

INSTALLMENT SALE AGREEMENT

THIS INSTALLMENT SALE AGREEMENT, dated as of September 15, 2011, by and between GEORGIA MUNICIPAL ASSOCIATION, INC. and its successors and assigns (“GMA”) and CITY OF WOODSTOCK, GEORGIA (the “City”).

WITNESSETH

WHEREAS, the City is a duly and validly organized and existing municipal corporation under and by virtue of the Constitution and laws of the State of Georgia; and

WHEREAS, the City has the power, pursuant to the laws of the State of Georgia, including particularly Section 36-60-13 of the Official Code of Georgia Annotated, as amended, to enter into purchase or lease purchase contracts of all kinds for the acquisition of real property; and

WHEREAS, GMA, at the request and direction of the City, has agreed to acquire the 2004 Project (hereinafter defined) by paying the sum of \$2,661,572.00 to effect the exercise of the purchase option thereto contained in the 2004 City of Woodstock, Georgia Energy Management Lease Purchase Agreement, dated as of April 15, 2004, by and between the City and SunTrust Leasing Corporation, its successors and assigns (the “2004 Lease”); and

WHEREAS, the City and GMA have agreed to terminate and supersede the Installment Sale Agreement dated October 24, 2008, by and between the City and GMA (the “2008 Installment Sale”) with respect to certain real property (the “Real Property”), and that GMA will pay the sum of \$5,723,743.90 to the assignee of GMA’s interest in the 2008 Installment Sale in full discharge of the payment obligations thereunder; and

WHEREAS, the sole source of the payments by GMA described in the foregoing two “WHEREAS” clauses shall be the amount derived from the assignment of this Installment Sale Agreement to Fifth Third Bank (the “Lender”); and

WHEREAS, pursuant to the terms of this Installment Sale Agreement, the City will purchase from GMA the 2004 Project and continue to pay for the Real Property (together with the 2004 Project, the “Subject Property”) acquired by the 2008 Installment Sale; and

WHEREAS, the City has determined that it is in its best interest to purchase (or, in the case of the Real Property, continue the Purchase of) the Subject Property from GMA, subject to the lien and encumbrance of the Security Instrument (hereinafter defined), pursuant to the terms and conditions hereinafter set forth; and

WHEREAS, the obligations of the City to make payments hereunder shall be payable only from funds lawfully appropriated by the City for such purpose and shall not constitute a pledge of the full faith and credit of the City within the meaning of any constitutional debt limitations; and

WHEREAS, the taxing power of the City is not and may not be pledged in any way directly or indirectly or contingently to secure any moneys due under this Installment Sale Agreement; and

WHEREAS, GMA and the City have duly authorized the execution and delivery of this Installment Sale Agreement; and

WHEREAS, the Term of this Installment Sale Agreement is subject to the City's right to terminate this Installment Sale Agreement effective as of each December 31; and

WHEREAS, at the request of the City, GMA proposes to assign this Installment Sale Agreement to the Lender.

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

**ARTICLE I.
DEFINITIONS AND EXHIBITS**

Section 1.1 Definitions and Rules of Construction. Unless the context otherwise requires, the capitalized terms used herein shall, for all purposes of this Installment Sale Agreement, have the meanings specified herein. Unless the context otherwise indicates, words importing the singular number shall include the plural number and vice versa. The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms, as used in this Installment Sale Agreement, refer to this Installment Sale Agreement as a whole.

"Authorized Representative" means that person at the time designated to act on behalf of the City by written certificate furnished to the Seller containing the specimen signature of such person and signed on behalf of the City by its Mayor.

"Basic Payment" means a payment required by Section 4.4(a)(i) hereof, representing a scheduled repayment of principal which, in the aggregate, shall equal the Installment Sale Amount.

"Closing Date" means the date of the execution and delivery of this Installment Sale Agreement.

"Environmental Agreement" means the Agreement Regarding Environmental Activity of even date herewith from the City in favor of GMA.

