

AN ORDINANCE TO PROVIDE FOR OBTAINING A TEMPORARY LOAN TO PAY CURRENT EXPENSES OF THE CITY OF LITHONIA IN CALENDAR YEAR 2020; TO PROVIDE FOR THE ISSUANCE AND SALE OF ITS TAX ANTICIPATION NOTE TO EVIDENCE SUCH LOAN; TO SPECIFY THE DATE AND THE RATE OF INTEREST THE NOTE SHALL BEAR; TO PROVIDE FOR THE FORM OF THE NOTE AND FOR THE EXECUTION OF THE NOTE; TO PROVIDE FOR THE PLACE OF PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE NOTE; TO PROVIDE FOR THE SOURCE OF PAYMENT OF THE NOTE AND THE INTEREST THEREON; TO AUTHORIZE THE SALE OF THE NOTE TO CITIZENS TRUST BANK; AND FOR OTHER RELATED PURPOSES.

WHEREAS, pursuant to Article IX, Section V, Paragraph V of the Constitution of the State of Georgia of 1983, the governing authority of the City of Lithonia (the "City") is authorized to incur debt by obtaining temporary loans in each calendar year to pay the current expenses of such year; and

WHEREAS, pursuant to this constitutional provision, the aggregate amount of all such temporary loans may not exceed 75% of the total gross income of the City from taxes actually collected in the last preceding year; and

WHEREAS, pursuant to this constitutional provision, no such temporary loan may be obtained when there is a loan then unpaid that was obtained in any prior year under this constitutional provision, nor may the City incur in any one calendar year an aggregate of such temporary loans or other contracts, notes, warrants, or other obligations for current expenses in excess of the total anticipated revenue for such calendar year; and

WHEREAS, all temporary loans obtained by the City in calendar year 2019 and all prior calendar years pursuant to this constitutional provision will be paid in full on or before the issuance and delivery of the tax anticipation note hereinafter authorized; and

WHEREAS, during calendar year 2019, the total gross income of the City from taxes actually collected in calendar year 2019 aggregated not less than \$322,709, and the City is accordingly authorized to obtain during calendar year 2020 a temporary loan or loans in an aggregate amount not exceeding seventy-five percent (75%) of such amount (which is \$242,031); and

WHEREAS, the total anticipated revenue for calendar year 2020 is not less than \$300,000, and to date the City has not incurred any unpaid temporary loans or other contracts, notes, warrants, or other obligations for current expenses; and

WHEREAS, the City Council of the City, after an independent investigation of the present and future needs of the City, has determined that the City should obtain a temporary loan in the principal amount not to exceed \$180,000 for the purpose of providing moneys to pay current expenses to be incurred by the City during calendar year 2020; and

WHEREAS, the most feasible method of obtaining this temporary loan is by the issuance and sale of the City's tax anticipation note for such purpose; and

WHEREAS, the City has solicited bids from various financial institutions for the purchase of not to exceed \$180,000 in principal amount of a tax anticipation note hereinafter authorized to be issued, and such tax anticipation note will be sold to Citizens Trust Bank (the “Note Purchaser”); and

WHEREAS, as a result of this sale, the tax anticipation note shall bear interest from the dates advances are made at the rate per annum hereinafter set forth, and all interest shall be payable on the date of the payment of the tax anticipation note; and

WHEREAS, the tax anticipation note should now be printed or otherwise reproduced, executed, and thereafter issued and delivered, and it is necessary to adopt a note form, to provide for the execution of the tax anticipation note, and to designate a place for the payment of the principal of and interest on the tax anticipation note; and

WHEREAS, the tax anticipation note, when issued, will constitute an indebtedness of the City that must be paid on or prior to December 31, 2020, and provision should be made for the pledge of the City’s full faith and credit and taxing power to produce moneys in an amount sufficient to provide for the payment of the principal of and interest on the tax anticipation note as the same become due and payable.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Lithonia, and it is hereby ordained by authority of the same, as follows:

Section 1. As authorized pursuant to the provisions of Article IX, Section V, Paragraph V of the Constitution of the State of Georgia of 1983 and Section 36-80-2 of the Official Code of Georgia Annotated, the City of Lithonia shall obtain a temporary loan in anticipation of the collection of taxes levied or to be levied during calendar year 2020, in a principal amount not to exceed \$180,000 pursuant to the terms and conditions hereinafter set forth, to pay current expenses of the City in calendar year 2020.

