

EXHIBIT B

FORM OF Second Amended and Restated Intergovernmental Agreement

CITY OF ATLANTA
(a municipal corporation duly created and
existing under the laws of
the State of Georgia)

and

ATLANTA HOUSING OPPORTUNITY, INC.
(a public body corporate and politic duly created and
existing under the laws of the State of Georgia)

**SECOND AMENDED AND RESTATED
INTERGOVERNMENTAL HOUSING
COOPERATION AGREEMENT**

Dated as of _____ 1, 2020

THE RIGHTS AND INTEREST OF ATLANTA HOUSING OPPORTUNITY, INC. IN THIS SECOND AMENDED AND RESTATED INTERGOVERNMENTAL HOUSING COOPERATION AGREEMENT AND THE REVENUES AND RECEIPTS DERIVED HEREFROM, EXCEPT FOR ITS RIGHTS UNDER SECTION 4.1 HEREOF, HAVE BEEN ASSIGNED, PLEDGED AND ARE THE SUBJECT OF A GRANT OF A SECURITY INTEREST TO THE URBAN RESIDENTIAL FINANCE AUTHORITY OF THE CITY OF ATLANTA, GEORGIA UNDER A SECOND AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT, DATED THE DATE HEREOF.

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**SECOND AMENDED AND RESTATED
INTERGOVERNMENTAL HOUSING COOPERATION AGREEMENT**

This **SECOND AMENDED AND RESTATED INTERGOVERNMENTAL HOUSING COOPERATION AGREEMENT** (this “**Contract**”), made and entered into as of _____ 1, 2020, by and between the City of Atlanta (the “**City**”), a municipal corporation duly created and existing under the laws of the State of Georgia, and Atlanta Housing Opportunity, Inc. (the “**Housing Corporation**”), a public body corporate and politic duly created and existing under the laws of the State of Georgia;

W I T N E S S E T H:

WHEREAS, The Housing Authority of the City of Atlanta, Georgia (the “**Housing Authority**”) is a public body corporate and politic duly created and validly existing under the Constitution and laws of the State of Georgia, particularly the provisions of the Housing Authorities Law of the State of Georgia (O.C.G.A. § 8-3-1, *et seq.*), as amended (the “**Housing Authorities Law**”); and

WHEREAS, the governing body of the City has, by proper resolution adopted on May 18, 1938, declared that there is a need for the Housing Authority to function in the City, as required by the terms of the Housing Authorities Law; the Housing Authority has been duly created and activated pursuant to the terms of the Housing Authorities Law; and the Housing Authority’s commissioners have been appointed as provided therein and are currently acting in that capacity; and

WHEREAS, the Housing Authorities Law authorizes the Housing Authority to incorporate one or more nonprofit corporations pursuant to the “Georgia Nonprofit Corporation Code” as subsidiary corporations of the Housing Authority for the purpose of carrying out any of the powers of the Housing Authority and accomplishing any of the purposes of the Housing Authority, which subsidiary corporations shall be public bodies corporate and politic exercising public and essential governmental functions; and

WHEREAS, pursuant to such authorization, the Housing Authority, by resolution duly adopted on January 17, 2007, approved the incorporation of the Housing Corporation pursuant to the “Georgia Nonprofit Corporation Code,” solely for the purpose of participating in the hereinafter defined Housing Opportunity Program; and

WHEREAS, the Housing Authorities Law authorizes the Housing Corporation to issue its notes or other obligations from time to time, in its discretion, to provide funds to make direct loans for “eligible housing units,” which are defined in the Housing Authorities Law to mean real and personal property constituting single or multifamily dwelling units suitable for occupancy by “low and moderate income families” (as defined in the Housing Authorities Law) and such “community facilities” (as defined in the Housing Authorities Law) as may be incidental or appurtenant thereto (“**Eligible Housing Units**”); provided, however, that all multifamily dwelling units located within an apartment complex shall qualify as Eligible Housing Units if at least 20 percent of the multifamily dwelling units within the complex are occupied by or held available for occupancy by “low and moderate income families”; and