"Event of Non-appropriation" means (i) the City's failure to appropriate or make legal provision for the payment for any Fiscal Year, prior to the commencement of such Fiscal Year, the Minimum Annual Appropriated Amount for such Fiscal Year, or (ii) actual written notice from the City to the Seller on or prior to November 1 of any Installment Sale Year that the City will terminate and not renew this Installment Sale Agreement at the end of such Installment Sale Year. The Seller, in its sole discretion, may waive an Event of Non-appropriation upon request by the City (and a subsequent appropriation as described in (i) above shall be such a request).

“Fiscal Year” means the fiscal year of the City.

“GMA” means Georgia Municipal Association, Inc.

“Improvements” means the building(s), structures and/or improvements now or from time to time acquired, constructed and/or installed on the Real Property.

“Installment Payment” means a Basic Payment and the corresponding Supplemental Payment. The principal component of and the interest component of the Installment Payments are described in the Payment Schedule.

“Installment Sale Amount” means the amount set forth as such in Exhibit “A” Schedule 1 attached hereto and hereby incorporated herein, as reduced from time to time by Basic Payments.

“Installment Sale Year” means a calendar year or portion thereof within the Term of this Installment Sale Agreement.

“Lender” means Fifth Third Bank and its successors and assigns.

“Minimum Annual Appropriated Amount” for any Fiscal Year means: an amount equal to the sum of (i) the Basic Payments coming due in such Fiscal Year as set forth in this Installment Sale Agreement; (ii) the Supplemental Payments coming due in such Fiscal Year as set forth in this Installment Sale Agreement; and (iii) any amounts owing or expected to come due during the Fiscal Year pursuant to Section 5.1(c) hereof.

“Payment in Full” has the meaning ascribed to that term in Section 3.1 hereof.

“Payment Schedule” means Exhibit “A” Schedule 2 hereto.

“Permitted Encumbrances” means those exceptions to title described in Schedule B to the mortgagee title insurance policy delivered to the Lender with respect to the Security Instrument.

“Purchase Price” means (i) the sum of the then unpaid Basic Payments set forth in the Payment Schedule, whether or not said Basic Payments fall in the current Installment Sale Year or whether an Event of Non-appropriation has occurred, or (ii) after Payment in Full, the sum \$1.00.

“Qualified Investments” means: (i) bonds, notes, certificates of indebtedness, treasury bills, or other securities constituting direct obligations of the United States of America or obligations the payment of the principal of and interest on which is unconditionally guaranteed by the United States of America; (ii) bonds, notes, debentures and other evidences of indebtedness issued by any agency or instrumentality of the United States of America which are lawful under applicable Georgia law; (iii) certificates of deposit or time deposits of any state or national bank or trust company having an office in the State of Georgia (including the Lender), which said bank or trust company has deposits insured by the Federal Deposit Insurance Corporation if such certificates of deposit or time deposits are continually and fully insured by the Federal Deposit Insurance Corporation or continually and fully secured by the obligations described in clause (i) above, (iv) fully collateralized repurchase agreements in obligations

described in clauses (i) and (ii), and (v) any legal investments for the proceeds of bonds issued by the City.

“Real Property” means the property that was the subject of the 2008 Installment Sale, being that real property more particularly described in Exhibit “B” hereto and by this reference incorporated herein.

“Related Documents” means this Installment Sale Agreement, the Environmental Agreement and the other documents executed by the City in connection herewith.

“Security Instrument” means the Deed to Secure Debt and Security Agreement of even date herewith with respect to the Subject Property to be made by GMA in favor of the Lender.

“Seller” means GMA and its successors and assigns, including after the Closing Date, the Lender.

“State” means the State of Georgia.

“Subject Property” means the property sold by GMA to the City hereby, being the 2004 Project and the Real Property.

“Supplemental Payment” means a payment required by Section 4.4(a)(ii) hereof, representing interest on the Installment Sale Amount.

“Term” shall have the meaning specified in Section 4.3 hereof.

“Transfer Agreement” means that certain Transfer Agreement of even date herewith to be executed by GMA and the Lender pursuant to which certain interests of GMA in this Installment Sale Agreement and other Related Documents shall be transferred to the Lender.

