position increasing reserves in step with revenues

The city's financial position will remain healthy given conservative management practices, comprehensive fiscal policies and planning, strong reserve levels, and local revenue-raising capacity. The city has maintained structural balance over the past few years, and fiscal 2019 ended with a general fund surplus of $178,000, bringing available (assigned, unassigned, committed) fund balance to $3 million, or 61.3% of revenues. Operating funds (general, TAD, SPLOST, and capital funds) held a stronger $4.4 million in available fund balance, which represented 74% of revenues. Although this ratio exceeds the median for Aa2-rated cities nationally (37% of revenues), the city's operating budget is nominally smaller ($6 million in revenues) relative to the medians ($39 million in revenues).

Property taxes are the main source of general fund revenues at 25.8%, followed by other local taxes (including sales) 23.6%, and intergovernmental revenues (17.8%). The M&O millage rate has been flat since 2017 at 3.26 mills per $1,000 of assessed value.

The fiscal 2020 general fund budget of $5.2 million represents a 5.6% increase over fiscal 2019 figures. The budget includes $1 million for capital projects and remains balanced with no use of reserves. Year-end fund balance will likely increase given management's trend of conservative budgetary assumptions.

LIQUIDITY

Flowery Branch's operating cash position at the end of fiscal 2019 was a healthy $4.7 million, or 79.1% of revenues. Although the nominal net cash amount falls below the medians, the ratio exceeds the median for Aa2 rated cities nationally.

Debt and pensions: manageable debt and pension liabilities

The city's debt burden is manageable and despite additional issuances to fund utility projects, it will remain manageable given the independence of the utility funds and pay-go capital spending covered by special purpose local option sales tax (SPLOST) revenues.

Post-issuance, the city's net direct burden will total $8.5 million, or an average 0.7% of full value (less self-supporting GO debt supported by the utility funds). The debt burden is aligned with the median debt burden for similarly rated cities nationally at 0.6% of full value.

The city anticipates entering into an intergovernmental contract for a Georgia Environmental Facilities Authority (GEFA) loan for approximately $20 million in utility projects, which will likely be repaid with water and sewer revenues. Any additional general capital projects will be funded by pay-go funds and SPLOST revenues.

DEBT STRUCTURE

All of the city's debt is fixed rate, and amortization of debt is average with 60% of principal retired in 10 years.

Debt service accounted for 9.5% of 2019 expenditures. Going forward, debt service will approximate $530,000, and a portion will be repaid with TAD revenues ($160,000 in 2019, and increasing annually as developments are completed to approximately $800,000 in 2025).

DEBT-RELATED DERIVATIVES

The city is not party to any derivative agreements.

PENSIONS AND OPEB

The city's pension burden is low and will remain manageable. The city participates in the Georgia Municipal Employees Benefit System, a multi-employer, defined benefit retirement plan. The city's contribution to the plan during fiscal 2019 was $118,000 or 2.1% of operating expenditures. This figure represents 85% of the "tread water" indicator[1], and required contributions could increase in future years to reduce unfunded liabilities. The city's Moody's adjusted net pension liability (ANPL), based on a 4.17% discount rate, totaled

$1.4 million or low 0.23 times operating revenues at fiscal 2019 year-end. In comparison, the city reported a GASB net pension liability of $637,000, based on a 7.5% discount rate.

The city does not provide other post-employment benefits (OPEB). Total fixed costs (debt service and pension tread water) represented a low 13% of 2019 expenditures.

Management and governance

City management has a policy to maintain 4.5 months of budgeted expenses for the year, which they plan to formalize through City Council approval. City management is also putting together a detailed long-term budget book to guide fiscal planning in the coming years.

Georgia cities have an institutional framework score of "Aaa," or very strong. Cities rely heavily on highly predictable property tax revenues to fund operations. Property taxes are not subject to any state-imposed levy caps, providing Georgia cities with the strong ability to raise revenues without limit. Expenditures are largely predictable and cities have a high ability to reduce expenditures, if necessary, due to an absence of unions and a modest fixed cost burden.

Rating methodology and scorecard factors

The US Local Government General Obligation Debt methodology includes a scorecard, a tool providing a composite score of a local government's credit profile based on the weighted factors we consider most important, universal and measurable, as well as possible notching factors dependent on individual credit strengths and weaknesses. Its purpose is not to determine the final rating, but rather to provide a standard platform from which to analyze and compare local government credits.

Exhibit 3

Flowery Branch (City of) GA

Rating Factors	Measure	Score
Economy/Tax Base (30%) [1]		
Tax Base Size: Full Value (in 000s)	$1,159,440	A
Full Value Per Capita	$146,136	Aa
Median Family Income (% of US Median)	111.1%	Aa
Finances (30%)		
Fund Balance as a % of Revenues	74.1%	Aaa
5-Year Dollar Change in Fund Balance as % of Revenues	37.1%	Aaa
Cash Balance as a % of Revenues	79.1%	Aaa
5-Year Dollar Change in Cash Balance as % of Revenues	34.7%	Aaa
Notching Factors:[2]		
Other Analyst Adjustment to Finances Factor: Nominally small overall budget and liquidity		Down
Management (20%)		
Institutional Framework	Aaa	Aaa
Operating History: 5-Year Average of Operating Revenues / Operating Expenditures	0.9x	Ba
Debt and Pensions (20%)		
Net Direct Debt / Full Value (%)	0.7%	Aaa
Net Direct Debt / Operating Revenues (x)	1.4x	A
3-Year Average of Moody's Adjusted Net Pension Liability / Full Value (%)	0.1%	Aaa
3-Year Average of Moody's Adjusted Net Pension Liability / Operating Revenues (x)	0.2x	Aaa
	Scorecard-Indicated Outcome	Aa2
	Assigned Rating	Aa2

[1] Economy measures are based on data from the most recent year available.
[2] Notching Factors are specifically defined in the US Local Government General Obligation Debt methodology.
Source: US Census Bureau, Moody's Investors Service

Endnotes

1 Our "tread water" indicator measures the annual government contribution required to prevent reported net pension liabilities from growing, given the entity's actuarial assumptions. An annual government contribution that treads water equals the sum of employer service cost and interest on the reported net pension liability at the start of the fiscal year. A pension plan that receives an employer contribution equal to the tread water indicator will end the year with an unchanged net pension liability relative to the beginning of the year if all plan assumptions hold. Net liabilities may decrease or increase in a given year due to factors other than the contribution amount, such as investment performance that exceeds or falls short of a plan's assumed rate of return. Still, higher contributions will always reduce unfunded liabilities faster, or will allow unfunded liabilities to grow more slowly than lower contributions.

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REPORT NUMBER 1213924

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Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

SUPPLEMENTAL BUSINESS
RESOLUTION NO. 20-005

WHEREAS, the Gainesville and Hall County Development Authority (the "Issuer"), by resolution adopted at a meeting held on January 28, 2020 (the "Parameters Resolution"), authorized the issuance of its revenue bonds in an aggregate principal amount not to exceed $5,400,000, upon the terms set forth in said Parameters Bond Resolution; and

WHEREAS, the Parameters Resolution provided that (i) the revenue bonds to be issued by the Issuer pursuant thereto would be dated the date of issuance and delivery thereof and would mature no later than April 1, 2039 (ii) the interest rate on said bonds would not exceed 5.0% per annum, (iii) the highest combined annual principal and interest requirements on said bonds in any year would not exceed $450,000, and (iv) the actual aggregate principal amount of said bonds to be issued, the actual principal amount of said bonds to mature in each year and the actual interest rate or rates of each maturity of said bonds, the form of said bonds and the provisions for dating, execution, authentication, payment, registration and redemption (optional and mandatory) of said bonds would be determined by supplemental bond resolution to be adopted by the Issuer prior to the issuance of said bonds; and

WHEREAS, the City of Flowery Branch, Georgia (the "City"), by resolution duly adopted at a meeting of the Council of the City held on January 16, 2020 (the "January 16 Resolution"), authorized and approved the issuance of revenue bonds of the Issuer in an aggregate principal amount not to exceed $5,400,000, upon the terms set forth in a Parameters Resolution; and

WHEREAS, the January 16 Resolution authorized the City to execute, deliver and perform an installment sale agreement to be dated as of March 1, 2020 (the "Agreement"), by and between the City and the Issuer, in substantially the form as presented to the Council at its January 16, 2020 meeting and on file and of record with the City Clerk; and

WHEREAS, pursuant to the January 16 Resolution, the City approved the assignment by the Issuer of its rights under the Agreement, including the purchase payments payable by the City to the Issuer thereunder, to Regions Bank, Atlanta, Georgia, as trustee (the "Trustee"), pursuant to the terms of a Trust Indenture to be dated as of March 1, 2020 (the "Indenture"), between the Issuer and the Trustee, as security for the payment of the bonds authorized to be issued by the Issuer pursuant to the Parameters Resolution; and

WHEREAS, the Issuer has advised the City that the revenue bonds authorized to be issued pursuant to the Parameters Resolution have now been sold; and

WHEREAS, the Issuer will adopt a Supplemental Bond Resolution on February 19, 2020 (the "Supplemental Bond Resolution"), authorizing the issuance of $_____ in aggregate principal amount bonds of the Issuer designated as "Gainesville and Hall County Development Authority Revenue Bonds (City of Flowery Branch Old Town Project), Series 2020" (the "Series 2020 Bonds" or the "Bonds"), and setting forth the terms of issuance of the Bonds; and

WHEREAS, the City desires to amend and supplement the January 16 Resolution (i) to approve the modification of certain provisions of the form of the Agreement heretofore approved by the City pursuant to the January 16 Resolution, and (ii) to approve the terms of issuance of the Series 2020 Bonds; and

WHEREAS, the terms of issuance of the Series 2020 Bonds are within the parameters of the Parameters Resolution and the January 16 Resolution, and will therefore comply with the terms of the Parameters Resolution and the January 16 Resolution; and

WHEREAS, it is proposed that the City should authorize the execution and delivery of a Bond Purchase Agreement, dated the date hereof (the "Purchase Agreement"), among the Issuer, the City and Raymond James & Associates, Inc. (the "Underwriter"), providing for the sale of the Bonds; and

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Flowery Branch, Georgia (the "Council"), and **IT IS HEREBY RESOLVED** by the authority of the same as follows:

Section 1. Authorization of Series 2020 Bonds. The issuance of $_____ in aggregate principal amount bonds of the Issuer designated as "Gainesville and Hall County Development Authority Revenue Bonds (City of Flowery Branch Old Town Project), Series 2020, is hereby approved. The Series 2020 Bonds (i) shall be dated as of their date of issuance, (ii) shall be in the form of fully registered bonds without coupons, (iii) shall bear interest from date until payment of the principal amount thereof at the annual rates set forth below (calculated on the basis of a 30-day month, 360-day year), payable October 1, 2020, and semiannually thereafter on April 1 and October 1 of each year, (iv) shall be in the denomination of $5,000 each, or any integral multiple thereof, numbered consecutively from R-1 upward, (v) shall be transferable to subsequent owners as provided in the Supplemental Bond Resolution of the Issuer, and (vi) shall mature on April 1 in each of the years and in the principal amounts set forth in the following table:

Year	Amount	Rate	Year	Amount	Rate
2023			2032		
2024			2033		
2025			2034		
2026			2035		
2027			2036		
2028			2037		
2029			2038		
2030			2039		
2031					

The Series 2020 Bonds shall be issued in the form of fully registered bonds without coupons and shall initially be issued in book-entry form. The provisions for signatures,

exchange, transfer and registration shall be as set forth in the Indenture, as modified by the Supplemental Bond Resolution, and in the form of Series 2020 Bonds incorporated therein.

The Series 2020 Bonds having stated maturities on April 1 in the years 2031, 2032, 2033, and 2034 may be redeemed prior to their respective maturities at the option of the Issuer, either in whole or in part, on any date in any year not earlier than April 1, 2030 and thereafter may be redeemed prior to their respective maturities at the option of the Issuer, either in whole or in part, on any date in any year not earlier than April 1, 2030, from any moneys which may be made available for such purpose as provided in the Indenture. The Series 2020 Bonds having stated maturities on April 1, 2035 and thereafter may be redeemed prior to their respective maturities at the option of the Issuer, either in whole or in part, on any date in any year not earlier than April 1, 2025 and thereafter may be redeemed prior to their respective maturities at the option of the Issuer, either in whole or in part, on any date in any year not earlier than April 1, 2025, from any moneys which may be made available for such purpose as provided in the Indenture. Such redemption shall be made upon payment of a redemption price for each Series 2020 Bond to be redeemed equal to the principal amount of such Bond plus accrued interest to the date fixed for redemption.

[In addition, the Series 2020 Bonds maturing on April 1, 20___, are subject to mandatory redemption prior to maturity in the following principal amounts and on the dates set forth below (the 20__ amount to be paid rather than redeemed):

April 1 of the Year	**Principal Amount**
20__	**$**
20__	

In addition, the Series 2020 Bonds maturing on April 1, 20__, are subject to mandatory redemption prior to maturity in the following principal amounts and on the dates set forth below (the 20__ amount to be paid rather than redeemed):

April 1 of the Year	**Principal Amount**
20__	**$**
20__	

In addition, the Series 2020 Bonds maturing on April 1, 20__, are subject to mandatory redemption prior to maturity in the following principal amounts and on the dates set forth below (the 20__ amount to be paid rather than redeemed):

April 1 of the Year	**Principal Amount**
20__	**$**
20__	

The Issuer shall redeem such an aggregate principal amount of the Series 2020 Bonds maturing on a mandatory redemption date at a redemption price equal to the

principal amount thereof plus the interest due thereon on such mandatory redemption date.]

Section 2. Use of Proceeds. The proceeds of the Series 2020 Bonds shall be deposited into a Project Fund to be created under the terms of the Indenture and used for the purpose of financing the (a) acquisition, construction, and equipping public parks on certain real property in Old Town and (b) the construction of certain sidewalks, streetscapes, and parking in Old Town, all as more particularly described on Exhibit "A" to the Agreement, and (c) paying costs of issuance of the Series 2020 Bonds.

Section 3. Modification of Form of Agreement. The Council hereby approves the modification of the form of Agreement presented to the Council at its January 16, 2020 meeting and approved pursuant to the January 16 Resolution for the purposes set forth in this Supplemental Resolution. The form of Agreement attached hereto as **Exhibit "A"** shall be substituted for the form of Agreement attached as Exhibit "A" to said January 16 Resolution. The substantive changes to the Agreement approved at said January 16, 2020 meeting include:

(i) Adding to the Agreement a Section 7.10 as follows:

SECTION 7.10. Allocation of the Bonds Pursuant to Section 265(b)(3)(C)(iii). Issuer and City agree that the Bonds are hereby allocated entirely to City pursuant to Section 265(b)(3)(C)(iii) of the Code for purposes of Section 265(b)(3) of the Code and that no portion of the Bonds is allocated to Issuer for purposes of Section 265(b)(3) of the Code. Issuer and City acknowledge that the Project is owned in substance by City and operated and maintained by City and that the Bonds will be paid from revenues of City.

Section 4. Authorization of Agreement, as Modified. The execution, delivery and performance of the Agreement by the City, as hereby modified, are hereby authorized and approved. The Agreement shall be in substantially the form attached hereto as **Exhibit "A,"** subject to such minor changes, insertions or omissions as may be approved by the Mayor of the City. The execution of the Agreement by the Mayor of the City as hereby authorized shall be conclusive evidence of such approval. The seal of the City shall be affixed to the Agreement and attested by the City Clerk.

Section 5. Authorization of Purchase Agreement. The execution, delivery and performance of the Purchase Agreement are hereby authorized and approved. The Purchase Agreement shall be in substantially the form presented at this meeting, subject to such minor changes, insertions or omissions as may be approved by the Mayor of the City. The execution of the Purchase Agreement by the Mayor of the City as hereby authorized shall be conclusive evidence of such approval. The seal of the City shall be affixed to the Purchase Agreement and attested by the City Clerk. The City hereby acknowledges receipt of the Underwriter's letter regarding disclosures by the Underwriter pursuant to MSRB rule G-17.

Section 6. Authorization of Continuing Disclosure Certificate. The execution, delivery and performance of a Continuing Disclosure Certificate by the City are hereby authorized and approved. The Continuing Disclosure Certificate shall be in substantially the form presented at this meeting, subject to such minor changes, insertions or omissions as may be

approved by the Mayor of the City. The execution of the Continuing Disclosure Certificate by the Mayor of the City as hereby authorized shall be conclusive evidence of such approval. The seal of the City shall be affixed to the Continuing Disclosure Certificate and attested by the City Clerk.

Section 7. Approval of Offering Documents. The use and distribution by the Underwriter of a Preliminary Official Statement, dated February 11, 2020, with respect to the Bonds prior to the adoption of this resolution is hereby ratified and confirmed. The use and distribution of the Official Statement by the Underwriter in connection with the purchase and sale of the Bonds by the Underwriter is hereby authorized, and the Official Statement is hereby approved, with the understanding that the various parties to the transaction have contributed the portions of it pertaining to their roles. The execution and delivery by the Mayor of the City of the Official Statement with respect to the Bonds in final form shall be, and hereby is, authorized and approved. The Official Statement shall be in substantially the form presented to the Council, subject to such minor changes, insertions and omissions as the Mayor shall approve, such approval to be conclusively evidenced by his execution thereof. The Mayor or the City Manager is hereby authorized to execute and deliver all such documents or certificates as may be reasonably requested of the City to "deem final" the Preliminary Official Statement for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934.

Section 8. No Personal Liability. No stipulation, obligation or agreement herein contained or contained in the Purchase Agreement or any other agreement authorized by this Supplemental Resolution shall be deemed to be a stipulation, obligation or agreement of any officer, member, agent or employee of the City in his individual capacity.

Section 9. General Authority. From and after the execution and delivery of the documents hereinabove authorized, the proper officers, agents and employees of the City are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of said documents as executed and are further authorized to take any and all further actions and to execute and deliver any and all other documents and certificates as may be necessary or desirable in connection with the issuance of the Bonds.

Section 10. Actions Approved and Confirmed. All acts and doings of the officers of the City which are in conformity with the purposes and intents of this Supplemental Resolution and in the furtherance of the issuance of the Bonds and the execution, delivery and performance of the Purchase Agreement are, in all respects, approved and confirmed.

Section 11. Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements and provisions and shall in no way affect the validity of any of the other covenants, agreements and provisions hereof or of the Resolution or the Bonds.

Section 12. Ratification of January 16 Resolution. Except as amended by this Supplemental Business Resolution, all of the terms and provisions of the January 16 Resolution are hereby ratified and reaffirmed.

Section 13. Repealing Clause. All resolutions or parts thereof of the City (including the January 16 Resolution) in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

Section 14. Effective Date. This Supplemental Business Resolution shall be effective immediately upon its adoption.

RESOLVED, ADOPTED AND APPROVED, this 20th day of February, 2020.

CITY OF FLOWERY BRANCH, GEORGIA

By:_____
Mayor

Attest:_____
City Clerk

(CITY SEAL)

CLERK'S CERTIFICATE

GEORGIA, HALL COUNTY

I, Melissa McCain, City Clerk of the City of Flowery Branch, Georgia, **DO HEREBY CERTIFY** that the foregoing pages constitute a true and correct copy of a resolution adopted by the Council of the City at an open public meeting duly called and lawfully assembled on the 20th day of February, 2020, the original of said resolution being duly recorded in the Minute Book of the Council of said City, which minute book is in my custody and control.

WITNESS my hand and the official seal of the City of Flowery Branch, Georgia, this 20th day of February, 2020.

_____
City Clerk

(SEAL)

928531-1

GAINESVILLE AND HALL COUNTY DEVELOPMENT AUTHORITY

AND

CITY OF FLOWERY BRANCH, GEORGIA

INSTALLMENT SALE AGREEMENT

Dated as of March 1, 2020

The interest of the Gainesville and Hall Development Authority ("Issuer") in this Installment Sale Agreement has been assigned (except for amounts payable to Issuer under Sections 8.2 and 9.4 hereof) to Regions Bank, as Trustee ("Trustee"), pursuant to an Indenture of Trust, dated as of the date hereof between the Issuer and the Trustee, and is subject to the security interest of the Trustee.

INSTALLMENT SALE AGREEMENT

TABLE OF CONTENTS

(This Table of Contents is not a part of the Installment Sale Agreement and is only for convenience of reference.)

Page

PARTIES .....
PREAMBLES .....

ARTICLE I

DEFINITIONS .....

ARTICLE II
REPRESENTATIONS

SECTION 2.1. Representations of the City .....
SECTION 2.2. Representations of the Issuer .....

ARTICLE III
SALE OF THE PROJECT

SECTION 3.1 Sale of the Project .....
SECTION 3.2 Warranty of Title .....

ARTICLE IV
ISSUANCE OF THE BONDS; ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT

SECTION 4.1. Agreement to Acquire the Project .....
SECTION 4.2. [Reserved] .....
SECTION 4.3. Agreement to Issue Bonds; Application of Bond Proceeds .....
SECTION 4.4. Disbursements from the Project Fund .....
SECTION 4.5. City Required to Pay Costs if Project Fund Insufficient .....
SECTION 4.6. [Reserved] .....
SECTION 4.7. [Reserved] .....
SECTION 4.8. Investment of Project Fund Moneys Permitted .....
SECTION 4.9. Furnishing Documents to Trustee .....
SECTION 4.10. Obligations Relating to Bonds .....

ARTICLE V
QUIET ENJOYMENT; PROVISIONS FOR PAYMENT

SECTION 5.1. Quiet Enjoyment .....
SECTION 5.2. Amounts Payable .....
SECTION 5.3. Payment of Amounts Owed and Tax Levy to Pay Purchase Price Payments.....
SECTION 5.4. Obligations of City Hereunder Unconditional; Payments Assigned .....
SECTION 5.5. Maintenance and Modification of Project by City .....
SECTION 5.6. Utility Charges .....
SECTION 5.7. Casualty and Other Insurance .....
SECTION 5.8. Public Liability Insurance .....
SECTION 5.9. Worker's Compensation Coverage .....
SECTION 5.10. Advances .....
SECTION 5.11. Prior Lien of the Bonds .....

ARTICLE VI
DAMAGE AND DESTRUCTION; USE OF NET PROCEEDS

SECTION 6.1. Damage and Destruction .....
SECTION 6.2. Application of Net Proceeds .....
SECTION 6.3. Cooperation with City .....

ARTICLE VII
SPECIAL COVENANTS

SECTION 7.1. No Warranty of Condition or Suitability by Issuer .....
SECTION 7.2. Inspection of the Project .....
SECTION 7.3. Further Assurances and Corrective Instruments.....
SECTION 7.4. Issuer and City Representatives .....
SECTION 7.5. Arbitrage Covenant .....
SECTION 7.6. Granting of Easements .....
SECTION 7.7. Release of Certain Land .....
SECTION 7.8. Continuing Disclosure Certificate .....
SECTION 7.9. Use of Proceeds and Specific Tax Covenants.....
SECTION 7.10. Allocation of the Bonds Pursuant to Section 265(b)(3)(C)(iii).....

ARTICLE VIII
ASSIGNMENT, INDEMNIFICATION, MORTGAGING AND SELLING

SECTION 8.1. Assignment .....
SECTION 8.2. Release and Indemnification Covenants .....
SECTION 8.3. Assignment of Interest in Agreement by Issuer.....
SECTION 8.4. Restrictions on Mortgage or Sale of Project by Issuer .....
SECTION 8.5. Installation of City's Own Machinery .....

SECTION 8.6. Reference to Bonds Ineffective after Bonds Paid .....
SECTION 8.7. Redemption of Bonds .....
SECTION 8.8. Prepayment of Payments Hereunder.....
SECTION 8.9. Payment Abatements if Bonds Paid Prior to Maturity .....

ARTICLE IX
EVENTS OF DEFAULT AND REMEDIES

SECTION 9.1. Events of Default Defined .....
SECTION 9.2. Remedies on Default .....
SECTION 9.3. No Remedy Exclusive .....
SECTION 9.4. Agreement to Pay Attorneys' Fees and Expenses .....
SECTION 9.5. No Additional Waiver Implied by One Waiver .....

ARTICLE X
OPTIONS IN FAVOR OF CITY; OBLIGATION TO PURCHASE

SECTION 10.1. Options to Terminate the Agreement Term .....
SECTION 10.2. Obligation to Purchase Project .....
SECTION 10.3. Conveyance on Purchase .....

ARTICLE XI
MISCELLANEOUS

SECTION 11.1. Agreement Term .....
SECTION 11.2. Notices .....
SECTION 11.3. Binding Effect .....
SECTION 11.4. Severability .....
SECTION 11.5. Amendments, Changes and Modifications .....
SECTION 11.6. Execution in Counterparts .....
SECTION 11.7. Applicable Law .....
SECTION 11.8. Limit of Validity .....
SECTION 11.9. Captions .....

TESTIMONIUM .....

SIGNATURES AND SEALS .....

Exhibit "A" - Description of the Project

THIS INSTALLMENT SALE AGREEMENT, dated as of March 1, 2020, is made between the **GAINESVILLE AND HALL COUNTY DEVELOPMENT AUTHORITY** ("Issuer") and the **CITY OF FLOWERY BRANCH, GEORGIA** ("City").

W I T N E S S E T H:

WHEREAS, the Issuer has been created under amendments to the Constitution of the State of Georgia (Ga. Laws 1964, page 866, et seq.; Ga. Laws 1986, page 4328, et seq.), duly ratified and proclaimed, and an act of the General Assembly of the State of Georgia (Ga. Laws 1964, page 2282, et seq.), as amended (collectively, the "Act"); and

WHEREAS, the Issuer was created for the purpose of promoting and expanding for the public good and welfare industry and trade within the City of Gainesville and Hall County, Georgia, and reducing unemployment to the greatest extent possible in Hall County, Georgia (the "County"), and the Act specifically empowers the Issuer to issue its revenue obligations, bearing such rate or rates of interest and maturing in the years and in such amounts as determined by the Issuer and otherwise in accordance with the applicable provisions of the Revenue Bond Law (O.C.G.A. §36-82-60 et seq., as amended), in furtherance of the public purpose for which it was created; and

WHEREAS, the Act specifically empowers the Issuer to issue its revenue obligations, bearing such rate or rates of interest and maturing in the years and in such amounts as determined by the Issuer, in furtherance of the public purpose for which it was created; and

WHEREAS, pursuant to the Act, the Issuer is authorized to undertake any "project" that is for any industrial, commercial, business, office, parking, public or other use, provided that the Issuer determines that the project and such use thereof would further the public purpose of the development of trade, commerce, industry and employment opportunities within Hall County; and

WHEREAS, purusant to the Revenue Bond Law, the Issuer has the power to undertake, construct, maintain and operate any "undertaking" and to issue and sell revenue bonds for the purpose of raising funds for the payment, in whole or in part, of the cost of any "undertaking" of the Issuer; and to exercise all the rights, powers and privileges, and be subject to all the duties and liabilities, which a local government may exercise and/or be subject to under the provisions of the Revenue Bond Law; and

WHEREAS, the Revenue Bond Law provides that an "undertaking" includes public parks and playgrounds; and

WHEREAS, the Revenue Bond Law provides that an "undertaking" includes public parking areas and public parking buildings; and

WHEREAS, the City of Flowery Branch, Georgia (the "City") is located in Hall County, Georgia; and

WHEREAS, the City desires to improve its historic downtown center, colloquially known as "Old Town," in order to attract investment, development and growth, which will in turn create employment opportunities for its citizens; and

WHEREAS, the City desires to (i) acquire, construct, and equip public parks on certain real property in Old Town and (ii) construct certain sidewalks, streetscapes, and parking in Old Town, all as more particularly described on Exhibit "A" attached hereto (collectively, the "Project"); and

WHEREAS, the City has requested that the Issuer assist in the financing of the Project; and

WHEREAS, the Issuer has been advised by the City that the estimated amount necessary to finance the Project, including expenses incidental thereto, is $5,400,000, and the Issuer has determined that the most feasible method of accomplishing said financing is through the issuance, sale and delivery of its revenue bonds in the aggregate principal amount of **[$5,400,000]** in order to acquire and finance the City's Project; and

WHEREAS, the Issuer has determined that such revenue bonds should be issued in one series denoted as "Gainesville and Hall County Development Authority Revenue Bonds (City of Flowery Branch Old Town Project), Series 2020" (the "Series 2020 Bonds" or the "Bonds"); and

WHEREAS, after careful study and investigation the Issuer, in furtherance of the public purpose for which it was created, has agreed to issue the Bonds to finance the proposed acquisition, construction and equipping of the Project; and

WHEREAS, the Issuer has agreed to acquire, construct and equip the Project and then sell the Project to the City; and

WHEREAS, the Issuer proposes to enter into this Installment Sale Agreement with the City under the terms of which the Issuer will agree to sell the Project to the City, and the City will agree to pay the Issuer purchase payments sufficient to pay the principal of, redemption premium (if any), and interest on the Bonds as the same become due and payable; and

WHERAS, the Project is comprised of certain land, interests in land, buildings, facilities and other improvements, all operated as part of the system of streets, sidewalks, parks, and parking facilities in Old Town which are useful and necessary for trade, commerce and industry in the City and create directly and indirectly employment opportunities within Hall County, Georgia; and

WHEREAS, the Project constitutes a project as that term is defined in the Act that may be undertaken by the Issuer and that may be financed by the issuance of the Bonds by the Issuer, and the Project constitutes an "undertaking" under the Revenue Bond Law that may be undertaken by the Issuer and that may be financed by the issuance of the Bonds by the Issuer; and

WHEREAS, the Issuer has found and declared that the issuance of the Bonds by the Issuer for the purpose of financing the acquisition of the Project by the Issuer and the payment of

all costs of the issuance of the Bonds (hereinafter sometimes referred to collectively as the "Undertaking") will achieve the lawful and valid public purpose for which the Issuer was created in that it will encourage and promote industry and trade in Hall County and will help reduce unemployment within Hall County; and

WHEREAS, the City has determined by resolution duly adopted on January 16, 2020, as supplemented by resolution adopted on February 20, 2020, that the issuance of the Bonds by the Issuer for the purpose of financing the Undertaking will achieve such lawful and valid public purpose for the benefit of the citizens of the City of Flowery Branch and the inhabitants thereof; and

WHEREAS, the City, as permitted by Article IX, Section III, Paragraph I of the Constitution of the State of Georgia, has the power to contract for any period not exceeding fifty years with the Issuer for the sale to the City of the Project; and

WHEREAS, the Issuer, as permitted under the Act, has the power to acquire the Project and sell the Project to the City; and

WHEREAS, the Issuer has, pursuant to a resolution adopted on January 28, 2020, as supplemented by a resolution adopted on February 21, 2020 (collectively, the "Bond Resolution"), authorized the issuance of the Bonds and in order to secure the payment of the Bonds has duly authorized the execution and delivery of a Trust Indenture, dated as of March 1, 2020, between the Issuer and Regions Bank, as trustee, and the pledging of the revenues of the Issuer from the Project, which are primarily the payments to be made by the City pursuant to Section 5.2 of this Agreement; and

WHEREAS, all acts, conditions and things necessary or required by the Constitution and laws of the State of Georgia or otherwise to exist, happen and be performed precedent to and in the execution and delivery of this Agreement do exist, have happened and have been performed, and the execution, acknowledgment and delivery of this Agreement have been in all respects duly authorized; and

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

"Agreement" means this Installment Sale Agreement and any amendments or supplements hereto.

"Agreement Term" means the term of this Agreement as specified in Section 11.1 hereof.

"Bond Year" means a twelve month period beginning on April 2 of each year and ending April 1 of the following year during the term of the Bonds, with the first Bond Year ending on April 1, 2021.

"Business Day" means a day on which banking business is transacted in the city in which Trustee has its principal office.

"Code" means the Internal Revenue Code of 1986, as amended.

"Force Majeure" means, without limitation, acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints 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; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accident to machinery; transmission pipes or canals; or any other cause or event not reasonably within the control of City. City agrees, however, to remedy with all reasonable dispatch the cause or causes preventing City from carrying out its agreement; provided, that the settlement of strikes, lockouts, and other industrial disturbances shall be entirely within the discretion of City, and City shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of City unfavorable to City.

"Indenture" means the Indenture of Trust, dated as of March 1, 2020, between Issuer and Regions Bank, Atlanta, Georgia, as Trustee, which, among other things, authorizes the issuance of the Bonds.

"Independent Counsel" means an attorney duly admitted to practice law before the highest court of the State who is not a full-time employee of Issuer or City.

"Issuer" means the Gainesville and Hall County Development Authority, a public body corporate and a political subdivision of the State, duly organized and existing under the Constitution and laws of the State.

"Late Payment Rate" means the Prime Rate of Regions Bank plus two percent (2%) per annum.

"Net Proceeds," when used with respect to any insurance proceeds from policies required by this Agreement means the amount remaining after deducting all expenses (including attorneys' fees) incurred in the collection of such proceeds or award from the gross proceeds thereof.

"Permitted Encumbrances" means, as of any particular time, (i) liens for taxes and assessments not then delinquent or which Issuer may, pursuant to the provisions of Section 5.4 hereof, permit to remain unpaid, (ii) the Indenture, this Agreement and any financing statements naming Issuer or City as debtor and naming Trustee or Issuer as secured party filed to perfect the security interests granted by this Agreement and the Indenture, (iii) utility access and other easements and rights of way, restrictions and exceptions that Issuer Representative certifies will not interfere with or impair the Project, and (iv) such minor defects, irregularities, encumbrances and clouds on title as normally exist with respect to property similar in character to the Project and as do not, in the opinion of Independent Counsel, materially impair the property affected thereby for the purpose for which it was acquired or held by Issuer.

"Policy" means the municipal bond insurance policy issued by the Insurer guaranteeing the scheduled payment of principal of and interest on the Bonds when due.

"Project" means the (i) acquisition, construction, and equipping public parks on certain real property in Old Town and (ii) construction of certain sidewalks, streetscapes, and parking in Old Town. The real and personal property comprising the Project are more particularly described on **Exhibit "A"** attached hereto and by reference made a part hereof.

"Project Fund" means the fund created in Section 4.03 of the Indenture.

"State" means the State of Georgia.

In addition, all words and phrases defined in Article I of the Indenture shall have the same meaning in this Agreement.

ARTICLE II
REPRESENTATIONS

SECTION 2.1. **Representations of the City.** The City makes the following representations for the basis of the undertaking on its part herein contained:

(a) There exists a need in the City to provide buildings, facilities and services for the citizens in the City; and the acquisition of the Project as herein contemplated is a desirable method to meet the aforesaid need and will achieve valid public purposes for the benefit of the City and the inhabitants thereof.

(b) The City has determined that the best method of accomplishing and financing the proposed Undertaking is for the same to be accomplished by the Issuer with the cooperation of the City in the manner herein provided.

(c) The City, as permitted by Article IX, Section III, Paragraph I of the Constitution of the State of Georgia, has the power to contract for any period not exceeding fifty (50) years with the Issuer for the acquisition by the City of the Project and has the power to pledge its taxing power to the extent necessary to pay the amounts required to be paid under any such contract.

(d) The City has the power to enter into this Agreement and to perform all obligations contained herein and has, by proper action, duly authorized the execution and delivery of this Agreement.

SECTION 2.2. **Representations of the Issuer.** The Issuer makes the following representations as the basis for the undertaking on its part herein contained:

(a) The Issuer is a public body corporate and politic of the State of Georgia, created under the Act of the General Assembly of Georgia hereinabove referred to.

(b) The Issuer has determined that the issuance of the Bonds and the financing of the Undertaking as contemplated herein is a lawful and valid public purpose in that it will further the public purpose for which the Issuer was created.

(c) The Issuer has the power to enter into this Agreement and perform all obligations contained herein and has, by proper action of its members, been duly authorized to execute and deliver this Agreement.

(d) The Issuer has found, determined and does hereby declare that the most feasible way to finance the Undertaking as herein contemplated and to achieve the public purpose hereinabove referred to is to issue the Bonds and to pledge to the payment of the principal and interest thereof the payments which the City has agreed to make pursuant to the provisions of Section 5.2 hereof to the Issuer.

ARTICLE III
SALE OF THE PROJECT

SECTION 3.l. Sale of the Project. In consideration of this Agreement, Issuer hereby sells to City and City hereby purchases from Issuer, all of the right, title and interest of Issuer in the Project, subject to Permitted Encumbrances.

Issuer agrees to execute a limited warranty deed to City and to deliver the same to City upon completion of the Project and no later than June 30, 2021. Said deed shall convey to City the fee simple title to the Project, free and clear from all encumbrances except Permitted Encumbrances. The Issuer shall execute such other instruments and documents as City may reasonably request to perfect the transfer of title to the Project to City.

SECTION 3.2 Warranty of Title. Issuer warrants and covenants that it shall convey to the City good and marketable title to the Project free from any encumbrances other than Permitted Encumbrances.

ARTICLE IV
ISSUANCE OF THE BONDS; ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT

SECTION 4. 1. Agreement to Acquire the Project.

(a) Issuer agrees that it will acquire, construct and equip the Project.

(b) The moneys credited to the Project Fund from the sale of the Series 2020 Bonds shall be used and applied for the purposes as provided in the Indenture.

(c) All payments from the Project Fund shall be made upon the terms and conditions set forth in the Indenture.

SECTION 4.2. [Reserved].

SECTION 4.3. Agreement to Issue Bonds; Application of Bond Proceeds. In order to provide funds for the Undertaking, the Issuer agrees that as soon as possible it will authorize, sell and cause to be delivered to the initial purchaser or purchasers thereof, the Bonds, bearing interest and maturing as set forth in Article II of the Indenture, at a price to be approved by the City plus accrued interest (if any) to the date of issuance and delivery of the Bonds, and it will thereupon deposit all accrued interest (if any) received upon the sale of the Bonds in the Bond Fund and will apply the balance of the proceeds from said sale as set forth in Section 4.02 of the Indenture.

SECTION 4.4. Disbursements from the Project Fund. The Issuer will in the Indenture authorize and direct the Trustee to use the moneys in the Project Fund for the purposes set forth in the Indenture.

In making any payment from the Project Fund the Trustee may rely on any requisition delivered to it pursuant to the Indenture and the Trustee shall be relieved of all liability with respect to making such payments in accordance with such requisitions.

The Issuer and the City agree for the benefit of each other and for the benefit of the holders of the Bonds that the proceeds of the Bonds will not be used in any manner which would result in the loss of the exemption from Federal income taxation of the interest on the Bonds.

SECTION 4.5. City Required to Pay Costs if Project Fund Insufficient. If the moneys in the Project Fund available for paying the costs of the Project and the Costs of Issuance should not be sufficient to pay such costs in full, the City agrees to pay all that portion of the costs of the Project and the Costs of Issuance as may be in excess of the moneys available therefor in the Project Fund. The Issuer does not make any warranty, either express or implied, that the moneys which will be paid into the Project Fund and which, under the provisions hereof,

will be available for payment of the costs of the Project and the Costs of Issuance, will be sufficient to pay all the costs which will be incurred in that connection. The City agrees that if after exhaustion of the moneys in the Project Fund the City should pay any portion of the costs of the Project and the Costs of the Issuance pursuant to the provisions of this Section, it shall not be entitled to any reimbursement therefor from the Issuer or from the Trustee or from the holders of any of the Bonds, nor shall it be entitled to any diminution in or postponement or abatement of the amounts payable under Section 5.2.

SECTION 4. 6. [Reserved].

SECTION 4.7. [Reserved].

SECTION 4.8. Investment of Project Fund Moneys Permitted. Any moneys held in the Project Fund shall be invested or reinvested by the Trustee upon the written request and direction of the City in Permitted Investments (as defined in the Indenture). Such investments shall be made upon written direction of the Authorized City Representative and shall mature in such amounts and at such times as may be necessary to provide funds when needed to make payments from the Project Fund. The Trustee may make any and all such investments through its own bond or investment department or an affiliated securities dealer. Any interest or gain received from such investments shall be credited to and held in the Project Fund and any loss from such investments shall be charged against the Project Fund and paid by the City.

SECTION 4.9. Furnishing Documents to Trustee. City agrees to cause such requisitions to be directed to Trustee as may be necessary to effect payments out of the Project Fund in accordance with the Indenture.

SECTION 4.10. Obligations Relating to Bonds. The City agrees to perform all such obligations as are contemplated by the Indenture to be performed by the City.

ARTICLE V
QUIET ENJOYMENT; PROVISIONS FOR PAYMENT

SECTION 5.1. Quiet Enjoyment. Issuer hereby covenants and agrees that it will not take any action, other than pursuant to Section 7.2 or Article IX of this Agreement to prevent City from having quiet and peaceable possession and enjoyment of the Project during the Agreement Term and will, at the request of City, and at City's cost, to the extent that it may lawfully do so, join in any legal action in which City asserts its right to such possession and enjoyment.

SECTION 5.2. Amounts Payable.

(a) City agrees to pay to Issuer the purchase price of the Project in installments as follows: on that day which is three (3) business days prior to each date on which principal of or interest on the Bonds is payable, an amount sufficient when added to funds on hand at such time in the Bond Fund to pay the amount of principal, premium, if any, and interest required to be paid with respect to the Bonds on such date.

(b) The City agrees to pay to the Trustee until the principal of and the interest on the Bonds shall have been paid in full (i) an amount equal to the annual fee of the Trustee for the Ordinary Services of the Trustee rendered and its Ordinary Expenses incurred under the Indenture, (ii) the reasonable fees and charges of the Trustee and any other paying agent for acting as paying agent and as Bond Registrar and the reasonable fees of Trustee's Counsel as provided in the Indenture, as and when the same become due, and (iii) the reasonable fees and charges of the Trustee for Extraordinary Services rendered by it and Extraordinary Expenses incurred by it, as and when the same become due.

(c) In the event City should fail to make any of the payments required in this Section 5.2, the item or installment so in default shall continue as an obligation of City until the amount in default shall have been fully paid. The provisions of this Section 5.2 shall be subject to the provisions of Section 8.9.

(d) It is agreed by the parties hereto that any amounts remaining in the Bond Fund upon expiration or earlier termination of the Agreement Term, as provided in this Agreement, after payment in full of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture), payment of the fees and expenses of Trustee and any paying agents in accordance with the Indenture shall belong to and be paid to Issuer or City, as agreed by Issuer and City and certified in writing to the Trustee, by Trustee as the return of an overpayment of payments. If agreement is not reached, such moneys shall be paid to Issuer.

SECTION 5.3. Payment of Amounts Owed and Tax Levy to Pay Purchase Price Payments.

(a) The payments provided in Section 5.2(a) hereof shall be remitted directly to the Trustee for the benefit of the Bondholders and from said payments the Trustee shall make timely payments into the Bond Fund in amounts sufficient to ensure the prompt payment of the principal of, premium, if any, and interest on the Bonds, all as provided in the Indenture. City covenants that it will exercise its power of taxation to the extent necessary to pay the amounts required to be paid hereunder and it will make available and use for the payment of its obligations incurred hereunder all such taxes levied and collected for that purpose together with funds received from any other source.

(b) The obligation of the City to make the payments when due under Section 5.2 hereof, and to perform its other obligations hereunder, are absolute and unconditional contractual obligations of the City as herein provided, and the City hereby pledges its full faith and credit and taxing power to such payment and performance. The payments required under Section 5.2 shall be made first from any lawfully available funds, including monies from the Old Town and Commercial Gateways TAD Special Fund as provided in Section 5.3(e), and secondly from moneys derived pursuant to the levy of an ad valorem tax as hereinafter provided. In the event the amount of funds lawfully available is not sufficient to pay the payments under Section 5.2 when due in any year, the City shall levy an ad valorem tax on all taxable property located within the boundaries of the City subject to taxation for such purposes, at such rate or rates 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 payments under Section 5.2 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 payments required pursuant to Section 5.2 hereof and such lien is superior to any that can hereafter be made.

(c) 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 payments under Section 5.2 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 payments under Section 5.2 shall constitute an unlimited contractual obligation of the City and a pledge of the full faith and credit of the City 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.

(d) In the event for any reason any such provision or appropriation is not made as provided in the preceding subsection (c), 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 payments under Section 5.2 to the Trustee for deposit to the Bond Fund if for any reason the payment of such obligations shall not otherwise have been made.

(e) In accordance with the applicable provisions of the Redevelopment Powers Law (O.C.G.A. § 36-44-1, *et seq.*, as amended), the City created, by activating resolution, dated December 5, 2007 (the "TAD Resolution"), Tax Allocation District One – Flowery Branch Old Town and Commercial Gateways (the "Flowery Branch Old Town and Commercial Gateways TAD"), effective December 31, 2007. Ad valorem taxes levied by the City and Hall County on all taxable property within the Flowery Branch Old Town and Commercial Gateways TAD, as calculated pursuant to O.C.G.A. § 36-44-3(14), are collected and deposited into a separate fund of the City, designated as the Old Town and Commercial Gateways TAD Special Fund, to be used to improve economic and social conditions within the Redevelopment Area (as defined in the TAD Resolution). The Project is located within the Redevelopment Area and will improve the economic and social conditions within the Redevelopment Area. The City agrees to make the payments required under Section 5.2 first from the monies deposited into the Old Town and Commercial Gateways TAD Special Fund to the extent there are sufficient monies available within such Fund to make such payments, and agrees that no payments for any other purpose will be made from such Fund during any Bond Year until there is on deposit in such Fund monies sufficient to make the payments required under Section 5.2 for the applicable Bond Year.

The City hereby irrevocably pledges the Tax Allocation Increment to secure and pay the Bonds and to make the payments required under Section 5.2 hereof.

SECTION 5.4. Obligations of City Hereunder Unconditional; Payments Assigned. Subject to the provisions of Section 8.9, the obligations of City to make the payments required in Section 5.2 and other sections hereof and to perform and observe the other agreements contained herein shall be absolute and unconditional and shall not be subject to any defense or any right of set-off, counterclaim or recoupment arising out of any breach by Issuer of any obligation to City, whether hereunder or otherwise, or out of any indebtedness or liability at any time owing to City by Issuer and until such time as the principal of, premium, if any, and interest on the Bonds shall have been fully paid, City (i) will not suspend or discontinue any payments provided for in Section 5.2 except to the extent the same have been prepaid, (ii) will perform and observe all other agreements contained in this Agreement, and (iii) except as provided in Section 10.1, will not terminate the Agreement Term for any cause including, without limiting the generality of the foregoing, the occurrence of any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Project, the taking by eminent domain of title to or temporary use of any or all of the Project, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State or any political subdivision of either thereof or any failure of Issuer to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Agreement. Nothing contained in this Section shall be construed to release Issuer from the performance of any of the agreements on its part herein contained; and in the event Issuer should fail to perform any such agreement on its part, City may institute such action against Issuer as City may deem necessary to compel performance so long as such action does not abrogate the obligations of City contained in the first sentence of this Section. City may, however, at City's own cost and expense and in City's own name or in the name of Issuer, prosecute or defend any action or proceeding or take any other action involving third persons which City deems reasonably necessary in order to secure or protect City's right of possession, occupancy and use hereunder, and in such event Issuer hereby agrees to cooperate fully with City and to take all action necessary to effect the substitution of City for Issuer in any such action or proceeding if City shall so request.

SECTION 5.5. Maintenance and Modification of Project by City. City agrees that at all times during the Agreement Term City will, at City's own expense, maintain, preserve and keep the Project or cause the Project to be maintained, preserved and kept with the appurtenances and every part and parcel thereof, in good repair, working order and condition, reasonable wear and tear excepted, and that City will from time to time make or cause to be made all necessary and proper repairs, replacements and renewals. Issuer shall have no responsibility in any of these matters or for the making of improvements or additions to the Project.

In addition, City shall have the privilege of remodeling the Project or making substitutions, additions, modifications and improvements to the Project from time to time as City, in its discretion, may deem to be desirable for City's use for such purposes as shall be permitted by the Act, the cost of which remodeling, substitutions, additions, modifications and improvements shall be paid by City, and the same shall be the property of Issuer and be included under the terms of this Agreement as part of the Project; provided, however, that such

remodeling, substitutions, additions, modifications and improvements shall not in any way damage the Project; and provided that the Project, as remodeled, improved or altered upon completion of such remodeling, substitutions, additions, modifications and improvements made pursuant to this Article, shall be of a value not less than the value of the Project immediately prior to the remodeling or making of such substitutions, additions, modifications and improvements. Any property for which a substitution or replacement is made pursuant to this Section may be disposed of by City in any manner and in the sole discretion of City. City will not permit any mechanic's or other lien to be established or remain against the Project for labor or materials furnished in connection with any remodeling, substitutions, additions, modifications, improvements, repairs, renewals or replacements so made by City, provided that if City shall first notify Issuer of City's intention so to do, City may in, good faith contest any mechanic's or other lien filed or established against the Project, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless Issuer or the Bondholders shall notify City that, in the opinion of their counsel, by nonpayment of any such items the lien of the Indenture as to the purchase payments and other amounts from the Project will be materially endangered or the Project or any part thereof will be subject to loss or forfeiture, in which event City shall promptly pay and cause to be satisfied and discharged all such unpaid items or City shall post bond or provide other surety to the extent necessary to adequately secure the Bondholders against loss due to such endangerment, loss or forfeiture. Issuer will cooperate fully with City in any such contest, upon the request and at the expense of the City.

SECTION 5. 6. **Utility Charges.** City will pay during the Agreement Term, as the same become due, all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Project.

In the event that City shall fail to pay any of the foregoing items required by this Section to be paid by City (unless City is contesting any such item in good faith) Issuer may (but shall be under no obligation to) pay the same and any amounts so advanced therefor by Issuer shall become an additional obligation of City to the party making the advancement, which amounts, together with interest thereon at the Late Payment Rate per annum, City agrees to pay.

SECTION 5.7. **Casualty and Other Insurance.** City agrees to insure or cause to be insured the Project against loss or damage of the kinds usually insured against by companies similarly situated, by means of policies issued by reputable insurance companies duly qualified to do such business in the State with uniform standard form of extended coverage endorsement limited only as may be provided in the standard form of extended coverage endorsement at that time in use in the State, in amounts that are not less than full insurable value of the Project. The term "full insurable value" as used herein shall mean the actual replacement value, or at the option of City any lesser amount which is equal to or greater than the amount of the Bonds then outstanding. Alternatively, City may insure or cause to be insured such property under a blanket insurance policy or policies which cover not only such property but other properties in the amounts required by the previous sentence.

Any insurance policy issued pursuant to the preceding paragraph of this Section shall be so written or endorsed as to make losses, if any, payable to Issuer and City as their respective

interests may appear. The Net Proceeds of the insurance required in this Section shall be applied as provided in Section 6.2 hereof. Each insurance policy provided for in Sections 5.7 and 5.8 hereof shall contain a provision to the effect that the insurance company shall not cancel the policy or modify it materially and adversely to the interest of Issuer without first giving written notice thereof to Issuer at least ten (10) days in advance of such cancellation or modification. All insurance policies issued pursuant to Section 5.7 or 5.8 hereof, or certificates evidencing such policies, shall be deposited with Issuer.

SECTION 5.8. Public Liability Insurance. City agrees to carry or cause to be carried public liability insurance with respect to the Project with one or more reputable insurance companies in minimum amounts of $500,000 for the death of or personal injury to one person and $1,000,000 for personal injury or death for each occurrence in connection with the Project and $500,000 for property damage for any occurrence in connection with the Project. Issuer shall be made an additional insured under such policies. The insurance provided by this Section may be a blanket insurance policy or policies.

SECTION 5.9. Worker's Compensation Coverage. At all times from the date hereof until the end of the Agreement Term, City shall maintain worker's compensation coverage or cause the same to be maintained to the extent, if any, required by law of the State.

SECTION 5.10. Advances. In the event City shall fail to maintain the full insurance coverage required by this Agreement or shall fail to keep the Project in good repair and operating condition, Issuer may (but shall be under no obligation to) take out the required policies of insurance and pay the premiums on the same or may make such repairs or replacements as are necessary and provide for payment thereof; and all amounts so advanced therefor by Issuer shall become an additional obligation of City to Issuer, which amounts, together with interest thereon at the Late Payment Rate per annum, City agrees to pay.

SECTION 5.11. Prior Lien of the Bonds. The Issuer will not hereafter issue any other bonds or obligations of any kind or nature payable from or enjoying a lien on the revenue derived from the Project and this Agreement superior to the lien created in the Indenture for the payment of the Bonds.

ARTICLE VI
DAMAGE AND DESTRUCTION; USE OF NET PROCEEDS

SECTION 6.1. Damage and Destruction. Unless Issuer shall have exercised its option to prepay the Bonds pursuant to the provision of Section 3.01 of the Indenture, if prior to full payment of the Bonds the Project or any portion thereof is destroyed (in whole or in part) or is damaged by fire or other casualty, City shall be obligated to continue to pay the amounts specified in Section 5.2 hereof.

SECTION 6.2. Application of Net Proceeds. Unless the City shall have elected to exercise its option to terminate the Agreement Term under Section 10.1 and shall have purchased the Project pursuant to Section 10.2, if prior to payment in full of the Bonds the Project is damaged by fire or other casualty to such extent that the claim for loss (including any

deductible amount pertaining thereto) resulting from such damage is not greater than $300,000, the City, or the Issuer at the City's direction,

(a) shall promptly replace, repair, rebuild or restore the property damaged to substantially the same condition as it existed prior to the event causing such damage, with such changes, alterations and modifications (including the substitution and addition of other property) as may be desired by the City and as will not impair the operating unity or productive capacity of the Project or change the character of the Project to such an extent that its ownership by the Issuer would not be permitted under the laws pursuant to which the Issuer exists, and

(b) shall apply for such purpose so much as may be necessary of any Net Proceeds of insurance resulting from claims for such losses, as well as any additional moneys of the City necessary therefor.

All Net Proceeds of insurance resulting from claims for such losses not in excess of the amount hereinabove specified in this paragraph and not used to pay expenses incurred under (a) above shall be paid into the Bond Fund. If payment in full of the Bonds has been made, all Net Proceeds shall be paid to the City.

Unless the City shall have elected to exercise its option to terminate the Agreement Term under Section 10.1 and shall have purchased the Project pursuant to Section 10.2, if prior to payment in full of the Bonds the Project are destroyed (in whole or in part) or is damaged by fire or other casualty to such extent that the claim for loss resulting from such destruction or damage is in excess of the amount hereinabove specified, the City shall promptly give written notice thereof to the Trustee. In such an event all Net Proceeds of insurance resulting from claims for such losses shall be paid to and held by the Trustee in a trust account and invested in securities of the type referred to in Section 6.01 of the Indenture, whereupon

(i) the City, or the Issuer at the City's direction, shall proceed promptly to replace, repair, rebuild or restore the property damaged or destroyed to substantially the same condition as it 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 and as will not impair operating unity or productive capacity of the Project or change the character of the Project to such an extent that its ownership by the Issuer would not be permitted under the laws pursuant to which the Issuer then exists, and

(ii) the Trustee shall apply so much as may be necessary of the Net Proceeds of such insurance to the payment of the costs of such replacement, repair, rebuilding or restoration, either on completion thereof or as the work progresses, as directed by the City.

Each such direction of the City shall be accompanied by a certificate of an architect or engineer (who shall be selected by the City and satisfactory to the Issuer) in charge of the replacement, repair, rebuilding or restoration, dated not more than thirty (30) days prior to such direction, setting forth in substance that

(A) the sum then directed to be applied either has been paid by the City, or is justly due, to contractors, subcontractors, materialmen, engineers, architects or other persons who shall have rendered services or furnished materials or improvements for the replacement, repair, rebuilding or restoration therein specified; the names of such persons; a brief description of such services or materials or improvements and the several amounts so paid or due to each of such persons; and a statement that none of the costs of the services or materials or improvements described in such certificate has been or is being made the basis, in any previous or then pending direction, for payment under this Section, and that the sum then directed to be applied does not exceed the value of the services or materials or improvements described in the certificate, and

(B) except for the-amount, if any, stated (pursuant to (A) preceding) in such certificate to be due for services or materials or improvements, there is not outstanding any indebtedness known to the persons signing such certificate which is then due for labor, services, material, supplies and/or equipment in connection with the replacement, repair, rebuilding or restoration which, if unpaid, might become the basis of liens of mechanics, materialmen, suppliers and vendors, or other similar liens (other than those being contested in good faith as permitted in Section 5.4) upon the Project or any part thereof.

The Trustee may conclusively rely upon such direction and shall have no liability or responsibility for payments made pursuant to this Section in reliance thereon. If said Net Proceeds are not sufficient to pay in full the costs of such replacement, repair, rebuilding or restoration, the City shall nonetheless complete the same and shall pay that portion of the costs thereof in excess of the amount of said Net Proceeds or shall advance to the Issuer and the Trustee the moneys necessary to complete said work, in which case the Issuer shall proceed so to complete the work. The City shall not, by reason of the payment of such excess costs (whether by direct payment thereof or advances to the Issuer or Trustee), be entitled to any reimbursement from the Issuer or any diminution in or postponement or abatement of the amounts payable under Section 5.2.

Any balance of said Net Proceeds remaining after payment of all the costs of such replacement, repair, rebuilding or restoration shall be paid into the Bond Fund. If payment in full of the Bonds has been made, all Net Proceeds shall be paid to the City.

SECTION 6.3. **Cooperation with City.** Issuer shall cooperate fully with City at the expense of City in filing any proof of loss with respect to any insurance policy covering the casualties described in Section 6.1 hereof and will, to the extent it may lawfully do so, permit City to litigate in any proceeding resulting therefrom in the name of and on behalf of Issuer. In no event will Issuer voluntarily settle, or consent to the settlement of, any proceeding arising out of any insurance claim with respect to the Project or any part thereof without the written consent of Authorized City Representative.

A**RTICLE VII**

SPECIAL COVENANTS

SECTION 7. 1. No Warranty of Condition or Suitability by Issuer. Issuer makes no warranty, either express or implied, as to the Project or the condition thereof, or that the Project will be suitable for the purposes or needs of the City.

SECTION 7.2. Inspection of the Project. City agrees that Issuer and its duly authorized agents shall have the right at all reasonable times during business hours of City to enter upon the Project and to examine and inspect the Project. City further agrees that Issuer and its duly authorized agents shall have such rights of access to the Project as may be reasonably necessary for the proper maintenance of the Project in the event of failure by City to perform its obligations under Section 5.5 hereof. Issuer and its duly authorized agents shall also be permitted, at all reasonable times during business hours of City, to examine the books, records, reports and other papers of City with respect to the Project.

SECTION 7.3. Further Assurances and Corrective Instruments. Issuer and 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 be reasonably required for correcting any inadequate or incorrect description of the Project hereby sold or intended so to be for carrying out the expressed intention of this Agreement.

SECTION 7.4. Issuer and City Representatives. Whenever under the provisions of this Agreement the approval of Issuer or City is required or Issuer or City is required to take some action at the request of the other, such approval or such request shall be given for Issuer by Issuer Representative and for City by City Representative and any party hereto shall be authorized to act on any such approval or request.

SECTION 7.5. Arbitrage Covenant. The City covenants and agrees with the Issuer for the benefit of the holders of the Bonds that (i) the proceeds of the Bonds will be used as set forth in Section 4.02 of the Indenture; (ii) it will not permit any proceeds of the Bonds to be invested in such a manner which would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and applicable regulations proposed or promulgated thereunder as of the date of such investment; (iii) it will comply with the requirements of Section 148(f) of the Code and the regulations promulgated thereunder and will pay on behalf of Issuer rebate, if any, required to be paid by Issuer; and (iv) it will expend the proceeds of the Series 2020 Bonds in compliance with the applicable provisions of Section 141 to 149, inclusive, of the Code.

SECTION 7.6. Granting of Easements. If no event of default shall have happened and be continuing, after obtaining the written consent of Issuer, City may at any time or times, grant easements, licenses, rights of way (including the dedication of public highways) and other rights or privileges in the nature of easements with respect to the real property comprising the Project, or City may, after obtaining the written consent of Issuer, release existing easements, licenses, rights of way and other rights and privileges with or without consideration, and Issuer agrees that it shall execute and deliver and will cause and direct execution and delivery of any instrument necessary or appropriate to confirm and grant or release any such

easement, license, right of way or other grant or privilege upon receipt of: (1) a copy of the instrument of grant or release, (2) a written application signed by Authorized City Representative requesting such instrument and stating (i) that such grant or release is not detrimental to the proper conduct of the business of City, and (ii) that such grant or release will not impair the effective use of, or interfere with the operation of, the Project, and (3) an opinion of City's counsel that such grant or release will not materially weaken, diminish or impair the security afforded by or under the Indenture.

SECTION 7.7. Release of Certain Land. Notwithstanding any other provisions of this Agreement, the parties hereto reserve the right, at any time and from time to time, to amend this Agreement for the purpose of effecting the release of and removal from this Agreement of (i) any unimproved part of the real estate comprising part of the Project (on which no Facilities building or other building or equipment owned by Issuer and essential to the continued operation of the Project is situated) or (ii) any part of the Land with respect to which Issuer and City would propose to convey fee title to a railroad, public utility or public body in order that railroad service, utility services or roads may be provided for the Project.

SECTION 7.8. Continuing Disclosure Certificate. The City hereby covenants and agrees that it will, to the extent allowed by applicable law, comply with and carry out all provisions of the Continuing Disclosure Certificate to be executed by the City and dated as of the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with its terms (the "Disclosure Certificate"). Notwithstanding any other provision of this Agreement, failure of the City to comply with the Disclosure Certificate shall not be considered a default hereunder, and under no circumstances shall such failure affect the validity or the security for the payment of the Bonds. It is expressly provided, however, that any beneficial owner of the Bonds may take such action, to the extent and in such manner as may be allowed by applicable law, as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City to comply with its obligations under this Section. The cost to the City of performing its obligations set forth in this Section shall be paid solely from the funds lawfully available for such purpose.

SECTION 7.9. Use of Proceeds and Specific Tax Covenant. The Series 2020 Bonds are being issued by Issuer in compliance with the conditions necessary for interest income on the Series 2020 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 Issuer and 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 with the holders of the Series 2020 Bonds that:

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

(b) It will not directly or indirectly use or permit the use of any of the proceeds of the Series 2020 Bonds or take or omit to take any action in a way that would cause the Series 2020 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) It will not directly or indirectly use or permit the use of any proceeds of the Series 2020 Bonds or any other funds of the City or take or omit to take any action that would cause the Series 2020 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code. To that end, the City will comply with all requirements of Section 148 of the Code and any regulations promulgated thereunder to the extent applicable to the City. In the event that at any time the City or Issuer 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 Indenture, Issuer and the City shall take such action as may be necessary to effect the same.

(d) During the Agreement Term, the City shall restrict the extent and nature of the use of the Project deemed to be financed with proceeds of the Series 2020 Bonds for "private business use" as said term is defined in Section 141 of the Code so as to preserve the exclusion for federal income tax purposes applicable to the interest paid on the Series 2020 Bonds.

SECTION 7.10. Allocation of the Bonds Pursuant to Section 265(b)(3)(C)(iii). Issuer and City agree that the Bonds are hereby allocated entirely to City pursuant to Section 265(b)(3)(C)(iii) of the Code for purposes of Section 265(b)(3) of the Code and that no portion of the Bonds is allocated to Issuer for purposes of Section 265(b)(3) of the Code. Issuer and City acknowledge that the Project is owned in substance by City and operated and maintained by City and that the Bonds will be paid from revenues of City.

ARTICLE VIII
ASSIGNMENT, INDEMNIFICATION, MORTGAGING AND SELLING

SECTION 8.1. Assignment. This Agreement may not be assigned by City without the prior written consent of Issuer. Any such assignment shall be subject to each of the following conditions:

(a) No assignment shall relieve the City from primary liability for any obligations hereunder, and in the event of any such assignment City shall continue to remain primarily liable for payment of the amounts specified in Section 5.2 hereof and for performance and observance of the other agreements on its part herein provided to be performed and observed by City to the same extent as though no assignment had been made.

(b) City shall, upon the request by Issuer or Trustee, furnish or cause to be furnished to Issuer and the Trustee a true and complete copy of each assignmen.

Consent by the Issuer to one or more assignments shall not operate as a waiver of the obligation of obtaining its consent to any subsequent assignment.

SECTION 8.2. Release and Indemnification Covenants. To the extent permitted by law, City shall and hereby agrees to indemnify and save Issuer and the Trustee harmless against and from all claims, actions, proceedings, expenses, judgments, damages, penalties, fines, liabilities or other costs (including without limitation attorney's fees) relating to, resulting from or in connection with (i) any condition of the Project, (ii) any act, omission, breach or default on the part of City in the performance of any of its obligations under this Agreement, (iii) any act, omission or negligence of City or of any of its agents, contractors, servants, employees or licensees, (iv) any act, omission or negligence of any assignee or sublessee of City, or of any agents, contractors, servants, employees or licensees of any assignees or sublessees of City, or (v) the issuance, sale and administration of the Bonds. City shall indemnify and save Issuer and the Trustee harmless from any such claim arising as aforesaid from (i), (ii), (iii), (iv) and (v) above, or in connection with any action or proceeding brought thereon, and upon notice from Issuer or Trustee, City shall defend them or any of them in any such action or proceeding. In any such defense, City will use legal counsel reasonably satisfactory to Issuer and Trustee. The provisions of this Section 8.2 shall survive the termination of this Agreement.

SECTION 8.3. Assignment of Interest in Agreement by Issuer. Issuer shall assign its right, title and interest in, and all payments and revenues under, this Agreement to the Trustee by the Indenture as security for payment of the amounts payable under the Bonds. This Agreement shall be subject and subordinate to the Indenture.

SECTION 8.4. Restrictions on Mortgage or Sale of Facilities by Issuer. Issuer agrees that, except for any assignment or pledge of its interest in the payments hereunder to the Trustee pursuant to the Indenture and release pursuant to Section 7.7 hereof, Issuer will not mortgage, sell, assign, transfer or convey the Project or any portion thereof during the Agreement Term.

SECTION 8.5. Installation of City's Own Machinery. City may, from time to time in its sole discretion and at its own expense, install machinery, equipment and other tangible property in the Project or on the real property comprising the Project. All such machinery, equipment and other tangible property shall remain the sole property of City in which Issuer shall have no interest.

SECTION 8.6. References to Bonds Ineffective After Bonds Paid. Upon payment in full of the Bonds and all fees and charges of the Trustee, all references in this Agreement to the Bonds and Bondholders and Trustee shall be ineffective and neither the Bondholders nor Trustee shall thereafter have any further rights hereunder, saving and excepting those that shall have theretofore vested.

SECTION 8.7. Redemption of Bonds. The Issuer or the Trustee, at the request at any time of the City and if the same are then redeemable, shall forthwith take all steps that may be necessary under the applicable redemption provisions of the Indenture to effect redemption of all or any portion of the Bonds, as may be specified by the City, on or after the earliest applicable redemption date on which such redemption may be made under such applicable provisions. As

long as the City is not in default hereunder and the Issuer is not obligated to call Bonds pursuant to the terms of the Indenture, neither the Issuer nor the Trustee shall redeem any Bond prior to its respective stated maturity unless requested to do so in writing by the City.

SECTION 8.8. Prepayment of Payments Hereunder. There is expressly reserved to the City the right, and the City is authorized and permitted, at any time it may choose, so long as it is not in default hereunder, to prepay all or any part of the payments payable under Section 5.2, and the Issuer agrees that the Trustee may accept such prepayment when the same is tendered by the City. All prepaid payments shall be credited on the payments specified in Section 5.2 in the chronological order of their due dates, or at the election of the City shall be used for the redemption or purchase of Bonds in the manner and to the extent provided in the Indenture.

SECTION 8.9. Payment Abatements If Bonds Paid Prior to Maturity. If at any time the moneys in the Bond Fund are sufficient to retire, in accordance with the terms of the Indenture, all of the outstanding Bonds and to pay all fees and charges of the Trustee due or to become due through the date on which the last of the Bonds is to be retired, under circumstances not resulting in termination of the Agreement Term, and if the City is not at the time otherwise in default hereunder, the City shall be entitled to abate the payment of amounts owed under Section 5.2 hereof.

ARTICLE IX
EVENTS OF DEFAULT AND REMEDIES

SECTION 9.1. Events of Default Defined. The following shall be "events of default" under this Agreement and the terms "event of default" and "default" shall mean, whenever they are used in this Agreement, any one or more of the following events:

(a) Failure by City to pay the amounts required to be paid under Section 5.2 hereof at the time specified therein and the continuation of said failure for a period of two (2) business days;

(b) Failure by City to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subsection (a) of this Section, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied given to City by Issuer, unless Issuer shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, Issuer will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by City within the applicable period and diligently pursued until the default is corrected; or

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

The foregoing provisions of subsection (b) of this Section are subject to the foregoing limitations: if by reason of Force Majeure City is unable in whole or in part to carry out its agreement on its part herein contained, other than the obligations on the part of the City

contained in Article V hereof, City shall not be deemed in default during the continuance of such inability.

SECTION 9.2. Remedies on Default. Whenever any event of default referred to in Section 9.1 hereof shall have happened and be continuing, the Issuer, or the Bondholders as provided in the Indenture, may take any one or more of the following remedial steps:

(a) The Issuer or the Bondholders may seek the appointment of a receiver for the Project;

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

(c) The Issuer or the Bondholders may take whatever action at law or in equity may appear necessary or desirable to collect the amounts payable under Section 5.2 then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the City under this Agreement; and

(d) The Issuer or the Bondholders may exercise any remedies provided for in the Indenture or under the Revenue Bond Law.

Any amounts collected pursuant to action taken under this Section shall be paid into the Bond Fund and applied in accordance with the provisions of the Indenture or, if payment in full of the outstanding Bonds has been made (or provision for payment thereof has been made in accordance with the provisions of the Indenture), to the City.

SECTION 9.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to Issuer is intended to be exclusive of any other remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any 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 Issuer to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be required in this Article. Such rights and remedies as are given to the Issuer hereunder shall also extend to the Trustee, and the Trustee, subject to the provisions of the Indenture, shall be entitled to the benefit of all covenants and agreements herein contained.

SECTION 9.4. Agreement to Pay Attorneys' Fees and Expenses. In the event City should default under any of the provisions of this Agreement and Issuer or Trustee should employ attorneys or incur other expenses for the collection of amounts payable hereunder or the enforcement or performance or observance of any obligation or agreement on the part of City herein contained, City agrees that it will on demand therefor pay to Issuer and Trustee the reasonable fees of such attorneys and such other reasonable expenses so incurred by Issuer.

SECTION 9.5. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Agreement 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.

ARTICLE X
OPTIONS IN FAVOR OF CITY; OBLIGATION TO PURCHASE

SECTION 10.1. **Options to Terminate the Agreement Term.** City shall have the following options to terminate the Agreement Term:

(a) before payment in full of the Bonds, City may terminate the Agreement Term by giving Issuer notice in writing of such termination and by paying to the Trustee an amount of money which, when added to the moneys in the Bond Fund, will be sufficient to pay, retire and redeem all of the outstanding Bonds in accordance with the provisions of the Indenture (including, without limiting the generality of the foregoing, principal, interest to maturity or-earliest applicable redemption date, as the case may be, redemption premium, if any, expenses of redemption and the Trustee's and paying agent's fees and expenses), and, in case of redemption, making arrangements satisfactory to the Trustee for the giving of the required notice of redemption; or

(b) after payment in full of the Bonds, City may terminate the Agreement Term by giving Issuer notice in writing of such termination and such termination shall forthwith become effective.

SECTION 10.2. **Obligation to Purchase Facilities.** City agrees to purchase, and Issuer agrees to sell, the Project for Ten Dollars ($10.00) at the expiration or sooner termination of the Agreement Term following payment in full of the Bonds. The obligation specified in this Section shall be and remain prior and superior to the Indenture 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 10.3. **Conveyance on Purchase.** At the closing of the purchase pursuant to Section 10.2, Issuer will upon receipt of the purchase price deliver to City the following:

(a) if at such time the Indenture has not been satisfied in full, a release by the Trustee from the lien or security interest, if any, of the Indenture in the property with respect to which such purchase is being consummated; and

(b) documents conveying to 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 to Issuer, (ii) those liens, security interests and encumbrances created by City or to the creation or suffering of which City consented, (iii) those liens, security interests and encumbrances resulting from the failure of City to

perform or observe any of its agreements contained herein, and (iv) Permitted Encumbrances other than the Indenture.

ARTICLE XI
MISCELLANEOUS

SECTION 11.1. **Agreement Term.** This Agreement shall become effective upon its execution and delivery and the Agreement Term shall then begin, and, subject to the other provision hereof (including particularly Article X), shall expire at midnight April 1, 2039, or if at said time and on said date all of the Bonds have not been paid in full, then on such date as such payment shall have been made.

SECTION 11.2. **Notices.** All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, addressed as follows:

If to Issuer: Gainesville and Hall County Development Authority
P. O. Box 3280
Gainesville, Georgia 30503
Attention: Chairman

If to City: City of Flowery Branch, Georgia
P. O. Box 99
Flowery Branch, Georgia 30566
Attention: Mayor

If to Trustee: Regions Bank
1180 West Peachtree Street, Suite 1200
Atlanta, GA 30309
Attention: Corporate Trust Department

Issuer, Trustee and City may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

SECTION 11.3. **Binding Effect.** This Agreement shall inure to the benefit of and shall be binding upon Issuer and City and their respective successors and assigns, subject, however, to the limitations contained in Sections 8.1, 8.3 and 8.4 hereof.

SECTION 11.4. **Severability.** In the event any provision of this Agreement 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. **Amendments, Changes and Modifications.** Subsequent to the issuance of the Bonds and prior to their payment in full, and except as otherwise expressly

provided in the Indenture, this Agreement may not be effectively amended, changed, modified, altered or terminated.

SECTION 11.6. Execution in Counterparts. This Agreement 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 11.7. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

SECTION 11.8. Limit of Validity. If from any circumstances whatsoever fulfillment of any provision of this Agreement, at the time performance of such provision shall be due, shall involve transcending the limit of validity presently prescribed by any applicable usury statute or any other applicable law, with regard to obligations of like character and amount then ipso facto the obligation to be fulfilled shall be reduced to the limit of such validity, so that in no event shall any exaction be possible under this Agreement that is in excess of the current limit of such validity, but such obligation shall be fulfilled to the limit of such validity.

SECTION 11.9. Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Agreement.

IN WITNESS WHEREOF, Issuer and City have executed this Agreement in their respective corporate names with their respective authorized officers. All of the above occurred as of the date first above written.

AS TO SELLER, signed, sealed and delivered in the presence of:

GAINESVILLE AND HALL COUNTY DEVELOPMENT AUTHORITY

_____
Unofficial Witness

By: _____
Chairman

_____
Notary Public

Attest: _____
Secretary

(NOTARY SEAL)

(CORPORATE SEAL)

(SIGNATURES CONTINUED ON NEXT PAGE)

AS TO THE CITY, signed, sealed and delivered in the presence of:

_____
Unofficial Witness

_____
Notary Public

(NOTARY SEAL)

CITY OF FLOWERY BRANCH, GEORGIA

By:_____
Mayor

Attest:_____
City Clerk

(CORPORATE SEAL)

EXHIBIT "A"

DESCRIPTION OF THE PROJECT

1. The acquisition, construction and equipping of a public park, to be known as "Town Green Park," and all related facilities located on the following described property:

All that tract or parcel of land lying and being in Land Lot 112 of the 8th Land District, City of Flowery Branch, Hall County, Georgia, shown and delineated on a plat prepared by D. Keith Kilby, a Georgia Registered Land Surveyor; entitled, Survey For City of Flowery Branch; dated August 15, 2018; containing 0.453 acres and recorded in Plat Book 00876, Page 00077, of the Hall County Plat Records. Being described as follows:

Beginning at a number six rebar located at the right-of-way intersection of Mitchell Street (having a forty foot right-of-way), and Pine Street (having a forty five foot right-of-way); this being the True Point of Beginning; thence continuing along the right-of-way of Pine Street South 55 degrees 12 minutes 49 seconds East a distance of 208.30 feet to a point located at the right-of-way intersection of Pine Street (having a forty five foot right-of-way) and Church Street (having a forty foot right-of-way); thence continuing along the right-of-way of Church Street South 35 degrees 01 minutes 24 seconds West a distance of 96.44 feet to a point located on the right-of-way of Church Street, said point being North 55 degrees 02 minutes 21 seconds West a distance of 20.0 feet from a P/K nail located in the centerline of Church Street; thence leaving said right-of-way and running North 55 degrees 02 minutes 21 seconds West a distance of 202.09 feet along the lands now or formerly owned by Saint Clair Properties, LLC to a point located on the right-of-way of Mitchell Street (having a forty foot right-of-way), said point being South 55 degrees 02 minutes 21 seconds East a distance of 1.33 feet from a one-inch pipe located inside the right-of-way of Mitchell Street; thence continuing along the right-of-way of Mitchell Street North 31 degrees 18 minutes 49 seconds East a distance of 96.00 feet to a number six rebar located at the right-of-way intersection of Mitchell Street (having a forty foot right-of-way) and Pine Street (having a forty five foot right-of-way; which is the Point of Beginning.

2. The acquisition, construction and equipping of a public park, to be known as "Farmer's Market Pavilion Park," and all related facilities, including a pavilion, located on the following described property:

All that tract or parcel of land lying, situate and being in Land Lot 112, 8th District, City of Flowery Branch, Hall County, Georgia, being more fully shown on a survey for "Lee W. and Virginia Ann Bock," dated January 22, 1990, prepared by Henry Grady Jarrard, Georgia Registered Land Surveyor, being recorded in Plat Book 140, page 218, Hall County, Georgia Plat Records, and being more particularly described as follows:

BEGINNING at an iron pin located on the Western right-of-way of Railroad Avenue, said iron pin being located 207.0 feet as measured in a Northerly direction from the intersection of the Western right-of-way of Railroad Avenue with the centerline of Martin Street; thence from said

beginning iron pin running North 53 degrees 29 minutes 40 seconds West 139.50 feet to an iron pin; thence North 36 degrees 00 minutes 00 seconds East 128 feet to an iron pin; thence South 53 degrees 24 minutes 41 seconds East 133.50 feet to an iron pin located on the Western right-of-way of Railroad Avenue; thence South 33 degrees 18 minutes 50 seconds West 128 feet along said right-of-way of Railroad Avenue; thence South 33 degrees 18 minutes 50 seconds West 128 feet along said right-of-way to the beginning iron pin.

3. The acquisition, construction and installation of sidewalks, public parking, street lights, benches, trees and other decorative landscaping (collectively, the "Streetscapes") located on the following described easement:

A non-excusive perpetual right, privilege and easement upon, over, through, across, in and under (i) the section of Main Street between the intersection of Main Street and Church Street and the intersection of Main Street and Railroad Avenue, (ii) the section of Railroad Avenue between the intersection of Railroad Avenue and Main Street and the intersection of Railroad Avenue and Knight Drive, (iii) the section of Pine Street between the intersection of Pine Street and Gainesville Street and the intersection of Pine Street and Mitchell Street, (iv) and the section of Mitchell Street between the intersection of Mitchell Street and Main Street and the intersection of Mitchell Street and Pine Street, in the City of Flowery Branch, Hall County, Georgia (collectively, the "Streetscape Easement Area"), for the construction and installation of Streetscapes.

4. Street lights, benches, trees, prefabricated bridges, and other fixtures which shall be installed on the above described real property and easements as part of the construction, installation and equipping of Town Green Park, Farmer's Market Pavilion Park and the pavilion located therein and the Streetscapes.

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Flowery Branch, Georgia (the "City") in connection with the issuance of $4,700,000 in original aggregate principal amount of Gainesville and Hall County Development Authority Revenue Bonds (City of Flowery Branch Old Town Project), Series 2020 (the "Bonds"). The Bonds are being issued pursuant to a resolution of the Gainesville and Hall County Development Authority (the "Authority"), adopted on January 28, 2020, and a supplemental resolution of the Authority adopted on _____, 2020 (collectively, the "Bond Resolution"). The City covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the beneficial owners of the Bonds (the "Bondholders") and in order to assist the Participating Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Bond Ordinance, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Disclosure Certificate, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Dissemination Agent" shall mean any Dissemination Agent designated in writing by the City, or any successor Dissemination Agent designated in writing by the City, and that has filed with the City a written acceptance of such designation. The City hereby designates Raymond James & Associates, Inc., Atlanta, Georgia, as initial Dissemination Agent.

"EMMA" shall mean the Electronic Municipal Market Access system as described in 1934 Act Release No. 59062 and maintained by the MSRB for purposes of the Rule as further described in Section 13 hereof.

"Fiscal Year" shall mean any period of twelve consecutive months adopted by the City as its fiscal year for financial reporting purposes and shall initially mean the period beginning on July 1 of each calendar year and ending on June 30 of the following calendar year.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board, or any successor thereto. Currently, the MSRB's address is:

MSRB
1300 I Street, N.W.
Washington, DC 20005
Attention: Disclosure

"National Repository" shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. **Currently, the sole National Repository is the MSRB, through the operation of EMMA, as provided in Section 13 hereof.**

"Participating Underwriters" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Repository" shall mean each National Repository and each State Repository.

"Rule" shall mean Rule l5c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State Repository" shall mean any public or private repository or entity designated by the State of Georgia as a state repository for the purpose of the Rule. As of the date of this Disclosure Certificate, there is no State Repository.

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than seven (7) calendar months after the end of each Fiscal Year, commencing with Fiscal Year ended June 30, 2020, provide to each Repository an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than fifteen (15) business days prior to such date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report.

(b) If the City is unable to provide to the Repositories an Annual Report by the date required in subsection (a), the City shall send a notice to each Repository in substantially the form attached as Exhibit A hereto. If the Dissemination Agent has not received an Annual Report by 6:00 p.m. Eastern time on the Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the City irrevocably directs the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as **Exhibit A**.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each National Repository (currently just the MSRB) and each State Repository, if any; and

(ii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the Repositories (currently just the MSRB) and each State Repository, to which it was provided.

(d) The City shall promptly file a notice of any change in its Fiscal Year with each Repository.

(e) If the audit report specified in clause (1) of Section 4 hereof is not submitted as part of the Annual Report to each Repository pursuant to Section 3(a) hereof, the City shall, or shall cause the Dissemination Agent to, provide to each Repository such audit report, together with the audited general purpose financial statements to which such audit report relates, when they are available to the City.

Section 4. Content of Annual Reports. The City's Annual Report shall contain or incorporate by reference the following:

(1) the City's general purpose financial statements for the preceding Fiscal Year, which shall be prepared in accordance with generally accepted accounting principles, as applied to government units, as in effect from time to time, with the exception that management's discussion and analysis shall not be required to be included in said general purpose financial statements, and which shall be accompanied by an independent auditor's report, if available at the time of submission of the Annual Report to each Repository pursuant to Section 3(a) hereof, resulting from an audit conducted by an independent certified public accountant or firm of independent certified public accountants in conformity with generally accepted auditing standards;

(2) if generally accepted accounting principles have changed since the last Annual Report was submitted pursuant to Section 3(a) hereof and if such changes are material to the City, a narrative explanation describing the impact of such changes on the City; and

(3) tabular information for the preceding Fiscal Year regarding the following categories of financial information and operating data of the City set forth in the Official Statement under the headings "THE CITY--General Fund History," "--General Fund Budget," "--Historical Property Tax Levies and Collections," "--Historic Property Tax Information," "--Tax Rates - Mills," "--Principal Taxpayers," "--Summary of City Debt by Category and Overlapping Debt," "--Limitations on City Debt," and "--Tax Supported Debt Ratios."

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the City or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The City shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Significant Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events ("Listed Events") with respect to the Bonds:

(1) Principal and interest payment delinquencies;

(2) Non-payment related defaults, if material;

(3) Unscheduled draws on debt service reserves reflecting financial difficulties;

(4) Unscheduled draws on credit enhancements reflecting financial difficulties;

(5) Substitution of credit or liquidity providers, or their failure to perform;

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(7) Modifications to rights of Bondholders, if material;

(8) Bond calls, if material, and tender offers;

(9) Defeasances;

(10) Release, substitution, or sale of property securing repayment of the Bonds, if material;

(11) Rating changes;

(12) Bankruptcy, insolvency, receivership or similar event of the City;

(13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

(b) If the City obtains knowledge of the occurrence of a Listed Event, the City shall file, in a timely manner not in excess of ten business days after the occurrence of the event, a notice of such occurrence with each Repository. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) (other than tender offers) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the owners of the affected Bonds pursuant to the Bond Resolution. For the purpose of the event identified in

subsection (a)(12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U. S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the asset or business of the City.

(c) For the purposes of the events described in subsection (a)(15) and (a)(16), the term "Financial Obligation" shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) a guarantee of (a) or (b). The term "Financial Obligation" does not include municipal securities as to which a final official statement has been otherwise provided to the MSRB under the Rule.

(d) The content of any notice of the occurrence of a Listed Event shall be determined by the City and shall be in substantially the form attached hereto as **Exhibit B**.

Section 6. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption, or payment in full of all of the Bonds.

Section 7. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The City hereby designates Raymond James & Associates, Inc., Atlanta, Georgia as the initial Dissemination Agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if:

(a) such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligor on the Bonds, or type of business conducted by such obligor;

(b) such amendment or waiver does not materially impair the interests of the Bondholders, as determined either by an unqualified opinion of nationally recognized bond counsel filed with the City or by the approving vote of the Bondholders owning more than two-thirds in aggregate principal amount of the Bonds outstanding at the time of such amendment or waiver; and

(c) such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the

date hereof but taking into account any subsequent change in or official interpretation of the Rule, as well as any change in circumstances.

If any provision of Section 4 hereof is amended or waived, the first Annual Report containing any amended, or omitting any waived, operating data or financial information shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided.

If the provisions of Section 4 hereof specifying the accounting principles to be followed in preparing the City's financial statements are amended or waived, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to the Bondholders to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, the comparison shall also be quantitative. The City shall file a notice of the change in the accounting principles with each Repository on or before the effective date of any such amendment or waiver.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an "event of default" or "default" under the Bond Ordinance, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities, and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the City has provided such information to the Dissemination Agent as required by this Disclosure Certificate. The Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Dissemination Agent shall have no duty or obligation to review or verify any Annual Report of the City, any audited financial statements of

the City, any Listed Events or any other information, disclosures or notices provided to it by the City and shall not be deemed to be acting in any fiduciary capacity for the City, the holders of the Bonds or any other party. The Dissemination Agent shall have no responsibility for the City's failure to report a Listed Event to the Dissemination Agent. The Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the City has complied with this Disclosure Certificate. The Dissemination Agent may conclusively rely upon certifications of the City at all times.

(b) The City agrees to indemnify and save the Dissemination Agent and its respective officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the City under this subsection shall survive resignation or removal of the Dissemination Agent and defeasance, redemption or payment the Bonds.

(c) The Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and the Dissemination Agent shall in no event incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The fees and expenses of such counsel shall be payable by the City.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriters, and the Bondholders, and shall create no rights in any other person or entity.