WHEREAS, the Housing Authorities Law authorizes the Housing Corporation to purchase “mortgage loans,” which are defined to mean notes and other evidences of indebtedness secured by security deeds on Eligible Housing Units, or other forms of collateral and participations therein from “mortgage lenders,” which are defined to include entities authorized to extend loans for single or multifamily housing under the laws of the State of Georgia, and other holders of such collateral and to make commitments therefor, and to issue its notes or other obligations from time to time, in its discretion, to provide funds to purchase “mortgage loans” or other forms of collateral or participation interests therein from “mortgage lenders”; and

WHEREAS, the Housing Authorities Law authorizes the Housing Corporation to pledge the revenues from which its notes or other obligations are payable as security for the payment of the principal of and interest on such obligations and any agreements made in connection therewith; and

WHEREAS, pursuant to Article IX, Section II, Paragraph III(a)(3) and (8) of the Constitution of the State of Georgia, the City has the power to provide public health facilities and services and public housing; and

WHEREAS, pursuant to the Charter of the City (the “**Charter**”) (Ga. Laws 1996, p. 4469), the City has the power to provide services in the area of public housing and to make appropriations and authorize the expenditure of funds for such purposes, and provide a definition of public housing; and

WHEREAS, the Charter and Sections 2-243 and 6-306 of the Code of Ordinances of the City also empower the City to assist in financing City-initiated housing and development programs and provide relocation assistance to displaced persons and community services and property management in conjunction with programs and projects related to such services, and has the authority to appropriate and donate money, derived from taxation, contribution or otherwise for and to any corporation, company association or institution for purely charitable purposes; and

WHEREAS, O.C.G.A. § 8-3-150, *et seq.*, known as the Housing Cooperation Law (the “**Housing Cooperation Law**”), authorizes the City, for the purpose of aiding and cooperating in the planning, undertaking, construction, or operation of any work or undertaking of the Housing Corporation pursuant to the Housing Authorities Law, located within the area in which it is authorized to act, to, upon such terms, with or without consideration, as it may determine, (1) do any and all things necessary or convenient to aid and cooperate in the planning, undertaking, construction, or operation of any work or undertaking of the Housing Corporation pursuant to the Housing Authorities Law, (2) enter into agreements (which may extend over any period, notwithstanding any provision or rule of law to the contrary) with the Housing Corporation respecting action to be taken by the City pursuant to any of the powers granted by the Housing Cooperation Law, and (3) donate money to the Housing Corporation or to agree to take such action; and

WHEREAS, Article IX, Section III, Paragraph I(a) of the Constitution of the State of Georgia of 1983 authorizes any municipality of the State of Georgia to contract for any period not exceeding fifty years with any public corporation or public authority for joint services, for the provision of services, or for the joint or separate use of facilities or equipment, provided that such

contract deals with activities, services, or facilities which the contracting parties are authorized by law to undertake or provide; and

WHEREAS, the Urban Residential Finance Authority of the City of Atlanta, Georgia (the “**Finance Authority**”) has been created pursuant to the Urban Residential Finance Authorities Act for Large Municipalities (O.C.G.A. § 36-41-1 *et seq.*), as amended (the “**Finance Authorities Act**”), and an activating resolution of the City Council of the City adopted on May 7, 1979 and approved by the Mayor of the City on May 19, 1979, and is now existing and operating as a public body corporate and politic; and

WHEREAS, the Finance Authorities Act authorizes the Finance Authority to make and contract to make loans to lending institutions, which are defined to include any governmental agency that has a place of business in the State of Georgia and that is authorized to do business in the State of Georgia, on such terms and conditions as it shall determine, in accordance with the criteria set forth in the Finance Authorities Act, and all lending institutions are authorized by the Finance Authorities Act to borrow from the Finance Authority in accordance with administrative guidelines of the Finance Authority established pursuant to the criteria set forth in the Finance Authorities Act; and

WHEREAS, the Finance Authorities Act authorizes the Finance Authority to participate in the making of loans secured by mortgages or security interests or other security devices, to undertake commitments to make loans secured by mortgages or security interests or other security devices, and to acquire and to contract to acquire mortgages or security interests or participations therein; and