Section 2. (a) To evidence such temporary loan, there be and there is hereby authorized to be issued a tax anticipation note of the City in the principal amount not to exceed \$180,000 to be designated “City of Lithonia Tax Anticipation Note” (the “Note”), and the Note shall be dated the date of its issuance and delivery, shall be issued only as a single, fully registered note without coupons in the principal amount not to exceed \$180,000, shall be numbered R-1, and shall bear interest from the dates advances are made at the rate of 3% per annum, payable at maturity and computed on the basis of a 360-day year for the number of days actually elapsed, and the entire principal amount of the Note shall mature on December 31, 2020.

(b) Upon the occurrence of a Determination of Taxability (as hereinafter defined), the interest rate per annum borne by the Note shall be increased to the rate per annum of 5% (computed on the basis of a 360-day year consisting of twelve 30-day months) as of, from, and after the Date of Taxability (as hereinafter defined). An amount equal to the difference between the interest paid on the Note at the rate per annum of 3% during the Inclusion Period (as hereinafter defined) and the interest that would have accrued on the Note during the Inclusion Period had the interest rate on the Note during the Inclusion Period been equal to the rate per annum of 5%, which amount shall be owed retroactively on the Note as a result of the occurrence of a Determination of Taxability, shall be payable by the City on the later of (1) the maturity date of the Note and (2) thirty (30) days after

the date of the Determination of Taxability, and shall be apportioned among each registered owner of the Note during the Inclusion Period according to the ratio of the number of days it was a registered owner during the Inclusion Period to the total number of days within the Inclusion Period. Retroactive interest payable on the Note as a result of the occurrence of a Determination of Taxability shall be paid by check or draft mailed to each registered owner of the Note during the Inclusion Period at its address as it appears on the registration books of the City. Upon an increase in the interest rate on the Note caused by the occurrence of a Determination of Taxability, such fact shall be clearly marked on the face of the Note, together with the fact that a Determination of Taxability has occurred.

(c) Upon the occurrence of a Determination of Non-Bank Qualified Status (as hereinafter defined), the interest rate per annum borne by the Note shall be increased to the rate per annum of 4% (computed on the basis of a 360-day year consisting of twelve 30-day months) as of, from, and after the Date of Non-Bank Qualified Status (as hereinafter defined). An amount equal to the difference between the interest paid on the Note at the rate per annum of 3% during the Inclusion Period and the interest that would have accrued on the Note during the Inclusion Period had the interest rate on the Note during the Inclusion Period been equal to the rate per annum of 4%, which amount shall be owed retroactively on the Note as a result of the occurrence of a Determination of Non-Bank Qualified Status, shall be payable by the City on the later of (1) the maturity date of the Note and (2) thirty (30) days after the date of the Determination of Non-Bank Qualified Status, and shall be apportioned among each registered owner of the Note during the Inclusion Period according to the ratio of the number of days it was a registered owner during the Inclusion Period to the total number of days within the Inclusion Period. Retroactive interest payable on the Note as a result of the occurrence of a Determination of Non-Bank Qualified Status shall be paid by check or draft mailed to each registered owner of the Note during the Inclusion Period at its address as it appears on the registration books of the City. Upon an increase in the interest rate on the Note caused by the occurrence of a Determination of Non-Bank Qualified Status, such fact shall be clearly marked on the face of the Note, together with the fact that a Determination of Non-Bank Qualified Status has occurred.

(d) The following words and terms shall have the meanings set forth below for purposes of this Section 2:

“Code” means the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder.

“Date of Non-Bank Qualified Status” means the earliest effective date as of which the Note is not a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3) of the Code (or any successor provision) as a result of the occurrence of a Determination of Non-Bank Qualified Status.

“Date of Taxability” means the earliest effective date as of which the interest payable on the Note becomes includable in the gross income for federal income tax purposes of any registered owner of the Note or former registered owner of the Note as a result of the occurrence of a Determination of Taxability.