“2004 Project” means the property that was the subject of the 2004 Lease, and which was described therein as set out in Exhibit “C” hereto, and by this reference incorporated herein.

Section 1.2 Exhibits. The following Exhibits are attached to and by reference made a part of this Installment Sale Agreement:

- Exhibit A: Schedule 1: Basic Terms
- Schedule 2: Installment Payment Amounts
- Exhibit B: Legal Description of 2008 Project
- Exhibit C: Description of 2004 Project

ARTICLE II. REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.1 Representations, Covenants and Warranties of the City. The City represents, warrants and covenants to the Seller as follows:

(a) Due Organization and Existence. The City is a municipal corporation of the State, duly organized and existing under the Constitution and laws of the State and will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as such.

(b) No Violations. Neither the execution and delivery of the Related Documents and each of the other documents entered into by the City in connection herewith, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the City is now a party or by which the City is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the City, or upon the Subject Property. The City will not encumber any interest of the City in, to or under this Installment Sale Agreement or the Subject Property, except as provided herein. The City is not in default under, nor has it failed to make any appropriation required to continue, any indenture, loan agreement, mortgage, deed of trust or similar document relating to the borrowing of moneys or any other material contract, lease, or commitment to which it is a party or by which it is bound.

(c) Execution and Delivery. The City has duly authorized and executed the Related Documents in accordance with the Constitution and laws of the State.

(d) No Litigation. There are no actions, suits, proceedings, inquiries or investigations, at law or in equity, before or by any court, public board or body pending or threatened against or affecting the City, which singly or in the aggregate, if adversely determined, would adversely affect the financial condition of the City or the validity or enforceability of the Related Documents or any other agreement or instrument to which GMA is a party, or would adversely affect the financial condition of the City or the City's ability to satisfy its obligations hereunder or thereunder in a timely manner.

(e) Compliance with Laws and Regulations. The execution and delivery by the City of the Related Documents, all of the other related agreements and the performance of the City's obligations hereunder and thereunder are not in contravention of any laws, orders, regulations or ordinances. The City is in compliance with all laws, orders, regulations and ordinances of all federal and state authorities, the failure to comply with which would have a material adverse effect on the enforceability of this Installment Sale Agreement or any Related Document or the financial condition of the City or its ability to satisfy its obligation hereunder or thereunder in a timely manner.

(f) Tax Covenants. This Installment Sale Agreement is being entered into by the City in compliance with the conditions necessary for the Supplemental Payments payable by the City to be excluded from the gross income of the Seller for federal income tax purposes pursuant to the provisions of Section 103(a) of the Internal Revenue Code of 1986, as amended (the "Code") relating to obligations of the State or any political subdivision thereof. It is the intention of the City that the Supplemental Payments be and remain excluded from gross income for federal income tax purposes, and, to that end, the City hereby covenants as follows:

(i) That it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion of the Supplemental Payments from income under Section 103 of the Code.

(ii) That it will not directly or indirectly take or omit to take any action in a way that would cause this Installment Sale Agreement to be a “private activity bond” within the meaning of Section 141 of the Code. At least one of the following two conditions will be satisfied: (1) less than 10% of the Installment Sale Amount (and the property financed thereby) will be used directly or indirectly in the business of a person other than a state or local government unit or (2) less than 10% of the City’s Installment Payments will be directly or indirectly (A) secured by an interest in property used or to be used in a private business or any interest in payments made with respect to such property or (B) to be derived from payments made with respect to property, or borrowed money, used or to be used in a private business. The City will not enter into any management contract, lease or similar arrangement with respect to the property financed with the Installment Sale Amount unless it obtains an opinion of nationally recognized bond counsel that such management contract, lease or similar arrangement will not impair the exclusion from gross income for federal income tax purposes of the Supplemental Payments. The City will not allow 10% or more of the Installment Sale Amount (or the property financed thereby) to be used, directly or indirectly, in the trade or business of any private business and will not loan such amounts to any nongovernmental persons.