WHEREAS, the Finance Authorities Act defines “residential housing” to mean any real property and improvement thereon, whether multifamily residential housing or single-family residential housing, within the geographic boundaries of the City, which is owned, in whole or in part, by an “eligible household” (as defined in the Finance Authorities Act) or which is providing or shall provide, in whole or in part, dwelling accommodations for “eligible households,” provided, however, that with respect to multifamily residential housing, such multifamily residential housing shall be deemed to be occupied by “eligible households” if at least 20 percent of the dwelling units of such multifamily residential housing are occupied by “eligible households” (“**Residential Housing**”); and

WHEREAS, O.C.G.A. §36-41-5(23) of the Finance Authorities Act authorizes the Finance Authority to issue any bonds on behalf of any public housing authority within the state; and

WHEREAS, the Finance Authorities Act authorizes the Finance Authority to issue its revenue bonds in such principal amounts as, in the opinion of the Finance Authority, shall be necessary to provide sufficient funds for achieving the corporate purposes of the Finance Authority, including the making of loans for the acquisition, financing, construction, and rehabilitation of Residential Housing as provided in the Finance Authorities Act; and

WHEREAS, the Housing Corporation, at the request and direction of the City, with assistance from the Finance Authority, previously established a Housing Opportunity Program (as

herein defined), which was initially authorized to (i) establish a revolving loan program to make loans to finance in part single family housing and multifamily housing in the City that constitute Eligible Housing Units and Residential Housing, (ii) purchase land to be held for future sale for use as part of Eligible Housing Units and Residential Housing, and (iii) make a grant to the Housing Authority to pay or reimburse the costs of certain public improvements for the benefit of the City associated with Eligible Housing Units and Residential Housing; and

WHEREAS, the Housing Corporation and the City desire to modify and expand the Housing Opportunity Program as provided in this Contract; and

WHEREAS, pursuant to the terms of a Master Bond Resolution of the Finance Authority, dated as of April 1, 2007 (the “**Master Bond Resolution**”), as supplemented and amended from time to time (the “**Bond Resolution**”), the Finance Authority, on behalf of the Housing Corporation, is authorized to issue its Taxable Revenue Bonds (Housing Opportunity Program), in one or more series from time to time, in order to provide funds to make one or more loans to the Housing Corporation to finance the Housing Opportunity Program; and

WHEREAS, pursuant to the Master Bond Resolution, as supplemented by that certain Series 2007A Resolution of the Finance Authority, dated as of April 1, 2007 (the “**Series 2007A Resolution**”), the Finance Authority issued its \$35,000,000 Taxable Revenue Bonds (Housing Opportunity Program), Series 2007A (the “**Series 2007A Bonds**”), in order to make a loan (the “**Initial Loan**”) to the Housing Corporation to provide initial funding for the Housing Opportunity Program; and

WHEREAS, pursuant to the Master Bond Resolution, as further supplemented by that certain Series 2017A Resolution of the Finance Authority, dated as of April 1, 2017 (the “**Series 2017A Resolution**”), the Finance Authority issued its \$63,685,000 Taxable Revenue Bonds (Housing Opportunity Program), Series 2017A (the “**Series 2017A Bonds**”), for the purpose of (i) refunding the Series 2007A Bonds and (ii) providing additional funding for the enlarged Initial Loan in order to implement the Housing Opportunity Program, as then extended; and

WHEREAS, on June 24, 2019, the City of Atlanta released Atlanta Mayor Bottoms’ “One Atlanta: Housing Affordability Action Plan,” with four concrete strategies:

- Create or preserve 20,000 affordable homes by 2026 and increase the overall supply of affordable housing;
- Invest \$1 billion from public, private, and philanthropic sources in the production and preservation of affordable housing;
- Ensure equitable growth for all Atlantans and minimize displacement; and
- Support innovation and streamline processes; and

WHEREAS, the One Atlanta: Housing Affordability Action Plan calls for the identification of new local funding sources and the issuance of new allocation under the Housing Opportunity Bond Program (as defined herein); and

WHEREAS, the Finance Authority has issued its Taxable Revenue Bonds (Housing Opportunity Program) Series 2020 (the “**Series 2020 Bonds**”), in the principal amount of \$200,000,000, pursuant to a Series 2020 Resolution adopted by the Finance Authority on _____, 2020 and a Pricing Resolution adopted by the Finance Authority on _____, 2020 (collectively, the “**Series 2020 Resolution**”), for the purpose of providing additional funding to further enlarge the Initial Loan (as extended and enlarged, the “**Loan**”) to implement the Housing Opportunity Program as extended, modified and enlarged under this Contract, including, but not limited to, costs and expenses associated with the issuance of the Series 2020 Bonds and the implementation of the Housing Opportunity Program; and