Section 13. Filing with MSRB. Notwithstanding anything in this Disclosure Certificate to the contrary, any filing required to be made with a National Repository pursuant to this Disclosure Certificate shall be made solely by transmitting such filing to the continuing disclosure service portal provided through the MSRB's EMMA as provided at http://www.emma.msrb.org, or any similar system that is acceptable to the United States Securities and Exchange Commission.

Date: _____, 2020

CITY OF FLOWERY BRANCH, GEORGIA

By: _____
Mayor

Attest: _____
City Clerk

(SEAL)

(Signature page – Continuing Disclosure Certificate)

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: GAINESVILLE AND HALL COUNTY DEVELOPMENT AUTHORITY

Name of Bond Issue: $4,700,000 GAINESVILLE AND HALL COUNTY DEVELOPMENT AUTHORITY REVENUE BONDS (CITY OF FLOWERY BRANCH OLD TOWN PROJECT), SERIES 2020

Date of Issuance: _____, 2020

CUSIP Numbers:[1] _____

NOTICE IS HEREBY GIVEN that the City of Flowery Branch, Georgia has not provided an Annual Report with respect to the above-named Bonds as required by resolutions of the City adopted on January 16, 2020, and _____, 2020 (collectively, the "City Resolution"). The Council of the City anticipates that the Annual Report will be filed by _____.

Dated: _____

CITY OF FLOWERY BRANCH, GEORGIA

By: _____
Mayor

Attest: _____
City Clerk

(SEAL)

[1] No representation is made as to the correctness of the CUSIP number either as printed on the bonds or as contained herein, and reliance may only be placed on other bond identification contained herein.

EXHIBIT B

NOTICE OF THE OCCURRENCE OF [INSERT THE LISTED EVENT]

Relating to
$4,700,000
GAINESVILLE AND HALL COUNTY DEVELOPMENT AUTHORITY REVENUE BONDS
(CITY OF FLOWERY BRANCH OLD TOWN PROJECT), SERIES 2020

CUSIP Numbers:[1] _____

Notice is hereby given that [insert the Listed Event] has occurred. [Describe circumstances leading up to the event, action being taken and anticipated impact.]

This notice is based on the best information available at the time of dissemination and is not guaranteed as to accuracy or completeness. Any questions regarding this notice should be directed to [insert instructions for presenting securities, if applicable].

[Notice of the Listed Events described in Section 5 shall include the following:

The Issuer hereby expressly reserves the right to redeem such refunded or defeased bonds prior to their stated maturity date in accordance with the optional/extraordinary redemption provisions of said defeased bonds.

OR

The Issuer hereby covenants not to exercise any optional or extraordinary redemption provisions under the Trust Indenture, however, the sinking fund provision will survive the defeasance.

AND

The Bonds have been defeased to [maturity/the first call date, which is _____]. This notice does not constitute a notice of redemption and no bonds should be delivered to the Issuer or the Trustee as a result of this mailing. A Notice of Redemption instructing you where to submit your bonds for payment will be mailed _____ to _____ days prior to the redemption date.]

Dated: _____

CITY OF FLOWERY BRANCH, GEORGIA

By: _____
Mayor

(SEAL)

[1] No representation is made as to the correctness of the CUSIP number either as printed on the bonds or as contained herein, and reliance may only be placed on other bond identification contained herein.

$_____
GAINESVILLE AND HALL COUNTY DEVELOPMENT AUTHORITY
REVENUE BONDS
(FLOWERY BRANCH OLD TOWN PROJECT), SERIES 2020

February 21, 2020

BOND PURCHASE AGREEMENT

Gainesville and Hall County
Development Authority
Gainesville, Georgia

Mayor and Council of the
City of Flowery Branch, Georgia
Flowery Branch, Georgia

To the Addressees:

The undersigned, Raymond James & Associates, Inc. (the "Underwriter"), being duly authorized, hereby offers to enter into this Bond Purchase Agreement (the "Purchase Agreement") with the Gainesville and Hall County Development Authority (the "Authority") and the City of Flowery Branch, Georgia (the "City") which, upon your acceptance of this offer, will be binding upon you and upon the Underwriter.

This offer is made subject to your acceptance of this Purchase Agreement on or before 10:00 a.m., Eastern Standard Time, on February 21, 2020.

1. Upon the terms and conditions and in reliance upon the respective representations, warranties and covenants herein, the Underwriter hereby agrees to purchase from the Authority and the City, and the Authority and the City hereby agree to sell to the Underwriter, all (but not less than all) of $_____ in aggregate principal amount of Gainesville and Hall County Development Authority Revenue Bonds (Flowery Branch Old Town Project), Series 2020 (the "Series 2020 Bonds" or the "Bonds"), at the purchase price of $_____ (the "Purchase Price") (representing the par amount of the Bonds, plus original issue premium of $_____, less Underwriter's discount of $_____).

The Bonds are authorized and issued in accordance with amendments to the Constitution of the State of Georgia (Ga. Laws 1964, page 866, et seq.; Ga. Laws 1986, page 4328, et seq.), duly ratified and proclaimed, and an act of the General Assembly of the State of Georgia (Ga. Laws 1964, page 2282, et seq.), as amended (collectively, the "Act"), and the Revenue Bond Law of the State of Georgia O.C.G.A., Section 36-82-60, et seq., as amended, and that certain

Trust Indenture, dated as of March 1, 2020 (the "Indenture"), between the Authority and Regions Bank, Atlanta, Georgia, as trustee (the "Trustee"). The Bonds will be issued under and secured by the Indenture.

The Series 2020 Bonds will be issued for the purpose of financing the (a) acquisition, construction, and equipping public parks on certain real property in Old Town and (b) the construction of certain sidewalks, streetscapes, and parking in Old Town, all as more particularly described on Exhibit "A" to the Agreement (hereinafter defined)(items (a) and (c) hereinafter referred to as the "Project"), and (c) paying all costs of issuance of the Series 2020 Bonds. The Series 2020 Bonds are to be dated their date of issue and shall mature on the dates and in the amounts and bear interest at the rates set forth on **Exhibit "A"** attached hereto and by this reference thereto hereby incorporated herein and made a part hereof. The Bonds shall be subject to optional and mandatory redemption as shown in the Official Statement (as defined herein).

The Authority, in furtherance of the public purpose for which it was created, has agreed to issue the Bonds to finance the Project. To accomplish the foregoing, the Authority proposes to enter into an installment sale agreement, dated as of March 1, 2020 (the "Agreement"), with the City under the terms of which the Authority has agreed to acquire and construct the Project and then sell the Project to the City, and the City has agreed to pay the Authority purchase payments sufficient to pay the principal of, redemption premium (if any), and interest on the Bonds as the same become due and payable. The obligation of the City to make the purchase payments required by the Agreement is a general obligation of the City to which its full faith and credit and unlimited taxing power are pledged.

As security for the payment of the principal of, premium, if any, and interest on the Bonds, the Authority has pledged and assigned for the benefit of the owners of the Bonds its right, title, and interest in and to the Agreement, including the purchase payments to be made thereunder, to the payment of principal of, premium, if any, and interest on the Bonds, pursuant to the Indenture.

With the consent of the Authority and the City, the Underwriter has distributed a Preliminary Official Statement (hereinafter defined) relating to the Bonds in connection with the marketing of the Bonds. The Bonds will be offered for sale by the Underwriter pursuant to a definitive Official Statement (hereinafter defined), relating to the Bonds.

The City will undertake, pursuant to the Agreement and a Continuing Disclosure Certificate, to be dated as of the issuance date of the Bonds (the "Disclosure Certificate"), to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement.

Capitalized terms used herein and not defined shall have the meaning assigned to such terms in the Indenture and the Agreement.

2. The Underwriter agrees to make a bona fide public offering of all of the Bonds at the offering prices set forth in **Exhibit A** hereto. The Underwriter, however, reserves the right to change such offering price and or prices as the Underwriter shall deem necessary in connection with the marketing of the Bonds.

3. (a) The Authority and the City have caused to be prepared a Preliminary Official Statement, dated February 11, 2019 (such Preliminary Official Statement, including the cover page and all appendices, exhibits, reports and statements included therein or attached thereto and any amendments and supplements thereto that may be authorized by the Authority or the City for use with respect to the Bonds being herein called the "Preliminary Official Statement"), which the Authority and the City have authorized to be circulated, and the Authority and the City consent to the use of the Preliminary Official Statement by the Underwriter prior to the date hereof in connection with the offering of the Bonds. The Authority and the City hereby deem the Preliminary Official Statement final for purposes of Rule 15c2-12 (the "Rule"). The Authority and the City shall deliver to the Underwriter copies (in sufficient quantity and time to enable the Underwriter to comply with the rules of the Municipal Securities Rulemaking Board and the Securities and Exchange Commission) of an Official Statement, dated the date of this Purchase Agreement, substantially in the form of the Preliminary Official Statement, with only such changes therein or modifications thereof (including, without limitation, any changes in or modifications of any of the appendices, exhibits, reports or statements included therein or attached thereto) as shall have been accepted and approved by the Underwriter in its sole discretion, the form of which Official Statement shall have been approved and adopted by the Authority and the City by resolutions duly passed, and the Official Statement shall be executed by the Chairman of the Authority and the Chairman of the Mayor of the City, respectively (such Official Statement, including the cover page and all appendices, exhibits, reports and statements included therein or attached thereto and any amendments and supplements thereto that may be authorized by the Authority and the City for use with respect to the Bonds being herein called the "Official Statement"). Simultaneously with the execution and delivery hereof, the Authority and the City will provide the Underwriter with two executed copies of the Official Statement. The Authority and the City hereby consent to the use of copies of the Official Statement, the Indenture, the Agreement, and other pertinent documents in connection with the offering of the Bonds. The Underwriter hereby agrees not to distribute or make use of any offering statement or other offering document relating to the Bonds unless such offering document contains a cover page that sets forth the name of the Underwriter and has been approved by the Authority and the City.

(b) In order to assist the Underwriter in complying with the Rule, the City has covenanted for the benefit of the owners of the Bonds to provide notices of the occurrence of certain material events and to provide certain financial information and operating data relating to the City, pursuant to the Disclosure Certificate.

4. At 10:00 a.m., Eastern Standard Time, on March 10, 2020 or at such other time and date as shall have been mutually agreed upon by the Authority, the City and the Underwriter, the Authority will deliver, or cause to be delivered, to the Underwriter the Bonds, in definitive form duly executed and authenticated, together with the other documents hereinafter mentioned; and the Underwriter will accept such delivery and pay the Purchase Price of the Bonds with bank wire transfer in federal funds payable in accordance with written directions provided by the City to the Underwriter.

The activities relating to the final execution and delivery of the Bonds, the Indenture, the Agreement and the payment therefor and the delivery of all certificates, opinions and other instruments described in Section 7 of this Purchase Agreement shall occur at the offices of Stewart, Melvin & Frost, LLP, Gainesville, Georgia, except that physical delivery of the Bonds shall be made through the Project of The Depository Trust Company or at such other place or places as shall have been mutually agreed upon by the Authority and the Underwriter. The payment for the Bonds and simultaneous delivery of the Bonds to the Underwriter is herein referred to as the "Closing." The Bonds will be delivered as definitive registered Bonds initially in the denomination of $5,000 each or any integral multiple thereof, and registered in such names and in such amounts as the Underwriter may request not less than three business days before the Closing.

5. The Authority represents and warrants to the Underwriter that:

(a) The Authority is, and will be at the Closing, a political subdivision duly created and organized under the Constitution and laws of the State of Georgia, with all requisite power and authority to execute, deliver and perform its obligations under this Purchase Agreement, the Indenture, and the Agreement.

(b) The Authority has the full legal right, power and authority (i) to adopt its Parameters Bond Resolution on January 28, 2020, and its Supplemental Bond Resolution on February 21, 2020 (collectively, the "Authority Resolution"), authorizing the execution and delivery of and awarding the sale of the Bonds, (ii) to execute, deliver and perform this Purchase Agreement, the Indenture, and the Agreement, (iii) to issue, sell and deliver the Bonds to the Underwriter as provided herein, and (iv) to carry out and consummate all other actions contemplated by each of the aforesaid documents and the Official Statement and the Authority has complied with all provisions of applicable law in all matters relating to such transactions.

(c) The Authority has duly authorized (i) the execution and delivery of the Bonds and the execution, delivery and due performance of this Purchase Agreement, the Indenture, and the Agreement, (ii) the execution, delivery and distribution of the Official Statement, and (iii) the taking of any and all such action as may be required on the part of the Authority to carry out, give effect to and consummate the transactions contemplated by such instruments. All consents or approvals necessary to be obtained by the Authority in connection with the foregoing have been received, and the consents or approvals so received are still in full force and effect; except for certain securities or "Blue Sky" laws and certain consents relating to the Projects which are expected to be received in due course.

(d) The Authority has duly adopted the Authority Resolution and has duly authorized all actions required to be taken by it.

(e) The Authority Resolution does, and this Purchase Agreement, the Indenture, and the Agreement, when executed and delivered, will constitute legal, valid and binding obligations of the Authority in accordance with their respective terms, except as enforceability thereof may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally.

(f) When delivered to and paid for by the Underwriter at the Closing in accordance with the provisions of this Purchase Agreement, the Bonds will have been duly authorized, executed, authenticated and delivered.

(g) The information relating to the Authority contained in the Official Statement is, and as of the date of Closing will be, true and correct in all material respects, and nothing has come to the attention of the undersigned that would lead the undersigned to believe that the Official Statement contains any untrue or misleading statement of a material fact or omits to state any material fact relating to the Authority necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(h) If, at any time prior to 90 days after the Closing, any event occurs with respect to the Authority as a result of which the Preliminary Official Statement or the Final Official Statement as then amended or supplemented might include an untrue statement of a material fact, or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Authority shall promptly notify the Underwriter of such event.

(i) The adoption of the Authority Resolution, the execution, delivery and performance of this Purchase Agreement, the Indenture, the Bonds, the Agreement, the execution and delivery of the Official Statement, and the consummation of the actions contemplated therein or the compliance with the provisions thereof will conflict with, or constitute on the part of the Authority a violation of, or a material breach of or default under, (i) any statute, indenture, mortgage, commitment, note or other agreement or instrument to which the Authority is a party or by which it is bound, (ii) the Constitution of the State, or (iii) any existing law, rule, regulation, ordinance, judgment, order or decree to which the Authority (or any of its officers in their respective capacities as such) is subject.

(j) Except as may be disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, or before or by any court, public board or body, pending or, to the best knowledge of the Authority, threatened, which in any way questions the powers of the Authority referred to in paragraph (b) above, or the validity of any proceeding taken by the Authority, or wherein an unfavorable decision, ruling or finding could materially adversely affect the actions contemplated by this Purchase Agreement, or of any other document or instrument required or contemplated thereby, or which, in any way, could adversely affect the validity or enforceability of the Indenture, the Agreement, the Bonds, or this Purchase Agreement or, to the knowledge of the Authority, which in any way questions the exclusion from gross income of the recipients thereof of the interest on the Bonds for federal income tax purposes or in any other way questions the status of the Bonds under federal or State tax laws or regulations.

(k) The Authority will cooperate with the Underwriter in qualifying the Bonds for offer and sale under the securities or Blue Sky laws of such jurisdictions of the United States as the Underwriter may request; provided, however, that the Authority shall not be required with respect to the offering or sale of the Bonds to file written consent to suit or to file written consent to service of process in any jurisdiction. The Authority consents to the use by the Underwriter of

the documents relating to the Bonds necessary to obtain such qualification, subject to the right of the Authority to withdraw such consent for cause by written notice to the Underwriter.

(l) Any certificate signed by any official of the Authority and delivered to the Underwriter shall be deemed a representation and warranty by the Authority to the Underwriter as to the truth of the statements therein contained.

(m) The Authority has never defaulted in the payment of principal of or interest on any bonds, notes, warrants or other securities or obligations issued by the Authority, and no proceedings have ever been taken, are being taken, or are contemplated as of the date hereof, by the Authority under the United States Bankruptcy Code or under any similar law or statute of the United States or the State, except as disclosed in the Official Statement.

(n) Neither the Authority nor anyone acting on its behalf, directly or indirectly, has offered the certificates or any similar securities of the Authority relating in any way to the Project for sale, or solicited any offer to buy the same from, anyone.

6. The City represents and warrants to the Underwriter that:

(a) The City is, and will be at the Closing, a municipal corporation duly created and validly existing under the laws of the State of Georgia, with all requisite power and authority to execute, deliver and perform its obligations under this Purchase Agreement, the Agreement and the Disclosure Certificate.

(b) The City has the full legal right, power and authority (i) to adopt its resolution on January 16, 2020, and its supplemental resolution on February 20, 2020 (collectively, the "City Resolution"), authorizing the execution and delivery of and awarding the sale of the Bonds, (ii) to enter into this Purchase Agreement, the Agreement, and the Disclosure Certificate, and (iii) to carry out and consummate all other transactions contemplated by each of the aforesaid documents, and the City has complied with all provisions of applicable law in all matters relating to such transactions.

(c) The City has duly authorized (i) the delivery of the Bonds and the execution, delivery and due performance of this Purchase Agreement, Agreement and the Disclosure Certificate, (ii) the execution, delivery and distribution of the Official Statement, and (iii) the taking of any and all such action as may be required on the part of the City to carry out, give effect to and consummate the transactions contemplated by such instruments. All consents or approvals necessary to be obtained by the City in connection with the foregoing have been received, and the consents or approvals so received are still in full force and effect; provided, however, no opinion is given with respect to any "Blue Sky" laws.

(d) This Purchase Agreement, the Agreement and the Disclosure Certificate, when executed and delivered, will constitute legal, valid and binding obligations of the City in accordance with their respective terms, except as enforceability thereof may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally.

(e) The information relating to the City, the application of the proceeds of the Bonds contained in the Official Statement is, and as of the date of Closing will be, true and correct in all material respects, and nothing has come to the attention of the undersigned that would lead the undersigned to believe that the Official Statement contains any untrue or misleading statement of a material fact or omits to state any material fact relating to the City necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(f) If, at any time prior to 90 days after the Closing, any event occurs with respect to the City as a result of which the Preliminary Official Statement or the Official Statement as then amended or supplemented might include an untrue statement of a material fact, or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the City shall promptly notify the Underwriter in writing of such event. Any information supplied by the City for inclusion in any amendments or supplements to the Preliminary Official Statement or the Official Statement will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. Upon the request of the Underwriter therefor, the City shall prepare and deliver to the Underwriter at the City's expense as many copies of an amendment or supplement which will correct any untrue statement or omission as the Underwriter may reasonably request.

(g) Neither the execution and delivery of this Purchase Agreement, the City Resolution, the Agreement and the Disclosure Certificate nor the consummation of the actions contemplated therein or the compliance with the provisions thereof will conflict with, or constitute on the part of the City a violation of, or a breach of or default under, (i) any statute, indenture, mortgage, commitment, note or other agreement or instrument to which the City is a party or by which it is bound, (ii) the Constitution of the State, or (iii) any existing law, rule, regulation, ordinance, judgment, order or decree to which the City (or any of its officers in their respective capacities as such) is subject.

(h) The City has never defaulted in the payment of principal of or interest on any bonds, notes, warrants, or other securities or obligations issued by the City, and no proceedings have ever been taken, are being taken, or are contemplated as of the date hereof, by the City under the United States Bankruptcy Code or under any similar law or statute of the United States or the State, except as disclosed in the Official Statement or to the Underwriter in writing.

(i) Except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, or before or by any court, public board or body, pending or, to the best knowledge of the City, threatened, which in any way questions the powers of the City referred to in paragraph (b) above, or the validity of any proceeding taken by the City in connection with the execution of the Agreement, the Disclosure Certificate or wherein an unfavorable decision, ruling or finding could materially adversely affect the transactions contemplated by this Purchase Agreement, or of any other document or instrument required or contemplated thereby, or which, in any way, could adversely affect the validity or enforceability of the Agreement, the Disclosure Certificate or this Purchase Agreement or, to the knowledge of the City, which in any way questions the exclusion from gross income of the recipients thereof of

the interest on the Bonds for federal income tax purposes or in any other way questions the status of the Bonds under federal or State tax laws or regulations.

(j) The City's audited financial statements as of June 30, 2019, attached as Appendix A to the Official Statement, to the City's knowledge, are a fair presentation of the financial position of the City as of the date indicated and the results of its operations and changes in its fund balance for the periods specified. Except as described in the Preliminary Official Statement and the Official Statement, since June 30, 2019, there has been no material adverse change in the condition, financial or otherwise, of the City from that set forth in the financial statements as of and for the period ending that date and as of the date of Closing; and the City has not since June 30, 2019**,** incurred any material liabilities, other than disclosed in the Official Statement, directly or indirectly, except in the ordinary course of its operations.

(k) The City will cooperate with the Underwriter in qualifying the Bonds for offer and sale under the securities or Blue Sky laws of such jurisdictions of the United States as the Underwriter may request; provided, however, that the City shall be required with respect to the offering or sale of the Bonds to file written consent to suit or to file written consent to service of process in any jurisdiction. The City consents to the use by the Underwriter of the documents relating to the Bonds necessary to obtain such qualification, subject to the right of the City to withdraw such consent for cause by written notice to the Underwriter.

(l) The City has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is a bond issuer whose arbitrage certifications may not be relied upon.

(m) Any certificate signed by any official of the City and delivered to the Underwriter shall be deemed a representation and warranty by the City to the Underwriter as to the truth of the statements therein contained.

(n) The City will apply the proceeds from the sale of the Bonds as specified in Section 1 hereof.

(o) The City has not failed to comply with any continuing disclosure obligations under the Rule.

7. The obligations of the Underwriter hereunder shall be subject (a) to the performance by the Authority and the City of their respective obligations to be performed hereunder at and prior to the Closing, (b) to the accuracy of the representations and warranties of the Authority and the City herein as of the date hereof and as of the time of the Closing, and (c) to the following conditions, including the delivery by the Authority and the City of such documents as are enumerated herein in form and substance reasonably satisfactory to the Underwriter. The obligations of the Underwriter hereunder shall also be subject to the following additional conditions:

(a) At the time of Closing, (i) the Official Statement, this Purchase Agreement, the Agreement, and the Disclosure Certificate shall be in full force and effect and shall not have

been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter, (ii) the proceeds of the sale of the Bonds shall be deposited and applied as described in the Official Statement, and (iii) the City and the Authority shall have duly adopted and there shall be in full force and effect such resolutions and ordinances as, in the opinion of Stewart, Melvin & Frost, LLP, as bond counsel ("Bond Counsel"), shall be necessary in connection with the actions contemplated hereby.

(b) Receipt of the Bonds and executed copies of the Agreement, the Indenture, and the Disclosure Certificate, at or prior to the Closing.

(c) At or prior to the Closing, the Underwriter shall receive the following documents in such number of counterparts as shall be mutually agreeable to the Underwriter, the Authority and the City:

(1) A final approving opinion of Bond Counsel, dated the date of Closing, in substantially the form of Appendix D to the Preliminary Official Statement.

(2) A supplemental opinion of Bond Counsel, dated the date of Closing, in substantially the form set forth in **Exhibit B** hereto.

(3) An opinion of Stewart, Melvin & Frost, LLP, as Disclosure Counsel, in substantially the form set forth in **Exhibit C** hereto.

(4) A certificate of the Trustee in form and substance satisfactory to Bond Counsel and Disclosure Counsel.

(5) The opinion of Counsel for the City, dated the date of Closing, in substantially the form set forth in **Exhibit D** hereto.

(6) The opinion of Counsel to the Authority, dated the date of Closing, in substantially the form set forth in **Exhibit E** hereto.

(7) The Official Statement executed on behalf of the Authority and the City by duly authorized officers.

(8) Certified copies of all resolutions of the Authority relating to the Bonds.

(9) Certified copies of all resolutions of the City relating to the Bonds.

(10) Specimen Series 2020 Bonds.

(11) The rating letter from Moody's Investors Service, Inc. ("Moody's") to the effect that the Bonds have been assigned a rating of "Aa2".

(12) A certificate, in form and substance satisfactory to the Underwriter and its counsel, of the Authority or any duly authorized officer or official of the

Authority satisfactory to the Underwriter and its counsel, dated as of the date of Closing, to the effect that: (A) each of the Authority's representations, warranties and covenants contained herein are true and correct as of the date of the Closing; (B) the Authority has authorized, by all action necessary under the laws of the State, the adoption of the Authority Resolution and the execution, delivery and due performance of the Bonds, this Purchase Agreement, the Indenture, and the Agreement; (C) except as disclosed in the Official Statement, no litigation is pending, or to their knowledge threatened, to restrain or enjoin the execution and delivery or sale of the Bonds or in any way affecting any authority for or the validity of the Indenture, the Bonds, this Purchase Agreement, and the Agreement; and (D) the Bonds, the Indenture, and the Agreement, as executed by the Authority, are in the form or in substantially the form approved for such execution by appropriate proceedings of the Authority.

(13) A certificate, in form and substance satisfactory to the Underwriter and its counsel, of the City or any duly authorized officer or official of the City satisfactory to the Underwriter and its counsel, dated as of the date of Closing, to the effect that: (A) each of the City's representations, warranties and covenants contained herein are true and correct as of the date of the Closing; (B) the City has authorized, by all action necessary under the laws of the State, the adoption of the City Resolution and the execution, delivery and due performance of this Purchase Agreement, the Agreement and the Disclosure Certificate; (C) except as disclosed in the Official Statement, no litigation is pending, or to their knowledge threatened, to restrain or enjoin the execution and delivery or sale of the Bonds or in any way affecting any authority for or the validity of the City Resolution, this Purchase Agreement, the Agreement, and the Disclosure Certificate; (D) the Agreement, the Disclosure Certificate and the other financing documents, as executed by the City, are in the form or in substantially the form approved for such execution by appropriate proceedings of the City.

(14) Evidence that Treasury Form 8038-G has been executed by the Authority and filed with the Internal Revenue Service.

(15) A certificate, dated the date of the Closing, executed by the Clerk or Deputy Clerk of the Superior Court of Hall County, Georgia, certifying that no person or entity, other than the Authority or the City, intervened or otherwise became a party to the validation proceedings with respect to the Bonds, that final judgment has been entered in such proceedings and that no exception, intervention or objection to such judgment or appeal therefrom or extension of appeal has been taken.

(16) A certificate (the "Arbitrage Certificate") of the Authority and the City in form and substance satisfactory to Bond Counsel and Disclosure Counsel setting forth certain information upon which it can he concluded that the Bonds are not expected to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended.

(17) Such additional legal opinions, certificates, proceedings, instruments and other documents as counsel to the Underwriter, Bond Counsel, counsel to the Authority or counsel to the City may reasonably request to evidence compliance by the Authority and the City with legal requirements, the truth and accuracy, as of the time of the Closing, of the respective representations of the Authority and the City herein contained and the due performance or satisfaction by the Authority and the City at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Authority and the City.

If the Authority or the City shall be unable to satisfy the conditions to the obligations of the Underwriter contained in this Purchase Agreement, or if the obligations of the Underwriter to purchase and accept delivery of the Bonds shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Underwriter nor the Authority nor the City shall be under further obligation hereunder.

8. The Underwriter shall have the right to cancel its obligation to purchase the Bonds if between the date hereof and the date of Closing:

(a) a tentative decision with respect to legislation shall be reached by a committee of the House of Representatives or the Senate of the Congress of the United States, or legislation shall be favorably reported or re-reported by such a committee or be introduced, by amendment or otherwise, in or be passed by the House of Representatives or the Senate, or recommended to the Congress of the United States for passage by the President of the United States, or be enacted or a decision by a federal court of the United States or the United States Tax Court shall have been rendered, or a ruling, release, order, regulation or official statement by or on behalf of the United States Treasury Department, the Internal Revenue Service or other governmental agency shall have been made or proposed to be made having the purpose or effect, or any other action or event shall have occurred which has the purpose or effect, directly or indirectly, of adversely affecting the federal income tax consequences of owning the Bonds or of any of the transactions contemplated in connection herewith, including causing interest on the Bonds to be included in gross income for purposes of federal income taxation, or imposing federal income taxation upon revenues or other income of the general character to be derived by the Authority or by any similar body under the Agreement or similar documents or upon interest received on obligations of the general character of the Bonds or the Bonds which, in the opinion of the Underwriter, materially adversely affects the market price of or market for the Bonds; or

(b) legislation shall have been enacted, or actively considered for enactment with an effective date being prior to the date of the execution and delivery of the Bonds, or a decision by a court of the United States shall have been rendered, or a ruling or regulation by the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter shall have been made or proposed, the effect of which is that the Bonds or the Bond Resolution, as the case may be, are not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended and as then in effect (the "1933 Act"), the Securities Exchange Act of 1934, as

amended and as then in effect the "1934 Act"), or of the Trust Indenture Act of 1939, as amended and as then in effect; or

(c) a stop order, ruling or regulation by the Securities and Exchange Commission shall have been issued or made, the effect of which is that the execution, delivery, offering or sale of the Bonds or the execution and delivery of the Bond Resolution as contemplated hereby or by the Official Statement, is or would be in violation of any provision of the 1933 Act, or of the 1934 Act, or of the Trust Indenture Act of 1939, as amended and as then in effect; or

(d) there shall exist any event which in the reasonable judgment of the Underwriter either (i) makes untrue or incorrect in any material respect any statement or information contained in the Official Statement or (ii) is not reflected in the Official Statement but should be reflected therein in order to make the statements and information contained therein not misleading in any material respect and, in either such event, (1) the Authority or the City refuses to permit the Official Statement to be supplemented to correct or supply such statement or information, or (2) the statement or information as supplemented is such as in the reasonable judgment of the Underwriter would materially adversely affect the market for the Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Bonds; or

(e) there shall have occurred any outbreak of hostilities or any national or international calamity or crisis, the effect of which on the financial markets of the United States is such as, in the reasonable judgment of the Underwriter, would materially adversely affect the market for the Bonds, or the sale, at the contemplated offering prices, by the Underwriter of the Bonds; or

(f) there shall be in force a general suspension of trading on the New York Stock Exchange, the effect of which on the financial markets of the United States is such as, in the reasonable judgment of the Underwriter, would materially adversely affect the market for the Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Bonds; or

(g) a general banking moratorium shall have been declared by federal, New York or Georgia authorities, the effect of which on the financial markets of the United States is such as, in the reasonable judgment of the Underwriter, would materially adversely affect the market for the Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Bonds; or

(h) any proceeding shall be pending or threatened by the Securities and Exchange Commission against the City or the Authority; or

(i) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange; or

(j) the New York Stock Exchange or other national securities exchange, or any governmental authority, shall impose, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of the Underwriter; or

(k) a default has occurred with respect to the obligations of, or proceedings have been instituted under the federal bankruptcy laws or any similar state laws by or against, any state of the United States or any city or county located in the United States having a population in excess of one million persons or any entity issuing obligations on behalf of such a city, county, or state; or

(l) any proceeding shall be pending, or to the knowledge of the Underwriter, threatened, to restrain, enjoin, or otherwise prohibit the issuance, sale, or delivery of the Bonds by the Authority or the purchase, offering, sale or distribution of the Bonds by the Underwriter, or for any investigatory or other proceedings under any federal or state securities laws or the rules and regulations of the National Association of Securities Dealers, Inc. relating to the issuance, sale or delivery of the Bonds by the Authority or the purchase, offering, sale or distribution of the Bonds by the Underwriter; or

(m) Moody's shall withdraw its "Aa2" rating on the Bonds prior to the Closing; or

(n) the marketability of the Bonds or the market price thereof, in the opinion of the Underwriter, has been materially and adversely affected by the disruptive events, occurrences or conditions in the securities or debt markets; or

(o) there shall have occurred any event other than those listed above the effect of which is, in the reasonable judgment of the Underwriter, so material and adverse to make it impracticable or inadvisable to proceed with the offering of the Bonds on the terms and in the manner contemplated by the Official Statement.

9. The obligations of the Authority and the City hereunder are subject to the performance by the Underwriter of its obligations hereunder.

10. All representations, warranties and agreements of the Authority and the City shall remain operative and in full force and effect and shall survive the Closing, regardless of any investigations made by or on behalf of the Underwriter. The obligations of the Authority and the City under Sections 12 and 13 hereof survive any termination of this Purchase Agreement by the Underwriter pursuant to the terms hereof.

11. The Authority shall pay, out of the proceeds of the Bonds or from its own funds, any expenses incident, to the performance of its obligations hereunder, including but not limited to: (i) the cost of the preparation, reproduction, printing distribution, mailing, execution, delivery, filing and recording, as the case may be, of this Bond Purchase Agreement, the Indenture, the Agreement, the Disclosure Certificate, the Preliminary Official Statement, the

Official Statement, and all other agreements and documents required in connection with the consummation of the transactions contemplated hereby; (ii) the cost of the preparation, engraving, printing, execution and delivery of the definitive Bonds; (iii) the fees and disbursements of Bond Counsel, Counsel for the Authority, Counsel for the City, Disclosure Counsel, and any other experts retained by the Authority, if any; (iv) any fees charged by the rating agencies for the rating of the Bonds; (v) the cost of the validation of the Bonds; (vi) the cost of transportation and lodging for officials and representatives of the Authority and the Underwriter in connection with attending meetings and the Closing; and (vii) the cost of qualifying the Bonds and determining their eligibility for investment under the laws of such jurisdictions as the Underwriter may designate, including filing fees and fees and disbursements of Counsel for the Underwriter in connection with such qualifying and determination and the preparation of Blue Sky and Legal Investment Memoranda (if any).

12. Indemnification.

(a) The City agrees to indemnify and hold harmless the Underwriter and the Authority and any member, commissioner, officer, director, employee or agent of the Underwriter or the Authority and each person, if any, who controls the Underwriter or the Authority within the meaning of Section 15 of the Securities Act of 1933, as amended (the "Securities Act"), or Section 20 of the Securities Exchange Act of 1934, as amended (collectively, the "Indemnified Parties") against any and all losses, claims, damages, liabilities or expenses whatsoever (collectively, "Loss") caused by, or which arise out of or relate to, any breach (or alleged breach) by the City of its representations warranties or covenants set forth herein, or any untrue statement or misleading statement of a material fact contained in the Official Statement or incorporated therein by reference or supplied by the City in writing in connection with the sale of the Bonds in accordance with the terms hereof (collectively, the "Disclosure Materials"), or which arise out of or relate to, any omission or alleged omission from such Disclosure Materials of any material fact required to be stated therein or necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading. This indemnity agreement is in addition to any other liability that the City may otherwise have. The Underwriter agrees that it will indemnify and hold harmless the City and the Authority (each also, an "Indemnified Party") to the same extent as the indemnification set forth in the first sentence of this paragraph, but only with regard to statements and omissions in the Official Statement pertaining to Raymond James & Associates, Inc., as the Underwriter.

(b) In case any action (including any governmental investigation) shall be brought against one or more of the Indemnified Parties in respect of which indemnity may be sought as provided herein, such Indemnified Party or Indemnified Parties shall promptly notify the person or persons from whom indemnity is sought (each, an "Indemnifying Party") in writing and such person or persons shall promptly assume the defense thereof, including the employment of counsel reasonably satisfactory to such Indemnified Party or Indemnified Parties, and payment of all expenses; but the omission to notify an Indemnifying Party as provided herein shall not relieve such Indemnifying Party from any liability that it may have (i) under the preceding paragraph of this Section, so long as such Indemnifying Party is given the reasonable opportunity to defend such claim and (ii) otherwise than under this Section. Any one or more of the Indemnified Parties shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the

expense of such Indemnified Party or Indemnified Parties unless (i) the employment of such counsel has been specifically authorized in writing by the Indemnifying Party or Indemnifying Parties, or (ii) the named parties to any such action (including any impleaded parties) include both one or more Indemnifying Parties and such Indemnified Party or Indemnified Parties and representation of both such Indemnifying Party or Indemnifying Parties and such Indemnified Party or Indemnified Parties by the same counsel would be inappropriate due to actual or potential differing interests between them. An Indemnifying Party shall not be liable for any settlement of any such action effected without its consent, but if settled with such consent or if there is a final judgment in any such action with or without consent, such Indemnifying Party agrees to indemnify and hold harmless the Indemnified Parties from and against any loss or liability by reason of such settlement or judgment. No Indemnifying Party shall, without the consent of each Indemnified Party, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in which indemnification or contribution may be sought hereunder (whether or not such Indemnified Party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (i) includes an unconditional release of such Indemnified Party from all liability arising out of such action or claim and (ii) does not include a statement as to or admission of fault, culpability or a failure to act, by or on behalf of such Indemnified Party.

(c) If the indemnification provided for in this Section is unavailable to or insufficient to hold harmless an Indemnified Party in respect of any Loss as provided in this Section, then each Indemnifying Party shall contribute to the amount paid or payable by such Indemnified Party as a result of such Loss in such proportion as is appropriate to reflect the relative benefits received by the City on the one hand and the Underwriter on the other from the offering of the Bonds. If however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnification provided for in this Section is unavailable on account of the Indemnified Party having failed to give the notice required in the preceding paragraph, then each Indemnifying Party shall contribute to such amount paid or payable by such Indemnified Party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the City on the one hand and the Underwriter on the other in connection with the statements or omissions which resulted in such Loss, as well as any other relevant equitable considerations. The relative benefits received by the City on the one hand and the Underwriter on the other shall be deemed to be in the same proportion as the total net proceeds from the sale of the Bonds received by the City (which is the aggregate purchase price set forth in Section 1 less the Underwriter's discount referred to in Section 1**)** bear to the Underwriter's discount received by the Underwriter with respect to the Bonds (referred to in Section 1)**.** The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the City on the one hand or the Underwriter on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The City and the Underwriter agree that it would not be just and equitable if contributions pursuant to this paragraph were determined by *pro rata* allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this paragraph. The amount paid or payable by an Indemnified Party as a result of the Loss which is subject to this paragraph shall be deemed to include any legal or other expenses reasonably incurred by such Indemnified Party in

connection with investigating or defending the action or claim that resulted in such Loss. Notwithstanding the provisions of this paragraph, the Underwriter shall not be required to contribute any amount in excess of the amount by which the total price at which the Bonds were offered to the public exceeds the amount of any damages which the Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

(d) The indemnity provided by this Section 12 hereof shall be in addition to any other liability that the City may otherwise have hereunder, at common law or otherwise, and is provided solely for the benefit of each of the Section 12(a) Indemnified Parties and their respective successors, assigns and legal representatives, and no other person shall acquire or have any right under or by virtue of such provisions of this Purchase Agreement.

(e) The City agrees to reimburse any Section 12(a) Indemnified Party for any expense (including reasonable fees and expenses of counsel) incurred as a result of producing documents, presenting testimony or evidence, or preparing to present testimony or evidence (based upon time expended by any Indemnified Party at its then current time charges), in connection with any court or administrative proceeding (including any investigation which may be preliminary thereto) arising out of or relating to the offer, issuance or sale of the Bonds.

13. The City and the Authority acknowledge and agree that (i) the purchase and sale of the Series 2020 Bonds pursuant to this Bond Purchase Agreement is an arm's-length commercial transaction between the City, the Authority and the Underwriter, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of this transaction, the Underwriter is and has been acting solely as a principal and is not acting as the agent or fiduciary of the City or the Authority, (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the City or the Authority with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (regardless of whether the Underwriter has provided other services or is currently providing other services to the City or the Authority on other matters) and the Underwriter has no obligation to the City or the Authority with respect to the offering contemplated hereby except the obligations expressly set forth in this Bond Purchase Agreement, (iv) the Underwriter has financial and other interests that differ from those of the City and the Authority, and (v) the City and the Authority have consulted their own legal, financial and other advisors to the extent they have deemed appropriate.

14. Establishment of Issue Price.

(a) The Underwriter agrees to assist the Authority in establishing the issue price of the Bonds and shall execute and deliver to the Authority at Closing an "issue price" or similar certificate, substantially in the form attached as an exhibit to the Non-Arbitrage Certificate of the Authority and the City, together with the supporting pricing wires or equivalent communications, with modifications to such certificate as may be deemed appropriate or necessary, in the reasonable judgment of the Authority and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

[(b) The Authority will treat the first price at which 10% of each maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test).

(c) The Underwriter has offered the Bonds to the public on or before the date of this Bond Purchase Agreement at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the final official statement. As of the sale date, the 10% test has been satisfied for all maturities of the Bonds.]

(d) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) "public" means any person other than an underwriter or a related party.

(ii) "underwriter" (as used in this Section 14) means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date of execution of this Bond Purchase Agreement by all parties.

15. Any notice or other communication to be given to the Authority under this Purchase Agreement may be given by delivering the same in writing to the Authority c/o Stewart, Melvin & Frost, LLP, Attention: Chairman, P. O. Box 3280, Gainesville, Georgia 30503. Any notice or other communication to be given to the City under this Purchase Agreement may be given by delivering the same in writing to the City at P. O. Box 757, Flowery Branch, Georgia 30542, Attention: Mayor. Any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing

to: Raymond James & Associates, Inc., 3050 Peachtree Road, N.E., Suite 702, Atlanta, Georgia 30305, Attention: William Camp.

16. This Purchase Agreement is made solely for the benefit of the Authority, the City and the Underwriter (including the successors or assigns of the Underwriter) and no other person, including any purchaser of the Bonds, shall acquire or have any right hereunder or by virtue hereof.

17. This Purchase Agreement shall be governed by and construed in accordance with the laws of the State.

18. This Purchase Agreement 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.

19. This Purchase Agreement shall become effective upon your mutual acceptance hereof.

Very truly yours,

RAYMOND JAMES & ASSOCIATES, INC.

By:_____
Name: _____
Title: _____

[Signatures continue on following page]

Accepted and agreed to as of
the date first above written:

GAINESVILLE AND HALL COUNTY DEVELOPMENT AUTHORITY

By:_____
Chairman

[Signatures continue on following page]

Accepted and agreed to as of
the date first above written:

CITY OF FLOWERY BRANCH, GEORGIA

By:_____
Mayor

EXHIBIT A

MATURITIES, AMOUNTS, INTEREST RATES, YIELD, AND PRICES

Maturity Date	Amount	Rate	Yield	Price
04/01/2023				
04/01/2024				
04/01/2025				
04/01/2026				
04/01/2027				
04/01/2028				
04/01/2029				
04/01/2030				
04/01/2031				
04/01/2032				
04/01/2033				
04/01/2034				
04/01/2035				
04/01/2036				
04/01/2037				
04/01/2038				
04/01/2039				
Total				

EXHIBIT B

SUPPLEMENTAL OPINION OF BOND COUNSEL

[LETTERHEAD OF STEWART, MELVIN & FROST, LLP]

March 10, 2020

Gainesville and Hall County
Development Authority
Gainesville, Georgia

Mayor and Council of the
City of Flowery Branch, Georgia
Flowery Branch, Georgia

Regions Bank, as Trustee
Atlanta, Georgia

Stifel,, Nicolaus & Company, Incorporated
Atlanta, Georgia

Re: $_____ Gainesville and Hall County Development Authority Revenue Bonds (Flowery Branch Old Town Project), Series 2020

To the Addressees:

We have acted as Bond Counsel in connection with the issuance of the above-referenced bonds (the "Bonds"). Terms used and not otherwise defined herein shall have the meaning set forth in the Official Statement hereinafter referred to.

In our capacity as Bond Counsel, we have examined the Official Statement, dated February 21, 2020 (the "Official Statement"), relating to the Bonds, and such other documents, instruments and certificates of public officials as we have considered necessary or appropriate to enable us to render the opinions expressed herein. In all such examinations, we have assumed the genuineness of signatures on original documents and the conformity to original documents of all copies submitted to us as certified, conformed or photographic copies, and as to certificates of public officials, we have assumed the same to have been properly given and to be accurate.

Based upon the examinations, certificates and provisions referred to above, we are of the opinion, as of the date hereof and under existing law, as follows:

(1) We have reviewed those portions of the Official Statement appearing under the captions "DESCRIPTION OF THE SERIES 2020 BONDS" (other than the information therein relating to the book entry registration system relating to the Bonds); "SECURITY AND SOURCES OF PAYMENT OF THE SERIES 2020 BONDS"; "LEGAL MATTERS—Opinion of Bond Counsel"; Appendix B – "Summary of Indenture and Installment Sale Agreement"; and Appendix D – "Form of Bond Counsel Opinion" of the Official Statement and are of the opinion that the statements made under such captions and in such Appendices fairly summarize the matters purported to be summarized therein. We express no further opinion with respect to the accuracy, completeness or sufficiency of the Official Statement or the compliance by the Authority, the City or the Underwriter with any federal or state statute, regulation or ruling with respect to the sale (other than the initial sale by the Authority), or distribution of the Bonds.

(2) No registration of the Bonds under the Securities Act of 1933, as amended, and no qualification of the Indenture under the Trust Indenture Act of 1939, as amended, is required in connection with the sale of the Bonds.

Very truly yours,

STEWART, MELVIN & FROST, LLP

By:_____
A Partner

EXHIBIT C

OPINION OF DISCLOSURE COUNSEL

[LETTERHEAD OF STEWART, MELVIN & FROST, LLP]

March 10, 2020

Gainesville and Hall County
Development Authority
Gainesville, Georgia

Mayor and Council of the
City of Flowery Branch, Georgia
Flowery Branch, Georgia

Raymond James & Associates, Inc.
Atlanta, Georgia

Re: $_____ Gainesville and Hall County Development Authority Revenue Bonds (Flowery Branch Old Town Project), Series 2020

To the Addressee:

We have acted as Disclosure Counsel in connection with the Bond Purchase Agreement, dated February 21, 2020 (the "Purchase Agreement"), among the Gainesville and Hall County Development Authority ("the Authority"), the City of Flowery Branch, Georgia (the "City") and you (the "Underwriter"), providing for the sale of Gainesville and Hall County Development Authority Revenue Bonds (Flowery Branch Old Town Project), Series 2020, in the aggregate principal amount of $_____ (the "Series 2020 Bonds"). Unless the context otherwise requires, all capitalized terms used herein without definition shall have the meaning ascribed to them in the Purchase Agreement.

In such capacity, we have examined such matters of law as we deemed necessary as a basis for the opinions set forth below, and we have also examined originals, executed counterparts or certified copies of the Official Statement, dated February 21, 2020 with respect to the Bonds (the "Official Statement"), the Purchase Agreement, the Bonds, the Trust Indenture, dated as of March 1, 2020, between the Authority and Regions Bank, Atlanta, Georgia, as trustee (the "Indenture"), and such other documents as we have deemed necessary as a basis for the opinions hereinafter expressed. In all such examinations, we have assumed the conformity to original documents of all documents submitted to us as certified or photostatic copies, the authenticity of all documents submitted to us as original documents and the authenticity of originals of all documents submitted to us as certified or photostatic copies.

In accordance with our understanding with you, we have rendered legal advice and assistance in connection with the preparation of the Official Statement. Rendering such assistance involved, among other things, discussions and inquiries concerning various legal matters and the review of the documents referred to above. We have also participated in conferences with representatives of the Underwriter, the Authority and the City, and their counsel, during which the contents of the Official Statement and related matters were discussed and reviewed. The limitations inherent in the independent verification of factual matters and the character of determinations involved in the preparation of the Official Statement are such, however, that we do not assume responsibility for the accuracy, completeness or fairness of the statements contained in the Official Statement.

On the basis of the information that was developed in the course of the performance of the services referred to above, considered in light of our understanding of the applicable law and the experience we have gained through our practice thereunder, we advise you that nothing came to our attention that caused us to believe that the Official Statement (other than the information under the heading "DESCRIPTION OF THE SERIES 2020 BONDS -- Book Entry System of Registration" and the statistical and financial data included therein), as of the date thereof, contained any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

The Continuing Disclosure Certificate, attached as Appendix C to the Official Statement, satisfies Section 10(b)(5)(i) of Rule 15c2-12 (the "Rule"), which requires an undertaking for the benefit of the holder, including beneficial owners, of the Bonds to provided certain annual financial information and event notices to various information repositories at the time and in the manner required by the Rule.

We have reviewed the opinions, dated the date of this opinion, of Bond Counsel, Counsel to the Authority and Counsel to the City furnished to you in accordance with the provisions of the Purchase Agreement. Such opinions on their face appear to be appropriately responsive to the requirements of the Purchase Agreement.

This letter is furnished solely for your benefit, and no other person or entity shall be entitled to rely upon this opinion without our express written consent.

STEWART, MELVIN & FROST, LLP

By:_____
A Partner

EXHIBIT D

OPINION OF CITY ATTORNEY

[LETTERHEAD OF CAROTHERS & MITCHELL, LLC]

March 10, 2020

Gainesville and Hall County
Development Authority
Gainesville, Georgia

Mayor and Council of the
City of Flowery Branch, Georgia
Flowery Branch, Georgia

Regions Bank, as Trustee
Atlanta, Georgia

Raymond James & Associates, Inc.
Atlanta, Georgia

Stewart, Melvin & Frost, LLP
Gainesville, Georgia

Re: $_____ Gainesville and Hall County Development Authority Revenue Bonds (Flowery Branch Old Town Project), Series 2020

To the Addressees:

We have acted as counsel to the City of Flowery Branch, Georgia, a municipal corporation of the State of Georgia (the "City"), in connection with the authorization and issuance by the Gainesville and Hall County Development Authority (the "Authority") of its Revenue Bonds (Flowery Branch Old Town Project), Series 2020, in the aggregate principal amount of $_____ (the "Series 2020 Bonds" or the "Bonds"). In such capacity, we have examined such documents, instruments and proceedings of the City as we have considered necessary to render the opinions set forth below, including, but not limited to, the following:

(a) the resolution adopted by the City on January 16, 2020, and a supplemental resolution adopted by the City on February 20, 2020 (collectively, the "Resolution");

(b) the Installment Sale Agreement, dated as of March 1, 2020 (the "Agreement"), between the Authority and the City;

(c) the Bond Purchase Agreement, dated February 21, 2020 (the "Purchase Agreement"), between the Authority, the City and Raymond James & Associates, Inc. (the "Underwriter");

(d) the Preliminary Official Statement, dated February 11, 2019 (the "Preliminary Official Statement") and the Official Statement, dated February 21, 2020 (the "Official Statement"), relating to the Bonds; and

(f) the Continuing Disclosure Certificate, dated March 10, 2020 (the "Disclosure Certificate"), by the City.

We have also examined and relied upon the original, certified, conformed or photographic copies of such other documents, records, agreements and certificates as we have considered necessary or appropriate to enable me to render the opinions expressed herein. In all such examinations, we have assumed the genuineness of signatures on original documents and the conformity to original documents of all copies submitted to us as certified, conformed or photographic copies, and as to certificates of public officials, we have assumed the same to have been properly given and to be accurate.

Based on the foregoing, we are of the opinion as of this date that:

(1) The City is a municipal corporation of the State of Georgia, duly created and validly existing.

(2) The City has all necessary power and authority to (i) adopt the Resolution; (ii) execute, deliver and perform its obligations under the Agreement, the Bond Purchase Agreement, and the Disclosure Certificate (collectively, the "City Documents"); (iii) execute and deliver the Official Statement; and (iv) carry out and consummate all of the transactions contemplated by the City Documents, and by the Official Statement.

(3) The Resolution has been duly adopted.

(4) The City Documents have been duly authorized, executed and delivered by the City, and, assuming that they are the respective legal, valid, binding and enforceable obligation of the other party thereto, constitute the legal, valid and binding obligation of the City, legally enforceable against the City in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and principles of equity applicable to the availability of specific performance and other equitable relief.

(5) The use and distribution of the Preliminary Official Statement and the Official Statement have been duly authorized by the City. The Official Statement has been duly executed by the City.

(6) 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 best of my knowledge, threatened against or affecting the City (or, to the best of my knowledge, any meritorious basis therefor) (a) attempting to limit, enjoin or otherwise restrict or prevent the City from functioning or contesting or questioning the existence of the City or the titles of the present officers of the City to their offices; (b) wherein an unfavorable decision, ruling or finding would have an adverse effect on (i) the financial position of the City or the security for the Bonds, (ii) the powers of the City or the validity or enforceability of the City Documents, or any agreement or instrument to which the City is a party and which is used or contemplated for use in the consummation of the transactions contemplated by the City Documents and by the Official Statement, (iii) the transactions contemplated by the City Documents and by the Official Statement, or (iv) the exclusion of interest on the Bonds from federal or State of Georgia income taxation.

(7) The adoption of the Resolution, the execution, delivery and performance by the City of the City Documents, the use and distribution of the Preliminary Official Statement and the Official Statement, the execution and delivery of the Official Statement and the carrying out and consummation of the transactions contemplated by the City Documents and by the Official Statement will not conflict with or constitute on the part of the City a violation of, breach of or default under (i) any governing instrument, (ii) any indenture, mortgage, lease, resolution, note agreement or other agreement or instrument to which the City is a party or by which the City is bound, or (iii) any constitutional provision, statute, order, rule or regulation of any court or governmental agency or body having jurisdiction over the City or any of its activities or properties; provided, however, we express no opinion as to compliance with the securities or "Blue Sky" laws of any jurisdiction.

(8) All consents, approvals, authorizations and orders of any governmental or regulatory authorities (other than in connection with or in compliance with the provisions of the securities or "Blue Sky" laws of any jurisdiction as to which I express no opinion) that are required to be attained by the City as of the date hereof in connection with the construction and operation of the Project (as defined in the Agreement), the execution, delivery and performance of the City Documents, the use and distribution of the Preliminary Official Statement and the Official Statement, the execution of the Official Statement and the carrying out and consummation of the transactions contemplated by the City Documents and by the Official Statement have been duly obtained and remain in full force and effect.

(9) Neither the Securities and Exchange Commission nor any state securities commission has issued or, to the best of our knowledge, threatened to issue, any order preventing or suspending the use and distribution of the Official Statement.

(10) To the best of our knowledge, the City has not been, and is not as of the date hereof, in default in the payment of the principal of, redemption premium, if any, or interest on any indebtedness of the City.

(11) As counsel to the City, we have rendered legal advice and assistance to the City, which advice and assistance involved, among other things, discussions and inquiries concerning various legal matters, review of various documents and participation in conferences during which the contents of the Preliminary Official Statement and the Official Statement and related matters were discussed and reviewed. Based upon such advice and assistance, nothing has come to our attention that causes us to believe that any portion of the Official Statement pertaining to the City contains any untrue statements of a material fact or omits to state a material fact necessary to be stated therein in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

Respectfully submitted,

CAROTHERS & MITCHELL, LLC

By: _____
Counsel for the City of Flowery Branch, Georgia

EXHIBIT E

OPINION OF AUTHORITY COUNSEL

[LETTERHEAD OF STEWART, MELVIN & FROST, LLP]

March 10, 2020

Gainesville and Hall County
Development Authority
Flowery Branch, Georgia

Mayor and Council of the
City of Flowery Branch, Georgia
Flowery Branch, Georgia

Regions Bank, as Trustee
Atlanta, Georgia

Raymond James & Associates, Inc.
Atlanta, Georgia

Re: $_____ Gainesville and Hall County Development Authority Revenue Bonds (Flowery Branch Old Town Project), Series 2020

To the Addressees:

We have acted as counsel to the Gainesville and Hall County Development Authority (the "Authority") in connection with the authorization and issuance by the Authority of its Revenue Bonds (Flowery Branch Old Town Project), Series 2020, in the aggregate principal amount of $_____ (the "Series 2020 Bonds" or the "Bonds"). In such capacity, we have examined such documents, instruments and proceedings of the Authority as we have considered necessary to render the opinions set forth below, including, but not limited to, the following:

(a) amendments to the Constitution of the State of Georgia (Ga. Laws 1964, page 866, et seq.; Ga. Laws 1986, page 4328, et seq.), duly ratified and proclaimed, and an act of the General Assembly of the State of Georgia (Ga. Laws 1964, page 2282, et seq.), as amended (collectively, the "Act");

(b) the Parameters Bond Resolution adopted by the Authority on June 29, 2013, and a Supplemental Bond Resolution adopted by the Authority on February 21, 2020 (collectively, the "Resolution");

(c) the Trust Indenture, dated as of March 1, 2020 (the "Trust Indenture") between the Authority and Regions Bank, Atlanta, Georgia, as trustee (the "Trustee");

(d) the Installment Sale Agreement, dated as of March 1, 2020 (the "Agreement"), between the Authority and the City of Flowery Branch, Georgia (the "City");

(e) the Bond Purchase Agreement, dated February 21, 2020 (the "Purchase Agreement"), between the Authority, the City and Raymond James & Associates, Inc.; and

(f) the Preliminary Official Statement of the Authority, dated February 11, 2019 (the "Preliminary Official Statement") and the final Official Statement of the Authority, dated February 21, 2020 (the "Official Statement"), relating to the Bonds; and

(g) a certified copy of the transcript of the validation proceeding concluded in the Superior Court of Hall County, Georgia, relating to the Bonds.

We have also examined and relied upon the original, certified, conformed or photographic copies of such other documents, records, agreements and certificates as we have considered necessary or appropriate to enable us to render the opinions expressed herein. In all such examinations, we have assumed the genuineness of signatures on original documents and the conformity to original documents of all copies submitted to us as certified, conformed or photographic copies, and as to certificates of public officials, we have assumed the same to have been properly given and to be accurate.

Based on the foregoing, we are of the opinion as of this date that:

(1) The Authority is a duly created and validly existing public body corporate and politic of the State of Georgia with full power and authority to (i) adopt the Resolution; (ii) issue, execute, deliver and perform its obligations under the Bonds; (iii) execute, deliver and perform its obligations under the Indenture, the Agreement, and the Purchase Agreement (collectively, the "Authority Documents"); (iv) execute and deliver the Official Statement; and (v) carry out and consummate all of the transactions contemplated on its part by the Authority Documents and the Official Statement.

(2) The Resolution has been duly adopted.

(3) The Bonds have been duly authorized, executed and delivered by the Authority, and the Bonds constitute legal, valid and binding limited obligations of the Authority enforceable in accordance with their terms. Except for the Bonds, there are no obligations payable from or entitled to a charge or lien upon all or any portion of the payments to be received by the Authority pursuant to the Agreement.

(4) The Authority Documents have been duly authorized, executed and delivered by the Authority, and, assuming that they are the respective legal, valid, binding and enforceable obligations of the other parties thereto, constitute legal, valid and binding obligations of the Authority, legally enforceable against the Authority in accordance with their respective terms.

(5) The Preliminary Official Statement and the Official Statement have been duly authorized by the Authority. The Official Statement has been duly executed by the Authority.

(6) 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 best of our knowledge, threatened against or affecting the Authority (or, to the best of our knowledge, any meritorious basis therefor) (a) attempting to limit, enjoin or otherwise restrict or prevent the Authority from functioning or contesting or questioning the existence of the Authority or the titles of the present officers of the Authority to their offices; (b) wherein an unfavorable decision, ruling or finding would have an adverse effect on (i) the powers of the Authority or the validity or enforceability of the Resolution, the Bonds, the Authority Documents or any agreement or instrument to which the Authority is a party and which is used or contemplated for use in the consummation of the transactions contemplated by the Authority Documents or by the Official Statement, (ii) the transactions contemplated by the Authority Documents or by the Official Statement, or (iii) the exclusion of the interest on the Bonds from federal or State of Georgia income taxation.

(7) The adoption of the Resolution, the issuance and sale of the Bonds, the execution, delivery and performance by the Authority of the Authority Documents, the use and distribution of the Preliminary Official Statement and the Official Statement, the execution and delivery of the Official Statement and the carrying out and consummation of the transactions contemplated by the Authority Documents and the Official Statement will not conflict with or constitute on the part of the Authority a violation of, breach of or default under (i) the Act, its by-laws or any other governing instrument, (ii) any indenture, mortgage, lease, resolution, note, agreement or other agreement or instrument to which the Authority is a party or by which the Authority is bound, or (iii) any constitutional provision, statute, order, rule or regulation of any court or governmental agency or body having jurisdiction over the Authority or any of its activities or properties; provided, however, we express no opinion as to compliance with the securities or "Blue Sky" laws of any jurisdiction.

(8) All consents, approvals, authorizations and orders of any governmental or regulatory authorities (other than in connection with or in compliance with the provisions of the securities or "Blue Sky" laws of any Jurisdiction as to which we express no opinion) that are required to be attained by the Authority as of the date hereof in connection with the adoption of the Resolution, the issuance, sale and delivery of the Bonds, the execution, delivery and performance of the Authority Documents, the use and distribution of the Preliminary Official Statement and the Official Statement, the execution and delivery of the Official Statement and the carrying out and consummation of the transactions contemplated by the Authority

Documents and the Official Statement have been duly obtained and remain in full force and effect.

(9) Neither the Securities and Exchange Commission nor any state securities commission has issued or, to the best of our knowledge, threatened to issue, any order preventing or suspending the use and distribution of the Official Statement.

(10) To the best of our knowledge, the Authority is not in default in any material respect under the agreement or other instrument to which it is a party or by which it is bound.

(11) As counsel to the Authority, we have rendered legal advice and assistance to the Authority, which advice and assistance involved, among other things, discussions and inquiries concerning various legal matters, review of various documents and participation in conferences during which the contents of the Preliminary Official Statement and the Official Statement and related matters were discussed and reviewed. Based upon such advice and assistance, nothing has come to our attention that causes us to believe that any portion of the Official Statement pertaining to the Authority contains any untrue statement of a material fact or omits to state a material fact necessary to be stated therein in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

The rights of the holders of the Bonds and the enforceability of the Authority Documents may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and principles of equity applicable to the availability of specific performance and other equitable relief.

Respectfully submitted,

STEWART, MELVIN & FROST, LLP

By: _____
A Partner

928597-1

FLOWERY BRANCH CITY COUNCIL

EXECUTIVE SUMMARY

SUBJECT: Consider February 6, 2020 Meeting Minutes

COUNCIL MEETING DATE: February 20, 2020

HISTORY:

FACTS AND ISSUES:

OPTIONS:

IF FUNDING IS INVOLVED, ARE FUNDS APPROVED IN THE CURRENT BUDGET:
No

AMOUNT AND SOURCE OF FUNDS:

RECOMMENDATION:

SAMPLE MOTION:

COLLABORATING DEPARTMENT:

DEPARTMENT: Administration

Prepared by: Melissa McCain

ATTACHMENTS

- 020620 Draft.pdf

City of Flowery Branch
City Council Meeting
February 6, 2020 6:00 pm
City of Flowery Branch City Hall
5410 Pine Street, Flowery Branch GA, 30542

CALL WORK SESSION TO ORDER:

Mayor Pro Tem Anglin called the meeting to order at 6:04 pm.

PRESENT: Mayor Pro-Tem Joe Anglin and Council Members Chris Mundy, Leslie Jarchow, and Amy Farah

ABSENT: Mayor Mike Miller and Councilman Ed Asbridge.

Also present were City Manager Bill Andrew, City Clerk Melissa McCain, Finance Director Alisha Gamble, Planner Rich Atkinson, Corporal Dalton Hall and Attorney Ron Bennett.

PLEDGE OF ALLEGIANCE:

Mayor Pro-Tem Anglin led the Pledge of Allegiance.

PUBLIC HEARING:

Consider - 1st Reading of Ordinance 575a and 576a Request to Amend Approved Conditions of Zoning. (Applicant Gee Harvey)

Planner Atkinson reviewed the request and advised that both Ordinance 575 and 576 were approved with a zoning condition that water and sewer be provided by the City of Flowery Branch.

Continuing, Planner Atkinson stated that the applicant has requested to amend the conditions of zoning to enable connection to the City of Gainesville water system as opposed to the Flowery Branch water system. It was noted that the City of Gainesville has a water line that is located in the right of way in front of the property and the City's line is a lengthy distance away.

Mr. Gee Harvey approached the council and advised that as the developer he would not be unable to bear the entire cost of running a line to connect to a Flowery Branch line and felt that the City should install the line and he would be willing to pay an additional amount for each tap into the system. Mr. Harvey also stated that the City would be benefiting by having the ability to serve other developments in that area with that line.

Mr. Harvey advised that he would be willing to add conditions in the covenants that would require residents of this subdivision to connect to Flowery Branch water when it becomes available.

Flowery Branch consultant Bob Troxler with Infratec stated that most developers are required to make the connection to utilities at their cost and that the statement Mr. Harvey made advising the Fire Department would like to see a 12-inch line run for pressure is very conservative and that a 12-inch line was not required or necessary.

Mr. Troxler expressed concerns with allowing the developer to tap into the Gainesville System and advised that Gainesville would not likely give up those customer revenues when the City does run along service to that development.

There were no public comments.

Mayor Pro-Tem Anglin closed the public hearing at 6:39 pm

Annexation of three (3) parcels of land totaling 44.36 +/- acres of land for 102 single family detached subdivision.

Planner Atkinson reviewed the request and reasons staff was requesting denial:

- The proposed project does not promote the McEver Corridor as envisioned by the City
- Creates another subdivision "on an island" without access to any commercial/retail uses
- Comp Plan and PUD call for a mixed-use product. Even if the project can be looked upon as part of the larger McEver Road Corridor it cannot be made to meet the intent of the PUD or the comprehensive plan
- If the other parcels could be incorporated into this plan the City would have the opportunity for a cohesive mixed-use project on a very important corner in the City and the McEver Road Corridor
- As presented, the corner and the corridor will be disjointed and left to be developed as individual parcels

Public Comments – Opposed

Susan Barge – 6593 McEver Road, Flowery Branch, Ga. 30542/Lightway Recovery

Ms. Barge advised that the proposed plan has homes planned right up along their driveway and further expressed concerns with the pump station on the boundary and the effects is would have on their business.

Ms. Barge further expressed concerns with the subdivision only having one entrance/exit.

Harley Jones – 6490 Deep Valley Court, Flowery Branch, Ga. 30542

Mr. Jones expressed concerns with the already heavy traffic on the two lane McEver Road and requested that if approved the developer be required to upgrade the intersection at Gaines Ferry Road and McEver Road.

Kathy Forte – 6363 Green Oak, Flowery Branch, Ga. 30542

Ms. Forte expressed concerns with traffic and growth in the area.

Nathan Martin – 6513 Vista Glen, Flowery Branch, Ga. 30542

Mr. Martin express concerns with traffic and felt that this proposal had homes to close together and noted the proposed subdivision should blend in with the neighboring subdivisions and those neighboring subdivisions have lots of .5 acres or more.

Austin Smith – 6529 Vista Glen, Flowery Branch, Ga. 30542

Mr. Smith inquired if they would be forced to annex into the city.

Manager Andrew advised that the subdivision would not be required to annex.

Ken Meier – 5956 Warpath, Flowery Branch, Ga. 30542

Mr. Meier advised that the infrastructure needed to come prior a new subdivision.

Further, Mr. Meier stated that he was concerned with air quality the removal of all the trees in the area.

Public Comments – In Favor

William Fricks – 4321 S. Lee Street – Attorney for applicant

Mr. Fricks advised that this request is for utilities with lots ranging from 70-78 feet with a few 55-foot lots.

Mr. Fricks further advised that his client was willing to install a pump/lift station for the project as the developer won't have any commercial if there is no sewer.

Ed Lezaj – 5612 Newberry Point, Flowery Branch., Gas. 30542.

Mr. Lezaj suggested that the council follow the comprehensive plan or get rid of it. If the plan suggests that the property should be commercial, it should be commercial.

Mayor Pro-Tem Anglin closed the public hearing at 7:00 pm.

Consider a request from Bill Stark MB Regional Enterprises, Inc. to rezone 17.43 +/- acres of land identified as 0 McEver Road, tax parcel number 08099 000011, from M1 (Light Industrial) to PUD (Planned Unit Development) with the intent to develop a 93 unit attached townhome subdivision.

Planner Atkinson reviewed the rezoning requested and noted the following:

- With the mix of commercial, residential, and one vacant corner lot, the addition of this project will help the Gainesville/McEver corner meet the City's vision for the corridor
- The vacant corner must also be developed as N-S or a mixed-use to fully help the City reach its goals for the corridor
- The design for the subdivision is adequate
- Has many of the features the City has been looking for
- Product is a large unique townhome with master on the main
- The development, if looked at as part of the surrounding area, meets the requirements of the PUD zoning and the intent of the FB comprehensive plan
- Conditions should require connectivity to the outparcels next door
- Landscape continuity along McEver (mesh with McEver Self-Storage)

Public Comment – OPPOSED

None

Public Comment – In Favor

Steve Gilliam, 305 Green Street, Gainesville, Ga.

Mr. Gilliam advised the site is challenging with the slope to the creek and that the developer has agreed to all the conditions as proposed.

Mayor Pro-Tem Anglin inquired on the driveway length.

Bill Stark, applicant, advised the driveways were 23 feet from curb to garage.

Mayor Pro-Tem Anglin closed the public hearing at 7:26 pm.

UNFINISHED BUSINESS - WORK SESSION:

There was no unfinished business.

NEW BUSINESS -WORK SESSION:

GMEBS Restated Defined Benefit Retirement Plan Adoption Agreement

Director Gamble reviewed the agreement and the 12 key changes as follows:

- Final Average Earnings and Federal Law Compensation Limits
- Mandatory Participation; Opt Out Through Written Agreement with Employer
- Immediate Participation for all Eligible Employees
- Repayment of Withdrawn Employee Contributions; Interest and Timing
- No Employee Contributions While Receiving In-Service Distribution
- In-Service Distribution
- Auto A Terminated Vested Death Benefits as Default
- Default Death Beneficiaries

- Application for Disability Benefits
- Employer Indemnification of GMEBS; GMEBS Reliance on Information Provided by Employer and Participant; Payment of Benefits Conditioned on Receipt of Information
- Correction of Overpayments to Deceased Individual
- Correction of Underpayments to Deceased Individual

Resolution 20-003 - 2nd Quarter Amendment to the Budget for FY2020 as Previously Adopted on June 27, 2019

Director Gamble reviewed the resolution and advised that she would be bringing adjustments to the council on a quarterly basis to ensure the City stays in compliance with balanced budget requirements.

Director Gamble further went on to review the amendments as follows:

First Amendment – General Fund

- Increase Insurance Premium Tax $1,600
- Increase Patrol Event Support Overtime $1,100 and Public Works Event Support Overtime $500
- Event support overtime was not budgeted during the regular budget process as we were unable to estimate costs without a full year history. Going forward, the City will be able to estimate this expense annually

Second Amendment – Water / Wastewater Fund

- Increase Meter Set Fees $20,165 (new account)
- Increase Administration Fees $3,585
- Increase Meter Purchases $23,750 (new account)
- It was determined collections for meter set fees (meters installed City employees) and costs of meters for new developments should be recorded as an operating revenue/expense. This adjustment is to establish the new accounts to actual activity for the quarter.

2020 Regulatory Event Dates

Clerk McCain advised that the city authorizes certain events that are repeated annually. To streamline the process, regular events are being presented as one item.

Continuing, Clerk Mccain stated that once Council approves the dates, the Clerk will issue the license after the application is approved by the Chief of Police and City Manager.

It was noted that any events outside of the normal events listed will be brought to the council for approval at the time of application.

Consider elevations submitted for approval by Mr. Gee Harvey for the Bell Road subdivision.

Planner Atkinson reviewed the elevations for the Bell Road subdivision.

Mayor Pro-Tem Anglin inquired on the square foot of the homes.,

The applicant, Mr. Gee Harvey, advised the homes were proposed to be 1,800 – 2,000 sq. ft.
Mayor Pro-Tem Anglin inquired in the garage doors would be carriage doors

Mr. Harvey advised that they could have carriage doors.

Mayor Pro-Tem Anglin inquired if the shingles would be architectural shingles.

Mr. Harvey advised that they would be three-tab shingles.

1st Reading of Ordinance 575a and 576a Request to Amend Approved Conditions of Zoning. (Applicant Gee Harvey)

Discussed during the public hearing – no further comments.

Annexation of three (3) parcels of land totaling 44.36 +/- acres of land for 102 single family detached subdivision.

Discussed during the public hearing – no further comments.

Consider a request from Bill Stark MB Regional Enterprises, Inc. to rezone 17.43 +/- acres of land identified as 0 McEver Road, tax parcel number 08099 000011, from M1 (Light Industrial) to PUD (Planned Unit Development) with the intent to develop a 93 unit attached townhome subdivision.

Discussed during the public hearing – no further comments.

Consider a request by Mr. Bret Clark to amend his approved site plan associated with McEver Self-Storage Ordinance # 580.

Planner Atkinson reviewed the request and noted that the significant changes to the plan are due to topography issues and a reduction in the parcel size by 1.4 acres.

Planner Atkinson stated that staff recommends allowing the project to proceed without coming back through for a public hearing and Council approval and noted the changes as follows:

- Less disturbed acreage (=/- .9 acres)
- Approximately 3,000 square feet of climate controlled self-storage
- 3 less covered boat/RV spaces

Resolution 20-004 - Proposed Increase of the Hotel-Motel Tax from 5% to 8%

City Manager Andrew reviewed the resolution and noted that Laker Lanier Islands Convention and Visitors Bureau and the City of Oakwood are also in favor of increasing the tax.

Current fee breakdown is:
5% Now – Divided 2% going to LLCVB ($27,336)*
3% going to FB GF ($41,004)

The additional 3% would be divided with half going to the LLCVB and half going to the City for Tourism Development, about $20,502 for each in additional revenue.

*The City supplements the LLCVB budget with $16,500 from the GF, with a total budget of $32,900 to support Downtown activities. This does not include overtime with the police.

Consider January 16, 2020 Meeting Minutes

Clerk McCain advised that there were no changes.

DEPARTMENT REPORTS:

City Manager Report

Manager Andrew reviewed the following items:

- Progress on Old Town Plans
- Final Report being prepared on the Old Town Survey – 3,440 respondents, only 71 not in city/zip code. "… the best response rate for a targeted survey demographic I have ever seen."
- Drawings should be to TRG in about two weeks for pricing
- Old train loading dock removed to provide more parking

Finance Report

Direct Gamble gave a financial update for the second quarter of the fiscal year and also on the SPLOST VII.

ADJOURNMENT WORK SESSION:

Mayor Pro-Tem Anglin closed the work session at 8:13 pm.

VOTING SESSION MINUTES

CALL VOTING SESSION TO ORDER:

Mayor Pro-Tem Anglin opened the voting session at 8:13 pm.

PUBLIC COMMENTS:

There were no public comments.

CONSENT AGENDA:

1. 2020 Regulatory Event Dates
2. January 16, 2020 Meeting Minutes
3. Per Diem - Mike Miller

There was a motion made to approve the consent agenda as presented.

MOTION: Chris Mundy
SECOND: Leslie Jarchow
AYES: Chris Mundy, Leslie Jarchow and Amy Farah
NAYS: None
Motion carried

UNFINISHED BUSINESS - VOTING SESSION:

Consider elevations submitted by Mr. Chris Hill for a proposed downtown townhome development.

Planner Atkinson reviewed the elevations.

MOTION: Amy Farah
SECOND: Chris Mundy
AYES: Chris Mundy, Leslie Jarchow and Amy Farah
NAYS: None
Motion carried

There was a consensus of the council to add the land swap agreement with Winterset Holdings LLC.

There was a motion made to approve the land swap agreement between Winterset Holdings and the City of Flowery Branch as presented and authorize the Mayor to execute the necessary documents.

MOTION: Amy Farah
SECOND: Leslie Jarchow
AYES: Chris Mundy, Leslie Jarchow and Amy Farah
NAYS: None
Motion carried

Development Agreement with the City of Flowery Branch and Tim Bassett Construction Services d/b/a Burley Holdings, LLC

There was a motion made to approve the development agreement with Burley Holdings and authorize the Mayor to execute the necessary documents.

MOTION: Leslie Jarchow
SECOND: Amy Farah
AYES: Chris Mundy, Leslie Jarchow and Amy Farah
NAYS: None
Motion carried

NEW BUSINESS - VOTING SESSION:

Resolution 20-003 - 2nd Quarter Amendment to the Budget for FY2020 as Previously Adopted on June 27, 2019

There was a motion made to approve resolution 20-003 as presented.

MOTION: Chris Mundy
SECOND: Leslie Jarchow
AYES: Chris Mundy, Leslie Jarchow and Amy Farah
NAYS: None
Motion carried

1st Reading of Ordinance 575a and 576a Request to Amend Approved Conditions of Zoning. (Applicant Gee Harvey)

Councilmember Farah expressed concerns with approving the connection to the City of Gainesville and then losing that service and those revenue permanently.

Mr. Harvey advised he would make a covenant restriction that residents in the subdivision would be required to switch to Flowery Branch when Flowery Branch service was available.

Attorney Bennett advised the current agreement between the City of Flowery Branch and the City of Gainesville does not indicate that Gainesville will have to give up service once Flowery Branch can provide service.

There was a motion made to table the 1st reading of ordinance 575a and 576a request to amend approved conditions of zoning until March 5th.

MOTION: Amy Farah
SECOND: Chris Mundy

Discussion:

Councilman Mundy advised that he did not want to make a hasty decision and wanted to look further into the request.

AYES: Chris Mundy, Leslie Jarchow and Amy Farah
NAYS: None
Motion carried

Resolution 20-004 - Proposed Increase of the Hotel-Motel Tax from 5% to 8%

There was a motion made to submit the resolution to increase the hotel motel tax from 5% to 8% to the local delegation for legislation consideration.

MOTION: Chris Mundy
SECOND: Leslie Jarchow
AYES: Chris Mundy, Leslie Jarchow and Amy Farah
NAYS: None
Motion carried

EXECUTIVE SESSION:

There was a motion to enter executive session at 8:49 pm to discuss pending/potential litigation.

MOTION: Amy Farah
SECOND: Leslie Jarchow
AYES: Chris Mundy, Leslie Jarchow and Amy Farah
NAYS: None
Motion carried

There was a motion to exit executive session at 9:03 pm.

MOTION: Chris Mundy
SECOND: Leslie Jarchow
AYES: Chris Mundy, Leslie Jarchow and Amy Farah
NAYS: None
Motion carried

ADJOURNMENT:

There was a motion to adjourn at 9:03 pm.

MOTION: Chris Mundy
SECOND: Amy Farah
AYES: Chris Mundy, Leslie Jarchow and Amy Farah
NAYS: None
Motion carried

_____ _____ _____

Mayor – Mike Miller Date City Clerk – Melissa McCain

FLOWERY BRANCH CITY COUNCIL

EXECUTIVE SUMMARY

SUBJECT: Consider A Request for Sewer Capacity by Capstone Acquisition, LLC

COUNCIL MEETING DATE: February 20, 2020

HISTORY:

Please accept this correspondence as a request by my client, Capstone Acquisition, LLC, to have access to the City of Flowery Branch's Sewer Services and be permitted the following amounts of Sewer Capacity for the proposed development of the following eight (8) tax parcels starting on or around the dates listed below.

For discussion purposes, drafts of the current conceptual layouts for the proposed developments are attached in support of this request.

With respect to the gallons per day listed below, it is my understanding that, consistent with a formula* previously discussed with the City, the following numbers have been generated with the assistance of civil engineer, Doulgerakis Consulting Engineers, Inc. and local consultant, Rochester & Associates, Inc.

Beginning on or around July, 2021: 22,437.50 gallons per day serving the first phase of the proposed multi-family and commercial developments;

Beginning on or around December, 2021: 22,437.50 gallons per day serving the second phase of the proposed multi-family and commercial developments (or 44,875 gallons per day in total as of Dec., 2021); and

Beginning on or around March, 2022: 15,750 gallons per day serving the proposed senior facility development (or 60,625 gallons per day in total as of March, 2022).

Tax Parcels to be served: 15046-000009B; 15046-000071; 15046-000151; 15046-000065; 15046-000125; 15046-000131; 15046-000010; 15046-000070.

Thank you for continuing to work with us on this project.

Please let me know if you need any additional information regarding this request.

Sincerely,
Carla J. Walker
*The Formula Referenced is as follows: 2.25 persons/unit at 50 gpd/person = 112.5 gpd/unit.

FACTS AND ISSUES:

Capstone representatives indicate they are requesting sewer capacity from the City because all the properties, whether currently in the City limits or not, are within the Flowery Branch Sewer Service District. They state they need an answer

to this question now, before the annexation request may be re-started, because their window to construct and connect the sewer line laid to the Hall County system will be closing soon due to the Spout Springs Road widening project. Hall County officials have indicated the sewer line would constitute a change in the design of the Spout Springs Road widening and therefore would not be possible until after the construction is finished in approximately 2 years.

If the City agrees to provide sewer service, it is not then compelled to annex them. However, there may be no practical reason to annex into the City because they would have zoning from the County to build the apartments and sewer from Flowery Branch. If the City denies them access to our sewer, then they have the right to request sewer service from the County, which would have to be piped along Spout Springs Road from the current line which serves Prince of Peace Church.

The County cannot offer sewer service to properties within our Sewer Service District unless the City declines to serve the properties in question. However, it is presently unclear as to whether a sewer line can be added to the current Spout Springs Road widening project, or if that would have to wait until after the road widening is finished.

In addition to the request for sewer, Capstone representatives have indicated that they would like to have access to the apartment development from Hog Mountain Road. This would require Capstone to secure inter-parcel access through the proposed senior living development within the City. Even if Capstone secures an inter-parcel access agreement with the senior living development, the City cannot be compelled to allow inter-parcel access to the apartment development (outside of the City Limits) and thus to the traffic signal at Hog Mountain Road. Therefore, this may restrict Capstone's leverage to go to Hall County for sewer and then not have to annex into the City.

What compounds these decisions is as follows:

1. If we grant sewer now, they may not apply to annex. So, we would get the sewer revenue but not the property taxes. And the quality of the apartments and the traffic mitigation required by the County may be less than desirable. By my rough calculation, if they were to purchase capacity for 304 apartments and 140 senior units, they would have a sewer capacity charge of $857,808. The water capacity charge would be in the range of $343,212. These charges do not include the commercial parcels.
2. If we do not grant the sewer now, they may be able to go to the County and we would lose both the sewer revenue and the property taxes along with our ability to regulate land use, design standards and traffic mitigation.

Maybe we can counterbalance scenario 2 by not allowing for the inter-parcel access from the apartments to Hog Mountain Road. If Capstone had to wait to allow the apartments to access Spout Springs Road after the widening is finished, then they might be compelled to work with the City to annex into the City Limits.

OPTIONS:

IF FUNDING IS INVOLVED, ARE FUNDS APPROVED IN THE CURRENT BUDGET:
No

AMOUNT AND SOURCE OF FUNDS:

RECOMMENDATION:

Denial of sewer request at this time as it is not appropriate until the annexation and re-zoning process is heard again in May 2020.

SAMPLE MOTION:
No motion needed since this is a Work Session item only. This item is planned to be voted on at the February 20th meeting.

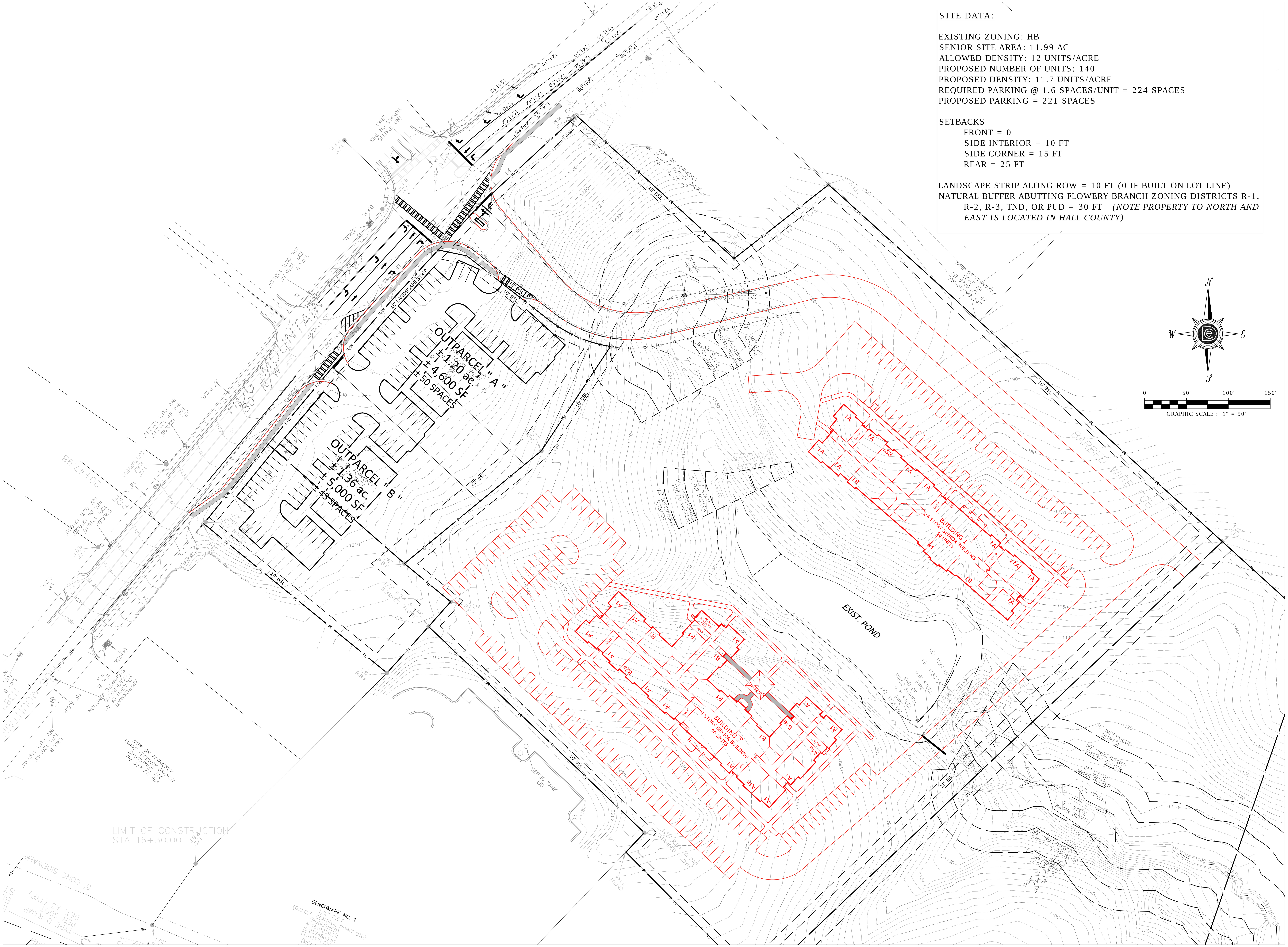
COLLABORATING DEPARTMENT:

DEPARTMENT: Administration

Prepared by: Melissa McCain

ATTACHMENTS

- Conceptual Layout - Senior Facility Development - Capstone - Flowery Branch.pdf
- Conceptual Layout - Multi-family Development - Capstone - Flowery Branch.pdf
- Final Council Map 20.01.31.pdf



SITE DATA:

EXISTING ZONING: HB
SENIOR SITE AREA: 11.99 AC
ALLOWED DENSITY: 12 UNITS/ACRE
PROPOSED NUMBER OF UNITS: 140
PROPOSED DENSITY: 11.7 UNITS/ACRE
REQUIRED PARKING @ 1.6 SPACES/UNIT = 224 SPACES
PROPOSED PARKING = 221 SPACES

SETBACKS
FRONT = 0
SIDE INTERIOR = 10 FT
SIDE CORNER = 15 FT
REAR = 25 FT

LANDSCAPE STRIP ALONG ROW = 10 FT (0 IF BUILT ON LOT LINE)
NATURAL BUFFER ABUTTING FLOWERY BRANCH ZONING DISTRICTS R-1, R-2, R-3, TND, OR PUD = 30 FT *(NOTE PROPERTY TO NORTH AND EAST IS LOCATED IN HALL COUNTY)*

Conceptual Layout

DOULGERAKIS CONSULTING ENGINEERS, INC.
planning * civil engineering * sanitary engineering
400 Abbey Court, Alpharetta, Georgia 30004, phone: 770-753-9800

Capstone Active Adult at Flowery Branch

Located in Flowery Branch, Hall County, Georgia

OWNER AND/OR DEVELOPER:
Capstone Property Group LLC
1485 Jessie Jewell Parkway, Gainesville, GA 30501 Phone: 770-519-5598

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NO.	DATE	REVISION
-	-	-

SCALE: 1" = 50'
DATE: 05-28-19
JOB. NO. 1923
SHEET. 1 of 1

NOT FOR CONSTRUCTION

SCALES NOTED ARE ONLY VALID WHEN DRAWING IS PLOTTED AT THE ORIGINAL SIZE: 24" x 36"

The Exchange at Flowery Branch

BLDG	1 Bed	2 Bed	3 Bed	Total	Min Parking	Max Parking
1	12	18	6	36	61.2	85.2
2	24	12	0	36	57.6	79.2
3	0	12	12	24	45.6	64.8
4	14	21	7	42	71.4	99.4
5	14	14	0	28	44.8	61.6
6	0	12		12	19.2	26.4
7	0	14	14	28	53.2	75.6
8	14	14		28	44.8	61.6
9	28	14	0	42	67.2	92.4
10	14	14		28	44.8	61.6
Total	**120**	**145**	**39**	**304**	**510**	**708**
Mix	**39%**	**48%**	**13%**			

REQUIRED PARKING @ 1.5 PER UNIT = 456 SPACES
PROVIDED PARKING = ± 595 SPACES
24 GARAGES

LEGEND

EXISTING	DESCRIPTION	PROPOSED
	SANITARY SEWER MANHOLE	
	SANITARY CLEANOUT	
	GREASE TRAP	
	CATCH BASIN	
	JUNCTION BOX	
	WEIR INLET	
	DROP INLET	
	COMBINATION INLET	
	YARD INLET	
	FLOW ARROW	
	SIGN	
	POWER POLE	
	LIGHT POLE	
	TRANSFORMER	
	FIRE HYDRANT	
	FIRE DEPARTMENT CONNECTION	
	POST INDICATOR VALVE	
	THRUST BLOCK, REDUCER	
	YARD HYDRANT	
	WATER VALVE	
	WATER METER	
	BACK FLOW PREVENTER	
W	WATER LINE	
W	DOMESTIC WATER LINE	
W	FIRE WATER LINE	
SS	SANITARY SEWER PIPE	SS
SD	STORM DRAIN PIPE	
G	GAS LINE	G
UT	TELECOMMUNICATION LINE	UT
P	POWER/ELECTRICAL LINE	P
UGP	UNDERGROUND POWER LINE	
0HP	OVERHEAD POWER LINE	
	GUARDRAIL	
	HANDRAIL	
X	FENCE	X
	RETAINING WALL	
	PROPERTY LINE	
R/W	RIGHT OF WAY	R/W
970	ELEVATION CONTOUR	
	LIMITS OF DISTURBANCE	LD
	FLOODPLAIN	FP
	FUTURE FLOODPLAIN	FFP

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www.Georgia811.com
Know what's below. Call before you dig.