“Determination of Non-Bank Qualified Status” means any determination by the Internal Revenue Service, any court, or the registered owner of the Note based upon a written opinion of

nationally recognized bond counsel that the Note is not a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3) of the Code. In no event, however, shall a Determination of Non-Bank Qualified Status be deemed to have occurred unless it is the direct result of the breach by the City of its covenants contained in Section 10 of this Ordinance.

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

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

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

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

provided, however, that no Determination of Taxability shall occur under clauses (2) or (3) above unless the City has been afforded the opportunity, at its expense, to contest any such assessment and provided further that no Determination of Taxability shall occur until such contest, if made, has been finally determined and provided further that upon demand from the registered owner of the Note or any former registered owner of the Note, the City shall immediately reimburse such registered owner of the Note or former registered owner of the Note for any payments such registered owner or former registered owner shall be obligated to make as a result of the Event of Taxability during any such contest.

“Event of Taxability” means the breach by the City of its covenants contained in Section 10 of this Ordinance, which has the direct effect of causing interest paid or payable on the Note to become includable, in whole or in part, in the gross income of the registered owner of the Note or any former registered owner of the Note for federal income tax purposes. In no event, however, shall Event of Taxability include a change in law or the interpretation thereof that has the effect of causing interest paid or payable on the Note to become includable, in whole or in part, in the gross income of the registered owner of the Note or any former registered owner of the Note for federal income tax purposes.

“Inclusion Period” means the period that commences on the Date of Taxability or the Date of Non-Bank Qualified Status, as the case may be, and ends on the date of the related Determination of Taxability or related Determination of Non-Bank Qualified Status, as the case may be.

(e) The Note shall be subject to optional redemption by the City prior to maturity, in whole and not in part on any banking day, at a redemption price equal to one hundred percent (100%) of

the principal amount being redeemed plus accrued interest to the redemption date, but without premium or penalty. As a condition precedent to each optional redemption pursuant to the preceding sentence, the registered owner of the Note shall receive written notice of such optional redemption not less than 30 days and not more than 60 days prior to the date fixed for such redemption. Each such notice shall specify the date of redemption, the principal amount of the Note to be redeemed on such date, and the accrued interest (if the same can be calculated) to be paid on the redemption date with respect to the principal amount being redeemed.

Section 3. (a) The City shall keep at its office a register for the registration and registration of transfers of the Note. The name and address of the registered owner of the Note (the "Noteholder"), each transfer thereof, and the name and address of each transferee of the Note shall be registered in such register. Prior to due presentment for registration of transfer, the person in whose name the Note shall be registered shall be deemed and treated as the owner and holder thereof for all purposes hereof (including the receipt of payments of principal of and interest on the Note), whether or not the Note shall be overdue, and the City shall not be affected by any notice or knowledge to the contrary.

(b) Upon surrender of the Note at the office of the City for registration of transfer, duly endorsed or accompanied by a written instrument of transfer duly executed by the registered owner of the Note or its attorney duly authorized in writing and accompanied by the address for notices of each transferee of the Note, the City shall execute and deliver, at its expense (except as provided below), a new Note in exchange therefor, in a principal amount equal to the unpaid principal amount of the surrendered Note. Each such new Note shall be payable to such person as the former Noteholder may request and shall be issued as a single, fully registered note substantially in the form provided in Section 5 hereof. Each such new Note shall be dated and bear interest from the date to which interest shall have been paid on the surrendered Note or dated the date of the surrendered Note if no interest shall have been paid thereon. The City may require payment of a sum sufficient to cover any stamp tax or governmental charge imposed in respect of any such transfer of the Note. The Note shall not be transferred in a denomination of less than the unpaid principal amount of the surrendered Note.

(c) Upon receipt by the City of evidence reasonably satisfactory to it of the ownership of and the loss, theft, destruction, or mutilation of the Note, and

(1) in the case of loss, theft, or destruction, of indemnity reasonably satisfactory to it (provided that if the Noteholder is, or is a nominee for, the Note Purchaser or another Noteholder with a minimum net worth of at least \$25,000,000, such person's own unsecured agreement of indemnity shall be deemed to be satisfactory), or

(2) in the case of mutilation, upon surrender and cancellation thereof,

the City at its expense shall execute and deliver, in lieu thereof, a new single, fully registered Note, dated and bearing interest from the date to which interest shall have been paid on such lost, stolen, destroyed, or mutilated Note or dated the date of such lost, stolen, destroyed, or mutilated Note if no interest shall have been paid thereon.