(iii) That it will not directly or indirectly use or permit the use of the Installment Sale Amount, or any other funds of the City or take or omit to take any action that would cause this Installment Sale Agreement to be an “arbitrage bond” 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, including without limitation Section 148(f) thereof, to the extent applicable to this Installment Sale Agreement.

(iv) This Installment Sale Agreement is not and shall not be “federally guaranteed” as defined in Section 149(b) of the Code.

(g) Due Authorization. The City has duly authorized and approved all of the terms and conditions of the Transfer Agreement, the Security Instrument and the Related Documents.

(h) Reporting Requirements. The City will cause the following documents or information to be delivered to the Seller: (i) immediately upon becoming aware thereof, notice of the occurrence of any Event of Default specified in Section 8.1 hereof; (ii) within thirty (30) days of its adoption of its annual budget, and in any event on or before the twentieth (20th) day of each Fiscal Year, a certificate of the City certifying that the Minimum Annual Appropriated Amount has been appropriated for the Installment Sale Year in which the Fiscal Year ends, together with a copy of the budget; (iii) annually, within 210 days after the fiscal year end, the annual audited financial statements of the City and all supplemental schedules and reports; and (iv) quarterly, within sixty (60) days after the quarter end, the quarterly general fund, actual

versus budget, income statement together with its chief financial officer's summary memorandum.

(i) No Pecuniary Interest. No employee of the City has any direct or indirect pecuniary interest in, or will receive or has agreed to receive any compensation with respect to, any contract, lease, purchase, sale or employment made or to be made in connection with the proposed transaction contemplated by the performance of this Installment Sale Agreement.

(j) Bidding Requirements. All requirements have been or will be met and procedures have occurred or will occur in order to ensure the enforceability of this Installment Sale Agreement, and the City has complied with such public bidding requirements as may be applicable to this Installment Sale Agreement and the acquisition and construction by the City (in its capacity as agent for the Seller) of the property financed hereby.

(k) Government Use. During the Term hereof, the property financed hereby will be used by the City only for the purpose of performing one or more essential governmental or proprietary functions of the City or other governmental bodies consistent with the permissible scope of the City's authority.

(l) Public Hearing. The City held a public hearing with respect to this Installment Sale Agreement prior to the delivery of this Installment Sale Agreement, notice of which hearing was published at least once in each of the two weeks preceding the week of the hearing in a newspaper of general circulation in the jurisdiction of the City.

(m) Environmental Condition of Subject Property. The City hereby represents and warrants to the Lender and GMA, and each of their successors and assigns, that to the best of its knowledge: (i) the Subject Property is now and will continue to be in full compliance in all material respects with all federal, state and local environmental laws and regulations, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), Public Law No. 96-510, 94 Stat. 2767, 42 USC 9601 et seq., and the Superfund Amendments and Reauthorization Act of 1986 ("SARA"), Public Law No. 99-499, 100 Stat. 1613, and (ii)(1) as of the date hereof, there were no hazardous materials, substances, wastes or other environmentally regulated substances (including, without limitation, any materials containing asbestos) located on, in or under the Subject Property or used in connection therewith, or (2) the City has fully disclosed to the Lender in writing the existence, extent and nature of any such hazardous materials, substances, wastes or other environmentally regulated substances, which the City is legally authorized and empowered to maintain on, in or under the Subject Property or use in connection therewith, and the City has obtained or will obtain, and will maintain, all material licenses, permits and approvals required with respect thereto, and is in all material respects in full compliance with all of the terms, conditions and requirements of such licenses, permits and approvals. The City further warrants and represents that it will promptly notify the Lender and GMA of any change in the nature or extent of any hazardous materials, substances or wastes maintained on, in or under the Subject Property or used in connection therewith, and will transmit to the Lender and GMA copies of any citations, orders, notices or other material governmental or other communication received with respect to any other hazardous materials, substances, wastes or other environmentally regulated substances affecting the Subject Property.