0 80' 160' 240'
GRAPHIC SCALE : 1" = 80'

Site Plan

DOULGERAKIS CONSULTING ENGINEERS, INC.
planning * civil engineering * sanitary engineering
400 Abbey Court, Alpharetta, Georgia 30004, phone: 770-753-9800

The Exchange at Flowery Branch

LOCATED IN HALL COUNTY, GEORGIA

OWNER AND/OR DEVELOPER:
Hathaway Development
5901-C PEACHTREE DUNWOODY RD SUITE 510 ATLANTA, GA 30328

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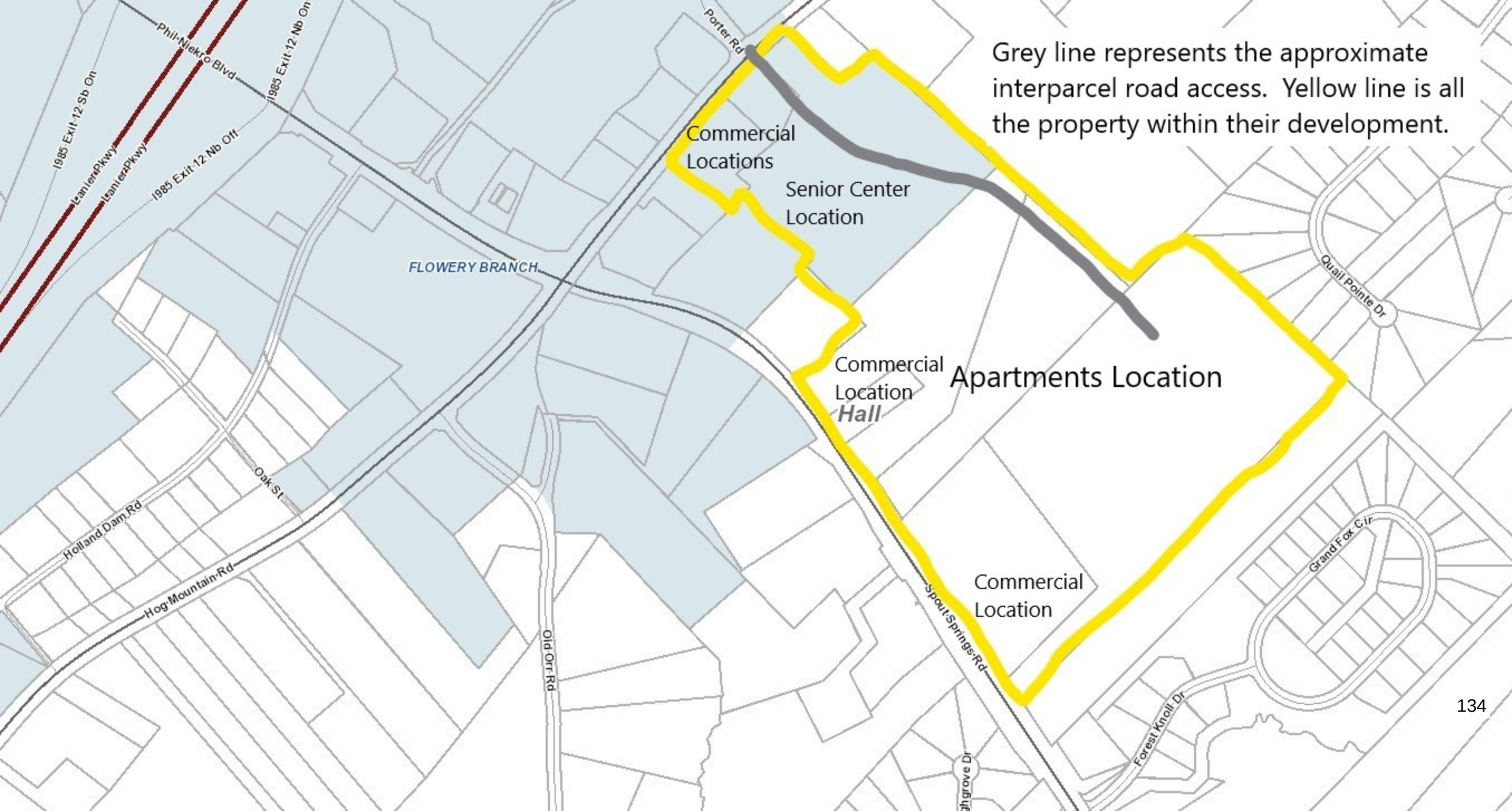
NO.	DATE	REVISION
2	8-01-19	REVISED PER OWNER
1	7-30-19	REVISED PER OWNER

SCALE: 1" = 80'
DATE: 07-22-19
JOB. NO. 1922
SHEET. C3.1

NOT FOR CONSTRUCTION

SCALES NOTED ARE ONLY VALID WHEN DRAWING IS PLOTTED AT THE ORIGINAL SIZE: 24" x 36"


Grey line represents the approximate interparcel road access. Yellow line is all the property within their development.
Commercial Locations
Senior Center Location
Commercial Location
Hall
Apartments Location
Commercial Location
Porter Rd
Phil Niekro Blvd
I985 Exit 12 Sb On
I985 Exit 12 Nb On
I985 Exit 12 Nb Off
Leanier Pkwy
FLOWERY BRANCH
Holland Dam Rd
Oak St
Hog Mountain Rd
Old Orr Rd
Spout Springs Rd
Quail Pointe Dr
Grand Fox Cir
Forest Knoll Dr

FLOWERY BRANCH CITY COUNCIL

EXECUTIVE SUMMARY

SUBJECT: Consider February 6, 2020 Meeting Minutes

COUNCIL MEETING DATE: February 20, 2020

HISTORY:

FACTS AND ISSUES:

OPTIONS:

IF FUNDING IS INVOLVED, ARE FUNDS APPROVED IN THE CURRENT BUDGET:
No

AMOUNT AND SOURCE OF FUNDS:

RECOMMENDATION:

SAMPLE MOTION:

COLLABORATING DEPARTMENT:

DEPARTMENT: Administration

Prepared by: Melissa McCain

ATTACHMENTS

- 020620 Draft.pdf

City of Flowery Branch
City Council Meeting
February 6, 2020 6:00 pm
City of Flowery Branch City Hall
5410 Pine Street, Flowery Branch GA, 30542

CALL WORK SESSION TO ORDER:

Mayor Pro Tem Anglin called the meeting to order at 6:04 pm.

PRESENT: Mayor Pro-Tem Joe Anglin and Council Members Chris Mundy, Leslie Jarchow, and Amy Farah

ABSENT: Mayor Mike Miller and Councilman Ed Asbridge.

Also present were City Manager Bill Andrew, City Clerk Melissa McCain, Finance Director Alisha Gamble, Planner Rich Atkinson, Corporal Dalton Hall and Attorney Ron Bennett.

PLEDGE OF ALLEGIANCE:

Mayor Pro-Tem Anglin led the Pledge of Allegiance.

PUBLIC HEARING:

Consider - 1st Reading of Ordinance 575a and 576a Request to Amend Approved Conditions of Zoning. (Applicant Gee Harvey)

Planner Atkinson reviewed the request and advised that both Ordinance 575 and 576 were approved with a zoning condition that water and sewer be provided by the City of Flowery Branch.

Continuing, Planner Atkinson stated that the applicant has requested to amend the conditions of zoning to enable connection to the City of Gainesville water system as opposed to the Flowery Branch water system. It was noted that the City of Gainesville has a water line that is located in the right of way in front of the property and the City's line is a lengthy distance away.

Mr. Gee Harvey approached the council and advised that as the developer he would not be unable to bear the entire cost of running a line to connect to a Flowery Branch line and felt that the City should install the line and he would be willing to pay an additional amount for each tap into the system. Mr. Harvey also stated that the City would be benefiting by having the ability to serve other developments in that area with that line.

Mr. Harvey advised that he would be willing to add conditions in the covenants that would require residents of this subdivision to connect to Flowery Branch water when it becomes available.

Flowery Branch consultant Bob Troxler with Infratec stated that most developers are required to make the connection to utilities at their cost and that the statement Mr. Harvey made advising the Fire Department would like to see a 12-inch line run for pressure is very conservative and that a 12-inch line was not required or necessary.

Mr. Troxler expressed concerns with allowing the developer to tap into the Gainesville System and advised that Gainesville would not likely give up those customer revenues when the City does run along service to that development.

There were no public comments.

Mayor Pro-Tem Anglin closed the public hearing at 6:39 pm

Annexation of three (3) parcels of land totaling 44.36 +/- acres of land for 102 single family detached subdivision.

Planner Atkinson reviewed the request and reasons staff was requesting denial:

- The proposed project does not promote the McEver Corridor as envisioned by the City
- Creates another subdivision "on an island" without access to any commercial/retail uses
- Comp Plan and PUD call for a mixed-use product. Even if the project can be looked upon as part of the larger McEver Road Corridor it cannot be made to meet the intent of the PUD or the comprehensive plan
- If the other parcels could be incorporated into this plan the City would have the opportunity for a cohesive mixed-use project on a very important corner in the City and the McEver Road Corridor
- As presented, the corner and the corridor will be disjointed and left to be developed as individual parcels

Public Comments – Opposed

Susan Barge – 6593 McEver Road, Flowery Branch, Ga. 30542/Lightway Recovery

Ms. Barge advised that the proposed plan has homes planned right up along their driveway and further expressed concerns with the pump station on the boundary and the effects is would have on their business.

Ms. Barge further expressed concerns with the subdivision only having one entrance/exit.

Harley Jones – 6490 Deep Valley Court, Flowery Branch, Ga. 30542

Mr. Jones expressed concerns with the already heavy traffic on the two lane McEver Road and requested that if approved the developer be required to upgrade the intersection at Gaines Ferry Road and McEver Road.

Kathy Forte – 6363 Green Oak, Flowery Branch, Ga. 30542

Ms. Forte expressed concerns with traffic and growth in the area.

Nathan Martin – 6513 Vista Glen, Flowery Branch, Ga. 30542

Mr. Martin express concerns with traffic and felt that this proposal had homes to close together and noted the proposed subdivision should blend in with the neighboring subdivisions and those neighboring subdivisions have lots of .5 acres or more.

Austin Smith – 6529 Vista Glen, Flowery Branch, Ga. 30542

Mr. Smith inquired if they would be forced to annex into the city.

Manager Andrew advised that the subdivision would not be required to annex.

Ken Meier – 5956 Warpath, Flowery Branch, Ga. 30542

Mr. Meier advised that the infrastructure needed to come prior a new subdivision.

Further, Mr. Meier stated that he was concerned with air quality the removal of all the trees in the area.

Public Comments – In Favor

William Fricks – 4321 S. Lee Street – Attorney for applicant

Mr. Fricks advised that this request is for utilities with lots ranging from 70-78 feet with a few 55-foot lots.

Mr. Fricks further advised that his client was willing to install a pump/lift station for the project as the developer won't have any commercial if there is no sewer.

Ed Lezaj – 5612 Newberry Point, Flowery Branch., Gas. 30542.

Mr. Lezaj suggested that the council follow the comprehensive plan or get rid of it. If the plan suggests that the property should be commercial, it should be commercial.

Mayor Pro-Tem Anglin closed the public hearing at 7:00 pm.

Consider a request from Bill Stark MB Regional Enterprises, Inc. to rezone 17.43 +/- acres of land identified as 0 McEver Road, tax parcel number 08099 000011, from M1 (Light Industrial) to PUD (Planned Unit Development) with the intent to develop a 93 unit attached townhome subdivision.

Planner Atkinson reviewed the rezoning requested and noted the following:

- With the mix of commercial, residential, and one vacant corner lot, the addition of this project will help the Gainesville/McEver corner meet the City's vision for the corridor
- The vacant corner must also be developed as N-S or a mixed-use to fully help the City reach its goals for the corridor
- The design for the subdivision is adequate
- Has many of the features the City has been looking for
- Product is a large unique townhome with master on the main
- The development, if looked at as part of the surrounding area, meets the requirements of the PUD zoning and the intent of the FB comprehensive plan
- Conditions should require connectivity to the outparcels next door
- Landscape continuity along McEver (mesh with McEver Self-Storage)

Public Comment – OPPOSED

None

Public Comment – In Favor

Steve Gilliam, 305 Green Street, Gainesville, Ga.

Mr. Gilliam advised the site is challenging with the slope to the creek and that the developer has agreed to all the conditions as proposed.

Mayor Pro-Tem Anglin inquired on the driveway length.

Bill Stark, applicant, advised the driveways were 23 feet from curb to garage.

Mayor Pro-Tem Anglin closed the public hearing at 7:26 pm.

UNFINISHED BUSINESS - WORK SESSION:

There was no unfinished business.

NEW BUSINESS -WORK SESSION:

GMEBS Restated Defined Benefit Retirement Plan Adoption Agreement

Director Gamble reviewed the agreement and the 12 key changes as follows:

- Final Average Earnings and Federal Law Compensation Limits
- Mandatory Participation; Opt Out Through Written Agreement with Employer
- Immediate Participation for all Eligible Employees
- Repayment of Withdrawn Employee Contributions; Interest and Timing
- No Employee Contributions While Receiving In-Service Distribution
- In-Service Distribution
- Auto A Terminated Vested Death Benefits as Default
- Default Death Beneficiaries

- Application for Disability Benefits
- Employer Indemnification of GMEBS; GMEBS Reliance on Information Provided by Employer and Participant; Payment of Benefits Conditioned on Receipt of Information
- Correction of Overpayments to Deceased Individual
- Correction of Underpayments to Deceased Individual

Resolution 20-003 - 2nd Quarter Amendment to the Budget for FY2020 as Previously Adopted on June 27, 2019

Director Gamble reviewed the resolution and advised that she would be bringing adjustments to the council on a quarterly basis to ensure the City stays in compliance with balanced budget requirements.

Director Gamble further went on to review the amendments as follows:

First Amendment – General Fund

- Increase Insurance Premium Tax $1,600
- Increase Patrol Event Support Overtime $1,100 and Public Works Event Support Overtime $500
- Event support overtime was not budgeted during the regular budget process as we were unable to estimate costs without a full year history. Going forward, the City will be able to estimate this expense annually

Second Amendment – Water / Wastewater Fund

- Increase Meter Set Fees $20,165 (new account)
- Increase Administration Fees $3,585
- Increase Meter Purchases $23,750 (new account)
- It was determined collections for meter set fees (meters installed City employees) and costs of meters for new developments should be recorded as an operating revenue/expense. This adjustment is to establish the new accounts to actual activity for the quarter.

2020 Regulatory Event Dates

Clerk McCain advised that the city authorizes certain events that are repeated annually. To streamline the process, regular events are being presented as one item.

Continuing, Clerk Mccain stated that once Council approves the dates, the Clerk will issue the license after the application is approved by the Chief of Police and City Manager.

It was noted that any events outside of the normal events listed will be brought to the council for approval at the time of application.

Consider elevations submitted for approval by Mr. Gee Harvey for the Bell Road subdivision.

Planner Atkinson reviewed the elevations for the Bell Road subdivision.

Mayor Pro-Tem Anglin inquired on the square foot of the homes.,

The applicant, Mr. Gee Harvey, advised the homes were proposed to be 1,800 – 2,000 sq. ft.
Mayor Pro-Tem Anglin inquired in the garage doors would be carriage doors

Mr. Harvey advised that they could have carriage doors.

Mayor Pro-Tem Anglin inquired if the shingles would be architectural shingles.

Mr. Harvey advised that they would be three-tab shingles.

1st Reading of Ordinance 575a and 576a Request to Amend Approved Conditions of Zoning. (Applicant Gee Harvey)

Discussed during the public hearing – no further comments.

Annexation of three (3) parcels of land totaling 44.36 +/- acres of land for 102 single family detached subdivision.

Discussed during the public hearing – no further comments.

Consider a request from Bill Stark MB Regional Enterprises, Inc. to rezone 17.43 +/- acres of land identified as 0 McEver Road, tax parcel number 08099 000011, from M1 (Light Industrial) to PUD (Planned Unit Development) with the intent to develop a 93 unit attached townhome subdivision.

Discussed during the public hearing – no further comments.

Consider a request by Mr. Bret Clark to amend his approved site plan associated with McEver Self-Storage Ordinance # 580.

Planner Atkinson reviewed the request and noted that the significant changes to the plan are due to topography issues and a reduction in the parcel size by 1.4 acres.

Planner Atkinson stated that staff recommends allowing the project to proceed without coming back through for a public hearing and Council approval and noted the changes as follows:

- Less disturbed acreage (=/- .9 acres)
- Approximately 3,000 square feet of climate controlled self-storage
- 3 less covered boat/RV spaces

Resolution 20-004 - Proposed Increase of the Hotel-Motel Tax from 5% to 8%

City Manager Andrew reviewed the resolution and noted that Laker Lanier Islands Convention and Visitors Bureau and the City of Oakwood are also in favor of increasing the tax.

Current fee breakdown is:
5% Now – Divided 2% going to LLCVB ($27,336)*
3% going to FB GF ($41,004)

The additional 3% would be divided with half going to the LLCVB and half going to the City for Tourism Development, about $20,502 for each in additional revenue.

*The City supplements the LLCVB budget with $16,500 from the GF, with a total budget of $32,900 to support Downtown activities. This does not include overtime with the police.

Consider January 16, 2020 Meeting Minutes

Clerk McCain advised that there were no changes.

DEPARTMENT REPORTS:

City Manager Report

Manager Andrew reviewed the following items:

- Progress on Old Town Plans
- Final Report being prepared on the Old Town Survey – 3,440 respondents, only 71 not in city/zip code. "… the best response rate for a targeted survey demographic I have ever seen."
- Drawings should be to TRG in about two weeks for pricing
- Old train loading dock removed to provide more parking

Finance Report

Direct Gamble gave a financial update for the second quarter of the fiscal year and also on the SPLOST VII.

ADJOURNMENT WORK SESSION:

Mayor Pro-Tem Anglin closed the work session at 8:13 pm.

VOTING SESSION MINUTES

CALL VOTING SESSION TO ORDER:

Mayor Pro-Tem Anglin opened the voting session at 8:13 pm.

PUBLIC COMMENTS:

There were no public comments.

CONSENT AGENDA:

1. 2020 Regulatory Event Dates
2. January 16, 2020 Meeting Minutes
3. Per Diem - Mike Miller

There was a motion made to approve the consent agenda as presented.

MOTION: Chris Mundy
SECOND: Leslie Jarchow
AYES: Chris Mundy, Leslie Jarchow and Amy Farah
NAYS: None
Motion carried

UNFINISHED BUSINESS - VOTING SESSION:

Consider elevations submitted by Mr. Chris Hill for a proposed downtown townhome development.

Planner Atkinson reviewed the elevations.

MOTION: Amy Farah
SECOND: Chris Mundy
AYES: Chris Mundy, Leslie Jarchow and Amy Farah
NAYS: None
Motion carried

There was a consensus of the council to add the land swap agreement with Winterset Holdings LLC.

There was a motion made to approve the land swap agreement between Winterset Holdings and the City of Flowery Branch as presented and authorize the Mayor to execute the necessary documents.

MOTION: Amy Farah
SECOND: Leslie Jarchow
AYES: Chris Mundy, Leslie Jarchow and Amy Farah
NAYS: None
Motion carried

Development Agreement with the City of Flowery Branch and Tim Bassett Construction Services d/b/a Burley Holdings, LLC

There was a motion made to approve the development agreement with Burley Holdings and authorize the Mayor to execute the necessary documents.

MOTION: Leslie Jarchow
SECOND: Amy Farah
AYES: Chris Mundy, Leslie Jarchow and Amy Farah
NAYS: None
Motion carried

NEW BUSINESS - VOTING SESSION:

Resolution 20-003 - 2nd Quarter Amendment to the Budget for FY2020 as Previously Adopted on June 27, 2019

There was a motion made to approve resolution 20-003 as presented.

MOTION: Chris Mundy
SECOND: Leslie Jarchow
AYES: Chris Mundy, Leslie Jarchow and Amy Farah
NAYS: None
Motion carried

1st Reading of Ordinance 575a and 576a Request to Amend Approved Conditions of Zoning. (Applicant Gee Harvey)

Councilmember Farah expressed concerns with approving the connection to the City of Gainesville and then losing that service and those revenue permanently.

Mr. Harvey advised he would make a covenant restriction that residents in the subdivision would be required to switch to Flowery Branch when Flowery Branch service was available.

Attorney Bennett advised the current agreement between the City of Flowery Branch and the City of Gainesville does not indicate that Gainesville will have to give up service once Flowery Branch can provide service.

There was a motion made to table the 1st reading of ordinance 575a and 576a request to amend approved conditions of zoning until March 5th.

MOTION: Amy Farah
SECOND: Chris Mundy

Discussion:

Councilman Mundy advised that he did not want to make a hasty decision and wanted to look further into the request.

AYES: Chris Mundy, Leslie Jarchow and Amy Farah
NAYS: None
Motion carried

Resolution 20-004 - Proposed Increase of the Hotel-Motel Tax from 5% to 8%

There was a motion made to submit the resolution to increase the hotel motel tax from 5% to 8% to the local delegation for legislation consideration.

MOTION: Chris Mundy
SECOND: Leslie Jarchow
AYES: Chris Mundy, Leslie Jarchow and Amy Farah
NAYS: None
Motion carried

EXECUTIVE SESSION:

There was a motion to enter executive session at 8:49 pm to discuss pending/potential litigation.

MOTION: Amy Farah
SECOND: Leslie Jarchow
AYES: Chris Mundy, Leslie Jarchow and Amy Farah
NAYS: None
Motion carried

There was a motion to exit executive session at 9:03 pm.

MOTION: Chris Mundy
SECOND: Leslie Jarchow
AYES: Chris Mundy, Leslie Jarchow and Amy Farah
NAYS: None
Motion carried

ADJOURNMENT:

There was a motion to adjourn at 9:03 pm.

MOTION: Chris Mundy
SECOND: Amy Farah
AYES: Chris Mundy, Leslie Jarchow and Amy Farah
NAYS: None
Motion carried

_____ _____ _____

Mayor – Mike Miller Date City Clerk – Melissa McCain

FLOWERY BRANCH CITY COUNCIL

EXECUTIVE SUMMARY

SUBJECT: Per Diem - Mike Miller

COUNCIL MEETING DATE: February 20, 2020

HISTORY:

FACTS AND ISSUES:

OPTIONS:

IF FUNDING IS INVOLVED, ARE FUNDS APPROVED IN THE CURRENT BUDGET:
Yes

AMOUNT AND SOURCE OF FUNDS:

RECOMMENDATION:

SAMPLE MOTION:

COLLABORATING DEPARTMENT:

DEPARTMENT: Administration

Prepared by: Melissa McCain

ATTACHMENTS

-

FLOWERY BRANCH CITY COUNCIL

EXECUTIVE SUMMARY

SUBJECT: Consider GMEBS Restated Defined Benefit Retirement Plan Adoption Agreement

COUNCIL MEETING DATE: February 20, 2020

HISTORY:
The City of Flowery Branch previously adopted the Georgia Municipal Employees Benefit System ("GMEBS") Defined Benefit Retirement Plan ("Plan"), which is comprised of the Master Plan document ("Master Plan") and Adoption Agreement. GMEBS recently restated the Plan and received a favorable determination letter from the Internal Revenue Service ("IRS"). An employer providing retirement benefits through the GMEBS Plan has the assurance that GMEBS is maintaining a qualified pension benefit program that allows employees to accrue benefits tax-free until retirement benefits are distributed to them.

FACTS AND ISSUES:
To ensure continued tax-favored treatment for GMEBS member plans, the IRS requires that all GMEBS member employers adopt the restated Plan documents. Due to their collective size, we have attached a copy of the Master Plan and Amendment 1 received from GMEBS. We have enclosed a Summary of Key Amendments that have been made to the Plan since it was last approved by the IRS in 2010, as well as a draft restated Adoption Agreement reflecting the benefit design options and other elective provisions currently in place under your Plan.

Please note that per O.C.G.A § 47-5-40, the Adoption Agreement has been drafted in the form of an ordinance and should be adopted and codified according to the requirements of your City's Charter and state law. The City does not need to adopt the Master Plan. All plan documents and summary of amendments are attached for reference.

**If the Adoption Agreement is acceptable as drafted, the City will need to execute where indicated (p. 36), and return the entire Adoption Agreement no later than February 28, 2020.

OPTIONS:
Approve for the Mayor to execute the restated GMEBS Adoption Agreement as presented or recommend changes to the agreement.

IF FUNDING IS INVOLVED, ARE FUNDS APPROVED IN THE CURRENT BUDGET:
No

AMOUNT AND SOURCE OF FUNDS:
No funding involved

RECOMMENDATION:
Approve for the Mayor to execute the restated GMEBS Adoption Agreement as presented

SAMPLE MOTION:

I make a motion to approve for the Mayor to execute the GMEBS Adoption Agreement as presented.

COLLABORATING DEPARTMENT:

DEPARTMENT: Finance

Prepared by: Melissa McCain

ATTACHMENTS

- Executive Summary - GMEBS Restated Adoption Agreement.pdf
- Flowery Branch GMEBS Cover Letter 1-7-2020.pdf
- Flowery Branch GMEBS Adoption Agreement.pdf
- GMEBS 2018 Master Plan.pdf
- Amendment 1 to DB Master Plan 9.28.2018.pdf
- Summary of Amendments 1 6 2020.pdf

FLOWERY BRANCH CITY COUNCIL

EXECUTIVE SUMMARY

SUBJECT: Consider GMEBS Restated Defined Benefit Retirement Plan Adoption Agreement

DATE: January 13, 2020

(X) RECOMMENDATION
( ) POLICY DISCUSSION
( ) STATUS REPORT
( ) OTHER

BUDGET INFORMATION:
ANNUAL-
CAPITAL-

COMMISSION ACTION REQUESTED ON: February 20, 2020

PURPOSE: Approve for the Mayor to execute the restated GMEBS Adoption Agreement as presented

---

HISTORY:
The City of Flowery Branch previously adopted the Georgia Municipal Employees Benefit System ("GMEBS") Defined Benefit Retirement Plan ("Plan"), which is comprised of the Master Plan document ("Master Plan") and Adoption Agreement. GMEBS recently restated the Plan and received a favorable determination letter from the Internal Revenue Service ("IRS"). An employer providing retirement benefits through the GMEBS Plan has the assurance that GMEBS is maintaining a qualified pension benefit program that allows employees to accrue benefits tax-free until retirement benefits are distributed to them.

FACTS AND ISSUES:
To ensure continued tax-favored treatment for GMEBS member plans, the IRS requires that all GMEBS member employers adopt the restated Plan documents. Due to their collective size, we have attached a copy of the Master Plan and Amendment 1 received from GMEBS. We have enclosed a Summary of Key Amendments that have been made to the Plan since it was last approved by the IRS in 2010, as well as a draft restated Adoption Agreement reflecting the benefit design options and other elective provisions currently in place under your Plan.

Please note that per O.C.G.A § 47-5-40, the Adoption Agreement has been drafted in the form of an ordinance and should be adopted and codified according to the requirements of your City's Charter and state law. The City does not need to adopt the Master Plan. All plan documents and summary of amendments are attached for reference.

**If the Adoption Agreement is acceptable as drafted, the City will need to execute where indicated (p. 36) and return the entire Adoption Agreement no later than February 28, 2020.

OPTIONS: Approve for the Mayor to execute the restated GMEBS Adoption Agreement as presented or recommend changes to the agreement.

RECOMMENDED SAMPLE MOTION:

I make a motion to approve for the Mayor to execute the restated GMEBS Adoption Agreement as presented.

DEPARTMENT: Finance

Prepared by: Alisha Gamble

GEORGIA MUNICIPAL ASSOCIATION

RISK MANAGEMENT AND EMPLOYEE BENEFIT SERVICES BOARD OF TRUSTEES

Chairman
W. D. Palmer, III
Councilmember, Camilla

Vice Chairman
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City Manager, Madison

James F. Palmer
Mayor, Calhoun

Kenneth L. Usry
Mayor, Thomson

Clemontine Washington
Mayor Pro Tem, Midway

Vince Williams
Mayor, Union City

January 7, 2020

MEMORANDUM VIA E-MAIL
(alisha@flowerybranchga.org)

TO: Alisha Gamble
Pension Committee Secretary, City of Flowery Branch

FROM: Caroline Dorsey, Assistant General Counsel

SUBJECT: **Action Required; Georgia Municipal Employees Benefit System ("GMEBS"); Restated Defined Benefit Retirement Plan**

The City of Flowery Branch previously adopted the Georgia Municipal Employees Benefit System ("GMEBS") Defined Benefit Retirement Plan ("Plan"), which is comprised of the Master Plan document ("Master Plan") and Adoption Agreement. GMEBS recently restated the Plan and received a favorable determination letter from the Internal Revenue Service ("IRS"). An employer providing retirement benefits through the GMEBS Plan has the assurance that GMEBS is maintaining a qualified pension benefit program that allows employees to accrue benefits tax-free until retirement benefits are distributed to them.

To ensure continued tax-favored treatment for GMEBS member plans, the IRS requires that all GMEBS member employers adopt the restated Plan documents. Due to their collective size, we are sending a copy of the Master Plan and Amendment 1 via email only. We have enclosed a Summary of Key Amendments that have been made to the Plan since it was last approved by the IRS in 2010, as well as a draft restated Adoption Agreement reflecting the benefit design options and other elective provisions currently in place under your Plan.

The draft Adoption Agreement will take effect on its date of approval by the City. Please review the enclosed restated Plan documents and Summary of Key Amendments. If the Adoption Agreement is acceptable as drafted, please execute it where indicated (p. 36), and return the entire Adoption Agreement **no later than February 28, 2020** to the following address:

Ms. Gina Gresham
Legal Assistant
Georgia Municipal Association
P.O. Box 105377
Atlanta, Georgia 30348

Please note that per O.C.G.A § 47-5-40, the Adoption Agreement has been drafted in the form of an ordinance and should be adopted and codified according to the requirements of your City's Charter and state law. The City does not need to adopt the Master Plan.

Please contact Gina Gresham at 678-686-6258 or rgresham@gacities.com with any questions.

Encl.

C: Ron Bennett, City Attorney, City of Flowery Branch (w/ encl.)
Michelle Warner, Director, Retirement Field Services and DC Program (w/o encl.)

The Burgess Building • 201 Pryor Street, SW • Atlanta, GA 30303-3606 • Tel 404.688.0472 • Toll Free 1.888.488.4462 • Website www.gacities.com
Mailing Address: PO Box 105377 • Atlanta, GA 30348

GEORGIA MUNICIPAL EMPLOYEES BENEFIT SYSTEM

DEFINED BENEFIT RETIREMENT PLAN

AN ORDINANCE
and
ADOPTION AGREEMENT
for

City of Flowery Branch

Form Volume Submitter Adoption Agreement
Amended and Restated as of January 1, 2013
(With Amendments Taking Effect on or Before January 1, 2017)

TABLE OF CONTENTS

PAGE

I. AN ORDINANCE 1

II. GMEBS DEFINED BENEFIT RETIREMENT PLAN
ADOPTION AGREEMENT 2
1. ADMINISTRATOR 2
2. ADOPTING EMPLOYER 2
3. GOVERNING AUTHORITY 2
4. PLAN REPRESENTATIVE 2
5. PENSION COMMITTEE 3
6. TYPE OF ADOPTION 3
7. EFFECTIVE DATE 3
8. PLAN YEAR 4
9. CLASSES OF ELIGIBLE EMPLOYEES 5
   A. Eligible Regular Employees 5
   B. Elected or Appointed Members of the Governing Authority 5
10. ELIGIBILITY CONDITIONS 6
   A. Hours Per Week (Regular Employees) 6
   B. Months Per Year (Regular Employees) 6
11. WAITING PERIOD 7
12. ESTABLISHING PARTICIPATION IN THE PLAN 7
13. CREDITED SERVICE 7
   A. Credited Past Service with Adopting Employer 7
   B. Prior Military Service 9
   C. Prior Governmental Service 10
   D. Leave Conversion for Unused Paid Time Off (e.g., Sick, Vacation, or Personal Leave) 12
14. RETIREMENT ELIGIBILITY 13
   A. Early Retirement Qualifications 13
   B. Normal Retirement Qualifications 14
   C. Alternative Normal Retirement Qualifications 16
   D. Disability Benefit Qualifications 20
15. RETIREMENT BENEFIT COMPUTATION 20
   A. Maximum Total Credited Service 20
   B. Monthly Normal Retirement Benefit Amount 21
   C. Monthly Early Retirement Benefit Amount 23
   D. Monthly Late Retirement Benefit Amount (check one): 24
   E. Monthly Disability Benefit Amount 24
   F. Minimum/Maximum Benefit For Elected Officials 25
16. SUSPENSION OF BENEFITS FOLLOWING BONA FIDE SEPARATION OF SERVICE; COLA 26

A. Re-Employment as Eligible Employee After Normal, Alternative Normal, or Early Retirement and Following Bona Fide Separation of Service (see Master Plan Section 6.06(c) Regarding Re-Employment as an Ineligible Employee and Master Plan Section 6.06(e) and (f) Regarding Re-Employment After Disability Retirement) 26
B. Cost Of Living Adjustment....27
17. TERMINATION OF EMPLOYMENT BEFORE RETIREMENT; VESTING 28
A. Eligible Regular Employees 28
B. Elected or Appointed Members of the Governing Authority 28
18. PRE-RETIREMENT DEATH BENEFITS 29
A. In-Service Death Benefit....29
B. Terminated Vested Death Benefit....30
19. EMPLOYEE CONTRIBUTIONS 31
20. MODIFICATION OF THE TERMS OF THE ADOPTION AGREEMENT 32
21. TERMINATION OF THE ADOPTION AGREEMENT....33
22. EMPLOYER ADOPTION AND AUTHORIZATION FOR AMENDMENTS 33

I. AN ORDINANCE

An Ordinance to amend and restate the Retirement Plan for the Employees of the City of Flowery Branch, Georgia in accordance with and subject to the terms and conditions set forth in the attached Adoption Agreement, any Addendum to the Adoption Agreement, the Georgia Municipal Employees Benefit System (GMEBS) Master Plan Document, and the GMEBS Trust Agreement. When accepted by the authorized officers of the City and GMEBS, the foregoing shall constitute a Contract between the City and GMEBS, all as authorized and provided by O.C.G.A. § 47-5-1 et seq.

BE IT ORDAINED by the Mayor and Council of the City of Flowery Branch, Georgia, and it is hereby ordained by the authority thereof:

Section 1. The Retirement Plan for the Employees of the City of Flowery Branch, Georgia is hereby amended and restated as set forth in and subject to the terms and conditions stated in the following Adoption Agreement, any Addendum to the Adoption Agreement, the Georgia Municipal Employees Benefit System (GMEBS) Master Plan Document, and the GMEBS Trust Agreement.

Ordinance continued on page 36

II. GMEBS DEFINED BENEFIT RETIREMENT PLAN ADOPTION AGREEMENT

1. ADMINISTRATOR

Georgia Municipal Employees Benefit System
201 Pryor Street, SW
Atlanta, Georgia 30303
Telephone: 404-688-0472
Facsimile: 404-577-6663

2. ADOPTING EMPLOYER

Name: **City of Flowery Branch, Georgia**

3. GOVERNING AUTHORITY

Name: **Mayor and Council**
Address: **P.O. Box 757, Flowery Branch, GA 30542-0013**
Phone: **(770) 967-6371**
Facsimile: **(770) 967-6481**

4. PLAN REPRESENTATIVE

[To represent Governing Authority in all communications with GMEBS and Employees]
(See Section 2.49 of Master Plan)

Name: **City Manager**
Address: **P.O. Box 757, Flowery Branch, GA 30542-0013**
Phone: **(770) 967-6371**
Facsimile: **(770) 967-6481**

5. PENSION COMMITTEE

[Please designate members by position. If not, members of Pension Committee shall be determined in accordance with Article XIV of Master Plan]

Position:
Position:
Position:
Position:
Position:

Pension Committee Secretary: **Finance Director**
Address: **P.O. Box 757, Flowery Branch, GA 30542-0013**
Phone: **(770) 967-6371**
Facsimile: **(770) 967-6481**

6. TYPE OF ADOPTION

This Adoption Agreement is for the following purpose (**check one**):

☐ This is a new defined benefit plan adopted by the Adopting Employer for its Employees. This plan does not replace or restate an existing defined benefit plan.

☐ This is an amendment and restatement of the Adopting Employer's preexisting non-GMEBS defined benefit plan.

☒ This is an amendment and restatement of the Adoption Agreement previously adopted by the Employer, as follows **(check one or more as applicable):**

- ☒ To update the Plan to comply with PPA, HEART, WRERA, and other applicable federal laws and guidance.
- ☐ To make the following amendments to the Adoption Agreement **(must specify below revisions made in this Adoption Agreement; all provisions must be completed in a manner that satisfies the definite written program requirement of Treasury Regulation 1.401-1(a)(2) and the definitely determinable requirement of Treasury Regulation 1.401-1(b)(1)(i))**: _____.

7. EFFECTIVE DATE

NOTE: This Adoption Agreement and any Addendum, with the accompanying Master Plan Document, is designed to comply with Internal Revenue Code Section 401(a), as applicable to a governmental qualified defined benefit plan, and is part of the GMEBS Defined Benefit Retirement Plan. Plan provisions designed to comply with certain provisions of the Pension Protection Act of 2006 ("PPA"); the Heroes Earnings Assistance and Relief Tax Act of 2008 ("HEART"); and the Worker, Retiree, and Employer Recovery Act of 2008 ("WRERA"); and Plan provisions designed to comply with certain provisions of additional changes in federal law and

guidance from the Internal Revenue Service under Internal Revenue Service Notice 2012-76 (the 2012 Cumulative List) are effective as of the applicable effective dates set forth in the Adoption Agreement and Master Plan Document. By adopting this Adoption Agreement, with its accompanying Master Plan Document, the Adopting Employer is adopting a plan document intended to comply with Internal Revenue Code Section 401(a), as updated by PPA, HEART, WRERA, and the 2012 Cumulative List with the applicable effective dates.

(1) Complete this item (1) only if this is a new defined benefit plan which does not replace or restate an existing defined benefit plan.

The effective date of this Plan is _____.
(insert effective date of this Adoption Agreement not earlier than January 1, 2013).

(2) Complete this item (2) only if this Plan is being adopted to replace a non-GMEBS defined benefit plan.

Except as otherwise specifically provided in the Master Document or in this Adoption Agreement, the effective date of this restatement shall be the _____**(insert effective date of this Adoption Agreement not earlier than January 1, 2013)**. This Plan is intended to replace and serve as an amendment and restatement of the Employer's preexisting plan, which became effective on _____ **(insert original effective date of preexisting plan)**.

(3) Complete this item (3) only if this is an amendment and complete restatement of the Adopting Employer's existing GMEBS defined benefit plan.

Except as otherwise specifically provided in the Master Document or in this Adoption Agreement, the effective date of this restatement shall be **the date of its approval by the Governing Authority (insert effective date of this Adoption Agreement not earlier than January 1, 2013)**.

This Plan is adopted as an amendment and restatement of the Employer's preexisting GMEBS Adoption Agreement, which became effective on **November 1, 2014 (insert effective date of most recent Adoption Agreement preceding this Adoption Agreement)**.

The Employer's first Adoption Agreement became effective **November 1, 2014 (insert effective date of Employer's first GMEBS Adoption Agreement)**. The Employer's GMEBS Plan was originally effective **November 1, 2014 (insert effective date of Employer's original GMEBS Plan)**. (If the Employer's Plan was originally a non-GMEBS Plan, then the Employer's non-GMEBS Plan was originally effective _____ **(if applicable, insert effective date of Employer's original non-GMEBS Plan)**.)

8. PLAN YEAR

Plan Year means **(check one):**

☐ Calendar Year
☐ Employer Fiscal Year commencing _____.
☒ Other **(must specify month and day commencing)**: **July1.**

9. CLASSES OF ELIGIBLE EMPLOYEES

Only Employees of the Adopting Employer who meet the Master Plan's definition of "Employee" may be covered under the Adoption Agreement. Eligible Employees shall not include non-governmental employees, independent contractors, leased employees, nonresident aliens, or any other ineligible individuals, and this Section 9 must not be completed in a manner that violates the "exclusive benefit rule" of Internal Revenue Code Section 401(a)(2).

A. Eligible Regular Employees

Regular Employees include Employees, other than elected or appointed members of the Governing Authority or Municipal Legal Officers, who are regularly employed in the services of the Adopting Employer. Subject to the other conditions of the Master Plan and the Adoption Agreement, the following Regular Employees are eligible to participate in the Plan **(check one)**:

☒ **ALL** - All Regular Employees, provided they satisfy the minimum hour and other requirements specified under "Eligibility Conditions" below.

☐ **ALL REGULAR EMPLOYEES EXCEPT** for the following employees **(must specify; specific positions are permissible; specific individuals may not be named)**:

_____.

B. Elected or Appointed Members of the Governing Authority

An Adopting Employer may elect to permit participation in the Plan by elected or appointed members of the Governing Authority and/or Municipal Legal Officers, provided they otherwise meet the Master Plan's definition of "Employee" and provided they satisfy any other requirements specified by the Adopting Employer. Municipal Legal Officers to be covered must be specifically identified by position. Subject to the above conditions, the Employer hereby elects the following treatment for elected and appointed officials:

(1) Elected or Appointed Members of the Governing Authority (check one):

☒ **ARE NOT** eligible to participate in the Plan.

☐ **ARE** eligible to participate in the Plan.

Please specify any limitations on eligibility to participate here (e.g., service on or after certain date, or special waiting period provision): _____.

(2) Municipal Legal Officers (check one):

☒ **ARE NOT** eligible to participate in the Plan.

☐ **ARE** eligible to participate in the Plan. The term "Municipal Legal Officer" shall include only the following positions **(must specify - specific positions are permissible; specific individuals may not be named)**: _____**.**

Please specify any limitations on eligibility to participate here (e.g., service on or after certain date) **(must specify in a manner that satisfies the definite written program requirement of Treasury Regulation 1.401-1(a)(2) and the definitely determinable requirement of Treasury Regulation 1.401-1(b)(1)(i))** : _____.

10. ELIGIBILITY CONDITIONS

A. Hours Per Week (Regular Employees)

The Adopting Employer may specify a minimum number of work hours per week which are required to be scheduled by Regular Employees in order for them to become and remain "Eligible Regular Employees" under the Plan. **It is the responsibility of the Adopting Employer to determine whether these requirements are and continue to be satisfied**. The Employer hereby elects the following minimum hour requirement for Regular Employees:

- ☐ No minimum
- ☐ 20 hours/week (regularly scheduled)
- ☐ 30 hours/week (regularly scheduled)
- ☒ Other: **40 hours/week** (must not exceed 40 hours/week regularly scheduled)

Exceptions: If a different minimum hour requirement applies to a particular class or classes of Regular Employees, please specify below the classes to whom the different requirement applies and indicate the minimum hour requirement applicable to them.

Class(es) of Regular Employees to whom exception applies **(must specify - specific positions are permissible; specific individuals may not be named):** _____.

Minimum hour requirement applicable to excepted Regular Employees:

- ☐ No minimum
- ☐ 20 hours/week (regularly scheduled)
- ☐ 30 hours/week (regularly scheduled)
- ☐ Other: _____ (must not exceed 40 hours/week regularly scheduled)

B. Months Per Year (Regular Employees)

The Adopting Employer may specify a minimum number of work months per year which are required to be scheduled by Regular Employees in order for them to become and remain "Eligible Employees" under the Plan. **It is the responsibility of the Adopting Employer to determine whether these requirements are and continue to be satisfied**. The Employer hereby elects the following minimum requirement for Regular Employees:

- ☐ No minimum
- ☒ At least **6** months per year (regularly scheduled)

Exceptions: If different months per year requirements apply to a particular class or classes of Regular Employees, the Employer must specify below the classes to whom the different requirements apply and indicate below the requirements applicable to them.

Regular Employees to whom exception applies **(must specify - specific positions are permissible; specific individuals may not be named)**: _____.

The months to year requirement for excepted class(es) are:

☐ No minimum
☐ At least _____ months per year (regularly scheduled)

11. WAITING PERIOD

Except as otherwise provided in Section 4.02(b) of the Master Plan, Eligible Regular Employees shall not have a waiting period before participating in the Plan. Likewise, elected or appointed members of the Governing Authority and Municipal Legal Officers, if eligible to participate in the Plan, shall not have a waiting period before participating in the Plan.

12. ESTABLISHING PARTICIPATION IN THE PLAN

Participation in the Plan is considered mandatory for all Eligible Employees who satisfy the eligibility conditions specified in the Adoption Agreement, except as provided in Section 4.03(e) of the Master Plan. However, the Employer may specify below that participation is optional for certain classes of Eligible Employees, including Regular Employees, elected or appointed members of the Governing Authority, Municipal Legal Officers, City Managers, and/or Department Heads. If participation is optional for an Eligible Employee, then in order to become a Participant, he must make a written election to participate within 120 days after employment, election or appointment to office, or if later, the date he first becomes eligible to participate in the Plan. The election is irrevocable, and the failure to make the election within the 120 day time limit shall be deemed an irrevocable election not to participate in the Plan.

Classes for whom participation is optional **(check one)**:

☒ None (Participation is mandatory for all Eligible Employees except as provided in Section 4.03(e) of the Master Plan).
☐ Participation is optional for the following Eligible Employees **(must specify - specific positions are permissible; specific individuals may not be named; all positions or classes specified must be Eligible Employees)**: _____.

13. CREDITED SERVICE

In addition to Current Credited Service the Adopting Employer may include as Credited Service the following types of service:

A. Credited Past Service with Adopting Employer

Credited Past Service means the number of years and complete months of Service with the Adopting Employer prior to the date an Eligible Employee becomes a Participant which are treated as credited service under the Plan.

(1) Eligible Employees Employed on Original Effective Date of GMEBS Plan. With respect to Eligible Employees who are employed by the Adopting Employer on the original

Effective Date of the Employer's GMEBS Plan, Service with the Adopting Employer prior to the date the Eligible Employee becomes a Participant (including any Service prior to the Effective Date of the Plan) shall be treated as follows **(check one)**:

☐ All Service prior to the date the Eligible Employee becomes a Participant shall be credited (as Credited Past Service).

☐ All Service prior to the date the Eligible Employee becomes a Participant shall be credited (as Credited Past Service), except for Service rendered prior to _____ **(insert date)**.

☒ All Service prior to the date the Eligible Employee becomes a Participant shall be credited (as Credited Past Service), except as follows **(must specify other limitation in a manner that satisfies the definite written program requirement of Treasury Regulation 1.401-1(a)(2) and the definitely determinable requirement of Treasury Regulation 1.401-1(b)(1)(i))**: **Participants who were employed as of November 1, 2014, will be entitled to receive up to five (5) years of credit (at no cost to the Participant) for their Service with the City of Flowery Branch prior to November 1, 2014, which will be counted for all purposes under the Plan (i.e., meeting the minimum service requirements for participation and Vesting under the Plan, meeting the minimum service requirements for retirement and death benefit eligibility under the Plan, and computing the amount of retirement or death benefits under the Plan).**

☐ No Service prior to the date the Eligible Employee becomes a Participant shall be credited (as Credited Past Service).

(2) Previously Employed, Returning to Service after Original Effective Date. If an Eligible Employee is not employed on the original Effective Date of the Employer's GMEBS Plan, but he returns to Service with the Adopting Employer sometime after the Effective Date, his Service prior to the date he becomes a Participant (including any Service prior the Effective Date) shall be treated as follows **(check one)**:

☐ All Service prior to the date the Eligible Employee becomes a Participant shall be credited (as Credited Past Service), subject to any limitations imposed above with respect to Eligible Employees employed on the Effective Date.

☐ All Service prior to the date the Eligible Employee becomes a Participant shall be credited (as Credited Past Service), provided that after his return to employment, the Eligible Employee performs Service equal to the period of the break in Service or one (1) year, whichever is less. Any limitations imposed above with respect to Eligible Employees employed on the Effective Date shall also apply.

☒ No Service prior to the date the Eligible Employee becomes a Participant shall be credited (as Credited Past Service).

Other limitation(s) on Recognition of Credited Past Service **(must specify in a manner that satisfies the definite written program requirement of Treasury Regulation 1.401-1(a)(2) and the definitely determinable requirement of Treasury Regulation 1.401-1(b)(1)(i))**: _____.

(3) Eligible Employees Initially Employed After Effective Date. If an Eligible Employee's initial employment date is after the original Effective Date of the Employer's GMEBS Plan, his Credited Past Service shall include only the number of years and complete months of Service from his initial employment date to the date he becomes a Participant in the Plan.

(4) Newly Eligible Classes of Employees. If a previously ineligible class of Employees becomes eligible to participate in the Plan, the Employer must specify in an addendum to this Adoption Agreement whether and to what extent said Employees' prior service with the Employer shall be treated as Credited Past Service under the Plan.

B. Prior Military Service

Note: This Section does not concern military service required to be credited under USERRA – See Section 3.02 of the Master Plan for rules on the crediting of USERRA Military Service.

(1) Credit for Prior Military Service.

The Adopting Employer may elect to treat military service rendered prior to a Participant's initial employment date or reemployment date as Credited Service under the Plan. Unless otherwise specified by the Employer under "Other Conditions" below, the term "Military Service" shall be as defined in the Master Plan. Except as otherwise required by federal or state law or under "Other Conditions" below, Military Service shall not include service which is credited under any other local, state, or federal retirement or pension plan.

Military Service credited under this Section shall not include any service which is otherwise required to be credited under the Plan by federal or state law. Prior Military Service shall be treated as follows **(check one)**:

☒ Prior Military Service is **not** creditable under the Plan **(if checked, skip to Section 13.C. – Prior Governmental Service)**.

☐ Prior Military Service shall be counted as Credited Service for the following purposes (check one or more as applicable):

- ☐ Computing amount of benefits payable.
- ☐ Meeting minimum service requirements for vesting.
- ☐ Meeting minimum service requirements for benefit eligibility.

(2) Maximum Credit for Prior Military Service.

Credit for Prior Military Service shall be limited to a maximum of _____ years **(insert number)**.

(3) Rate of Accrual for Prior Military Service.

Credit for Prior Military Service shall accrue at the following rate **(check one)**:

☐ One month of military service credit for every _____ month(s) **(insert number)** of Credited Service with the Adopting Employer.

☐ One year of military service credit for every _____ year(s**) (insert number)** of Credited Service with the Adopting Employer.

☐ All military service shall be creditable (subject to any caps imposed above) after the Participant has completed _____ years **(insert number)** of Credited Service with the Employer.

☐ Other requirement **(must specify in a manner that satisfies the definite written program requirement of Treasury Regulation 1.401-1(a)(2) and the definitely determinable requirement of Treasury Regulation 1.401-1(b)(1)(i))**: _____.

(4) Payment for Prior Military Service Credit(check one):

☐ Participants shall **not** be required to pay for military service credit.

☐ Participants shall be required to pay for military service credit as follows:

☐ The Participant must pay ____% of the actuarial cost of the service credit (as defined below).

☐ The Participant must pay an amount equal to **(must specify in a manner that satisfies the definite written program requirement of Treasury Regulation 1.401-1(a)(2) and the definitely determinable requirement of Treasury Regulation 1.401-1(b)(1)(i))**: _____.

Other Conditions for Award of Prior Military Service Credit **(must specify in a manner that satisfies the definite written program requirement of Treasury Regulation 1.401-1(a)(2) and the definitely determinable requirement of Treasury Regulation 1.401-1(b)(1)(i))**: _____.

(5) Limitations on Service Credit Purchases. Unless otherwise specified in an Addendum to the Adoption Agreement, for purposes of this Section and Section 13.C. concerning prior governmental service credit, the term "actuarial cost of service credit" is defined as set forth in the Service Credit Purchase Addendum. In the case of a service credit purchase, the Participant shall be required to comply with any rules and regulations established by the GMEBS Board of Trustees concerning said purchases.

C. Prior Governmental Service

Note: A Participant's prior service with other GMEBS employers shall be credited for purposes of satisfying the minimum service requirements for Vesting and eligibility for Retirement and pre-retirement death benefits as provided under Section 9.05 of the Master Plan, relating to portability service. This Section 13(C) does not need to be completed in order for Participants to receive this portability service credit pursuant to Section 9.05 of the Master Plan.

(1) Credit for Prior Governmental Service.

The Adopting Employer may elect to treat governmental service rendered prior to a Participant's initial employment date or reemployment date as creditable service under the Plan. Subject to any limitations imposed by law, the term "prior governmental service" shall be as defined by the

Adopting Employer below. The Employer elects to treat prior governmental service as follows **(check one)**:

☒ Prior governmental service is **not** creditable under the Plan **(if checked, skip to Section 13.D. – Unused Sick/Vacation Leave)**.

☐ Prior governmental service shall be counted as Credited Service for the following purposes under the Plan **(check one or more as applicable)**:

☐ Computing amount of benefits payable.
☐ Meeting minimum service requirements for vesting.
☐ Meeting minimum service requirements for benefit eligibility.

(2) Definition of Prior Governmental Service.

Prior governmental service shall be defined as follows: **(must specify in a manner that satisfies the definite written program requirement of Treasury Regulation 1.401-1(a)(2) and the definitely determinable requirement of Treasury Regulation 1.401-1(b)(1)(i))**: _____.

Unless otherwise specified above, prior governmental service shall include only full-time service (minimum hour requirement same as that applicable to Eligible Regular Employees).

(3) Maximum Credit for Prior Governmental Service.

Credit for prior governmental service shall be limited to a maximum of _____ years **(insert number)**.

(4) Rate of Accrual for Prior Governmental Service Credit.

Credit for prior governmental service shall accrue at the following rate **(check one)**:

☐ One month of prior governmental service credit for every _____ month(s) **(insert number)** of Credited Service with the Adopting Employer.

☐ One year of prior governmental service credit for every _____ year(s) **(insert number)** of Credited Service with the Adopting Employer.

☐ All prior governmental service shall be creditable (subject to any caps imposed above) after the Participant has completed _____ years **(insert number)** of Credited Service with the Adopting Employer.

☐ Other requirement **(must specify in a manner that satisfies the definite written program requirement of Treasury Regulation 1.401-1(a)(2) and the definitely determinable requirement of Treasury Regulation 1.401-1(b)(1)(i))**:
_____.

(5) Payment for Prior Governmental Service Credit.

☐ Participants shall **not** be required to pay for governmental service credit.

☐ Participants shall be required to pay for governmental service credit as follows:

☐ The Participant must pay ____% of the actuarial cost of the service credit.
☐ The Participant must pay an amount equal to **(must specify in a manner that satisfies the definite written program requirement of Treasury Regulation 1.401-1(a)(2) and the definitely determinable requirement of Treasury Regulation 1.401-1(b)(1)(i))**: _____.

Other Conditions for Award of Prior Governmental Service Credit **(must specify in a manner that satisfies the definite written program requirement of Treasury Regulation 1.401-1(a)(2) and the definitely determinable requirement of Treasury Regulation 1.401-1(b)(1)(i))**: ____.

D. Leave Conversion for Unused Paid Time Off (e.g., Sick, Vacation, or Personal Leave)

(1) Credit for Unused Paid Time Off.

Subject to the limitations in Section 3.01 of the Master Plan, an Adopting Employer may elect to treat accumulated days of unused paid time off for a terminated Participant, for which the Participant is not paid, as Credited Service. The only type of leave permitted to be credited under this provision is leave from a paid time off plan which qualifies as a bona fide sick and vacation leave plan (which may include sick, vacation or personal leave) and which the Participant may take as paid leave without regard to whether the leave is due to illness or incapacity. The Credited Service resulting from the conversion of unused paid time off must not be the only Credited Service applied toward the accrual of a normal retirement benefit under the Plan. The Pension Committee shall be responsible to certify to GMEBS the total amount of unused paid time off that is creditable hereunder.

Important Note: Leave cannot be converted to Credited Service in lieu of receiving a cash payment. If the Employer elects treating unused paid time off as Credited Service, the conversion to Credited Service will be automatic, and the Participant cannot request a cash payment for the unused paid time off.

The Employer elects the following treatment of unused paid time off:

☒ Unused paid time off shall **not** be treated as Credited Service **(if checked, skip to Section 14 – Retirement Eligibility)**.

☐ The following types of unused paid time off for which the Participant is not paid shall be treated as Credited Service under the Plan **(check one or more as applicable)**:

☐ Unused sick leave
☐ Unused vacation leave
☐ Unused personal leave
☐ Other paid time off **(must specify in a manner that satisfies the definite written program requirement of Treasury Regulation 1.401-1(a)(2) and the definitely determinable requirement of Treasury Regulation 1.401-1(b)(1)(i))**: _____.

(2) Minimum Service Requirement.

In order to receive credit for unused paid time off, a Participant must meet the following requirement at termination **(check one)**:

☐ The Participant must be 100% vested in a normal retirement benefit.
☐ The Participant must have at least _____ years **(insert number)** of Total Credited Service (not including leave otherwise creditable under this Section).
☐ Other **(must specify in a manner that satisfies the definite written program requirement of Treasury Regulation 1.401-1(a)(2) and the definitely determinable requirement of Treasury Regulation 1.401-1(b)(1)(i))**: _____.

(3) Use of Unused Paid Time Off Credit. Unused paid time off for which the Participant is not paid shall count as Credited Service for the following purposes under the Plan **(check one or more as applicable)**:

☐ Computing amount of benefits payable.
☐ Meeting minimum service requirements for vesting.
☐ Meeting minimum service requirements for benefit eligibility.

(4) Maximum Credit for Unused Paid Time Off.

Credit for unused paid time off for which the Participant is not paid shall be limited to a maximum of ____ months **(insert number)**.

(5) Computation of Unused Paid Time Off.

Unless otherwise specified by the Adopting Employer under "Other Conditions" below, each twenty (20) days of creditable unused paid time off shall constitute one (1) complete month of Credited Service under the Plan. Partial months shall not be credited.

(6) Other Conditions (please specify, subject to limitations in Section 3.01 of Master Plan; must specify in a manner that satisfies the definite written program requirement of Treasury Regulation 1.401-1(a)(2) and the definitely determinable requirement of Treasury Regulation 1.401-1(b)(1)(i)): _____.

14. RETIREMENT ELIGIBILITY

A. Early Retirement Qualifications

Early retirement qualifications are **(check one or more as applicable)**:

☒ Attainment of age **55** **(insert number)**

☒ Completion of **10** years **(insert number)** of Total Credited Service

Exceptions: If different early retirement eligibility requirements apply to a particular class or classes of Eligible Employees, the Employer must specify below the classes to whom the different requirements apply and indicate below the requirements applicable to them.

Eligible Employees to whom exception applies **(must specify - specific positions are permissible; specific individuals may not be named)**: _____.

Early retirement qualifications for excepted class(es) are **(check one or more as applicable)**:

☐ Attainment of age _____ **(insert number)**

☐ Completion of _____ years **(insert number)** of Total Credited Service

B. Normal Retirement Qualifications

Note: Please complete this Section and also list "Alternative" Normal Retirement Qualifications, if any, in Section 14.C.

(1) Regular Employees

Normal retirement qualifications for Regular Employees are **(check one or more as applicable)**:

☒ Attainment of age **65 (insert number)**

☒ Completion of **5** years **(insert number)** of Total Credited Service

☐ In-Service Distribution to Eligible Employees permitted (i.e., a qualifying Participant may commence receiving retirement benefits while in service without first incurring a Bona Fide Separation from Service), if Participant meets minimum age and service requirements specified immediately above and is at least age 62 (unless a lower safe-harbor age is permitted under applicable federal law), subject to applicable Plan provisions concerning recalculation and offset applied at re-retirement to account for the value of benefits received prior to re-retirement. This rule shall apply to **(check one)**: ☐ all Participants ☐ only the following class(es) of Participants **(must specify - specific positions are permissible; specific individuals may not be named)**: _____.

Exceptions: If different normal retirement qualifications apply to a particular class or classes of Regular Employees, the Employer must specify below the classes to whom the different requirements apply and indicate below the requirements applicable to them.

Class(es) of Regular Employees to whom exception applies **(must specify - specific positions are permissible; specific individuals may not be named)**: _____.

Normal retirement qualifications for excepted class(es) are **(check one or more as applicable)**:

☐ Attainment of age _____ **(insert number)**

☐ Completion of _____ years **(insert number)** of Total Credited Service

☐ In-Service Distribution to Eligible Employees permitted (i.e., a qualifying Participant may commence receiving retirement benefits while in service without first incurring a Bona Fide Separation from Service), if Participant meets minimum age and service requirements specified immediately above and is at least age 62

(unless a lower safe-harbor age is permitted under applicable federal law), subject to applicable Plan provisions concerning recalculation and offset applied at re-retirement to account for the value of benefits received prior to re-retirement. This rule shall apply to **(check one)**: ☐ all Participants ☐ only the following class(es) of Participants **(must specify - specific positions are permissible; specific individuals may not be named)**: _____.

(2) Elected or Appointed Members of Governing Authority

Complete this Section only if elected or appointed members of the Governing Authority or Municipal Legal Officers are permitted to participate in the Plan. Normal retirement qualifications for this class are **(check one or more as applicable)**:

☐ Attainment of age _____ **(insert number)**

☐ Completion of _____ years **(insert number)** of Total Credited Service

☐ In-Service Distribution to Eligible Employees permitted (i.e., a qualifying Participant may commence receiving retirement benefits while in service without first incurring a Bona Fide Separation from Service), if Participant meets minimum age and service requirements specified immediately above and is at least age 62 (unless a lower safe-harbor age is permitted under applicable federal law), subject to applicable Plan provisions concerning recalculation and offset applied at re-retirement to account for the value of benefits received prior to re-retirement. This rule shall apply to **(check one)**: ☐ all Participants ☐ only the following class(es) of Participants **(must specify - specific positions are permissible; specific individuals may not be named)**: _____.

Exceptions: If different normal retirement qualifications apply to particular elected or appointed members of the Governing Authority or Municipal Legal Officers, the Employer must specify below to whom the different requirements apply and indicate below the requirements applicable to them.

Particular elected or appointed members of the Governing Authority or Municipal Legal Officers to whom exception applies **(must specify - specific positions are permissible; specific individuals may not be named)**: _____.

Normal retirement qualifications for excepted elected or appointed members of the Governing Authority or Municipal Legal Officers are **(check one or more as applicable)**:

☐ Attainment of age _____ **(insert number)**

☐ Completion of _____ years **(insert number)** of Total Credited Service

☐ In-Service Distribution to Eligible Employees permitted (i.e., a qualifying Participant may commence receiving retirement benefits while in service without first incurring a Bona Fide Separation from Service), if Participant meets minimum age and service requirements specified immediately above and is at least age 62 (unless a lower safe-harbor age is permitted under applicable federal law), subject

to applicable Plan provisions concerning recalculation and offset applied at re-retirement to account for the value of benefits received prior to re-retirement. This rule shall apply to **(check one)**: ☐ all Participants ☐ only the following class(es) of Participants **(must specify - specific positions are permissible; specific individuals may not be named)**: _____.

C. Alternative Normal Retirement Qualifications

The Employer may elect to permit Participants to retire with unreduced benefits after they satisfy service and/or age requirements other than the regular normal retirement qualifications specified above. The Employer hereby adopts the following alternative normal retirement qualifications:

Alternative Normal Retirement Qualifications (check one or more, as applicable):

(1) ☒ Not applicable (the Adopting Employer does not offer alternative normal retirement benefits under the Plan).

(2) ☐ **Alternative Minimum Age & Service Qualifications (if checked, please complete one or more items below, as applicable):**

☐ Attainment of age _____ **(insert number)**

☐ Completion of _____ years **(insert number)** of Total Credited Service

☐ In-Service Distribution to Eligible Employees permitted (i.e., a qualifying Participant may commence receiving retirement benefits while in service without first incurring a Bona Fide Separation from Service), if Participant meets minimum age and service requirements specified immediately above and is at least age 62 (unless a lower safe-harbor age is permitted under applicable federal law), subject to applicable Plan provisions concerning recalculation and offset applied at re-retirement to account for the value of benefits received prior to re-retirement. This rule shall apply to **(check one)**: ☐ all Participants ☐ only the following class(es) of Participants **(must specify - specific positions are permissible; specific individuals may not be named)**:_____.

This alternative normal retirement benefit is available to:

☐ All Participants who qualify.

☐ Only the following Participants **(must specify - specific positions are permissible; specific individuals may not be named)**: _____.

A Participant **(check one)**: ☐ is required ☐ is not required to be in the service of the Employer at the time he satisfies the above qualifications in order to qualify for this alternative normal retirement benefit.

Other eligibility requirement **(must specify in a manner that satisfies the definite written program requirement of Treasury Regulation 1.401-1(a)(2) and the**

definitely determinable requirement of Treasury Regulation 1.401-1(b)(1)(i)): _____.

(3) ☐ **Rule of _____ (insert number)**. The Participant's combined Total Credited Service and age must equal or exceed this number. Please complete additional items below:

To qualify for this alternative normal retirement benefit, the Participant **(check one or more items below, as applicable)**:

☐ Must have attained at least age _____ **(insert number)**

☐ Must not satisfy any minimum age requirement

☐ In-Service Distribution to Eligible Employees permitted (i.e., a qualifying Participant may commence receiving retirement benefits while in service without first incurring a Bona Fide Separation from Service), if the Participant meets the minimum age and service requirements specified immediately above and is at least age 62 (unless a lower safe-harbor age is permitted under applicable federal law), subject to applicable Plan provisions concerning recalculation and offset applied at re-retirement to account for the value of benefits received prior to re-retirement. This rule shall apply to **(check one)**: ☐ all Participants ☐ only the following class(es) of Participants **(must specify - specific positions are permissible; specific individuals may not be named)**: _____.

This alternative normal retirement benefit is available to:

☐ All Participants who qualify.

☐ Only the following Participants **(must specify - specific positions are permissible; specific individuals may not be named)**: _____.

A Participant **(check one)**: ☐ is required ☐ is not required to be in the service of the Employer at the time he satisfies the Rule in order to qualify for this alternative normal retirement benefit.

Other eligibility requirement **(must specify in a manner that satisfies the definite written program requirement of Treasury Regulation 1.401-1(a)(2) and the definitely determinable requirement of Treasury Regulation 1.401-1(b)(1)(i))**: _____.

(4) ☐ **Alternative Minimum Service**. A Participant is eligible for an alternative normal retirement benefit if he has at least _____ years **(insert number)** of Total Credited Service, regardless of the Participant's age.

☐ In-Service Distribution to Eligible Employees permitted (i.e., a qualifying Participant may commence receiving retirement benefits while in service without first incurring a Bona Fide Separation from Service), if the

Participant meets the minimum service requirement specified immediately above and is at least age 62 (unless a lower safe-harbor age is permitted under applicable federal law), subject to applicable Plan provisions concerning recalculation and offset applied at re-retirement to account for the value of benefits received prior to re-retirement. This rule shall apply to **(check one)**: ☐ all Participants ☐ only the following class(es) of Participants **(must specify - specific positions are permissible; specific individuals may not be named)**: _____.

This alternative normal retirement benefit is available to:

☐ All Participants who qualify.

☐ Only the following Participants **(must specify - specific positions are permissible; specific individuals may not be named)**: _____.

A Participant **(check one)**: ☐ is required ☐ is not required to be in the service of the Employer at the time he satisfies the qualifications for this alternative normal retirement benefit.

Other eligibility requirement **(must specify in a manner that satisfies the definite written program requirement of Treasury Regulation 1.401-1(a)(2) and the definitely determinable requirement of Treasury Regulation 1.401-1(b)(1)(i))**: _____.

(5) ☐ **Other Alternative Normal Retirement Benefit**.

Must specify qualifications (in a manner that satisfies the definite written program requirement of Treasury Regulation 1.401-1(a)(2) and the definitely determinable requirement of Treasury Regulation 1.401-1(b)(1)(i)): _____.

☐ In-Service Distribution to Eligible Employees permitted (i.e., a qualifying Participant may commence receiving retirement benefits while in service without first incurring a Bona Fide Separation from Service), if the Participant meets minimum age and service requirements specified immediately above and is at least age 62 (unless a lower safe-harbor age is permitted under applicable federal law), subject to applicable Plan provisions concerning recalculation and offset applied at re-retirement to account for the value of benefits received prior to re-retirement. This rule shall apply to **(check one)**: ☐ all Participants ☐ only the following class(es) of Participants **(must specify - specific positions are permissible; specific individuals may not be named)**: _____.

This alternative normal retirement benefit is available to:

☐ All Participants who qualify.

☐ Only the following Participants **(must specify - specific positions are permissible; specific individuals may not be named)**: _____.

A Participant **(check one)**: ☐ is required ☐ is not required to be in the service of the Employer at the time he satisfies the qualifications for this alternative normal retirement benefit.

Other eligibility requirement **(must specify in a manner that satisfies the definite written program requirement of Treasury Regulation 1.401-1(a)(2) and the definitely determinable requirement of Treasury Regulation 1.401-1(b)(1)(i))**: _____.

(6) ☐ **Other Alternative Normal Retirement Benefit <u>for Public Safety Employees Only</u>**.

Must specify qualifications (in a manner that satisfies the definite written program requirement of Treasury Regulation 1.401-1(a)(2) and the definitely determinable requirement of Treasury Regulation 1.401-1(b)(1)(i)): _____.

☐ In-Service Distribution to Eligible Employees who are Public Safety Employees permitted (<u>i.e.</u>, a qualifying Participant may commence receiving retirement benefits while in service without first incurring a Bona Fide Separation from Service), if the Participant meets minimum age and service requirements specified immediately above and is at least age 50 (unless a lower safe-harbor age is permitted under applicable federal law), subject to applicable Plan provisions concerning recalculation and offset applied at re-retirement to account for the value of benefits received prior to re-retirement. This rule shall apply to **(check one)**: ☐ all Participants ☐ only the following class(es) of Participants **(must specify - specific positions are permissible; specific individuals may not be named)**: _____.

This alternative normal retirement benefit is available to:

☐ All public safety employee Participants who qualify.

☐ Only the following public safety employee Participants **(must specify - specific positions are permissible; specific individuals may not be named)**: _____.

A public safety employee Participant **(check one)**: ☐ is required ☐ is not required to be in the service of the Employer at the time he satisfies the qualifications for this alternative normal retirement benefit.

Other eligibility requirement **(must specify in a manner that satisfies the definite written program requirement of Treasury Regulation 1.401-1(a)(2) and the definitely determinable requirement of Treasury Regulation 1.401-1(b)(1)(i))**: _____.

Note: "Public safety employees" are defined under the Internal Revenue Code for this purpose as employees of a State or political subdivision of a State who provide police

protection, firefighting services, or emergency medical services for any area within the jurisdiction of such State or political subdivision.

D. Disability Benefit Qualifications

Subject to the other terms and conditions of the Master Plan and except as otherwise provided in an Addendum to this Adoption Agreement, disability retirement qualifications are based upon Social Security Administration award criteria or as otherwise provided under Section 2.23 of the Master Plan. The Disability Retirement benefit shall commence as of the Participant's Disability Retirement Date under Section 2.24 of the Master Plan.

To qualify for a disability benefit, a Participant must have the following minimum number of years of Total Credited Service **(check one)**:

☒ Not applicable (the Adopting Employer does not offer disability retirement benefits under the Plan).
☐ No minimum.
☐ _____ years **(insert number)** of Total Credited Service.

Other eligibility requirement **(must specify in a manner that satisfies the definite written program requirement of Treasury Regulation 1.401-1(a)(2) and the definitely determinable requirement of Treasury Regulation 1.401-1(b)(1)(i))**: _____.

15. RETIREMENT BENEFIT COMPUTATION

A. Maximum Total Credited Service

The number of years of Total Credited Service which may be used to calculate a benefit is **(check one or all that apply)**:

☒ not limited.

☐ limited to _____ years for all Participants.

☐ limited to _____ years for the following classes of Eligible Regular Employees:

- ☐ All Eligible Regular Employees.
- ☐ Only the following Eligible Regular Employees: _____.

☐ limited to _____ years as an elected or appointed member of the Governing Authority.

☐ limited to _____ years as a Municipal Legal Officer.

☐ Other **(must specify in a manner that satisfies the definite written program requirement of Treasury Regulation 1.401-1(a)(2) and the definitely determinable requirement of Treasury Regulation 1.401-1(b)(1)(i))**: _____.

B. Monthly Normal Retirement Benefit Amount

(1) Regular Employee Formula

The monthly normal retirement benefit for Eligible Regular Employees shall be 1/12 of **(check and complete one or more as applicable)**:

☒ (a) **Flat Percentage Formula**. **2.0% (insert percentage)** of Final Average Earnings multiplied by years of Total Credited Service as an Eligible Regular Employee.

This formula applies to:

☒ All Participants who are Regular Employees.
☐ Only the following Participants **(must specify - specific positions are permissible; specific individuals may not be named)**: _____.

☐ (b) **Alternative Flat Percentage Formula**. _____**% (insert percentage)** of Final Average Earnings multiplied by years of Total Credited Service as an Eligible Regular Employee. This formula applies to the following Participants **(must specify - specific positions are permissible; specific individuals may not be named)**: _____.

☐ (c) **Split Final Average Earnings Formula**. _____ % **(insert percentage)** of Final Average Earnings up to the amount of **Covered Compensation (see subsection (2) below for definition of Covered Compensation)**, plus _____% **(insert percentage)** of Final Average Earnings in excess of said Covered Compensation, multiplied by years of Total Credited Service as an Eligible Regular Employee.

This formula applies to:

☐ All Participants who are Regular Employees.
☐ Only the following Participants **(must specify - specific positions are permissible; specific individuals may not be named)**:_____.

☐ (d) **Alternative Split Final Average Earnings Formula**. _____ % **(insert percentage)** of Final Average Earnings up to the amount of **Covered Compensation (see subsection (2) below for definition of Covered Compensation)**, plus _____% **(insert percentage)** of Final Average Earnings in excess of said Covered Compensation, multiplied by years of Total Credited Service as an Eligible Regular Employee.

This formula applies to:

☐ All Participants.
☐ Only the following Participants **(must specify - specific positions are permissible; specific individuals may not be named)**: _____.

[Repeat above subsections as necessary for each applicable benefit formula and Participant class covered under the Plan.]

(2) Covered Compensation (complete only if Split Formula(s) is checked above):

Covered Compensation is defined as (check one or more as applicable):

☐ (a) **A.I.M.E. Covered Compensation** as defined in Section 2.18 of the Master Plan. This definition of Covered Compensation shall apply to **(check one)**:

☐ All Participants who are Regular Employees.
☐ Only the following Participants **(must specify - specific positions are permissible; specific individuals may not be named)**: _____.

☐ (b) **Dynamic Break Point** Covered Compensation as defined in Section 2.19 of the Master Plan. This definition of Covered Compensation shall apply to **(check one)**:

☐ All Participants who are Regular Employees.
☐ Only the following Participants **(must specify - specific positions are permissible; specific individuals may not be named)**:_____.

☐ (c) **Table Break Point** Covered Compensation as defined in Section 2.20 of the Master Plan. This definition of Covered Compensation shall apply to **(check one)**:

☐ All Participants who are Regular Employees.
☐ Only the following class(es) of Participants **(must specify - specific positions are permissible; specific individuals may not be named)**: _____.

☐ (d) **Covered Compensation** shall mean a Participant's annual Earnings that do not exceed $_____ **(specify amount)**. This definition shall apply to **(check one)**:

☐ All Participants who are Regular Employees.
☐ Only the following Participants **(must specify - specific positions are permissible; specific individuals may not be named)**:_____.

(3) Final Average Earnings

Unless otherwise specified in an Addendum to the Adoption Agreement, Final Average Earnings is defined as the monthly average of Earnings paid to a Participant by the Adopting Employer for the **36 (insert number not to exceed 60)** consecutive months of Credited Service preceding the Participant's most recent Termination in which the Participant's Earnings were the highest, multiplied by 12. Note: GMEBS has prescribed forms for calculation of Final Average Earnings that must be used for this purpose.

This definition of Final Average Earnings applies to:

☒ All Participants who are Regular Employees.
☐ Only the following Participants **(must specify - specific positions are permissible; specific individuals may not be named)**: _____.

[Repeat above subsection as necessary for each applicable definition and Participant class covered under the Plan.]

(4) Formula for Elected or Appointed Members of the Governing Authority

The monthly normal retirement benefit for members of this class shall be as follows **(check one)**:

☒ Not applicable (elected or appointed members of the Governing Authority or Municipal Legal Officers are not permitted to participate in the Plan).

☐ $_____ **(insert dollar amount)** per month for each year of Total Credited Service as an elected or appointed member of the Governing Authority or Municipal Legal Officer or major fraction thereof (6 months and 1 day).

This formula applies to:

☐ All elected or appointed members of the Governing Authority or Municipal Legal Officers eligible to participate.
☐ Only the following elected or appointed members of the Governing Authority or Municipal Legal Officers eligible to participate **(must specify - specific positions are permissible; specific individuals may not be named)**: _____.

[Repeat above subsection as necessary for each applicable formula for classes of elected or appointed members covered under the Plan.]

C. Monthly Early Retirement Benefit Amount

Check and complete one or more as applicable:

☒ (1) **Standard Early Retirement Reduction Table**. The monthly Early Retirement benefit shall be computed in the same manner as the monthly Normal Retirement benefit, but the benefit shall be reduced on an Actuarially Equivalent basis in accordance with Section 12.01 of the Master Plan to account for early commencement of benefits. This provision shall apply to:

☒ All Participants.
☐ Only the following Participants **(must specify - specific positions are permissible; specific individuals may not be named)**:_____.

☐ (2) **Alternative Early Retirement Reduction Table**. The monthly Early Retirement benefit shall be computed in the same manner as the monthly Normal Retirement benefit, but the benefit shall be reduced to account for early commencement of benefits based on the following table. This table shall apply to:

☐ All Participants.

☐ Only the following Participants **(must specify - specific positions are permissible; specific individuals may not be named)**:_____.

Alternative Early Retirement Reduction Table

Number of Years Before [Age ___(Insert Normal Retirement Age)] (check as applicable)	**Percentage of Normal Retirement Benefit* (complete as applicable)**
☐ 0	1.000
☐ 1	0.___
☐ 2	0.___
☐ 3	0.___
☐ 4	0.___
☐ 5	0.___
☐ 6	0.___
☐ 7	0.___
☐ 8	0.___
☐ 9	0.___
☐ 10	0.___
☐ 11	0.___
☐ 12	0.___
☐ 13	0.___
☐ 14	0.___
☐ 15	0.___

*Interpolate for whole months

D. Monthly Late Retirement Benefit Amount (check one):

☒ (1) The monthly Late Retirement benefit shall be computed in the same manner as the Normal Retirement Benefit, based upon the Participant's Accrued Benefit as of his Late Retirement Date.

☐ (2) The monthly Late Retirement benefit shall be the greater of: (1) the monthly retirement benefit accrued as of the Participant's Normal Retirement Date, actuarially increased in accordance with the actuarial table contained in Section 12.05 of the Master Plan; or (2) the monthly retirement benefit accrued as of the Participant's Late Retirement Date, without further actuarial adjustment under Section 12.06 of the Master Plan.

E. Monthly Disability Benefit Amount

The amount of the monthly Disability Benefit shall be computed in the same manner as the Normal Retirement benefit, based upon the Participant's Accrued Benefit as of his Disability Retirement Date.

Minimum Disability Benefit. The Adopting Employer may set a minimum Disability Benefit. The Employer elects the following minimum Disability benefit **(check one)**:

☒ Not applicable (the Adopting Employer does not offer disability retirement benefits under the Plan).

☐ No minimum is established.

☐ No less than **(check one):** ☐ 20% ☐ 10% ☐ ____% **(if other than 20% or 10% insert percentage amount)** of the Participant's average monthly Earnings for the 12 calendar month period (excluding any period of unpaid leave of absence) immediately preceding his Termination of Employment as a result of a Disability. (Unless otherwise specified in an Addendum to the Adoption Agreement, no minimum will apply to elected or appointed members of the Governing Authority or Municipal Legal Officers.)

☐ No less than **(check one):** ☐ 66 2/3 % ☐ _____% **(if other than 66 2/3%, insert percentage amount)** of the Participant's average monthly Earnings for the 12 calendar month period (excluding any period of unpaid leave of absence) immediately preceding his Termination of Employment as a result of a Disability, less any monthly benefits paid from federal Social Security benefits as a result of disability as reported by the Employer. (Unless otherwise specified in an Addendum to the Adoption Agreement, no minimum will apply to elected or appointed members of the Governing Authority or Municipal Legal Officers.)

Note: The Adopting Employer is responsible for reporting to GMEBS any amounts to be used in an offset.

F. Minimum/Maximum Benefit For Elected Officials

In addition to any other limitations imposed by federal or state law, the Employer may impose a cap on the monthly benefit amount that may be received by elected or appointed members of the Governing Authority. The Employer elects **(check one)**:

☒ Not applicable (elected or appointed members of the Governing Authority do not participate in the Plan).

☐ No minimum or maximum applies.

☐ Monthly benefit for Service as an elected or appointed member of the Governing Authority may not exceed 100% of the Participant's final salary as an elected or appointed member of the Governing Authority.

☐ Other minimum or maximum **(must specify in a manner that satisfies the definite written program requirement of Treasury Regulation 1.401-1(a)(2) and the definitely determinable requirement of Treasury Regulation 1.401-1(b)(1)(i))**: _____.

16. SUSPENSION OF BENEFITS FOLLOWING BONA FIDE SEPARATION OF SERVICE; COLA

A. <u>Re-Employment as Eligible Employee After Normal, Alternative Normal, or Early Retirement and Following Bona Fide Separation of Service (see Master Plan Section 6.06(c) Regarding Re-Employment as an Ineligible Employee and Master Plan Section 6.06(e) and (f) Regarding Re-Employment After Disability Retirement)</u>

(1) Reemployment After Normal or Alternative Normal Retirement. In the event that a Retired Participant 1) is reemployed with the Employer as an Eligible Employee (as defined in the Plan) after his Normal or Alternative Normal Retirement Date and after a Bona Fide Separation from Service, or 2) is reemployed with the Employer in an Ineligible Employee class, and subsequently again becomes an Eligible Employee (as defined in the Plan) due to the addition of such class to the Plan after his Normal or Alternative Normal Retirement Date, the following rule shall apply **(check one)**:

☒ (a) The Participant's benefit shall be suspended in accordance with Section 6.06(a)(1) of the Master Plan for as long as the Participant remains employed.

☐ (b) The Participant may continue to receive his retirement benefit in accordance with Section 6.06(b) of the Master Plan. This rule shall apply to **(check one)**: ☐ all Retired Participants ☐ only the following classes of Retired Participants **(must specify (specific positions are permissible; specific individuals may not be named) - benefits of those Retired Participants not listed shall be suspended in accordance with Section 6.06(a) of the Master Plan if they return to work with the Employer)**: _____.