Section 4. All sums becoming due on the Note for principal and interest shall be paid in lawful money of the United States by the method and at the address specified for such purpose by the Noteholder in writing to the City, without the presentation or surrender of the Note or the making of any notation thereon, except that upon written request of the City made concurrently with or reasonably promptly after payment in full of the Note, the Noteholder shall surrender the Note for cancellation, reasonably promptly after any such request, to the City. Prior to any sale or other disposition of the Note, the Noteholder shall endorse thereon the amount of principal paid thereon and the last date to which interest has been paid thereon.

Section 5. The Note shall be executed by the Mayor or the Mayor Pro Tempore of the City and attested by the City Clerk or the Deputy City Clerk, and the official seal of the City shall be impressed upon the Note, and the Note shall be substantially in the form hereinafter set forth with such variations, omissions, and insertions as are permitted or required by this Ordinance:

[FORM OF NOTE]

THIS NOTE IS SUBJECT TO AN INVESTMENT LETTER AGREEMENT AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED, OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO THE TERMS OF SUCH INVESTMENT LETTER AGREEMENT.

**UNITED STATES OF AMERICA
STATE OF GEORGIA
CITY OF LITHONIA
TAX ANTICIPATION NOTE**

Number R-1

Principal Amount Not To Exceed \$180,000

Date of Original Issue:

Maturity Date:

Interest Rate:

_____, 2020

December 31, 2020

3%

Registered Owner: Citizens Trust Bank

KNOW ALL MEN BY THESE PRESENTS THAT the **CITY OF LITHONIA** (the “City”), a municipal corporation created and existing under the laws of the State of Georgia, for value received and in consideration of money borrowed, hereby promises to pay to the registered owner shown above, or registered assigns, with option of prior redemption as hereinafter provided, on the maturity date identified above, so much of the principal amount identified above that is advanced to it, as indicated in the Schedule of Advances attached to this Note, together with interest on the unpaid principal amount at the interest rate per annum identified above, from the dates advances are made until the principal amount has been fully paid, such interest being payable upon retirement of this Note and computed on the basis of a 360-day year for the number of days actually elapsed.

Upon the occurrence of a Determination of Taxability (as hereinafter defined), the interest rate per annum borne by this Note shall be increased to the rate per annum of 5% (computed on the basis of a 360-day year consisting of twelve 30-day months) as of, from, and after the Date of Taxability (as hereinafter defined). An amount equal to the difference between the interest paid on this Note at the rate per annum of 3% during the Inclusion Period (as hereinafter defined) and the interest that would have accrued on this Note during the Inclusion Period had the interest rate on this Note during the Inclusion Period been equal to the rate per annum of 5%, which amount shall be owed retroactively on this Note as a result of the occurrence of a Determination of Taxability, shall be payable by the City on the later of (1) the maturity date of this Note and (2) thirty (30) days after the date of the Determination of Taxability, and shall be apportioned among each registered owner of this Note during the Inclusion Period according to the ratio of the number of days it was a registered owner during the Inclusion Period to the total number of days within the Inclusion Period. Retroactive interest payable on this Note as a result of the occurrence of a Determination of Taxability shall be paid by check or draft mailed to each registered owner of this Note during the Inclusion Period at its address as it appears on the registration books of the City. Upon an increase in the interest rate on this Note caused by the occurrence of a Determination of Taxability, such fact

shall be clearly marked on the face of this Note, together with the fact that a Determination of Taxability has occurred.