(n) Obligations Under Security Instrument. The City hereby covenants and agrees, following the purchase of the Subject Property subject to the Security Instrument, to perform and discharge each obligation that the Seller has agreed to cause the City to perform or discharge in the Security Instrument.

(o) Appropriation. Subject to the City's right to terminate contained herein, any payments due hereunder during the current Fiscal Year are within a current budget, and an appropriation is available for the City's obligations under the Installment Sale Agreement to the extent of the Minimum Annual Appropriated Amount.

(p) Assessed Valuation Test. The Installment Sale Amount, when taken together with the principal portion outstanding under any other contract entered into by the City pursuant to the authority of O.C.G.A. § 36-60-13, together with the amount of debt outstanding incurred by the City pursuant to Article IX, Section V, Paragraph I of the Constitution of Georgia of 1983, as amended, does not exceed 10% of the assessed value of all taxable property within the jurisdictional limits of the City.

(q) No Failed Referendum. The Subject Property has not been the subject of a referendum that failed to receive the approval of the voters of the City within the calendar year in which this Installment Sale Agreement is entered into or for any of the four immediately preceding calendar years.

(r) Governmental Fund Revenues Test. The average annual payments on the aggregate of all outstanding contracts entered into by the City for real property pursuant to the authority of O.C.G.A. § 36-60-13, including this Installment Sale Agreement, do not exceed 7.5% of the governmental fund revenues of the City for the last complete calendar year preceding the date of delivery of this Installment Sale Agreement (provided, however, that there may be added to such governmental fund revenues any special county 1% sales and use tax proceeds collected pursuant to O.C.G.A. § 48-8-111 legally available to pay amounts on this Installment Sale Agreement or such other contracts); provided, further, that such test need not be satisfied to the extent that the Subject Property was previously approved in the most recent referendum calling for the levy of a special county 1% sales and use tax pursuant to O.C.G.A. Tit. 48, Chapt. 8, Art. 3, Pt. 1.

(s) \$25,000,000 Test. The outstanding principal balance on the aggregate of all contracts entered into by the City for real property pursuant to the authority of O.C.G.A. § 36-60-13, including this Installment Sale Agreement, does not exceed \$25,000,000; provided that there shall be excluded from such consideration contracts for projects or facilities which have been previously approved in the most recent referendum calling for the levy of a special county 1% sales and use tax pursuant to O.C.G.A. Tit. 48, Chapt. 8, Art. 3, Pt. 1.

ARTICLE III. SALE OF SUBJECT PROPERTY

Section 3.1 Sale of the Subject Property.

(a) Pursuant to a bid received and accepted from GMA under the procedures undertaken by the City under O.C.G.A. § 36-37-6, GMA has agreed to purchase the Real

Property from the City for the sum of \$5,723,743.90 to be applied to the payment of the City's obligations under the 2008 Installment Sale (the "Real Property Transfer").

(b) In consideration of the representations and undertakings of the City in this Installment Sale Agreement, the Seller hereby agrees to sell to the City, and the City hereby agrees to purchase from the Seller, following the Real Property Transfer and the delivery of the Security Instrument, in accordance with the provisions of this Installment Sale Agreement, all the Seller's right, title and interest in and to the Subject Property, and each and every component thereof, as the same may be affected by Permitted Encumbrances, in fee simple; provided, however, that the title to the Subject Property and every component thereof shall be subordinate and subject to the prior lien and encumbrance of the Security Instrument until all Installment Payments hereunder, or the Purchase Price, shall have been paid in full, together with all other obligations arising hereunder and any other amounts secured by the Security Instrument ("Payment in Full"); provided, further, GMA shall hold title to the 2004 Project during the Term to the extent required by O.C.G.A. § 36-60-13, but to the extent authorized by O.C.G.A. § 36-60-15 the City shall be transferred legal title to the 2004 Project by virtue of this Installment Sale Agreement at the Closing Date and the City will accept such legal title subject to an obligation to transfer legal title back to GMA or its assignee in the event this Installment Sale Agreement is not fully renewed until there occurs Payment in Full.