(2) Reemployment After Early Retirement. In the event a Participant Retires with an Early Retirement benefit after a Bona Fide Separation from Service 1) is reemployed with the Employer as an Eligible Employee before his Normal Retirement Date; or 2) is reemployed with the Employer in an Ineligible Employee class, and subsequently again becomes an Eligible Employee (as defined in the Plan) before his Normal Retirement Date due to the addition of such class to the Plan, the following rule shall apply **(check one or more as applicable)**:

(a) ☒ The Participant's Early Retirement benefit shall be suspended in accordance with Section 6.06(a)(1) of the Master Plan for as long as the Participant remains employed.

This rule shall apply to **(check one)**: ☒ all Retired Participants; ☐ only the following classes of Retired Participants **(must specify - specific positions are permissible; specific individuals may not be named)**: _____.

(b) ☐ The Participant's Early Retirement benefit shall be suspended in accordance with Section 6.06(a)(1) of the Master Plan. However, the

Participant may begin receiving benefits after he satisfies the qualifications for Normal Retirement or Alternative Normal Retirement, as applicable, and after satisfying the minimum age parameters of Section 6.06(a)(3) of the Master Plan, in accordance with Section 6.06(b)(2)(B)(i) of the Master Plan.

This rule shall apply to **(check one)**: ☐ all Retired Participants; ☐ only the following classes of Retired Participants **(must specify - specific positions are permissible; specific individuals may not be named)**: _____.

(c) ☐ The Participant's Early Retirement benefit shall continue in accordance with Section 6.06(b)(2)(B)(ii) of the Master Plan.

This rule shall apply to **(check one)**: ☐ all Retired Participants; ☐ only the following classes of Retired Participants **(must specify - specific positions are permissible; specific individuals may not be named)**: _____.

B. <u>Cost Of Living Adjustment</u>

The Employer may elect to provide for an annual cost-of-living adjustment (COLA) in the amount of benefits being received by Retired Participants and Beneficiaries, which shall be calculated and paid in accordance with the terms of the Master Plan. The Employer hereby elects the following **(check one)**:

☒ (1) No cost-of-living adjustment.

☐ (2) Variable Annual cost-of-living adjustment not to exceed _____% **(insert percentage)**.

☐ (3) Fixed annual cost-of-living adjustment equal to _____% **(insert percentage)**.

The above cost-of-living adjustment shall apply with respect to the following Participants (and their Beneficiaries) **(check one)**:

☒ All Participants (and their Beneficiaries).
☐ Participants (and their Beneficiaries) who terminate employment on or after _____ **(insert date)**.
☐ Other **(must specify in a manner that satisfies the definite written program requirement of Treasury Regulation 1.401-1(a)(2) and the definitely determinable requirement of Treasury Regulation 1.401-1(b)(1)(i)); specific positions are permissible; specific individuals may not be named)**: _____.

The Adjustment Date for the above cost-of-living adjustment shall be (if not specified, the Adjustment Date shall be January 1): _____.

17. TERMINATION OF EMPLOYMENT BEFORE RETIREMENT; VESTING

A. Eligible Regular Employees

Subject to the terms and conditions of the Master Plan, a Participant who is an Eligible Regular Employee and whose employment is terminated for any reason other than death or retirement shall earn a vested right in his accrued retirement benefit in accordance with the following schedule **(check one):**

☐ **No vesting schedule (immediate vesting)**.

☒ **Cliff Vesting Schedule**. Benefits shall be 100% vested after the Participant has a minimum of **5** years **(insert number not to exceed 10)** of Total Credited Service. Benefits remain 0% vested until the Participant satisfies this minimum.

☐ **Graduated Vesting Schedule**. Benefits shall become vested in accordance with the following schedule **(insert percentages)**:

COMPLETED YEARS OF TOTAL CREDITED SERVICE	VESTED PERCENTAGE
1	%
2	%
3	%
4	%
5	%
6	%
7	%
8	%
9	%
10	%

Exceptions: If a vesting schedule other than that specified above applies to a special class(es) of Regular Employees, the Employer must specify the different vesting schedule below and the class(es) to whom the different vesting schedule applies.

Regular Employees to whom exception applies **(must specify - specific positions are permissible; specific individuals may not be named)**: _____.

Vesting Schedule for excepted class **(must specify in a manner that satisfies the definite written program requirement of Treasury Regulation 1.401-1(a)(2) and the definitely determinable requirement of Treasury Regulation 1.401-1(b)(1)(i))**: _____.

B. Elected or Appointed Members of the Governing Authority

Subject to the terms and conditions of the Master Plan, a Participant who is an elected or appointed member of the Governing Authority or a Municipal Legal Officer shall earn a vested right in his accrued retirement benefit for Credited Service in such capacity in accordance with the following schedule **(check one)**:

☒ Not applicable (elected or appointed members of the Governing Authority are not permitted to participate in the Plan).

☐ No vesting schedule (immediate vesting).

☐ Other vesting schedule **(must specify in a manner that satisfies the definite written program requirement of Treasury Regulation 1.401-1(a)(2) and the definitely determinable requirement of Treasury Regulation 1.401-1(b)(1)(i))**: _____.

18. PRE-RETIREMENT DEATH BENEFITS

A. In-Service Death Benefit

Subject to the terms and conditions of the Master Plan, the Employer hereby elects the following in-service death benefit, to be payable in the event that an eligible Participant's employment with the Employer is terminated by reason of the Participant's death prior to Retirement **(check and complete one)**:

(1) ☒ **Auto A Death Benefit**. A monthly benefit payable to the Participant's Pre-Retirement Beneficiary, equal to the decreased monthly retirement benefit that would have otherwise been payable to the Participant, had he elected a 100% joint and survivor benefit under Section 7.03 of the Master Plan. In order to be eligible for this benefit, a Participant must meet the following requirements **(check one)**:

☒ The Participant must be vested in a normal retirement benefit.

☐ The Participant must have _____ years **(insert number)** of Total Credited Service.

☐ The Participant must be eligible for Early or Normal Retirement.

☐ Other eligibility requirement **(must specify in a manner that satisfies the definite written program requirement of Treasury Regulation 1.401-1(a)(2) and the definitely determinable requirement of Treasury Regulation 1.401-1(b)(1)(i))**: _____.

(2) ☐ **Actuarial Reserve Death Benefit**. A monthly benefit payable to the Participant's Pre-Retirement Beneficiary, actuarially equivalent to the reserve required for the Participant's anticipated Normal Retirement benefit, provided the Participant meets the following eligibility conditions **(check one)**:

☐ The Participant shall be eligible upon satisfying the eligibility requirements of Section 8.02(c) of the Master Plan.

☐ The Participant must have _____ years **(insert number)** of Total Credited Service.

☐ Other eligibility requirement **(must specify in a manner that satisfies the definite written program requirement of Treasury Regulation 1.401-1(a)(2) and the definitely determinable requirement of Treasury Regulation 1.401-1(b)(1)(i))**: _____.

Imputed Service. For purposes of computing the actuarial reserve death benefit, the Participant's Total Credited Service shall include **(check one)**:

☐ Total Credited Service accrued prior to the date of the Participant's death.

☐ Total Credited Service accrued prior to the date of the Participant's death, plus **(check one)**: ☐ one-half (½) ☐ _____ **(insert other fraction)** of the Service between such date of death and what would otherwise have been the Participant's Normal Retirement Date. **(See Master Plan Section 8.02(b) regarding 10-year cap on additional Credited Service.)**

Minimum In-Service Death Benefit for Vested Employees Equal to Terminated Vested Death Benefit. Unless otherwise specified under "Exceptions" below, if a Participant's employment is terminated by reason of the Participant's death prior to Retirement, and if as of the date of death the Participant is vested but he does not qualify for the in-service death benefit, then the Auto A Death Benefit will be payable, provided the Auto A Death Benefit is made available to terminated vested employees under the Adoption Agreement (see "Terminated Vested Death Benefit" below).

(3) Exceptions: If an in-service death benefit other than that specified above applies to one or more classes of Participants, the Employer must specify below the death benefit payable, the class(es) to whom the different death benefit applies, and the eligibility conditions for said death benefit.

Alternative Death Benefit **(must specify formula that satisfies the definite written program and definitely determinable requirements of Treasury Regulations Sections 1.401-1(a)(2) and 1.401-1(b)(1)(i) and does not violate limits applicable to governmental plans under Code Sections 401(a)(17) and 415):** _____.

Participants to whom alternative death benefit applies **(must specify - specific positions are permissible; specific individuals may not be named)**: _____.

Eligibility conditions for alternative death benefit **(must specify in a manner that satisfies the definite written program requirement of Treasury Regulation 1.401-1(a)(2) and the definitely determinable requirement of Treasury Regulation 1.401-1(b)(1)(i))**: _____.

B. Terminated Vested Death Benefit

(1) Complete this Section only if the Employer offers a terminated vested death benefit. The Employer may elect to provide a terminated vested death benefit, to be payable in the event that a Participant who is vested dies after termination of employment but before Retirement benefits commence. Subject to the terms and conditions of the Master Plan, the Employer hereby elects the following terminated vested death benefit **(check one)**:

☒ **Auto A Death Benefit**. A monthly benefit payable to the Participant's Pre-Retirement Beneficiary, equal to the decreased monthly retirement benefit that would have otherwise been payable to the Participant had he elected a 100% joint and survivor benefit under Section 7.03 of the Master Plan.

☐ **Accrued Retirement Benefit**. A monthly benefit payable to the Participant's Pre-Retirement Beneficiary which shall be actuarially equivalent to the Participant's Accrued Normal Retirement Benefit determined as of the date of death.

(2) Exceptions: If a terminated vested death benefit other than that specified above applies to one or more classes of Participants, the Employer must specify below the death benefit payable, the class(es) to whom the different death benefit applies, and the eligibility conditions for said death benefit.

Alternative Death Benefit **(must specify formula that satisfies the definite written program and definitely determinable requirements of Treasury Regulations Sections 1.401-1(a)(2) and 1.401-1(b)(1)(i) and does not violate limits applicable to governmental plans under Code Sections 401(a)(17) and 415):** _____.

Participants to whom alternative death benefit applies **(must specify - specific positions are permissible; specific individuals may not be named):** _____.

Eligibility conditions for alternative death benefit **(must specify in a manner that satisfies the definite written program requirement of Treasury Regulation 1.401-1(a)(2) and the definitely determinable requirement of Treasury Regulation 1.401-1(b)(1)(i))**: _____.

19. EMPLOYEE CONTRIBUTIONS

(1) Employee contributions (check one):

☒ Are not required.

☐ Are required in the amount of _____ % **(insert percentage)** of Earnings for all Participants.

☐ Are required in the amount of _____ % **(insert percentage)** of Earnings for Participants in the following classes **(must specify - specific positions are permissible; specific individuals may not be named)**: _____.

[Repeat above subsection as necessary if more than one contribution rate applies.]

(2) Pre-Tax Treatment of Employee Contributions. If Employee Contributions are required in Subsection (1) above, an Adopting Employer may elect to "pick up" Employee Contributions to the Plan in accordance with IRC Section 414(h). In such case, Employee Contributions shall be made on a pre-tax rather than a post-tax basis, provided the requirements of IRC Section 414(h) are met. If the Employer elects to pick up Employee Contributions, it is the

Employer's responsibility to ensure that Employee Contributions are paid and reported in accordance with IRC Section 414(h). The Adopting Employer must not report picked up contributions as wages subject to federal income tax withholding.

The Employer hereby elects **(check one)**:

☐ To pick up Employee Contributions. By electing to pick up Employee Contributions, the Adopting Employer specifies that the contributions, although designated as Employee Contributions, are being paid by the Employer in lieu of Employee Contributions. The Adopting Employer confirms that the executor of this Adoption Agreement is duly authorized to take this action as required to pick up contributions. This pick-up of contributions applies prospectively, and it is evidenced by this contemporaneous written document. On and after the date of the pick-up of contributions, a Participant does not have a cash or deferred election right (within the meaning of Treasury Regulation Section 1.401(k)-1(a)(3)) with respect to the designated Employee Contributions, which includes not having the option of receiving the amounts directly instead of having them paid to the Plan.

☐ Not to pick up Employee Contributions.

(3) Interest on Employee Contributions. The Adopting Employer may elect to pay interest on any refund of Employee Contributions.

☐ Interest shall not be paid.

☐ Interest shall be paid on a refund of Employee Contributions at a rate established by GMEBS from time to time.

☐ Other rate of interest **(must specify rate in a manner that satisfies the definite written program requirement of Treasury Regulation 1.401-1(a)(2) and the definitely determinable requirement of Treasury Regulation 1.401-1(b)(1)(i))**: _____.

20. MODIFICATION OF THE TERMS OF THE ADOPTION AGREEMENT

If an Adopting Employer desires to amend any of its elections contained in this Adoption Agreement (or any Addendum), the Governing Authority by official action must adopt an amendment of the Adoption Agreement (or any Addendum) or a new Adoption Agreement (or Addendum) must be adopted and forwarded to the Board for approval. The amendment of the new Adoption Agreement (or Addendum) is not effective until approved by the Board and other procedures required by the Plan have been implemented.

The Administrator will timely inform the Adopting Employer of any amendments made by the Board to the Plan.

21. TERMINATION OF THE ADOPTION AGREEMENT

This Adoption Agreement (and any Addendum) may be terminated only in accordance with the Plan. The Administrator will inform the Adopting Employer in the event the Board should decide to discontinue this volume submitter program.

22. EMPLOYER ADOPTION AND AUTHORIZATION FOR AMENDMENTS

Adoption. The Adopting Employer hereby adopts the terms of the Adoption Agreement and any Addendum, which is attached hereto and made a part of this ordinance. The Adoption Agreement (and, if applicable, the Addendum) sets forth the Employees to be covered by the Plan, the benefits to be provided by the Adopting Employer under the Plan, and any conditions imposed by the Adopting Employer with respect to, but not inconsistent with, the Plan. The Adopting Employer reserves the right to amend its elections under the Adoption Agreement and any Addendum, so long as the amendment is not inconsistent with the Plan or the Internal Revenue Code or other applicable law and is approved by the Board of Trustees of GMEBS. The Adopting Employer acknowledges that it may not be able to rely on the volume submitter advisory letter if it makes certain elections under the Adoption Agreement or the Addendum.

The Adopting Employer hereby agrees to abide by the Master Plan, Trust Agreement, and rules and regulations adopted by the Board of Trustees of GMEBS, as each may be amended from time to time, in all matters pertaining to the operation and administration of the Plan. It is intended that the Act creating the Board of Trustees of GMEBS, this Plan, and the rules and regulations of the Board are to be construed in harmony with each other. In the event of a conflict between the provisions of any of the foregoing, they shall govern in the following order:

(1) The Act creating the Board of Trustees of The Georgia Municipal Employees' Benefit System, O.C.G.A. Section 47-5-1 *et seq*. (a copy of which is included in the Appendix to the Master Defined Benefit Plan Document) and any other applicable provisions of O.C.G.A. Title 47;

(2) The Master Defined Benefit Plan Document and Trust Agreement;

(3) This Ordinance and Adoption Agreement (and any Addendum); and

(4) The rules and regulations of the Board.

In the event that any section, subsection, sentence, clause or phrase of this Plan shall be declared or adjudged invalid or unconstitutional, such adjudication shall in no manner affect the previously existing provisions or the other section or sections, subsections, sentences, clauses or phrases of this Plan, which shall remain in full force and effect, as if the section, subsection, sentence, clause or phrase so declared or adjudicated invalid or unconstitutional were not originally a part hereof. The Governing Authority hereby declares that it would have passed the remaining parts of this Plan or retained the previously existing provisions if it had known that such part or parts hereof would be declared or adjudicated invalid or unconstitutional.

This Adoption Agreement (and any Addendum) may only be used in conjunction with Georgia Municipal Employees Benefit System Master Defined Benefit Retirement Plan Document approved by the Internal Revenue Service under advisory letter J501718a dated March 30, 2018. The Adopting Employer understands that failure to properly complete this Adoption Agreement (or any Addendum), or to operate and maintain the Plan and Trust in accordance with the terms of the completed Adoption Agreement (and any Addendum), Master Plan Document and Trust, may result in disqualification of the Adopting Employer's Plan under the Internal Revenue Code. Inquiries regarding the adoption of the Plan, the meaning of Plan provisions, or the effect of the IRS advisory letter should be directed to the Administrator. The Administrator is Georgia Municipal Employees Benefit System, with its primary business offices located at: 201 Pryor Street, SW, Atlanta, Georgia, 30303. The business telephone number is: (404) 688-0472. The primary person to contact is: GMEBS Legal Counsel.

Authorization for Amendments. Effective on and after February 17, 2005, the Adopting Employer hereby authorizes the volume submitter practitioner who sponsors the Plan on behalf of GMEBS to prepare amendments to the Plan, for approval by the Board, on its behalf as provided under Revenue Procedure 2005-16, as superseded by Revenue Procedure 2015-36, Revenue Procedure 2011-49, and Announcement 2005-37. Effective January 1, 2013, Georgia Municipal Association, Inc., serves as the volume submitter practitioner for the Plan. Employer notice and signature requirements were met for the Adopting Employer before the effective date of February 17, 2005. The Adopting Employer understands that the implementing amendment reads as follows:

> On and after February 17, 2005, the Board delegates to the Practitioner the authority to advise and prepare amendments to the Plan, for approval by the Board, on behalf of all Adopting Employers, including those Adopting Employers who have adopted the Plan prior to the January 1, 2013, restatement of the Plan, for changes in the Code, the regulations thereunder, revenue rulings, other statements published by Internal Revenue Service, including model, sample, or other required good faith amendments (but only if their adoption will not cause such Plan to be individually designed), and for corrections of prior approved plans. These amendments shall be applied to all Adopting Employers. Employer notice and signature requirements have been met for all Adopting Employers before the effective date of February 17, 2005. In any event, any amendment prepared by the Practitioner and approved by the Board will be provided by the Administrator to Adopting Employers.
>
> Notwithstanding the foregoing paragraph, no amendment to the Plan shall be prepared on behalf of any Adopting Employer as of either:
>
> - the date the Internal Revenue Service requires the Adopting Employer to file Form 5300 as an individually designed plan as a result of an amendment by the Adopting Employer to incorporate a type of Plan not allowable in a volume submitter plan as described in Revenue Procedure 2015-36; or
>
> - as of the date the Plan is otherwise considered an individually designed plan due to the nature and extent of the amendments.

If the Adopting Employer is required to obtain a determination letter for any reason in order to maintain reliance on the advisory letter, the Practitioner's authority to amend the Plan on behalf of the Adopting Employer is conditioned on the Plan receiving a favorable determination letter.

The Adopting Employer further understands that, if it does not give its authorization hereunder or, in the alternative, adopt another pre-approved plan, its Plan will become an individually designed plan and will not be able to rely on the volume submitter advisory letter.

AN ORDINANCE (continued from page 1)

Section 2. Except as otherwise specifically required by law or by the terms of the Master Plan or Adoption Agreement (or any Addendum), the rights and obligations under the Plan with respect to persons whose employment with the City was terminated or who vacated his office with the City for any reason whatsoever prior to the effective date of this Ordinance are fixed and shall be governed by such Plan, if any, as it existed and was in effect at the time of such termination.

Section 3. The effective date of this Ordinance shall be the date of its approval by the Governing Authority.

Section 4. All Ordinances and parts of ordinances in conflict herewith are expressly repealed.

Approved by the Mayor and Council of the City of Flowery Branch, Georgia this _____ day of _____, 20_____.

Attest: CITY OF FLOWERY BRANCH, GEORGIA

_____ _____

City Clerk Mayor

(SEAL)

Approved:

_____

City Attorney

The terms of the foregoing Adoption Agreement are approved by the Board of Trustees of Georgia Municipal Employees Benefit System.

IN WITNESS WHEREOF, the Board of Trustees of Georgia Municipal Employees Benefit System has caused its Seal and the signatures of its duly authorized officers to be affixed this _____ day of _____, 20____.

Board of Trustees
Georgia Municipal Employees
Benefit System

(SEAL)

_____

Secretary

GEORGIA MUNICIPAL EMPLOYEES BENEFIT SYSTEM

MASTER DEFINED BENEFIT RETIREMENT PLAN DOCUMENT

AMENDED AND RESTATED

AS OF JANUARY 1, 2013

(WITH AMENDMENTS TAKING EFFECT ON OR BEFORE JANUARY 1, 2017)

Administered by:
Georgia Municipal Employees Benefit System
201 Pryor Street, SW
Atlanta, Georgia 30303
Telephone: 404-688-0472
Facsimile: 678-686-6289

TABLE OF CONTENTS

		Page
ARTICLE I.	PURPOSE OF PLAN	1
ARTICLE II.	DEFINITIONS	2
Section 2.01.	"Accrued Benefit"	3
Section 2.02.	"Actuarial Equivalent"	3
Section 2.03.	"Actuary"	3
Section 2.04.	"Addendum"	3
Section 2.05.	"Adjustment Date"	3
Section 2.06.	"Administrator"	3
Section 2.07.	"Adopting Employer"	3
Section 2.08.	"Adoption Agreement"	3
Section 2.09.	"Applicable Form"	4
Section 2.10.	"Board of Trustees" or "Board"	4
Section 2.11.	"Bona Fide Separation from Service"	4
Section 2.12.	"Child" or "Children"	4
Section 2.13.	"Code"	5
Section 2.14.	"Code Section 415(d) Cost of Living Adjustment"	5
Section 2.15.	"Contract"	5
Section 2.16.	"Contributions"	5
Section 2.17.	"Cost of Living Base Figure"	5
Section 2.18.	"Covered Compensation AIME	6
Section 2.19.	"Covered Compensation Dynamic Break Point"	6
Section 2.20.	"Covered Compensation Table Break Point"	6
Section 2.21.	"Current Average Cost-of-Living Index Figure"	7
Section 2.22.	"Default Beneficiary"	7
Section 2.23.	"Disability"	7
Section 2.24.	"Disability Retirement Date"	10
Section 2.25.	"Early Retirement Date"	11
Section 2.26.	"Earnings"	11
Section 2.27.	"Effective Date"	12
Section 2.28.	"Eligible Employee"	12
Section 2.29.	"Eligible Regular Employee"	12
Section 2.30.	"Employee"	13
Section 2.31.	"Employer"	13
Section 2.32.	"Enrollment Date"	13
Section 2.33.	"FMLA"	13
Section 2.34.	"Firefighter"	13
Section 2.35.	"Final Average Earnings"	14
Section 2.36.	"Governing Authority"	15
Section 2.37.	"In-Service Distribution"	15
Section 2.38.	"Ineligible Employee"	15
Section 2.39.	"Interest"	15
Section 2.40.	"Investment Fund" or "GMEBS Retirement Trust Fund"	15

Section 2.41.	"Late Retirement Date"	15
Section 2.42.	"Military Service"	16
Section 2.43.	"Monthly Retirement Benefit"	16
Section 2.44.	"Municipal Legal Officer"	16
Section 2.45.	"Normal Retirement Date" or "Alternative Normal Retirement Date"	16
Section 2.46.	"Participant" or "Participating Employee"	16
Section 2.47.	"Pension Committee"	17
Section 2.48.	"Plan"	17
Section 2.49.	"Plan Representative"	17
Section 2.50.	"Plan Year"	17
Section 2.51.	"Police Officer"	17
Section 2.52.	"Post-Retirement Beneficiary"	17
Section 2.53.	"Practitioner"	17
Section 2.54.	"Primary Pre-Retirement Beneficiary"	18
Section 2.55.	"Regular Employee"	18
Section 2.56.	"Resolution"	18
Section 2.57.	"Retired Participant"	18
Section 2.58.	"Retirement" or "Retires"	18
Section 2.59.	"Retirement System," "System," or "GMEBS"	18
Section 2.60.	"Secondary Pre-Retirement Beneficiary"	18
Section 2.61.	"Section"	18
Section 2.62.	"Spouse"	18
Section 2.63.	"Terminated Vested Participant"	19
Section 2.64.	"Termination," "Terminate Employment," "Termination of Employment," or "Terminated"	19
Section 2.65.	"Trust Fund"	20
Section 2.66.	"Vested," "Vesting," "Vested Right," or "Vested Benefit"	20
ARTICLE III.	SERVICE	20
Section 3.01.	"Current Credited Service"	20
Section 3.02.	"USERRA Military Service Credit	21
Section 3.03.	"Credited Past Service"	24
Section 3.04.	"Prior Governmental Service"	24
Section 3.05.	"Prior Military Service"	24
Section 3.06.	"Service"	24
Section 3.07.	"Total Credited Service"	25
ARTICLE IV.	ELIGIBILITY, QUALIFICATION AND PARTICIPATION	26
Section 4.01.	Classes of Eligible Employees	26
Section 4.02.	Qualifications for Participation	26
Section 4.03.	Establishing Participation in the Plan	31
Section 4.04.	Change in Employment Status	33
Section 4.05.	Participant Leaves of Absence	34
Section 4.06.	Non-Vested Participant Breaks in Service	35
ARTICLE V.	RETIREMENT ELIGIBILITY	38

ARTICLE VI.	RETIREMENT BENEFITS	39
Section 6.01.	Normal Retirement Benefit	39
Section 6.02.	Early Retirement Benefit	40
Section 6.03.	Late Retirement Benefit	41
Section 6.04.	Disability Benefit	42
Section 6.05.	Cost of Living Adjustment	46
Section 6.06.	In-Service Distribution; Suspension of Benefits Following Return to Service	48
ARTICLE VII.	OPTIONAL FORMS OF RETIREMENT INCOME	62
Section 7.01.	Standard Benefit Payment Form; Other Payment Options	62
Section 7.02.	Designation of Post-Retirement Beneficiary	63
Section 7.03.	Description of Options	63
Section 7.04.	Cancellation of Election	67
Section 7.05.	Rule for Small Benefits	67
Section 7.06.	Distributions	68
Section 7.07.	Compliance with Internal Revenue Section 401(a)(9)	68
Section 7.08.	Compliance with Internal Revenue Section 415	68
ARTICLE VIII.	DEATH BENEFITS	68
Section 8.01.	Death in Service Prior to Retirement	68
Section 8.02.	Actuarial Reserve In-Service Death Benefit	68
Section 8.03.	Auto A In-Service Death Benefit	70
Section 8.04.	Designation of Beneficiary	73
Section 8.05.	Change of Beneficiary	74
Section 8.06.	Auto A In-Service Pre-Retirement Death Benefit; Default Beneficiary; Payment to Surviving Spouse or to Estate Where Benefit Not Payable to Designated Primary or Secondary Pre-Retirement Beneficiary	74
Section 8.07.	Actuarial Reserve In-Service Pre-Retirement Death Benefit; Payment to Surviving Spouse or to Estate Where Benefit Not Payable to Designated Primary or Secondary Pre-Retirement Beneficiary	76
Section 8.08.	Terminated Vested Death Benefits	77
Section 8.09.	Terminated Vested Auto A Death Benefit	78
Section 8.10.	Accrued Retirement Benefit	81
Section 8.11.	Designation of Terminated Vested Pre-Retirement Beneficiary	84
Section 8.12.	Participant Death After Retirement Benefit Commencement	85
ARTICLE IX.	TERMINATION BEFORE RETIREMENT; VESTING	87
Section 9.01.	Vesting Requirement for Deferred Retirement Benefit	87
Section 9.02.	Termination of Tenure of Office Before Retirement	88
Section 9.03.	Immediate Vesting in Disability Retirement Benefit	88
Section 9.04.	Involuntary Termination Without Cause	89
Section 9.05.	Portability between Adopting Employers	89
Section 9.06.	Forfeiture of Benefits for Public-Employment Related Crimes, Other Crimes	90
Section 9.07.	Forfeitures	91

ARTICLE X. DISTRIBUTION AND ROLLOVER RULES 94
Section 10.01. Distribution Rules Imposed by Federal Law 94
Section 10.02. Rollover of Distributions 98
Section 10.03. Acceptance of Eligible Rollover Distributions 100
Section 10.04. Acceptance of Trustee-to-Trustee Transfers 101

ARTICLE XI. LIMITATIONS ON BENEFITS 101
Section 11.01. Effective Date 101
Section 11.02. Limitation on Annual Benefit 101
Section 11.03. Limitation on Annual Additions 111
Section 11.04. Code Section 415(e) Limits 114
Section 11.05. Limitations on Service Credit Purchases 114
Section 11.06. Interpretation of this Article 117

ARTICLE XII. ACTUARIAL EQUIVALENT CONVERSION TABLES 118
Section 12.01. Early Retirement Reduction Table 118
Section 12.02. Option B Tables 118
Section 12.03. Option C Table 120
Section 12.04. Life Annuity Factors to be Used in Computing Actuarial Reserve Death Benefit 120
Section 12.05. Late Retirement Actuarial Increase Factors 121
Section 12.06. Other Annuity Forms 121
Section 12.07. Lump Sum Payments 122

ARTICLE XIII. CONTRIBUTIONS 123
Section 13.01. Adopting Employer Contributions 123
Section 13.02. Employee Contributions 123
Section 13.03. Withdrawal of Employee Contributions 124
Section 13.04. Cessation of Contributions Without Penalty 126
Section 13.05. Continued Contributions During Leave of Absence 127
Section 13.06. Return of Contributions Upon Failure to Exhaust 127

ARTICLE XIV. PENSION COMMITTEE 130
Section 14.01. Creation and Composition 130
Section 14.02. Responsibilities 130
Section 14.03. Secretary 133
Section 14.04. Legal Assistance 133
Section 14.05. Plan Representative 133

ARTICLE XV. BOARD OF TRUSTEES 133
Section 15.01. Definitions 133
Section 15.02. Powers 134
Section 15.03. Composition and Election 134
Section 15.04. Officers 134
Section 15.05. Notice of Elections 134
Section 15.06. Voting 134
Section 15.07. Voting Representative for the Adopting Employer 134

Section 15.08. Qualified Public Accountant....135
Section 15.09. Fiduciary Insurance....135

ARTICLE XVI. GMEBS TRUST AGREEMENT....135
Section 16.01. General Provisions....135
Section 16.02. Group Trust Participation....136

ARTICLE XVII. CLAIMS AND LITIGATION....136
Section 17.01. Disputes....136
Section 17.02. Disputes involving Federal or State Law Compliance....137
Section 17.03. Failure to Act....137

ARTICLE XVIII. AMENDMENT AND TERMINATION....138
Section 18.01. Amendment of the Plan by an Adopting Employer....138
Section 18.02. Amendment of Plan by GMEBS....138
Section 18.03. Termination by Adopting Employer....140
Section 18.04. Amendment of the Plan to Transfer Assets; Termination of Contract....143
Section 18.05. Involuntary Termination....147
Section 18.06. Termination of the Master Plan by the Board....151

ARTICLE XIX. NON-ALIENATION OF BENEFITS....151

ARTICLE XX. MISCELLANEOUS....152
Section 20.01. Construction....152
Section 20.02. Non-Diversion....154
Section 20.03. Legally Incompetent; Power of Attorney....154
Section 20.04. Benefits Supported Only by Trust Fund....155
Section 20.05. Non-Discrimination....155
Section 20.06. Limitation of Liability; Legal Actions....155
Section 20.07. Claims....156
Section 20.08. Errors in Benefits....156
Section 20.09. Notice....161
Section 20.10. Right of Recovery....161
Section 20.11. Evidence of Action....162
Section 20.12. Reliance....162
Section 20.13. Information to Administrator....162
Section 20.14. Participant Data to Administrator....162
Section 20.15. Treatment of Vacated Court Orders....163
Section 20.16. Entire Plan....163

APPENDIX – REFERENCED SECTIONS OF O.C.G.A.

MASTER PLAN DOCUMENT

ARTICLE I.

PURPOSE OF PLAN

The Georgia Municipal Employees Retirement System Plan ("Plan") is hereby amended and restated, effective January 1, 2013, except as otherwise provided herein, pursuant to a resolution of the Board of Trustees of the Georgia Municipal Employees Benefit System, adopted June 25, 2018. The Plan is a governmental qualified defined benefit plan under Internal Revenue Code Sections 401(a) and 414(d) and is intended to be adopted by Employers in Georgia.

The Plan is intended to comply with certain provisions of the Pension Protection Act of 2006 ("PPA"); the Heroes Earnings Assistance and Relief Tax Act of 2008 ("HEART"); the Worker, Retiree, and Employer Recovery Act of 2008 ("WRERA"); as well as the additional guidance included in the 2012 Cumulative List under Internal Revenue Service ("IRS") Notice 2012-76 to the extent applicable to the Plan. Except as otherwise specifically provided herein, the Plan establishes the rights and obligations with respect to individuals who are Employees on and after such dates, as applicable, and to transactions under the Plan on and after such dates, as applicable. Except as otherwise specifically provided herein, the rights and benefits, if any, of individuals who are not Employees on or after such dates, as applicable, shall be determined in accordance with the terms and provisions of the Plan that were in effect on the date that their employment terminated.

Any Municipal Corporation accepted by the Board as an Adopting Employer may become a party to the Plan as of the first day of any Plan Year, or such other date specified by the Adopting Employer, by delivering to the Administrator an appropriate Ordinance of the Governing Authority adopting the Plan. Any other Employer accepted by the Board as an

Adopting Employer may become a party to the Plan as of the first day of any Plan Year, or such other date specified by the Adopting Employer, by delivering to the Administrator an appropriate resolution or ordinance (as applicable) of the Governing Authority adopting the Plan. With the consent of the Board, such organization shall become an Adopting Employer hereunder, as of the specified date, and shall be subject to the terms and provisions of the Plan as then in effect and thereafter amended.

The Plan document consists of this Master Plan document, the Adoption Agreement, and any Addendum of each Employer and any amendments to the Master Plan, the Adoption Agreement, and any Addendum. The Plan, generally effective as of the date set forth in the Adoption Agreement for each Employer, except as otherwise specifically provided herein, is established for the purpose of providing retirement and other benefits to Participants.

This Plan is intended to be a volume submitter plan, to be used with a completed Adoption Agreement.

ARTICLE II.

DEFINITIONS

This Article covers all generally applicable definitions used in this Plan, except for definitions related to service, which are in Article III. Except as otherwise provided in the Employer's Adoption Agreement or any Addendum, the definition of terms contained in this Article II and Article III shall govern the meaning of such terms used in the Adoption Agreement. When the initial letter of a word or phrase is capitalized herein, the meaning of such word or phrase shall be as follows, unless a different meaning is plainly required by the content:

Section 2.01. **"Accrued Benefit"** shall mean, as of any date, the Normal Retirement benefit payable to a Participant at his Normal Retirement Date computed in accordance with the provisions of Article VI and the Adoption Agreement, based upon the Participant's Total Credited Service and Final Average Earnings (if applicable) as of the date that the Participant's Accrued Benefit is being determined.

Section 2.02. **"Actuarial Equivalent"** shall mean a benefit of approximately equal value when computed on the basis of the actuarial assumptions contained in Article XII.

Section 2.03. **"Actuary"** shall mean an individual, or firm, appointed or approved by the Board of Trustees to perform actuarial calculations necessary in the funding of the Plan.

Section 2.04. **"Addendum"** means any Addendum to an Adoption Agreement submitted to the IRS for review under the pre-approved program and entered into by an Adopting Employer.

Section 2.05. **"Adjustment Date"** means January 1 or such other date in a calendar year on which a Cost of Living Adjustment is applied to a Retired Participant's or Post-Retirement Beneficiary's benefit pursuant to an Adopting Employer's Adoption Agreement or any Addendum thereto.

Section 2.06. **"Administrator"** shall mean the Georgia Municipal Employees Benefit System or its designee.

Section 2.07. **"Adopting Employer"** shall mean an Employer who adopts this Plan through the adoption of the Adoption Agreement.

Section 2.08. **"Adoption Agreement"** shall mean the Adoption Agreement adopted by an Adopting Employer, which Adoption Agreement contains certain terms of the Plan, and

whenever applicable shall include any Addendum amending provisions of the Adoption Agreement.

Section 2.09. **"Applicable Form"** shall mean the appropriate form as designated and furnished by the Administrator to make the election or provide the notice required by the Plan. In those circumstances where a written election or consent is not required by the Plan or the Code, the Administrator may prescribe an oral, electronic, or telephonic form in lieu of or in addition to a written form.

Section 2.10. **"Board of Trustees"** or **"Board"** shall mean the Board of Trustees of the Georgia Municipal Employees Benefit System.

Section 2.11. **"Bona Fide Separation from Service"** shall mean, with respect to a Participant who Terminates employment on or after September 26, 2014, the Participant Terminated Employment with his Adopting Employer without an agreement for re-employment and did not return to service with the Adopting Employer as an Eligible Employee, Ineligible Employee, or independent contractor or in any other capacity, except as described below, for at least six (6) calendar months after the date of said Termination of Employment, provided that the Employer shall be required to provide any information to GMEBS necessary to verify an Employee's Bona Fide Separation from Service. A Bona Fide Separation from Service shall alternatively mean that an Eligible Employee Terminated Employment with the Adopting Employer and returned to service with the Adopting Employer as an elected or appointed member of the Governing Authority, even if such Employee did not incur a six (6) month break in service prior to becoming an elected or appointed member of the Governing Authority.

Section 2.12. **"Child"** or **"Children"** shall mean any natural or adopted child of the Participant or Terminated Vested Participant, as applicable, who is younger than age twenty-two

(22) as of the date of the Participant's or Terminated Vested Participant's death. The term "adopted child" shall include any child who is legally adopted by the Participant and any child who is a member of the Participant's household if placed with the Participant by an authorized placement agency for legal adoption by the Participant. The term "child" does not include a foster child.

Section 2.13. **"Code"** shall mean the Internal Revenue Code of 1986, as applicable to governmental plans, as amended from time to time, and the Internal Revenue Code of 1954, as applicable to governmental plans.

Section 2.14. **"Code Section 415(d) Cost of Living Adjustment"** shall mean the cost of living adjustment prescribed by the Secretary of the Treasury under Code Section 415(d) for any applicable year.

Section 2.15. **"Contract"** shall mean the entire contents of the Ordinance or Resolution adopting this Plan, the Employer's Adoption Agreement and any Addendum thereto, the Master Plan, the GMEBS Trust Agreement, and any amendments made hereafter.

Section 2.16. **"Contributions"** shall mean payments made by Employers (and Employees, if applicable) to GMEBS to provide the benefits specified in the Plan.

Section 2.17. **"Cost of Living Base Figure"** shall mean, with respect to Employers who elect in the Adoption Agreement to provide cost-of-living adjustments in benefits received under the Plan, the Consumer Price Index figure (All Urban Consumers Table – All Items, 1982-1984 Base Period) issued by the Bureau of Labor Statistics of the United States Department of Labor for the month that is 14 months prior to the month of the Adjustment Date used to determine the Current Cost-of-Living Index Figure. However, if a Participant or Beneficiary has been drawing benefits for less than twelve (12) months, the Cost-of-Living Base

Figure shall mean the Consumer Price Index figure (All Urban Consumers Table – All Items, 1982-1984 Base Period) issued by the Bureau of Labor Statistics of the United States Department of Labor for the month that is two (2) months prior to the month when benefit payments commenced.

Section 2.18. **"Covered Compensation AIME."** shall mean the portion of the Average Indexed Monthly Earnings (A.I.M.E.), annualized, as defined by the December 1977 amendments to the federal Old-Age, Survivors, and Disability Insurance (O.A.S.D.I.), not subject to the fifteen percent (15%) benefit rate as defined in the amendments and as adjusted to the year of termination of employment as provided for in said amendments.

Section 2.19. **"Covered Compensation Dynamic Break Point"** shall mean, for any calendar year, the average of the maximum amount of earnings for which taxes are payable under the Social Security Act during the period of calendar years: (1) beginning with the later of 1959 or the calendar year thirty-five (35) years before the year for which Social Security Covered Compensation is being computed, and (2) ending with the calendar year preceding the year for which Social Security Compensation is being computed. The amount of Covered Compensation for a Participant shall be determined as of the date of his most recent Termination or his date of death, whichever is applicable.

Section 2.20. **"Covered Compensation Table Break Point"** shall mean the amount listed in the table below, opposite the year of birth of the Participant:

Year of Birth	Covered Compensation Amount	Year of Birth	Covered Compensation Amount	Year of Birth	Covered Compensation Amount
1903 or earlier	$4,944	1916	$6,432	1929	$6,900
1904	5,160	1917	6,480	1930	6,984
1905	5,352	1918	6,528	1931	7,080
1906	5,520	1919	6,576	1932	7,176

1907	5,652	1920	6,612	1933	7,260
1908	5,784	1921	6,660	1934	7,332
1909	5,892	1922	6,696	1935	7,416
1910	6,000	1923	6,720	1936	7,500
1911	6,084	1924	6,756	1937	7,572
1912	6,168	1925	6,792	1938	7,656
1913	6,240	1926	6,816	1939	7,728
1914	6,312	1927	6,840	1940	7,764
1915	6,372	1928	6,864	1941 or later	7,800

Section 2.21. **"Current Average Cost-of-Living Index Figure"** shall mean, with respect to Employers who elect in the Adoption Agreement to provide cost-of-living adjustments in benefits received under the Plan, the Consumer Price Index figure (All Urban Consumers Table – All Items, 1982-1984 Base Period) that was most recently issued by the Bureau of Labor Statistics of the United States Department of Labor for the month that is two months prior to the month of the Adjustment Date.

Section 2.22. **"Default Beneficiary"** shall mean, with respect to a Participant who dies prior to July 1, 2015, the person(s) or entity to whom a pre-retirement death benefit is payable in the absence of a beneficiary designation by the Participant or in the event there is no designated Primary or Secondary Pre-Retirement Beneficiary to whom a pre-retirement death benefit is payable, determined in accordance with and subject to Section 8.06.

Section 2.23. **"Disability"** shall mean, with respect to those Adopting Employers who elect in the Adoption Agreement to provide disability retirement benefits and unless otherwise provided in an Addendum to the Adoption Agreement, the following:

(a) A physical or mental disability of a Participant who because of such disability becomes entitled to receive disability insurance benefits under the Federal Social Security Act, as amended, provided that the following conditions are satisfied:

(1) Such disability commenced on a specified date during the period of the Participant's employment with the Adopting Employer, as evidenced by a Social Security Administration (SSA) disability award submitted with the Participant's disability retirement application, reflecting a disability onset date on or before the Participant's Termination date; provided, however, that in the event a Participant has filed more than one disability application with the SSA and the SSA disability award reflects a disability onset date after the Participant's Termination date, and where due to SSA administrative res judicata rules the disability onset date reflected in the SSA disability award immediately follows the date that a prior SSA disability award was denied, then the Administrator may consider other documents submitted with the Participant's application for a SSA disability award to determine the disability onset date if the Participant provides such documents to the Administrator and the Administrator deems such documents sufficient to establish that the disability onset date is on or before the Participant's Termination date;

(2) In no event will the disability onset date be earlier than the latest disability onset date alleged by the Participant in his SSA disability application(s); and

(3) The Participant's disability was not intentionally self-inflicted, incurred in the commission of a felonious enterprise, or the result of the abuse or illegal use of narcotics or drugs; or

(b) A Participant who is not disabled in accordance with the definition under subsection (a) above solely because he lacks the quarters of Social Security coverage required under the Federal Social Security Act, as amended, shall qualify for Disability if the Pension Committee determines that the Participant is permanently disabled on the basis of a certificate

signed by at least two (2) physicians, (one physician selected and paid by the disabled Participant and one selected and paid by the Employer) stating that:

(1) The Participant is permanently disabled as defined in Internal Revenue Code Section 72(m); and

(2) Such disability commenced on a specified date during the period of the Participant's employment with the Adopting Employer; and

(3) Such disability was not intentionally self-inflicted, incurred in the commission of a felonious enterprise, or the result of the abuse or illegal use of narcotics or drugs.

(c) Neither the Adopting Employer nor the Administrator is required to independently investigate or confirm the cause(es) of a Participant's disability.

Section 2.24. **"Disability Retirement Date"** shall mean, with respect to those Adopting Employers who elect to provide Disability retirement benefits in the Adoption Agreement and with respect to Participants who Terminate Employment due to Disability on or after January 1, 2014, the first day of the first calendar month coinciding with or next following: (a) the date on which a Participant becomes entitled to receive a monthly disability insurance benefit under the Federal Social Security Act, as amended; (b) the date on which the Participant's Disability is determined by the Pension Committee to have commenced, in the case of Disability determinations made by the Pension Committee pursuant to Section 2.23(b); or (c) the date determined in accordance with the provisions of an Employer's General Addendum, as applicable. However, in no event will the Disability Retirement Date be earlier than the first day of the calendar month coinciding with or next following the date of the Participant's Termination of Employment as a result of Disability. Unless otherwise specified in an Employer's Addendum to the Adoption Agreement, with respect to Participants who Terminate Employment due to Disability on or after January 1, 2013 but prior to January 1, 2014, Disability Retirement Date shall be determined as follows: the first day of the first calendar month in which: (a) a Participant becomes entitled to receive a disability insurance benefit under the Federal Social Security Act, as amended; or (b) the Participant's Disability is determined by the Pension Committee to have commenced, in the case of Disability determinations made by the Pension Committee pursuant to Section 2.23(b), as applicable. However, in no event will the Disability Retirement Date be earlier than one (1) calendar month following the date of the Participant's Termination of Employment as a result of Disability.

Section 2.25. **"Early Retirement Date"** shall mean the first day of the month coinciding with or next following the day a Participant qualifies for Early Retirement as specified in the Adoption Agreement, as of which the Participant actually Retires.

Section 2.26. **"Earnings"** shall mean with respect to Participants who Terminate Employment on or after July 1, 2014, unless otherwise specified by the Employer in an Addendum to the Adoption Agreement, the total gross earnings paid to a Participant by the Employer, as reflected in the Employer's payroll records and shall include salary, wages, bonuses, overtime, and compensation for unused sick, vacation, paid-time-off, personal, or any other paid leave. Earnings shall not be reduced for compensation deferred pursuant to Code Sections 401(k), 403(b) or 457, compensation redirected pursuant to Code Section 125 or 132(f)(4), or contributions picked-up under Code Section 414(h) during the Plan Year. Unless otherwise specified in an Addendum to the Adoption Agreement, Earnings shall not include perquisites or allowances for a car or house rent, or compensation for severance pay. With respect to Participants who Terminate Employment on or after January 1, 2013 and prior to July 1, 2014, "Earnings" shall mean the total taxable compensation paid to a Participant by the Employer as reflected in the Employer's W-2 payroll records, and shall include compensation deferred pursuant to Code Sections 401(k), 403(b) or 457, compensation redirected pursuant to Code Section 125 or 132(f)(4), and contributions picked-up under Code Section 414(h) during the Plan Year.

The annual earnings of a Participant for any year taken into account under the Plan for any Plan Year beginning prior to January 1, 1994, shall not exceed Two Hundred Thousand Dollars ($200,000) (as increased by the Cost of Living Adjustment for the year pursuant to Code Section 401(a)(17)), or for any Plan Year beginning on or after January 1, 1994, shall not exceed

One Hundred Fifty Thousand Dollars ($150,000) (as increased by the Cost of Living Adjustment for the year, pursuant to Code Section 401(a)(17)(B)). For any Plan Year beginning after December 31, 2001, the annual earnings of a Participant for any year taken into account under the Plan shall not exceed Two Hundred Thousand Dollars ($200,000) (as increased by the Cost of Living Adjustment for the year, pursuant to Code Section 401(a)(17)(B)). Notwithstanding the provisions of this paragraph, in determining benefit accruals in Plan Years beginning after December 31, 2001, the limit hereunder for determination periods beginning before January 1, 2002, shall be Two Hundred Thousand Dollars ($200,000).

Annual earnings means Earnings during the Plan Year or such other consecutive twelve (12) month period over which Earnings are otherwise determined under the Plan (the determination period). The Cost of Living Adjustment for a calendar year applies to annual earnings for the determination period that begins with or within such a calendar year. If a short Plan Year occurs, the annual earnings limit is an amount equal to the otherwise applicable annual earnings limit multiplied by a fraction, the numerator of which is the number of months in the short Plan Year, and the denominator of which is twelve (12).

Section 2.27. **"Effective Date"** shall mean the original effective date of the Adopting Employer's GMEBS-administered defined benefit plan as specified in the Adoption Agreement.

Section 2.28. **"Eligible Employee"** shall mean any Employee who is designated as an Eligible Employee in the Adoption Agreement and who satisfies any eligibility conditions applicable to the class of Eligible Employees to which he belongs.

Section 2.29. **"Eligible Regular Employee"** shall mean any Regular Employee who satisfies the minimum hour and other eligibility conditions applicable to Regular Employees in the Employer's Adoption Agreement.

Section 2.30. **"Employee"** shall mean any person who is regularly employed in the services of the Employer as an employee and shall include elected or appointed members of the Governing Authority and Municipal Legal Officers if they are included as Eligible Employees in the Adoption Agreement. However, notwithstanding any other provision of the Plan to the contrary, the term "Employee" does not include: (a) an individual who is a nonresident alien and who receives no earned income (within the meaning of Code Section 911(d)(2)) from an Employer which constitutes income from sources within the United States within the meaning of Code Section 861(a)(3); (b) a leased employee; or (c) any person treated in good faith by an Employer as an independent contractor, regardless of whether such person is later determined to be a common law employee for tax purposes.

Section 2.31. **"Employer"** shall mean an Employer as defined in O.C.G.A. § 47-5-2(9) (a copy of which is included in the Appendix hereto). No employer which is not permitted to participate in a qualified governmental pension plan as defined in Code Section 401(a) and 414(d) shall be permitted to participate in this Plan.

Section 2.32. **"Enrollment Date"** shall mean the date that an Eligible Employee first becomes a Participant under this Plan.

Section 2.33. **"FMLA"** shall mean the Family and Medical Leave Act of 1993, as amended from time to time.

Section 2.34. **"Firefighter"** shall mean an Eligible Regular Employee of the Adopting Employer who is either certified as a firefighter pursuant to O.C.G.A. § 25-4-1 et seq. (a copy of which is included in the Appendix hereto) or who would otherwise be required to be certified as a firefighter but who is exempt pursuant to O.C.G.A. § 25-4-12 (a copy of which is included in the Appendix hereto).

Section 2.35. **"Final Average Earnings"** shall mean, unless otherwise elected in an Addendum to the Adoption Agreement, the arithmetic monthly average of the Earnings paid to a Participant by the Adopting Employer for a specified number of consecutive months of Credited Service preceding the Participant's most recent Termination in which the Participant's Earnings were the highest, multiplied by twelve (12). In computing Final Average Earnings for a Participant who Terminated Employment on or after July 1, 2014, Earnings shall include, if applicable and authorized by the Adopting Employer in an Addendum to the Adoption Agreement, severance payments made prior to, on or after the Participant's Termination Date. For a Participant who Terminated Employment on or after January 1, 2013 and prior to July 1, 2014, unless otherwise specified in an Addendum to the Adoption Agreement, Earnings shall include severance payments made prior to a Participant's Termination Date. The number of months to be used in determining Final Average Earnings shall be designated by the Adopting Employer in the Adoption Agreement or an Addendum thereto. The Administrator shall prescribe a formula for the determination of Final Average Earnings. Calculation of Final Average Earnings shall be subject to the following:

(a) If a Participant terminates employment or is on an unpaid leave of absence and later returns to employment with the Employer, the period(s) prior to and following such absence from employment shall be considered consecutive.

(b) If a Participant has not completed the number of consecutive months of Credited Service necessary to compute Final Average Earnings under this Section as of the date of such Participant's most recent Termination preceding Retirement, then Final Average Earnings shall be determined by dividing total Earnings for the Participant's entire period of Credited Service by such Participant's total number of months of Credited Service and multiplying the quotient by

twelve (12). In computing the number of months of Credited Service for this purpose, incomplete months of Credited Service shall be converted to fractional equivalents of months and included in the computation.

Section 2.36. **"Governing Authority"** shall mean the entity named in the Adoption Agreement which is authorized to act for the Adopting Employer.

Section 2.37. **"In-Service Distribution"** shall mean commencement of benefits to a Participant who has satisfied the requirements for Retirement prior to the Participant's Termination of Employment or continuation of benefits to a Retired Participant who returns to service without first completing a Bona Fide Separation from Service.

Section 2.38. **"Ineligible Employee"** shall mean an Employee of the Adopting Employer who is not an Eligible Employee.

Section 2.39. **"Interest"** shall mean a pro rata share of any and all interest, dividends, and capital gains or losses earned on the invested or reinvested funds of the GMEBS Investment Fund.

Section 2.40. **"Investment Fund"** or **"GMEBS Retirement Trust Fund"** shall mean the total amounts of all Contributions plus Interest, invested or uninvested, held by the Board of Trustees in the GMEBS Retirement Trust Fund for all GMEBS Employers and their Employees where applicable.

Section 2.41. **"Late Retirement Date"** shall mean the first day of the month coinciding with or next following the day the Participant qualifies for Late Retirement, as specified in Section 6.03, as of which the Participant actually retires. The Plan shall not provide for a maximum retirement age.

Section 2.42. **"Military Service"** shall mean, unless otherwise specified in the Adoption Agreement, service performed while on active duty in the Armed Forces of the United States if the Participant was granted an honorable discharge. Except as otherwise required by federal or state law, Military Service shall not include service which is credited toward retirement under any other local, state, or federal retirement or pension plan.

Section 2.43. **"Monthly Retirement Benefit"** shall mean the monthly benefit as provided in Article VI or any optional benefit payable in lieu thereof as provided in Article VII.

Section 2.44. **"Municipal Legal Officer"** shall mean, with respect to those Employers who elect to include municipal legal officers as Eligible Employees, only those municipal legal officers specifically designated in the Adoption Agreement for inclusion as Eligible Employees, provided that such officer otherwise meets the Master Plan's definition of Employee.

Section 2.45. **"Normal Retirement Date"** or **"Alternative Normal Retirement Date"** shall mean the first day of the month coinciding with or next following the date the Participant qualifies for Normal Retirement as specified in the Employer's Adoption Agreement. An Employer may also establish alternative Normal Retirement qualifications in the Adoption Agreement. In such case, the Participant's Alternative Normal Retirement Date shall mean the first day of the month coinciding with or next following the date the Participant meets the alternative Normal Retirement qualifications.

Section 2.46. **"Participant"** or **"Participating Employee"** shall mean any Eligible Employee who is or may become eligible to receive a benefit of any type from the Plan and who has commenced participation in the Plan under Article IV.

Section 2.47. **"Pension Committee"** shall mean the committee named in the Adoption Agreement to represent the Adopting Employer in the administration of the Plan.

Section 2.48. **"Plan"** shall mean the provisions of this Master Plan document, along with the Employer's Adoption Agreement (including any Addendum to the Adoption Agreement, if applicable), setting forth the Employees to be covered, the benefits to be provided, and the conditions of retirement, and all amendments thereto which may hereafter be made.

Section 2.49. **"Plan Representative"** shall mean the Plan Representative designated in the Employer's Adoption Agreement. The Plan Representative must have full authority to represent the Governing Authority in all communications with GMEBS and the Adopting Employer's Employees. The Pension Committee Secretary may serve as the Plan Representative.

Section 2.50. **"Plan Year"** shall mean a twelve (12) consecutive month period specified as such in the Adoption Agreement.

Section 2.51. **"Police Officer"** shall mean an Eligible Regular Employee employed by the Adopting Employer's Police Department who is either certified or registered as a peace officer pursuant to O.C.G.A. § 35-8-1 et seq. (a copy of which is included in the Appendix hereto).

Section 2.52. **"Post-Retirement Beneficiary"** shall mean the person designated by the Participant, in writing and on the Applicable Form, to receive a post-retirement survivor benefit in accordance with and subject to the provisions of Article VII and Section 8.12.

Section 2.53. **"Practitioner"** means the Georgia Municipal Association, Inc. who is the volume submitter practitioner sponsoring the Plan on behalf of GMEBS.

Section 2.54. **"Primary Pre-Retirement Beneficiary"** shall mean the person designated by the Participant, in writing and on an Applicable Form, to receive a pre-retirement death benefit, in accordance with and subject to the provisions of Article VIII.

Section 2.55. **"Regular Employee"** shall mean any Employee, other than an elected or appointed member of the Governing Authority or Municipal Legal Officer, who is regularly employed in the services of the Adopting Employer.

Section 2.56. **"Resolution"** shall mean a resolution duly adopted by an Employer.

Section 2.57. **"Retired Participant"** shall mean any Participant who has Terminated Employment with the Employer and who is receiving a benefit provided under the Plan.

Section 2.58. **"Retirement"** or **"Retires"** shall mean withdrawal from Service with a retirement allowance granted under the provisions of the Plan.

Section 2.59. **"Retirement System," "System," or "GMEBS"** shall mean the Georgia Municipal Employees Benefit System created by O.C.G.A. Section 47-5-1 et seq. (a copy of which is included in the Appendix hereto).

Section 2.60. **"Secondary Pre-Retirement Beneficiary"** shall mean the person designated by the Participant, in writing and on the Applicable Form, to receive a pre-retirement death benefit in the event the Primary Pre-Retirement Beneficiary does not survive the Participant, in accordance with and subject to the provisions of Article VIII.

Section 2.61. **"Section"** shall mean, when not preceded by the word Code or ERISA, a section of the Master Plan document.

Section 2.62. **"Spouse"** shall mean, notwithstanding any other provision in an Adopting Employer's Adoption Agreement or Addendum to the contrary, (i) effective on or after September 16, 2013, to the extent required by federal law, and (ii) effective on or after

September 26, 2014, for all purposes, a person who, as of the date of the Participant's, Retired Participant's or Terminated Vested Participant's death, as applicable, is lawfully joined with the Participant or Terminated Vested Participant in a marriage which is recognized under the laws of any state or foreign jurisdiction, whether opposite-sex or same-sex and regardless of whether or not the spouse resides in the state or foreign jurisdiction in which such marriage occurred. Prior to September 26, 2014, except as otherwise required by federal law, a Spouse shall mean a person who, as of the date of the Participant's or Terminated Vested Participant's death, as applicable, is lawfully joined with the Participant or Terminated Vested Participant in a marriage which is recognized under the laws of the State of Georgia. Sufficient documentation of marriage shall be provided to GMEBS upon request.

Section 2.63. "Terminated Vested Participant" shall mean any Participant who has Terminated Employment with the Adopting Employer and who has a Vested Benefit under any provision of the Adopting Employer's Plan but is not yet a Retired Participant.

Section 2.64. "Termination," "Terminate Employment," "Termination of Employment," or "Terminated" shall mean a severance of employment with the Employer, including Retirement, resignation or discharge, lapse of recall rights after layoff, death, or vacation of office by a Regular Employee, an elected or appointed member of the Governing Authority or a Municipal Legal Officer. Provided, however, that Termination shall not include: (i) absence from active employment which is not treated by the Adopting Employer as a Termination of Employment; (ii) absence due to military service to the extent required under USERRA and Code Section 414(u)(8)(A), (iii) absence due to leave which qualifies as family or medical leave under the FMLA, to the extent required under the FMLA; or (iv) absence due to an authorized leave of absence for any reason if approved by the Adopting Employer. Unless

otherwise required by law or unless the terms of the leave otherwise specify, if an Employee on an authorized leave of absence fails to return to active employment upon expiration of the leave of absence, the Employee will be considered terminated as of the date immediately preceding the approved leave period.

Section 2.65. **"Trust Fund"** mean the total amounts, invested or uninvested, held at any time by the Board in trust for the Employer under the GMEBS Trust Agreement.

Section 2.66. **"Vested," "Vesting," "Vested Right," or "Vested Benefit"** shall mean the rights of a Terminated Vested Participant as specified in Article IX.

ARTICLE III.

SERVICE

Section 3.01. **"Current Credited Service"** shall mean the number of years and complete months of Service of a Participant with the Adopting Employer from his Enrollment Date to his Termination, which are credited as Current Credited Service for purposes of meeting the Plan's requirements for vesting, retirement and death benefit eligibility, and/or for purposes of computing the amount of benefits payable under the Plan, determined in accordance with and subject to any limitations established in the Master Plan and the Employer's Adoption Agreement. Current Credited Service shall include unused paid time off which the Employer elects to treat as Current Credited Service for a Terminated Vested Participant for certain purposes, as provided and subject to any limitations contained in the Adoption Agreement; provided, however, that leave conversions will be permitted only if (i) the leave is for unused accrued paid time off for vacation and/or sick leave or for comparable paid-time-off under an established leave policy without regard to whether the leave is due to illness or incapacity, (ii) the leave policy qualifies as a bona fide sick and/or vacation leave plan for purposes of Code Section 409A and Treasury Regulation § 1.409A-1(a)(5), (iii) the Plan provides for service credit for an Employee's unused

paid time off, provided that the eligibility requirements for participation in the Plan do not permit an Employee to become a Participant only in the Plan Year in which the Employee terminates employment, (iv) the conversion is automatic, the employee has no right to request a cash payment for the leave, and no such payment is made, (v) the unused paid time off is converted to service credit under a formula specified in the Adoption Agreement and which satisfies the definitely determinable standard of Treasury Regulation § 1.401-1(b)(1)(i), (vi) the Adopting Employer's Plan otherwise provides for service credit unrelated to the conversion of any Employee's unused paid time off, and (vii) the Participant's annual benefit, as adjusted by the leave conversion, does not exceed the limit under Code Section 415(b).

Section 3.02. "USERRA Military Service Credit."

(a) USERRA Military Service Credit. Notwithstanding any provision of this Plan to the contrary, contributions, benefits, and service credit with respect to qualified military service shall be provided in accordance with Code Section 414(u). Code Section 414(u) provides that: (i) individuals reemployed under the Uniform Services Employment and Reemployment Rights Act of 1994 ("USERRA") must be treated as not having incurred a break in Service because of qualified military service, (ii) periods of qualified military service must be counted for vesting and benefit accrual purposes, except that periods of qualified military service must not be counted for benefit accrual purposes where the individual would have been required to make Employee Contributions under the Adopting Employer's Plan if he or she had remained continuously employed by the Adopting Employer during said period of qualified military service and the individual fails to make-up said Employee Contributions as provided herein, (iii) make-up of Employee Contributions up to the maximum the individual would have been required to make if continuously employed must be allowed, in one lump sum payment or in

installments, during the period beginning on reemployment and lasting for the lesser of three (3) times the period of qualified military service or five (5) years, (iv) any Employer Contributions contingent on make-up Employee Contributions must be made by the Employer, if and to the extent the individual contributes his or her make-up Employee Contributions as provided herein, (v) earnings are not required to be credited unless and until the Employee contributes make-up contributions, (vi) make-up Contributions are based on compensation the individual would have received during the period of qualified military service (if not reasonably certain, compensation for the 12 month period (or, if shorter, the period of employment) immediately preceding qualified military service can be used), and (vii) make-up Contributions are subject to the limitations of Code Sections 402(g), 415, and 404(a) for the year to which the contribution relates, not the year in which the contribution is made.

(b) Ordered Military Leave under Georgia Law. To the extent not provided under subsection (a), the Plan will grant Credited Service for a period of "ordered" military service in accordance with and subject to the requirements of O.C.G.A. § 38-2-279(f) (a copy of which is included in the Appendix hereto) to a Participant who was an Eligible Employee when such ordered military service commenced, if and to the extent that the Participant (or in case of the Participant's death during the period of military service, the Participant's Pre-Retirement Beneficiary or the legal representative of the Participant's estate) makes up any required Employee Contributions as provided herein. To obtain Credited Service for the period of ordered military service, the Participant must make-up the required Employee Contributions in one lump sum payment or in installments during a period that begins upon commencement of such ordered military service and ends no later than five (5) years after the period of military service ends. If the Participant dies during the period of military service, the Participant's Pre-

Retirement Beneficiary or the legal representative of the Participant's estate must make up the required Employee Contributions no later than one (1) year following proof of the Participant's death. The amount of Employee Contributions required to be made to receive Credited Service for a period of military service shall be determined in the same manner as provided under USERRA and HEART and subsection (a) above.

(c) Effective with respect to deaths occurring on or after January 1, 2007, while a Participant is performing qualified military service (as defined in chapter 43 of title 38, United States Code), to the extent required by Code Section 401(a)(37), survivors of the Participant are entitled to any additional benefits that the Plan would provide if the Participant had resumed employment and then died, such as accelerated vesting or survivor benefits that are contingent on the Participant's death while employed. In any event, a deceased Participant's period of qualified military service must be counted for vesting purposes.

(d) Beginning January 1, 2009, to the extent required by Code Sections 3401(h) and 414(u)(2), an individual receiving differential wage payments (while the individual is performing qualified military service (as defined in chapter 43 of title 38, United States Code)) from an Employer shall be treated as employed by that Employer, and the differential wage payment shall be treated as compensation for purposes of applying the limits on annual additions under Code Section 415(c). This provision shall be applied to all similarly situated individuals in a reasonably equivalent manner.

(e) Effective with respect to deaths occurring on or after January 1, 2009, while a Participant is performing qualified military service (as defined in chapter 43 of title 38, United States Code), to the extent permitted by Code Section 414(u)(8), for benefit accrual and vesting purposes, the Participant will be treated as having returned to employment on the day before the

death and as having terminated on the date of death. This provision shall be applied to all similarly situated individuals in a reasonably equivalent manner.

Section 3.03. **"Credited Past Service"** shall mean the number of years and complete months of Service of a Participant with the Adopting Employer prior to his Enrollment Date which are treated as Credited Past Service under the Employer's Adoption Agreement for purposes of meeting the Plan's requirements for participation, vesting, retirement and death benefit eligibility, and/or or for purposes of computing the amount of benefits payable under the Plan, subject to any limitations established in the Master Plan or the Adoption Agreement.

Section 3.04. **"Prior Governmental Service"** shall mean government service preceding the Eligible Employee's employment or reemployment date with the Adopting Employer, usually for an entity other than the Adopting Employer, which the Employer elects to treat as Credited Service for certain purposes, as provided and subject to any limitations contained in the Adoption Agreement

Section 3.05. **"Prior Military Service"** shall mean Military Service not covered by Section 3.02 which the Employer elects to treat as Credited Service for certain purposes, as provided and subject to any limitations contained in the Adoption Agreement.

Section 3.06. **"Service"** shall mean regular service rendered as an Eligible Employee of the Adopting Employer. Service may include absence from active employment with the Adopting Employer under conditions which are not treated by the Employer as a Termination of Employment, subject to Article IV concerning leaves of absence and any other conditions or limitations specified in the Master Plan and Adoption Agreement. For those Employers who elect in the Adoption Agreement to include elected or appointed members of the Governing Authority or Municipal Legal Officers as Eligible Employees, Service also means any tenure of

office held by an elected or appointed member of the Governing Authority or a Municipal Legal Officer, provided that such tenure of office does not include any calendar period during which any elected or appointed member of the Governing Authority or Municipal Legal Officer is also in the regular service of the Employer as an Eligible Employee in another capacity. No Participant may receive credit for more than one (1) year of Service in any twelve (12) month period.

Section 3.07. **"Total Credited Service"** shall mean the sum of the Participant's Current Credited Service, Credited Past Service, Prior Military Service, and Prior Governmental Service, as specified in this Article and covered per the Employer's Adoption Agreement, subject to any limitations imposed under the Master Plan or the Employer's Adoption Agreement. The term Total Credited Service includes any Service required to be included in Total Credited Service by USERRA, or any other applicable federal or state law. Full months of Total Credited Service shall be treated as fractions of one (1) year. Partial months shall not be included in the calculation. The Employer may specify in the Adoption Agreement a maximum number of years that may be included as Total Credited Service. If an Employer elects in its Adoption Agreement to require Employee Contributions, Total Credited Service shall not include any period of time for which the Employee is required but fails to make such Employee Contributions to the Plan. If a Participant has received a cash single sum payment of the present value of his Plan benefit pursuant to Section 7.05 of the Master Plan upon or following termination with an Adopting Employer and subsequently returns to Service with such Adopting Employer, the Participant's prior Credited Service with the Adopting Employer for which the cash single sum payment was paid shall be counted for purposes of meeting the Plan's

requirements for participation, vesting, and retirement and death benefit eligibility but shall not be counted as Credited Service for purposes of benefit computation.

An Employee excluded from participation because of age shall receive credit for all Service as required by law.

ARTICLE IV.

ELIGIBILITY, QUALIFICATION AND PARTICIPATION

Section 4.01. Classes of Eligible Employees. The Employer shall designate in the Adoption Agreement the class(es) of Employees which are eligible to participate in the Plan. Provided, however, that if a person does not meet the definition of "Employee" contained in Article II, he or she may not be included in any Eligible Employee class.

Section 4.02. Qualifications for Participation.

(a) Minimum Service Requirement. With respect to each class of Eligible Regular Employees, the Employer may specify in the Adoption Agreement a minimum number of work hours per week and/or a minimum number of work months per year which are required to be scheduled in order to establish and maintain the Employee's status as an Eligible Regular Employee. It shall be the responsibility of the Adopting Employer to determine whether these requirements are and continue to be satisfied. In determining whether said requirements are satisfied, the following rules shall apply:

(1) If an Employee is otherwise includable in an Eligible Regular Employee class, but he does not meet the minimum service requirements established by the Employer for said class pursuant to subsection (a) above, he or she shall not be considered an Eligible Employee, unless and until he satisfies such requirements. If an Eligible Regular Employee who has not yet become a Participant no longer meets said minimum service requirement, but he remains an Employee of the Employer, he or she

shall no longer be considered an Eligible Regular Employee, unless and until he again satisfies the minimum requirement.

(2) No period of employment during which an Employee fails to satisfy the Employer's minimum service requirement and no leave of absence granted to such Employee shall be counted in determining whether any waiting period for participation established by the Employer pursuant to subsection (b) below has been satisfied. However, provided the Employee remains continuously employed by the Employer, such periods shall not be considered a break in Service under subsection (c)(1) below for purposes of satisfying said waiting period.

(b) Waiting Period. Effective January 1, 2015 with respect to Eligible Regular Employees in service with the Adopting Employer on or after said date, Eligible Regular Employees shall not have a waiting period before participating in the Plan. Likewise, effective January 1, 2015, elected or appointed members of the Governing Authority and Municipal Legal Officers, if eligible to participate in the Plan, shall not have a waiting period before participating in the Plan. Notwithstanding subsection 20.01(f) of the Master Plan, in the event that an Adopting Employer has specified in an Addendum to the Adoption Agreement in effect immediately prior to January 1, 2015 that any class or classes of Eligible Employees shall be subject to a waiting period before participating in the Plan, such provision shall no longer be effective on or after January 1, 2015.

(c) Prior to January 1, 2015, unless otherwise specified by the Adopting Employer in an Addendum to the Adoption Agreement, Eligible Regular Employees were required to complete one (1) year of continuous, uninterrupted service with the Adopting Employer in order

to commence participation in the Plan. In determining whether an applicable waiting period was satisfied, the following rules shall apply:

(1) Breaks in Service. If an Eligible Regular Employee has a break in service prior to satisfying the waiting period for participation and later becomes reemployed by the Adopting Employer, he shall be required to again satisfy the waiting period in order to be eligible to participate in the Plan. Service rendered prior to said break in service shall not be taken into account in determining whether the waiting period has been satisfied.

(2) Employed on Effective Date; Waiting Period Satisfied. If an Eligible Regular Employee is employed by the Adopting Employer on the Effective Date of the Plan and he has completed a period of continuous, uninterrupted service as an Eligible Employee immediately prior to the Effective Date equal to or exceeding the length of the required waiting period, then he shall be considered to have satisfied the waiting period and he shall be eligible to commence participation in the Plan on the first day of the month immediately following or coinciding with the Effective Date of the Plan.

(3) Employed on Effective Date; Waiting Period Not Satisfied. If an Eligible Regular Employee is employed by the Adopting Employer on the Effective Date of the Plan, but he has not completed a period of continuous, uninterrupted service as an Eligible Regular Employee immediately prior to the Effective Date equal to or exceeding the length of the required waiting period, then he shall be eligible to commence participation in the Plan on the first day of the month immediately following or coinciding with the date that he completes the minimum period of continuous,

uninterrupted service as an Eligible Regular Employee necessary to satisfy the required waiting period.

(4) Employed After the Effective Date. If an Eligible Regular Employee is initially employed by the Adopting Employer after the Effective Date of the Plan, he shall be eligible to commence participation in the Plan on the first day of the month immediately following or coinciding with the date that he completes the minimum period of continuous, uninterrupted service as an Eligible Regular Employee necessary to satisfy the required waiting period.

(5) Treatment of Leaves of Absence. For purposes of determining whether the waiting period for participation has been satisfied, service shall include any period of absence from employment which is required to be taken into account for such purpose under USERRA, the FMLA, or any other applicable federal or state law. Unless otherwise required by law or unless the terms of the leave otherwise specify, an authorized leave of absence granted to an Eligible Regular Employee by the Adopting Employer shall be counted as Credited Service for purposes of determining whether the waiting period for participation has been satisfied. However, unless otherwise required by law or unless the terms of the leave otherwise specify, if an Eligible Regular Employee on an authorized leave of absence fails to return to active employment or office upon expiration of the leave of absence, the Eligible Regular Employee shall be considered to have incurred a break in service for purposes of meeting the waiting period for participation as of the date preceding the approved leave period.

(6) Treatment of Service as an Ineligible Employee. If an Employee of the Adopting Employer who is not an Eligible Employee becomes an Eligible Regular

Employee while remaining continuously employed by the Adopting Employer, said Eligible Employee shall become eligible to commence participation on the first day of the month immediately following or coinciding with the date he meets the eligibility requirements for participation under this Article. For purposes of satisfying any waiting period imposed by the Adopting Employer, and unless otherwise specified in the Adoption Agreement, the Eligible Regular Employee's prior period of employment as an Ineligible Employee shall be credited in the same manner as service as an Eligible Regular Employee provided that during said prior period of service as an Ineligible Employee, he satisfied any minimum service requirement established by the Employer pursuant to Section 4.02(a). Unless otherwise specified in the Adoption Agreement, if an Eligible Regular Employee becomes an Ineligible Employee prior to satisfying the waiting period for participation in the Plan, his service as an Ineligible Employee shall be credited in the same manner as service as an Eligible Regular Employee for purposes of satisfying said waiting period, provided that the Ineligible Employee satisfies the applicable minimum service requirements established for Eligible Employees pursuant to Section 4.02(a). However, in no event will an Ineligible Employee be permitted to become a Participant in the Plan unless and until he has satisfied the waiting period and has again become an Eligible Employee. For purposes of satisfying the waiting period, leaves of absence granted to an Ineligible Employee shall be treated in the same manner as leaves of absence for Eligible Regular Employees under paragraph (5) above.

(7) Prior Participation in Another GMEBS Plan. An Eligible Regular Employee who is hired after the Effective Date of the Plan shall be eligible to become a Participant on the first day of the month immediately following or coinciding with the

date on which he is employed by the Adopting Employer, regardless of any waiting period requirement established by the Employer, provided that: (i) his immediate prior employment was with another Adopting Employer in the GMEBS; (ii) he was a Participant in the previous Adopting Employer's GMEBS retirement plan; and (iii) he satisfies any minimum service requirement established by the Adopting Employer pursuant to Section 4.02(a) for his class.

Section 4.03. Establishing Participation in the Plan.

(a) Mandatory vs. Optional Participation. Participation in the Plan shall be considered mandatory for all classes of Eligible Employees unless, with respect to a particular class, the Employer specifies in the Adoption Agreement that participation is optional for members of said class.

(b) Mandatory Participation. Effective with respect to Eligible Employees initially employed or reemployed on or after January 1, 2015, if participation is mandatory for a class of Eligible Employees, then, except as otherwise provided in subsection (e) below, all Eligible Employees in the class shall become Participants in the Plan as of the date they are employed, provided that they satisfy the Adopting Employer's eligibility requirements for participation. With respect to Eligible Employees initially employed or reemployed prior to January 1, 2015, if participation is mandatory for a class of Eligible Employees, then except as provided in subsection (e) below, all Eligible Employees in the class shall become Participants in the Plan on the first day of the month immediately following or coinciding with the date they satisfy the applicable waiting period and any other eligibility requirements for participation; provided, however, that any Eligible Employee who was employed prior to January 1, 2015, was subject to a waiting period before participating in the Plan, and had not satisfied such waiting period prior

to January 1, 2015 shall commence participation in the Plan effective January 1, 2015. Eligible Employees shall provide to the Pension Committee on an Applicable Form such participation enrollment information as shall be required by the Pension Committee, which shall include the Eligible Employee's acceptance of the terms and conditions of the Plan. Notwithstanding an Eligible Employee's failure to complete the Applicable Form, the Eligible Employee shall become a Participant as specified in the Adoption Agreement.

(c) Optional Participation. The Employer may specify in the Adoption Agreement that participation is optional for certain classes of Eligible Employees, including but not limited to Employees in the following categories: elected or appointed members of the Governing Authority, Municipal Legal Officers, City Manager, and Department Heads. If participation is optional for an Eligible Employee, then the Eligible Employee may elect to become a Participant at his option by filing with the Pension Committee, on an Applicable Form, such information as shall be required to enroll in the Plan, which shall include the Eligible Employee's acceptance of the terms and conditions of the Plan. The election to participate must be made within 120 days after the later of: the date the Eligible Employee commences employment with the Adopting Employer, the date the Eligible Employee is elected or appointed to office, or the date participation in the Plan is first permitted for members of a class to which he belongs. The election to participate shall be irrevocable, and the failure to make an election within the 120-day time limit specified above shall be deemed an irrevocable election not to participate in the Plan. If Employee contributions are required under the Adopting Employer's Plan, then Eligible Employees who apply for participation within the 120 day period may be required to make retroactive contributions in order to receive credit under the Plan for creditable Service prior the date they apply to participate in the Plan.

(d) Participation in the Plan shall not give any Eligible Employee the right to be retained in the employ of the Adopting Employer nor, upon dismissal, to have any right or interest in the Trust Fund other than as herein provided.

(e) Notwithstanding anything in this Section 4.03 to the contrary, effective for Employees initially employed or reemployed by an Adopting Employer on or after January 1, 2014, if within 120 days following the date on which an Employee is first employed or first takes office with an Adopting Employer, the Employee enters into a written agreement or employment contract with the Adopting Employer pursuant to which the Employee agrees that the Employee will not participate in the Plan, the Employee shall be ineligible to participate in the Plan regardless of whether the Employee otherwise satisfies the eligibility requirements for participation in the Plan. The Employer shall notify the Administrator if and when an Employee has entered into such an agreement with the Employer and provide such information to the Administrator as necessary to confirm the existence of said agreement. A subsequent change in the terms of said agreement will not make the Employee eligible to participate in the Plan unless the Adopting Employer amends its Adoption Agreement to specifically require participation by said Employee.

Section 4.04. Change in Employment Status.

(a) Transfer to Ineligible Status. Unless otherwise specified by the Employer in the Adoption Agreement, if a Participant's employment status changes such that he becomes an Ineligible Employee, he shall cease to accrue benefits under the Plan for any purpose and his interest under the Plan, if any, shall be only such as existed immediately before he became an Ineligible Employee, unless and until he again becomes a Participant. In no event will his service or earnings as an Ineligible Employee be taken into account for purposes of meeting the

Plan's minimum service requirements for vesting, retirement eligibility, death benefit eligibility, or for purposes of computing the amount of any benefit payable under the Plan. However, said period of service as an Ineligible Employee shall not be considered a break in Service under Section 4.06, provided the Ineligible Employee remains continuously employed by the Adopting Employer. If the Ineligible Employee does not again become a Participant prior to Retirement or Termination of Employment, his Vested Benefit, if any, shall be paid as provided in Article IX.

(b) Transfer Back to Eligible Status. If an Ineligible Employee described in subsection (a) above remains continuously employed by the Adopting Employer and he has another change in employment status such that he again becomes a Participant, he shall thereafter be entitled to accrue benefits in accordance with the terms of the Plan as in effect as of the date of the subsequent change in employment status. In no event, however, shall such a Participant receive a greater benefit under the Plan than that which the Participant would have received had the Participant not had a change in employment status.

Section 4.05. Participant Leaves of Absence.

(a) USERRA, FMLA Leave – Notwithstanding any provision of this Plan to the contrary, if any period of absence is required to be counted under USERRA, the FMLA or any other applicable federal or state law as Current Credited Service for the purpose of computing the amount of any benefit payable under the Plan, or for purposes of meeting the Plan's minimum service requirements for vesting, retirement or death benefit eligibility, then said period of absence shall be counted as such in accordance with and subject to the requirements of such law.

(b) Other Leaves of Absence. Unless otherwise required by law or unless the terms of the leave otherwise specify, an authorized leave of absence granted to a Participant by the Adopting Employer will be counted as Current Credited Service for the purpose of computing

the amount of any benefit payable under the Plan, and for purposes of meeting the Plan's minimum service requirements for vesting and benefit eligibility. However, if the Participant does not return to active employment upon expiration of the authorized leave period, then subsection (c) shall apply.

(c) Failure to Return to Service. Unless otherwise required by law or unless the terms of the leave otherwise specify, if a Participant does not return to active employment with the Employer upon expiration of a leave of absence, his interest under the Plan, if any, including his Current Credited Service for the purpose of computing the amount of any benefit payable under the Plan, and for purposes of meeting the Plan's minimum service requirements for vesting and any minimum service requirements for retirement or death benefit eligibility, will be limited to that accrued as of the date preceding the approved leave period.

(d) Unused Leave. The Adopting Employer may elect in the Adoption Agreement to credit certain unused leave at termination or retirement for which the Participant is not paid as Credited Service, subject to the terms and limits specified in the Master Plan and Adoption Agreement.

Section 4.06. Non-Vested Participant Breaks in Service.

Except as otherwise provided in the Adoption Agreement, this Section shall apply only to Participants who are Eligible Regular Employees. If a non-vested Participant experiences a break in service, the Participant's Current Credited Service shall not include any Service rendered prior to the break in service, unless the Participant returns to employment with the Adopting Employer and performs the lesser of: service equal to the break in service, or service equal to one (1) year. The following limitations shall apply in administering the break in service rule:

(a) Absence of Less Than One (1) Year. If a Participant terminates employment with the Adopting Employer and returns to employment with the Adopting Employer within one (1) year after said termination, the Participant shall not be deemed to have incurred a break in service. Except as otherwise required under this Section, however, the time he was absent shall not be taken into account for any purpose under the Plan.

(b) Interim Employment with Another GMEBS Employer. If a Participant terminates employment with the Adopting Employer and returns to employment with the Adopting Employer after having spent the interim period in the continuous employment of another Employer in the GMEBS, he shall not be deemed to have incurred a break in Service. The time he was absent may be taken into account for purposes of determining whether the Participant has met the minimum service requirements for vesting and retirement eligibility under the Adopting Employer's Plan, as provided by and subject to the provisions of Section 9.05 concerning portability. However, in no event shall the time he was absent from the Adopting Employer be taken into account for the purpose of computing the amount of any benefit payable under the Adopting Employer's Plan.

(c) Treatment of Leaves of Absence. No leave of absence or other period of absence from employment shall be considered a break in Service if it is not permitted to be treated as such under USERRA, the FMLA, or any other applicable federal or state law. Unless otherwise required by law or unless the terms of the leave otherwise specify, any other authorized leave of absence granted to a Participant shall not be deemed a break in Service, provided the Participant was regularly employed by the Employer immediately prior to his leave of absence and the Participant is reemployed by the Employer upon expiration of the leave of absence. Unless otherwise required by law or unless the terms of the leave otherwise specify, if a Participant does

not return to active employment upon expiration of the approved leave period, he will be considered to have incurred a break in Service under this Section as of the date immediately preceding the approved leave period.

(d) Transfer to Ineligible Employee Status. Unless otherwise specified by the Employer in the Adoption Agreement, if a Participant's employment status changes such that he becomes an Ineligible Employee pursuant to Section 4.04, the period of time spent as an Ineligible Employee shall not be considered a break in Service under this Section, provided the Participant remains employed by the Adopting Employer. Unless otherwise specified by the Adopting Employer, leaves of absence granted to an Ineligible Employee will not be considered a break in Service under this Section, provided the Ineligible Employee returns to active employment with the Employer upon expiration of the approved leave period and the requirements of subsection (c) are otherwise satisfied with respect to such leave of absence.

(e) Graduated Vesting. If the Adopting Employer has established a graduated vesting schedule in the Adoption Agreement, and a Participant who is partially vested Terminates Employment with the Adopting Employer and subsequently returns to employment with the Adopting Employer, the Participant shall not be deemed to have incurred a break in service. Except as otherwise required under this Section, however, the time he was absent shall not be taken into account for any purpose under the Plan.

(f) Repeated Breaks in Service. If a non-vested Participant has a break in Service, returns to employment with the Adopting Employer, and experiences one or more additional breaks in Service prior to satisfying the one (1) year Service requirement necessary to work off the initial break, then the Participant's Current Credited Service shall not include any Service rendered prior to the most recent break in Service, unless upon the Participant's return to

employment with the Employer following the most recent break in Service he performs Service for a period of at least one (1) year.

ARTICLE V.

RETIREMENT ELIGIBILITY

(a) The Retirement prerequisites of a Participant under this Plan are contingent upon the type of Retirement offered by the Employer in the Adoption Agreement and selected by the Participant: that is, Normal Retirement, Alternative Normal Retirement, Early Retirement, Late Retirement, or Disability Retirement, as applicable. The provision of an Alternative Normal Retirement benefit or the designation of an Alternative Normal Retirement Date in the Adoption Agreement shall not be construed to establish an Alternative Normal Retirement Age or Alternative Normal Retirement Date for purposes of the definition of Accrued Benefit under Section 2.01, for purposes of computing death benefits under Article VIII, or for purposes of applying the actuarial equivalent conversion provisions of Article XII. The minimum age and service requirements and other prerequisites associated with each type of Retirement for each class of Eligible Employees shall be as specified in the pertinent sections of the Adoption Agreement. Except as otherwise provided in the Master Plan or Adoption Agreement with respect to In-Service Distributions for those who remain in service after they qualify for Normal Retirement or Alternative Normal Retirement, receipt of Retirement benefits shall also be contingent upon Termination of Employment.

(b) Provided a Participant is otherwise eligible to receive a Retirement benefit under the Plan, Retirement is contingent upon the satisfactory completion of the Applicable Form provided for such purpose and the acceptance of the Applicable Form by the Pension Committee.

(c) Retirement applications shall be prepared and submitted at such time as to reach the office of GMEBS no earlier than ninety (90) days and no later than thirty (30) days prior to a

Participant's effective Retirement Date. A Participant's effective Retirement date shall be the first day of the month coinciding with or following the date he has satisfied all of the prerequisites for Retirement as specified in this Article V, and actually Retires.

ARTICLE VI.

RETIREMENT BENEFITS

Section 6.01. Normal Retirement Benefit.