Upon the occurrence of a Determination of Non-Bank Qualified Status (as hereinafter defined), the interest rate per annum borne by this Note shall be increased to the rate per annum of 4% (computed on the basis of a 360-day year consisting of twelve 30-day months) as of, from, and after the Date of Non-Bank Qualified Status (as hereinafter defined). An amount equal to the difference between the interest paid on this Note at the rate per annum of 3% during the Inclusion Period and the interest that would have accrued on this Note during the Inclusion Period had the interest rate on this Note during the Inclusion Period been equal to the rate per annum of 4%, which amount shall be owed retroactively on this Note as a result of the occurrence of a Determination of Non-Bank Qualified Status, shall be payable by the City on the later of (1) the maturity date of this Note and (2) thirty (30) days after the date of the Determination of Non-Bank Qualified Status, and shall be apportioned among each registered owner of this Note during the Inclusion Period according to the ratio of the number of days it was a registered owner during the Inclusion Period to the total number of days within the Inclusion Period. Retroactive interest payable on this Note as a result of the occurrence of a Determination of Non-Bank Qualified Status shall be paid by check or draft mailed to each registered owner of this Note during the Inclusion Period at its address as it appears on the registration books of the City. Upon an increase in the interest rate on this Note caused by the occurrence of a Determination of Non-Bank Qualified Status, such fact shall be clearly marked on the face of this Note, together with the fact that a Determination of Non-Bank Qualified Status has occurred.

The following words and terms shall have the meanings set forth below for purposes of this Note:

“Code” means the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder.

“Date of Non-Bank Qualified Status” means the earliest effective date as of which this Note is not a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3) of the Code (or any successor provision) as a result of the occurrence of a Determination of Non-Bank Qualified Status.

“Date of Taxability” means the earliest effective date as of which the interest payable on this Note becomes includable in the gross income for federal income tax purposes of any registered owner of this Note or former registered owner of this Note as a result of the occurrence of a Determination of Taxability.

“Determination of Non-Bank Qualified Status” means any determination by the Internal Revenue Service, any court, or the registered owner of this Note based upon a written opinion of nationally recognized bond counsel that this Note is not a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3) of the Code. In no event, however, shall a Determination of Non-Bank Qualified Status be deemed to have occurred unless it is the direct result of the breach by the City of its covenants contained in Section 10 of the hereinafter defined Note Ordinance.

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

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

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

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

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

“Event of Taxability” means the breach by the City of its covenants contained in Section 10 of the Note Ordinance, which has the direct effect of causing interest paid or payable on this Note to become includable, in whole or in part, in the gross income of the registered owner of this Note or any former registered owner of this Note for federal income tax purposes. In no event, however, shall Event of Taxability include a change in law or the interpretation thereof that has the effect of causing interest paid or payable on this Note to become includable, in whole or in part, in the gross income of the registered owner of this Note or any former registered owner of this Note for federal income tax purposes.

“Inclusion Period” means the period that commences on the Date of Taxability or the Date of Non-Bank Qualified Status, as the case may be, and ends on the date of the related Determination of Taxability or related Determination of Non-Bank Qualified Status, as the case may be.

All sums becoming due on this Note for principal and interest shall be paid in lawful money of the United States by the method and at the address specified for such purpose by the registered owner of this Note in writing to the City, without the presentation or surrender of this Note or the making of any notation hereon, except that upon the written request of the City made concurrently with or reasonably promptly after payment in full of this Note, the registered owner of this Note shall surrender this Note for cancellation, reasonably promptly after any such request, to the City.

Prior to any sale or other disposition of this Note, the registered owner of this Note shall endorse hereon the amount of principal paid hereon and the last date to which interest has been paid hereon.

This Note is the only note of an authorized issue limited in original principal amount to \$180,000, authorized by an ordinance duly adopted by the City Council of the City of Lithonia (the "Governing Body") on the ____ day of _____ 2020 (the "Note Ordinance"), and in accordance with Article IX, Section V, Paragraph V of the Constitution of the State of Georgia of 1983 and Section 36-80-2 of the Official Code of Georgia Annotated, for the purpose of obtaining a temporary loan to pay expenses of the City in calendar year 2020.

This Note is issued in anticipation of the collection of taxes levied or to be levied for the calendar year 2020. The aggregate amount of this Note, together with other temporary loans obtained by the City to pay expenses of the City in calendar year 2020, does not exceed 75% of the total gross income from taxes collected by the City in calendar year 2019 and does not exceed, together with other contracts, notes, warrants, and obligations of the City for current expenses in calendar year 2020, the total anticipated revenues of the City for calendar year 2020.