(c) Although this Installment Sale Agreement constitutes a governmental multi-year lease or purchase contract under other provisions of Georgia law, should the Uniform Commercial Code be determined to be applicable hereto, GMA retains and the City acknowledges a first and prior lien and security interest in any and all rights, title and interest of the City in and to the 2004 Project and in all additions, attachments, accessions, repairs, replacements and substitutions, now or hereafter acquired, together with the proceeds thereof.

(d) During the Term of this Installment Sale Agreement, the City shall have the rights of possession, use and quiet enjoyment of the Subject Property, provided that should there occur an Event of Non-appropriation or Event of Default hereunder or any other "event of default" under the Security Instrument, then immediately upon the request of the Seller the City shall transfer the Subject Property to the Seller or its assigns by limited warranty deed or bill of sale, as appropriate, and, further, the Lender may exercise all of its rights and remedies under the Security Instrument.

(e) Following the Real Property Transfer and the delivery of the Security Instrument, GMA shall deliver to the City a limited warranty deed to the Real Property and each and every component thereof, for recordation, subject hereto, to the Security Instrument and the other Permitted Encumbrances. Notwithstanding anything herein to the contrary, this Installment Sale Agreement, said limited warranty deed and the rights of the City hereunder and thereunder are expressly made subject and subordinate to the prior lien and encumbrance of the Security Instrument.

(f) After Payment in Full, the Seller must cancel or cause to be canceled of record the Security Instrument and shall provide to the City bills of sale or other appropriate transfers, on a quitclaim basis, to the 2004 Project. The City agrees that it will pay all expenses

and taxes, if any, applicable to or arising from any transfer of title or ownership as herein provided.

Section 3.2 Warranties. THE SELLER MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO TITLE TO THE SUBJECT PROPERTY, THE CONDITION OF THE SUBJECT PROPERTY OR THAT IT WILL BE SUITABLE FOR PARTICULAR PURPOSES OR NEEDS.

Section 3.3 Advance of Installment Sale Amount. GMA will transfer this Installment Sale Agreement to the Lender pursuant to the Transfer Agreement upon payment of the Installment Sale Amount, and will cause the Installment Sale Amount to be advanced as provided in the agreed-upon closing statement.

ARTICLE IV.
TERM OF INSTALLMENT SALE AGREEMENT;
INSTALLMENT PAYMENTS; APPROPRIATION

Section 4.1 Covenant as to Appropriation. In the event this Installment Sale Agreement is not otherwise terminated, the City covenants and agrees that it will cause the appropriate officers of the City (a) to request that the governing body appropriate, or determine not to appropriate, for each Fiscal Year, prior to the commencement of such Fiscal Year, the Minimum Annual Appropriated Amount for the Fiscal Year ends, and (b) to take such further action (or cause the same to be taken) as may be necessary or desirable to assure the availability of moneys appropriated for such purpose to make all payments due hereunder, including all such actions for such purpose as may be required under Official Code of Georgia Annotated Section 36-60-13, as amended. If no such appropriation has been made, the City will provide a written notice to the Seller by the twentieth (20th) day of the Fiscal Year. The City further covenants to notify the Seller in writing immediately after the adoption of any preliminary or final budget, if the City has not appropriated, or there is any reason to believe that the City will not appropriate, and have available the Minimum Annual Appropriated Amount. To the extent permitted by law, the City hereby agrees that if it intends to terminate this Installment Sale Agreement pursuant to Section 4.3, its Mayor and Council shall adopt a resolution specifically making a determination to terminate this Installment Sale Agreement; provided, however, failure to adopt such resolution shall not be deemed to mean that this Installment Sale Agreement has not been terminated if an Event of Non-appropriation otherwise has occurred.

Section 4.2 Accelerated Purchase Option. Upon thirty (30) days prior written notice from the City to the Seller and subject to Section 4.7 hereto, the City will have the right to prepay the Purchase Price of the Subject Property in whole by paying to the Seller the then applicable Purchase Price and Supplemental Payments equal to all interest accrued hereunder. Upon satisfaction by the City of such purchase condition, and payment of any other amounts owing hereunder, the obligations of the City hereunder shall cease, terminate and be void.