(a) A Participant, upon Retirement on or after his Normal Retirement Date (or Alternative Normal Retirement Date, as applicable), shall receive a Monthly Retirement Benefit under which payments shall commence on the first day of the month in which his effective Retirement Date occurs and shall be payable on the first day of each month thereafter during his lifetime. However, if directed by the Employer, Normal Retirement benefits (not including Alternative Normal Retirement benefits or the In-Service Distribution of Normal or Alternative Normal Retirement benefits) may be paid retroactively to the first day of the month following the month in which the Participant's Termination occurs (or, if the Participant's Termination occurs on the first of the month, the first day of the month in which the Participant's Termination occurs) or if later, the first day of the month in which his Normal Retirement Date occurs. The amount of the Monthly Retirement Benefit shall be determined based upon the applicable benefit formula specified in the Adoption Agreement and in effect at the Participant's Termination. If the Participant elects a form of benefit payment other than the standard form, the amount of the Monthly Retirement Benefit will be adjusted in accordance with and subject to the terms of the option elected (see Section 7.01).

(b) No interest shall be paid on the retroactive payment of Normal Retirement benefits.

Section 6.02. Early Retirement Benefit.

(a) A Participant, upon Retirement on or after his Early Retirement Date and before his Normal Retirement Date or Alternative Normal Retirement Date, shall receive a Monthly Retirement Benefit under which payments shall commence on the first day of the month in which his effective Retirement Date occurs and shall be payable on the first day of each month thereafter during the lifetime of the Participant. The amount of such Monthly Retirement Benefit shall be computed in the same manner as for a Normal Retirement benefit, but reduced on an Actuarially Equivalent basis in accordance with the actuarial table contained in Section 12.01. An Adopting Employer may adopt in the Adoption Agreement an alternative early retirement actuarial reduction table for one or more classes of Eligible Employees, provided the adoption of such table satisfies the requirements of Code Section 401(a)(25).

(b) Provided the Employer has elected in the Adoption Agreement to provide Disability benefits, a Participant who is otherwise eligible for an Early Retirement benefit may apply for and receive an Early Retirement benefit (i) while a Disability Retirement benefit determination is pending, or (ii) while waiting for an approved Disability Retirement benefit to commence. Upon a determination that the Participant is entitled to receive a Disability Retirement benefit, the Participant's benefit will be changed to a Disability Retirement benefit (if greater), retroactive to the Disability Retirement Date, provided that the requirements of Section 6.04(b) relating to making application for retroactive payments of Disability Retirement benefits are met. If said requirements are not met but the Participant otherwise qualifies for a Disability Retirement benefit, the Participant's benefit will be changed to a Disability Retirement benefit as of the first day of the month coinciding with or following the date that the Participant submits documentation sufficient to confirm his eligibility for a Disability Retirement benefit, as

described in Section 6.04(c). However, no change in the form of benefit payment or designation of the Post-Retirement Beneficiary may be made, and no Post-Retirement Beneficiary may be named if one had not been previously named.

(c) If directed by the Employer, effective with respect to Participants who Terminate Employment on or after January 1, 2014, Early Retirement benefits may be paid retroactively to a date (first day of the month) designated on the Participant's retirement application, provided that such date may be no earlier than the later of: 1) four (4) full calendar months prior to the date of the Pension Committee Secretary's execution of the Participant's retirement application; or 2) the Participant's Early Retirement Date. No interest shall be paid on the retroactive payment of Early Retirement benefits. Effective with respect to Participants who Terminate Employment on or after January 1, 2013 and prior to January 1, 2014, retroactive payment of Early Retirement benefits to the Participant's Early Retirement Date or date of Termination is not permitted.

Section 6.03. Late Retirement Benefit.

(a) A Participant may Retire from the active Service of the Adopting Employer on the first day of any month after his Normal Retirement Date, in which case the Participant shall receive a Late Retirement benefit. For purposes of this provision and except as otherwise provided in an Employer's Adoption Agreement or Addendum, a Participant who Terminates Employment on or after January 1, 2014 will be treated as having Retired from the active service of the Adopting Employer if the Participant submits a GMEBS retirement application no later than thirty-one (31) days after his or her Termination of Employment and said application is approved by GMEBS. The Late Retirement benefit shall be calculated in the same manner as the Normal Retirement benefit. However, the Employer may elect in the Adoption Agreement or

Addendum thereto to provide for an increased Late Retirement benefit, in which case the Late Retirement Benefit shall be calculated in the same manner as the Normal Retirement Benefit, but increased as provided in the Adoption Agreement or Addendum, as applicable.

Section 6.04. Disability Benefit.

(a) Where the Employer has elected in the Adoption Agreement to provide Disability benefits, a Participant who becomes Disabled and Terminates Employment due to Disability on or after April 1, 2015, and is otherwise entitled to receive a Disability Retirement benefit, shall receive such benefit in accordance with and subject to the requirements of this Section.

(b) Requirements for Payment as of Disability Retirement Date - Disability Retirement benefit payments shall be payable during a Participant's Disability as of the first day of the month coinciding with or next following, and may be paid retroactively to, the Participant's Disability Retirement Date, provided the following requirements are satisfied:

(1) Application for Disability Award Must Be Filed Within 1 Year After Termination — No later than one (1) year after the Participant's Termination of Employment due to Disability, the Participant must file an application for a federal Social Security Administration (SSA) disability award or, if applicable under Section 2.23, an application for determination of Disability by the Pension Committee, and for a Participant who terminates due to disability prior to April 1, 2015, such Participant also must complete and submit a GMEBS retirement application form to the Pension Committee Secretary no later than one (1) year after the Participant's Termination of Employment due to Disability (regardless of whether the Participant has yet received a federal SSA disability award or, if applicable, a Pension Committee determination of Disability); and

(2) GMEBS Retirement Application Form and Disability Award Must Be Submitted Within 1 Year of Termination, or if Later, Within 6 Months After Date of Disability Award; Proof of Application for Disability Award Before Expiration of 1 Year Following Termination Due to Disability — Except as otherwise provided in subsection 6.04(b)(1) above, requiring Participants who terminate due to Disability prior to April 1, 2015, to submit a completed GMEBS retirement application form to the Pension Committee Secretary within one (1) year following Termination of Employment due to Disability, or subsection 6.04(b)(3) below, the Participant must submit the following to the Pension Committee Secretary within one (1) year after the Participant's Termination of Employment due to Disability or within six (6) months after the date of such award or determination, whichever is later:

(i) the Participant's GMEBS Retirement Application Form;

(ii) the SSA Disability Award (or, if applicable under Section 2.23, the Pension Committee determination of Disability) reflecting a disability onset date on or before the Participant's Termination date; and

(iii) documentation the Administrator deems sufficient to establish that the Participant filed an application for a federal SSA disability award (or, if applicable under Section 2.23, an application for determination of Disability by the Pension Committee) before the expiration of one (1) year following Termination of employment due to Disability. Such documentation may include a copy of such application, a copy of the Disability award or determination received in response to such application, or an affidavit completed by the Participant (on

the GMEBS retirement application or another Applicable Form provided for such purpose) in which the Participant affirms that he or she has filed such application.

(3) Special Rule in Case of Disability Award on Subsequent SSA Disability Application - In the event that a Participant's application for a SSA disability award is denied, the Participant must make any subsequent application for a SSA disability award within six (6) months following such denial becoming final, must allege in the subsequent SSA application a disability onset date that is on or before the Participant's Termination date, and where the Participant is subsequently granted a SSA disability award, the Participant must submit the following to the Pension Committee Secretary within six (6) months after the date of such favorable award, or if later, one (1) year after the Participant's Termination of Employment:

(i) a GMEBS retirement application form (but see subsection 6.04(b)(1) above concerning requirement for Participants who terminate due to disability prior to April 1, 2015 to submit a GMEBS retirement application to the Pension Committee Secretary within one (1) year after Termination of Employment due to Disability);

(ii) the Participant's SSA disability award reflecting a disability onset date on or before the Participant's Termination date or reflecting a disability onset date that immediately follows the date of denial of the Participant's prior SSA disability application (due to application of Social Security Administration res judicata rules) but the Participant's actual Disability onset date was on or before the Participant's Termination date as provided under Section 2.23; and

(iii) documentation the Administrator deems sufficient to establish that within six (6) months after the SSA's denial of the Participant's initial application for a disability award, the Participant filed a subsequent application for a SSA disability award in accordance with this subsection 6.04(b)(3). Such documentation may include a copy of such application, a copy of the Disability award or determination received in response to such application, or an affidavit completed by the Participant (on the GMEBS retirement application or another Applicable Form provided for such purpose) in which the Participant affirms that he or she has filed such application.

(c) Prospective Payment Following Retirement Application — If the Participant who has Terminated Employment due to Disability is otherwise eligible to receive a Disability Retirement benefit and except as otherwise permitted under subsection 6.04(b) above with respect to payment of Disability Retirement benefits retroactive to the Participant's Disability Retirement Date, Disability Retirement benefits shall be payable as of the first day of the month following or coinciding with the date of acceptance of the Participant's completed GMEBS retirement application form by the Pension Committee, provided such application includes: (1) a Social Security Administration (SSA) disability award reflecting a disability onset date on or before the Participant's Termination date; or (2) if applicable under Section 2.23, a Pension Committee determination of Disability reflecting a Disability onset date on or before the Participant's Termination date; or (3) where the Participant has received a SSA disability award in response to a subsequent SSA disability application as provided under Section 2.23, documentation which the Administrator deems sufficient to establish that the disability onset date reflected in the SSA disability award immediately follows the date of denial of the

Participant's prior SSA disability application (due to application of Social Security Administration res judicata rules) and that the Participant's actual Disability onset date was on or before the Participant's Termination date. In no event shall Disability Retirement benefits be payable before the Participant's Disability Retirement Date.

(d) Amount of Disability Retirement Benefit - The amount of the monthly Disability Retirement benefit shall be determined as provided in the Adoption Agreement. The Adopting Employer may elect in the Adoption Agreement to specify another method for calculation of the benefit, and require an offset against the monthly Disability Retirement benefit for other types of payments received by the Participant. The Participant shall receive the monthly Disability Retirement benefit provided in this Section, or any other Monthly Retirement Benefit granted under the Plan for which he is eligible if such benefit is greater than the aforesaid monthly Disability Retirement benefit. However, under no circumstances shall any Retired Participant be entitled at one time to more than one type of Retirement benefit granted under the Plan.

(e) No interest shall be paid on the retroactive payment of Disability benefits.

(f) Where an Employer has executed or executes a General Addendum to the Employer's Adoption Agreement which contains provisions on payment of Disability Retirement benefits that conflict with the procedures or time limitations established in this Section 6.04, said provisions of the General Addendum shall govern to the extent they conflict with this Section 6.04.

Section 6.05. Cost of Living Adjustment.

(a) An Employer may elect in the Adoption Agreement to provide for a variable annual cost-of-living adjustment in the amount of Monthly Retirement Benefits payable under the Plan to Participants or their Beneficiaries. In such event, the amount of benefits payable

under the Plan shall be adjusted as provided in this Section, except as otherwise provided in the Employer's Adoption Agreement.

(b) The Current Average Cost-of-Living Index Figure as defined in Section 2.21 shall be ascertained as of the Adopting Employer's Adjustment Date in each year.

(c) Each Monthly Retirement Benefit then being received by Participants who terminate after the date specified in the Adoption Agreement and their Beneficiaries shall thereupon be adjusted as follows:

(1) Each Monthly Retirement Benefit shall be increased by the percentage that the Current Average Cost-of-Living Index Figure increased over each recipient's Cost-of-Living Base Figure, as defined in Section 2.17. If the Current Average Cost-of-Living Index Figure is less than the Cost-of-Living Base Figure, no reduction in the Monthly Retirement Benefit, shall be effected. Increased benefits are payable on the Adjustment Date.

(2) Notwithstanding the foregoing provisions, no increase in the amount of a Monthly Retirement Benefit due to changes in the Current Average Cost-of-Living Index Figure effective at any annual Adjustment Date shall be in excess of a certain percentage of the amount of the Monthly Retirement Benefit payable immediately prior to each Participant's or Beneficiary's applicable adjustment date. Said percentage limit shall be designated by the Employer in the Adoption Agreement.

(d) An Adopting Employer may implement one-time or ad-hoc cost-of-living adjustments by adopting an Addendum to the Adoption Agreement to effect said increase.

(e) In lieu of the variable cost-of-living adjustment referred to in subsections (a)-(c) above, the Employer may elect in the Adoption Agreement to provide for a fixed annual

cost-of-living adjustment, subject to any limitations imposed by the Internal Revenue Code or regulations issued thereunder.

Section 6.06. In-Service Distribution; Suspension of Benefits Following Return to Service.

(a) General Rules.

(1) Unless otherwise provided in this Section and in the Adoption Agreement or any Addendum thereto, a Participant shall be required to Terminate Employment with an Adopting Employer prior to commencing Early, Normal or Alternative Normal Retirement benefits under such Employer's GMEBS Plan. Likewise, unless otherwise provided in this Section and in the Adoption Agreement or any Addendum thereto, if a Retired Participant returns to service as an Eligible Employee with an Adopting Employer from whose Trust Fund the Retired Participant is receiving a Monthly Retirement Benefit, said Monthly Retirement Benefit shall be suspended as of the date of said return to service.

(2) Re-Computation of Benefit in Case of Suspension. In any case where the payment of a Participant's Retirement benefit shall have been suspended, the Retirement benefit payable on his re-retirement (whether before or after his Normal Retirement Date) shall be the benefit computed in accordance with this Article on the basis of his aggregate Total Credited Service and Final Average Earnings, if applicable, at the time of his subsequent re-retirement, but reduced by the Actuarial Equivalent of any Retirement benefits received by him prior to said suspension, and by any actuarial factors used in calculating the benefit payable at the time of his previous Retirement. For purposes of this subsection, the term "Actuarial Equivalent" shall mean an amount equal to the value

of Retirement benefits received, determined as of the date of the Participant's Re-retirement and computed on the basis of the actuarial assumptions contained in Section 12.06. In no event shall the resulting benefit be less than the benefit payable immediately prior to the Participant's return to service with the Adopting Employer. A Retired Participant who is reemployed as an Eligible Employee shall not be authorized to change his form of benefit payment on his subsequent re-retirement, or to change his Post-Retirement Beneficiary, or to name a Post-Retirement Beneficiary if one had not been previously named. For the purposes of this Section, any such Participant's Credited Service subsequent to his reemployment by the Employer as an Eligible Employee shall commence as of the date of his reemployment as an Eligible Employee.

(3) Minimum Age Parameters for In-Service Distribution. In order to commence or continue receiving Normal or Alternative Normal Retirement benefits without a Bona Fide Separation from Service, if permitted under the Employer's Plan, a Participant shall be required to satisfy the following minimum age and other requirements:

(A) For a Participant who is not a "public safety employee" at the time he applies for Normal or Alternative Normal Retirement benefits (and a Participant who is a public safety employee at the time he applies for Normal or Alternative Normal Retirement benefits unless subparagraph 6.06(a)(3)(B) below applies), the Participant must be at least age sixty-two (62) (or such lower age specified under applicable federal law as a safe-harbor age for distributions during working retirement) to receive an In-Service Distribution.

(B) For a Participant who is a "public safety employee" in the service of the Employer at the time he applies for Normal or Alternative Normal Retirement benefits, the Participant must be at least age sixty-two (62) (or such lower age specified under applicable federal law as a safe-harbor age for distributions during working retirement) to receive an In-Service Distribution; provided, however, that if the Adopting Employer's Plan provides for a Normal Retirement Age or Alternative Normal Retirement Age which applies only to public safety employees and which is at least age fifty (50) (or such lower age specified under applicable federal law as a safe-harbor age for distributions during working retirement), the Participant may receive an In-Service Distribution as long as he is at least such age. For purposes of this subparagraph (B), "public safety employees" are employees of the Adopting Employer who provide police protection, firefighting services, or emergency medical services for any area within the jurisdiction of the Adopting Employer.

(C) Notwithstanding any provision to the contrary, effective for Employees hired during Plan Years beginning on or after the later of: January 1, 2017; or the close of the first regular legislative session of the legislative body with the authority to amend the plan that begins on or after the date that is 3 months after the final regulations are published in the Federal Register, the Plan will comply with the final Normal Retirement age regulations applicable to governmental plans established in Treas. Reg. 1.401(a) – 1, as amended.

(b) Exception to General Rule; In-Service Distribution for Eligible Employees; Continuation of Retirement Benefits Following Return to Service as an Eligible Employee After a Bona Fide Separation from Service.

(1) In-Service Distribution Absent Termination or Bona Fide Separation from Service Upon Qualifying for Normal Retirement. Notwithstanding the general rules described in subsection 6.06(a)(1), an Adopting Employer may elect in the Adoption Agreement or any Addendum thereto to permit In-Service Distribution to Participants (or certain classes of Participants) who have satisfied the eligibility requirements for Normal Retirement or Alternative Normal Retirement, as applicable, under the Adopting Employer's Plan while remaining Eligible Employees under the Plan, in accordance with and subject to the requirements of this paragraph. An Employer may elect in the Adoption Agreement or any Addendum thereto to permit Participants or certain classes of Participants who have (i) satisfied the qualifications for Normal Retirement or Alternative Normal Retirement, as applicable, (ii) satisfied the minimum age parameters set forth in subparagraph 6.06(a)(3), and (iii) applied for such Retirement benefits on the Applicable Form to apply for and begin receiving their Retirement benefit as an In-Service Distribution while in service as an Eligible Employee even though they have not yet Terminated Employment with the Employer or to continue receiving Normal or Alternative Normal Retirement benefits following a return to Service as an Eligible Employee without first incurring a Bona Fide Separation from Service.

(2) Exception to General Rule; Continuing to Draw Early, Normal or Alternative Normal Retirement Benefits After Returning to Service as Eligible Employee Following a Bona Fide Separation from Service. Notwithstanding the requirement for

suspension of benefits upon reemployment under subsection 6.06(a)(1) above, an Adopting Employer may elect in the Adoption Agreement or any addendum thereto to permit Retired Participants or certain classes of Retired Participants who return to service as Eligible Employees following a Bona Fide Separation from Service to continue receiving Early, Normal or Alternative Normal Retirement benefits following such return to service, regardless of the Participant's age, in accordance with and subject to the following requirements:

(A) Reemployment as Eligible Employee after Normal Retirement Date. An Adopting Employer may elect (notwithstanding required suspension under Section 6.06(a)(1)) in the Adoption Agreement or any Addendum thereto to permit Retired Participants or certain classes of Retired Participants to continue receiving Retirement benefits if they return to service with the Adopting Employer as an Eligible Employee on or after their Normal Retirement Date or Alternative Normal Retirement Date, as applicable, and, with respect to a Participant returning to service as an Eligible Employee on or after September 26, 2014, after a Bona Fide Separation from Service. If the Employer has made such an election in the Adoption Agreement or Addendum, then Retired Participants who are designated in the Adoption Agreement or Addendum as eligible to continue receiving Retirement benefits following their return to service as an Eligible Employee may continue to receive their Monthly Retirement Benefit if they return to service with the Adopting Employer as an Eligible Employee after a Bona Fide Separation from Service and on or after their Normal Retirement Date or Alternative Normal Retirement Date, as applicable.

(B) Reemployment as Eligible Employee Before Normal Retirement Date.

(i) Suspension of Early Retirement Benefits until Normal Retirement Date; Recommencement of Benefits upon Attainment of Normal Retirement Date. An Adopting Employer may elect (notwithstanding required suspension under Section 6.06(a)(1)) in the Adoption Agreement or any Addendum thereto to provide that, with respect to Retired Participants or certain classes of Retired Participants, if such a Retired Participant returns to Service as an Eligible Employee before the Normal Retirement Date (or Alternative Retirement Date, as applicable), and, with respect to a Participant returning to service as an Eligible Employee on or after September 26, 2014, after a Bona Fide Separation from Service, and remains employed until the Normal Retirement Date (or Alternative Normal Retirement Date, as applicable), the Participant may apply for and receive a Monthly Retirement Benefit on or after the Normal Retirement Date (or Alternative Normal Retirement Date, as applicable), notwithstanding continued service with the Employer, provided that the Participant satisfies the minimum age parameters for an In-Service Distribution pursuant to Section 6.06(a)(3). Said Monthly Retirement Benefit shall be computed in accordance with this Article, based upon the Participant's Total Credited Service and Final Average Earnings, if applicable, through the date the Participant recommences receipt of a Monthly Retirement Benefit pursuant to this subsection.

However, except as otherwise provided in the Adoption Agreement or in an Addendum thereto, said Monthly Retirement Benefit shall be reduced by the Actuarial Equivalent of any Retirement benefits received by the Participant prior to said suspension, and by any actuarial factors used in calculating the benefit payable at the time of the previous Retirement. For purposes of this subsection, the term "Actuarial Equivalent" shall mean an amount equal to the value of Retirement benefit payments received, determined as of the date the Participant recommences receipt of a Monthly Retirement Benefit, and computed on the basis of the actuarial assumptions contained in Section 12.06. In no event shall the resulting Monthly Retirement Benefit be less than the Participant's benefit payable immediately prior to said suspension.

(ii) Exception to General Rule; Continuation of Early Retirement Benefits Upon Return to Service as Eligible Employee Following Bona Fide Separation from Service. Notwithstanding the requirement for suspension of benefits upon reemployment under subsection 6.06(a)(1) above, an Adopting Employer may elect in the Adoption Agreement or any Addendum thereto to permit Retired Participants or certain classes of Retired Participants who are receiving an Early Retirement benefit to continue receiving said benefit if they return to Service with the Employer after a Bona Fide Separation from Service, or with respect to Participants returning to service as an Eligible Employee prior to September 26, 2014, after at least a six-month separation from

Service, as an Eligible Employee at any time on or after their Early Retirement Date but before their Normal Retirement Date (or Alternative Normal Retirement Date, as applicable). If the Employer has made such an election, and if a Retired Participant belongs to a class for which such continuation of benefit payments is permitted, then upon the Retired Participant's return to service with the Employer as an Eligible Employee after the Early Retirement Date and after a Bona Fide Separation from Service (or at least a six-month separation from Service, as applicable), the Retired Participant may continue to receive a Monthly Retirement Benefit during the period of reemployment.

(3) A Participant who receives an In-Service Distribution of Retirement benefits while serving as an Eligible Employee or who receives Retirement Benefits following his return to service as an Eligible Employee shall not be authorized to change his form of benefit payment, or to change his Post-Retirement Beneficiary on his subsequent termination of employment, or to name a Post-Retirement Beneficiary if one had not been previously named.

(4) With respect to Participants described in Section 6.06(b)(1) and (2) above, except as otherwise provided in the Adoption Agreement or in an Addendum thereto, upon said Participants' subsequent termination of employment or vacation of office, as applicable, their Monthly Retirement Benefit shall be computed in accordance with this Article on the basis of their aggregate Total Credited Service and Final Average Earnings, if applicable, at the time of such termination of employment or vacation of office, but it shall be reduced by the Actuarial Equivalent of any Retirement benefits received prior to

re-retirement, and by any actuarial factors used in calculating the benefit payable at the previous Retirement. For purposes of this subsection, the term "Actuarial Equivalent" shall mean an amount equal to the value of Retirement benefits received, determined as of the date of the Participant's re-retirement and computed on the basis of the actuarial assumptions contained in Section 12.06. In no event shall the resulting benefit be less than the benefit payable immediately prior to the Participant's re-retirement.

(c) Exception to General Rule; In-Service Distribution for Individuals Who Are Not Eligible Employees; Continuation of Retirement Benefits Following Return to Service in a Capacity Other Than as an Eligible Employee After a Bona Fide Separation from Service.

(1) In-Service Distribution Prior to Termination. Effective on or after September 26, 2014, notwithstanding the general rule in Section 6.06(a)(1) and except as may be otherwise provided in the Adoption Agreement or an Addendum thereto, regardless of whether an Employer elects to permit active Participants to receive In-Service Distributions while serving as Eligible Employees under the Plan pursuant to paragraph 6.06(b)(1) above, an individual who is in service with the Adopting Employer, who previously accrued a benefit as an Eligible Employee under the Plan but who is not currently an Eligible Employee under the Plan, may commence receipt of his Retirement benefit while still in service with the Adopting Employer provided that such individual (i) has satisfied the Adopting Employer's qualifications for Early Retirement, Normal Retirement or Alternative Normal Retirement; (ii) has satisfied the minimum age and other applicable requirements established in subparagraph 6.06(a)(3) above; and (iii) applies for such Retirement benefit on the Applicable Form.

(2) Continued Receipt of Retirement Benefits Upon Return to Service in a Capacity Other Than as an Eligible Employee. Except as may be otherwise provided in the Adoption Agreement or an Addendum thereto, an Adopting Employer may engage any Retired Participant receiving benefits hereunder in a capacity other than as an Eligible Employee and such engagement shall not terminate or suspend such benefits. Effective with respect to Retired Participants who return to service in a capacity other than as an Eligible Employee on or after September 26, 2014, in order to continue receiving benefits after returning to service, the Retired Participant (i) must have had a Bona Fide Separation from Service prior to returning to service in a capacity other than as an Eligible Employee under the Plan; or (ii) must satisfy the minimum age parameters established in subparagraph 6.06(a)(3) above.

(3) An individual who receives Retirement benefits while in the service of the Adopting Employer pursuant to paragraphs 6.06(c)(1) and (2) above shall not be authorized to change his form of benefit payment, or to change his Post-Retirement Beneficiary on his subsequent Termination of Employment, or to name a Post-Retirement Beneficiary if one had not been previously named. An individual who commences or continues receiving benefits while in the service of the Adopting Employer in a capacity other than as an Eligible Employee pursuant to paragraph 6.06(c)(1) or 6.06(c)(2) shall not accrue benefits or service credit for any purpose under the Plan during his or her period of continued service with the Adopting Employer during which he is not an Eligible Employee.

(4) In the event that an individual described in paragraph 6.06(c)(1) or (2) subsequently becomes an Eligible Employee under the Plan, the provisions applicable to

In-Service Distribution to Eligible Employees or to Retired Participants who return to Service with the Adopting Employer as an Eligible Employee, as applicable, under subsection 6.06(b) above and the Adopting Employer's Adoption Agreement or Addendum shall apply with respect to such individual. Except as otherwise provided in the Adoption Agreement or in an Addendum thereto, upon such a Participant's subsequent Termination of Employment or vacation of office, as applicable, his or her Monthly Retirement Benefit shall be computed in accordance with this Article on the basis of his or her aggregate Total Credited Service and Final Average Earnings, if applicable, at the time of such Termination of Employment or vacation of office. However, this Monthly Retirement Benefit shall be reduced by the Actuarial Equivalent of any Retirement benefits received prior to re-retirement, and by any actuarial factors used in calculating the benefit payable at the previous Retirement. For purposes of this subsection, the term "Actuarial Equivalent" shall mean an amount equal to the value of Retirement benefits received, determined as of the date of the Participant's re-retirement and computed on the basis of the actuarial assumptions contained in Section 12.06. In no event shall the resulting benefit be less than the benefit payable immediately prior to the Participant's re-retirement.

(d) Death in Service After Retirement. If a Retired Participant who returns to service with an Adopting Employer as an Eligible Employee or an active Participant commences Retirement benefits while remaining in service as an Eligible Employee and he dies during the period of continuous employment or during the period of his reemployment, as applicable, and before re-retirement, then his Post-Retirement Beneficiary, if any, shall be entitled to receive the monthly post-retirement survivor benefit payable, if any, taking into account any additional

Credited Service accrued prior to the date of the Participant's death in-service. Such post-retirement survivor benefit shall be reduced by the Actuarial Equivalent of any Retirement benefits received by the Participant prior to his death. In no event shall the resulting post-retirement survivor benefit (after any actuarial reduction provided for in the preceding sentence) be less than the benefit that would have been payable to such Post-Retirement Beneficiary had the Participant not been employed as an Eligible Employee on or after his Retirement Date. This provision shall not be interpreted to permit payment to a Pre-Retirement Beneficiary in the event of a Retired Participant's death during reemployment.

(e) Suspension of Disability Benefits.

(1) Any Disability Retirement Benefit payable under the Plan to any Participant shall be suspended as of the first day of the month coinciding with or following the date his Disability ceases. A Participant's Disability shall be considered to have ceased upon the earliest of the following dates: (1) with respect to Participants whose entitlement to a Disability benefit is based upon receipt of disability insurance benefits under the Federal Social Security Act, the date as of which the Social Security Administration determines that the Participant is no longer disabled; or (2) with respect to Participants whose entitlement to a Disability benefit is based upon a determination by the Pension Committee, the date as of which the Pension Committee determines that the Participant is no longer disabled as defined under Code Section 72(m), based upon an examination by a physician chosen by the Pension Committee. With respect to those Participants whose entitlement to a Disability benefit is based upon receipt of disability insurance benefits under the Federal Social Security Act, the Participant shall be required to notify the Pension Committee Secretary within sixty (60) days after the Participant

receives notice that the Social Security Administration has determined that the Participant is no longer disabled. With respect to those Participants whose entitlement to a Disability benefit is based upon receipt of disability insurance benefits under the Federal Social Security Act, the Pension Committee shall have the right to require the Participant to prove at any time, as a condition for continued receipt of Disability benefits under the Plan, continued eligibility for receipt of disability insurance benefits under the Federal Social Security Act, as amended. With respect to Participants whose entitlement to a Disability benefit is based upon a determination of Disability by the Pension Committee, the Pension Committee shall have the right to require, as a condition for continued receipt of Disability benefits, that the Participant be examined at any time by a physician chosen by the Pension Committee. In the event that any Participant fails or refuses to submit to a physical examination or to obtain and provide other information requested by the Pension Committee to confirm continuation of a Disability, then the Participant's Disability benefits shall be suspended as of the first day of the month following expiration of the ninety (90) day period following the Pension Committee's request for such examination or information, unless the Pension Committee determines in its discretion that the failure to comply within ninety (90) days was due to circumstances beyond the Participant's control, in which case the ninety (90) day time limit may be extended by the Pension Committee and suspension may be deferred as determined by the Pension Committee.

(2) Notwithstanding any provision of this subsection 6.06(e) to the contrary, and except as otherwise provided in an Employer's Adoption Agreement or Addendum thereto, in the event that a Participant, who shall have retired or been retired for Disability, returns to service as an Eligible Regular Employee or becomes an Eligible

Regular Employee of said Employer, his or her Disability Retirement benefit shall be suspended as of the date of such return to or commencement of service as an Eligible Regular Employee.

(3) Nothing in paragraph 6.06(e)(2) shall be construed to require the suspension of a Participant's Disability Retirement benefit upon his return to service as an elected or appointed member of the Governing Authority after the commencement of such benefit unless and until the Participant is determined to no longer have a Disability, or unless suspension of a Participant's Disability Retirement benefits is otherwise required under subparagraph 6.06(e)(1).

(f) Suspension of Disability Benefit; Right to Other Benefits.

(1) In any case where the payment of a Participant's Disability Retirement benefit is suspended, regardless of whether the Participant returns to service with the Employer, the period of absence from employment due to such Disability shall not be counted as Credited Service. Any Participant who shall have Retired or been Retired for Disability and who has been or shall be subsequently declared ineligible for a Disability Retirement benefit because of the cessation of said Disability, or as otherwise provided pursuant to subsection 6.06(e) above, shall have a right to any benefit afforded under any other provision of this Plan to which he or his beneficiary might otherwise be entitled. In such case, any Disability Retirement payments made prior to the required suspension date shall be retained by the Retiree and disregarded in computing any other benefit payable under the Plan.

(2) Notwithstanding the foregoing, nothing herein shall be construed to allow a Retired Participant who shall have Retired or been Retired due to Disability, who

returns to service with the Employer, and who subsequently re-retires to elect a different benefit payment form or name a new post-retirement beneficiary upon re-retirement.

(3) Unless otherwise provided in an Employer's Adoption Agreement or in an Addendum thereto, in the event that a Retired Participant who is receiving a Disability Retirement benefit returns to service as an elected or appointed member of the Governing Authority, and his Disability Retirement benefit is not suspended, any Disability Retirement payments made prior to his return to service or during such period(s) of service as an elected or appointed member of the Governing Authority following such return shall be retained by the Participant and disregarded in computing any other benefit payable under the Plan upon his subsequent vacation of office.

ARTICLE VII.

OPTIONAL FORMS OF RETIREMENT INCOME

Section 7.01. Standard Benefit Payment Form; Other Payment Options. With respect to retirement applications received by GMEBS on or after July 1, 2011, a Participant may elect, or may revoke a previous election and make a new election, at any time prior to his effective Retirement Date, to have his Retirement benefit payable under the standard benefit payment option or under one of the other benefit payment options set forth in Section 7.03. The standard benefit payment option is a monthly retirement benefit payable to the Participant during his lifetime only. At the death of the Participant all payments will cease and no further benefits will be payable to the estate of the Participant or other persons, except as otherwise provided in Subsection 8.12(b). The standard benefit payment form is referred to in the Master Plan as Option A. The benefit shall be paid in accordance with and subject to the terms of the benefit payment option elected. Election of any option shall be made by the Participant in writing on the Applicable Form, and shall be subject to approval by GMEBS.

Section 7.02. Designation of Post-Retirement Beneficiary. With respect to retirement applications received by GMEBS on or after July 1, 2011, if the Participant elects Option B (Joint and Survivor Option with Pop-Up) or Option C (Period Certain and Life Option.) in Section 7.03, he shall designate a Post-Retirement Beneficiary to receive a survivor benefit in accordance with and subject to the terms of such Option. Designation of a Post-Retirement Beneficiary may be revoked or changed by the Participant by submitting a new completed Retirement Application at any time prior to the Participant's effective Retirement date. Only the last such designation of a Post-Retirement Beneficiary shall have effect, and any new designation of a Post-Retirement Beneficiary shall invalidate, supersede, and revoke any prior designation.

Section 7.03. Description of Options. With respect to retirement applications received by GMEBS on or after July 1, 2011, the amount of any optional benefit set forth below shall be the Actuarial Equivalent of the amount of the standard benefit that would otherwise be payable to the Participant under Section 7.01 (monthly retirement benefit payable to the Participant during his lifetime only, referred to as "OPTION A").

(a) OPTION B: Joint and Survivor Option with Pop-Up. A retirement benefit computed and paid in the same manner as Option A above, but with a decrease in the retirement benefit to account for the survivor benefit and the pop-up benefit provided under this Option B. If the Participant elects Option B, then the Participant will receive a decreased retirement benefit which shall be payable during the lifetime of the Participant. If the Participant's designated Post-Retirement Beneficiary should survive the Participant (except as provided in subsections (1) and (2) below with respect to the Post-Retirement Beneficiary's death before the Participant or the divorce of the Participant and Post-Retirement Beneficiary) the benefit shall continue to be paid

to the Post-Retirement Beneficiary after the Participant's death during the lifetime of the Post-Retirement Beneficiary in the same amount (100%) or in such smaller amount (75%, 50%, or 25%), as the Participant has designated on his retirement application. This option shall be known as Option B. The Participant's retirement benefit under Option B shall be calculated in accordance with Section 12.02(a) or Section 12.02(b), whichever is applicable.

(1) Death of Post-Retirement Beneficiary Before Participant — In the event that the Participant's Post-Retirement Beneficiary dies before the Participant and after Retirement benefit payments have commenced, and provided the Participant furnishes GMEBS with proper proof of the Beneficiary's death within one (1) year after such death, the requirement for a reduction in the Participant's monthly retirement benefit on account of his election of Option B shall no longer apply (resulting in an increase, or "pop-up", in the Participant's monthly retirement benefit), effective as of the first day of the month following the Post-Retirement Beneficiary's death. Effective with respect to monthly payments made on and after such date, the amount of the Participant's monthly retirement benefit shall be equal to the monthly amount that would have otherwise been payable to the Participant under Article VI, had the Participant elected Option A. However, if the Participant fails to furnish the Plan with proper proof of the Post-Retirement Beneficiary's death within the one (1) year period referred to above, then said change in monthly retirement benefit shall not become effective until the first day of the month following the date such proof is submitted to GMEBS. If the Post-Retirement Beneficiary does not survive the Participant, all payments shall cease at the death of the Participant and no further benefits will accrue to his estate or to other persons.

(2) Divorce of Participant and Post-Retirement Beneficiary—If the Participant designates his Spouse as his Post-Retirement Beneficiary and provides GMEBS with proof that GMEBS in its sole discretion deems sufficient to establish that the Post-Retirement Beneficiary is the Participant's Spouse as of the Participant's effective retirement date, and if the Participant and the Post-Retirement Beneficiary become divorced after retirement benefit payments have commenced, then the Participant is permitted but not required to request a "pop-up" in his monthly retirement benefit, in accordance with and subject to the requirements of this subsection (2). A Participant who requests a pop-up pursuant to this subsection (2) will be bound by the provisions of this subsection and any other terms and conditions for receipt of said pop-up as set forth in an Applicable Form provided by GMEBS for such purpose. Such Participant shall furnish proof to GMEBS which GMEBS in its sole discretion deems sufficient to confirm the Participant's divorce from the Post-Retirement Beneficiary and the Participant's eligibility for the pop-up benefit provided herein, which may include but may not be limited to a court-certified copy of a valid divorce decree. In the event that the conditions of this subsection (2) are satisfied, the requirement for a reduction in the Participant's monthly retirement benefit on account of the election of Option B will no longer apply; provided, however, that GMEBS may deny the Participant's application for the pop-up in the event that GMEBS, in its sole discretion, determines that such denial is prudent or necessary based on the terms of the applicable divorce decree. Any change in the monthly retirement benefit resulting from the pop-up, if approved by GMEBS, will be effective as of the first day of the month following GMEBS' receipt of said Applicable Form completed by the Participant, and after GMEBS' receipt of said proof evidencing divorce.

Effective with respect to monthly payments made on and after such date, the amount of the Participant's monthly retirement benefit will be equal to the monthly amount that would have otherwise been payable to the Participant under Article VI had the Participant elected Option A. On and after said date, the Participant's Post-Retirement Beneficiary will not be eligible to receive any survivor benefits following the Participant's death, notwithstanding any prior designation made by the Participant or the later remarriage of the Participant and the Post-Retirement Beneficiary. All payments shall cease at the death of the Participant and no further benefits will accrue to his estate or to other persons. This provision shall not be construed to permit a Participant to change his form of benefit payment, to change his Post-Retirement Beneficiary after his effective Retirement date, or to name a new Post-Retirement Beneficiary following the Participant's divorce from the Post-Retirement Beneficiary. Nor shall this provision be construed to require or permit payment of all or a portion of a Participant's retirement benefit to a former spouse pursuant to a domestic relations order.

(b) OPTION C: Period Certain and Life Option. A decreased benefit payable monthly to the Participant during his lifetime and, in the event of his death within a period of specified years, either five (5), ten (10), fifteen (15), or twenty (20) years after his benefit commencement, the same monthly amount shall be payable for the balance of such period to the Post-Retirement Beneficiary designated by him. If the Post-Retirement Beneficiary survives the Participant but dies before the end of such period, any unpaid monthly amounts that would have otherwise been payable to the Post-Retirement Beneficiary for the remainder of said period following the Post-Retirement Beneficiary's death shall be paid to the Post-Retirement Beneficiary's estate. If the Post-Retirement Beneficiary does not survive the Participant, all

payments shall cease at the death of the Participant and no further benefits will accrue to his estate or to other persons except as provided in Article VIII. This option shall be known as Option C. The Retirement benefit under Option C shall be calculated in accordance with Section 12.03.

Section 7.04. Cancellation of Election. The election by a Participant of any option in this Article VII shall be null and void if either the Participant or his designated Post-Retirement Beneficiary dies before the Participant's effective Retirement date.

Section 7.05. Rule for Small Benefits.

(a) Effective January 1, 2002, the present value of a Plan benefit shall be distributed in a cash single sum payment to the Participant, Terminated Vested Participant, or Pre-Retirement Beneficiary, as applicable, if the present value of said Plan benefit payable to the recipient does not exceed Five Thousand Dollars ($5,000) on the date of distribution. The present value of said Plan benefit shall be determined in accordance with Article XII.

(b) Effective for distributions commencing on or after March 28, 2005, if a distribution to be made under subsection (a) is greater than One Thousand Dollars ($1,000), is an eligible rollover distribution, and the recipient of the distribution does not elect to have the distribution paid directly to an eligible retirement plan specified by the recipient in a direct rollover or does not elect to receive the distribution directly, the Administrator will pay the distribution in a direct rollover to an individual retirement plan designated by the Administrator.

(c) Notwithstanding the provisions of subsections (a) and (b), effective on and after July 1, 2007, no distribution will be made under this Section unless and until the recipient of the distribution makes an election to either have the distribution paid directly to an eligible

retirement plan specified by the recipient in a direct rollover or to receive the distribution directly in cash.

Section 7.06. Distributions.

(a) Distributions payable as of any date shall be made on or as soon as administratively feasible after that date.

(b) In a contributory plan, interest shall be paid on any refund of employee contributions only as specified in the Adoption Agreement.

Section 7.07. Compliance with Internal Revenue Section 401(a)(9). All distributions shall be made in compliance with Article X.

Section 7.08. Compliance with Internal Revenue Section 415. All benefit options must comply with the limitations of Code Section 415, pursuant to Article XI and as applicable to governmental plans.

ARTICLE VIII.

DEATH BENEFITS

Section 8.01. Death in Service Prior to Retirement. In the event a Participant's employment or term of office is Terminated by reason of death prior to Retirement, there shall be paid to the Pre-Retirement Beneficiary the in-service death benefit elected by the Employer in the Adoption Agreement, provided the requirements of this Article are satisfied and except as otherwise provided under this Article.

Section 8.02. Actuarial Reserve In-Service Death Benefit. An Employer may elect in the Adoption Agreement to provide the Actuarial Reserve In-Service Death Benefit for one or more classes of Eligible Employees. In such case, the Employer shall designate in the Adoption Agreement the minimum service and other eligibility requirements a Participant must satisfy in order to be entitled to receive such benefit. Provided a Participant satisfies such requirements,

then in the event the Participant's employment with the Adopting Employer is terminated by reason of his death prior to his Retirement, and except as otherwise provided in Section 8.07(b), there shall be paid to his Pre-Retirement Beneficiary a lifetime monthly death benefit actuarially equivalent to the reserve required for the Participant's anticipated Normal Retirement benefit. In calculating the Normal Retirement benefit under the provisions of this Section, the following assumptions shall be used:

(a) The Participant's age at the time of his death is equal to the Normal Retirement Age as specified by the Employer in the Adoption Agreement, or his attained age if his attained age is greater than the Normal Retirement Age; and

(b) The Participant's Total Credited Service shall include the amount of Total Credited Service accrued prior to the date of the Participant's death. The Employer may elect in the Adoption Agreement to include additional imputed Credited Service in the calculation, but in no event shall the amount of Total Credited Service used in the calculation exceed the sum of actual service performed plus ten (10) calendar years. The death benefit under this Section shall be calculated using the factors contained in Section 12.04.

(c) Effective January 1, 2015, with respect to those Adopting Employers who have elected in their Adoption Agreement to provide the Actuarial Reserve In-Service Death Benefit, an Eligible Regular Employee must have at least one (1) year of Credited Service with the Adopting Employer to be eligible for the Actuarial Reserve In-Service Death Benefit; provided, however, that this one (1) year minimum shall not apply with respect to an Eligible Regular Employee: (1) whose immediate prior employment was with another GMEBS Adopting Employer and who had at least one (1) year of Credited Service with such prior GMEBS Adopting Employer, or (2) (A) who is not described in paragraph 8.02(c)(1) above and whose

Employer's Plan contains an Addendum provision which was in effect immediately prior to January 1, 2015, which provides for a waiting period of less than one (1) year to commence participation in the Plan, and (B) who was employed with said Employer prior to January 1, 2015 and satisfies such time limitation prior to the date of his death. The one (1) year minimum and the exceptions thereto described in this subsection 8.02(c) shall not supersede eligibility conditions specified in an Adopting Employer's Adoption Agreement or Addendum thereto which specify a requirement of more or less than one (1) year of Credited Service with the Adopting Employer and/or other minimum age or service requirements that are inconsistent with this Section 8.02 to be eligible for the Actuarial Reserve In-Service Death Benefit. Except as otherwise provided in an Adopting Employer's Adoption Agreement or Addendum thereto, elected or appointed members of the Governing Authority shall not be subject to a minimum Service requirement to be eligible for the Actuarial Reserve In-Service Death Benefit.

Section 8.03. Auto A In-Service Death Benefit. An Employer may elect in the Adoption Agreement to provide the Auto A in-service death benefit for one or more classes of Eligible Employees. In such case, the Employer shall designate in the Adoption Agreement the minimum Service and other eligibility requirements a Participant must satisfy in order to be entitled to such benefit. Provided a Participant satisfies such requirements, then in the event that the Participant's employment with the Adopting Employer is terminated by reason of his death prior to his Retirement, and except as otherwise provided in Section 8.06(b), there shall be paid to his Pre-Retirement Beneficiary a lifetime monthly death benefit, as follows:

(a) Monthly Death Benefit Payable to Spouse. If the Pre-Retirement Beneficiary to whom the in-service death benefit is payable under this Section is the Participant's Spouse, then the lifetime monthly death benefit payable to said Spouse shall commence on the first day of the

month coinciding with or immediately following the date of the Participant's death. Alternatively, the Spouse may elect to defer benefit payment commencement until the first day of any month up to and including the date the Participant would have attained Normal Retirement Age as defined in the Employer's Adoption Agreement. A Spouse shall be considered to have deferred benefit payment commencement until the first day of the month following the date the Spouse makes application for payment of death benefits. If the Pre-Retirement Beneficiary to whom the in-service death benefit is payable under this Section is not the Spouse of the Participant, then the lifetime monthly death benefit payable to said Beneficiary shall commence on the first day of the month coinciding with or immediately following the date of the Participant's death.

(b) Computation of Monthly Death Benefits. Benefits under this Section shall be computed as of the date of the Participant's death, based upon the applicable benefit formula in effect on said date, as follows:

(1) Participant Death Before Early Retirement Age; Payment Before Early Retirement Age. If a Participant dies before attaining Early Retirement Age as defined in the Employer's Adoption Agreement, and if benefit payments commence to a Pre-Retirement Beneficiary before the Participant would have attained Early Retirement Age, then the monthly death benefit payable to said beneficiary shall be the Actuarial Equivalent of the monthly Retirement benefit amount that would have otherwise been payable to the Participant, assuming the Participant: (i) terminated employment on his date of death; (ii) survived until Normal Retirement Age as defined in the Adoption Agreement; and (iii) elected to retire upon attaining Normal Retirement Age with the optional form of Retirement payment designated in Section 7.03 as Option B at one

hundred percent (100%), and then died. Said benefit shall be calculated in accordance with the actuarial assumptions specified in Section 12.06.

(2) Participant Death Before Early Retirement Age; Deferred Payment by Spouse Until After Early Retirement Age. If the Participant dies before attaining Early Retirement Age as defined in the Employer's Adoption Agreement and a Spouse who is eligible to receive the in-service death benefit hereunder defers payment until a date which is on or after the date the Participant would have attained Early Retirement Age, then the monthly death benefit payable to the Spouse Beneficiary shall be the monthly Retirement benefit that would have otherwise been payable to the Participant, assuming that the Participant: (i) terminated employment on the date of death; (ii) survived until the date upon which the deferred benefit payments commence in accordance with the Spouse Beneficiary's selected benefit commencement date; and, (iii) elected to retire on the benefit commencement date with the optional form of Retirement payment designated in Section 7.03 as Option B at one hundred percent (100%), and then died.

(3) Participant Death After Early Retirement Age; Payment Upon Death. If the Participant dies after attaining Early Retirement Age as defined in the Employer's Adoption Agreement, and if benefit payments commence to a Pre-Retirement Beneficiary on the first day of the month coinciding with or immediately following the date of the Participant's death, then the monthly death benefit payable to said Pre-Retirement Beneficiary shall be the monthly benefit that would have otherwise been payable to the Participant, assuming the Participant: (i) retired on the date of death, and (ii) elected the optional form of Retirement payment designated in Section 7.03 as Option B at one hundred percent (100%), and then died.

(4) Participant Death After Early Retirement Age; Deferred Payment by Spouse. If the Participant dies after attaining Early Retirement Age as defined in the Employer's Adoption Agreement, and if a Spouse who is eligible to receive the Auto A in-service death benefit hereunder defers payment in accordance with this Section, then the monthly benefit payable to the Spouse Beneficiary shall be the monthly Retirement benefit that would have otherwise been payable to the Participant, assuming that the Participant: (i) terminated employment on his date of death; (ii) survived until the date upon which the deferred benefit payments commence in accordance with the Spouse beneficiary's selected commencement date, and (ii) elected to retire on the benefit commencement date with the optional form of Retirement payment designated in Section 7.03 as Option B at one hundred percent (100%), and then died.

Section 8.04. Designation of Beneficiary. Unless otherwise provided in the Adoption Agreement or an Addendum thereto, a Participant may designate, on an Applicable Form provided for that purpose, one person as his Primary Pre-Retirement Beneficiary. If the Participant's employment with the Employer is terminated by reason of the Participant's death prior to his Retirement and if as of the date of the Participant's death the Participant has satisfied the minimum service and other eligibility requirements to be entitled to an in-service pre-retirement death benefit, said Primary Pre-Retirement Beneficiary shall receive the monthly pre-retirement death benefit elected by the Employer in the Adoption Agreement, provided the Primary Pre-Retirement Beneficiary survives the Participant by at least thirty-two (32) days in accordance with O.C.G.A. § 47-1-15 (a copy of which is included in the Appendix hereto). The Participant may additionally designate, on an Applicable Form provided for that purpose, one person as his Secondary Pre-Retirement Beneficiary. The monthly death benefit otherwise

payable to the Primary Pre-Retirement Beneficiary hereunder shall be payable to the Participant's designated Secondary Pre-Retirement Beneficiary in the event that: (1) the Participant's employment with the Employer is terminated by reason of the Participant's death prior to his Retirement; (2) the Primary Pre-Retirement Beneficiary does not survive the Participant by at least thirty-two (32) days; and (3) the Secondary Pre-Retirement Beneficiary survives the Participant by at least thirty-two (32) days.

Section 8.05. Change of Beneficiary. Designation of a Primary or Secondary Pre-Retirement Beneficiary may be changed by the Participant in writing on an Applicable Form provided for that purpose at any time prior to Retirement. Only the last such designation prior to Retirement shall have effect and any new designation of a Primary or Secondary Pre-Retirement Beneficiary invalidates, supersedes, and revokes any prior designation.

Section 8.06. Auto A In-Service Pre-Retirement Death Benefit; Default Beneficiary; Payment to Surviving Spouse or to Estate Where Benefit Not Payable to Designated Primary or Secondary Pre-Retirement Beneficiary.

(a) Effective with respect to deaths occurring on or after July 1, 2015, and except as otherwise provided in an Adopting Employer's Adoption Agreement or Addendum, in the absence of a designation by the Participant, or if there is no Primary or Secondary Pre-Retirement Beneficiary to whom the Auto A in-service pre-retirement death benefit is payable under this Article, then the Auto A in-service pre-retirement death benefit shall be paid to the Participant's surviving Spouse in accordance with this subsection. In such case, the Participant's surviving Spouse shall be considered the Pre-Retirement Beneficiary under the Plan. For purposes of this subsection, the term "surviving" shall mean surviving the Participant by at least thirty-two (32) days.

(b) Effective with respect to deaths occurring on or after July 1, 2015, and except as otherwise provided in an Adopting Employer's Adoption Agreement or Addendum, if there is no Pre-Retirement Beneficiary (i.e., a designated Pre-Retirement Beneficiary or surviving Spouse) to whom the Auto A in-service death benefit is payable, then a lump sum payment equal to fifty percent (50%) of the Actuarial Equivalent of the Participant's Vested Accrued Benefit, if any, shall be paid to the Participant's estate in lieu of the lifetime monthly benefit which would otherwise be payable to the Pre-Retirement Beneficiary. Such lump sum Actuarial Equivalent shall be determined as if the Participant had Terminated Employment on the date immediately preceding his date of death and received a lump sum distribution of said benefit under Section 7.05, determined without reference to the maximum cash-out limits of said Section, and using the assumptions set forth in Section 12.06.

(c) Effective with respect to deaths occurring before July 1, 2015, in the absence of a designation by the Participant, or if there is no Primary or Secondary Pre-Retirement Beneficiary to whom a pre-retirement death benefit is payable under this Article, then the pre-retirement death benefit shall be paid to the Participant's surviving Default Beneficiary in accordance with this subsection. For purposes of this subsection, the Participant's Default Beneficiary(ies) shall be as follows: (a) the Participant's surviving Spouse; or (b) if there is no surviving Spouse, the Participant's surviving Children; or (c) if there is no surviving Spouse or Children, the Participant's surviving Parent(s). For purposes of this Section, the term "surviving" shall mean surviving the Participant by at least thirty-two (32) days. For purposes of this subsection, the term "Spouse" shall be as defined in Section 2.62. The term "Child" or "Children" shall be as defined in Section 2.12. The term "Parent" shall be as defined in O.C.G.A. §19-11-3(7), determined as of the date of the Participant's death. Notwithstanding any other provision to the

contrary, if a death benefit becomes payable to more than one Child of the Participant under this subsection, then such benefit shall be paid to each such Child and calculated in a manner to provide each Child with an equal monthly benefit which ceases on the date such Child reaches age twenty-two (22). Such benefit shall be calculated using the factors contained in Section 12.06. If a death benefit is payable to more than one surviving Parent of the Participant under this subsection, then such benefit shall be calculated in a manner to provide each such Parent with the same monthly benefit amount for his or her lifetime. If a Child who is receiving a monthly benefit hereunder reaches age twenty-two (22) or if a Child or Parent receiving a monthly benefit hereunder dies, this shall not affect the monthly benefit amount any other Child or Parent is receiving. Except as otherwise provided in Section 8.07, if there is no Primary, Secondary, or Default Beneficiary to whom a death benefit is payable, then no death benefit is payable under the Plan.

Section 8.07. Actuarial Reserve In-Service Pre-Retirement Death Benefit; Payment to Surviving Spouse or to Estate Where Benefit Not Payable to Designated Primary or Secondary Pre-Retirement Beneficiary.

(a) Effective with respect to deaths occurring on or after July 1, 2015, and except as otherwise provided in an Adopting Employer's Adoption Agreement or Addendum, with respect to the Actuarial Reserve in-service death benefit only, if there is no Primary or Secondary Pre-Retirement Beneficiary to whom the death benefit is payable, then the Actuarial Reserve in-service pre-retirement death benefit shall be paid to the Participant's surviving Spouse in accordance with this Section, in which case the Participant's surviving Spouse shall be considered the Pre-Retirement Beneficiary under the Plan. For purposes of this Section, the term "surviving" shall mean surviving the Participant by at least thirty-two (32) days.

(b) Effective with respect to deaths occurring on or after July 1, 2015, if there is no Pre-Retirement Beneficiary (i.e., a designated Pre-Retirement Beneficiary or surviving Spouse) to whom the death benefit is payable, then the Actuarial Equivalent of the Participant's vested Accrued Retirement Benefit shall be paid to the Participant's estate in lieu of the lifetime monthly benefit which would otherwise be payable to a Pre-Retirement Beneficiary. Such Actuarial Equivalent shall be determined as if the Participant had terminated employment on the date immediately preceding his date of death and received a lump sum distribution of his benefit under Section 7.05, determined without reference to the maximum cash-out limits of said Section, and using the assumptions set forth in Section 12.06.

(c) Effective with respect to deaths occurring before July 1, 2015, with respect to the Actuarial Reserve in-service death benefit only, if there is no Primary, Secondary or Default Pre-Retirement Beneficiary to whom a death benefit is payable under Section 8.06, then the Actuarial Equivalent of the Participant's vested Accrued Retirement Benefit shall be paid to the Participant's estate in lieu of the lifetime monthly benefit which would otherwise be payable to a Pre-Retirement Beneficiary. Such Actuarial Equivalent shall be determined as if the Participant had terminated employment on the date immediately preceding his date of death and received a lump sum distribution of his benefit under Section 7.05, determined without reference to the maximum cash-out limits of said Section.

Section 8.08. Terminated Vested Death Benefits. If the Employer elects in the Adoption Agreement to provide a death benefit for Terminated Vested Participants or for certain classes of Terminated Vested Participants, then in the event such a Terminated Vested Participant dies before the effective Retirement Date, there shall be paid to the Pre-Retirement Beneficiary the terminated vested death benefit specified in the Adoption Agreement, provided

the requirements of this Article are satisfied and except as otherwise provided in this Article. Notwithstanding any provision to the contrary, effective October 1, 2016, an Adopting Employer that had not previously elected in its Adoption Agreement or Addendum thereto to provide a Terminated Vested death benefit to one or more classes of Participants shall be deemed to have elected by default to provide the Terminated Vested Auto A Death Benefit to such class or classes of Participants who terminate employment on or after such date.

Section 8.09. Terminated Vested Auto A Death Benefit. The Employer may elect in the Adoption Agreement to provide the Auto A Death Benefit for one or more classes of Terminated Vested Participants. In such case, the Employer shall designate in the Adoption Agreement the minimum Service and other eligibility requirements a Terminated Vested Participant must satisfy in order to be entitled to such benefit. Provided a Terminated Vested Participant satisfies such requirements, then in the event that the Terminated Vested Participant dies prior to his effective Retirement date, his Pre-Retirement Beneficiary may apply to receive a lifetime monthly death benefit subject to the provisions of this Section. If the Terminated Vested Participant's Pre-Retirement Beneficiary is the Terminated Vested Participant's Spouse, then the lifetime monthly death benefit payable to the Spouse Beneficiary under this Section shall commence on the first day of the month coinciding with or immediately following the date of the Terminated Vested Participant's death. Alternatively, the Spouse Beneficiary may elect to defer benefit payment commencement until the first day of any month up to and including the date the Participant would have attained Normal Retirement Age as determined under the Employer's Adoption Agreement. A Spouse designated as beneficiary shall be considered to have deferred benefit payment commencement until the first day of the month following the date the Spouse makes application for payment of death benefits. If the Pre-Retirement Beneficiary is not the

Spouse of the Terminated Vested Participant, then the lifetime monthly death benefit payable to the beneficiary under this Section shall commence on the first day of the month coinciding with or immediately following the date of the Terminated Vested Participant's death. Benefits under this Section shall be computed as follows:

(a) Terminated Vested Participant Death Before Early Retirement Age; Payment Before Early Retirement Age. If a Terminated Vested Participant dies before attaining Early Retirement Age as defined in the Adoption Agreement, and if benefit payments commence to a beneficiary before the Terminated Vested Participant would have attained Early Retirement Age, then the monthly death benefit payable to the beneficiary shall be the Actuarial Equivalent of the monthly Retirement benefit amount that would have otherwise been payable to the Terminated Vested Participant, assuming: (i) the Terminated Vested Participant survived until Normal Retirement Age; and (ii) the Terminated Vested Participant elected the optional form of Retirement payment designated herein as Option B at one hundred percent (100%), and then died. Said benefit shall be calculated in accordance with the actuarial assumptions specified in Section 12.06.

(b) Terminated Vested Participant Death Before Early Retirement Age; Deferred Payment by Spouse Until After Early Retirement Age. If the Terminated Vested Participant dies before attaining Early Retirement Age as defined in the Adoption Agreement and a Spouse designated as beneficiary defers payment until a date which is on or after the date the Terminated Vested Participant would have attained Early Retirement Age, then the monthly death benefit payable to the Spouse shall be the monthly Retirement benefit that would have otherwise been payable to the Terminated Vested Participant, assuming that: (i) the Terminated Vested Participant survived until the date upon which the deferred benefit payments commence in

accordance with the Spouse's selected benefit commencement date; and, (ii) the Terminated Vested Participant elected on such date to retire with the optional form of Retirement payment designated herein as Option B at one hundred percent (100%), and then died.

(c) Terminated Vested Participant Death After Early Retirement Age; Payment Upon Death. If the Terminated Vested Participant dies after attaining Early Retirement Age as defined in the Adoption Agreement, and if benefit payments commence to a beneficiary on the first day of the month coinciding with or immediately following the date of the Terminated Vested Participant's death, then the monthly death benefit payable to the beneficiary shall be the monthly benefit that would have otherwise been payable to the Terminated Vested Participant, assuming: (i) the Terminated Vested Participant retired on the date of death, and (ii) the Terminated Vested Participant elected the optional form of Retirement payment designated herein as Option B at one hundred percent (100%), and then died.

(d) Terminated Vested Participant Death After Early Retirement Age; Deferred Payment by Spouse. If the Terminated Vested Participant dies after attaining Early Retirement Age, and if a Spouse designated as beneficiary defers payment in accordance with this Section, then the monthly benefit payable to the Spouse shall be the monthly Retirement benefit that would have otherwise been payable to the Terminated Vested Participant, assuming that: (i) the Terminated Vested Participant survived until the date upon which the deferred benefit payments commence in accordance with the Spouse's selected commencement date, and (ii) the Terminated Vested Participant elected to retire on such date with the optional form of Retirement payment designated herein as Option B at one hundred percent (100%), and then died.

(e) Auto A Terminated Vested Death Benefit; Payment to Surviving Spouse or to Estate Where Benefit Not Payable to Designated Primary or Secondary Pre-Retirement

Beneficiary. Effective with respect to deaths occurring on or after July 1, 2015, and except as otherwise provided in an Adopting Employer's Adoption Agreement or Addendum, in the absence of a designation by the Participant, or if there is no Primary or Secondary Pre-Retirement Beneficiary to whom the terminated vested Auto A death benefit is payable under this Article, then said pre-retirement death benefit shall be paid to the Participant's surviving Spouse in accordance with this Section, in which case the surviving Spouse will be considered the Pre-Retirement Beneficiary under the Plan. For purposes of this Section 8.09(e), the term "surviving" shall mean surviving the Participant by at least thirty-two (32) days. If there is no Pre-Retirement Beneficiary (i.e., a designated Pre-Retirement Beneficiary or surviving Spouse) to whom the terminated vested Auto A death benefit is payable, then a lump sum payment equal to fifty percent (50%) of the Actuarial Equivalent of the Participant's vested Accrued Benefit, if any, shall be paid to the Participant's estate in lieu of the lifetime monthly benefit which would otherwise be payable to a Pre-Retirement Beneficiary. Such lump sum Actuarial Equivalent shall be determined as if the Participant had received a lump sum distribution of said benefit under Section 7.05, calculated as of the date on which the payment is made, without reference to the maximum cash-out limits of said Section, and using the assumptions set forth in Section 12.06.

(f) Calculation of Benefits. Benefits under this Section shall be calculated taking into account only the Participant's Total Credited Service and Final Average Earnings (where applicable) as of the date of his Termination of Employment with Adopting Employer, and the applicable benefit formula in effect on the date of said Termination.

Section 8.10. Accrued Retirement Benefit.

(a) Effective with respect to deaths occurring on or after July 1, 2015, the Employer may elect in the Adoption Agreement to provide a death benefit consisting of the Accrued Benefit for one or more classes of Terminated Vested Participants. In such case, the Employer shall designate the minimum service and other eligibility requirements a Terminated Vested Participant must satisfy in order to be entitled to such benefit. Provided a Terminated Vested Participant satisfies such requirements, then in the event that the Terminated Vested Participant dies prior to the effective Retirement date, the Pre-Retirement Beneficiary may apply to receive a lifetime monthly death benefit subject to the provisions of this subsection. Said benefit shall commence on the first day of the month coinciding with or immediately following the date of the Terminated Vested Participant's death. The monthly death benefit payable to the Participant's Pre-Retirement Beneficiary shall be the Actuarial Equivalent of the Terminated Vested Participant's Accrued Benefit, determined as of the date of the Participant's death, taking into account the Participant's Total Credited Service, Final Average Earnings, and the benefit formula in effect as of the date of the Participant's Termination. Effective with respect to deaths occurring on or after July 1, 2015, and except as otherwise provided in an Adopting Employer's Adoption Agreement or Addendum, if there is no Primary or Secondary Pre-Retirement Beneficiary to whom said pre-retirement death benefit is payable, said pre-retirement death benefit shall be paid to the Participant's surviving Spouse in accordance with this subsection, in which case the surviving Spouse will be considered the Pre-Retirement Beneficiary under the Plan. For purposes of this subsection, the term "surviving" shall mean surviving the Participant by at least thirty-two (32) days. If there is no Pre-Retirement Beneficiary to whom the benefit is payable, then a lump sum payment equal to fifty percent (50%) of the Actuarial Equivalent of the Participant's vested Accrued Benefit, if any, shall be paid to the Participant's estate in lieu of the

lifetime monthly benefit which would otherwise be payable to a Pre-Retirement Beneficiary. Such lump sum Actuarial Equivalent shall be determined as if the Participant had received a lump sum distribution of said benefits under Section 7.05, calculated as of the date on which the payment is made, without reference to the maximum cash-out limits of said Section, and using the assumptions set forth in Section 12.06.

(b) The provisions of this subsection (b) were effective as of January 1, 2013 but were superseded by the provisions of subsection (c) below effective January 1, 2014. The Employer may elect in the Adoption Agreement to provide a death benefit consisting of the Accrued Retirement Benefit for one or more classes of Terminated Participants. In such case, the Employer shall designate the minimum Service and other eligibility requirements a Terminated Participant must satisfy in order to be entitled to such benefit. Provided a Terminated Participant satisfies such requirements, then in the event that the Terminated Participant dies prior to the effective Retirement date, the Pre-Retirement Beneficiary may apply to receive a lifetime monthly death benefit subject to the provisions of this subsection. Said benefit shall commence on the first day of the month coinciding with or immediately following the date of the Terminated Participant's death. The monthly death benefit payable to the Participant's Pre-Retirement Beneficiary shall be the Actuarial Equivalent of the Terminated Participant's death, taking into account the Participant's Total Credited Service, Final Average Earnings, and the benefit formula in effect as of the date of the Participant's Termination.

(c) The provisions of this subsection (c) were effective as of January 1, 2014 but were superseded by the provisions of subsection (a) effective July 1, 2015. The Employer may elect in the Adoption Agreement to provide a death benefit consisting of the Accrued Benefit for one or more classes of Terminated Participants. In such case, the Employer shall designate the

minimum Service and other eligibility requirements a Terminated Participant must satisfy in order to be entitled to such benefit. Provided a Terminated Participant satisfies such requirements, then in the event that the Terminated Participant dies prior to the effective Retirement date, the Pre-Retirement Beneficiary may apply to receive a lifetime monthly death benefit subject to the provisions of this subsection. Said benefit shall commence on the first day of the month coinciding with or immediately following the date of the Terminated Participant's death. The monthly death benefit payable to the Participant's Pre-Retirement Beneficiary shall be the Actuarial Equivalent of the Terminated Participant's Accrued Benefit, determined as of the date of the Participant's death, taking into account the Participant's Total Credited Service, Final Average Earnings, and the benefit formula in effect as of the date of the Participant's Termination.

Section 8.11. Designation of Terminated Vested Pre-Retirement Beneficiary. The Primary and Secondary Pre-Retirement Beneficiary designated by the Participant to receive in-service death benefits under Section 8.04 shall automatically be considered the Participant's Primary and Secondary Pre-Retirement Beneficiary for purposes of payment of terminated vested pre-retirement death benefits, if any, under the Employer's Plan. If the Participant changes his beneficiary designation in accordance with Section 8.05, his designation under this Section shall be considered changed as well to reflect the new designation. In the absence of a designation by the Participant, or if there is no Primary or Secondary Pre-Retirement Beneficiary to whom a terminated vested pre-retirement death benefit is payable upon the Participant's death, then the terminated vested pre-retirement death benefit otherwise payable, if any, shall be paid to the Participant's surviving Spouse in accordance with and subject to the applicable provisions of this Article, in which case the surviving Spouse will be considered the Pre-Retirement

Beneficiary under the Plan. For purposes of this Section, the term "surviving" shall mean surviving the Participant by at least thirty-two (32) days. If there is no Pre-Retirement Beneficiary to whom a death benefit is payable, the death benefit shall be payable to the Participant's estate in accordance with and subject to the applicable provisions of this Article.

Section 8.12. Participant Death After Retirement Benefit Commencement. With respect to retirement applications received by GMEBS on or after July 1, 2011, upon the death of a Retired Participant subsequent to his Retirement, there shall be payable to the Participant's designated Post-Retirement Beneficiary, a benefit to be determined as follows:

(a) If the Participant has elected a form of payment that does not permit designation of a Post-Retirement Beneficiary (Option A), as provided in Article VII, or if he has elected a form of payment that does permit such designation (Option B or C) and his designated Post-Retirement Beneficiary does not survive him, no further payment of any kind whatsoever shall be made at the death of the Participant, except as provided in subsection (b) below.

(b) Except as otherwise provided in an Addendum to the Adopting Employer's Adoption Agreement, in the event that a Retired Participant who has elected a form of payment that does not permit designation of a Post-Retirement Beneficiary (Option A), as provided in Article VII, dies after Retirement benefit payments have commenced but before the Retired Participant has received at least thirty-six (36) monthly Retirement benefit payments, a one-time lump sum death benefit shall become payable which shall be equal to the amount of the Participant's initial Retirement benefit (determined as of the date such monthly Retirement benefit commenced) multiplied by thirty-six (36); provided, however, that the total amount of such lump-sum death benefit shall be reduced by the aggregate amount of Retirement benefits paid to such Retired Participant. The one-time lump sum death benefit shall be payable to the

Retired Participant's surviving Spouse. In such case, the Participant's surviving Spouse shall be considered the designated beneficiary under the Plan for purposes of this subsection (b). In the event that: (1) such Retired Participant does not have a Spouse at the time of the Retired Participant's death; or (2) such Retired Participant does have a Spouse at the time of the Retired Participant's death but such Spouse does not survive the Retired Participant by at least thirty-two (32) days; or (3) such Retired Participant does have a Spouse at the time of the Retired Participant's death but such Spouse does not within six (6) months following the Retired Participant's death provide the Administrator with documentation which the Administrator deems sufficient to verify that he or she was the Retired Participant's Spouse at the time of the Retired Participant's death, the lump-sum death benefit described in this subsection 8.12(b) shall be paid to the estate of the Retired Participant. The lump sum death benefit described in this subsection 8.12(b) shall not be considered part of the standard benefit payment form (Option A) for purposes of determining actuarial equivalence. The lump sum death benefit paid pursuant to this subsection 8.12(b) shall be included in determining the sum of all benefits paid to the Participant for purposes of determining the amount of any refund of Employee Contributions payable under Section 13.06. For purposes of this subsection, the term "surviving" shall mean surviving the Retired Participant by at least thirty-two (32) days.

(c) If the Participant has elected a form of payment that permits designation of a Post-Retirement Beneficiary (Option B or C) as provided in Article VII, and his designated Post-Retirement Beneficiary survives him, benefits shall be payable to the Post-Retirement Beneficiary as provided by the option elected, commencing the month following the Participant's last benefit payment month.

ARTICLE IX.

TERMINATION BEFORE RETIREMENT; VESTING

Section 9.01. Vesting Requirement for Deferred Retirement Benefit. An Employer may establish different vesting requirements for different classes of Eligible Employees in the Adoption Agreement. A Participant whose employment is terminated for any reason other than death or Retirement shall be entitled to a Vested right in the Accrued Benefit only if the Participant meets the Qualifications for a deferred Vested Retirement benefit specified in the Adoption Agreement. Payment of such Vested Retirement Benefit shall commence on the first day of the month in which the effective Retirement Date occurs and shall be payable on the first day of each month thereafter during the lifetime of the Participant, unless the Participant elects an optional form of benefit payment under Article VII. The amount of such Monthly Retirement Benefit shall be computed in the manner prescribed for Normal or Early Retirement in Article VI, as applicable, but based upon the Participant's Final Average Earnings (if applicable) and Total Credited Service up to the Participant's date of Termination of Employment with the Adopting Employer. Unless otherwise provided in the Adoption Agreement or in an Addendum thereto, in the event that an Eligible Regular Employee terminates employment with an Adopting Employer and returns to service with such Adopting Employer as an elected or appointed member of the Governing Authority, the portion of the monthly benefit attributable to Credited Service as an Eligible Regular Employee shall be computed based upon Credited Service as an Eligible Regular Employee and the benefit formula in effect as of the latest termination of employment as an Eligible Regular Employee. Likewise, in the event that an elected or appointed member of the Governing Authority vacates such office and returns to service with the Adopting Employer as an Eligible Regular Employee, the portion of the monthly benefit attributable to Credited Service as an elected or appointed member of the Governing Authority shall be computed based

upon Credited Service as an elected or appointed member of the Governing Authority and the benefit formula in effect as of such individual's latest vacation of such office. Notwithstanding any other provision of the Plan to the contrary, if a Participant has satisfied the requirements for Normal Retirement as of the date of his Termination, the Participant shall be one hundred percent (100%) Vested in the Normal Retirement benefit.

Section 9.02. Termination of Tenure of Office Before Retirement. Unless otherwise specified by the Employer in the Adoption Agreement, a Participant who is an elected or appointed member of the Governing Authority or a Municipal Legal Officer, and who vacates office for any reason other than death or Retirement shall be entitled to a Vested right in the portion of his Accrued Benefit attributable to his Credited Service as an elected or appointed member of the Governing Authority only if he meets the qualifications for a deferred Vested benefit applicable to elected or appointed members of the Governing Authority and Municipal Legal Officers as specified in the Adoption Agreement. Unless otherwise specified in the Employer's Adoption Agreement or Addendum thereto, if a Participant has Credited Service both as an elected or appointed member of the Governing Authority or a Municipal Legal Officer and as an Eligible Regular Employee of the Adopting Employer, the Participant's combined Total Credited Service shall be taken into account in determining whether the Participant has satisfied the minimum service requirements for vesting under the Plan and the minimum service requirements for benefit eligibility under the Plan that are applicable to Eligible Regular Employees, Municipal Legal Officers, and/or elected or appointed members of the Governing Authority, as applicable.

Section 9.03. Immediate Vesting in Disability Retirement Benefit. If the Employer elects in the Adoption Agreement to provide Disability benefits, and unless otherwise specified

in the Adoption Agreement, a Participant who is Disabled and otherwise meets the Plan's eligibility requirements for payment of a Disability Retirement Benefit shall be considered 100% Vested in such benefit.

Section 9.04. Involuntary Termination Without Cause. Notwithstanding any more restrictive vesting requirement imposed by the Employer in the Adoption Agreement, a Participant whose employment is terminated involuntarily and without cause shall be entitled to a Vested Benefit if he has completed five (5) years of Total Credited Service. For the purpose of this condition, "cause" for dismissal shall mean negligence or inefficiency in performing the duties of the position held, unfitness to perform assigned duties, insubordination, or misconduct reflecting discredit on the Adopting Employer or upon the Governing Authority.

Section 9.05. Portability between Adopting Employers.

(a) This Section applies to a Participant, other than an elected or appointed member of the Governing Authority or Municipal Legal Officer, whose employment is terminated either voluntarily or involuntarily after participation in the Plan, provided that with respect to a Participant who terminates employment on or after January 1, 2015, such Participant has at least one (1) year of Credited Service with the Employer. This one (1) year minimum shall not apply with respect to a Participant,

(1) whose immediate prior employment was with another GMEBS Employer, and under whose Plan in effect prior to January 1, 2015, the Participant was subject to a waiting period and the Participant had satisfied such waiting period prior to his Termination of Employment with such prior GMEBS Employer, or

(2) (A) who is not described in paragraph 9.05(a)(1) above, and whose Employer's Plan contains an Addendum provision which was in effect prior to January 1,

2015, which provides for a waiting period of less than one (1) year to commence participation in the Plan, and (B) who was employed with said Employer prior to January 1, 2015 and satisfies such time limitation prior to Termination. With respect to an Employee described in this paragraph 9.05(a)(2), this Section shall become applicable to such Employee once he or she has satisfied such waiting period.

(b) Subject to any limitations or conditions contained in the Employer's Adoption Agreement, in determining whether a Participant has satisfied the minimum service requirements for Vesting and the minimum service requirements for Retirement and, for Participants who terminate on or after September 26, 2014, pre-retirement death benefit eligibility, under the Adoption Agreement of any GMEBS Adopting Employer, the Participant's Total Credited Service with all other of the Participant's past and future Adopting Employers shall be taken into account. In no event, however, shall service with one GMEBS Employer be used to calculate the benefit amount due the Participant from another GMEBS Employer. Prior to January 1, 2015, except as otherwise provided in Section 4.02(c)(7) concerning immediate participation for Participants who transfer from one GMEBS Adopting Employer to another, service with one GMEBS Adopting Employer may not be used to establish participation in another Adopting Employer's plan.

Section 9.06. Forfeiture of Benefits for Public-Employment Related Crimes, Other Crimes.

(a) Benefits otherwise payable under the Plan shall be reduced or forfeited, as applicable, upon final conviction for a public employment-related crime or final conviction for a drug-related crime, in accordance with and subject to the applicable provisions of O.C.G.A. § 47-1-20 through 47-1-25 (a copy of which is included in the Appendix hereto). The terms of

O.C.G.A. § 47-1-20 et seq. are incorporated herein by reference, including any future amendments thereto.

(b) Survivor benefits or refunds otherwise payable to a person upon the death of a Participant, Terminated Vested Participant, Retired Participant, or beneficiary shall be forfeited if the person commits or conspires to commit murder or involuntary manslaughter against a Participant, Terminated Vested Participant, Retired Participant, or beneficiary, in accordance with and subject to the applicable provisions of O.C.G.A. § 47-1-24 (a copy of which is included in the Appendix hereto). The terms of said code section are incorporated herein by reference, including any future amendments thereto.

(c) If the Adopting Employer receives information that a Participant, Terminated Vested Participant, Retired Participant or beneficiary has been convicted of any crime referenced in this Section which could potentially result in reduction or forfeiture of benefits, the Adopting Employer shall notify the Administrator when it receives notice of such conviction.

Section 9.07. Forfeitures.

(a) Effective on and after January 1, 2014, if the Adopting Employer is unable to determine the whereabouts of and payment information for any Participant, beneficiary or surviving Spouse to whom a payment (e.g., a payment of Retirement, Disability or Death benefits) is due and provide such information to the Administrator within a period of six (6) months from the later of: 1) the date on which the Administrator became aware that such payment became due and payable, or 2) the date on which the Administrator became unable to continue processing payments to the Participant, beneficiary or surviving Spouse due to changes in his or her bank account, address, or other necessary information, the Administrator shall direct that the payment and all remaining payments, if any, otherwise due to the Participant, beneficiary

or surviving Spouse be cancelled on the records of the Plan and the amount thereof be treated as a forfeiture. Likewise, if the Adopting Employer is unable to determine the whereabouts of and payment information for any Participant, surviving Spouse or estate, as applicable, to whom a return of Employee Contributions due pursuant to Section 13.03 or Section 13.06 of this Master Plan or pursuant to the Adopting Employer's Adoption Agreement or an Addendum thereto and provide such information to the Administrator within a period of six (6) months from such Participant's Termination of Employment (for non-vested Participants and for vested Participants whose Employee Contributions are required to be refunded following termination provided a refund to vested Participants does not result in forfeiture of Credited Service under the Plan), a vested Participant's request for a return of contributions, or, in a case of failure to exhaust, the date of a Participant's death, the Administrator shall direct that the return of Employee Contributions otherwise due to the Participant, surviving Spouse or estate, as applicable, be cancelled on the records of the Plan and the amount thereof be treated as a forfeiture and placed in the Employer's GMEBS Trust Fund.

(b) In the event that a payment (e.g., a return of Employee Contributions, or a payment of Retirement, Disability or Death benefits) is due to the estate of a Participant or beneficiary but the Administrator is unable to process such payment due to the absence of said estate or lack of information needed to process payment to said estate, or, following the expiration of six (6) months after the date on which the payment is issued the payment remains outstanding, the Administrator shall so notify the Adopting Employer. The Adopting Employer shall attempt to locate documents establishing such estate, a correct address or bank account or other necessary information to process such payment. If the Adopting Employer is unable to ascertain such documentation or information within six (6) months after receiving notice from

the Administrator of the outstanding payment, the Administrator shall direct that the payment be cancelled on the records of the Plan and the amount thereof be treated as a forfeiture.

(c) Notwithstanding the foregoing provisions of this Section, if a Participant, beneficiary or surviving Spouse whose whereabouts or payment information is unknown and whose benefits are forfeited pursuant to this Section subsequently claims such benefits on the Applicable Form, such forfeited benefit shall be reinstated and shall be paid retroactively, without interest, to the date of the first cancelled payment. Likewise, if the executor of an estate to which a payment was forfeited pursuant to paragraph (b) above subsequently claims such benefits on the Applicable Form, the forfeited benefit shall be reinstated and shall be paid, without interest, to the estate.

(d) Forfeitures arising from the inability to determine the whereabouts of or payment information for a Participant, beneficiary or surviving Spouse, or arising from Termination of Employment, withdrawal or any other reason may not be applied to increase the benefits any individual would otherwise receive under the Plan. Forfeitures will remain Trust assets, and as such, may be used to reduce an Adopting Employer's contribution.

(e) Notwithstanding any provision to the contrary, in the event that a return of Employee Contributions otherwise due to a Participant, to a surviving Spouse, to the estate of a Participant or of a Pre-Retirement or Post-Retirement Beneficiary, or to another individual or estate, as applicable, is cancelled on the records of the Plan and the amount thereof is treated as a forfeiture pursuant to this Section 9.07, including subsection (c), interest on such Employee Contributions shall cease to accrue as of the date on which the Administrator directs that the return of Employee Contributions be cancelled.

ARTICLE X.

DISTRIBUTION AND ROLLOVER RULES

Section 10.01. Distribution Rules Imposed by Federal Law. Notwithstanding any provision of this Plan to the contrary, any distribution under the Plan shall be made in accordance with Code Section 401(a)(9) and the Treasury regulations promulgated thereunder, including the incidental benefit rules under Code Section 401(a)(9)(G), and shall comply with the following rules:

(a) With respect to distributions under the Plan made for calendar years beginning on or after January 1, 2002, the Plan shall apply the minimum distribution requirements of Code Section 401(a)(9) in accordance with the Final Regulations under Code Section 401(a)(9) that were issued on April 17, 2002, and June 15, 2004, notwithstanding any provision of the Plan to the contrary. GMEBS is coordinating the compliance with the Final Regulations to comply with the good faith reasonable standard of Pension Protection Act of 2006 Section 823.

(b) A Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's required beginning date. For purposes of this Section, "required beginning date" means April 1 of the calendar year following the later of (i) the calendar year in which the Participant reaches age seventy and one-half (70½), or (ii) the calendar year in which the Participant Retires.

(c) If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

(1) If the Participant's surviving spouse is the Participant's sole designated beneficiary, then distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or

by December 31 of the calendar year in which the Participant would have attained age seventy and one-half (70½), if later.

(2) If the Participant's surviving spouse is not the Participant's sole designated beneficiary, then distributions to the designated beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, over the life of the designated beneficiary or over a period certain not exceeding:

(A) unless the annuity starting date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year immediately following the calendar year of the Participant's death; or

(B) if the annuity starting date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year that contains the annuity starting date.

(3) If there is no designated beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(4) If the Participant's surviving spouse is the Participant's sole designated beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, this subsection (c), other than (c)(1), will apply as if the surviving spouse were the Participant.

If annuity payments irrevocably commence to the Participant before the Participant's required beginning date (or to the Participant's surviving spouse before the date distributions are required to begin to the surviving spouse under this subsection (c)), the date distributions are considered to begin is the date distributions actually commence.

(d) The amount that must be distributed on or before the Participant's required beginning date (or, if the Participant dies before distributions begin, the date distributions are required to begin under subsection (c)) is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are received, e.g., bi-monthly, monthly, semi-annually, or annually. All of the Participant's benefit accruals as of the last day of the first distribution calendar year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the Participant's required beginning date.

(e) Any additional benefits accruing to the Participant in a calendar year after the first distribution year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.

(f) If the Participant's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the Participant and a non-spouse beneficiary, annuity payments to be made on or after the Participant's required beginning date to the designated beneficiary after the Participant's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the Participant using the applicable table set forth in the Treasury Regulations. If the form of distribution combines a joint and survivor annuity for the joint lives of the Participant and a non-spouse beneficiary and a period certain

annuity, the requirement in the preceding sentence will apply to annuity payments to be made to the designated beneficiary after the expiration of the period certain.

(g) Unless the Participant's spouse is the sole designated beneficiary and the form of distribution is a period certain and no life annuity, the period certain for an annuity distribution commencing during the Participant's lifetime may not exceed the applicable distribution period for the Participant under applicable simple life table set forth in the Treasury Regulations for the calendar year that contains the annuity starting date. If the annuity starting date precedes the year in which the Participant reaches age seventy (70), the applicable distribution period for the Participant is the distribution period for age seventy (70) under the applicable single life table as set forth in the Treasury Regulations plus the excess of seventy (70) over the age of the Participant as of the Participant's birthday in the year that contains the annuity starting date. If the Participant's spouse is the Participant's sole designated beneficiary and the form of distribution is a period certain and no life annuity, the period certain may not exceed the longer of the Participant's applicable distribution period, as determined under this Section, or the joint life and last survivor expectancy of the Participant and the Participant's spouse as determined under the applicable joint life table set forth in the Treasury Regulations, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the calendar year that contains the annuity starting date.

(h) A Participant or beneficiary eligible for benefits from an Adopting Employer's Plan must complete and return the Applicable Form provided for such purpose in order to commence distribution of benefits. Any excise tax under Code Section 4974 that results from a failure to timely apply for distribution of benefits under the Plan shall be the responsibility of the Participant or beneficiary, as applicable.

Section 10.02. Rollover of Distributions. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a Distributee's election under this Section, a Distributee may elect, at the time and in the manner prescribed by the Administrator, to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the Distributee in a Direct Rollover. The following definitions shall apply to this Section:

(a) An "Eligible Rollover Distribution" is any distribution of all or any portion of the balance to the credit of the Distributee, except that an Eligible Rollover Distribution does not include: (i) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's designated beneficiary, or for a specified period of ten (10) years or more; (ii) any distribution to the extent such distribution is required under Code Section 401(a)(9); (iii) the portion of any distribution that is not includible in gross income; or (iv) any other distributions which the Internal Revenue Service does not consider eligible for rollover treatment, such as certain corrective distributions necessary to comply with the provisions of Code Section 402(g) or 415. Effective January 1, 2002, an Eligible Rollover Distribution also includes a distribution to a surviving spouse. Effective January 1, 2002, a portion of a distribution will not fail to be an Eligible Rollover Distribution merely because the portion consists of after-tax Employee Contributions that are not includible in gross income. However, such portion may be transferred only to a (1) traditional individual retirement account or annuity described in IRC 408(a) or (b) (a “traditional IRA”) or a Roth individual retirement account or annuity described in IRC 408(A) (a “Roth IRA”), or (2) to a qualified defined contribution defined benefit or annuity plan described in IRC 401(a) or 403(a) or to an annuity contract described in IRC 403(b), if such plan or contract provides for

separate accounting for amounts so transferred (including interest thereon), including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

(b) An "Eligible Retirement Plan" is any one of the following that accepts the Distributee's Eligible Rollover Distribution: (i) a traditional IRA; (ii) a Roth IRA; (iii) an annuity plan described in Code Section 403(a); or (iv) a qualified defined benefit or defined contribution plan described in Code Section 401(a). Effective for distributions made after December 31, 2001, an Eligible Retirement Plan will also include an eligible deferred compensation plan described in Code Section 457(b) which is maintained by an eligible employer described in Code Section 457(e)(1)(A) that agrees to separately account for amounts transferred into that plan; or an annuity plan described in Code Section 403(b); and effective for distributions made after December 31, 2007, an Eligible Retirement Plan will also include a Roth IRA described in Code Section 408A. The portion of an Eligible Rollover Distribution that is not includible in gross income may be transferred only to an individual retirement account or individual retirement annuity described in Code Sections 408(a) or 408(b), a qualified defined contribution plan described in Code Section 401(a), a qualified plan described in Code Section 403(a), or on or after January 1, 2007, to a qualified defined benefit plan described in Code Section 401(a) or an annuity contract described in Code Section 403(b), that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

(c) A "Distributee" includes an employee or former employee. A Distributee also includes the employee's or former employee's surviving spouse. Effective January 1, 2008, a

Distributee further includes a nonspouse beneficiary who is a designated beneficiary as defined by Code Section 401(a)(9)(E). However, a nonspouse beneficiary may only make a direct rollover of the distribution to an individual retirement account or individual retirement annuity established for the purpose of receiving the distribution, and the account or annuity will be treated as an "inherited" individual retirement account or annuity.