This Note shall be subject to optional redemption by the City prior to maturity, in whole and not in part on any banking day, at a redemption price equal to one hundred percent (100%) of the principal amount being redeemed plus accrued interest to the redemption date, but without premium or penalty. As a condition precedent to each optional redemption pursuant to the preceding sentence, the registered owner of this Note shall receive written notice of such optional redemption not less than 30 days and not more than 60 days prior to the date fixed for such redemption. Each such notice shall specify the date of redemption, the principal amount of this Note to be redeemed on such date, and the accrued interest (if the same can be calculated) to be paid on the redemption date with respect to the principal amount being redeemed.

This Note shall be issued as a single, fully registered note without coupons in the original principal amount not to exceed \$180,000. Upon surrender of this Note at the office of the City for registration of transfer, duly endorsed or accompanied by a written instrument of transfer duly executed by the registered owner of this Note or its attorney duly authorized in writing and accompanied by the address for notices of each transferee of this Note, the City shall execute and deliver, at the City's expense (except as provided below), a new Note in exchange herefor, in a principal amount equal to the unpaid principal amount of the surrendered Note. Each such new Note shall be payable to such person as the former registered owner of this Note may request and shall be issued as a single, fully registered note. Each such new Note shall be dated and bear interest from the date to which interest shall have been paid on the surrendered Note or dated the date of the surrendered Note if no interest shall have been paid hereon. The City may require payment of a sum sufficient to cover any stamp tax or governmental charge imposed in respect of any such transfer of this Note. This Note shall not be transferred in a denomination of less than the unpaid principal amount of the surrendered Note.

Prior to due presentment for registration of transfer, the person in whose name this Note shall be registered shall be deemed and treated as the owner and holder hereof for all purposes hereof (including the receipt of payments of principal of and interest on this Note), whether or not this Note shall be overdue, and the City shall not be affected by any notice or knowledge to the contrary.

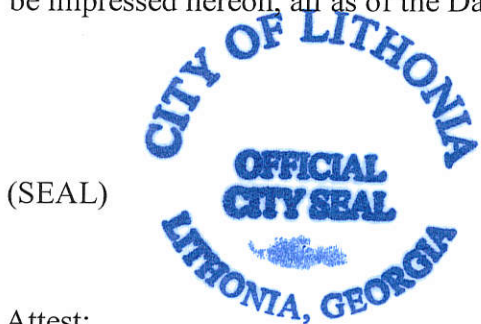
All borrowings evidenced by this Note, including the date and amount of each advance, shall be endorsed by the registered owner of this Note on the Schedule of Advances attached to this Note; provided, however, that any failure by the registered owner of this Note to endorse such information on such Schedule shall not in any manner affect the obligation of the City to make payments of principal and interest in accordance with the terms of this Note. The City hereby irrevocably authorizes and directs the registered owner of this Note to enter on the Schedule of Advances the date and amount of each advance under this Note.

The City hereby pledges to the registered owner of this Note its full faith and credit and taxing power for the purpose of paying the principal of and interest on this Note as the same become due and payable, as more particularly provided in Section 6 of the Note Ordinance.

The City has designated this Note as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

It is hereby certified, recited, and declared that all acts, conditions, and things required by law to be done precedent to and in the issuance of this Note have been properly done, have happened, and have been performed in the manner required by the Constitution and statutes of the State of Georgia relating thereto; that the tax levies in anticipation of which this Note is issued are or will be valid and legal levies; that the City will use a sufficient amount of the proceeds of such tax levies and other available funds for the payment of this Note and the interest thereon; and that this Note, together with all other indebtedness of the City, is within every debt or other limit provided by the Constitution and statutes of the State of Georgia.

IN WITNESS WHEREOF, the City of Lithonia, acting by and through its Governing Body, has caused this Note to be executed in its corporate name by the manual signature of its Mayor and to be attested by the manual signature of its City Clerk, and has caused the official seal of the City to be impressed hereon, all as of the Date of Original Issue set forth above.



CITY OF LITHONIA

By: *James D. King*
Mayor

Attest:

Robin D. Dent
City Clerk

REVIEWED BY:

[Signature]
City Attorney