Section 4.3 Term of Installment Sale Agreement. Notwithstanding anything in this Installment Sale Agreement to the contrary, the Term of this Installment Sale Agreement shall commence on the date hereof and shall terminate absolutely and without further obligation on the part of the City at the close of the Installment Sale Year in which this Installment Sale

Agreement is executed and at the close of each Installment Sale Year for which the Term of this Installment Sale Agreement is renewed. This Installment Sale Agreement shall renew automatically from year to year until there occurs an Event of Non-appropriation. This Installment Sale Agreement also may be terminated in accordance with the following paragraph.

The Term of this Installment Sale Agreement also will terminate upon the earliest of any one of the following events:

(a) Purchase Option. Upon the exercise by the City of its option to prepay the Purchase Price as provided in Section 4.2, and the payment of the Purchase Price and any other amounts owing hereunder.

(b) Payment in Full. Upon Payment in Full.

The parties intend that this Installment Sale Agreement operate in conformity with, and not in contravention of, Official Code of Georgia Annotated Section 36-60-13. Notwithstanding anything in this Installment Sale Agreement to the contrary, in the event that any provision of this Installment Sale Agreement is determined to conflict with Official Code of Georgia Annotated Section 36-60-13, this Installment Sale Agreement shall be interpreted and implemented in a manner consistent with said statute.

In the event of the occurrence of an Event of Default under Section 8.1(a), or Event of Non-appropriation hereof or a termination under the first paragraph of this Section 4.3, the City agrees to peaceably surrender possession of the Subject Property in good condition and repair, normal wear and tear excepted, and the City shall, upon the demand of the Seller, convey the Real Property to the Seller or its transferee or assignee by limited warranty deed and provide quitclaim bills of sale or other appropriate transfers to the 2004 Project. The Seller and its transferees and assignees will have all legal and equitable rights and remedies to enforce their respective rights, including but not limited to, the right of possession of the Subject Property, free of rent.

Section 4.4 Installment Payments.

(a) Obligation to Pay. Certain payments due hereunder shall be made as follows:

(i) Basic Payments. Basic Payments specified in the Payment Schedule shall be paid by the City on each date specified therein during the Term of this Agreement.

(ii) Supplemental Payments. The City shall pay the Supplemental Payments specified in the Payment Schedule on each date specified therein.

(b) No Set-Off, Etc. Notwithstanding any dispute between the Seller and the City, the City shall make all Installment Payments when due and shall not withhold any Installment Payments pending the final resolution of such dispute. The obligations of the City to make the payments required in Section 4.4(a) hereof or otherwise due hereunder and to perform

and observe the other agreements on its part contained herein shall not be affected by any abatements, reductions, set-offs, diminutions, defenses, counterclaims and recoupments for or on account of any claims which the City may have against the Seller, any contractor, supplier or materialmen for the acquisition, construction and installation of any part of the Subject Property, any manufacturer of any fixtures installed in or as a part of the Subject Property, or any other person for any reason whatsoever, any insolvency, bankruptcy, reorganization or similar proceedings by or against the City, or any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing; nor except as otherwise expressly provided herein, shall this Installment Sale Agreement terminate. To the extent permitted by law, until expiration or termination of the Term, the City (i) will not suspend or discontinue any payments provided for in Section 4.4(a) hereof, and (ii) will perform and observe all of its other agreements contained in this Installment Sale Agreement, notwithstanding, without limiting the generality of the foregoing, failure of the City to obtain, or obtain the use of, the Subject Property, failure of the title in and to the Subject Property or any part thereof, any acts or circumstances that may constitute failure of consideration, any defects in any component of the Subject Property, any obsolescence of any component of the Subject Property for any reason whatsoever, eviction or constructive eviction, destruction of or damage to the Subject Property, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State of Georgia or any political subdivision of either or any failure of the Seller to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Installment Sale Agreement. Nothing contained in this Section shall be construed to release the Seller from the performance of any of the agreements on its part herein contained; and if the Seller should fail to perform any such agreement, the City may institute such action against the Seller as the City may deem necessary to compel performance or recover its damages for nonperformance as long as such action shall not do violence to the agreements on the part of the City contained in the preceding sentence and to make the payments specified in Section 4.4(a) hereof or otherwise due hereunder. The City may, however, at its own cost and expense and in its own name or in the name of the Seller, prosecute or defend any action or proceeding or take any other action involving third persons which the City deems reasonably necessary in order to insure the acquisition, construction and installation of improvements or to secure or protect its right of possession, occupancy and use hereunder, and in such event the Seller hereby agrees to cooperate fully with the City and to take all lawful action which is required to effect the substitution of the City for the Seller in any such action or proceeding if the City shall so request.