(d) A "Direct Rollover" is a payment by the Plan to the Eligible Retirement Plan specified by the Distributee.

(e) Notwithstanding subsection (a), if an Eligible Rollover Distribution is expected to total less than Two Hundred Dollars ($200) during a year, such payment may not be directly rolled over.

Section 10.03. Acceptance of Eligible Rollover Distributions. To the extent permitted by the applicable provisions of the Code and regulations issued thereunder, for the purpose of purchasing Credited Service or repaying withdrawn Employee Contributions (including any Contributions made to purchase prior service credit, as applicable) as permitted under the Plan and the Employer's Adoption Agreement (i) a Participant may contribute to the Plan as a rollover contribution a qualified rollover amount from a qualified plan under Code Section 401(a), an annuity plan under Code Section 403(a), an individual retirement account or annuity under Code Sections 408(a) or (b), a governmental deferred compensation plan under Code Section 457(b), or a tax-sheltered annuity under Code Section 403(b), that is includible in taxable income; or (ii) effective as of June 24, 2009, a Participant may make a direct rollover to the Plan of a qualified rollover amount from a qualified plan under Code Section 401(a) consisting of after-tax employee contributions that is not includible in taxable income provided that such amount will be separately accounted for under the Plan; provided, further, that the

Administrator, in its discretion, determines that the contribution satisfies all applicable requirements of the Code. Such rollovers will be allowed to the extent permitted by law, subject to any conditions, proofs, or acceptance the Administrator deems appropriate.

Section 10.04. Acceptance of Trustee-to-Trustee Transfers. A Participant may make a direct trustee-to-trustee transfer from another Code Section 401(a) qualified retirement plan, a governmental deferred compensation plan under Code Section 457(b), or a tax-sheltered annuity under Code Section 403(b) for the purchase of permissive service credit, as defined in Code Section 415(n)(3)(A) and as permitted under the Plan and the Employer's Adoption Agreement, or for a repayment to which Code Section 415 does not apply by reason of Code Section 415(k)(3), as permitted under the Plan and the Employer's Adoption Agreement. Such transfers will be allowed to the extent permitted by law, subject to any conditions, proofs, or acceptance the Administrator deems appropriate.

ARTICLE XI.

LIMITATIONS ON BENEFITS

Section 11.01. Effective Date. The Plan shall be administered so as to comply with this Article for limitation years beginning on or after July 1, 2007, except as otherwise provided herein.

Section 11.02. Limitation on Annual Benefit.

(a) In no event shall the aggregate annual benefit for a calendar year (the "limitation year") provided under this Plan and all other defined benefit plans (without regard to whether the plan has terminated) of the Employer for any Participant exceed an amount equal to One Hundred Sixty Thousand Dollars ($160,000) as adjusted pursuant to Code Section 415(d)(1)(A).

(b) Adjustment for Benefits Commencing Before Age 62.

(1) If the retirement income benefit under the Plan begins before age sixty-two (62) and occurs in a limitation year beginning on or after July 1, 2007, and the Plan does not have an immediately commencing straight life annuity payable at both age sixty-two (62) and the age of benefit commencement, the One Hundred Sixty Thousand Dollar ($160,000) limitation for the Participant's retirement income benefit commencement date is the annual amount of a benefit payable in the form of a straight life annuity commencing at the Participant's retirement income benefit commencement date that is the actuarial equivalent of the One Hundred Sixty Thousand Dollar ($160,000) limitation (adjusted under subsection (h) for years of participation less than ten (10), if required) with actuarial equivalence computed using a five percent (5%) interest rate assumption and the applicable mortality table for the retirement income benefit commencement date (expressing the Participant's age based on completed calendar months as of the retirement income benefit commencement date).

(2) If the retirement income benefit under the Plan begins before age sixty-two (62) and occurs in a limitation year beginning on or after July 1, 2007, and the Plan has an immediately commencing straight life annuity payable at both age sixty-two (62) and the age of benefit commencement, the One Hundred Sixty Thousand Dollar ($160,000) limitation for the Participant's retirement income benefit commencement date is the lesser of the limitation determined under paragraph (1) and the One Hundred Sixty Thousand Dollar ($160,000) limitation (adjusted under subsection (h) for years of participation less than ten (10), if required) multiplied by the ratio of the annual amount of the immediately commencing straight life annuity under the Plan at the Participant's

retirement income benefit commencement date to the annual amount of the immediately commencing straight life annuity under the Plan at age sixty-two (62), both determined without applying the limitations of this Article.

(3) If the retirement income benefit under the Plan begins before age sixty-two (62) and occurs in a limitation year that begins on or after January 1, 2002, but prior to July 1, 2007, the determination as to whether the One Hundred Sixty Thousand Dollars ($160,000) limitation has been satisfied shall be made by reducing the One Hundred Sixty Thousand Dollars ($160,000) limitation so that such limitation (as so reduced) equals an annual benefit (beginning when such retirement income benefit begins) which is equivalent to a One Hundred Sixty Thousand Dollars ($160,000) annual benefit beginning at age sixty-two (62). The age reduced dollar limit shall be the lesser of the equivalent amount computed using the actuarial table in Section 12.01 of the Plan for actuarial equivalence for early retirement benefits, and the amount computed using five percent (5%) interest and the applicable mortality table (to the extent that the mortality decrement is used prior to age sixty-two (62)).

(c) Adjustment for Benefits Commencing After Age 65.

(1) If the retirement income benefit under the Plan begins after age sixty-five (65) and occurs in a limitation year beginning on or after July 1, 2007, and the Plan does not have an immediately commencing straight life annuity payable at both age sixty-five (65) and the age of benefit commencement, the One Hundred Sixty Thousand Dollar ($160,000) limitation at the Participant's retirement income benefit commencement date is the annual amount of a benefit payable in the form of a straight life annuity commencing at the Participant's retirement income benefit commencement date that is the

actuarial equivalent of the One Hundred Sixty Thousand Dollar ($160,000) limitation (adjusted under subsection (h) for years of participation less than ten (10), if required), with actuarial equivalence computed using a five percent (5%) interest rate assumption and the applicable mortality table for that retirement income benefit commencement date as specified in Section 11.02(e)(2)(B) of the Plan (expressing the Participant's age based on completed calendar months as of the retirement income benefit commencement date).

(2) If the retirement income benefit under the Plan begins after age sixty-five (65) and occurs in a limitation year beginning on or after July 1, 2007, and the Plan has an immediately commencing straight life annuity payable at both age sixty-five (65) and the age of benefit commencement, the One Hundred Sixty Thousand Dollar ($160,000) limitation at the Participant's retirement income benefit commencement date is the lesser of the limitation determined under paragraph (1) and the One Hundred Sixty Thousand Dollar ($160,000) limitation (adjusted under subsection (h) for years of participation less than ten (10), if required) multiplied by the ratio of the annual amount of the adjusted immediately commencing straight life annuity under the Plan at the Participant's retirement income benefit commencement date to the annual amount of the adjusted immediately commencing straight life annuity under the Plan at age sixty-five (65), both determined without applying the limitations of this Article. For this purpose, the adjusted immediately commencing straight life annuity under the Plan at the Participant's retirement income benefit commencement date is the annual amount of such annuity payable to the Participant, computed disregarding the Participant's accruals after age sixty-five (65) but including actuarial adjustments even if those actuarial adjustments are used to offset accruals; and the adjusted immediately commencing straight life annuity

under the Plan at age sixty-five (65) is the annual amount of such annuity that would be payable under the Plan to a hypothetical Participant who is age sixty-five (65) and has the same accrued benefit as the Participant.

(3) If the retirement income benefit under the Plan begins after age sixty-five (65) and occurs in a limitation year that begins on or after January 1, 2002, but prior to July 1, 2007, the One Hundred Sixty Thousand Dollar ($160,000) limitation for the Participant's retirement income benefit commencement date is the annual amount of a benefit payable in the form of a straight life annuity commencing at the Participant's retirement income benefit commencement date that is the actuarial equivalent of the One Hundred Sixty Thousand Dollar ($160,000) limitation (adjusted under subsection (h) for years of participation less than ten (10), if required) with actuarial equivalence computed using whichever of the following produces the smaller annual amount: (i) the actuarial increase factors specified in Section 12.05 of the Plan; or (ii) a five percent (5%) interest rate assumption and the applicable mortality table as specified in Section 11.02(e)(2)(B) of the Plan.

(d) Notwithstanding the other requirements of this section, in adjusting the dollar limitation for the Participant's retirement income benefit commencement date under subsection (b) or (c), as applicable, no adjustment shall be made to the One Hundred Sixty Thousand Dollar ($160,000) limitation to reflect the probability of a Participant's death between the retirement income benefit commencement date and age sixty-two (62), or between age sixty-five (65) and the retirement income benefit commencement date, as applicable, if benefits are not forfeited upon the death of the Participant prior to the retirement income benefit commencement. To the extent benefits are forfeited upon death before the retirement income benefit commencement

date, such an adjustment shall be made. Furthermore, notwithstanding the requirements of this section, the adjustments provided for in subsections (b) and (c) shall not apply (i) in the event the Participant's benefit is based on at least fifteen (15) years of service as a full-time employee of any police or fire department or on fifteen (15) years of military service, or (ii) in the case of pre-retirement disability benefits or pre-retirement death benefits.

(e) Adjustment for Form Not Subject to Code Section 417(e)(3). For distributions made in any form other than a straight life annuity or a qualified joint and survivor annuity to which Code Section 417(e)(3) does not apply [generally, a monthly benefit], such benefit shall be adjusted to a straight life annuity, beginning at the same age, which is the actuarial equivalent of such benefit.

(1) For limitation years beginning before July 1, 2007, the actuarially equivalent straight life annuity for purposes of applying the limitations under Code Section 415(b) to benefits is equal to the greater of (or the reduced limitation applicable at the retirement income benefit commencement date which is the "lesser of" when adjusted in accordance with the following assumptions):

(A) the equivalent annual benefit computed using the interest rate and mortality table, or tabular factor, specified in Article XII of the Plan for actuarial equivalence for the particular form of benefit payable, and

(B) the equivalent annual benefit computed using a five percent (5%) interest rate assumption and the applicable mortality table described in Internal Revenue Service guidance (the mortality table specified in Revenue Ruling 98-1 prior to 2003 or Revenue Ruling 2001-62 on or after January 1, 2003).

(2) For limitation years beginning on or after July 1, 2007, the actuarially equivalent straight life annuity is equal to the greater of (or the reduced limitation applicable at the retirement income benefit commencement date which is the "lesser of" when adjusted in accordance with the following assumptions):

(A) the annual amount of the straight life annuity (if any) payable to the Participant under the Plan commencing at the same retirement income benefit commencement date as the Participant's form of benefit; and

(B) the annual amount of the straight life annuity commencing at the same retirement income benefit commencement date that has the same actuarial present value as the Participant's form of benefit, computed using a five percent (5%) interest rate assumption and the applicable mortality table described in Internal Revenue Service guidance (the mortality table specified in Revenue Ruling 2001-62 on or after January 1, 2003, or Internal Revenue Service Notice 2008-85 for years after December 31, 2008).

(f) Adjustment for Form Subject to Code Section 417(e)(3). As required by final Treasury Regulations, for distributions made in any form to which Code Section 417(e)(3) applies [generally, a lump sum benefit], such benefit shall be adjusted to a straight life annuity, beginning at the same age, which is the actuarially equivalent straight life annuity benefit which is the greatest of (or the reduced limitation applicable at the retirement income benefit commencement date which is the "least of" when adjusted in accordance with the following assumptions):

(1) The annual amount of the straight life annuity commencing at the retirement income benefit commencement date that has the same actuarial present value

as the particular form of benefit payable, computed using the interest rate and mortality table, or tabular factor, specified in Article XII of the Plan for actuarial experience;

(2) The annual amount of the straight life annuity commencing at the retirement income benefit commencement date that has the same actuarial present value as the particular form of benefit payable, computed using a five and five-tenths percent (5.5%) interest assumption (or the applicable statutory interest assumption) and (i) for years prior to January 1, 2009, the applicable mortality tables for the distribution under Treasury Regulation Section 1.417(e)-1(d)(2) (the mortality table specified in Revenue Ruling 98-1 prior to 2003 and Revenue Ruling 2001-62 or any subsequent Revenue Ruling modifying the applicable provisions of Revenue Ruling 2001-62) and (ii) for years after December 31, 2008, the applicable mortality tables described in Code Section 417(e)(3)(B) (Notice 2008-85 or any subsequent Internal Revenue Service guidance implementing Code Section 417(e)(3)(B)); or

(3) the annual amount of the straight life annuity commencing at the retirement income benefit commencement date that has the same actuarial present value as the particular form of benefit payable computed using the applicable interest rate for the distribution under Internal Revenue Service guidance (the 30-year Treasury rate prior to January 1, 2008, using the rate in effect for the month prior to retirement; on and after January 1, 2008, using the rate in effect for the first day of the plan year with a one-year stabilization period; and on and after January 1, 2015, using the rate in effect for the September prior to the plan year of distribution with a one-year stabilization period) and (i) for years prior to January 1, 2009, the applicable mortality tables for the distribution under Treasury Regulation Section 1.417(e)-1(d)(2) (the mortality table specified in

Revenue Ruling 98-1 prior to 2003 and Revenue Ruling 2001-62 or any subsequent Revenue Ruling modifying the applicable provisions of Revenue Ruling 2001-62), and (ii) for years after December 31, 2008, the applicable mortality tables described in Code Section 417(e)(3)(B) (Notice 2008-85 or any subsequent Internal Revenue Service guidance implementing Code Section 417(e)(3)(B)), divided by one and five-one-hundredths (1.05). However, effective for benefits commencing during limitation years beginning after December 31, 2008, this paragraph (3) does not apply to a Plan maintained by an eligible employer as defined under Code Section 408(p)(2)(C)(i) (generally, an Employer that had no more than one hundred (100) employees who received at least Five Thousand Dollars ($5,000) of compensation from the Employer during the preceding year).

(g) Limitations on benefits under this Article shall not apply where the total annual benefits payable to a Participant under this Plan and all other qualified defined benefit plans (whether or not terminated) of the Employer do not exceed Ten Thousand Dollars ($10,000) in the aggregate. This minimum limitation is not applicable for a Participant whose Employer maintains or has maintained a defined contribution plan in which such Participant participated.

(h) The Ten Thousand Dollars ($10,000) minimum limitation, if provided, must be reduced where a Participant has less than ten (10) years of service with the Employer at the time the Participant begins to receive retirement benefits under the Plan, and the maximum dollar limitation must be reduced where a Participant has less than ten (10) years of participation when retirement benefits under the Plan commence. These adjustments are made by multiplying the applicable limitations by the appropriate fraction:

(A) For the Ten Thousand Dollars ($10,000) minimum limitation – Years of service with the employer as of and including, the current limitation year divided by ten (10); or

(B) For the maximum dollar limitation – Years of participation with the employer as of and including, the current limitation year divided by ten (10).

(i) For purposes of applying the limits under Code Section 415(b) (Limit), the following will apply:

(1) prior to any limitation year beginning on or after July 1, 2007, adjustments under Section 6.05, will be taken into consideration when determining a Participant's applicable Limit;

(2) for any limitation year beginning on or after July 1, 2007:

(A) a Participant's applicable Limit will be applied to the Participant's annual benefit in the Participant's first limitation year without regard to any automatic cost of living adjustments under Section 6.05;

(B) to the extent the Participant's benefit equals or exceeds the Limit, the Participant will no longer be eligible for cost of living adjustments under Section 6.05 until such time as the benefit plus the accumulated adjustments under Section 6.05 are less than the Limit;

(C) thereafter, in any subsequent limitation year, a Participant's annual benefit, including any automatic cost of living increases under Section 6.05, shall be tested under the then applicable benefit Limit including any adjustment to the Code Section 415(b)(1)(A) dollar limit under Code Section 415(d), and the regulations thereunder; but

(D) in no event shall a Participant's benefit payable under the Plan in any limitation year be greater than the Limit applicable at the annuity starting date, as increased in subsequent years pursuant to Code Section 415(d) and the regulations thereunder. If the form of benefit without regard to the automatic benefit increase feature is not a straight life annuity, then the preceding provisions are applied by reducing the Code Section 415(b) limit applicable at the annuity starting date to an actuarially equivalent amount (determined using the assumptions specified in Treasury Regulation Section 1.415(b)-1(c)(2)(ii)) that takes into account the death benefits under the form of benefit.

Section 11.03. Limitation on Annual Additions.

(a) Effective beginning on and after January 1, 2002, to the extent required under Code Section 415(c), in no event shall the "annual addition" for a Participant for any calendar year (the "limitation year"), exceed the lesser of:

(1) Forty Thousand Dollars ($40,000)), as adjusted for increases in the cost of living under Code Section 415(d); or

(2) One hundred percent (100%)) of the "compensation" of such Participant received from an Adopting Employer during the limitation year.

(b) For purposes of this Section, "compensation" means all of a Participant's wages as defined in Code Section 3401(a) for the purposes of income tax withholding at the source but determined without regard to any rules that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Code Section 3401(a)(2)); provided, however, for limitation years beginning after December 31, 1997, compensation shall also include the amount of any elective deferrals,

as defined in Code Section 402(g)(3), and any amount contributed or deferred by the Adopting Employer at the election of the Employee and which is not includable in the gross income of the Employee by reason of Code Section 125 or 457, but shall exclude Employee contributions picked up under Code Section 414(h)(2). For limitations years beginning after December 31, 2000, compensation shall also include any amount deferred by the Adopting Employer at the election of the Employee which is not includable in the gross income of the Employee by reason of Code Section 132(f)(4). For limitation years beginning on or after July 1, 2007, the following types of payments, if paid by the later of (i) two and one-half (2½) months following a Participant's Termination of Employment, or (ii) the last day of the limitation year that includes the Participant's Termination of Employment, will be included as compensation for purposes of this Section: payments that, absent a Termination of Employment, would have been paid to the Participant while he or she continued in employment and that are regular compensation for services rendered, and payments of accrued bona fide sick, vacation, or other leave, but only if the Participant would have been able to use the leave if employment had continued. Any payments not described in the preceding sentence are not considered compensation if paid after severance from employment, even if they are paid within two and one-half (2½) months following severance from employment, except for payments to the individual who does not currently perform services for the Employer by reason of qualified military service (within the meaning of Code Section 414(u)(1)) to the extent these payments do not exceed the amounts the individual would have received if the individual had continued to perform services for the Employer rather than entering qualified military service. An Employee who is in qualified military service (within the meaning of Code Section 414(u)(1)) shall be treated as receiving compensation from the Employer during such period of qualified military service equal to (i) the

compensation the Employee would have received during such period if the Employee were not in qualified military service, determined based on the rate of pay the Employee would have received from the Employer but for the absence during the period of qualified military service, or (ii) if the compensation the Employee would have received during such period was not reasonably certain, the Employee's average compensation from the Employer during the twelve (12) month period immediately preceding the qualified military service (or, if shorter, the period of employment immediately preceding the qualified military service). For limitation years beginning on or after July 1, 2007, a Participant's compensation for purposes of this Section shall not exceed the annual limit under Code Section 401(a)(17).

(c) For purposes of this Section, "annual addition" means the sum of the following amounts credited to a Participant's accounts for the limitation year under this Plan and any other plan maintained by an Employer: (i) employer contributions; (ii) employee contributions; (iii) forfeitures; and (iv) allocations under a simplified employee pension plan. Amounts allocated after March 31, 1984, to an individual medical account, as defined in Code Section 415(l)(2), which is part of a pension or annuity plan maintained by an Employer are treated as annual additions to a defined contribution plan. Also, amounts derived from contributions paid or accrued after December 31, 1985, in taxable years ending after such date, which are attributable to post-retirement medical benefits, allocated to the separate account of a key employee, as defined in Code Section 419A(d)(3), under a welfare benefit fund, as defined in Code Section 419(e), maintained by an Employer are treated as an annual additions to a defined contribution plan.

(d) If the annual addition for a Participant under the Plan would be greater than the annual addition for such Participant as limited by subsection (a), then the excess shall be

corrected as permitted under the IRS Employee Plans Compliance Resolution System (currently set forth in Revenue Procedure 2008-50).

Section 11.04. Code Section 415(e) Limits. For limitation years beginning on and after January 1, 2000, any benefit limitations applied pursuant to Code Section 415(e) shall no longer apply for employees or former employees who are Participants with an accrued benefit under the Plan on or after January 1, 2000.

Section 11.05. Limitations on Service Credit Purchases.

(a) Notwithstanding any other provision of law to the contrary, if an Adopting Employer adopts an Addendum to the Adoption Agreement that provides for service credit purchases, the Administrator may modify a request by a Participant to make an Employee Contribution if the amount of the Contribution would exceed the limits provided in Code Section 415 by using the following methods:

(1) If the law requires a lump sum payment for the purchase of service credit, the Administrator may establish a periodic payment plan for the Participant to avoid a contribution in excess of the limits under Code Sections 415(c) or 415(n).

(2) If payment pursuant to paragraph (1) will not avoid a contribution in excess of the limits imposed by Code Section 415(c), the Administrator may either reduce the Employee Contribution to an amount within the limits of that section or refuse the Participant's Contribution.

(b) Effective for any permissive service credit contributions made in limitation years beginning after December 31, 1997, if a Participant makes one (1) or more contributions to purchase permissive service credit under an Adopting Employer's Plan, then the requirements of this Section will be treated as met only if:

(1) the requirements of Code Section 415(b) are met, determined by treating the accrued benefit derived from all such Contributions as an annual benefit for purposes of Code Section 415(b), or

(2) the requirements of Code Section 415(c) are met, determined by treating all such Contributions as annual additions for purposes of Code Section 415(c).

(3) For purposes of applying paragraph (1), the Plan will not fail to meet the reduced limit under Code Section 415(b)(2)(C) solely by reason of this paragraph (3), and for purposes of applying paragraph (2), the Plan will not fail to meet the percentage limitation under Code Section 415(c)(1)(B) solely by reason of this subsection (b).

(4) For purposes of this subsection (b) the term "permissive service credit" means service credit—

(A) recognized by the Plan for purposes of calculating a Participant's benefit under the Plan,

(B) which such Participant has not received under the Plan, and

(C) which such Participant may receive only by making a voluntary additional contribution, in an amount determined under the Plan, which does not exceed the amount necessary to fund the benefit attributable to such service credit.

Effective for permissive service credit contributions made in limitation years beginning after December 31, 1997, such term may include service credit for periods for which there is no performance of service, and, notwithstanding subparagraph (B), may include service credited in order to provide an increased benefit for service credit which a Participant is receiving under the Plan.

(5) The Plan will fail to meet the requirements of this subsection (b) if—

(A) more than five (5) years of nonqualified service credit are taken into account for purposes of this paragraph (5), or

(B) any nonqualified service credit is taken into account under this subsection (b) before the Participant has at least five (5) years of participation under the Plan.

(6) For purposes of paragraph (5), effective for permissive service credit contributions made in limitation years beginning after December 31, 1997, the term "nonqualified service credit" means permissive service credit other than that allowed with respect to—

(A) service (including parental, medical, sabbatical, and similar leave) as an employee of the Government of the United States, any State or political subdivision thereof, or any agency or instrumentality of any of the foregoing (other than military service or service for credit which was obtained as a result of a repayment described in Code Section 415(k)(3)),

(B) service (including parental, medical, sabbatical, and similar leave) as an employee (other than as an employee described in subparagraph (A)) of an education organization described in Code Section 170(b)(1)(A)(ii) which is a public, private, or sectarian school which provides elementary or secondary education (through grade 12), or a comparable level of education, as determined under the applicable law of the jurisdiction in which the service was performed,

(C) service as an employee of an association of employees who are described in subparagraph (A), or

(D) military service (other than qualified military service under Code Section 414(u)) recognized by such governmental plan.

In the case of service described in subparagraph (A), (B), or (C), such service will be nonqualified service if recognition of such service would cause a Participant to receive a retirement benefit for the same service under more than one Plan.

(7) In the case of a trustee-to-trustee transfer after December 31, 2001, to which Code Section 403(b)(13)(A) or 457(e)(17)(A) applies (without regard to whether the transfer is made between plans maintained by the same employer)—

(A) the limitations of paragraph (6) will not apply in determining whether the transfer is for the purchase of permissive service credit, and

(B) the distribution rules applicable under federal law to the Plan will apply to such amounts and any benefits attributable to such amounts.

(8) For an eligible Participant, the limitation of Code Section 415(c)(1) shall not be applied to reduce the amount of permissive service credit which may be purchased to an amount less than the amount which was allowed to be purchased under the terms of the Plan as in effect on August 5, 1997. For purposes of this paragraph (8), an eligible Participant is an individual who first became a Participant in the Plan before January 1, 1998.

Section 11.06. Interpretation of this Article.

(a) The annual additions and annual benefit of a Participant shall be adjusted pursuant to this Article so as to produce the maximum annual benefit and maximum annual additions permissible for such Participant.

(b) For purposes of this Section and subject to Code Section 415(h), all defined benefit plans of an Adopting Employer, whether or not terminated, are to be treated as a single defined benefit plan, and all defined contribution plans of an Adopting Employer are to be treated as a single defined contribution plan. However, Adopting Employers shall be considered as separate Employers in accordance with State law.

ARTICLE XII.

ACTUARIAL EQUIVALENT CONVERSION TABLES

Section 12.01. Early Retirement Reduction Table. Unless otherwise elected in the Adoption Agreement or an Addendum thereto, the following early retirement reduction table is to be used:

Number of Years Before Normal Retirement*	Percentage of Normal Retirement Benefit
0	1.000
1	.933
2	.867
3	.800
4	.733
5	.667
6	.633
7	.600
8	.567
9	.533
10	.500

*Interpolate for whole months.

Section 12.02. Option B Tables.

(a) Participant Same Age Or Older – The following table is to be used for a Participant who is the same age or older than his Beneficiary:

Participant Age – Beneficiary Age	Contingent Annuity Factor			
	100%	75%	50%	25%
0	.833	.870	.909	.952
1	.826	.864	.905	.950
2	.819	.857	.900	.947
3	.811	.851	.896	.945
4	.804	.845	.891	.943
5	.797	.839	.887	.940
6	.790	.833	.882	.938
7	.783	.828	.878	.935
8	.776	.822	.874	.933
9	.769	.816	.870	.930
10	.763	.811	.866	.928
11	.757	.806	.861	.926
12	.751	.800	.858	.923
13	.745	.795	.854	.921
14	.739	.791	.850	.919
15	.733	.786	.846	.917
16	.728	.781	.843	.915
17	.723	.777	.839	.913
18	.718	.772	.836	.911
19	.713	.768	.833	.909
20	.708	.764	.830	.907
21 or more	*	*	*	*

*Factor for twenty (20) year age difference minus extrapolation factor below times number of years in excess of twenty (20) that Participant's age exceeds his Beneficiary's age.

Contingent Annuity Percentage	Extrapolation Factor
100%	.005
75%	.004
50%	.003
25%	.002

(b) Participant Younger – The following table is to be used for a Participant who is younger than his Beneficiary:

Beneficiary Age – Participant Age	Contingent Annuity Factor			
	100%	75%	50%	25%

Beneficiary Age – Participant Age	Contingent Annuity Factor			
1	.841	.876	.914	.955
2	.848	.882	.918	.957
3	.856	.888	.922	.960
4	.863	.894	.926	.962
5	.870	.899	.931	.964
6	.877	.905	.935	.966
7	.885	.911	.939	.968
8	.892	.916	.943	.970
9	.898	.922	.947	.973
10	.905	.927	.950	.974
11	.912	.932	.954	.976
12	.918	.937	.957	.978
13	.924	.942	.960	.980
14	.930	.946	.964	.981
15	.935	.951	.967	.983
16	.941	.955	.969	.984
17	.945	.959	.972	.986
18	.950	.962	.974	.987
19	.955	.966	.977	.988
20	.959	.969	.979	.989
21 or more	.960	.970	.980	.990

Section 12.03. Option C Table.

Period	Factor
5 Years	.973
10 Years	.911
15 Years	.842
20 Years	.780

Section 12.04. Life Annuity Factors to be Used in Computing Actuarial Reserve Death Benefit.

Age	Factor	Age	Factor
21	12.5773	43	11.4236
22	12.5567	44	11.3274
23	12.5337	45	11.2264
24	12.5082	46	11.1207
25	12.4804	47	11.0102
26	12.4501	48	10.8952
27	12.4170	49	10.7755
28	12.3809	50	10.6509

Age	Factor	Age	Factor
29	12.3416	51	10.5213
30	12.2994	52	10.3869
31	12.2541	53	10.2479
32	12.2056	54	10.1041
33	12.1535	55	9.9552
34	12.0976	56	9.8010
35	12.0383	57	9.6415
36	11.9754	58	9.4769
37	11.9088	59	9.3076
38	11.8384	60	9.1331
39	11.7640	61	8.9537
40	11.6855	62	8.7698
41	11.6026	63	8.5818
42	11.5154	64	8.3903
		65	8.1958

Section 12.05. Late Retirement Actuarial Increase Factors.

Current Age	Factor
65	1.0000
66	1.1317
67	1.2850
68	1.4645
69	1.6755
70	1.9246
71	2.2204
72	2.5734
73	2.9967
74	3.5073
75	4.1274

Figure factor using years and months. Divide difference between next highest age factor and age factor lower, by twelve (12), then multiply by number of months. Add this onto age for years factor to arrive at correct factor. (Round off to 4 decimals). Note: If normal retirement age differs from sixty-five (65), factors must be supplied by Actuary.

Section 12.06. Other Annuity Forms. Conversion factors for other annuity forms shall be computed by an enrolled Actuary on an actuarially equivalent basis assuming that the Participant is retiring at age sixty-five (65) and using the RP 2000 Mortality Table set forward two (2) years for males and one (1) year for females and with interest of seven and seventy-five

one hundredths percent (7.75%), regardless of the actual age and sex of any Participant or Beneficiary. If appropriate, such factors may vary by the difference between the Participant's age and the beneficiary's age. The value of Retirement benefits received by a Participant for purposes of Section 6.06 shall be determined using the RP 2000 Mortality Table set forward two (2) years for males and one (1) year for females and with interest of seven and seventy-five one hundredths percent (7.75%). Notwithstanding the foregoing, the UP 1984 Mortality Table without age setback and with interest of eight percent (8.0%) was applied for the purpose of computing other annuity forms and calculating the value of Retirement benefits received by a Participant for purposes of Section 6.06 on or after January 1, 2013 and prior to September 26, 2014.

Section 12.07. Lump Sum Payments. Effective January 1, 2001, a single sum distribution of benefits payable under Section 7.05, or upon plan termination, or if required for compliance with Code Section 401(a)(9), shall be computed on the basis of the actual age of the Participant and/or Beneficiary at the time of distribution and under the following actuarial assumptions:

(a) Interest: The applicable interest rate established by the Internal Revenue Service under Code Section 417(e)(3) and accompanying regulations, without regard to updates under the Pension Protection Act of 2006, as in effect for the month of September preceding the calendar year during which the distribution is paid.

(b) Mortality: The applicable mortality table established by the Internal Revenue Service pursuant to IRC Section 417(e)(3) and accompanying regulations, without regard to updates under the Pension Protection Act of 2006.

(c) Age at Which Payments Begin: The greater of the Normal Retirement Date or the age at the time of distribution to the Participant and/or Beneficiary.

ARTICLE XIII.

CONTRIBUTIONS

Section 13.01. Adopting Employer Contributions. The Adopting Employer shall make the necessary Contributions to fund the Plan. The amount of these Contributions shall be based upon the actuarial assumptions adopted by the Board of Trustees, the benefits provided in the Plan, and the number of Participants and their respective ages, Earnings, and lengths of Creditable Service and such other factors as the Board of Trustees shall deem appropriate to assure proper funding of the Plan. Contributions by the Adopting Employer shall be applied as necessary to assure the payment of Accrued Benefits to Participants and Beneficiaries. Employer Contributions received by GMEBS by the last day of any month shall accrue Interest from the first day of the following month.

Section 13.02. Employee Contributions. Participants or certain classes of Participants may be required to make Contributions to the Plan as specified in the Adoption Agreement. Unless otherwise specified by the Adopting Employer, Employee Contributions shall accrue interest at the same rate and in the same manner as Employer Contributions. When elected by the Adopting Employer to be picked up, the Adopting Employer shall pick up and pay contributions in accordance with Code Section 414(h)(2) as follows:

(1) The contributions, although designated as Employee contributions, shall be paid by that Adopting Employer in lieu of contributions by the Employee as elected by the Adopting Employer in the Adoption Agreement, which shall be effective on a prospective basis and constitute written formal action to implement the pick-up, and

(2) The Employee must not be given the option, on or after the effective date of the pick-up, to have a cash or deferred election right (within the meaning of Treasury Regulation Section 1.401(k)-1(a)(3)) with respect to designated Employee contributions, which includes not having the option of receiving the amounts directly instead of having them paid to the Plan.

Section 13.03. Withdrawal of Employee Contributions.

(a) Unless otherwise specified in the Adoption Agreement, if a non-vested Participant's employment is terminated for any reason other than death, he shall request that his Employee Contributions plus interest, if any, be withdrawn.

(b) Unless otherwise specified in the Adoption Agreement, if a vested Participant's employment is terminated for any reason other than death or Retirement, he may request that his Employee Contributions (including any Contributions made to purchase prior service credit) plus interest be withdrawn, unless he chooses to claim his vested benefit, in which case his Employee Contributions shall not be withdrawn.

(c) Upon the Participant's termination, the Pension Committee shall provide notice to the Participant of his opportunity to withdraw his Employee Contributions (including any Contributions made to purchase prior service credit, if permitted under the Adoption Agreement or any Addendum thereto), and the Participant shall have sixty (60) days after receipt of such notice to submit a request for withdrawal on an Applicable Form provided for that purpose. Failure to make such a request within this sixty (60) day period shall result in the forfeiture of a vested Participant's right to request withdrawal upon termination and shall result in forfeiture of a non-vested Participant's right to the accrual of further interest. Unless otherwise specified in the Adoption Agreement or any Addendum thereto, upon withdrawal of Employee Contributions

(including any Contributions made to purchase prior service credit, if permitted under the Adoption Agreement or any Addendum thereto) pursuant to this Section, the Participant shall forfeit for himself, his heirs and assigns all his rights, title, and interest in the Plan, except as provided in subsection (d) below. Employee Contributions shall be returned to the Participant within ninety (90) days of the receipt of the Participant's request. A Participant may not withdraw his Employee Contributions (including any Contributions made to purchase prior service credit, if permitted under the Adoption Agreement or any Addendum thereto) as long as he remains in the employment of the Adopting Employer and he may not borrow against Employee Contributions (including any Contributions made to purchase prior service credit, if permitted under the Adoption Agreement or any Addendum thereto) at any time. A partial withdrawal of Employee Contributions is not permitted. Unless otherwise provided in the Adoption Agreement or any Addendum thereto, if a Participant who has made both mandatory Employee Contributions and Contributions to purchase prior service credit withdraws any of such Contributions, all mandatory Employee Contributions and Contributions to purchase prior service credit shall be withdrawn.

(d) Except as otherwise provided in the Employer's Adoption Agreement or any Addendum thereto, if a Participant withdraws Employee Contributions (including any Contributions made to purchase prior service credit, if permitted under the Adoption Agreement or any Addendum thereto) in accordance with this Section, and if such Participant later resumes employment with the Adopting Employer in an Eligible Employee class, then any service credit or benefit amount forfeited by virtue of the withdrawal may be reinstated upon the Participant's reemployment with the Adopting Employer, provided: (1) the Participant repays within six (6) months following the reemployment date and prior to Termination of Employment with the

Adopting Employer all amounts previously withdrawn plus interest at the assumed actuarial rate of return for the GMEBS Retirement Fund established by the Board as of date of repayment, compounded annually from the date of return of contributions through the date of repayment; and (2) provided the Participant satisfied the break in service rules, as applicable. Repayment of Employee Contributions (including any Contributions made to purchase prior service credit) under this subsection shall be made in a single lump sum, by a rollover or transfer of pre-tax funds described in Sections 10.03 and 10.04 of this Plan, a lump sum payment of after-tax funds, after-tax payroll deductions, or any other method established by the Board, subject to any limitations included in the Adoption Agreement or any Addendum thereto. With respect to the repayment of Withdrawn Employee Contributions prior to September 26, 2014, in the event that withdrawal of Contributions made to purchase prior service credit is permitted by an Employer's Adoption Agreement or Addendum, repayment will be permitted only to the extent permitted by the Adoption Agreement or Addendum, and in accordance with any re-purchase or other repayment restrictions specified in the Adoption Agreement or Addendum.

(e) For purposes of this Section, the amount of "interest" shall be determined as of the date that the withdrawal under this Section is made, and the amount of interest shall comply with any applicable provisions of Section 4(i)(10)(B)(i) of the Age Discrimination in Employment Act ("ADEA").

Section 13.04. Cessation of Contributions Without Penalty. The Employer may provide in the Adoption Agreement that Participants who have met certain retirement benefit eligibility requirements shall no longer be required to make contributions to the Plan. Effective on or after October 1, 2016, Participants who are receiving an In-Service Distribution or who are

otherwise receiving Retirement benefits while employed with the Adopting Employer shall not be required to make contributions to the Plan.

Section 13.05. Continued Contributions During Leave of Absence. Subject to the applicable limits of Code Section 415, if the terms of an authorized leave of absence permit the Participant to continue accumulating Credited Service during said leave of absence, the Participant shall be required to continue making Employee Contributions in the same amount and at the same rate as immediately prior to the commencement of the leave of absence.

Section 13.06. Return of Contributions Upon Failure to Exhaust.

(a) Death of a Retired Participant. If a Retired Participant elects the Option A form of benefit payment, and if upon the death of the Participant the sum of all benefits paid to the Participant does not equal or exceed the amount of the Participant's Employee Contributions plus interest posted thereon, then a lump sum payment in the amount of the difference, less any amounts paid to the Retired Participant's surviving Spouse or to the Retired Participant's estate pursuant to Section 8.12, shall be paid as follows: (1) in the event the Participant dies on or after January 1, 2014, to the Retired Participant's designated beneficiary as defined in this subsection (a), or if there is no such designated beneficiary, to the Retired Participant's estate, or (2) in the event the Participant dies on or after January 1, 2013 and prior to January 1, 2014, to the Retired Participant's estate. In the event that 1) a Retired Participant elects retirement benefit payment Option B or C, 2) the Post-Retirement Beneficiary predeceases the Participant, and 3) upon the death of the Retired Participant, the sum of all benefits paid does not equal or exceed the amount of the Participant's Employee Contributions plus interest posted thereon, then a lump sum payment in the amount of the difference shall be paid as follows: (A) in the event the Retired Participant dies on or after January 1, 2014, to the Retired Participant's designated beneficiary as

defined in this subsection (a), or if there is no such designated beneficiary, to the Participant's estate, or (B) in the event the Retired Participant dies on or after January 1, 2013 and prior to January 1, 2014, to the Retired Participant's estate. In the event that 1) a Retired Participant elects retirement benefit payment Option B or C, 2) the Post-Retirement Beneficiary survives the Retired Participant and dies after such Beneficiary has begun receiving survivor benefit payments, and 3) the sum of all benefits paid does not equal or exceed the amount of the Participant's Employee contributions plus interest posted thereon, said lump sum payment shall be paid as follows: (A) in the event the Post-Retirement Beneficiary dies on or after September 26, 2014, to the Post-Retirement Beneficiary's designated beneficiary as defined in this subsection (a) or, if there is no such designated beneficiary, to the Post-Retirement Beneficiary's estate, or (B) in the event the Post-Retirement Beneficiary dies on or after January 1, 2013 and prior to September 26, 2014, to the Post-Retirement Beneficiary's estate. For purposes of this subsection, the term "designated beneficiary" shall mean the surviving Spouse of the Retired Participant or Post-Retirement Beneficiary, as applicable, and the term "surviving" shall mean surviving the Retired Participant or Post-Retirement Beneficiary, as applicable, by at least thirty-two (32) days.

(b) <u>In-Service Death of Participant Before Satisfying Pre-Retirement Death Benefit Eligibility Requirements; Death of Terminated Vested Participant Where No Terminated Vested Death Benefit Is Payable</u>. If a Participant dies in the Service of an Adopting Employer before he satisfies the eligibility requirements for an in-service death benefit, his Employee Contributions plus interest posted thereon, if any, shall be paid to the Participant's designated beneficiary as defined in this subsection (b), or if there is no such designated beneficiary, to the Participant's estate. If a Terminated Vested Participant dies before Retirement and the Plan does not provide

for Terminated Vested death benefits to be payable upon the death of such Participant, his Employee Contributions plus interest posted thereon, if any, shall be paid to the Participant's designated beneficiary as defined in this subsection (b), or if there is no such designated beneficiary, to the Participant's estate. For purposes of this subsection, the term "designated beneficiary" shall mean the surviving Spouse of the Participant and the term "surviving" shall mean surviving the Participant by at least thirty-two (32) days.

(c) Death of a Participant or Terminated Vested Participant After Satisfying Pre-Retirement Death Benefit Eligibility Requirements. The following provision shall apply in the event that a Participant or Terminated Vested Participant who has satisfied the eligibility requirements for a pre-retirement death benefit dies before Retirement, and payments are made to a Pre-Retirement Beneficiary under the Plan. In the event the sum of all pre-retirement benefits paid to a Pre-Retirement Beneficiary(ies) by virtue of the death of a Participant or Terminated Participant, as applicable, does not equal or exceed the amount of the Participant's or Terminated Participant's Employee Contributions plus interest posted thereon, a lump sum payment in the amount of the difference shall be paid to the Pre-Retirement Beneficiary's designated beneficiary as defined in this subsection (c), or if there is no such designated beneficiary, to the estate of the Pre-Retirement Beneficiary (or the designated beneficiary or estate of the last Pre-Retirement Beneficiary receiving payment, as applicable with respect to Plans that permit payment to multiple Pre-Retirement Beneficiaries). For purposes of this subsection, the term "designated beneficiary" shall mean the surviving Spouse of the Pre-Retirement Beneficiary and the term "surviving" shall mean surviving the Pre-Retirement Beneficiary by at least thirty-two (32) days.

(d) For purposes of this Section, the amount of "interest posted" shall be determined as of the date that the lump sum payment payable under this Section is distributed, and the amount of interest posted shall comply with any applicable provisions of Section 4(i)(10)(B)(i) of the Age Discrimination in Employment Act ("ADEA").

ARTICLE XIV.

PENSION COMMITTEE

Section 14.01. Creation and Composition. There shall be a Pension Committee for each Adopting Employer. Unless otherwise specified in the Adoption Agreement, the Pension Committee shall be composed of the following:

For Municipal Corporations:

(a) City Clerk and City Manager.

(b) Two (2) Employee representatives appointed by the Governing Authority.

(c) Three (3) appointed members of the Governing Authority.

For Other Adopting Employers:

(a) Executive Director.

(b) Two (2) Employee representatives appointed by the Governing Authority.

(c) Four (4) appointed members of the Governing Authority.

Section 14.02. Responsibilities. The Pension Committee shall have the following responsibilities:

(a) In its dealings with GMEBS or its duly appointed representatives, the Pension Committee shall:

(1) Assure that accurate and complete information is furnished to GMEBS with respect to eligibility for participation, Total Credited Service, Earnings, and Final Average Earnings of Eligible Employees, including elected or appointed members of the

Governing Authority and Municipal Legal Officers if they are designated as Eligible Employees in the Adoption Agreement.

(2) Assure the collection and remittance to GMEBS of all required Contributions (including Employee Contributions, if applicable).

(3) Collect, and furnish to GMEBS, in accordance with its rules and regulations, all reports, forms, and other records required or necessary to administer the Plan, including but not limited to completed applications for participation (if applicable), employee elections to participate (if participation is optional for a particular class), employee census reports reflecting information necessary to complete the annual plan valuation, completed pre-retirement beneficiary designation forms, completed leave of absence reports, and completed retirement applications (including disability retirement applications, if the Adopting Employer has elected in its Adoption Agreement to provide disability retirement benefits).

(4) Provide reasonable prior notice to GMEBS of any amendments that the Adopting Employer intends to make to the Adoption Agreement.

(5) Notify GMEBS of the termination of Participating Employees, and, if they are permitted in the Adoption Agreement to participate in the Plan, the vacation of office by elected or appointed members of the Governing Authority and Municipal Legal Officers. Said notification should indicate whether the Employee has been involuntarily terminated without cause (see Section 9.04 concerning 5-year vesting for Employees involuntarily terminated without cause).

(6) Notify GMEBS when the Adopting Employer learns that an Eligible Employee, Participant, Terminated Vested Participant, Retired Participant or Beneficiary

has been convicted of a public employment-related crime or other crime which could result in a reduction or forfeiture of benefits (see Section 9.06).

(7) If the Adopting Employer has elected in the Adoption Agreement to provide disability retirement benefits, notify GMEBS of determinations made by the Pension Committee with respect to disability (see Section 2.23(b)) or continuation of disability (see Section 6.06(e)).

(8) Notify GMEBS when the Adopting Employer learns of the death of an Eligible Employee, Participant, Terminated Vested Participant, Retired Participant, or Beneficiary.

(b) In dealing with those persons participating or eligible to participate in the Plan, the Pension Committee shall:

(1) Be responsible for the enrollment of Eligible Employees, including elected or appointed members of the Governing Authority and Municipal Legal Officers if they are included as Eligible Employees in the Adoption Agreement.

(2) Handle distribution of all reports, forms, or other plan-related materials to Participants, including but not limited to plan summary booklets and annual participant statements.

(3) Handle disputes between the Adopting Employer and Participants in all matters regarding the Plan and notify GMEBS of same.

(4) Handle and distribute as necessary any notices of eligibility, benefits, available options, and any other notices required by this Plan, Contract, or rules and regulations of GMEBS.

(5) Address Employee inquiries concerning eligibility for participation in the Plan, enrollment, eligibility for retirement, disability, and/or death benefits, benefit payment options, and other terms, conditions, and features of the Plan.

(c) The Pension Committee is not authorized to interpret the Master Plan document, or matters of State and federal law as they relate to interpretation of the Master Plan document. These matters are reserved for the sole discretion of the Board.

Section 14.03. Secretary. The Adopting Employer shall designate in the Adoption Agreement a Pension Committee Secretary who shall have full authority to represent the Pension Committee in all communications with GMEBS and the Adopting Employer's Employees, including elected or appointed members of the Governing Authority and Municipal Legal Officers.

Section 14.04. Legal Assistance. The City Attorney or other attorney appointed by the Governing Authority shall furnish legal advice to the Pension Committee with respect to the Plan and the Committee's assigned responsibilities hereunder.

Section 14.05. Plan Representative. The Adopting Employer shall designate in the Adoption Agreement an individual to serve as Plan Representative. The Plan Representative shall have full authority to represent the Governing Authority in all communications with GMEBS and the Adopting Employer's Employees. The Pension Committee Secretary may serve as the Plan Representative.

ARTICLE XV.

BOARD OF TRUSTEES

Section 15.01. Definitions. As used in this Article, "Act" refers to the Act of the General Assembly creating the Board of Trustees of the Georgia Municipal Employees Benefit

System (O.C.G.A. § 47-5-1 et seq., a copy of which is included in the Appendix hereto), as amended.

Section 15.02. Powers. The powers of the Board of Trustees as fixed by the Act are hereby incorporated as part of the Plan. The Adopting Employer agrees that, in the administration of the Plan, it will comply with all rules and regulations adopted by the Board of Trustees under its authority as granted by the Act.

Section 15.03. Composition and Election. The composition of the Board of Trustees and the election of its members shall be as provided by the Act and as may be provided in the bylaws of the Board of Trustees.

Section 15.04. Officers. The election of officers by the Board of Trustees shall be conducted as may be prescribed by the Act and as may be provided in the bylaws of the Board of Trustees.

Section 15.05. Notice of Elections. The Board of Trustees shall provide through its bylaws for the giving of notice of elections, notice of any vacancy on the Board, the method or manner in which votes may be cast, and any other matter necessary or incident to the election of members of the Board. The Board may also provide for a proxy vote, and may determine how, when, and in what manner voting by proxy may be had in accordance with the Act and as may be provided in the bylaws of the Board of Trustees.

Section 15.06. Voting. Each Adopting Employer shall be entitled to vote in any election or other matter placed before the membership as provided in the bylaws of the Board of Trustees.

Section 15.07. Voting Representative for the Adopting Employer. The Pension Committee Secretary or other designated representative of the Pension Committee shall be the

official representative of the Adopting Employer to cast the Adopting Employer's vote in any election of members of the Board of Trustees and in any other matters which the membership has the authority and responsibility for resolving, unless the Adopting Employer notifies GMEBS to the contrary in writing.

Section 15.08. Qualified Public Accountant. The Administrator may engage on behalf of all Participants an independent qualified public accountant to conduct such an examination of any financial statements of the Plan, and of other books and records of the Plan, as the qualified public accountant may deem necessary to enable him to form an opinion as to whether the financial statements and schedules required to be included in the annual report of the Plan are presented fairly in conformity with generally accepted accounting principles as applicable to a governmental plan, applied on a basis consistent with that of the preceding Plan Year and who shall perform such other services for the Plan as the Administrator may require.

Section 15.09. Fiduciary Insurance. The Board of Trustees may purchase fiduciary liability insurance for any of its fiduciaries, or for itself, to cover liability or losses occurring by reason of the act or omission of a fiduciary.

ARTICLE XVI.

GMEBS TRUST AGREEMENT

Section 16.01. General Provisions. All contributions under the Plan shall be transferred to the Trust to be held, managed, invested, and distributed as part of the Trust Fund by the Board in accordance with the provisions of the Plan and GMEBS Trust Agreement. All benefits under the Plan shall be distributed solely from the Trust Fund. The Board shall distribute the corpus and income of the Trust Fund to the Participants and their Beneficiaries in accordance with applicable state and federal law and the Plan. At no time prior to the satisfaction of all liabilities with respect to Participants and their Beneficiaries shall any part of the corpus or

income be used for, or diverted to, purposes other than the exclusive benefit of the Participants and their beneficiaries.

Section 16.02. Group Trust Participation.

(a) If the investment is otherwise a permitted investment under Chapters 5 and 20 of Title 47 of the O.C.G.A., the Board may, unless otherwise restricted by law, transfer all or any portion of the assets of the Trust to a collective or common group trust, as permitted under Revenue Ruling 81-100, as modified by Revenue Rulings 2004-67 and 2011-1 (or subsequent guidance), that is operated or maintained exclusively for the commingling and collective investment of monies, and in such case the group trust agreement shall be deemed adopted as part of the GMEBS Defined Benefit Retirement Plan Trust Agreement without further action by the Board.

(b) The separate account maintained by the group trust for an Adopting Employer's Plan pursuant to subsection (a) above shall not be used for, or diverted to, any purpose other than for the exclusive benefit of the Participants and beneficiaries of the Adopting Employer's Plan, subject to the provisions in Article XVIII of the GMEBS Master Plan relating to the distribution of excess assets in the event of a plan termination.

(c) For purposes of valuation, the value of the separate account maintained by the group trust for an Adopting Employer's Plan shall be the fair market value of the portion of the group trust held for the Adopting Employer's Plan, determined in accordance with generally recognized valuation procedures.

ARTICLE XVII.

CLAIMS AND LITIGATION

Section 17.01. Disputes. In the event of disagreement between a Participant and the Adopting Employer with respect to any rights, claims, or responsibilities under the Plan which

cannot be resolved by the Pension Committee as provided under Article XV, the Participant may make an appeal regarding such rights, claims, or responsibilities to the Governing Authority. In the event that any such rights, claims, or responsibilities result in a suit or other legal action by a Participant or Beneficiary, such action shall be defended in the same manner as other suits against the Adopting Employer. Any legal action on behalf of the Adopting Employer with regard to the Plan shall be first authorized by the Governing Authority and shall be conducted in the manner prescribed by the Governing Authority. GMEBS shall have no responsibility to defend or pursue legal action arising under the Plan.

Section 17.02. Disputes involving Federal or State Law Compliance. In the event there is a dispute involving federal or state law compliance, between a Participant or Beneficiary and the Governing Authority or the Trustees, or between an Adopting Employer and the Trustees, GMEBS is a necessary party to any such dispute, or suit, settlement, or release arising therefrom.

Section 17.03. Failure to Act. GMEBS shall not be responsible for the failure of the Adopting Employers to perform any of their obligations under the Plan, including the duty to remit payments to GMEBS, to provide necessary records concerning Participants and their Earnings to GMEBS, or to perform any other functions required of the Adopting Employers by applicable law, the Master Plan, the Adoption Agreement (including any Addendum to the Adoption Agreement, if applicable), the GMEBS Trust Agreement, or by the rules and regulations of GMEBS. To the extent permitted under state and federal law, each Adopting Employer shall indemnify and hold GMEBS harmless for any failure to pay, delay in payment or other errors in processing benefits pursuant to this Plan due to the Adopting Employer's failure to perform its obligations under the Plan or provide accurate data to GMEBS for the purpose of administering the Plan.

ARTICLE XVIII.

AMENDMENT AND TERMINATION

Section 18.01. Amendment of the Plan by an Adopting Employer. The Governing Authority shall have the right at any time, and from time to time, to amend, in whole or in part, any or all of its elections in the Adoption Agreement; provided, however, that no such amendment shall:

(a) Reduce the previously Accrued Benefit of any Participant or Beneficiary; or,

(b) Authorize or permit any part of the Trust Fund held by the Board to be diverted to purposes other than for the exclusive benefit of Participants and their Beneficiaries; or,

(c) Operate to deprive any Participant or Beneficiary of any rights or benefits irrevocably Vested in him under the Plan prior to such amendment, except that the Governing Authority may make any and all changes or modifications to the Adoption Agreement necessary to qualify the Plan or to keep the Plan qualified under the Internal Revenue Code and the regulations thereunder, or any amendment thereto; or,

(d) Become effective until approved by the Administrator. In order to be approved by the Administrator, any amendment must comply with all applicable state and federal laws and the Master Plan. If the Administrator does not approve an amendment, the Administrator shall continue to administer the Plan as if such amendment had not been made.

In no event may an Adopting Employer amend the Master Plan or the GMEBS Trust Agreement.

Section 18.02. Amendment of Plan by GMEBS.

(a) It is the intent of the Board that the Master Plan, Adoption Agreement form and Addendum form (collectively referred to for purposes of this Section 18.02 as "Plan") shall be and remain qualified for tax purposes under the Code. The Administrator shall timely submit the

Plan for approval under the Code as necessary, and all expenses incident thereto shall be borne by the GMEBS Investment Fund.

(b) GMEBS will maintain a record of the Participating Employers, and GMEBS will make reasonable and diligent efforts to ensure that Adopting Employers have actually received and are aware of all Plan amendments and that such Adopting Employers adopt new documents when necessary. The provisions of this subsection shall supersede other provisions of the Plan to the extent those other provisions are inconsistent.

(c) The Board or the Practitioner, as directed by the Board, hereby reserves the right to amend the Plan without the consent of the Adopting Employers or of Participants (or any Beneficiaries thereof) to make desired changes in the design of the Plan. A true copy of the resolution of the Board approving such amendment shall be delivered to the Administrator and the Adopting Employers. The Plan shall be amended in the manner and effective as of the date set forth in such resolution, and the Adopting Employers, Employees, Participants, Beneficiaries, the Administrator, and all others having any interest under the Plan shall be bound thereby.

(d) On and after February 17, 2005, the Practitioner shall have the authority to advise and prepare amendments to the Plan, for approval by the Board, on behalf of all Adopting Employers, including those Adopting Employers who have adopted the Plan prior to the January 1, 2013, restatement of the Plan, for changes in the Code, the regulations thereunder, revenue rulings, other statements published by Internal Revenue Service, including model, sample, or other required good faith amendments (but only if their adoption will not cause such Plan to be individually designed), and for corrections of prior approved plans. These amendments shall be applied to all Adopting Employers. Employer notice and signature requirements have been met for all Adopting Employers before the effective date of February 17,

2005. In any event, any amendment prepared by the Practitioner and approved by the Board will be provided by the Administrator to Adopting Employers.

(e) Notwithstanding the foregoing paragraphs (c) and (d), effective on or after January 1, 2016, for any Adopting Employer as of either:

(1) the date the Internal Revenue Service requires the Adopting Employer to file Form 5300 as an individually designed plan as a result of an amendment by the Adopting Employer to incorporate a type of Plan not allowable in a volume submitter plan, or

(2) as of the date the Plan is otherwise considered an individually designed plan due to the nature and extent of the amendments,

such Adopting Employer shall execute a resolution to adopt any amendments that are approved by the Board after the date under subparagraph (1) or (2) above, as applicable, within the earlier of (i) ninety (90) days after such Board approval, or (ii) if applicable, the remedial amendment period under Code Section 401(b) as applicable to governmental plans. If the Adopting Employer is required to obtain a determination letter for any reason in order to maintain reliance on the advisory letter, the Practitioner's authority to amend the Plan on behalf of the Adopting Employer is conditioned on the Plan receiving a favorable determination letter.

Section 18.03. Termination by Adopting Employer.

(a) The Adopting Employer expects the Plan to be continued indefinitely but, of necessity, reserves the right to terminate its Plan and Contributions thereunder at any time by action of the Governing Authority, subject to the Administrator's approval. Such termination shall be accomplished by the adoption of an ordinance or resolution (as applicable) by the Governing Authority terminating the Plan. Such ordinance or resolution (as applicable) shall

conform to the rules and regulations of the Board governing Plan termination to the extent they are consistent with this provision.

(b) Upon full or partial termination or a complete discontinuance of Employer contributions, all affected Eligible Employees shall be deemed to be Participants, and the Accrued Benefits of such Participants shall be Vested to the extent funded required by federal law. The Pension Committee shall notify Participants, Terminated Vested Participants, Retired Participants, and Beneficiaries of the full termination of the Plan, and shall provide a copy of such notice and the names and addresses of the persons notified to the Administrator.

(c) Upon termination, the Adopting Employer shall provide to the Administrator current Participant information necessary to calculate Accrued Benefits. Upon receipt of such information, the Administrator shall prepare a list of all the Adopting Employer's Participants, Retired Participants, Terminated Vested Participants, and Beneficiaries, showing for each the present value of his Accrued Benefit, as determined by the GMEBS Actuary as of the date of termination.

(d) The Administrator, in accordance with the Board's current rules and regulations, and with generally accepted accounting practices, shall determine the value of the Adopting Employer's Trust Fund as of the termination date. All mandatory Employee Contributions, if any, plus interest, and all Contributions made to purchase service credit, if any, plus any applicable interest, shall be paid from the Trust Fund to the Participants, to the extent of available Trust Fund assets. The Administrator shall then deduct from the Trust Fund a termination fee established by GMEBS for services provided in terminating the Plan. The Administrator, pursuant to the Board's rules and regulations, shall then allocate the remaining assets for distribution of the present value of Accrued Benefits in lump sums to the classes listed

below. The benefits of each class shall be satisfied before proceeding to the next class. If at any time the remaining Plan assets would be insufficient to provide the present value of Accrued Benefits for the class in question, the remaining assets shall be applied on a pro rata basis within that class, and all subsequent classes shall receive no benefit. The pro rata allocation referred to above will be determined based upon the comparative value of each class member's Accrued Benefit (present value expressed in a lump sum) when measured against the lump sum present value of Accrued Benefits for the class as a whole.

CLASS A – Retired Participants or Beneficiaries who are receiving payments as of the termination date.

CLASS B – Participants delaying Retirement beyond the Normal Retirement Date.

CLASS C – Participants eligible for Early Retirement.

CLASS D – Other Participants, terminated or active, who have met the requirements for vesting as of the termination date.

CLASS E – All other Participants on a pro rata basis. Payment of benefits to Retired Participants, Beneficiaries, and Participants by the Administrator as a result of a Plan termination shall be limited solely to the assets available in the Trust Fund.

(e) In its termination ordinance, the Governing Authority shall instruct the Administrator as to the distribution of excess assets, if any, remaining after the satisfaction of Accrued Benefits for the classes enumerated herein. In the absence of such instructions, any excess assets shall be distributed to the Adopting Employer.

(f) Upon distribution of the assets as specified above, the Adoption Agreement, Master Plan, and GMEBS Trust Agreement shall be regarded as terminated as to that Adopting Employer and no Participant or Beneficiary shall have any further rights or claim herein.

Section 18.04. Amendment of the Plan to Transfer Assets; Termination of Contract.

(a) The Adopting Employer may amend the Adoption Agreement by ordinance or resolution (as applicable) so as to provide for the transfer of assets to a successor trustee and to terminate the existing Contract between the Adopting Employer and the Board. Any such ordinance or resolution shall comply with Section 18.01 and with the requirements of the rules and regulations of the Board regarding amendment and transfer of Plan assets, to the extent they are consistent with this Section.

(b) In addition to other requirements, such ordinance or resolution shall:

(1) Designate a new trustee or trustees to replace the Board;

(2) Establish a month-end termination date, which shall be used for purposes of valuing the Adopting Employer's Trust Fund assets and which shall be fixed by the Administrator, taking into account the time reasonably required to liquidate GMEBS Retirement Trust Fund assets (if necessary) for purposes of the termination and transfer, the impact of the termination on the financial integrity of the Retirement System, and the time reasonably required for GMEBS and the terminating Employer to complete necessary administrative tasks associated with the termination. The termination date will be no earlier than forty-five (45) days after the Adopting Employer provides written notice to the Administrator of its intent to terminate;

(3) Provide that after the established termination date, GMEBS shall have no further responsibility or obligation to administer the terminating Employer's retirement plan, except as otherwise agreed and provided for by GMEBS and the terminating Employer in the ordinance or resolution;

(4) Provide that the value of assets of the Adopting Employer's Trust Fund as of the established termination date shall be determined based upon the value of the Adopting Employer's Trust Fund as reflected in the unaudited financial statements for the GMEBS Retirement Trust Fund as of the established termination date, subject to verification and reconciliation against the most recent GMEBS Retirement Trust Fund audit coinciding with or following the termination date.

(5) Provide for the transfer of assets held in the Adopting Employer's Trust Fund to the successor trustee as follows:

(A) that no transfer shall take place until a successor Code Section 401(a) retirement plan and trust document have been adopted by the Adopting Employer and furnished to GMEBS, together with a current IRS determination letter or an opinion letter from an attorney confirming that the successor retirement plan is tax qualified under Code Section 401(a);

(B) that as soon as reasonably practicable after the established termination date, the Administrator will make an initial transfer to the successor trustee of an amount to be determined by the Administrator in its sole discretion, but in no event more than eighty-five percent (85%) of the value of the Adopting Employer's Trust Fund, as reflected in the then most recently completed unaudited monthly financial statement for the GMEBS Retirement Trust Fund;

and that prior to the completion of the initial transfer, the Administrator shall deduct from the Adopting Employer's Trust Fund a termination fee established by GMEBS for services provided in effecting the termination of the Adopting Employer's participation in GMEBS and the transfer of assets to the successor trustee;

(C) that as soon as reasonably practicable after completion of the GMEBS Retirement Fund unaudited financial statement for the month including the established termination date, the Administrator will make a second transfer to the successor trustee in an amount equal to the remainder of the Adopting Employer's Trust Fund assets, if any; and that in any event distribution of assets to the successor trustee shall be completed within the time limits specified in the GMEBS Trust Agreement;

(D) that after the established termination date, any funds remaining in the Adopting Employer's Trust Fund shall not share in the gains or losses of the GMEBS Retirement Trust Fund, notwithstanding any provision of the GMEBS Master Plan or Trust Agreement to the contrary; and that any investment gains or losses that would otherwise be credited to or debited from the Adopting Employer's Trust Fund after the established termination date shall not be taken into account. Rather, after the established termination date through completion of the transfer of assets, any amount remaining in the Adopting Employer's Trust Fund shall earn interest at the same rate as the GMEBS active cash management account which shall be credited monthly until the transfer of assets is completed; and,

(E) that if the audit of the GMEBS Retirement Trust Fund for the year including the established termination date reflects that the value of the Adopting Employer's Trust Fund on the termination date was understated or overstated in the unaudited financial statement relied upon, then GMEBS or the Adopting Employer shall remit to the other the amount of any overpayment or underpayment, unless said amount is less than One Thousand Dollars ($1,000). Such remittance shall be made in a lump sum with interest. Said interest shall be calculated at the same rate as the GMEBS active cash management account and credited monthly as of the last day of each month following the established termination date up until the date of the remittance.

(6) Provide that the assets of the Plan will continue to be held by the successor trustee for the exclusive benefit of Participants and Beneficiaries.

(7) State that the existing retirement rights of Employees, Participants, and Beneficiaries shall not be impaired.

(8) Provide that upon completion of the transfer of assets, the GMEBS Board of Trustees shall have no further fiduciary responsibility for investment of the Adopting Employer's Trust Fund assets or payment of liabilities, and the Adopting Employer's Contract and participation under the GMEBS Trust Agreement shall be considered terminated.

(9) Provide that, to the extent permitted by federal, state or local law, the Adopting Employer agrees to indemnify the Board of Trustees and the Administrator from and against any loss, liability or claim arising out of the Employer's maintenance of the Plan from and after the date of the final transfer of assets.

(10) Provide that the surviving plan must provide each Participant on whose behalf Plan assets are transferred a benefit equal to or greater than the benefit he had accrued, if any, immediately before transfer of assets.

Section 18.05. Involuntary Termination.

(a) The Board may involuntarily terminate the Plan as to an Adopting Employer in the event of any of the following occurrences:

(1) Failure of the Employer to comply with the terms of the Master Plan, Adoption Agreement, or GMEBS Trust Agreement including, but not limited to, failure to pay required Contributions in a timely manner;

(2) Failure of the Adopting Employer to provide to GMEBS or respond to requests from GMEBS for information necessary for GMEBS to administer the Plan;

(3) Failure of the Adopting Employer to adequately fund the Plan in accordance with the GMEBS funding policy, or to adopt or abide by a funding action plan approved by the Board;

(4) Receipt of written notice from an Adopting Employer's Governing Authority of its intent to discontinue further Contributions;

(5) Insistence by the Employer on enforcing an amendment to the Adoption Agreement which the Board has disapproved; or

(6) Failure of the Adopting Employer to maintain qualification status under Code Sections 401(a) and 414(d).

(b) The rights, benefits, and entitlements under the Plan of any Participant, including those of his Beneficiary, any other provision of the Plan notwithstanding, before or after Retirement, death, or other termination of employment shall, upon the failure of the Adopting

Employer to pay and to continue to pay its required Contributions, be limited as specified in this Article.

(c) In the event of an involuntary termination, the GMEBS Board may in its sole discretion adopt a resolution providing for: (i) designation of the members of the Employer's Governing Authority as successor trustees for the Plan; (ii) designation of a person or entity other than the Employer's Governing Authority as successor trustee for the Plan; or (iii) outright termination of the Plan and distribution of assets to Participants and Beneficiaries. The specific terms and conditions associated with involuntary termination shall be as provided in the Board resolution. Neither the Administrator nor the GMEBS Board shall be subject to lawsuit or liability arising from the exercise of its discretion as provided herein.

(d) The Administrator shall notify the Governing Authority, Participants, and Beneficiaries in writing of an involuntary termination and the reasons therefor. Said notice shall also fix a termination date. Upon the request of the Administrator, the Employer shall within a reasonable period provide the Administrator with the last known addresses of Participants and Beneficiaries for this purpose. Neither the Administrator nor the GMEBS Board shall be subject to lawsuit or liability for non-compliance with this paragraph arising from the failure of the Employer to provide such information to the Administrator.

(e) The Administrator shall determine the value of the Adopting Employer's Trust Fund as of the termination date in accordance with the procedures described in Section 18.05(b)(4) of this Article. The Board shall deduct from the Trust Fund a termination fee established by GMEBS for services provided in effecting termination of the Adopting Employer's participation in GMEBS.

(f) Successor Trustee.

(1) Governing Authority as Successor Trustee. If upon voluntary termination, the GMEBS Board by resolution designates the members of the Employer's Governing Authority as successor trustees, the Adopting Employer shall be obligated to furnish GMEBS with a successor retirement plan and related documents as provided in Section 18.04(b)(5)(A). Distribution of assets to the Governing Authority or to a designee specified by the Governing Authority in writing, as successor trustee, shall then occur in accordance with the transfer procedures described in Section 18.04(b)(5). Payment of benefits to Retired Participants and Beneficiaries shall become the responsibility of the Governing Authority, as successor trustees, as of the termination date, except as otherwise provided in the Board's termination resolution.

(2) Other Entity as Successor Trustee. If upon involuntary termination, the GMEBS Board by resolution designates a successor trustee other than the members of the Employer's Governing Authority, distribution of assets to the successor trustee shall occur in accordance with the transfer procedures described in Section 18.04(b)(5) upon the Board's receipt of retirement plan and related documents as described in Section 18.04(b)(5)(A), and any other information reasonably requested by the Board. Payment of benefits to the Retired Participants and Beneficiaries shall become the responsibility of the successor trustee as of the termination date, except as otherwise provided in the Board's termination resolution.

(3) Termination without Successor Trustee. If upon involuntary termination, the GMEBS Board by resolution terminates the Employer's Plan outright, the assets of the Employer's Trust Fund will not be transferred to a successor trustee, but will be

distributed to Participants and Beneficiaries in accordance with and subject to the termination provisions of Section 18.03(b)-(f), except as otherwise provided in this subsection. The Employer shall provide current Participant information necessary to calculate Accrued Benefits as required under Section 18.03(c), within a reasonable period after the Administrator's request for such information. Any excess assets remaining after satisfaction of Accrued Benefits and payment of the termination fee shall be distributed to the Employer.

(g) Freezing of Benefit Accruals. In the event of an Employer's failure to pay required Contributions, the GMEBS Board may by resolution freeze benefit accruals under the Employer's Plan, as an alternative to involuntary termination. If the Board adopts such a resolution, the Employer's Plan must continue to be maintained as a qualified plan and the Employer will be responsible for funding benefits as determined under the frozen Plan's provisions. The Board's resolution to freeze benefit accruals shall specify the extent to which Service and Earnings after the freeze date will or will not be counted for purposes of computing the amount of benefits payable under the Plan, and for purposes of meeting the minimum service requirements for vesting and benefit eligibility under the Plan. The resolution shall also specify the conditions for recommencing benefit accruals under the Plan. The resolution may also provide that, in the event of an Employer's continued failure to pay required Contributions, the Employer's Plan will be terminated outright as of a date certain or upon the Board's adoption of a resolution providing for outright termination, consistent with the provisions of subsection (f)(3).

(h) The Board in its discretion may require an Employer to obtain appropriate IRS approval of the qualified status of the terminating Plan or a successor plan.

(i) In the event that an Adopting Employer fails to comply with the terms of the Master Plan, Adoption Agreement, or GMEBS Trust Agreement including, but not limited to, failure to pay required Contributions in a timely manner, the Board may in its sole discretion pursue any other legal or equitable means that it deems appropriate, including the filing of a writ of mandamus, to facilitate such compliance.

Section 18.06. Termination of the Master Plan by the Board. The Board reserves the right to completely terminate the Master Plan and the GMEBS Trust Agreement. In such an event, the provisions of Section 18.03 shall be applied to each Adopting Employer.

ARTICLE XIX.

NON-ALIENATION OF BENEFITS

(a) None of the benefits, payments, proceeds, or distributions payable under the Plan shall be subject to the claim of any creditor of any Participant or to the claim of any creditor of any Beneficiary hereunder, or to any legal process of levy or attachment by any creditor of any such Participant or Beneficiary; and no such benefits shall be in any manner liable for or subject to the debts, liabilities, engagements, or torts of any Participant or Beneficiary; and neither shall any such Participant or Beneficiary have any right to alienate, commute, anticipate, transfer, encumber, pledge, or assign any of the benefits, payments, proceeds, or distributions under this Plan.

(b) Nothing in subsection (a) shall be construed to preclude the Administrator, subject to any terms and conditions set by the Administrator, from making a deduction and direct payment to the Adopting Employer or GMEBS on behalf of a Retired Participant for the limited purpose of paying for a contribution or premium for a post retirement benefit offered by the Adopting Employer or GMEBS, if the Retired Participant elects to have such deduction and

direct payment made. An election by the Retired Participant for such deduction and direct payment may be revoked at any time.

(c) Nothing in subsection (a) shall be construed to preclude the Administrator, subject to any terms and conditions set by the Administrator, from making a deduction and direct payment on behalf of a Retired Participant as provided under Section 845(a)(4)(D) of the Pension Protection Act of 2006 in its current form or as amended, and as interpreted by the Internal Revenue Service, for the limited purpose of paying premiums for coverage for an eligible retired public safety officer, his spouse, and dependents, by an accident or health insurance plan or qualified long-term care insurance contract as defined in Section 7702B(b) of Title 26 of the United States Code, if the Retired Participant elects to have such deduction and direct payment made. An election by a Retired Participant for such deduction and direct payment may be revoked at any time.

ARTICLE XX.

MISCELLANEOUS

Section 20.01. Construction.

(a) Words used in this Plan in the masculine gender shall be construed to include the feminine gender where appropriate, and words used in this Plan in the singular or plural shall be construed as being in the plural or singular where appropriate.

(b) The Plan shall be construed, enforced, and administered and the validity thereof determined in accordance with the Code, and, when not inconsistent with the Code, the laws of the State of Georgia and the bylaws of the Board.

(c) In resolving any conflict between provisions of the Plan and in resolving any other uncertainty as to the meaning or intention of any provision of the Plan, the interpretation that (i) causes the Plan to constitute a qualified governmental retirement plan under the

provisions of Code Sections 401 and 414(d) and the Trust as exempt from tax under Code Sections 501 and 115, and (ii) causes the Plan to comply with all applicable requirements of the Code and federal law shall prevail over any different interpretation.

(d) In resolving any conflict between the Plan and any policy or contract issued under the Plan, the provisions of the Plan shall prevail.

(e) The headings and subheadings in the Plan are inserted for convenience of reference only and are not to be considered in the construction of any provision of the Plan.

(f) The terms of this Master Plan document shall control except as otherwise provided in an Adopting Employer's Adoption Agreement (including any Addendum to the Adoption Agreement, if applicable), as accepted by or on behalf of the GMEBS Board, in which case the terms of the Adopting Employer's Adoption Agreement (including any Addendum to the Adoption Agreement) shall control.

(g) Neither the establishment nor maintenance of the Plan nor any amendment thereof, nor any act or omission under the Plan or resulting from the operation of the Plan shall be construed:

(1) as conferring upon any Participant, beneficiary, or any other person a right or claim against the GMEBS Investment Fund, the Trust Fund, the Trustees, the Adopting Employer, or the Administrator, except to the extent that such right or claim shall be specifically expressed and provided in the Plan;

(2) as a contract or Agreement between the Adopting Employer and any Participant or other person;

(3) as being consideration for, or an inducement or condition of, employment of any Participant or other person, or as affecting or restricting in any manner or to any

extent whatsoever the rights or obligations of the Adopting Employer or any Participant or other person to continue or terminate the employment relationship at any time; or

(4) as giving any Participant the right to be retained in the service of the Adopting Employer or to interfere with the right of the Adopting Employer to discharge any Participant or other person at any time.

Section 20.02. Non-Diversion.

(a) The assets of the Plan shall never inure to the benefit of an Adopting Employer and shall be held for the exclusive purposes of providing benefits to Participants in the Plan and their beneficiaries and defraying reasonable expenses of administering the Plan, except in the case of a contribution which is made by an Adopting Employer under a mistake of fact as determined solely by the Administrator. Such contribution shall be returned to the Adopting Employer, upon demand, and shall be reduced for any loss incurred but unadjusted for any gains earned during the time the mistaken contribution was part of the Trust Fund.

(b) Trust assets shall be managed in compliance with Code Section 503(b).

Section 20.03. Legally Incompetent; Power of Attorney. Any Participant, Retired Participant, Terminated Vested Participant, or Beneficiary receiving or claiming benefits under the Plan shall be conclusively presumed to be mentally competent and of age until the Administrator receives a written notice, in a form and manner acceptable to it, that such person is incompetent or a minor, and that a guardian or other person legally vested with the care of his estate has been appointed. In the event a guardian of the estate of any person receiving or claiming benefits under the Plan shall be appointed by a court of competent jurisdiction, payments shall be made to such guardian and the guardian may take any and all actions with respect to the person's interest under the Plan in accordance with the terms of the appointment,

provided that proper proof of appointment is furnished in a form and manner suitable to the Administrator. Any payment so made shall be a complete discharge of liability therefor under the Plan. No person may act as an attorney-in-fact for an Employee, Participant, Terminated Vested Participant, Retired Participant or Beneficiary with respect to a matter involving the Plan unless a valid power of attorney document appointing such person and authorizing such action is submitted in a form and manner acceptable to the Administrator. The Administrator shall be entitled to rely upon a power of attorney document which it reasonably determines to be valid, without liability for actions taken by the Administrator at the request of the designated attorney-in-fact, unless and until the Administrator receives notice that the power of attorney is no longer effective.

Section 20.04. Benefits Supported Only by Trust Fund. Any person having any claim under the Plan shall look solely to the assets of the Trust Fund for satisfaction. In no event shall the Adopting Employer, or any of its employees or agents, be liable in their individual capacities to any person whomsoever, under the provisions of the Plan or of the GMEBS Trust Agreement.

Section 20.05. Non-Discrimination. The Adopting Employer, through the Pension Committee, shall administer the Plan in a uniform and consistent manner with respect to all Participants.

Section 20.06. Limitation of Liability; Legal Actions.

(a) It is expressly understood and agreed by each Employee who becomes a Participant hereunder that, except for willful neglect or fraud, neither the Adopting Employer, the Plan Representative, nor the Board of Trustees shall be in any way subject to any suit or litigation, or to any legal liability, for any cause or reason or thing whatsoever, in connection

with the Plan or its operation, and each such Participant hereby releases the Adopting Employer, all its employees and agents, the Plan Representative, and the Board of Trustees from any and all liability or obligation.

(b) The Adopting Employer and the Plan Representative shall be the only necessary parties to any action or proceeding involving any rights under the Plan or the proper administration thereof, and no Participant, Beneficiary, or other persons having or claiming to have an interest in the Plan shall be entitled to any notice of process. Any final judgment which is not appealed or appealable that may be entered in any such action or proceeding shall be binding and conclusive on the parties hereto and all persons having or claiming to have an interest in the Plan.

Each fiduciary under the Plan shall be responsible only for the specific duties assigned under the Plan and shall not be directly or indirectly responsible for the duties assigned to another fiduciary. Any person or a group of persons may serve in more than one (1) fiduciary capacity with respect to the Plan.

Section 20.07. Claims. Any payment to a Participant or Beneficiary, or to their legal representatives, in accordance with the provisions of the Plan, shall to the extent thereof be in full satisfaction of all claims hereunder against the Plan Representative or the Adopting Employer, either of which may require such Participant, Beneficiary, or legal representative, as a condition precedent to such payment, to execute a receipt and release therefor in such form as shall be determined by the Plan Representative or the Adopting Employer.

Section 20.08. Errors in Benefits.

(a) Effective upon issuance of an Internal Revenue Service favorable advisory letter which covers this provision, notwithstanding any provision in this Section 20.08 to the contrary,

any action upon an underpayment or overpayment shall be brought within six (6) years after the same becomes due and payable. Likewise, GMEBS shall not be required to correct any underpayment or overpayment more than six (6) years after said underpayment or overpayment occurred.

(b) Underpayments. Any underpayments from the Trust Fund to a Retired Participant or to a Beneficiary caused by administrative errors shall be corrected with interest compounded annually from the date of the miscalculated payment. The rate applied shall be the actuarially assumed rate utilized by the plan actuary for estimating future plan investment earnings or, effective on and after January 1, 2014, such other rate established by the Board that is permissible under federal and state law and applicable guidance as of the date of the correction. Underpayments shall be made up from the Adopting Employer's Trust Fund. Effective with respect to underpayments corrected on or after January 1, 2017, in the event a Retired Participant, Pre-Retirement Beneficiary or Post-Retirement Beneficiary to whom a corrective payment is due dies before such payment is made, said corrective payment shall be paid to such Retired Participant's, Pre-Retirement Beneficiary's or Post-Retirement Beneficiary's designated beneficiary, as defined in this subsection (b) or, if there is no such designated beneficiary, to the deceased Retired Participant's, Pre-Retirement Beneficiary's or Post-Retirement Beneficiary's estate. For purposes of this subsection, the term "designated beneficiary" shall mean the surviving Spouse of such Retired Participant, Pre-Retirement Beneficiary, or Post-Retirement Beneficiary, as applicable, and the term "surviving" shall mean surviving the Retired Participant, Pre-Retirement Beneficiary, or Post-Retirement Beneficiary, as applicable, by at least thirty-two (32) days.

(c) Overpayments. In the event of an overpayment from the Trust Fund to a Retired Participant or to a Beneficiary caused by administrative error, the following provisions shall apply:

(1) Corrective Amendment Option. In the event of an overpayment that is due to misapplication of the terms of the Plan, the Adopting Employer may be provided the opportunity to amend its Adoption Agreement (a "Corrective Amendment") in order to provide for such overpayment to be permissible under the terms of the plan, but only if the Corrective Amendment is consistent with the circumstances resulting in the overpayment and with the Master Plan, as determined by the Administrator. The Corrective Amendment may be effective either retroactively only, or both retroactively and prospectively.

(2) Determination of Reasonableness of Collection from Retired Participants or Beneficiaries. In the event that the Adopting Employer does not adopt a Corrective Amendment, or that the circumstances resulting in the overpayment or the Master Plan would not permit such an amendment, the Administrator and the Adopting Employer will consult in making a determination of whether collection of the overpayment (in full or in part) from a Retired Participant or Beneficiary is reasonable under the particular facts and circumstances involved. In their determination, the Administrator and the Adopting Employer shall consider (1) the hardship of collection on the Retired Participant or Beneficiary; (2) any legal impediments to collection; and (3) the potential risk of litigation if collection is pursued, in consultation with the affected Adopting Employer's counsel.

(3) Failure to Reach Agreement on Reasonableness of Collection. If the Administrator and the Adopting Employer cannot reach agreement within six (6) months as to whether collection of an overpayment from a Retired Participant or Beneficiary is reasonable, the Board shall make this determination, considering the factors outlined above in paragraph (2).

(4) Collection Process. If a determination under this subsection is made that collection from the Retired Participant or Beneficiary is reasonable, the overpayment shall be corrected with interest compounded annually from the date of the miscalculated payment. The rate applied shall be the actuarially assumed rate utilized by the plan actuary for estimating future plan investment earnings or, effective on and after January 1, 2014, such other rate established by the Board that is permissible under federal and state law and applicable guidance as of the date of the correction. In collecting amounts of the overpayment (in full or in part), the Administrator shall have the discretion to use any of the following options: (i) single sum payments; (ii) installment payments; (iii) actuarial reduction of future Retirement payments; or (iv) deductions from Retirement payments. Retirement payment deductions shall not exceed fifty percent (50%) of the amount of payment from which the deduction is made.

(5) Corrective Payment by Adopting Employer. If full collection of an overpayment is not achieved, either because of a determination that full collection from the Retired Participant or Beneficiary is not reasonable, or because efforts at collection do not result in a full collection of the overpayment, the Adopting Employer shall be responsible for making a separate, supplemental contribution to the Trust Fund in the amount of any uncollected overpayment, including interest as calculated under paragraph

(4) ("corrective contribution"). Any corrective contribution by a Participating Employer must be made at the same time that the next regular employer contribution is due under the Plan. In the event employer contributions are paid in installments, the corrective contribution may be paid over that same installment period, but not to exceed a twelve (12) month period. The corrective contribution may not be included as a portion of the general liability of the Plan for which regular funding contributions are made.

(6) Alternative Correction Approach. If the overpayment involves circumstances that are not addressed in the preceding provisions of this subsection, or if in the determination of the GMEBS board, the overpayment cannot be practicably or appropriately corrected using the methods addressed in this subsection, the Administrator may develop a correction approach that is appropriate under the circumstances, permissible under state and federal law and applicable guidance, and equitable to the parties involved.

(d) Overpayments Due to Delay in Notification of Death of Participant or Beneficiary.

(1) In the event that GMEBS makes a payment to a Retired Participant or to a beneficiary following the death of such Participant or beneficiary, GMEBS will make reasonable efforts (not including litigation or collections processes) to recover said overpayment for a period of 60 days after receiving notice from the Adopting Employer of the Participant's or beneficiary's death. If after 60 days from the date on which GMEBS receives notice of the Participant's or beneficiary's death, GMEBS is unable to recover the overpayment, the Adopting Employer shall be responsible for making a separate, supplemental contribution to the Trust Fund in the amount of any such uncollected overpayment, including interest as calculated under paragraph (c)(4) above

("corrective contribution"). Any corrective contribution by an Adopting Employer must be made at the same time that the next regular Employer Contribution is due under the Plan. In the event Employer Contributions are paid in installments, the corrective contribution may be paid over that same installment period, but not to exceed a twelve (12) month period. The corrective contribution may not be included as a portion of the general liability of the Plan for which regular funding contributions are made.

(2) If the overpayment involves circumstances that are not addressed in the preceding provisions of this subsection, or if in the determination of the GMEBS Board, the overpayment cannot be practicably or appropriately corrected using the methods addressed in this subsection, the Administrator may develop a correction approach that is appropriate under the circumstances, permissible under state and federal law and applicable guidance, and equitable to the parties involved.

Section 20.09. Notice. Any notice given under the Plan shall be sufficient if given to: (1) the Board if addressed to the Administrator at its office; (2) the Adopting Employer if addressed to the address of the Governing Authority indicated in the Adoption Agreement; or (3) a Participant or Beneficiary, when addressed to the Participant at his or her address as it appears in the records of the Administrator or the Adopting Employer.

Section 20.10. Right of Recovery. If the Administrator makes any payment that according to the terms of the Plan and the benefits provided hereunder should not have been made, the Administrator may recover that incorrect payment, whether or not it was made due to the error of the Administrator, from the person to whom it was made, or from any other appropriate party. If any such incorrect payment is made directly to a Participant, the provisions of Section 20.08 apply.

Section 20.11. Evidence of Action. All ordinances, resolutions, forms, orders, requests, documents and instructions provided to the Administrator by an Adopting Employer or by any duly authorized representative (e.g., Plan Representative or Pension Committee Secretary), shall be in writing and the Administrator shall be fully protected in acting in accordance with such ordinances, resolutions, forms, orders, requests, documents and instructions.

Section 20.12. Reliance. The Administrator or Board shall not incur any liability in acting upon any notice, request, signed letter, telegram, form, or other paper or document believed by the Administrator or Board to be genuine or to be executed or sent by an authorized person.

Section 20.13. Information to Administrator. As a condition precedent to GMEBS's administration of the Plan, the Adopting Employer shall provide current information to the Administrator including but not limited to the name, date of birth, date of employment, Enrollment Date, annual Earnings, leaves of absences, Vesting eligibility, Credited Service and Termination date for each Eligible Employee who is or who is expected to become a Participant under the Plan, together with any other information which the Administrator deems necessary. The information provided by the Adopting Employer to the Administrator shall be conclusive as to all persons.

Section 20.14. Participant Data to Administrator. Each Participant and each Beneficiary of a deceased Participant, as applicable, must provide the Administrator any evidence, data or other information as requested by the Administrator for the purpose of administering the Plan. The provisions of this Plan are effective for the benefit of each Participant upon the condition precedent that each Participant furnishes promptly full, true and

complete evidence, data and information when requested by the Administrator. The Administrator shall advise each Participant of the effect of the failure to comply with its request.

Section 20.15. Treatment of Vacated Court Orders. Notwithstanding any provision to the contrary, a period of employment that was compelled by court order which was subsequently vacated, reversed, or otherwise set aside shall not count as Credited Service under the Plan, except for a period, or partial period, during which the Participant satisfied the eligibility requirements for participation under the Plan. Likewise, Earnings paid to a Participant during any such period shall not be used to compute the Participant's Final Average Earnings, except for a period, or partial period, during which the Participant satisfied the eligibility requirements for participation under the Plan. In the event such a Participant Retires before the order compelling the Participant's reinstatement is vacated, reversed, or otherwise set aside, the Participant's Credited Service and Final Average Earnings shall be revised following such reversal, vacation or otherwise setting aside of the Participant's reinstatement, and the Participant's Retirement benefits shall be recalculated and adjusted accordingly, effective the first day of the month following such action. Any overpayments to the Participant resulting from including Credited Service and Earnings from any such period or partial period of employment during which the Participant did not satisfy the eligibility requirements for participation under the Plan shall be corrected in accordance with Section 20.08 of the Master Plan.

Section 20.16. Entire Plan. The Plan document and the documents incorporated by reference herein shall constitute the only legally governing documents for the Plan. No statement by the Trustees, Adopting Employer, or Administrator shall be used in any claim unless in writing, signed by the party against whom the claim is being made.

The terms of the foregoing Master Defined Benefit Plan Document are hereby adopted and agreed to.

IN WITNESS WHEREOF, the Board of Trustees of the Georgia Municipal Employees Benefit System has caused its Seal and the Signatures of its duly authorized officers to be affixed this 25th day of June, 2018.

Attest:

Board of Trustees
Georgia Municipal Employees
Benefit System

Regina Y. Shirley

Secretary

(SEAL)

APPENDIX

REFERENCED SECTIONS OF O.C.G.A.

Copies of sections of the Official Code of Georgia Annotated ("O.C.G.A.") referenced herein, as in effect on the date of adoption of this amended and restated Master Plan Document, are attached hereto and made a part hereof. The Georgia legislature may amend the provisions of the attached O.C.G.A. sections from time to time. Any such amendments by the Georgia legislature are afforded no reliance by the currently issued IRS advisory letter.

RESOLUTION OF THE
BOARD OF TRUSTEES OF THE
GEORGIA MUNICIPAL EMPLOYEES BENEFIT SYSTEM

AMENDMENT TO THE RESTATED
GMEBS DEFINED BENEFIT RETIREMENT PLAN

WHEREAS, the Board of Trustees of the Georgia Municipal Employees Benefit System ("Board") previously adopted the Georgia Municipal Employees Benefit System Defined Benefit Retirement Plan ("Plan"), which was restated in its entirety effective January 1, 2013, as amended, and approved by the Internal Revenue Service by advisory letter dated March 30, 2018;

WHEREAS, the Board amended the funding policy for the Plan on December 8, 2017, to reduce the investment return assumption used for valuation purposes from 7.75% to 7.5%;

WHEREAS, Section 12.06 of the GMEBS Master Defined Benefit Retirement Plan Document ("Master Plan") establishes the factors used to determine actuarial equivalency of retirement benefits other than the single life annuity and to recalculate benefits in the event of re-retirement;

WHEREAS, the GMEBS actuary recommends that the interest rate used in Section 12.06 of the Master Plan be the same as the investment return assumption used in the funding policy;

NOW, THEREFORE, BE IT RESOLVED by the Board this Amendment 1 is hereby adopted to amend the Restated Plan, as follows:

1. Effective as of January 1, 2018, Section 12.06 of the Master Plan, regarding amendment of the Plan, is hereby amended to be and read as follows:

Other Annuity Forms. Conversion factors for other annuity forms shall be computed by an enrolled Actuary on an actuarially equivalent basis assuming that the Participant is retiring at age sixty-five (65) and using the RP 2000 Mortality Table set forward two (2) years for males and one (1) year for females and with interest of seven and one-half percent (7.5%)~~seventy-five one hundredths percent (7.75%)~~, regardless of the actual age and sex of any Participant or Beneficiary. If appropriate, such factors may vary by the difference between the Participant's age and the beneficiary's age. The value of Retirement benefits received by a Participant for purposes of Section 6.06 shall be determined using the RP 2000 Mortality Table set forward two (2) years for males and one (1) year for females and with interest of seven and one-half percent (7.5%)~~seventy-five one hundredths percent (7.75%)~~. Notwithstanding the foregoing, the UP 1984 Mortality Table without age setback and with interest of eight percent (8.0%) was applied for the purpose of computing other annuity forms and calculating the value of Retirement benefits received by a Participant for purposes of Section 6.06 on or after January 1, 2013

and prior to September 26, 2014, and the RP 2000 Mortality Table set forward two (2) years for males and one (1) year for females and with interest of seven and seventy-five one hundredths (7.75%) applied for such purposes from September 26, 2014 through December 31, 2017.

2. In all other respects, the Plan shall be and remain unchanged.

RESOLVED FURTHER by the Board that the appropriate officers of GMEBS are authorized to take any and all actions that they deem appropriate or necessary to effectuate the foregoing resolution on behalf of the Board, including giving notification to adopting employers, and making any additional non-substantive amendments to the Plan as may be necessary or appropriate, including amendments requested by the IRS, and that all prior actions taken in effectuating the foregoing are hereby ratified and confirmed in all respects.

The terms of this Resolution are approved and agreed to by the Board of Trustees of the Georgia Municipal Employees Benefit System this 28th day of September, 2018.

Ken Usry, Chairman

Attest:

Larry Hanson, Secretary-Treasurer

Adopted by the Board of Trustees at the meeting held on September 28, 2018.

SUMMARY OF KEY AMENDMENTS
TO THE RESTATED
GEORGIA MUNICIPAL EMPLOYEES BENEFIT SYSTEM
DEFINED BENEFIT RETIREMENT PLAN

I. GENERAL OVERVIEW

On March 30, 2018, the IRS issued a favorable advisory letter for the restated Georgia Municipal Employees Benefit System Volume Submitter Defined Benefit Retirement Plan ("DB Plan" or "Plan"). The DB Plan, as approved, incorporates required federal law updates, as well as administrative updates adopted by the Board of Trustees of GMEBS over the last several years. The IRS requires that each Adopting Employer sign an updated DB Plan Adoption Agreement (and Addendum, if applicable).

II. SUMMARY OF KEY CHANGES TO THE MASTER PLAN DOCUMENT

Because all federal law and substantive amendments to the DB Plan were previously adopted by the Board of Trustees, participating employers have already been apprised of the amendments. However, the following information is a reminder of certain key provisions that were added to the Plan or significantly amended since the Plan was last restated in 2010.

- **Final Average Earnings and Federal Law Compensation Limits** - Final Average Earnings is defined as a set number of consecutive months of service credit (not to exceed 60 months) in which the participant's earnings were the highest. To comply with federal law, monthly earnings in excess of 1/12 of the federal annual compensation for the year in which the monthly salary was earned will not be used to compute a participant's Final Average Earnings. The monthly limit for salary earned (including payouts for unused leave, if applicable) for 2020 is $23,750.00. Unless the Plan says otherwise, Final Average Earnings excludes severance pay.

- **Mandatory Participation; Opt Out Through Written Agreement with Employer** - Unless an employer's Adoption Agreement says participation in the Plan is optional for one or more classes of eligible employees, all eligible employees must participate in the Plan. However, if, within 120 days of becoming employed or taking office, an eligible employee (or elected official, if elected officials are permitted to participate in an employer's Plan) enters into a written agreement or employment contract agreeing not to participate in the DB Plan, the employee will be ineligible to participate in the Plan. The employer must notify GMEBS if an otherwise eligible employee has entered into such an agreement. The employee may not become a participant in the employer's Plan in the future unless the employer amends its Adoption Agreement to specifically require participation by the employee.

- **Immediate Participation for all Eligible Employees** - Effective January 1, 2015, eligible employees become participants in the Plan on the date on which they become employed. If a plan is contributory, employee contributions must begin when an eligible employee begins work. A participant must still be

employed with an employer for a minimum of one (1) year in order for his or her service to count for portability or actuarial reserve death benefit purposes.

- **Repayment of Withdrawn Employee Contributions; Interest and Timing** - If a participant who has terminated employment and withdrawn employee contributions returns to service with the employer, he or she may repay the employee contributions to restore forfeited service credit. The withdrawn funds must be repaid no later than six (6) months following reemployment, in a lump sum with interest, compounded annually from the date of withdrawal to the date of repayment.

- **No Employee Contributions While Receiving In-Service Distribution** - Participants in plans that require employee contributions and allow in-service distribution of benefits will not be required or allowed to make contributions under the plan while receiving an in-service distribution.

- **In-Service Distribution** - As a general rule, employees or elected officials may not draw retirement benefits while employed. If a plan allows in-service distribution, a participant must be at least age 62 to receive retirement benefits while employed. If a plan allows in-service distribution and has an alternative normal retirement provision with a minimum age of at least 50 specifically for public safety employees, public safety employees who are eligible for the alternative normal retirement may receive an in-service distribution even if they are younger than age 62. "In-service distribution" means a distribution of normal or alternative normal retirement benefits without a bona fide separation from service. A "bona fide separation from service" is a separation from service of at least six months with no expectation of returning to service. (For a few plans with grandfathered in-service distribution provisions, other minimum age limits may apply.)

- **Auto A Terminated Vested Death Benefits as Default** - The Auto A terminated vested death benefit applies to all vested participants who terminate employment on or after October 1, 2016, and who were not already covered by a terminated vested death benefit under the employer's GMEBS retirement plan.

- **Default Death Beneficiaries** - Effective July 1, 2015, if a participant who is eligible for pre-retirement death benefits dies before retirement and does not have a designated pre-retirement beneficiary, his or her surviving spouse, if any, will be considered the pre-retirement beneficiary. If there is no surviving spouse, the participant's pre-retirement death benefits will be paid in a lump sum to the participant's estate. With the exception of the payment of the actuarial reserve in-service death benefit to the estate (which already provided for payment of death benefits to the participant's estate in the absence of a designated pre-retirement beneficiary or surviving spouse), the amount of the pre-retirement death benefit payment to a participant's estate will be 50% of the actuarial equivalent of the participant's vested accrued benefit.

- **Application for Disability Benefits** – The rules for retroactive disability benefits depend on when the participant terminated employment due to disability. **For a**

participant who terminates due to disability on or after April 1, 2015, to receive both retroactive and prospective GMEBS disability benefits, the participant must apply for disability benefits with the Social Security Administration ("SSA"), or with the Pension Committee, as applicable, within one year of termination. Within six months of receipt of the SSA award letter, the participant must submit a GMEBS retirement application and the SSA disability award letter (or Pension Committee determination of disability, if applicable) to the Pension Committee Secretary. Participants who do not meet these timing requirements but are otherwise eligible for disability benefits under the Plan can receive prospective benefits following submission of a retirement application and SSA disability award letter to GMEBS.

For a participant who terminated due to disability on or after July 1, 2011, but before April 1, 2015, to receive both retroactive and prospective disability benefits, the participant must have both submitted a GMEBS retirement application to the Pension Committee Secretary and applied for disability benefits with the SSA (or with the Pension Committee, as applicable) within one year of termination, and submitted the SSA disability award letter (or Pension Committee determination of disability, if applicable) to GMEBS within six months of receiving it. Participants who failed to meet these timing requirements but were otherwise eligible for disability benefits under the Plan could receive prospective benefits after submitting a GMEBS retirement application and SSA disability award letter to GMEBS.

- **Employer Indemnification of GMEBS; GMEBS Reliance on Information Provided by Employer and Participant; Payment of Benefits Conditioned on Receipt of Information** - By participating in the Plan, employers agree to indemnify and hold GMEBS harmless for any failure to pay benefits, any delay in paying benefits, or any other errors in processing benefits due to the employer's failure to perform its obligations under the Plan or provide accurate data to GMEBS. The Plan states that GMEBS is entitled to rely on information provided to it by employers, participants and beneficiaries. Payment of benefits under the Plan is conditioned on each payee providing GMEBS accurate information.

- **Correction of Overpayments to Deceased Individual** - If a participant or beneficiary dies and GMEBS makes excess payments due to not knowing the payee has died, GMEBS will make reasonable efforts (not including litigation or collections processes) to recover the overpayment for a period of 60 days. If, after 60 days following notice of the participant's or beneficiary's death, GMEBS has not been able to recover the overpayment, the loss associated with overpayment will be charged against employer's trust fund. The employer will be required to make a separate payment to the trust fund to make up for the loss. The employer may continue to try to recover the overpayment.

- **Correction of Underpayments to Deceased Individual** - With respect to underpayments corrected on or after January 1, 2017, if the corrective payment is owed to a deceased party, the corrective payment will be paid to the deceased party's surviving spouse. If there is no surviving spouse, the benefit will be paid to the deceased party's estate.

FLOWERY BRANCH CITY COUNCIL

EXECUTIVE SUMMARY

SUBJECT: Consider Supplemental Resolution 20-005: Installment Agreement, as modified, for Series 2020 Bonds with Gainesville and Hall County Development Authority for Old Town Redevelopment Project, and Bond Purchase

COUNCIL MEETING DATE: February 20, 2020

HISTORY:

The presentation of the Old Town Redevelopment Project plans and agreement between the Residential Group and the City was presented to the Tax Allocation District Advisory Committee (TADAC) on 8/30/2018 with unanimous recommendation from the committee to Council for up to $6.6 million in financing through the Gainesville and Hall County Development Authority. The City of Flowery Branch City Council received the recommendations from the TADAC through a presentation at the 11/15/2018 Council Meeting. The motion was approved by City Council to proceed with the recommendations of the TADAC on 11/15/2018. Resolution 20-002 was approved at the 1/16/2020 meeting for the draft Installment Agreement of the TAD Financing.

A sample of the Gainesville and Hall County Development Authority supplemental bond resolution is attached for reference.

FACTS AND ISSUES:

The supplemental Resolution 20-005 is the final step in the bond financing process for the TAD Old Town redevelopment projects. Parameters are listed below but actual principal amounts and interest rates will be presented 2/20/2020 as we are not able to finalize financing rates and terms until the day this resolution and agreement is finalized. Mr. William Camp, our underwriter from Raymond James, will be at the meeting to present the final results for approval.

- Not to exceed principal amount of $5.4 million;
- Not to exceed rate of 5.00%;
- Maximum Annual debt service of $450,000;
- Final maturity date of April 1, 2039.

OPTIONS:

To approve the supplemental Resolution 20-005: Installment Agreement, as modified, for Series 2020 Bonds with Gainesville and Hall County Development Authority for Old Town Redevelopment Project and Bond Purchase Agreement.

IF FUNDING IS INVOLVED, ARE FUNDS APPROVED IN THE CURRENT BUDGET:

No

AMOUNT AND SOURCE OF FUNDS:
$5,400,000 Debt Financing, Series 2020 Revenue Bonds, with the Gainesville and Hall County Redevelopment Authority.

RECOMMENDATION:
Approve revised TAD financing documents as presented.

SAMPLE MOTION:
I make a motion to approve supplemental Resolution 20-005: Installment Agreement, as modified, for Series 2020 Bonds with Gainesville and Hall County Development Authority for Old Town Redevelopment Project and Bond Purchase Agreement as presented.

COLLABORATING DEPARTMENT:
Administration

DEPARTMENT: Finance

Prepared by: Melissa McCain

ATTACHMENTS

- EXECUTIVE SUMMARY - TAD Financing Terms 2-20-2020.pdf
- Moody's Published Credit Opinion Rating 2-11-2020
- DRAFT Res 20-005 -Supplemental City Resolution (00928531xA19C7).pdf
- DRAFT - INSTALLMENT SALE AGREEMENT (00910646-4xA19C7).pdf
- DRAFT - CONTINUING DISCLOSURE CERTIFICATE (00923680-2xA19C7).pdf
- DRAFT - BOND PURCHASE AGREEMENT (00928597xA19C7).pdf

FLOWERY BRANCH CITY COUNCIL

EXECUTIVE SUMMARY

SUBJECT: Consider Supplemental Resolution 20-005: Installment Agreement, as modified, for Series 2020 Bonds with Gainesville and Hall County Development Authority for Old Town Redevelopment Project, and Bond Purchase

DATE: February 20, 2020

(X) RECOMMENDATION
( ) POLICY DISCUSSION
( ) STATUS REPORT
( ) OTHER

BUDGET INFORMATION:
ANNUAL-
CAPITAL-

COMMISSION ACTION REQUESTED ON: February 20, 2020

PURPOSE: Approve revised TAD financing documents as presented.

HISTORY:
The presentation of the Old Town Redevelopment Project plans and agreement between the Residential Group and the City was presented to the Tax Allocation District Advisory Committee (TADAC) on 8/30/2018 with unanimous recommendation from the committee to Council for up to $6.6 million in financing through the Gainesville and Hall County Development Authority. The City of Flowery Branch City Council received the recommendations from the TADAC through a presentation at the 11/15/2018 Council Meeting. The motion was approved by City Council to proceed with the recommendations of the TADAC on 11/15/2018. Resolution 20-002 was approved at the 1/16/2020 meeting for the draft Installment Agreement of the TAD Financing.

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- Not to exceed rate of 5.00%;
- Maximum Annual debt service of $450,000;
- Final maturity date of April 1, 2039.

OPTIONS: To approve the supplemental Resolution 20-005: Installment Agreement, as modified, for Series 2020 Bonds with Gainesville and Hall County Development Authority for Old Town Redevelopment Project and Bond Purchase Agreement.

RECOMMENDED SAMPLE MOTION:
I make a motion to approve supplemental Resolution 20-005: Installment Agreement, as modified, for Series 2020 Bonds with Gainesville and Hall County Development Authority for Old Town Redevelopment Project and Bond Purchase Agreement as presented.

DEPARTMENT: Finance

Prepared by: Alisha Gamble

MOODY'S INVESTORS SERVICE

CREDIT OPINION
11 February 2020

Rate this Research

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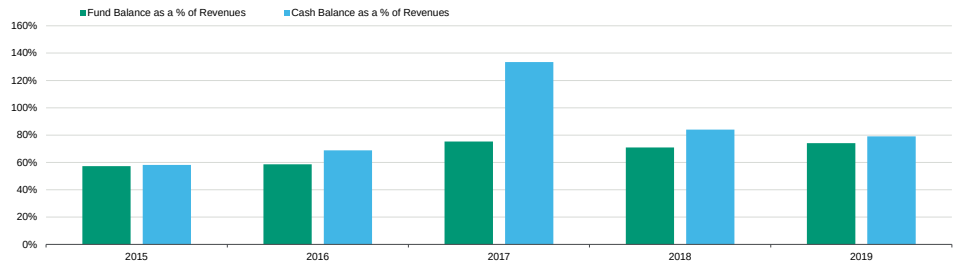
Flowery Branch (City of) GA

New issuer

Summary

The City of Flowery Branch (Aa2) has a growing tax base in the metro Atlanta region because of ongoing residential development. The city's population is rapidly increasing, driving property tax revenue growth and contributing to larger reserve ratios. As a result, the city is investing in its capital program to revitalize its downtown area and support infrastructure projects, which will be funded by moderate debt issues. The city's debt burden remains low and manageable, and revenues from its tax allocation district will likely support debt service payments as it is built out. The city has low pension liabilities and does not offer other post-employment benefits (OPEB), resulting in low fixed costs.

Exhibit 1
History of Strong Financial Reserves and Liquidity
Fiscal 2015-2019



Source: Flowery Branch, GA & Moody's Investors Service

On February 7, we assigned a Aa2 rating to the city's Revenue Bonds (City of Flowery Branch Old Town Project), Series 2020, issued through the Gainesville and Hall County Development Authority.

Credit strengths

» Healthy reserves and liquidity

» Low debt and pension liabilities

Credit challenges

» Small tax base and overall nominal budget

» Rapidly growing population that needs additional infrastructure throughout the city

Rating outlook

Outlooks are not usually assigned to local governments with this amount of debt outstanding.

Factors that could lead to an upgrade

» Tax base expansion and diversification

» Growth in overall budget and financial reserves

Factors that could lead to a downgrade

» Material tax base contraction

» Substantial erosion of liquidity and reserves

Key indicators

Exhibit 2

Flowery Branch (City of) GA	2015	2016	2017	2018	2019
Economy/Tax Base					
Total Full Value ($000)	$608,359	$700,605	$743,464	$849,459	$1,003,973
Population	6,216	6,216	6,801	7,934	7,934
Full Value Per Capita	$97,870	$112,710	$109,317	$107,066	$126,541
Median Family Income (% of US Median)	116.7%	107.5%	111.1%	111.1%	111.1%
Finances					
Operating Revenue ($000)	$4,198	$5,497	$5,015	$5,697	$6,000
Fund Balance ($000)	$2,402	$3,220	$3,775	$4,039	$4,446
Cash Balance ($000)	$2,441	$3,783	$6,696	$4,783	$4,748
Fund Balance as a % of Revenues	57.2%	58.6%	75.3%	70.9%	74.1%
Cash Balance as a % of Revenues	58.2%	68.8%	133.5%	84.0%	79.1%
Debt/Pensions					
Net Direct Debt ($000)	$1,390	$2,450	$5,929	$5,674	$3,841
3-Year Average of Moody's ANPL ($000)	N/A	$1,149	$1,280	$1,330	$1,415
Net Direct Debt / Full Value (%)	0.2%	0.3%	0.8%	0.7%	0.4%
Net Direct Debt / Operating Revenues (x)	0.3x	0.4x	1.2x	1.0x	0.6x
Moody's - adjusted Net Pension Liability (3-yr average) to Full Value (%)	N/A	0.2%	0.2%	0.2%	0.1%
Moody's - adjusted Net Pension Liability (3-yr average) to Revenues (x)	N/A	0.2x	0.3x	0.2x	0.2x

Source: Moody's Investors Service

Profile

The City of Flowery Branch is located approximately 40 miles Northeast of the City of Atlanta (Aa1 stable), in Hall County (Aa2) and serves an estimated population of 6,800.

Detailed credit considerations

Economy and tax base: moderate, expanding tax base in the Atlanta MSA

The City of Flowery Branch's $1.2 billion (2019) tax base falls below the national medians ($3.1 billion) for the Aa2 rating category, however, substantial increases averaging 13.8% annually over the last five years have been fueled by rapid population growth and residential development. The city benefits from its proximity to Atlanta and is the headquarters of the NFL's Atlanta Falcons training facility, and recent development downtown through its tax allocation district (TAD) is contributing to assessed value growth. The TAD is currently 41% developed, and an additional 2,500 housing units and 900,000 square feet of commercial and industrial space will likely be completed as the district gets built out. The tax base is somewhat concentrated with the top ten taxpayers accounting for 16.5%

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moodys.com for the most updated credit rating action information and rating history.

of 2019 assessed value, and the largest is an apartment rental developer. The largest employers in the city include the Atlanta Falcons Football Club (113 employees), Home Depot (104 employees), and Publix Supermarket (101 employees).

Between 2012 and 2018, the city's population increased by 17% to over 6,800 residents according to U.S. Census American Community Survey. Resident wealth levels are aligned with similarly rated cities, with median family income at 111% of the nation. Full value per capita is a stronger $146,136, which exceeds the Aa2 median of $117,041. The rate of unemployment in the city was 2.2% in December 2019, which is below the state (2.9%) and national (3.4%) rates for the same period.

Financial operations and reserves: healthy financial position increasing reserves in step with revenues

The city's financial position will remain healthy given conservative management practices, comprehensive fiscal policies and planning, strong reserve levels, and local revenue-raising capacity. The city has maintained structural balance over the past few years, and fiscal 2019 ended with a general fund surplus of $178,000, bringing available (assigned, unassigned, committed) fund balance to $3 million, or 61.3% of revenues. Operating funds (general, TAD, SPLOST, and capital funds) held a stronger $4.4 million in available fund balance, which represented 74% of revenues. Although this ratio exceeds the median for Aa2-rated cities nationally (37% of revenues), the city's operating budget is nominally smaller ($6 million in revenues) relative to the medians ($39 million in revenues).

Property taxes are the main source of general fund revenues at 25.8%, followed by other local taxes (including sales) 23.6%, and intergovernmental revenues (17.8%). The M&O millage rate has been flat since 2017 at 3.26 mills per $1,000 of assessed value.

The fiscal 2020 general fund budget of $5.2 million represents a 5.6% increase over fiscal 2019 figures. The budget includes $1 million for capital projects and remains balanced with no use of reserves. Year-end fund balance will likely increase given management's trend of conservative budgetary assumptions.

LIQUIDITY

Flowery Branch's operating cash position at the end of fiscal 2019 was a healthy $4.7 million, or 79.1% of revenues. Although the nominal net cash amount falls below the medians, the ratio exceeds the median for Aa2 rated cities nationally.

Debt and pensions: manageable debt and pension liabilities

The city's debt burden is manageable and despite additional issuances to fund utility projects, it will remain manageable given the independence of the utility funds and pay-go capital spending covered by special purpose local option sales tax (SPLOST) revenues.

Post-issuance, the city's net direct burden will total $8.5 million, or an average 0.7% of full value (less self-supporting GO debt supported by the utility funds). The debt burden is aligned with the median debt burden for similarly rated cities nationally at 0.6% of full value.

The city anticipates entering into an intergovernmental contract for a Georgia Environmental Facilities Authority (GEFA) loan for approximately $20 million in utility projects, which will likely be repaid with water and sewer revenues. Any additional general capital projects will be funded by pay-go funds and SPLOST revenues.

DEBT STRUCTURE

All of the city's debt is fixed rate, and amortization of debt is average with 60% of principal retired in 10 years.

Debt service accounted for 9.5% of 2019 expenditures. Going forward, debt service will approximate $530,000, and a portion will be repaid with TAD revenues ($160,000 in 2019, and increasing annually as developments are completed to approximately $800,000 in 2025).

DEBT-RELATED DERIVATIVES

The city is not party to any derivative agreements.

PENSIONS AND OPEB

The city's pension burden is low and will remain manageable. The city participates in the Georgia Municipal Employees Benefit System, a multi-employer, defined benefit retirement plan. The city's contribution to the plan during fiscal 2019 was $118,000 or 2.1% of operating expenditures. This figure represents 85% of the "tread water" indicator[1], and required contributions could increase in future years to reduce unfunded liabilities. The city's Moody's adjusted net pension liability (ANPL), based on a 4.17% discount rate, totaled

$1.4 million or low 0.23 times operating revenues at fiscal 2019 year-end. In comparison, the city reported a GASB net pension liability of $637,000, based on a 7.5% discount rate.

The city does not provide other post-employment benefits (OPEB). Total fixed costs (debt service and pension tread water) represented a low 13% of 2019 expenditures.

Management and governance

City management has a policy to maintain 4.5 months of budgeted expenses for the year, which they plan to formalize through City Council approval. City management is also putting together a detailed long-term budget book to guide fiscal planning in the coming years.

Georgia cities have an institutional framework score of "Aaa," or very strong. Cities rely heavily on highly predictable property tax revenues to fund operations. Property taxes are not subject to any state-imposed levy caps, providing Georgia cities with the strong ability to raise revenues without limit. Expenditures are largely predictable and cities have a high ability to reduce expenditures, if necessary, due to an absence of unions and a modest fixed cost burden.

Rating methodology and scorecard factors

The US Local Government General Obligation Debt methodology includes a scorecard, a tool providing a composite score of a local government's credit profile based on the weighted factors we consider most important, universal and measurable, as well as possible notching factors dependent on individual credit strengths and weaknesses. Its purpose is not to determine the final rating, but rather to provide a standard platform from which to analyze and compare local government credits.

Exhibit 3

Flowery Branch (City of) GA

Rating Factors	Measure	Score
Economy/Tax Base (30%) [1]		
Tax Base Size: Full Value (in 000s)	$1,159,440	A
Full Value Per Capita	$146,136	Aa
Median Family Income (% of US Median)	111.1%	Aa
Finances (30%)		
Fund Balance as a % of Revenues	74.1%	Aaa
5-Year Dollar Change in Fund Balance as % of Revenues	37.1%	Aaa
Cash Balance as a % of Revenues	79.1%	Aaa
5-Year Dollar Change in Cash Balance as % of Revenues	34.7%	Aaa
Notching Factors:[2]		
Other Analyst Adjustment to Finances Factor: Nominally small overall budget and liquidity		Down
Management (20%)		
Institutional Framework	Aaa	Aaa
Operating History: 5-Year Average of Operating Revenues / Operating Expenditures	0.9x	Ba
Debt and Pensions (20%)		
Net Direct Debt / Full Value (%)	0.7%	Aaa
Net Direct Debt / Operating Revenues (x)	1.4x	A
3-Year Average of Moody's Adjusted Net Pension Liability / Full Value (%)	0.1%	Aaa
3-Year Average of Moody's Adjusted Net Pension Liability / Operating Revenues (x)	0.2x	Aaa
	Scorecard-Indicated Outcome	Aa2
	Assigned Rating	Aa2

[1] Economy measures are based on data from the most recent year available.
[2] Notching Factors are specifically defined in the US Local Government General Obligation Debt methodology.
Source: US Census Bureau, Moody's Investors Service

Endnotes

1 Our "tread water" indicator measures the annual government contribution required to prevent reported net pension liabilities from growing, given the entity's actuarial assumptions. An annual government contribution that treads water equals the sum of employer service cost and interest on the reported net pension liability at the start of the fiscal year. A pension plan that receives an employer contribution equal to the tread water indicator will end the year with an unchanged net pension liability relative to the beginning of the year if all plan assumptions hold. Net liabilities may decrease or increase in a given year due to factors other than the contribution amount, such as investment performance that exceeds or falls short of a plan's assumed rate of return. Still, higher contributions will always reduce unfunded liabilities faster, or will allow unfunded liabilities to grow more slowly than lower contributions.

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REPORT NUMBER 1213924

CLIENT SERVICES

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Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

SUPPLEMENTAL BUSINESS
RESOLUTION NO. 20-005

WHEREAS, the Gainesville and Hall County Development Authority (the "Issuer"), by resolution adopted at a meeting held on January 28, 2020 (the "Parameters Resolution"), authorized the issuance of its revenue bonds in an aggregate principal amount not to exceed $5,400,000, upon the terms set forth in said Parameters Bond Resolution; and

WHEREAS, the Parameters Resolution provided that (i) the revenue bonds to be issued by the Issuer pursuant thereto would be dated the date of issuance and delivery thereof and would mature no later than April 1, 2039 (ii) the interest rate on said bonds would not exceed 5.0% per annum, (iii) the highest combined annual principal and interest requirements on said bonds in any year would not exceed $450,000, and (iv) the actual aggregate principal amount of said bonds to be issued, the actual principal amount of said bonds to mature in each year and the actual interest rate or rates of each maturity of said bonds, the form of said bonds and the provisions for dating, execution, authentication, payment, registration and redemption (optional and mandatory) of said bonds would be determined by supplemental bond resolution to be adopted by the Issuer prior to the issuance of said bonds; and

WHEREAS, the City of Flowery Branch, Georgia (the "City"), by resolution duly adopted at a meeting of the Council of the City held on January 16, 2020 (the "January 16 Resolution"), authorized and approved the issuance of revenue bonds of the Issuer in an aggregate principal amount not to exceed $5,400,000, upon the terms set forth in a Parameters Resolution; and

WHEREAS, the January 16 Resolution authorized the City to execute, deliver and perform an installment sale agreement to be dated as of March 1, 2020 (the "Agreement"), by and between the City and the Issuer, in substantially the form as presented to the Council at its January 16, 2020 meeting and on file and of record with the City Clerk; and

WHEREAS, pursuant to the January 16 Resolution, the City approved the assignment by the Issuer of its rights under the Agreement, including the purchase payments payable by the City to the Issuer thereunder, to Regions Bank, Atlanta, Georgia, as trustee (the "Trustee"), pursuant to the terms of a Trust Indenture to be dated as of March 1, 2020 (the "Indenture"), between the Issuer and the Trustee, as security for the payment of the bonds authorized to be issued by the Issuer pursuant to the Parameters Resolution; and

WHEREAS, the Issuer has advised the City that the revenue bonds authorized to be issued pursuant to the Parameters Resolution have now been sold; and

WHEREAS, the Issuer will adopt a Supplemental Bond Resolution on February 19, 2020 (the "Supplemental Bond Resolution"), authorizing the issuance of $_____ in aggregate principal amount bonds of the Issuer designated as "Gainesville and Hall County Development Authority Revenue Bonds (City of Flowery Branch Old Town Project), Series 2020" (the "Series 2020 Bonds" or the "Bonds"), and setting forth the terms of issuance of the Bonds; and

WHEREAS, the City desires to amend and supplement the January 16 Resolution (i) to approve the modification of certain provisions of the form of the Agreement heretofore approved by the City pursuant to the January 16 Resolution, and (ii) to approve the terms of issuance of the Series 2020 Bonds; and

WHEREAS, the terms of issuance of the Series 2020 Bonds are within the parameters of the Parameters Resolution and the January 16 Resolution, and will therefore comply with the terms of the Parameters Resolution and the January 16 Resolution; and

WHEREAS, it is proposed that the City should authorize the execution and delivery of a Bond Purchase Agreement, dated the date hereof (the "Purchase Agreement"), among the Issuer, the City and Raymond James & Associates, Inc. (the "Underwriter"), providing for the sale of the Bonds; and

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Flowery Branch, Georgia (the "Council"), and **IT IS HEREBY RESOLVED** by the authority of the same as follows:

Section 1. Authorization of Series 2020 Bonds. The issuance of $_____ in aggregate principal amount bonds of the Issuer designated as "Gainesville and Hall County Development Authority Revenue Bonds (City of Flowery Branch Old Town Project), Series 2020, is hereby approved. The Series 2020 Bonds (i) shall be dated as of their date of issuance, (ii) shall be in the form of fully registered bonds without coupons, (iii) shall bear interest from date until payment of the principal amount thereof at the annual rates set forth below (calculated on the basis of a 30-day month, 360-day year), payable October 1, 2020, and semiannually thereafter on April 1 and October 1 of each year, (iv) shall be in the denomination of $5,000 each, or any integral multiple thereof, numbered consecutively from R-1 upward, (v) shall be transferable to subsequent owners as provided in the Supplemental Bond Resolution of the Issuer, and (vi) shall mature on April 1 in each of the years and in the principal amounts set forth in the following table:

Year	Amount	Rate	Year	Amount	Rate
2023			2032		
2024			2033		
2025			2034		
2026			2035		
2027			2036		
2028			2037		
2029			2038		
2030			2039		
2031					

The Series 2020 Bonds shall be issued in the form of fully registered bonds without coupons and shall initially be issued in book-entry form. The provisions for signatures,

exchange, transfer and registration shall be as set forth in the Indenture, as modified by the Supplemental Bond Resolution, and in the form of Series 2020 Bonds incorporated therein.

The Series 2020 Bonds having stated maturities on April 1 in the years 2031, 2032, 2033, and 2034 may be redeemed prior to their respective maturities at the option of the Issuer, either in whole or in part, on any date in any year not earlier than April 1, 2030 and thereafter may be redeemed prior to their respective maturities at the option of the Issuer, either in whole or in part, on any date in any year not earlier than April 1, 2030, from any moneys which may be made available for such purpose as provided in the Indenture. The Series 2020 Bonds having stated maturities on April 1, 2035 and thereafter may be redeemed prior to their respective maturities at the option of the Issuer, either in whole or in part, on any date in any year not earlier than April 1, 2025 and thereafter may be redeemed prior to their respective maturities at the option of the Issuer, either in whole or in part, on any date in any year not earlier than April 1, 2025, from any moneys which may be made available for such purpose as provided in the Indenture. Such redemption shall be made upon payment of a redemption price for each Series 2020 Bond to be redeemed equal to the principal amount of such Bond plus accrued interest to the date fixed for redemption.

[In addition, the Series 2020 Bonds maturing on April 1, 20___, are subject to mandatory redemption prior to maturity in the following principal amounts and on the dates set forth below (the 20__ amount to be paid rather than redeemed):

April 1 of the Year	**Principal Amount**
20__	**$**
20__	

In addition, the Series 2020 Bonds maturing on April 1, 20__, are subject to mandatory redemption prior to maturity in the following principal amounts and on the dates set forth below (the 20__ amount to be paid rather than redeemed):

April 1 of the Year	**Principal Amount**
20__	**$**
20__	

In addition, the Series 2020 Bonds maturing on April 1, 20__, are subject to mandatory redemption prior to maturity in the following principal amounts and on the dates set forth below (the 20__ amount to be paid rather than redeemed):

April 1 of the Year	**Principal Amount**
20__	**$**
20__	

The Issuer shall redeem such an aggregate principal amount of the Series 2020 Bonds maturing on a mandatory redemption date at a redemption price equal to the

principal amount thereof plus the interest due thereon on such mandatory redemption date.]

Section 2. Use of Proceeds. The proceeds of the Series 2020 Bonds shall be deposited into a Project Fund to be created under the terms of the Indenture and used for the purpose of financing the (a) acquisition, construction, and equipping public parks on certain real property in Old Town and (b) the construction of certain sidewalks, streetscapes, and parking in Old Town, all as more particularly described on Exhibit "A" to the Agreement, and (c) paying costs of issuance of the Series 2020 Bonds.

Section 3. Modification of Form of Agreement. The Council hereby approves the modification of the form of Agreement presented to the Council at its January 16, 2020 meeting and approved pursuant to the January 16 Resolution for the purposes set forth in this Supplemental Resolution. The form of Agreement attached hereto as **Exhibit "A"** shall be substituted for the form of Agreement attached as Exhibit "A" to said January 16 Resolution. The substantive changes to the Agreement approved at said January 16, 2020 meeting include:

(i) Adding to the Agreement a Section 7.10 as follows:

SECTION 7.10. Allocation of the Bonds Pursuant to Section 265(b)(3)(C)(iii). Issuer and City agree that the Bonds are hereby allocated entirely to City pursuant to Section 265(b)(3)(C)(iii) of the Code for purposes of Section 265(b)(3) of the Code and that no portion of the Bonds is allocated to Issuer for purposes of Section 265(b)(3) of the Code. Issuer and City acknowledge that the Project is owned in substance by City and operated and maintained by City and that the Bonds will be paid from revenues of City.

Section 4. Authorization of Agreement, as Modified. The execution, delivery and performance of the Agreement by the City, as hereby modified, are hereby authorized and approved. The Agreement shall be in substantially the form attached hereto as **Exhibit "A,"** subject to such minor changes, insertions or omissions as may be approved by the Mayor of the City. The execution of the Agreement by the Mayor of the City as hereby authorized shall be conclusive evidence of such approval. The seal of the City shall be affixed to the Agreement and attested by the City Clerk.

Section 5. Authorization of Purchase Agreement. The execution, delivery and performance of the Purchase Agreement are hereby authorized and approved. The Purchase Agreement shall be in substantially the form presented at this meeting, subject to such minor changes, insertions or omissions as may be approved by the Mayor of the City. The execution of the Purchase Agreement by the Mayor of the City as hereby authorized shall be conclusive evidence of such approval. The seal of the City shall be affixed to the Purchase Agreement and attested by the City Clerk. The City hereby acknowledges receipt of the Underwriter's letter regarding disclosures by the Underwriter pursuant to MSRB rule G-17.

Section 6. Authorization of Continuing Disclosure Certificate. The execution, delivery and performance of a Continuing Disclosure Certificate by the City are hereby authorized and approved. The Continuing Disclosure Certificate shall be in substantially the form presented at this meeting, subject to such minor changes, insertions or omissions as may be

approved by the Mayor of the City. The execution of the Continuing Disclosure Certificate by the Mayor of the City as hereby authorized shall be conclusive evidence of such approval. The seal of the City shall be affixed to the Continuing Disclosure Certificate and attested by the City Clerk.

Section 7. Approval of Offering Documents. The use and distribution by the Underwriter of a Preliminary Official Statement, dated February 11, 2020, with respect to the Bonds prior to the adoption of this resolution is hereby ratified and confirmed. The use and distribution of the Official Statement by the Underwriter in connection with the purchase and sale of the Bonds by the Underwriter is hereby authorized, and the Official Statement is hereby approved, with the understanding that the various parties to the transaction have contributed the portions of it pertaining to their roles. The execution and delivery by the Mayor of the City of the Official Statement with respect to the Bonds in final form shall be, and hereby is, authorized and approved. The Official Statement shall be in substantially the form presented to the Council, subject to such minor changes, insertions and omissions as the Mayor shall approve, such approval to be conclusively evidenced by his execution thereof. The Mayor or the City Manager is hereby authorized to execute and deliver all such documents or certificates as may be reasonably requested of the City to "deem final" the Preliminary Official Statement for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934.

Section 8. No Personal Liability. No stipulation, obligation or agreement herein contained or contained in the Purchase Agreement or any other agreement authorized by this Supplemental Resolution shall be deemed to be a stipulation, obligation or agreement of any officer, member, agent or employee of the City in his individual capacity.

Section 9. General Authority. From and after the execution and delivery of the documents hereinabove authorized, the proper officers, agents and employees of the City are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of said documents as executed and are further authorized to take any and all further actions and to execute and deliver any and all other documents and certificates as may be necessary or desirable in connection with the issuance of the Bonds.

Section 10. Actions Approved and Confirmed. All acts and doings of the officers of the City which are in conformity with the purposes and intents of this Supplemental Resolution and in the furtherance of the issuance of the Bonds and the execution, delivery and performance of the Purchase Agreement are, in all respects, approved and confirmed.

Section 11. Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements and provisions and shall in no way affect the validity of any of the other covenants, agreements and provisions hereof or of the Resolution or the Bonds.

Section 12. Ratification of January 16 Resolution. Except as amended by this Supplemental Business Resolution, all of the terms and provisions of the January 16 Resolution are hereby ratified and reaffirmed.

Section 13. Repealing Clause. All resolutions or parts thereof of the City (including the January 16 Resolution) in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

Section 14. Effective Date. This Supplemental Business Resolution shall be effective immediately upon its adoption.

RESOLVED, ADOPTED AND APPROVED, this 20th day of February, 2020.

CITY OF FLOWERY BRANCH, GEORGIA

By:_____
Mayor

Attest:_____
City Clerk

(CITY SEAL)

CLERK'S CERTIFICATE

GEORGIA, HALL COUNTY

I, Melissa McCain, City Clerk of the City of Flowery Branch, Georgia, **DO HEREBY CERTIFY** that the foregoing pages constitute a true and correct copy of a resolution adopted by the Council of the City at an open public meeting duly called and lawfully assembled on the 20th day of February, 2020, the original of said resolution being duly recorded in the Minute Book of the Council of said City, which minute book is in my custody and control.

WITNESS my hand and the official seal of the City of Flowery Branch, Georgia, this 20th day of February, 2020.

_____
City Clerk

(SEAL)

928531-1

GAINESVILLE AND HALL COUNTY DEVELOPMENT AUTHORITY

AND

CITY OF FLOWERY BRANCH, GEORGIA

INSTALLMENT SALE AGREEMENT

Dated as of March 1, 2020

The interest of the Gainesville and Hall Development Authority ("Issuer") in this Installment Sale Agreement has been assigned (except for amounts payable to Issuer under Sections 8.2 and 9.4 hereof) to Regions Bank, as Trustee ("Trustee"), pursuant to an Indenture of Trust, dated as of the date hereof between the Issuer and the Trustee, and is subject to the security interest of the Trustee.

INSTALLMENT SALE AGREEMENT

TABLE OF CONTENTS

(This Table of Contents is not a part of the Installment Sale Agreement and is only for convenience of reference.)

Page

PARTIES .....
PREAMBLES .....

ARTICLE I

DEFINITIONS .....

ARTICLE II
REPRESENTATIONS

SECTION 2.1. Representations of the City .....
SECTION 2.2. Representations of the Issuer .....

ARTICLE III
SALE OF THE PROJECT

SECTION 3.1 Sale of the Project .....
SECTION 3.2 Warranty of Title .....

ARTICLE IV
ISSUANCE OF THE BONDS; ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT

SECTION 4.1. Agreement to Acquire the Project .....
SECTION 4.2. [Reserved] .....
SECTION 4.3. Agreement to Issue Bonds; Application of Bond Proceeds .....
SECTION 4.4. Disbursements from the Project Fund .....
SECTION 4.5. City Required to Pay Costs if Project Fund Insufficient .....
SECTION 4.6. [Reserved] .....
SECTION 4.7. [Reserved] .....
SECTION 4.8. Investment of Project Fund Moneys Permitted .....
SECTION 4.9. Furnishing Documents to Trustee .....
SECTION 4.10. Obligations Relating to Bonds .....

ARTICLE V
QUIET ENJOYMENT; PROVISIONS FOR PAYMENT

SECTION 5.1. Quiet Enjoyment .....
SECTION 5.2. Amounts Payable .....
SECTION 5.3. Payment of Amounts Owed and Tax Levy to Pay Purchase Price Payments.....
SECTION 5.4. Obligations of City Hereunder Unconditional; Payments Assigned .....
SECTION 5.5. Maintenance and Modification of Project by City .....
SECTION 5.6. Utility Charges .....
SECTION 5.7. Casualty and Other Insurance .....
SECTION 5.8. Public Liability Insurance .....
SECTION 5.9. Worker's Compensation Coverage .....
SECTION 5.10. Advances .....
SECTION 5.11. Prior Lien of the Bonds .....

ARTICLE VI
DAMAGE AND DESTRUCTION; USE OF NET PROCEEDS

SECTION 6.1. Damage and Destruction .....
SECTION 6.2. Application of Net Proceeds .....
SECTION 6.3. Cooperation with City .....

ARTICLE VII
SPECIAL COVENANTS

SECTION 7.1. No Warranty of Condition or Suitability by Issuer .....
SECTION 7.2. Inspection of the Project .....
SECTION 7.3. Further Assurances and Corrective Instruments.....
SECTION 7.4. Issuer and City Representatives .....
SECTION 7.5. Arbitrage Covenant .....
SECTION 7.6. Granting of Easements .....
SECTION 7.7. Release of Certain Land .....
SECTION 7.8. Continuing Disclosure Certificate .....
SECTION 7.9. Use of Proceeds and Specific Tax Covenants.....
SECTION 7.10. Allocation of the Bonds Pursuant to Section 265(b)(3)(C)(iii).....

ARTICLE VIII
ASSIGNMENT, INDEMNIFICATION, MORTGAGING AND SELLING

SECTION 8.1. Assignment .....
SECTION 8.2. Release and Indemnification Covenants .....
SECTION 8.3. Assignment of Interest in Agreement by Issuer.....
SECTION 8.4. Restrictions on Mortgage or Sale of Project by Issuer .....
SECTION 8.5. Installation of City's Own Machinery .....

SECTION 8.6. Reference to Bonds Ineffective after Bonds Paid .....
SECTION 8.7. Redemption of Bonds .....
SECTION 8.8. Prepayment of Payments Hereunder.....
SECTION 8.9. Payment Abatements if Bonds Paid Prior to Maturity .....

ARTICLE IX
EVENTS OF DEFAULT AND REMEDIES

SECTION 9.1. Events of Default Defined .....
SECTION 9.2. Remedies on Default .....
SECTION 9.3. No Remedy Exclusive .....
SECTION 9.4. Agreement to Pay Attorneys' Fees and Expenses .....
SECTION 9.5. No Additional Waiver Implied by One Waiver .....

ARTICLE X
OPTIONS IN FAVOR OF CITY; OBLIGATION TO PURCHASE

SECTION 10.1. Options to Terminate the Agreement Term .....
SECTION 10.2. Obligation to Purchase Project .....
SECTION 10.3. Conveyance on Purchase .....

ARTICLE XI
MISCELLANEOUS

SECTION 11.1. Agreement Term .....
SECTION 11.2. Notices .....
SECTION 11.3. Binding Effect .....
SECTION 11.4. Severability .....
SECTION 11.5. Amendments, Changes and Modifications .....
SECTION 11.6. Execution in Counterparts .....
SECTION 11.7. Applicable Law .....
SECTION 11.8. Limit of Validity .....
SECTION 11.9. Captions .....

TESTIMONIUM .....

SIGNATURES AND SEALS .....

Exhibit "A" - Description of the Project

THIS INSTALLMENT SALE AGREEMENT, dated as of March 1, 2020, is made between the **GAINESVILLE AND HALL COUNTY DEVELOPMENT AUTHORITY** ("Issuer") and the **CITY OF FLOWERY BRANCH, GEORGIA** ("City").

W I T N E S S E T H:

WHEREAS, the Issuer has been created under amendments to the Constitution of the State of Georgia (Ga. Laws 1964, page 866, et seq.; Ga. Laws 1986, page 4328, et seq.), duly ratified and proclaimed, and an act of the General Assembly of the State of Georgia (Ga. Laws 1964, page 2282, et seq.), as amended (collectively, the "Act"); and

WHEREAS, the Issuer was created for the purpose of promoting and expanding for the public good and welfare industry and trade within the City of Gainesville and Hall County, Georgia, and reducing unemployment to the greatest extent possible in Hall County, Georgia (the "County"), and the Act specifically empowers the Issuer to issue its revenue obligations, bearing such rate or rates of interest and maturing in the years and in such amounts as determined by the Issuer and otherwise in accordance with the applicable provisions of the Revenue Bond Law (O.C.G.A. §36-82-60 et seq., as amended), in furtherance of the public purpose for which it was created; and

WHEREAS, the Act specifically empowers the Issuer to issue its revenue obligations, bearing such rate or rates of interest and maturing in the years and in such amounts as determined by the Issuer, in furtherance of the public purpose for which it was created; and

WHEREAS, pursuant to the Act, the Issuer is authorized to undertake any "project" that is for any industrial, commercial, business, office, parking, public or other use, provided that the Issuer determines that the project and such use thereof would further the public purpose of the development of trade, commerce, industry and employment opportunities within Hall County; and

WHEREAS, purusant to the Revenue Bond Law, the Issuer has the power to undertake, construct, maintain and operate any "undertaking" and to issue and sell revenue bonds for the purpose of raising funds for the payment, in whole or in part, of the cost of any "undertaking" of the Issuer; and to exercise all the rights, powers and privileges, and be subject to all the duties and liabilities, which a local government may exercise and/or be subject to under the provisions of the Revenue Bond Law; and

WHEREAS, the Revenue Bond Law provides that an "undertaking" includes public parks and playgrounds; and

WHEREAS, the Revenue Bond Law provides that an "undertaking" includes public parking areas and public parking buildings; and

WHEREAS, the City of Flowery Branch, Georgia (the "City") is located in Hall County, Georgia; and

WHEREAS, the City desires to improve its historic downtown center, colloquially known as "Old Town," in order to attract investment, development and growth, which will in turn create employment opportunities for its citizens; and

WHEREAS, the City desires to (i) acquire, construct, and equip public parks on certain real property in Old Town and (ii) construct certain sidewalks, streetscapes, and parking in Old Town, all as more particularly described on Exhibit "A" attached hereto (collectively, the "Project"); and

WHEREAS, the City has requested that the Issuer assist in the financing of the Project; and

WHEREAS, the Issuer has been advised by the City that the estimated amount necessary to finance the Project, including expenses incidental thereto, is $5,400,000, and the Issuer has determined that the most feasible method of accomplishing said financing is through the issuance, sale and delivery of its revenue bonds in the aggregate principal amount of **[$5,400,000]** in order to acquire and finance the City's Project; and

WHEREAS, the Issuer has determined that such revenue bonds should be issued in one series denoted as "Gainesville and Hall County Development Authority Revenue Bonds (City of Flowery Branch Old Town Project), Series 2020" (the "Series 2020 Bonds" or the "Bonds"); and

WHEREAS, after careful study and investigation the Issuer, in furtherance of the public purpose for which it was created, has agreed to issue the Bonds to finance the proposed acquisition, construction and equipping of the Project; and

WHEREAS, the Issuer has agreed to acquire, construct and equip the Project and then sell the Project to the City; and

WHEREAS, the Issuer proposes to enter into this Installment Sale Agreement with the City under the terms of which the Issuer will agree to sell the Project to the City, and the City will agree to pay the Issuer purchase payments sufficient to pay the principal of, redemption premium (if any), and interest on the Bonds as the same become due and payable; and

WHERAS, the Project is comprised of certain land, interests in land, buildings, facilities and other improvements, all operated as part of the system of streets, sidewalks, parks, and parking facilities in Old Town which are useful and necessary for trade, commerce and industry in the City and create directly and indirectly employment opportunities within Hall County, Georgia; and

WHEREAS, the Project constitutes a project as that term is defined in the Act that may be undertaken by the Issuer and that may be financed by the issuance of the Bonds by the Issuer, and the Project constitutes an "undertaking" under the Revenue Bond Law that may be undertaken by the Issuer and that may be financed by the issuance of the Bonds by the Issuer; and

WHEREAS, the Issuer has found and declared that the issuance of the Bonds by the Issuer for the purpose of financing the acquisition of the Project by the Issuer and the payment of

all costs of the issuance of the Bonds (hereinafter sometimes referred to collectively as the "Undertaking") will achieve the lawful and valid public purpose for which the Issuer was created in that it will encourage and promote industry and trade in Hall County and will help reduce unemployment within Hall County; and

WHEREAS, the City has determined by resolution duly adopted on January 16, 2020, as supplemented by resolution adopted on February 20, 2020, that the issuance of the Bonds by the Issuer for the purpose of financing the Undertaking will achieve such lawful and valid public purpose for the benefit of the citizens of the City of Flowery Branch and the inhabitants thereof; and

WHEREAS, the City, as permitted by Article IX, Section III, Paragraph I of the Constitution of the State of Georgia, has the power to contract for any period not exceeding fifty years with the Issuer for the sale to the City of the Project; and

WHEREAS, the Issuer, as permitted under the Act, has the power to acquire the Project and sell the Project to the City; and

WHEREAS, the Issuer has, pursuant to a resolution adopted on January 28, 2020, as supplemented by a resolution adopted on February 21, 2020 (collectively, the "Bond Resolution"), authorized the issuance of the Bonds and in order to secure the payment of the Bonds has duly authorized the execution and delivery of a Trust Indenture, dated as of March 1, 2020, between the Issuer and Regions Bank, as trustee, and the pledging of the revenues of the Issuer from the Project, which are primarily the payments to be made by the City pursuant to Section 5.2 of this Agreement; and

WHEREAS, all acts, conditions and things necessary or required by the Constitution and laws of the State of Georgia or otherwise to exist, happen and be performed precedent to and in the execution and delivery of this Agreement do exist, have happened and have been performed, and the execution, acknowledgment and delivery of this Agreement have been in all respects duly authorized; and

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

"Agreement" means this Installment Sale Agreement and any amendments or supplements hereto.

"Agreement Term" means the term of this Agreement as specified in Section 11.1 hereof.

"Bond Year" means a twelve month period beginning on April 2 of each year and ending April 1 of the following year during the term of the Bonds, with the first Bond Year ending on April 1, 2021.

"Business Day" means a day on which banking business is transacted in the city in which Trustee has its principal office.

"Code" means the Internal Revenue Code of 1986, as amended.

"Force Majeure" means, without limitation, acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints 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; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accident to machinery; transmission pipes or canals; or any other cause or event not reasonably within the control of City. City agrees, however, to remedy with all reasonable dispatch the cause or causes preventing City from carrying out its agreement; provided, that the settlement of strikes, lockouts, and other industrial disturbances shall be entirely within the discretion of City, and City shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of City unfavorable to City.

"Indenture" means the Indenture of Trust, dated as of March 1, 2020, between Issuer and Regions Bank, Atlanta, Georgia, as Trustee, which, among other things, authorizes the issuance of the Bonds.

"Independent Counsel" means an attorney duly admitted to practice law before the highest court of the State who is not a full-time employee of Issuer or City.

"Issuer" means the Gainesville and Hall County Development Authority, a public body corporate and a political subdivision of the State, duly organized and existing under the Constitution and laws of the State.

"Late Payment Rate" means the Prime Rate of Regions Bank plus two percent (2%) per annum.

"Net Proceeds," when used with respect to any insurance proceeds from policies required by this Agreement means the amount remaining after deducting all expenses (including attorneys' fees) incurred in the collection of such proceeds or award from the gross proceeds thereof.

"Permitted Encumbrances" means, as of any particular time, (i) liens for taxes and assessments not then delinquent or which Issuer may, pursuant to the provisions of Section 5.4 hereof, permit to remain unpaid, (ii) the Indenture, this Agreement and any financing statements naming Issuer or City as debtor and naming Trustee or Issuer as secured party filed to perfect the security interests granted by this Agreement and the Indenture, (iii) utility access and other easements and rights of way, restrictions and exceptions that Issuer Representative certifies will not interfere with or impair the Project, and (iv) such minor defects, irregularities, encumbrances and clouds on title as normally exist with respect to property similar in character to the Project and as do not, in the opinion of Independent Counsel, materially impair the property affected thereby for the purpose for which it was acquired or held by Issuer.

"Policy" means the municipal bond insurance policy issued by the Insurer guaranteeing the scheduled payment of principal of and interest on the Bonds when due.

"Project" means the (i) acquisition, construction, and equipping public parks on certain real property in Old Town and (ii) construction of certain sidewalks, streetscapes, and parking in Old Town. The real and personal property comprising the Project are more particularly described on **Exhibit "A"** attached hereto and by reference made a part hereof.

"Project Fund" means the fund created in Section 4.03 of the Indenture.

"State" means the State of Georgia.

In addition, all words and phrases defined in Article I of the Indenture shall have the same meaning in this Agreement.

ARTICLE II
REPRESENTATIONS

SECTION 2.1. **Representations of the City.** The City makes the following representations for the basis of the undertaking on its part herein contained:

(a) There exists a need in the City to provide buildings, facilities and services for the citizens in the City; and the acquisition of the Project as herein contemplated is a desirable method to meet the aforesaid need and will achieve valid public purposes for the benefit of the City and the inhabitants thereof.

(b) The City has determined that the best method of accomplishing and financing the proposed Undertaking is for the same to be accomplished by the Issuer with the cooperation of the City in the manner herein provided.

(c) The City, as permitted by Article IX, Section III, Paragraph I of the Constitution of the State of Georgia, has the power to contract for any period not exceeding fifty (50) years with the Issuer for the acquisition by the City of the Project and has the power to pledge its taxing power to the extent necessary to pay the amounts required to be paid under any such contract.

(d) The City has the power to enter into this Agreement and to perform all obligations contained herein and has, by proper action, duly authorized the execution and delivery of this Agreement.

SECTION 2.2. **Representations of the Issuer.** The Issuer makes the following representations as the basis for the undertaking on its part herein contained:

(a) The Issuer is a public body corporate and politic of the State of Georgia, created under the Act of the General Assembly of Georgia hereinabove referred to.

(b) The Issuer has determined that the issuance of the Bonds and the financing of the Undertaking as contemplated herein is a lawful and valid public purpose in that it will further the public purpose for which the Issuer was created.

(c) The Issuer has the power to enter into this Agreement and perform all obligations contained herein and has, by proper action of its members, been duly authorized to execute and deliver this Agreement.

(d) The Issuer has found, determined and does hereby declare that the most feasible way to finance the Undertaking as herein contemplated and to achieve the public purpose hereinabove referred to is to issue the Bonds and to pledge to the payment of the principal and interest thereof the payments which the City has agreed to make pursuant to the provisions of Section 5.2 hereof to the Issuer.

ARTICLE III
SALE OF THE PROJECT

SECTION 3.l. Sale of the Project. In consideration of this Agreement, Issuer hereby sells to City and City hereby purchases from Issuer, all of the right, title and interest of Issuer in the Project, subject to Permitted Encumbrances.

Issuer agrees to execute a limited warranty deed to City and to deliver the same to City upon completion of the Project and no later than June 30, 2021. Said deed shall convey to City the fee simple title to the Project, free and clear from all encumbrances except Permitted Encumbrances. The Issuer shall execute such other instruments and documents as City may reasonably request to perfect the transfer of title to the Project to City.

SECTION 3.2 Warranty of Title. Issuer warrants and covenants that it shall convey to the City good and marketable title to the Project free from any encumbrances other than Permitted Encumbrances.

ARTICLE IV
ISSUANCE OF THE BONDS; ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT

SECTION 4. 1. Agreement to Acquire the Project.

(a) Issuer agrees that it will acquire, construct and equip the Project.

(b) The moneys credited to the Project Fund from the sale of the Series 2020 Bonds shall be used and applied for the purposes as provided in the Indenture.

(c) All payments from the Project Fund shall be made upon the terms and conditions set forth in the Indenture.

SECTION 4.2. [Reserved].

SECTION 4.3. Agreement to Issue Bonds; Application of Bond Proceeds. In order to provide funds for the Undertaking, the Issuer agrees that as soon as possible it will authorize, sell and cause to be delivered to the initial purchaser or purchasers thereof, the Bonds, bearing interest and maturing as set forth in Article II of the Indenture, at a price to be approved by the City plus accrued interest (if any) to the date of issuance and delivery of the Bonds, and it will thereupon deposit all accrued interest (if any) received upon the sale of the Bonds in the Bond Fund and will apply the balance of the proceeds from said sale as set forth in Section 4.02 of the Indenture.

SECTION 4.4. Disbursements from the Project Fund. The Issuer will in the Indenture authorize and direct the Trustee to use the moneys in the Project Fund for the purposes set forth in the Indenture.

In making any payment from the Project Fund the Trustee may rely on any requisition delivered to it pursuant to the Indenture and the Trustee shall be relieved of all liability with respect to making such payments in accordance with such requisitions.

The Issuer and the City agree for the benefit of each other and for the benefit of the holders of the Bonds that the proceeds of the Bonds will not be used in any manner which would result in the loss of the exemption from Federal income taxation of the interest on the Bonds.

SECTION 4.5. City Required to Pay Costs if Project Fund Insufficient. If the moneys in the Project Fund available for paying the costs of the Project and the Costs of Issuance should not be sufficient to pay such costs in full, the City agrees to pay all that portion of the costs of the Project and the Costs of Issuance as may be in excess of the moneys available therefor in the Project Fund. The Issuer does not make any warranty, either express or implied, that the moneys which will be paid into the Project Fund and which, under the provisions hereof,

will be available for payment of the costs of the Project and the Costs of Issuance, will be sufficient to pay all the costs which will be incurred in that connection. The City agrees that if after exhaustion of the moneys in the Project Fund the City should pay any portion of the costs of the Project and the Costs of the Issuance pursuant to the provisions of this Section, it shall not be entitled to any reimbursement therefor from the Issuer or from the Trustee or from the holders of any of the Bonds, nor shall it be entitled to any diminution in or postponement or abatement of the amounts payable under Section 5.2.

SECTION 4. 6. [Reserved].

SECTION 4.7. [Reserved].

SECTION 4.8. Investment of Project Fund Moneys Permitted. Any moneys held in the Project Fund shall be invested or reinvested by the Trustee upon the written request and direction of the City in Permitted Investments (as defined in the Indenture). Such investments shall be made upon written direction of the Authorized City Representative and shall mature in such amounts and at such times as may be necessary to provide funds when needed to make payments from the Project Fund. The Trustee may make any and all such investments through its own bond or investment department or an affiliated securities dealer. Any interest or gain received from such investments shall be credited to and held in the Project Fund and any loss from such investments shall be charged against the Project Fund and paid by the City.

SECTION 4.9. Furnishing Documents to Trustee. City agrees to cause such requisitions to be directed to Trustee as may be necessary to effect payments out of the Project Fund in accordance with the Indenture.

SECTION 4.10. Obligations Relating to Bonds. The City agrees to perform all such obligations as are contemplated by the Indenture to be performed by the City.

ARTICLE V
QUIET ENJOYMENT; PROVISIONS FOR PAYMENT

SECTION 5.1. Quiet Enjoyment. Issuer hereby covenants and agrees that it will not take any action, other than pursuant to Section 7.2 or Article IX of this Agreement to prevent City from having quiet and peaceable possession and enjoyment of the Project during the Agreement Term and will, at the request of City, and at City's cost, to the extent that it may lawfully do so, join in any legal action in which City asserts its right to such possession and enjoyment.

SECTION 5.2. Amounts Payable.

(a) City agrees to pay to Issuer the purchase price of the Project in installments as follows: on that day which is three (3) business days prior to each date on which principal of or interest on the Bonds is payable, an amount sufficient when added to funds on hand at such time in the Bond Fund to pay the amount of principal, premium, if any, and interest required to be paid with respect to the Bonds on such date.

(b) The City agrees to pay to the Trustee until the principal of and the interest on the Bonds shall have been paid in full (i) an amount equal to the annual fee of the Trustee for the Ordinary Services of the Trustee rendered and its Ordinary Expenses incurred under the Indenture, (ii) the reasonable fees and charges of the Trustee and any other paying agent for acting as paying agent and as Bond Registrar and the reasonable fees of Trustee's Counsel as provided in the Indenture, as and when the same become due, and (iii) the reasonable fees and charges of the Trustee for Extraordinary Services rendered by it and Extraordinary Expenses incurred by it, as and when the same become due.

(c) In the event City should fail to make any of the payments required in this Section 5.2, the item or installment so in default shall continue as an obligation of City until the amount in default shall have been fully paid. The provisions of this Section 5.2 shall be subject to the provisions of Section 8.9.

(d) It is agreed by the parties hereto that any amounts remaining in the Bond Fund upon expiration or earlier termination of the Agreement Term, as provided in this Agreement, after payment in full of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture), payment of the fees and expenses of Trustee and any paying agents in accordance with the Indenture shall belong to and be paid to Issuer or City, as agreed by Issuer and City and certified in writing to the Trustee, by Trustee as the return of an overpayment of payments. If agreement is not reached, such moneys shall be paid to Issuer.

SECTION 5.3. Payment of Amounts Owed and Tax Levy to Pay Purchase Price Payments.

(a) The payments provided in Section 5.2(a) hereof shall be remitted directly to the Trustee for the benefit of the Bondholders and from said payments the Trustee shall make timely payments into the Bond Fund in amounts sufficient to ensure the prompt payment of the principal of, premium, if any, and interest on the Bonds, all as provided in the Indenture. City covenants that it will exercise its power of taxation to the extent necessary to pay the amounts required to be paid hereunder and it will make available and use for the payment of its obligations incurred hereunder all such taxes levied and collected for that purpose together with funds received from any other source.

(b) The obligation of the City to make the payments when due under Section 5.2 hereof, and to perform its other obligations hereunder, are absolute and unconditional contractual obligations of the City as herein provided, and the City hereby pledges its full faith and credit and taxing power to such payment and performance. The payments required under Section 5.2 shall be made first from any lawfully available funds, including monies from the Old Town and Commercial Gateways TAD Special Fund as provided in Section 5.3(e), and secondly from moneys derived pursuant to the levy of an ad valorem tax as hereinafter provided. In the event the amount of funds lawfully available is not sufficient to pay the payments under Section 5.2 when due in any year, the City shall levy an ad valorem tax on all taxable property located within the boundaries of the City subject to taxation for such purposes, at such rate or rates 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 payments under Section 5.2 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 payments required pursuant to Section 5.2 hereof and such lien is superior to any that can hereafter be made.

(c) 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 payments under Section 5.2 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 payments under Section 5.2 shall constitute an unlimited contractual obligation of the City and a pledge of the full faith and credit of the City 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.

(d) In the event for any reason any such provision or appropriation is not made as provided in the preceding subsection (c), 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 payments under Section 5.2 to the Trustee for deposit to the Bond Fund if for any reason the payment of such obligations shall not otherwise have been made.

(e) In accordance with the applicable provisions of the Redevelopment Powers Law (O.C.G.A. § 36-44-1, *et seq.*, as amended), the City created, by activating resolution, dated December 5, 2007 (the "TAD Resolution"), Tax Allocation District One – Flowery Branch Old Town and Commercial Gateways (the "Flowery Branch Old Town and Commercial Gateways TAD"), effective December 31, 2007. Ad valorem taxes levied by the City and Hall County on all taxable property within the Flowery Branch Old Town and Commercial Gateways TAD, as calculated pursuant to O.C.G.A. § 36-44-3(14), are collected and deposited into a separate fund of the City, designated as the Old Town and Commercial Gateways TAD Special Fund, to be used to improve economic and social conditions within the Redevelopment Area (as defined in the TAD Resolution). The Project is located within the Redevelopment Area and will improve the economic and social conditions within the Redevelopment Area. The City agrees to make the payments required under Section 5.2 first from the monies deposited into the Old Town and Commercial Gateways TAD Special Fund to the extent there are sufficient monies available within such Fund to make such payments, and agrees that no payments for any other purpose will be made from such Fund during any Bond Year until there is on deposit in such Fund monies sufficient to make the payments required under Section 5.2 for the applicable Bond Year.

The City hereby irrevocably pledges the Tax Allocation Increment to secure and pay the Bonds and to make the payments required under Section 5.2 hereof.

SECTION 5.4. Obligations of City Hereunder Unconditional; Payments Assigned. Subject to the provisions of Section 8.9, the obligations of City to make the payments required in Section 5.2 and other sections hereof and to perform and observe the other agreements contained herein shall be absolute and unconditional and shall not be subject to any defense or any right of set-off, counterclaim or recoupment arising out of any breach by Issuer of any obligation to City, whether hereunder or otherwise, or out of any indebtedness or liability at any time owing to City by Issuer and until such time as the principal of, premium, if any, and interest on the Bonds shall have been fully paid, City (i) will not suspend or discontinue any payments provided for in Section 5.2 except to the extent the same have been prepaid, (ii) will perform and observe all other agreements contained in this Agreement, and (iii) except as provided in Section 10.1, will not terminate the Agreement Term for any cause including, without limiting the generality of the foregoing, the occurrence of any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Project, the taking by eminent domain of title to or temporary use of any or all of the Project, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State or any political subdivision of either thereof or any failure of Issuer to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Agreement. Nothing contained in this Section shall be construed to release Issuer from the performance of any of the agreements on its part herein contained; and in the event Issuer should fail to perform any such agreement on its part, City may institute such action against Issuer as City may deem necessary to compel performance so long as such action does not abrogate the obligations of City contained in the first sentence of this Section. City may, however, at City's own cost and expense and in City's own name or in the name of Issuer, prosecute or defend any action or proceeding or take any other action involving third persons which City deems reasonably necessary in order to secure or protect City's right of possession, occupancy and use hereunder, and in such event Issuer hereby agrees to cooperate fully with City and to take all action necessary to effect the substitution of City for Issuer in any such action or proceeding if City shall so request.

SECTION 5.5. Maintenance and Modification of Project by City. City agrees that at all times during the Agreement Term City will, at City's own expense, maintain, preserve and keep the Project or cause the Project to be maintained, preserved and kept with the appurtenances and every part and parcel thereof, in good repair, working order and condition, reasonable wear and tear excepted, and that City will from time to time make or cause to be made all necessary and proper repairs, replacements and renewals. Issuer shall have no responsibility in any of these matters or for the making of improvements or additions to the Project.

In addition, City shall have the privilege of remodeling the Project or making substitutions, additions, modifications and improvements to the Project from time to time as City, in its discretion, may deem to be desirable for City's use for such purposes as shall be permitted by the Act, the cost of which remodeling, substitutions, additions, modifications and improvements shall be paid by City, and the same shall be the property of Issuer and be included under the terms of this Agreement as part of the Project; provided, however, that such

400

remodeling, substitutions, additions, modifications and improvements shall not in any way damage the Project; and provided that the Project, as remodeled, improved or altered upon completion of such remodeling, substitutions, additions, modifications and improvements made pursuant to this Article, shall be of a value not less than the value of the Project immediately prior to the remodeling or making of such substitutions, additions, modifications and improvements. Any property for which a substitution or replacement is made pursuant to this Section may be disposed of by City in any manner and in the sole discretion of City. City will not permit any mechanic's or other lien to be established or remain against the Project for labor or materials furnished in connection with any remodeling, substitutions, additions, modifications, improvements, repairs, renewals or replacements so made by City, provided that if City shall first notify Issuer of City's intention so to do, City may in, good faith contest any mechanic's or other lien filed or established against the Project, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless Issuer or the Bondholders shall notify City that, in the opinion of their counsel, by nonpayment of any such items the lien of the Indenture as to the purchase payments and other amounts from the Project will be materially endangered or the Project or any part thereof will be subject to loss or forfeiture, in which event City shall promptly pay and cause to be satisfied and discharged all such unpaid items or City shall post bond or provide other surety to the extent necessary to adequately secure the Bondholders against loss due to such endangerment, loss or forfeiture. Issuer will cooperate fully with City in any such contest, upon the request and at the expense of the City.

SECTION 5. 6. **Utility Charges.** City will pay during the Agreement Term, as the same become due, all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Project.

In the event that City shall fail to pay any of the foregoing items required by this Section to be paid by City (unless City is contesting any such item in good faith) Issuer may (but shall be under no obligation to) pay the same and any amounts so advanced therefor by Issuer shall become an additional obligation of City to the party making the advancement, which amounts, together with interest thereon at the Late Payment Rate per annum, City agrees to pay.

SECTION 5.7. **Casualty and Other Insurance.** City agrees to insure or cause to be insured the Project against loss or damage of the kinds usually insured against by companies similarly situated, by means of policies issued by reputable insurance companies duly qualified to do such business in the State with uniform standard form of extended coverage endorsement limited only as may be provided in the standard form of extended coverage endorsement at that time in use in the State, in amounts that are not less than full insurable value of the Project. The term "full insurable value" as used herein shall mean the actual replacement value, or at the option of City any lesser amount which is equal to or greater than the amount of the Bonds then outstanding. Alternatively, City may insure or cause to be insured such property under a blanket insurance policy or policies which cover not only such property but other properties in the amounts required by the previous sentence.

Any insurance policy issued pursuant to the preceding paragraph of this Section shall be so written or endorsed as to make losses, if any, payable to Issuer and City as their respective

interests may appear. The Net Proceeds of the insurance required in this Section shall be applied as provided in Section 6.2 hereof. Each insurance policy provided for in Sections 5.7 and 5.8 hereof shall contain a provision to the effect that the insurance company shall not cancel the policy or modify it materially and adversely to the interest of Issuer without first giving written notice thereof to Issuer at least ten (10) days in advance of such cancellation or modification. All insurance policies issued pursuant to Section 5.7 or 5.8 hereof, or certificates evidencing such policies, shall be deposited with Issuer.

SECTION 5.8. Public Liability Insurance. City agrees to carry or cause to be carried public liability insurance with respect to the Project with one or more reputable insurance companies in minimum amounts of $500,000 for the death of or personal injury to one person and $1,000,000 for personal injury or death for each occurrence in connection with the Project and $500,000 for property damage for any occurrence in connection with the Project. Issuer shall be made an additional insured under such policies. The insurance provided by this Section may be a blanket insurance policy or policies.

SECTION 5.9. Worker's Compensation Coverage. At all times from the date hereof until the end of the Agreement Term, City shall maintain worker's compensation coverage or cause the same to be maintained to the extent, if any, required by law of the State.

SECTION 5.10. Advances. In the event City shall fail to maintain the full insurance coverage required by this Agreement or shall fail to keep the Project in good repair and operating condition, Issuer may (but shall be under no obligation to) take out the required policies of insurance and pay the premiums on the same or may make such repairs or replacements as are necessary and provide for payment thereof; and all amounts so advanced therefor by Issuer shall become an additional obligation of City to Issuer, which amounts, together with interest thereon at the Late Payment Rate per annum, City agrees to pay.

SECTION 5.11. Prior Lien of the Bonds. The Issuer will not hereafter issue any other bonds or obligations of any kind or nature payable from or enjoying a lien on the revenue derived from the Project and this Agreement superior to the lien created in the Indenture for the payment of the Bonds.

ARTICLE VI
DAMAGE AND DESTRUCTION; USE OF NET PROCEEDS

SECTION 6.1. Damage and Destruction. Unless Issuer shall have exercised its option to prepay the Bonds pursuant to the provision of Section 3.01 of the Indenture, if prior to full payment of the Bonds the Project or any portion thereof is destroyed (in whole or in part) or is damaged by fire or other casualty, City shall be obligated to continue to pay the amounts specified in Section 5.2 hereof.

SECTION 6.2. Application of Net Proceeds. Unless the City shall have elected to exercise its option to terminate the Agreement Term under Section 10.1 and shall have purchased the Project pursuant to Section 10.2, if prior to payment in full of the Bonds the Project is damaged by fire or other casualty to such extent that the claim for loss (including any

deductible amount pertaining thereto) resulting from such damage is not greater than $300,000, the City, or the Issuer at the City's direction,

(a) shall promptly replace, repair, rebuild or restore the property damaged to substantially the same condition as it existed prior to the event causing such damage, with such changes, alterations and modifications (including the substitution and addition of other property) as may be desired by the City and as will not impair the operating unity or productive capacity of the Project or change the character of the Project to such an extent that its ownership by the Issuer would not be permitted under the laws pursuant to which the Issuer exists, and

(b) shall apply for such purpose so much as may be necessary of any Net Proceeds of insurance resulting from claims for such losses, as well as any additional moneys of the City necessary therefor.

All Net Proceeds of insurance resulting from claims for such losses not in excess of the amount hereinabove specified in this paragraph and not used to pay expenses incurred under (a) above shall be paid into the Bond Fund. If payment in full of the Bonds has been made, all Net Proceeds shall be paid to the City.

Unless the City shall have elected to exercise its option to terminate the Agreement Term under Section 10.1 and shall have purchased the Project pursuant to Section 10.2, if prior to payment in full of the Bonds the Project are destroyed (in whole or in part) or is damaged by fire or other casualty to such extent that the claim for loss resulting from such destruction or damage is in excess of the amount hereinabove specified, the City shall promptly give written notice thereof to the Trustee. In such an event all Net Proceeds of insurance resulting from claims for such losses shall be paid to and held by the Trustee in a trust account and invested in securities of the type referred to in Section 6.01 of the Indenture, whereupon

(i) the City, or the Issuer at the City's direction, shall proceed promptly to replace, repair, rebuild or restore the property damaged or destroyed to substantially the same condition as it 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 and as will not impair operating unity or productive capacity of the Project or change the character of the Project to such an extent that its ownership by the Issuer would not be permitted under the laws pursuant to which the Issuer then exists, and

(ii) the Trustee shall apply so much as may be necessary of the Net Proceeds of such insurance to the payment of the costs of such replacement, repair, rebuilding or restoration, either on completion thereof or as the work progresses, as directed by the City.

Each such direction of the City shall be accompanied by a certificate of an architect or engineer (who shall be selected by the City and satisfactory to the Issuer) in charge of the replacement, repair, rebuilding or restoration, dated not more than thirty (30) days prior to such direction, setting forth in substance that

(A) the sum then directed to be applied either has been paid by the City, or is justly due, to contractors, subcontractors, materialmen, engineers, architects or other persons who shall have rendered services or furnished materials or improvements for the replacement, repair, rebuilding or restoration therein specified; the names of such persons; a brief description of such services or materials or improvements and the several amounts so paid or due to each of such persons; and a statement that none of the costs of the services or materials or improvements described in such certificate has been or is being made the basis, in any previous or then pending direction, for payment under this Section, and that the sum then directed to be applied does not exceed the value of the services or materials or improvements described in the certificate, and

(B) except for the-amount, if any, stated (pursuant to (A) preceding) in such certificate to be due for services or materials or improvements, there is not outstanding any indebtedness known to the persons signing such certificate which is then due for labor, services, material, supplies and/or equipment in connection with the replacement, repair, rebuilding or restoration which, if unpaid, might become the basis of liens of mechanics, materialmen, suppliers and vendors, or other similar liens (other than those being contested in good faith as permitted in Section 5.4) upon the Project or any part thereof.

The Trustee may conclusively rely upon such direction and shall have no liability or responsibility for payments made pursuant to this Section in reliance thereon. If said Net Proceeds are not sufficient to pay in full the costs of such replacement, repair, rebuilding or restoration, the City shall nonetheless complete the same and shall pay that portion of the costs thereof in excess of the amount of said Net Proceeds or shall advance to the Issuer and the Trustee the moneys necessary to complete said work, in which case the Issuer shall proceed so to complete the work. The City shall not, by reason of the payment of such excess costs (whether by direct payment thereof or advances to the Issuer or Trustee), be entitled to any reimbursement from the Issuer or any diminution in or postponement or abatement of the amounts payable under Section 5.2.

Any balance of said Net Proceeds remaining after payment of all the costs of such replacement, repair, rebuilding or restoration shall be paid into the Bond Fund. If payment in full of the Bonds has been made, all Net Proceeds shall be paid to the City.

SECTION 6.3. **Cooperation with City.** Issuer shall cooperate fully with City at the expense of City in filing any proof of loss with respect to any insurance policy covering the casualties described in Section 6.1 hereof and will, to the extent it may lawfully do so, permit City to litigate in any proceeding resulting therefrom in the name of and on behalf of Issuer. In no event will Issuer voluntarily settle, or consent to the settlement of, any proceeding arising out of any insurance claim with respect to the Project or any part thereof without the written consent of Authorized City Representative.

A**RTICLE VII**

SPECIAL COVENANTS

SECTION 7. 1. No Warranty of Condition or Suitability by Issuer. Issuer makes no warranty, either express or implied, as to the Project or the condition thereof, or that the Project will be suitable for the purposes or needs of the City.

SECTION 7.2. Inspection of the Project. City agrees that Issuer and its duly authorized agents shall have the right at all reasonable times during business hours of City to enter upon the Project and to examine and inspect the Project. City further agrees that Issuer and its duly authorized agents shall have such rights of access to the Project as may be reasonably necessary for the proper maintenance of the Project in the event of failure by City to perform its obligations under Section 5.5 hereof. Issuer and its duly authorized agents shall also be permitted, at all reasonable times during business hours of City, to examine the books, records, reports and other papers of City with respect to the Project.

SECTION 7.3. Further Assurances and Corrective Instruments. Issuer and 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 be reasonably required for correcting any inadequate or incorrect description of the Project hereby sold or intended so to be for carrying out the expressed intention of this Agreement.

SECTION 7.4. Issuer and City Representatives. Whenever under the provisions of this Agreement the approval of Issuer or City is required or Issuer or City is required to take some action at the request of the other, such approval or such request shall be given for Issuer by Issuer Representative and for City by City Representative and any party hereto shall be authorized to act on any such approval or request.

SECTION 7.5. Arbitrage Covenant. The City covenants and agrees with the Issuer for the benefit of the holders of the Bonds that (i) the proceeds of the Bonds will be used as set forth in Section 4.02 of the Indenture; (ii) it will not permit any proceeds of the Bonds to be invested in such a manner which would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and applicable regulations proposed or promulgated thereunder as of the date of such investment; (iii) it will comply with the requirements of Section 148(f) of the Code and the regulations promulgated thereunder and will pay on behalf of Issuer rebate, if any, required to be paid by Issuer; and (iv) it will expend the proceeds of the Series 2020 Bonds in compliance with the applicable provisions of Section 141 to 149, inclusive, of the Code.

SECTION 7.6. Granting of Easements. If no event of default shall have happened and be continuing, after obtaining the written consent of Issuer, City may at any time or times, grant easements, licenses, rights of way (including the dedication of public highways) and other rights or privileges in the nature of easements with respect to the real property comprising the Project, or City may, after obtaining the written consent of Issuer, release existing easements, licenses, rights of way and other rights and privileges with or without consideration, and Issuer agrees that it shall execute and deliver and will cause and direct execution and delivery of any instrument necessary or appropriate to confirm and grant or release any such

easement, license, right of way or other grant or privilege upon receipt of: (1) a copy of the instrument of grant or release, (2) a written application signed by Authorized City Representative requesting such instrument and stating (i) that such grant or release is not detrimental to the proper conduct of the business of City, and (ii) that such grant or release will not impair the effective use of, or interfere with the operation of, the Project, and (3) an opinion of City's counsel that such grant or release will not materially weaken, diminish or impair the security afforded by or under the Indenture.

SECTION 7.7. Release of Certain Land. Notwithstanding any other provisions of this Agreement, the parties hereto reserve the right, at any time and from time to time, to amend this Agreement for the purpose of effecting the release of and removal from this Agreement of (i) any unimproved part of the real estate comprising part of the Project (on which no Facilities building or other building or equipment owned by Issuer and essential to the continued operation of the Project is situated) or (ii) any part of the Land with respect to which Issuer and City would propose to convey fee title to a railroad, public utility or public body in order that railroad service, utility services or roads may be provided for the Project.

SECTION 7.8. Continuing Disclosure Certificate. The City hereby covenants and agrees that it will, to the extent allowed by applicable law, comply with and carry out all provisions of the Continuing Disclosure Certificate to be executed by the City and dated as of the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with its terms (the "Disclosure Certificate"). Notwithstanding any other provision of this Agreement, failure of the City to comply with the Disclosure Certificate shall not be considered a default hereunder, and under no circumstances shall such failure affect the validity or the security for the payment of the Bonds. It is expressly provided, however, that any beneficial owner of the Bonds may take such action, to the extent and in such manner as may be allowed by applicable law, as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City to comply with its obligations under this Section. The cost to the City of performing its obligations set forth in this Section shall be paid solely from the funds lawfully available for such purpose.