(c) Sale and Transfer. The City understands and agrees that pursuant to the Transfer Agreement, GMA will sell and transfer the Installment Sale Agreement to the Lender, and the City assents to such transfer.

(d) Current Obligation Only. The provisions of this Section 4.4(d) apply notwithstanding any provisions to the contrary in this Installment Sale Agreement. The Installment Payments and all other payments due hereunder constitute expenses of the City, and the City's obligations hereunder are from year to year only, do not constitute a mandatory payment obligation of the City in any ensuing Installment Sale Year beyond the Installment Sale Year for which this Installment Sale Agreement has last been renewed, and do not contravene Official Code of Georgia Annotated Section 36-60-13, as amended. The Installment Sale Agreement shall terminate absolutely and without further obligation for payments on the part of

the City at the close of the last Installment Sale Year for which this Installment Sale Agreement has been renewed. No provision hereof shall be construed or interpreted as creating a general obligation or other indebtedness of the City or the State within the meaning of any constitutional or statutory debt limitation. Neither the execution, delivery and performance of this Installment Sale Agreement nor the transfer thereof directly or indirectly obligates the City to make any payments hereunder beyond those coming due in the Installment Sale Year for which this Installment Sale Agreement has last been renewed. No judgment may be entered against the City or the State of Georgia for failure to pay any amounts due hereunder, except to the extent that the City has theretofore incurred liability to pay any such amounts through its actual use of the Subject Property or through its lawful appropriations or budgeting of such amounts. Nothing in this Installment Sale Agreement shall require the City to levy a tax to make payments under this Installment Sale Agreement.

Section 4.5 Federal Income Tax Treatment.

(a) The following terms are defined as follows for the purposes of this Section 4.5:

“After-Tax Rate” means that rate of interest that must be applied to the sum of the pertinent Basic Payments so as to preserve the same after-tax economic yield with respect to the corresponding Supplemental Payments that the Seller would have had if such Supplemental Payments had been excludable from gross income for federal income tax purposes.

“Event of Taxability” means a determination by the Internal Revenue Service, any court of competent jurisdiction, or bond counsel acceptable to the Seller that the Supplemental Payments are includable in gross income for federal income tax purposes.

(b) This Installment Sale Agreement is entered into on the basis that the Supplemental Payments are not includable in the gross income of the Seller for federal income tax purposes.

(c) Following the occurrence of an Event of Taxability: (i) the City shall pay to the Seller within thirty (30) days of billing a sum equal to (1) the increase in the Supplemental Payments when computed at the After-Tax Rate for the period from the effective date of the Event of Taxability to the effective date of the modification described in (ii) below, and (2) all interest, penalties and other similar charges payable by the Seller to the Internal Revenue Service as a result of the Event of Taxability; and (ii) the Seller shall modify the Supplemental Payments under the Payment Schedule for all future periods to reflect the After-Tax Rate, and provide notice thereof to the City, which adjusted Supplemental Payments the City shall thereafter pay.

Section 4.6 [Reserved]

Section 4.7 Make Whole Premium. To the extent that the City exercises its accelerated purchase option pursuant to Section 4.2 hereto, the City shall pay the Seller a Make Whole Premium, as defined herein. “Make Whole Premium” is defined as an amount to the excess, if any, as of the scheduled expiration date of the initial Installment Sale Year (the