SECTION 7.9. Use of Proceeds and Specific Tax Covenant. The Series 2020 Bonds are being issued by Issuer in compliance with the conditions necessary for interest income on the Series 2020 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 Issuer and 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 with the holders of the Series 2020 Bonds that:

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

(b) It will not directly or indirectly use or permit the use of any of the proceeds of the Series 2020 Bonds or take or omit to take any action in a way that would cause the Series 2020 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) It will not directly or indirectly use or permit the use of any proceeds of the Series 2020 Bonds or any other funds of the City or take or omit to take any action that would cause the Series 2020 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code. To that end, the City will comply with all requirements of Section 148 of the Code and any regulations promulgated thereunder to the extent applicable to the City. In the event that at any time the City or Issuer 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 Indenture, Issuer and the City shall take such action as may be necessary to effect the same.

(d) During the Agreement Term, the City shall restrict the extent and nature of the use of the Project deemed to be financed with proceeds of the Series 2020 Bonds for "private business use" as said term is defined in Section 141 of the Code so as to preserve the exclusion for federal income tax purposes applicable to the interest paid on the Series 2020 Bonds.

SECTION 7.10. Allocation of the Bonds Pursuant to Section 265(b)(3)(C)(iii). Issuer and City agree that the Bonds are hereby allocated entirely to City pursuant to Section 265(b)(3)(C)(iii) of the Code for purposes of Section 265(b)(3) of the Code and that no portion of the Bonds is allocated to Issuer for purposes of Section 265(b)(3) of the Code. Issuer and City acknowledge that the Project is owned in substance by City and operated and maintained by City and that the Bonds will be paid from revenues of City.

ARTICLE VIII
ASSIGNMENT, INDEMNIFICATION, MORTGAGING AND SELLING

SECTION 8.1. Assignment. This Agreement may not be assigned by City without the prior written consent of Issuer. Any such assignment shall be subject to each of the following conditions:

(a) No assignment shall relieve the City from primary liability for any obligations hereunder, and in the event of any such assignment City shall continue to remain primarily liable for payment of the amounts specified in Section 5.2 hereof and for performance and observance of the other agreements on its part herein provided to be performed and observed by City to the same extent as though no assignment had been made.

(b) City shall, upon the request by Issuer or Trustee, furnish or cause to be furnished to Issuer and the Trustee a true and complete copy of each assignmen.

Consent by the Issuer to one or more assignments shall not operate as a waiver of the obligation of obtaining its consent to any subsequent assignment.

SECTION 8.2. Release and Indemnification Covenants. To the extent permitted by law, City shall and hereby agrees to indemnify and save Issuer and the Trustee harmless against and from all claims, actions, proceedings, expenses, judgments, damages, penalties, fines, liabilities or other costs (including without limitation attorney's fees) relating to, resulting from or in connection with (i) any condition of the Project, (ii) any act, omission, breach or default on the part of City in the performance of any of its obligations under this Agreement, (iii) any act, omission or negligence of City or of any of its agents, contractors, servants, employees or licensees, (iv) any act, omission or negligence of any assignee or sublessee of City, or of any agents, contractors, servants, employees or licensees of any assignees or sublessees of City, or (v) the issuance, sale and administration of the Bonds. City shall indemnify and save Issuer and the Trustee harmless from any such claim arising as aforesaid from (i), (ii), (iii), (iv) and (v) above, or in connection with any action or proceeding brought thereon, and upon notice from Issuer or Trustee, City shall defend them or any of them in any such action or proceeding. In any such defense, City will use legal counsel reasonably satisfactory to Issuer and Trustee. The provisions of this Section 8.2 shall survive the termination of this Agreement.

SECTION 8.3. Assignment of Interest in Agreement by Issuer. Issuer shall assign its right, title and interest in, and all payments and revenues under, this Agreement to the Trustee by the Indenture as security for payment of the amounts payable under the Bonds. This Agreement shall be subject and subordinate to the Indenture.

SECTION 8.4. Restrictions on Mortgage or Sale of Facilities by Issuer. Issuer agrees that, except for any assignment or pledge of its interest in the payments hereunder to the Trustee pursuant to the Indenture and release pursuant to Section 7.7 hereof, Issuer will not mortgage, sell, assign, transfer or convey the Project or any portion thereof during the Agreement Term.

SECTION 8.5. Installation of City's Own Machinery. City may, from time to time in its sole discretion and at its own expense, install machinery, equipment and other tangible property in the Project or on the real property comprising the Project. All such machinery, equipment and other tangible property shall remain the sole property of City in which Issuer shall have no interest.

SECTION 8.6. References to Bonds Ineffective After Bonds Paid. Upon payment in full of the Bonds and all fees and charges of the Trustee, all references in this Agreement to the Bonds and Bondholders and Trustee shall be ineffective and neither the Bondholders nor Trustee shall thereafter have any further rights hereunder, saving and excepting those that shall have theretofore vested.

SECTION 8.7. Redemption of Bonds. The Issuer or the Trustee, at the request at any time of the City and if the same are then redeemable, shall forthwith take all steps that may be necessary under the applicable redemption provisions of the Indenture to effect redemption of all or any portion of the Bonds, as may be specified by the City, on or after the earliest applicable redemption date on which such redemption may be made under such applicable provisions. As

long as the City is not in default hereunder and the Issuer is not obligated to call Bonds pursuant to the terms of the Indenture, neither the Issuer nor the Trustee shall redeem any Bond prior to its respective stated maturity unless requested to do so in writing by the City.

SECTION 8.8. Prepayment of Payments Hereunder. There is expressly reserved to the City the right, and the City is authorized and permitted, at any time it may choose, so long as it is not in default hereunder, to prepay all or any part of the payments payable under Section 5.2, and the Issuer agrees that the Trustee may accept such prepayment when the same is tendered by the City. All prepaid payments shall be credited on the payments specified in Section 5.2 in the chronological order of their due dates, or at the election of the City shall be used for the redemption or purchase of Bonds in the manner and to the extent provided in the Indenture.

SECTION 8.9. Payment Abatements If Bonds Paid Prior to Maturity. If at any time the moneys in the Bond Fund are sufficient to retire, in accordance with the terms of the Indenture, all of the outstanding Bonds and to pay all fees and charges of the Trustee due or to become due through the date on which the last of the Bonds is to be retired, under circumstances not resulting in termination of the Agreement Term, and if the City is not at the time otherwise in default hereunder, the City shall be entitled to abate the payment of amounts owed under Section 5.2 hereof.

ARTICLE IX
EVENTS OF DEFAULT AND REMEDIES

SECTION 9.1. Events of Default Defined. The following shall be "events of default" under this Agreement and the terms "event of default" and "default" shall mean, whenever they are used in this Agreement, any one or more of the following events:

(a) Failure by City to pay the amounts required to be paid under Section 5.2 hereof at the time specified therein and the continuation of said failure for a period of two (2) business days;

(b) Failure by City to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subsection (a) of this Section, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied given to City by Issuer, unless Issuer shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, Issuer will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by City within the applicable period and diligently pursued until the default is corrected; or

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

The foregoing provisions of subsection (b) of this Section are subject to the foregoing limitations: if by reason of Force Majeure City is unable in whole or in part to carry out its agreement on its part herein contained, other than the obligations on the part of the City

contained in Article V hereof, City shall not be deemed in default during the continuance of such inability.

SECTION 9.2. Remedies on Default. Whenever any event of default referred to in Section 9.1 hereof shall have happened and be continuing, the Issuer, or the Bondholders as provided in the Indenture, may take any one or more of the following remedial steps:

(a) The Issuer or the Bondholders may seek the appointment of a receiver for the Project;

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

(c) The Issuer or the Bondholders may take whatever action at law or in equity may appear necessary or desirable to collect the amounts payable under Section 5.2 then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the City under this Agreement; and

(d) The Issuer or the Bondholders may exercise any remedies provided for in the Indenture or under the Revenue Bond Law.

Any amounts collected pursuant to action taken under this Section shall be paid into the Bond Fund and applied in accordance with the provisions of the Indenture or, if payment in full of the outstanding Bonds has been made (or provision for payment thereof has been made in accordance with the provisions of the Indenture), to the City.

SECTION 9.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to Issuer is intended to be exclusive of any other remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any 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 Issuer to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be required in this Article. Such rights and remedies as are given to the Issuer hereunder shall also extend to the Trustee, and the Trustee, subject to the provisions of the Indenture, shall be entitled to the benefit of all covenants and agreements herein contained.

SECTION 9.4. Agreement to Pay Attorneys' Fees and Expenses. In the event City should default under any of the provisions of this Agreement and Issuer or Trustee should employ attorneys or incur other expenses for the collection of amounts payable hereunder or the enforcement or performance or observance of any obligation or agreement on the part of City herein contained, City agrees that it will on demand therefor pay to Issuer and Trustee the reasonable fees of such attorneys and such other reasonable expenses so incurred by Issuer.

SECTION 9.5. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Agreement 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.

ARTICLE X
OPTIONS IN FAVOR OF CITY; OBLIGATION TO PURCHASE

SECTION 10.1. **Options to Terminate the Agreement Term.** City shall have the following options to terminate the Agreement Term:

(a) before payment in full of the Bonds, City may terminate the Agreement Term by giving Issuer notice in writing of such termination and by paying to the Trustee an amount of money which, when added to the moneys in the Bond Fund, will be sufficient to pay, retire and redeem all of the outstanding Bonds in accordance with the provisions of the Indenture (including, without limiting the generality of the foregoing, principal, interest to maturity or-earliest applicable redemption date, as the case may be, redemption premium, if any, expenses of redemption and the Trustee's and paying agent's fees and expenses), and, in case of redemption, making arrangements satisfactory to the Trustee for the giving of the required notice of redemption; or

(b) after payment in full of the Bonds, City may terminate the Agreement Term by giving Issuer notice in writing of such termination and such termination shall forthwith become effective.

SECTION 10.2. **Obligation to Purchase Facilities.** City agrees to purchase, and Issuer agrees to sell, the Project for Ten Dollars ($10.00) at the expiration or sooner termination of the Agreement Term following payment in full of the Bonds. The obligation specified in this Section shall be and remain prior and superior to the Indenture 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 10.3. **Conveyance on Purchase.** At the closing of the purchase pursuant to Section 10.2, Issuer will upon receipt of the purchase price deliver to City the following:

(a) if at such time the Indenture has not been satisfied in full, a release by the Trustee from the lien or security interest, if any, of the Indenture in the property with respect to which such purchase is being consummated; and

(b) documents conveying to 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 to Issuer, (ii) those liens, security interests and encumbrances created by City or to the creation or suffering of which City consented, (iii) those liens, security interests and encumbrances resulting from the failure of City to

perform or observe any of its agreements contained herein, and (iv) Permitted Encumbrances other than the Indenture.

ARTICLE XI
MISCELLANEOUS

SECTION 11.1. **Agreement Term.** This Agreement shall become effective upon its execution and delivery and the Agreement Term shall then begin, and, subject to the other provision hereof (including particularly Article X), shall expire at midnight April 1, 2039, or if at said time and on said date all of the Bonds have not been paid in full, then on such date as such payment shall have been made.

SECTION 11.2. **Notices.** All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, addressed as follows:

If to Issuer: Gainesville and Hall County Development Authority
P. O. Box 3280
Gainesville, Georgia 30503
Attention: Chairman

If to City: City of Flowery Branch, Georgia
P. O. Box 99
Flowery Branch, Georgia 30566
Attention: Mayor

If to Trustee: Regions Bank
1180 West Peachtree Street, Suite 1200
Atlanta, GA 30309
Attention: Corporate Trust Department

Issuer, Trustee and City may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

SECTION 11.3. **Binding Effect.** This Agreement shall inure to the benefit of and shall be binding upon Issuer and City and their respective successors and assigns, subject, however, to the limitations contained in Sections 8.1, 8.3 and 8.4 hereof.

SECTION 11.4. **Severability.** In the event any provision of this Agreement 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. **Amendments, Changes and Modifications.** Subsequent to the issuance of the Bonds and prior to their payment in full, and except as otherwise expressly

provided in the Indenture, this Agreement may not be effectively amended, changed, modified, altered or terminated.

SECTION 11.6. Execution in Counterparts. This Agreement 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 11.7. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

SECTION 11.8. Limit of Validity. If from any circumstances whatsoever fulfillment of any provision of this Agreement, at the time performance of such provision shall be due, shall involve transcending the limit of validity presently prescribed by any applicable usury statute or any other applicable law, with regard to obligations of like character and amount then ipso facto the obligation to be fulfilled shall be reduced to the limit of such validity, so that in no event shall any exaction be possible under this Agreement that is in excess of the current limit of such validity, but such obligation shall be fulfilled to the limit of such validity.

SECTION 11.9. Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Agreement.

IN WITNESS WHEREOF, Issuer and City have executed this Agreement in their respective corporate names with their respective authorized officers. All of the above occurred as of the date first above written.

AS TO SELLER, signed, sealed and delivered in the presence of:

_____
Unofficial Witness

_____
Notary Public

(NOTARY SEAL)

GAINESVILLE AND HALL COUNTY DEVELOPMENT AUTHORITY

By: _____
Chairman

Attest: _____
Secretary

(CORPORATE SEAL)

(SIGNATURES CONTINUED ON NEXT PAGE)

AS TO THE CITY, signed, sealed and delivered in the presence of:

_____
Unofficial Witness

_____
Notary Public

(NOTARY SEAL)

CITY OF FLOWERY BRANCH, GEORGIA

By:_____
Mayor

Attest:_____
City Clerk

(CORPORATE SEAL)

EXHIBIT "A"

DESCRIPTION OF THE PROJECT

1. The acquisition, construction and equipping of a public park, to be known as "Town Green Park," and all related facilities located on the following described property:

All that tract or parcel of land lying and being in Land Lot 112 of the 8th Land District, City of Flowery Branch, Hall County, Georgia, shown and delineated on a plat prepared by D. Keith Kilby, a Georgia Registered Land Surveyor; entitled, Survey For City of Flowery Branch; dated August 15, 2018; containing 0.453 acres and recorded in Plat Book 00876, Page 00077, of the Hall County Plat Records. Being described as follows:

Beginning at a number six rebar located at the right-of-way intersection of Mitchell Street (having a forty foot right-of-way), and Pine Street (having a forty five foot right-of-way); this being the True Point of Beginning; thence continuing along the right-of-way of Pine Street South 55 degrees 12 minutes 49 seconds East a distance of 208.30 feet to a point located at the right-of-way intersection of Pine Street (having a forty five foot right-of-way) and Church Street (having a forty foot right-of-way); thence continuing along the right-of-way of Church Street South 35 degrees 01 minutes 24 seconds West a distance of 96.44 feet to a point located on the right-of-way of Church Street, said point being North 55 degrees 02 minutes 21 seconds West a distance of 20.0 feet from a P/K nail located in the centerline of Church Street; thence leaving said right-of-way and running North 55 degrees 02 minutes 21 seconds West a distance of 202.09 feet along the lands now or formerly owned by Saint Clair Properties, LLC to a point located on the right-of-way of Mitchell Street (having a forty foot right-of-way), said point being South 55 degrees 02 minutes 21 seconds East a distance of 1.33 feet from a one-inch pipe located inside the right-of-way of Mitchell Street; thence continuing along the right-of-way of Mitchell Street North 31 degrees 18 minutes 49 seconds East a distance of 96.00 feet to a number six rebar located at the right-of-way intersection of Mitchell Street (having a forty foot right-of-way) and Pine Street (having a forty five foot right-of-way; which is the Point of Beginning.

2. The acquisition, construction and equipping of a public park, to be known as "Farmer's Market Pavilion Park," and all related facilities, including a pavilion, located on the following described property:

All that tract or parcel of land lying, situate and being in Land Lot 112, 8th District, City of Flowery Branch, Hall County, Georgia, being more fully shown on a survey for "Lee W. and Virginia Ann Bock," dated January 22, 1990, prepared by Henry Grady Jarrard, Georgia Registered Land Surveyor, being recorded in Plat Book 140, page 218, Hall County, Georgia Plat Records, and being more particularly described as follows:

BEGINNING at an iron pin located on the Western right-of-way of Railroad Avenue, said iron pin being located 207.0 feet as measured in a Northerly direction from the intersection of the Western right-of-way of Railroad Avenue with the centerline of Martin Street; thence from said

beginning iron pin running North 53 degrees 29 minutes 40 seconds West 139.50 feet to an iron pin; thence North 36 degrees 00 minutes 00 seconds East 128 feet to an iron pin; thence South 53 degrees 24 minutes 41 seconds East 133.50 feet to an iron pin located on the Western right-of-way of Railroad Avenue; thence South 33 degrees 18 minutes 50 seconds West 128 feet along said right-of-way of Railroad Avenue; thence South 33 degrees 18 minutes 50 seconds West 128 feet along said right-of-way to the beginning iron pin.

3. The acquisition, construction and installation of sidewalks, public parking, street lights, benches, trees and other decorative landscaping (collectively, the "Streetscapes") located on the following described easement:

A non-excusive perpetual right, privilege and easement upon, over, through, across, in and under (i) the section of Main Street between the intersection of Main Street and Church Street and the intersection of Main Street and Railroad Avenue, (ii) the section of Railroad Avenue between the intersection of Railroad Avenue and Main Street and the intersection of Railroad Avenue and Knight Drive, (iii) the section of Pine Street between the intersection of Pine Street and Gainesville Street and the intersection of Pine Street and Mitchell Street, (iv) and the section of Mitchell Street between the intersection of Mitchell Street and Main Street and the intersection of Mitchell Street and Pine Street, in the City of Flowery Branch, Hall County, Georgia (collectively, the "Streetscape Easement Area"), for the construction and installation of Streetscapes.

4. Street lights, benches, trees, prefabricated bridges, and other fixtures which shall be installed on the above described real property and easements as part of the construction, installation and equipping of Town Green Park, Farmer's Market Pavilion Park and the pavilion located therein and the Streetscapes.

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Flowery Branch, Georgia (the "City") in connection with the issuance of $4,700,000 in original aggregate principal amount of Gainesville and Hall County Development Authority Revenue Bonds (City of Flowery Branch Old Town Project), Series 2020 (the "Bonds"). The Bonds are being issued pursuant to a resolution of the Gainesville and Hall County Development Authority (the "Authority"), adopted on January 28, 2020, and a supplemental resolution of the Authority adopted on _____, 2020 (collectively, the "Bond Resolution"). The City covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the beneficial owners of the Bonds (the "Bondholders") and in order to assist the Participating Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Bond Ordinance, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Disclosure Certificate, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Dissemination Agent" shall mean any Dissemination Agent designated in writing by the City, or any successor Dissemination Agent designated in writing by the City, and that has filed with the City a written acceptance of such designation. The City hereby designates Raymond James & Associates, Inc., Atlanta, Georgia, as initial Dissemination Agent.

"EMMA" shall mean the Electronic Municipal Market Access system as described in 1934 Act Release No. 59062 and maintained by the MSRB for purposes of the Rule as further described in Section 13 hereof.

"Fiscal Year" shall mean any period of twelve consecutive months adopted by the City as its fiscal year for financial reporting purposes and shall initially mean the period beginning on July 1 of each calendar year and ending on June 30 of the following calendar year.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board, or any successor thereto. Currently, the MSRB's address is:

MSRB
1300 I Street, N.W.
Washington, DC 20005
Attention: Disclosure

"National Repository" shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. **Currently, the sole National Repository is the MSRB, through the operation of EMMA, as provided in Section 13 hereof.**

"Participating Underwriters" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Repository" shall mean each National Repository and each State Repository.

"Rule" shall mean Rule l5c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State Repository" shall mean any public or private repository or entity designated by the State of Georgia as a state repository for the purpose of the Rule. As of the date of this Disclosure Certificate, there is no State Repository.

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than seven (7) calendar months after the end of each Fiscal Year, commencing with Fiscal Year ended June 30, 2020, provide to each Repository an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than fifteen (15) business days prior to such date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report.

(b) If the City is unable to provide to the Repositories an Annual Report by the date required in subsection (a), the City shall send a notice to each Repository in substantially the form attached as Exhibit A hereto. If the Dissemination Agent has not received an Annual Report by 6:00 p.m. Eastern time on the Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the City irrevocably directs the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as **Exhibit A**.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each National Repository (currently just the MSRB) and each State Repository, if any; and

(ii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the Repositories (currently just the MSRB) and each State Repository, to which it was provided.

(d) The City shall promptly file a notice of any change in its Fiscal Year with each Repository.

(e) If the audit report specified in clause (1) of Section 4 hereof is not submitted as part of the Annual Report to each Repository pursuant to Section 3(a) hereof, the City shall, or shall cause the Dissemination Agent to, provide to each Repository such audit report, together with the audited general purpose financial statements to which such audit report relates, when they are available to the City.

Section 4. Content of Annual Reports. The City's Annual Report shall contain or incorporate by reference the following:

(1) the City's general purpose financial statements for the preceding Fiscal Year, which shall be prepared in accordance with generally accepted accounting principles, as applied to government units, as in effect from time to time, with the exception that management's discussion and analysis shall not be required to be included in said general purpose financial statements, and which shall be accompanied by an independent auditor's report, if available at the time of submission of the Annual Report to each Repository pursuant to Section 3(a) hereof, resulting from an audit conducted by an independent certified public accountant or firm of independent certified public accountants in conformity with generally accepted auditing standards;

(2) if generally accepted accounting principles have changed since the last Annual Report was submitted pursuant to Section 3(a) hereof and if such changes are material to the City, a narrative explanation describing the impact of such changes on the City; and

(3) tabular information for the preceding Fiscal Year regarding the following categories of financial information and operating data of the City set forth in the Official Statement under the headings "THE CITY--General Fund History," "--General Fund Budget," "--Historical Property Tax Levies and Collections," "--Historic Property Tax Information," "--Tax Rates - Mills," "--Principal Taxpayers," "--Summary of City Debt by Category and Overlapping Debt," "--Limitations on City Debt," and "--Tax Supported Debt Ratios."

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the City or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The City shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Significant Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events ("Listed Events") with respect to the Bonds:

(1) Principal and interest payment delinquencies;

(2) Non-payment related defaults, if material;

(3) Unscheduled draws on debt service reserves reflecting financial difficulties;

(4) Unscheduled draws on credit enhancements reflecting financial difficulties;

(5) Substitution of credit or liquidity providers, or their failure to perform;

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(7) Modifications to rights of Bondholders, if material;

(8) Bond calls, if material, and tender offers;

(9) Defeasances;

(10) Release, substitution, or sale of property securing repayment of the Bonds, if material;

(11) Rating changes;

(12) Bankruptcy, insolvency, receivership or similar event of the City;

(13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

(b) If the City obtains knowledge of the occurrence of a Listed Event, the City shall file, in a timely manner not in excess of ten business days after the occurrence of the event, a notice of such occurrence with each Repository. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) (other than tender offers) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the owners of the affected Bonds pursuant to the Bond Resolution. For the purpose of the event identified in

subsection (a)(12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U. S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the asset or business of the City.

(c) For the purposes of the events described in subsection (a)(15) and (a)(16), the term "Financial Obligation" shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) a guarantee of (a) or (b). The term "Financial Obligation" does not include municipal securities as to which a final official statement has been otherwise provided to the MSRB under the Rule.

(d) The content of any notice of the occurrence of a Listed Event shall be determined by the City and shall be in substantially the form attached hereto as **Exhibit B**.

Section 6. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption, or payment in full of all of the Bonds.

Section 7. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The City hereby designates Raymond James & Associates, Inc., Atlanta, Georgia as the initial Dissemination Agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if:

(a) such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligor on the Bonds, or type of business conducted by such obligor;

(b) such amendment or waiver does not materially impair the interests of the Bondholders, as determined either by an unqualified opinion of nationally recognized bond counsel filed with the City or by the approving vote of the Bondholders owning more than two-thirds in aggregate principal amount of the Bonds outstanding at the time of such amendment or waiver; and

(c) such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the

date hereof but taking into account any subsequent change in or official interpretation of the Rule, as well as any change in circumstances.

If any provision of Section 4 hereof is amended or waived, the first Annual Report containing any amended, or omitting any waived, operating data or financial information shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided.

If the provisions of Section 4 hereof specifying the accounting principles to be followed in preparing the City's financial statements are amended or waived, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to the Bondholders to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, the comparison shall also be quantitative. The City shall file a notice of the change in the accounting principles with each Repository on or before the effective date of any such amendment or waiver.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an "event of default" or "default" under the Bond Ordinance, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities, and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the City has provided such information to the Dissemination Agent as required by this Disclosure Certificate. The Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Dissemination Agent shall have no duty or obligation to review or verify any Annual Report of the City, any audited financial statements of

the City, any Listed Events or any other information, disclosures or notices provided to it by the City and shall not be deemed to be acting in any fiduciary capacity for the City, the holders of the Bonds or any other party. The Dissemination Agent shall have no responsibility for the City's failure to report a Listed Event to the Dissemination Agent. The Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the City has complied with this Disclosure Certificate. The Dissemination Agent may conclusively rely upon certifications of the City at all times.

(b) The City agrees to indemnify and save the Dissemination Agent and its respective officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the City under this subsection shall survive resignation or removal of the Dissemination Agent and defeasance, redemption or payment the Bonds.

(c) The Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and the Dissemination Agent shall in no event incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The fees and expenses of such counsel shall be payable by the City.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriters, and the Bondholders, and shall create no rights in any other person or entity.

Section 13. Filing with MSRB. Notwithstanding anything in this Disclosure Certificate to the contrary, any filing required to be made with a National Repository pursuant to this Disclosure Certificate shall be made solely by transmitting such filing to the continuing disclosure service portal provided through the MSRB's EMMA as provided at http://www.emma.msrb.org, or any similar system that is acceptable to the United States Securities and Exchange Commission.

Date: _____, 2020

CITY OF FLOWERY BRANCH, GEORGIA

By: _____
Mayor

Attest: _____
City Clerk

(SEAL)

(Signature page – Continuing Disclosure Certificate)

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: GAINESVILLE AND HALL COUNTY DEVELOPMENT AUTHORITY

Name of Bond Issue: $4,700,000 GAINESVILLE AND HALL COUNTY DEVELOPMENT AUTHORITY REVENUE BONDS (CITY OF FLOWERY BRANCH OLD TOWN PROJECT), SERIES 2020

Date of Issuance: _____, 2020

CUSIP Numbers:[1] _____

NOTICE IS HEREBY GIVEN that the City of Flowery Branch, Georgia has not provided an Annual Report with respect to the above-named Bonds as required by resolutions of the City adopted on January 16, 2020, and _____, 2020 (collectively, the "City Resolution"). The Council of the City anticipates that the Annual Report will be filed by _____.

Dated: _____

CITY OF FLOWERY BRANCH, GEORGIA

By: _____
Mayor

Attest: _____
City Clerk

(SEAL)

[1] No representation is made as to the correctness of the CUSIP number either as printed on the bonds or as contained herein, and reliance may only be placed on other bond identification contained herein.

EXHIBIT B

NOTICE OF THE OCCURRENCE OF [INSERT THE LISTED EVENT]

Relating to
$4,700,000
GAINESVILLE AND HALL COUNTY DEVELOPMENT AUTHORITY REVENUE BONDS
(CITY OF FLOWERY BRANCH OLD TOWN PROJECT), SERIES 2020

CUSIP Numbers:[1] _____

Notice is hereby given that [insert the Listed Event] has occurred. [Describe circumstances leading up to the event, action being taken and anticipated impact.]

This notice is based on the best information available at the time of dissemination and is not guaranteed as to accuracy or completeness. Any questions regarding this notice should be directed to [insert instructions for presenting securities, if applicable].

[Notice of the Listed Events described in Section 5 shall include the following:

The Issuer hereby expressly reserves the right to redeem such refunded or defeased bonds prior to their stated maturity date in accordance with the optional/extraordinary redemption provisions of said defeased bonds.

OR

The Issuer hereby covenants not to exercise any optional or extraordinary redemption provisions under the Trust Indenture, however, the sinking fund provision will survive the defeasance.

AND

The Bonds have been defeased to [maturity/the first call date, which is _____]. This notice does not constitute a notice of redemption and no bonds should be delivered to the Issuer or the Trustee as a result of this mailing. A Notice of Redemption instructing you where to submit your bonds for payment will be mailed _____ to _____ days prior to the redemption date.]

Dated: _____

CITY OF FLOWERY BRANCH, GEORGIA

By: _____
Mayor

(SEAL)

[1] No representation is made as to the correctness of the CUSIP number either as printed on the bonds or as contained herein, and reliance may only be placed on other bond identification contained herein.

$_____
GAINESVILLE AND HALL COUNTY DEVELOPMENT AUTHORITY
REVENUE BONDS
(FLOWERY BRANCH OLD TOWN PROJECT), SERIES 2020

February 21, 2020

BOND PURCHASE AGREEMENT

Gainesville and Hall County
Development Authority
Gainesville, Georgia

Mayor and Council of the
City of Flowery Branch, Georgia
Flowery Branch, Georgia

To the Addressees:

The undersigned, Raymond James & Associates, Inc. (the "Underwriter"), being duly authorized, hereby offers to enter into this Bond Purchase Agreement (the "Purchase Agreement") with the Gainesville and Hall County Development Authority (the "Authority") and the City of Flowery Branch, Georgia (the "City") which, upon your acceptance of this offer, will be binding upon you and upon the Underwriter.

This offer is made subject to your acceptance of this Purchase Agreement on or before 10:00 a.m., Eastern Standard Time, on February 21, 2020.

1. Upon the terms and conditions and in reliance upon the respective representations, warranties and covenants herein, the Underwriter hereby agrees to purchase from the Authority and the City, and the Authority and the City hereby agree to sell to the Underwriter, all (but not less than all) of $_____ in aggregate principal amount of Gainesville and Hall County Development Authority Revenue Bonds (Flowery Branch Old Town Project), Series 2020 (the "Series 2020 Bonds" or the "Bonds"), at the purchase price of $_____ (the "Purchase Price") (representing the par amount of the Bonds, plus original issue premium of $_____, less Underwriter's discount of $_____).

The Bonds are authorized and issued in accordance with amendments to the Constitution of the State of Georgia (Ga. Laws 1964, page 866, et seq.; Ga. Laws 1986, page 4328, et seq.), duly ratified and proclaimed, and an act of the General Assembly of the State of Georgia (Ga. Laws 1964, page 2282, et seq.), as amended (collectively, the "Act"), and the Revenue Bond Law of the State of Georgia O.C.G.A., Section 36-82-60, et seq., as amended, and that certain

Trust Indenture, dated as of March 1, 2020 (the "Indenture"), between the Authority and Regions Bank, Atlanta, Georgia, as trustee (the "Trustee"). The Bonds will be issued under and secured by the Indenture.

The Series 2020 Bonds will be issued for the purpose of financing the (a) acquisition, construction, and equipping public parks on certain real property in Old Town and (b) the construction of certain sidewalks, streetscapes, and parking in Old Town, all as more particularly described on Exhibit "A" to the Agreement (hereinafter defined)(items (a) and (c) hereinafter referred to as the "Project"), and (c) paying all costs of issuance of the Series 2020 Bonds. The Series 2020 Bonds are to be dated their date of issue and shall mature on the dates and in the amounts and bear interest at the rates set forth on **Exhibit "A"** attached hereto and by this reference thereto hereby incorporated herein and made a part hereof. The Bonds shall be subject to optional and mandatory redemption as shown in the Official Statement (as defined herein).

The Authority, in furtherance of the public purpose for which it was created, has agreed to issue the Bonds to finance the Project. To accomplish the foregoing, the Authority proposes to enter into an installment sale agreement, dated as of March 1, 2020 (the "Agreement"), with the City under the terms of which the Authority has agreed to acquire and construct the Project and then sell the Project to the City, and the City has agreed to pay the Authority purchase payments sufficient to pay the principal of, redemption premium (if any), and interest on the Bonds as the same become due and payable. The obligation of the City to make the purchase payments required by the Agreement is a general obligation of the City to which its full faith and credit and unlimited taxing power are pledged.

As security for the payment of the principal of, premium, if any, and interest on the Bonds, the Authority has pledged and assigned for the benefit of the owners of the Bonds its right, title, and interest in and to the Agreement, including the purchase payments to be made thereunder, to the payment of principal of, premium, if any, and interest on the Bonds, pursuant to the Indenture.

With the consent of the Authority and the City, the Underwriter has distributed a Preliminary Official Statement (hereinafter defined) relating to the Bonds in connection with the marketing of the Bonds. The Bonds will be offered for sale by the Underwriter pursuant to a definitive Official Statement (hereinafter defined), relating to the Bonds.

The City will undertake, pursuant to the Agreement and a Continuing Disclosure Certificate, to be dated as of the issuance date of the Bonds (the "Disclosure Certificate"), to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement.

Capitalized terms used herein and not defined shall have the meaning assigned to such terms in the Indenture and the Agreement.

2. The Underwriter agrees to make a bona fide public offering of all of the Bonds at the offering prices set forth in **Exhibit A** hereto. The Underwriter, however, reserves the right to change such offering price and or prices as the Underwriter shall deem necessary in connection with the marketing of the Bonds.

3. (a) The Authority and the City have caused to be prepared a Preliminary Official Statement, dated February 11, 2019 (such Preliminary Official Statement, including the cover page and all appendices, exhibits, reports and statements included therein or attached thereto and any amendments and supplements thereto that may be authorized by the Authority or the City for use with respect to the Bonds being herein called the "Preliminary Official Statement"), which the Authority and the City have authorized to be circulated, and the Authority and the City consent to the use of the Preliminary Official Statement by the Underwriter prior to the date hereof in connection with the offering of the Bonds. The Authority and the City hereby deem the Preliminary Official Statement final for purposes of Rule 15c2-12 (the "Rule"). The Authority and the City shall deliver to the Underwriter copies (in sufficient quantity and time to enable the Underwriter to comply with the rules of the Municipal Securities Rulemaking Board and the Securities and Exchange Commission) of an Official Statement, dated the date of this Purchase Agreement, substantially in the form of the Preliminary Official Statement, with only such changes therein or modifications thereof (including, without limitation, any changes in or modifications of any of the appendices, exhibits, reports or statements included therein or attached thereto) as shall have been accepted and approved by the Underwriter in its sole discretion, the form of which Official Statement shall have been approved and adopted by the Authority and the City by resolutions duly passed, and the Official Statement shall be executed by the Chairman of the Authority and the Chairman of the Mayor of the City, respectively (such Official Statement, including the cover page and all appendices, exhibits, reports and statements included therein or attached thereto and any amendments and supplements thereto that may be authorized by the Authority and the City for use with respect to the Bonds being herein called the "Official Statement"). Simultaneously with the execution and delivery hereof, the Authority and the City will provide the Underwriter with two executed copies of the Official Statement. The Authority and the City hereby consent to the use of copies of the Official Statement, the Indenture, the Agreement, and other pertinent documents in connection with the offering of the Bonds. The Underwriter hereby agrees not to distribute or make use of any offering statement or other offering document relating to the Bonds unless such offering document contains a cover page that sets forth the name of the Underwriter and has been approved by the Authority and the City.

(b) In order to assist the Underwriter in complying with the Rule, the City has covenanted for the benefit of the owners of the Bonds to provide notices of the occurrence of certain material events and to provide certain financial information and operating data relating to the City, pursuant to the Disclosure Certificate.

4. At 10:00 a.m., Eastern Standard Time, on March 10, 2020 or at such other time and date as shall have been mutually agreed upon by the Authority, the City and the Underwriter, the Authority will deliver, or cause to be delivered, to the Underwriter the Bonds, in definitive form duly executed and authenticated, together with the other documents hereinafter mentioned; and the Underwriter will accept such delivery and pay the Purchase Price of the Bonds with bank wire transfer in federal funds payable in accordance with written directions provided by the City to the Underwriter.

The activities relating to the final execution and delivery of the Bonds, the Indenture, the Agreement and the payment therefor and the delivery of all certificates, opinions and other instruments described in Section 7 of this Purchase Agreement shall occur at the offices of Stewart, Melvin & Frost, LLP, Gainesville, Georgia, except that physical delivery of the Bonds shall be made through the Project of The Depository Trust Company or at such other place or places as shall have been mutually agreed upon by the Authority and the Underwriter. The payment for the Bonds and simultaneous delivery of the Bonds to the Underwriter is herein referred to as the "Closing." The Bonds will be delivered as definitive registered Bonds initially in the denomination of $5,000 each or any integral multiple thereof, and registered in such names and in such amounts as the Underwriter may request not less than three business days before the Closing.

5. The Authority represents and warrants to the Underwriter that:

(a) The Authority is, and will be at the Closing, a political subdivision duly created and organized under the Constitution and laws of the State of Georgia, with all requisite power and authority to execute, deliver and perform its obligations under this Purchase Agreement, the Indenture, and the Agreement.

(b) The Authority has the full legal right, power and authority (i) to adopt its Parameters Bond Resolution on January 28, 2020, and its Supplemental Bond Resolution on February 21, 2020 (collectively, the "Authority Resolution"), authorizing the execution and delivery of and awarding the sale of the Bonds, (ii) to execute, deliver and perform this Purchase Agreement, the Indenture, and the Agreement, (iii) to issue, sell and deliver the Bonds to the Underwriter as provided herein, and (iv) to carry out and consummate all other actions contemplated by each of the aforesaid documents and the Official Statement and the Authority has complied with all provisions of applicable law in all matters relating to such transactions.

(c) The Authority has duly authorized (i) the execution and delivery of the Bonds and the execution, delivery and due performance of this Purchase Agreement, the Indenture, and the Agreement, (ii) the execution, delivery and distribution of the Official Statement, and (iii) the taking of any and all such action as may be required on the part of the Authority to carry out, give effect to and consummate the transactions contemplated by such instruments. All consents or approvals necessary to be obtained by the Authority in connection with the foregoing have been received, and the consents or approvals so received are still in full force and effect; except for certain securities or "Blue Sky" laws and certain consents relating to the Projects which are expected to be received in due course.

(d) The Authority has duly adopted the Authority Resolution and has duly authorized all actions required to be taken by it.

(e) The Authority Resolution does, and this Purchase Agreement, the Indenture, and the Agreement, when executed and delivered, will constitute legal, valid and binding obligations of the Authority in accordance with their respective terms, except as enforceability thereof may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally.

(f) When delivered to and paid for by the Underwriter at the Closing in accordance with the provisions of this Purchase Agreement, the Bonds will have been duly authorized, executed, authenticated and delivered.

(g) The information relating to the Authority contained in the Official Statement is, and as of the date of Closing will be, true and correct in all material respects, and nothing has come to the attention of the undersigned that would lead the undersigned to believe that the Official Statement contains any untrue or misleading statement of a material fact or omits to state any material fact relating to the Authority necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(h) If, at any time prior to 90 days after the Closing, any event occurs with respect to the Authority as a result of which the Preliminary Official Statement or the Final Official Statement as then amended or supplemented might include an untrue statement of a material fact, or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Authority shall promptly notify the Underwriter of such event.

(i) The adoption of the Authority Resolution, the execution, delivery and performance of this Purchase Agreement, the Indenture, the Bonds, the Agreement, the execution and delivery of the Official Statement, and the consummation of the actions contemplated therein or the compliance with the provisions thereof will conflict with, or constitute on the part of the Authority a violation of, or a material breach of or default under, (i) any statute, indenture, mortgage, commitment, note or other agreement or instrument to which the Authority is a party or by which it is bound, (ii) the Constitution of the State, or (iii) any existing law, rule, regulation, ordinance, judgment, order or decree to which the Authority (or any of its officers in their respective capacities as such) is subject.

(j) Except as may be disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, or before or by any court, public board or body, pending or, to the best knowledge of the Authority, threatened, which in any way questions the powers of the Authority referred to in paragraph (b) above, or the validity of any proceeding taken by the Authority, or wherein an unfavorable decision, ruling or finding could materially adversely affect the actions contemplated by this Purchase Agreement, or of any other document or instrument required or contemplated thereby, or which, in any way, could adversely affect the validity or enforceability of the Indenture, the Agreement, the Bonds, or this Purchase Agreement or, to the knowledge of the Authority, which in any way questions the exclusion from gross income of the recipients thereof of the interest on the Bonds for federal income tax purposes or in any other way questions the status of the Bonds under federal or State tax laws or regulations.

(k) The Authority will cooperate with the Underwriter in qualifying the Bonds for offer and sale under the securities or Blue Sky laws of such jurisdictions of the United States as the Underwriter may request; provided, however, that the Authority shall not be required with respect to the offering or sale of the Bonds to file written consent to suit or to file written consent to service of process in any jurisdiction. The Authority consents to the use by the Underwriter of

the documents relating to the Bonds necessary to obtain such qualification, subject to the right of the Authority to withdraw such consent for cause by written notice to the Underwriter.

(l) Any certificate signed by any official of the Authority and delivered to the Underwriter shall be deemed a representation and warranty by the Authority to the Underwriter as to the truth of the statements therein contained.

(m) The Authority has never defaulted in the payment of principal of or interest on any bonds, notes, warrants or other securities or obligations issued by the Authority, and no proceedings have ever been taken, are being taken, or are contemplated as of the date hereof, by the Authority under the United States Bankruptcy Code or under any similar law or statute of the United States or the State, except as disclosed in the Official Statement.

(n) Neither the Authority nor anyone acting on its behalf, directly or indirectly, has offered the certificates or any similar securities of the Authority relating in any way to the Project for sale, or solicited any offer to buy the same from, anyone.

6. The City represents and warrants to the Underwriter that:

(a) The City is, and will be at the Closing, a municipal corporation duly created and validly existing under the laws of the State of Georgia, with all requisite power and authority to execute, deliver and perform its obligations under this Purchase Agreement, the Agreement and the Disclosure Certificate.

(b) The City has the full legal right, power and authority (i) to adopt its resolution on January 16, 2020, and its supplemental resolution on February 20, 2020 (collectively, the "City Resolution"), authorizing the execution and delivery of and awarding the sale of the Bonds, (ii) to enter into this Purchase Agreement, the Agreement, and the Disclosure Certificate, and (iii) to carry out and consummate all other transactions contemplated by each of the aforesaid documents, and the City has complied with all provisions of applicable law in all matters relating to such transactions.

(c) The City has duly authorized (i) the delivery of the Bonds and the execution, delivery and due performance of this Purchase Agreement, Agreement and the Disclosure Certificate, (ii) the execution, delivery and distribution of the Official Statement, and (iii) the taking of any and all such action as may be required on the part of the City to carry out, give effect to and consummate the transactions contemplated by such instruments. All consents or approvals necessary to be obtained by the City in connection with the foregoing have been received, and the consents or approvals so received are still in full force and effect; provided, however, no opinion is given with respect to any "Blue Sky" laws.

(d) This Purchase Agreement, the Agreement and the Disclosure Certificate, when executed and delivered, will constitute legal, valid and binding obligations of the City in accordance with their respective terms, except as enforceability thereof may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally.

(e) The information relating to the City, the application of the proceeds of the Bonds contained in the Official Statement is, and as of the date of Closing will be, true and correct in all material respects, and nothing has come to the attention of the undersigned that would lead the undersigned to believe that the Official Statement contains any untrue or misleading statement of a material fact or omits to state any material fact relating to the City necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(f) If, at any time prior to 90 days after the Closing, any event occurs with respect to the City as a result of which the Preliminary Official Statement or the Official Statement as then amended or supplemented might include an untrue statement of a material fact, or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the City shall promptly notify the Underwriter in writing of such event. Any information supplied by the City for inclusion in any amendments or supplements to the Preliminary Official Statement or the Official Statement will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. Upon the request of the Underwriter therefor, the City shall prepare and deliver to the Underwriter at the City's expense as many copies of an amendment or supplement which will correct any untrue statement or omission as the Underwriter may reasonably request.

(g) Neither the execution and delivery of this Purchase Agreement, the City Resolution, the Agreement and the Disclosure Certificate nor the consummation of the actions contemplated therein or the compliance with the provisions thereof will conflict with, or constitute on the part of the City a violation of, or a breach of or default under, (i) any statute, indenture, mortgage, commitment, note or other agreement or instrument to which the City is a party or by which it is bound, (ii) the Constitution of the State, or (iii) any existing law, rule, regulation, ordinance, judgment, order or decree to which the City (or any of its officers in their respective capacities as such) is subject.

(h) The City has never defaulted in the payment of principal of or interest on any bonds, notes, warrants, or other securities or obligations issued by the City, and no proceedings have ever been taken, are being taken, or are contemplated as of the date hereof, by the City under the United States Bankruptcy Code or under any similar law or statute of the United States or the State, except as disclosed in the Official Statement or to the Underwriter in writing.

(i) Except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, or before or by any court, public board or body, pending or, to the best knowledge of the City, threatened, which in any way questions the powers of the City referred to in paragraph (b) above, or the validity of any proceeding taken by the City in connection with the execution of the Agreement, the Disclosure Certificate or wherein an unfavorable decision, ruling or finding could materially adversely affect the transactions contemplated by this Purchase Agreement, or of any other document or instrument required or contemplated thereby, or which, in any way, could adversely affect the validity or enforceability of the Agreement, the Disclosure Certificate or this Purchase Agreement or, to the knowledge of the City, which in any way questions the exclusion from gross income of the recipients thereof of

the interest on the Bonds for federal income tax purposes or in any other way questions the status of the Bonds under federal or State tax laws or regulations.

(j) The City's audited financial statements as of June 30, 2019, attached as Appendix A to the Official Statement, to the City's knowledge, are a fair presentation of the financial position of the City as of the date indicated and the results of its operations and changes in its fund balance for the periods specified. Except as described in the Preliminary Official Statement and the Official Statement, since June 30, 2019, there has been no material adverse change in the condition, financial or otherwise, of the City from that set forth in the financial statements as of and for the period ending that date and as of the date of Closing; and the City has not since June 30, 2019**,** incurred any material liabilities, other than disclosed in the Official Statement, directly or indirectly, except in the ordinary course of its operations.

(k) The City will cooperate with the Underwriter in qualifying the Bonds for offer and sale under the securities or Blue Sky laws of such jurisdictions of the United States as the Underwriter may request; provided, however, that the City shall be required with respect to the offering or sale of the Bonds to file written consent to suit or to file written consent to service of process in any jurisdiction. The City consents to the use by the Underwriter of the documents relating to the Bonds necessary to obtain such qualification, subject to the right of the City to withdraw such consent for cause by written notice to the Underwriter.

(l) The City has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is a bond issuer whose arbitrage certifications may not be relied upon.

(m) Any certificate signed by any official of the City and delivered to the Underwriter shall be deemed a representation and warranty by the City to the Underwriter as to the truth of the statements therein contained.

(n) The City will apply the proceeds from the sale of the Bonds as specified in Section 1 hereof.

(o) The City has not failed to comply with any continuing disclosure obligations under the Rule.

7. The obligations of the Underwriter hereunder shall be subject (a) to the performance by the Authority and the City of their respective obligations to be performed hereunder at and prior to the Closing, (b) to the accuracy of the representations and warranties of the Authority and the City herein as of the date hereof and as of the time of the Closing, and (c) to the following conditions, including the delivery by the Authority and the City of such documents as are enumerated herein in form and substance reasonably satisfactory to the Underwriter. The obligations of the Underwriter hereunder shall also be subject to the following additional conditions:

(a) At the time of Closing, (i) the Official Statement, this Purchase Agreement, the Agreement, and the Disclosure Certificate shall be in full force and effect and shall not have

been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter, (ii) the proceeds of the sale of the Bonds shall be deposited and applied as described in the Official Statement, and (iii) the City and the Authority shall have duly adopted and there shall be in full force and effect such resolutions and ordinances as, in the opinion of Stewart, Melvin & Frost, LLP, as bond counsel ("Bond Counsel"), shall be necessary in connection with the actions contemplated hereby.

(b) Receipt of the Bonds and executed copies of the Agreement, the Indenture, and the Disclosure Certificate, at or prior to the Closing.

(c) At or prior to the Closing, the Underwriter shall receive the following documents in such number of counterparts as shall be mutually agreeable to the Underwriter, the Authority and the City:

(1) A final approving opinion of Bond Counsel, dated the date of Closing, in substantially the form of Appendix D to the Preliminary Official Statement.

(2) A supplemental opinion of Bond Counsel, dated the date of Closing, in substantially the form set forth in **Exhibit B** hereto.

(3) An opinion of Stewart, Melvin & Frost, LLP, as Disclosure Counsel, in substantially the form set forth in **Exhibit C** hereto.

(4) A certificate of the Trustee in form and substance satisfactory to Bond Counsel and Disclosure Counsel.

(5) The opinion of Counsel for the City, dated the date of Closing, in substantially the form set forth in **Exhibit D** hereto.

(6) The opinion of Counsel to the Authority, dated the date of Closing, in substantially the form set forth in **Exhibit E** hereto.

(7) The Official Statement executed on behalf of the Authority and the City by duly authorized officers.

(8) Certified copies of all resolutions of the Authority relating to the Bonds.

(9) Certified copies of all resolutions of the City relating to the Bonds.

(10) Specimen Series 2020 Bonds.

(11) The rating letter from Moody's Investors Service, Inc. ("Moody's") to the effect that the Bonds have been assigned a rating of "Aa2".

(12) A certificate, in form and substance satisfactory to the Underwriter and its counsel, of the Authority or any duly authorized officer or official of the

Authority satisfactory to the Underwriter and its counsel, dated as of the date of Closing, to the effect that: (A) each of the Authority's representations, warranties and covenants contained herein are true and correct as of the date of the Closing; (B) the Authority has authorized, by all action necessary under the laws of the State, the adoption of the Authority Resolution and the execution, delivery and due performance of the Bonds, this Purchase Agreement, the Indenture, and the Agreement; (C) except as disclosed in the Official Statement, no litigation is pending, or to their knowledge threatened, to restrain or enjoin the execution and delivery or sale of the Bonds or in any way affecting any authority for or the validity of the Indenture, the Bonds, this Purchase Agreement, and the Agreement; and (D) the Bonds, the Indenture, and the Agreement, as executed by the Authority, are in the form or in substantially the form approved for such execution by appropriate proceedings of the Authority.

(13) A certificate, in form and substance satisfactory to the Underwriter and its counsel, of the City or any duly authorized officer or official of the City satisfactory to the Underwriter and its counsel, dated as of the date of Closing, to the effect that: (A) each of the City's representations, warranties and covenants contained herein are true and correct as of the date of the Closing; (B) the City has authorized, by all action necessary under the laws of the State, the adoption of the City Resolution and the execution, delivery and due performance of this Purchase Agreement, the Agreement and the Disclosure Certificate; (C) except as disclosed in the Official Statement, no litigation is pending, or to their knowledge threatened, to restrain or enjoin the execution and delivery or sale of the Bonds or in any way affecting any authority for or the validity of the City Resolution, this Purchase Agreement, the Agreement, and the Disclosure Certificate; (D) the Agreement, the Disclosure Certificate and the other financing documents, as executed by the City, are in the form or in substantially the form approved for such execution by appropriate proceedings of the City.

(14) Evidence that Treasury Form 8038-G has been executed by the Authority and filed with the Internal Revenue Service.

(15) A certificate, dated the date of the Closing, executed by the Clerk or Deputy Clerk of the Superior Court of Hall County, Georgia, certifying that no person or entity, other than the Authority or the City, intervened or otherwise became a party to the validation proceedings with respect to the Bonds, that final judgment has been entered in such proceedings and that no exception, intervention or objection to such judgment or appeal therefrom or extension of appeal has been taken.

(16) A certificate (the "Arbitrage Certificate") of the Authority and the City in form and substance satisfactory to Bond Counsel and Disclosure Counsel setting forth certain information upon which it can he concluded that the Bonds are not expected to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended.

(17) Such additional legal opinions, certificates, proceedings, instruments and other documents as counsel to the Underwriter, Bond Counsel, counsel to the Authority or counsel to the City may reasonably request to evidence compliance by the Authority and the City with legal requirements, the truth and accuracy, as of the time of the Closing, of the respective representations of the Authority and the City herein contained and the due performance or satisfaction by the Authority and the City at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Authority and the City.

If the Authority or the City shall be unable to satisfy the conditions to the obligations of the Underwriter contained in this Purchase Agreement, or if the obligations of the Underwriter to purchase and accept delivery of the Bonds shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Underwriter nor the Authority nor the City shall be under further obligation hereunder.

8. The Underwriter shall have the right to cancel its obligation to purchase the Bonds if between the date hereof and the date of Closing:

(a) a tentative decision with respect to legislation shall be reached by a committee of the House of Representatives or the Senate of the Congress of the United States, or legislation shall be favorably reported or re-reported by such a committee or be introduced, by amendment or otherwise, in or be passed by the House of Representatives or the Senate, or recommended to the Congress of the United States for passage by the President of the United States, or be enacted or a decision by a federal court of the United States or the United States Tax Court shall have been rendered, or a ruling, release, order, regulation or official statement by or on behalf of the United States Treasury Department, the Internal Revenue Service or other governmental agency shall have been made or proposed to be made having the purpose or effect, or any other action or event shall have occurred which has the purpose or effect, directly or indirectly, of adversely affecting the federal income tax consequences of owning the Bonds or of any of the transactions contemplated in connection herewith, including causing interest on the Bonds to be included in gross income for purposes of federal income taxation, or imposing federal income taxation upon revenues or other income of the general character to be derived by the Authority or by any similar body under the Agreement or similar documents or upon interest received on obligations of the general character of the Bonds or the Bonds which, in the opinion of the Underwriter, materially adversely affects the market price of or market for the Bonds; or

(b) legislation shall have been enacted, or actively considered for enactment with an effective date being prior to the date of the execution and delivery of the Bonds, or a decision by a court of the United States shall have been rendered, or a ruling or regulation by the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter shall have been made or proposed, the effect of which is that the Bonds or the Bond Resolution, as the case may be, are not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended and as then in effect (the "1933 Act"), the Securities Exchange Act of 1934, as

amended and as then in effect the "1934 Act"), or of the Trust Indenture Act of 1939, as amended and as then in effect; or

(c) a stop order, ruling or regulation by the Securities and Exchange Commission shall have been issued or made, the effect of which is that the execution, delivery, offering or sale of the Bonds or the execution and delivery of the Bond Resolution as contemplated hereby or by the Official Statement, is or would be in violation of any provision of the 1933 Act, or of the 1934 Act, or of the Trust Indenture Act of 1939, as amended and as then in effect; or

(d) there shall exist any event which in the reasonable judgment of the Underwriter either (i) makes untrue or incorrect in any material respect any statement or information contained in the Official Statement or (ii) is not reflected in the Official Statement but should be reflected therein in order to make the statements and information contained therein not misleading in any material respect and, in either such event, (1) the Authority or the City refuses to permit the Official Statement to be supplemented to correct or supply such statement or information, or (2) the statement or information as supplemented is such as in the reasonable judgment of the Underwriter would materially adversely affect the market for the Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Bonds; or

(e) there shall have occurred any outbreak of hostilities or any national or international calamity or crisis, the effect of which on the financial markets of the United States is such as, in the reasonable judgment of the Underwriter, would materially adversely affect the market for the Bonds, or the sale, at the contemplated offering prices, by the Underwriter of the Bonds; or

(f) there shall be in force a general suspension of trading on the New York Stock Exchange, the effect of which on the financial markets of the United States is such as, in the reasonable judgment of the Underwriter, would materially adversely affect the market for the Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Bonds; or

(g) a general banking moratorium shall have been declared by federal, New York or Georgia authorities, the effect of which on the financial markets of the United States is such as, in the reasonable judgment of the Underwriter, would materially adversely affect the market for the Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Bonds; or

(h) any proceeding shall be pending or threatened by the Securities and Exchange Commission against the City or the Authority; or

(i) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange; or

(j) the New York Stock Exchange or other national securities exchange, or any governmental authority, shall impose, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of the Underwriter; or

(k) a default has occurred with respect to the obligations of, or proceedings have been instituted under the federal bankruptcy laws or any similar state laws by or against, any state of the United States or any city or county located in the United States having a population in excess of one million persons or any entity issuing obligations on behalf of such a city, county, or state; or

(l) any proceeding shall be pending, or to the knowledge of the Underwriter, threatened, to restrain, enjoin, or otherwise prohibit the issuance, sale, or delivery of the Bonds by the Authority or the purchase, offering, sale or distribution of the Bonds by the Underwriter, or for any investigatory or other proceedings under any federal or state securities laws or the rules and regulations of the National Association of Securities Dealers, Inc. relating to the issuance, sale or delivery of the Bonds by the Authority or the purchase, offering, sale or distribution of the Bonds by the Underwriter; or

(m) Moody's shall withdraw its "Aa2" rating on the Bonds prior to the Closing; or

(n) the marketability of the Bonds or the market price thereof, in the opinion of the Underwriter, has been materially and adversely affected by the disruptive events, occurrences or conditions in the securities or debt markets; or

(o) there shall have occurred any event other than those listed above the effect of which is, in the reasonable judgment of the Underwriter, so material and adverse to make it impracticable or inadvisable to proceed with the offering of the Bonds on the terms and in the manner contemplated by the Official Statement.

9. The obligations of the Authority and the City hereunder are subject to the performance by the Underwriter of its obligations hereunder.

10. All representations, warranties and agreements of the Authority and the City shall remain operative and in full force and effect and shall survive the Closing, regardless of any investigations made by or on behalf of the Underwriter. The obligations of the Authority and the City under Sections 12 and 13 hereof survive any termination of this Purchase Agreement by the Underwriter pursuant to the terms hereof.

11. The Authority shall pay, out of the proceeds of the Bonds or from its own funds, any expenses incident, to the performance of its obligations hereunder, including but not limited to: (i) the cost of the preparation, reproduction, printing distribution, mailing, execution, delivery, filing and recording, as the case may be, of this Bond Purchase Agreement, the Indenture, the Agreement, the Disclosure Certificate, the Preliminary Official Statement, the

Official Statement, and all other agreements and documents required in connection with the consummation of the transactions contemplated hereby; (ii) the cost of the preparation, engraving, printing, execution and delivery of the definitive Bonds; (iii) the fees and disbursements of Bond Counsel, Counsel for the Authority, Counsel for the City, Disclosure Counsel, and any other experts retained by the Authority, if any; (iv) any fees charged by the rating agencies for the rating of the Bonds; (v) the cost of the validation of the Bonds; (vi) the cost of transportation and lodging for officials and representatives of the Authority and the Underwriter in connection with attending meetings and the Closing; and (vii) the cost of qualifying the Bonds and determining their eligibility for investment under the laws of such jurisdictions as the Underwriter may designate, including filing fees and fees and disbursements of Counsel for the Underwriter in connection with such qualifying and determination and the preparation of Blue Sky and Legal Investment Memoranda (if any).

12. Indemnification.

(a) The City agrees to indemnify and hold harmless the Underwriter and the Authority and any member, commissioner, officer, director, employee or agent of the Underwriter or the Authority and each person, if any, who controls the Underwriter or the Authority within the meaning of Section 15 of the Securities Act of 1933, as amended (the "Securities Act"), or Section 20 of the Securities Exchange Act of 1934, as amended (collectively, the "Indemnified Parties") against any and all losses, claims, damages, liabilities or expenses whatsoever (collectively, "Loss") caused by, or which arise out of or relate to, any breach (or alleged breach) by the City of its representations warranties or covenants set forth herein, or any untrue statement or misleading statement of a material fact contained in the Official Statement or incorporated therein by reference or supplied by the City in writing in connection with the sale of the Bonds in accordance with the terms hereof (collectively, the "Disclosure Materials"), or which arise out of or relate to, any omission or alleged omission from such Disclosure Materials of any material fact required to be stated therein or necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading. This indemnity agreement is in addition to any other liability that the City may otherwise have. The Underwriter agrees that it will indemnify and hold harmless the City and the Authority (each also, an "Indemnified Party") to the same extent as the indemnification set forth in the first sentence of this paragraph, but only with regard to statements and omissions in the Official Statement pertaining to Raymond James & Associates, Inc., as the Underwriter.

(b) In case any action (including any governmental investigation) shall be brought against one or more of the Indemnified Parties in respect of which indemnity may be sought as provided herein, such Indemnified Party or Indemnified Parties shall promptly notify the person or persons from whom indemnity is sought (each, an "Indemnifying Party") in writing and such person or persons shall promptly assume the defense thereof, including the employment of counsel reasonably satisfactory to such Indemnified Party or Indemnified Parties, and payment of all expenses; but the omission to notify an Indemnifying Party as provided herein shall not relieve such Indemnifying Party from any liability that it may have (i) under the preceding paragraph of this Section, so long as such Indemnifying Party is given the reasonable opportunity to defend such claim and (ii) otherwise than under this Section. Any one or more of the Indemnified Parties shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the

expense of such Indemnified Party or Indemnified Parties unless (i) the employment of such counsel has been specifically authorized in writing by the Indemnifying Party or Indemnifying Parties, or (ii) the named parties to any such action (including any impleaded parties) include both one or more Indemnifying Parties and such Indemnified Party or Indemnified Parties and representation of both such Indemnifying Party or Indemnifying Parties and such Indemnified Party or Indemnified Parties by the same counsel would be inappropriate due to actual or potential differing interests between them. An Indemnifying Party shall not be liable for any settlement of any such action effected without its consent, but if settled with such consent or if there is a final judgment in any such action with or without consent, such Indemnifying Party agrees to indemnify and hold harmless the Indemnified Parties from and against any loss or liability by reason of such settlement or judgment. No Indemnifying Party shall, without the consent of each Indemnified Party, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in which indemnification or contribution may be sought hereunder (whether or not such Indemnified Party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (i) includes an unconditional release of such Indemnified Party from all liability arising out of such action or claim and (ii) does not include a statement as to or admission of fault, culpability or a failure to act, by or on behalf of such Indemnified Party.

(c) If the indemnification provided for in this Section is unavailable to or insufficient to hold harmless an Indemnified Party in respect of any Loss as provided in this Section, then each Indemnifying Party shall contribute to the amount paid or payable by such Indemnified Party as a result of such Loss in such proportion as is appropriate to reflect the relative benefits received by the City on the one hand and the Underwriter on the other from the offering of the Bonds. If however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnification provided for in this Section is unavailable on account of the Indemnified Party having failed to give the notice required in the preceding paragraph, then each Indemnifying Party shall contribute to such amount paid or payable by such Indemnified Party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the City on the one hand and the Underwriter on the other in connection with the statements or omissions which resulted in such Loss, as well as any other relevant equitable considerations. The relative benefits received by the City on the one hand and the Underwriter on the other shall be deemed to be in the same proportion as the total net proceeds from the sale of the Bonds received by the City (which is the aggregate purchase price set forth in Section 1 less the Underwriter's discount referred to in Section 1**)** bear to the Underwriter's discount received by the Underwriter with respect to the Bonds (referred to in Section 1)**.** The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the City on the one hand or the Underwriter on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The City and the Underwriter agree that it would not be just and equitable if contributions pursuant to this paragraph were determined by *pro rata* allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this paragraph. The amount paid or payable by an Indemnified Party as a result of the Loss which is subject to this paragraph shall be deemed to include any legal or other expenses reasonably incurred by such Indemnified Party in

connection with investigating or defending the action or claim that resulted in such Loss. Notwithstanding the provisions of this paragraph, the Underwriter shall not be required to contribute any amount in excess of the amount by which the total price at which the Bonds were offered to the public exceeds the amount of any damages which the Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

(d) The indemnity provided by this Section 12 hereof shall be in addition to any other liability that the City may otherwise have hereunder, at common law or otherwise, and is provided solely for the benefit of each of the Section 12(a) Indemnified Parties and their respective successors, assigns and legal representatives, and no other person shall acquire or have any right under or by virtue of such provisions of this Purchase Agreement.

(e) The City agrees to reimburse any Section 12(a) Indemnified Party for any expense (including reasonable fees and expenses of counsel) incurred as a result of producing documents, presenting testimony or evidence, or preparing to present testimony or evidence (based upon time expended by any Indemnified Party at its then current time charges), in connection with any court or administrative proceeding (including any investigation which may be preliminary thereto) arising out of or relating to the offer, issuance or sale of the Bonds.

13. The City and the Authority acknowledge and agree that (i) the purchase and sale of the Series 2020 Bonds pursuant to this Bond Purchase Agreement is an arm's-length commercial transaction between the City, the Authority and the Underwriter, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of this transaction, the Underwriter is and has been acting solely as a principal and is not acting as the agent or fiduciary of the City or the Authority, (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the City or the Authority with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (regardless of whether the Underwriter has provided other services or is currently providing other services to the City or the Authority on other matters) and the Underwriter has no obligation to the City or the Authority with respect to the offering contemplated hereby except the obligations expressly set forth in this Bond Purchase Agreement, (iv) the Underwriter has financial and other interests that differ from those of the City and the Authority, and (v) the City and the Authority have consulted their own legal, financial and other advisors to the extent they have deemed appropriate.

14. Establishment of Issue Price.

(a) The Underwriter agrees to assist the Authority in establishing the issue price of the Bonds and shall execute and deliver to the Authority at Closing an "issue price" or similar certificate, substantially in the form attached as an exhibit to the Non-Arbitrage Certificate of the Authority and the City, together with the supporting pricing wires or equivalent communications, with modifications to such certificate as may be deemed appropriate or necessary, in the reasonable judgment of the Authority and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

[(b) The Authority will treat the first price at which 10% of each maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test).

(c) The Underwriter has offered the Bonds to the public on or before the date of this Bond Purchase Agreement at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the final official statement. As of the sale date, the 10% test has been satisfied for all maturities of the Bonds.]

(d) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) "public" means any person other than an underwriter or a related party.

(ii) "underwriter" (as used in this Section 14) means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date of execution of this Bond Purchase Agreement by all parties.

15. Any notice or other communication to be given to the Authority under this Purchase Agreement may be given by delivering the same in writing to the Authority c/o Stewart, Melvin & Frost, LLP, Attention: Chairman, P. O. Box 3280, Gainesville, Georgia 30503. Any notice or other communication to be given to the City under this Purchase Agreement may be given by delivering the same in writing to the City at P. O. Box 757, Flowery Branch, Georgia 30542, Attention: Mayor. Any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing

to: Raymond James & Associates, Inc., 3050 Peachtree Road, N.E., Suite 702, Atlanta, Georgia 30305, Attention: William Camp.

16. This Purchase Agreement is made solely for the benefit of the Authority, the City and the Underwriter (including the successors or assigns of the Underwriter) and no other person, including any purchaser of the Bonds, shall acquire or have any right hereunder or by virtue hereof.

17. This Purchase Agreement shall be governed by and construed in accordance with the laws of the State.

18. This Purchase Agreement 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.

19. This Purchase Agreement shall become effective upon your mutual acceptance hereof.

Very truly yours,

RAYMOND JAMES & ASSOCIATES, INC.

By:_____
Name: _____
Title: _____

[Signatures continue on following page]

Accepted and agreed to as of
the date first above written:

GAINESVILLE AND HALL COUNTY DEVELOPMENT AUTHORITY

By:_____
Chairman

[Signatures continue on following page]

Accepted and agreed to as of
the date first above written:

CITY OF FLOWERY BRANCH, GEORGIA

By:_____
Mayor

EXHIBIT A

MATURITIES, AMOUNTS, INTEREST RATES, YIELD, AND PRICES

Maturity Date	Amount	Rate	Yield	Price
04/01/2023				
04/01/2024				
04/01/2025				
04/01/2026				
04/01/2027				
04/01/2028				
04/01/2029				
04/01/2030				
04/01/2031				
04/01/2032				
04/01/2033				
04/01/2034				
04/01/2035				
04/01/2036				
04/01/2037				
04/01/2038				
04/01/2039				
Total				

EXHIBIT B

SUPPLEMENTAL OPINION OF BOND COUNSEL

[LETTERHEAD OF STEWART, MELVIN & FROST, LLP]

March 10, 2020

Gainesville and Hall County
Development Authority
Gainesville, Georgia

Mayor and Council of the
City of Flowery Branch, Georgia
Flowery Branch, Georgia

Regions Bank, as Trustee
Atlanta, Georgia

Stifel,, Nicolaus & Company, Incorporated
Atlanta, Georgia

Re: $_____ Gainesville and Hall County Development Authority Revenue Bonds (Flowery Branch Old Town Project), Series 2020

To the Addressees:

We have acted as Bond Counsel in connection with the issuance of the above-referenced bonds (the "Bonds"). Terms used and not otherwise defined herein shall have the meaning set forth in the Official Statement hereinafter referred to.

In our capacity as Bond Counsel, we have examined the Official Statement, dated February 21, 2020 (the "Official Statement"), relating to the Bonds, and such other documents, instruments and certificates of public officials as we have considered necessary or appropriate to enable us to render the opinions expressed herein. In all such examinations, we have assumed the genuineness of signatures on original documents and the conformity to original documents of all copies submitted to us as certified, conformed or photographic copies, and as to certificates of public officials, we have assumed the same to have been properly given and to be accurate.

Based upon the examinations, certificates and provisions referred to above, we are of the opinion, as of the date hereof and under existing law, as follows:

(1) We have reviewed those portions of the Official Statement appearing under the captions "DESCRIPTION OF THE SERIES 2020 BONDS" (other than the information therein relating to the book entry registration system relating to the Bonds); "SECURITY AND SOURCES OF PAYMENT OF THE SERIES 2020 BONDS"; "LEGAL MATTERS—Opinion of Bond Counsel"; Appendix B – "Summary of Indenture and Installment Sale Agreement"; and Appendix D – "Form of Bond Counsel Opinion" of the Official Statement and are of the opinion that the statements made under such captions and in such Appendices fairly summarize the matters purported to be summarized therein. We express no further opinion with respect to the accuracy, completeness or sufficiency of the Official Statement or the compliance by the Authority, the City or the Underwriter with any federal or state statute, regulation or ruling with respect to the sale (other than the initial sale by the Authority), or distribution of the Bonds.

(2) No registration of the Bonds under the Securities Act of 1933, as amended, and no qualification of the Indenture under the Trust Indenture Act of 1939, as amended, is required in connection with the sale of the Bonds.

Very truly yours,

STEWART, MELVIN & FROST, LLP

By:_____
A Partner

EXHIBIT C

OPINION OF DISCLOSURE COUNSEL

[LETTERHEAD OF STEWART, MELVIN & FROST, LLP]

March 10, 2020

Gainesville and Hall County
Development Authority
Gainesville, Georgia

Mayor and Council of the
City of Flowery Branch, Georgia
Flowery Branch, Georgia

Raymond James & Associates, Inc.
Atlanta, Georgia

Re: $_____ Gainesville and Hall County Development Authority Revenue Bonds (Flowery Branch Old Town Project), Series 2020

To the Addressee:

We have acted as Disclosure Counsel in connection with the Bond Purchase Agreement, dated February 21, 2020 (the "Purchase Agreement"), among the Gainesville and Hall County Development Authority ("the Authority"), the City of Flowery Branch, Georgia (the "City") and you (the "Underwriter"), providing for the sale of Gainesville and Hall County Development Authority Revenue Bonds (Flowery Branch Old Town Project), Series 2020, in the aggregate principal amount of $_____ (the "Series 2020 Bonds"). Unless the context otherwise requires, all capitalized terms used herein without definition shall have the meaning ascribed to them in the Purchase Agreement.

In such capacity, we have examined such matters of law as we deemed necessary as a basis for the opinions set forth below, and we have also examined originals, executed counterparts or certified copies of the Official Statement, dated February 21, 2020 with respect to the Bonds (the "Official Statement"), the Purchase Agreement, the Bonds, the Trust Indenture, dated as of March 1, 2020, between the Authority and Regions Bank, Atlanta, Georgia, as trustee (the "Indenture"), and such other documents as we have deemed necessary as a basis for the opinions hereinafter expressed. In all such examinations, we have assumed the conformity to original documents of all documents submitted to us as certified or photostatic copies, the authenticity of all documents submitted to us as original documents and the authenticity of originals of all documents submitted to us as certified or photostatic copies.

In accordance with our understanding with you, we have rendered legal advice and assistance in connection with the preparation of the Official Statement. Rendering such assistance involved, among other things, discussions and inquiries concerning various legal matters and the review of the documents referred to above. We have also participated in conferences with representatives of the Underwriter, the Authority and the City, and their counsel, during which the contents of the Official Statement and related matters were discussed and reviewed. The limitations inherent in the independent verification of factual matters and the character of determinations involved in the preparation of the Official Statement are such, however, that we do not assume responsibility for the accuracy, completeness or fairness of the statements contained in the Official Statement.

On the basis of the information that was developed in the course of the performance of the services referred to above, considered in light of our understanding of the applicable law and the experience we have gained through our practice thereunder, we advise you that nothing came to our attention that caused us to believe that the Official Statement (other than the information under the heading "DESCRIPTION OF THE SERIES 2020 BONDS -- Book Entry System of Registration" and the statistical and financial data included therein), as of the date thereof, contained any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

The Continuing Disclosure Certificate, attached as Appendix C to the Official Statement, satisfies Section 10(b)(5)(i) of Rule 15c2-12 (the "Rule"), which requires an undertaking for the benefit of the holder, including beneficial owners, of the Bonds to provided certain annual financial information and event notices to various information repositories at the time and in the manner required by the Rule.

We have reviewed the opinions, dated the date of this opinion, of Bond Counsel, Counsel to the Authority and Counsel to the City furnished to you in accordance with the provisions of the Purchase Agreement. Such opinions on their face appear to be appropriately responsive to the requirements of the Purchase Agreement.

This letter is furnished solely for your benefit, and no other person or entity shall be entitled to rely upon this opinion without our express written consent.

STEWART, MELVIN & FROST, LLP

By:_____
A Partner

EXHIBIT D

OPINION OF CITY ATTORNEY

[LETTERHEAD OF CAROTHERS & MITCHELL, LLC]

March 10, 2020

Gainesville and Hall County
Development Authority
Gainesville, Georgia

Mayor and Council of the
City of Flowery Branch, Georgia
Flowery Branch, Georgia

Regions Bank, as Trustee
Atlanta, Georgia

Raymond James & Associates, Inc.
Atlanta, Georgia

Stewart, Melvin & Frost, LLP
Gainesville, Georgia

Re: $_____ Gainesville and Hall County Development Authority Revenue Bonds (Flowery Branch Old Town Project), Series 2020

To the Addressees:

We have acted as counsel to the City of Flowery Branch, Georgia, a municipal corporation of the State of Georgia (the "City"), in connection with the authorization and issuance by the Gainesville and Hall County Development Authority (the "Authority") of its Revenue Bonds (Flowery Branch Old Town Project), Series 2020, in the aggregate principal amount of $_____ (the "Series 2020 Bonds" or the "Bonds"). In such capacity, we have examined such documents, instruments and proceedings of the City as we have considered necessary to render the opinions set forth below, including, but not limited to, the following:

(a) the resolution adopted by the City on January 16, 2020, and a supplemental resolution adopted by the City on February 20, 2020 (collectively, the "Resolution");

(b) the Installment Sale Agreement, dated as of March 1, 2020 (the "Agreement"), between the Authority and the City;

(c) the Bond Purchase Agreement, dated February 21, 2020 (the "Purchase Agreement"), between the Authority, the City and Raymond James & Associates, Inc. (the "Underwriter");

(d) the Preliminary Official Statement, dated February 11, 2019 (the "Preliminary Official Statement") and the Official Statement, dated February 21, 2020 (the "Official Statement"), relating to the Bonds; and

(f) the Continuing Disclosure Certificate, dated March 10, 2020 (the "Disclosure Certificate"), by the City.

We have also examined and relied upon the original, certified, conformed or photographic copies of such other documents, records, agreements and certificates as we have considered necessary or appropriate to enable me to render the opinions expressed herein. In all such examinations, we have assumed the genuineness of signatures on original documents and the conformity to original documents of all copies submitted to us as certified, conformed or photographic copies, and as to certificates of public officials, we have assumed the same to have been properly given and to be accurate.

Based on the foregoing, we are of the opinion as of this date that:

(1) The City is a municipal corporation of the State of Georgia, duly created and validly existing.

(2) The City has all necessary power and authority to (i) adopt the Resolution; (ii) execute, deliver and perform its obligations under the Agreement, the Bond Purchase Agreement, and the Disclosure Certificate (collectively, the "City Documents"); (iii) execute and deliver the Official Statement; and (iv) carry out and consummate all of the transactions contemplated by the City Documents, and by the Official Statement.

(3) The Resolution has been duly adopted.

(4) The City Documents have been duly authorized, executed and delivered by the City, and, assuming that they are the respective legal, valid, binding and enforceable obligation of the other party thereto, constitute the legal, valid and binding obligation of the City, legally enforceable against the City in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and principles of equity applicable to the availability of specific performance and other equitable relief.

(5) The use and distribution of the Preliminary Official Statement and the Official Statement have been duly authorized by the City. The Official Statement has been duly executed by the City.

(6) 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 best of my knowledge, threatened against or affecting the City (or, to the best of my knowledge, any meritorious basis therefor) (a) attempting to limit, enjoin or otherwise restrict or prevent the City from functioning or contesting or questioning the existence of the City or the titles of the present officers of the City to their offices; (b) wherein an unfavorable decision, ruling or finding would have an adverse effect on (i) the financial position of the City or the security for the Bonds, (ii) the powers of the City or the validity or enforceability of the City Documents, or any agreement or instrument to which the City is a party and which is used or contemplated for use in the consummation of the transactions contemplated by the City Documents and by the Official Statement, (iii) the transactions contemplated by the City Documents and by the Official Statement, or (iv) the exclusion of interest on the Bonds from federal or State of Georgia income taxation.

(7) The adoption of the Resolution, the execution, delivery and performance by the City of the City Documents, the use and distribution of the Preliminary Official Statement and the Official Statement, the execution and delivery of the Official Statement and the carrying out and consummation of the transactions contemplated by the City Documents and by the Official Statement will not conflict with or constitute on the part of the City a violation of, breach of or default under (i) any governing instrument, (ii) any indenture, mortgage, lease, resolution, note agreement or other agreement or instrument to which the City is a party or by which the City is bound, or (iii) any constitutional provision, statute, order, rule or regulation of any court or governmental agency or body having jurisdiction over the City or any of its activities or properties; provided, however, we express no opinion as to compliance with the securities or "Blue Sky" laws of any jurisdiction.

(8) All consents, approvals, authorizations and orders of any governmental or regulatory authorities (other than in connection with or in compliance with the provisions of the securities or "Blue Sky" laws of any jurisdiction as to which I express no opinion) that are required to be attained by the City as of the date hereof in connection with the construction and operation of the Project (as defined in the Agreement), the execution, delivery and performance of the City Documents, the use and distribution of the Preliminary Official Statement and the Official Statement, the execution of the Official Statement and the carrying out and consummation of the transactions contemplated by the City Documents and by the Official Statement have been duly obtained and remain in full force and effect.

(9) Neither the Securities and Exchange Commission nor any state securities commission has issued or, to the best of our knowledge, threatened to issue, any order preventing or suspending the use and distribution of the Official Statement.

(10) To the best of our knowledge, the City has not been, and is not as of the date hereof, in default in the payment of the principal of, redemption premium, if any, or interest on any indebtedness of the City.

(11) As counsel to the City, we have rendered legal advice and assistance to the City, which advice and assistance involved, among other things, discussions and inquiries concerning various legal matters, review of various documents and participation in conferences during which the contents of the Preliminary Official Statement and the Official Statement and related matters were discussed and reviewed. Based upon such advice and assistance, nothing has come to our attention that causes us to believe that any portion of the Official Statement pertaining to the City contains any untrue statements of a material fact or omits to state a material fact necessary to be stated therein in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

Respectfully submitted,

CAROTHERS & MITCHELL, LLC

By: _____
Counsel for the City of Flowery Branch, Georgia

EXHIBIT E

OPINION OF AUTHORITY COUNSEL

[LETTERHEAD OF STEWART, MELVIN & FROST, LLP]

March 10, 2020

Gainesville and Hall County
Development Authority
Flowery Branch, Georgia

Mayor and Council of the
City of Flowery Branch, Georgia
Flowery Branch, Georgia

Regions Bank, as Trustee
Atlanta, Georgia

Raymond James & Associates, Inc.
Atlanta, Georgia

Re: $_____ Gainesville and Hall County Development Authority Revenue Bonds (Flowery Branch Old Town Project), Series 2020

To the Addressees:

We have acted as counsel to the Gainesville and Hall County Development Authority (the "Authority") in connection with the authorization and issuance by the Authority of its Revenue Bonds (Flowery Branch Old Town Project), Series 2020, in the aggregate principal amount of $_____ (the "Series 2020 Bonds" or the "Bonds"). In such capacity, we have examined such documents, instruments and proceedings of the Authority as we have considered necessary to render the opinions set forth below, including, but not limited to, the following:

(a) amendments to the Constitution of the State of Georgia (Ga. Laws 1964, page 866, et seq.; Ga. Laws 1986, page 4328, et seq.), duly ratified and proclaimed, and an act of the General Assembly of the State of Georgia (Ga. Laws 1964, page 2282, et seq.), as amended (collectively, the "Act");

(b) the Parameters Bond Resolution adopted by the Authority on June 29, 2013, and a Supplemental Bond Resolution adopted by the Authority on February 21, 2020 (collectively, the "Resolution");

(c) the Trust Indenture, dated as of March 1, 2020 (the "Trust Indenture") between the Authority and Regions Bank, Atlanta, Georgia, as trustee (the "Trustee");

(d) the Installment Sale Agreement, dated as of March 1, 2020 (the "Agreement"), between the Authority and the City of Flowery Branch, Georgia (the "City");

(e) the Bond Purchase Agreement, dated February 21, 2020 (the "Purchase Agreement"), between the Authority, the City and Raymond James & Associates, Inc.; and

(f) the Preliminary Official Statement of the Authority, dated February 11, 2019 (the "Preliminary Official Statement") and the final Official Statement of the Authority, dated February 21, 2020 (the "Official Statement"), relating to the Bonds; and

(g) a certified copy of the transcript of the validation proceeding concluded in the Superior Court of Hall County, Georgia, relating to the Bonds.

We have also examined and relied upon the original, certified, conformed or photographic copies of such other documents, records, agreements and certificates as we have considered necessary or appropriate to enable us to render the opinions expressed herein. In all such examinations, we have assumed the genuineness of signatures on original documents and the conformity to original documents of all copies submitted to us as certified, conformed or photographic copies, and as to certificates of public officials, we have assumed the same to have been properly given and to be accurate.

Based on the foregoing, we are of the opinion as of this date that:

(1) The Authority is a duly created and validly existing public body corporate and politic of the State of Georgia with full power and authority to (i) adopt the Resolution; (ii) issue, execute, deliver and perform its obligations under the Bonds; (iii) execute, deliver and perform its obligations under the Indenture, the Agreement, and the Purchase Agreement (collectively, the "Authority Documents"); (iv) execute and deliver the Official Statement; and (v) carry out and consummate all of the transactions contemplated on its part by the Authority Documents and the Official Statement.

(2) The Resolution has been duly adopted.

(3) The Bonds have been duly authorized, executed and delivered by the Authority, and the Bonds constitute legal, valid and binding limited obligations of the Authority enforceable in accordance with their terms. Except for the Bonds, there are no obligations payable from or entitled to a charge or lien upon all or any portion of the payments to be received by the Authority pursuant to the Agreement.

(4) The Authority Documents have been duly authorized, executed and delivered by the Authority, and, assuming that they are the respective legal, valid, binding and enforceable obligations of the other parties thereto, constitute legal, valid and binding obligations of the Authority, legally enforceable against the Authority in accordance with their respective terms.

(5) The Preliminary Official Statement and the Official Statement have been duly authorized by the Authority. The Official Statement has been duly executed by the Authority.

(6) 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 best of our knowledge, threatened against or affecting the Authority (or, to the best of our knowledge, any meritorious basis therefor) (a) attempting to limit, enjoin or otherwise restrict or prevent the Authority from functioning or contesting or questioning the existence of the Authority or the titles of the present officers of the Authority to their offices; (b) wherein an unfavorable decision, ruling or finding would have an adverse effect on (i) the powers of the Authority or the validity or enforceability of the Resolution, the Bonds, the Authority Documents or any agreement or instrument to which the Authority is a party and which is used or contemplated for use in the consummation of the transactions contemplated by the Authority Documents or by the Official Statement, (ii) the transactions contemplated by the Authority Documents or by the Official Statement, or (iii) the exclusion of the interest on the Bonds from federal or State of Georgia income taxation.

(7) The adoption of the Resolution, the issuance and sale of the Bonds, the execution, delivery and performance by the Authority of the Authority Documents, the use and distribution of the Preliminary Official Statement and the Official Statement, the execution and delivery of the Official Statement and the carrying out and consummation of the transactions contemplated by the Authority Documents and the Official Statement will not conflict with or constitute on the part of the Authority a violation of, breach of or default under (i) the Act, its by-laws or any other governing instrument, (ii) any indenture, mortgage, lease, resolution, note, agreement or other agreement or instrument to which the Authority is a party or by which the Authority is bound, or (iii) any constitutional provision, statute, order, rule or regulation of any court or governmental agency or body having jurisdiction over the Authority or any of its activities or properties; provided, however, we express no opinion as to compliance with the securities or "Blue Sky" laws of any jurisdiction.

(8) All consents, approvals, authorizations and orders of any governmental or regulatory authorities (other than in connection with or in compliance with the provisions of the securities or "Blue Sky" laws of any Jurisdiction as to which we express no opinion) that are required to be attained by the Authority as of the date hereof in connection with the adoption of the Resolution, the issuance, sale and delivery of the Bonds, the execution, delivery and performance of the Authority Documents, the use and distribution of the Preliminary Official Statement and the Official Statement, the execution and delivery of the Official Statement and the carrying out and consummation of the transactions contemplated by the Authority

Documents and the Official Statement have been duly obtained and remain in full force and effect.

(9) Neither the Securities and Exchange Commission nor any state securities commission has issued or, to the best of our knowledge, threatened to issue, any order preventing or suspending the use and distribution of the Official Statement.

(10) To the best of our knowledge, the Authority is not in default in any material respect under the agreement or other instrument to which it is a party or by which it is bound.

(11) As counsel to the Authority, we have rendered legal advice and assistance to the Authority, which advice and assistance involved, among other things, discussions and inquiries concerning various legal matters, review of various documents and participation in conferences during which the contents of the Preliminary Official Statement and the Official Statement and related matters were discussed and reviewed. Based upon such advice and assistance, nothing has come to our attention that causes us to believe that any portion of the Official Statement pertaining to the Authority contains any untrue statement of a material fact or omits to state a material fact necessary to be stated therein in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

The rights of the holders of the Bonds and the enforceability of the Authority Documents may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and principles of equity applicable to the availability of specific performance and other equitable relief.

Respectfully submitted,

STEWART, MELVIN & FROST, LLP

By: _____
A Partner

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