WHEREAS, to accomplish the financing as contemplated in the Bond Resolution, the Finance Authority and the Housing Corporation will enter into a Second Amended and Restated Loan and Security Agreement (the “**Second Amended and Restated Loan Agreement**”), dated the date hereof, pursuant to the terms of which the Finance Authority will make the Loan from the proceeds of the sale of the Series 2020 Bonds to the Housing Corporation and pursuant to which the Housing Corporation will repay the Loan from the revenues it receives pursuant to this Contract at such times and in such amounts as will be required to enable the Finance Authority to pay the principal of, premium, if any, and interest on the Series 2020 Bonds, as and when the same become due; and

WHEREAS, the Housing Corporation and the City propose to enter into this Contract, under the terms of which (1) the Housing Corporation will agree to continue to maintain the Housing Opportunity Program, as extended, modified and enlarged herein, and (2) the City will agree (a) to enlarge the payments to the Housing Corporation in amounts sufficient to enable the Housing Corporation to repay when due the Loan and to pay when due all costs, fees, and expenses of the Housing Corporation, the Finance Authority, or any program administrator associated with the administration of the Housing Opportunity Program, and (b) to levy an annual ad valorem tax on all taxable property located within the corporate limits of the City, without limitation as to rate or amount, as may be necessary to produce in each year revenues that are sufficient to fulfill the City’s obligations under this Contract; and

WHEREAS, to secure its obligations under the Second Amended and Restated Loan Agreement, the Housing Corporation will pledge and grant to the Finance Authority a first priority security interest in the payments to be received by the Housing Corporation from the City pursuant to this Contract and the contract rights of the Housing Corporation contained in this Contract (except for the payments and contract rights reserved to the Housing Corporation in the Second Amended and Restated Loan Agreement); and

WHEREAS, pursuant to the Bond Resolution, the Loan repayments to be received by the Finance Authority from the Housing Corporation pursuant to the Second Amended and Restated Loan Agreement and the contract rights of the Finance Authority contained in the Second Amended and Restated Loan Agreement are pledged to, and a first priority lien is created thereon as security for, the payment of the principal of, premium, if any, and interest on the Series 2020 Bonds and any additional revenue bonds that may be issued pursuant to the terms and conditions of the Bond Resolution (collectively the “**Bonds**”); and

WHEREAS, the Bond Resolution, as it may be supplemented from time to time, particularly as supplemented by the Series 2020 Resolution, sets forth or will set forth, among other things, the interest rates that the Series 2020 Bonds bear and the principal amount of the Series 2020 Bonds that will mature, either at maturity or by proceedings for mandatory redemption, in each year, and the Housing Corporation has furnished or will furnish the City with certified copies of the Bond Resolution and the Second Amended and Restated Loan Agreement and any supplements thereto in order that the payments required to be made by the City under this Contract may be accurately computed and conclusively established;

NOW, THEREFORE, in consideration of the respective covenants, representations, and agreements hereinafter contained and in furtherance of the mutual public purposes hereby sought to be achieved, the Housing Corporation and the City agree as follows:

ARTICLE I

DEFINITIONS

In addition to the words and terms defined elsewhere herein, the following words and terms shall have the meanings specified below, unless the context or use indicates another or different meaning or intent:

“Adjusted Family Income” means the anticipated annual income of a person (together with the anticipated annual income of all persons who intend to reside with such person in one residential unit).

“Affiliate” means, at any time, and with respect to any Person, (a) any other Person that at such time directly or indirectly through one or more intermediaries Controls, or is Controlled by, or is under common Control with, such first Person, and (b) any Person beneficially owning or holding, directly or indirectly, 10% or more of any class of voting or equity interests of such first Person or any Person of which such first Person beneficially owns or holds, in the aggregate, directly or indirectly, 10% or more of any class of voting or equity interests. As used in this definition, **“Control”** means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise.

“Area Median Income” or **“AMI”** shall mean Area Median Income adjusted for household size as published annually by the United States Department of Housing and Urban Development for the Atlanta-Sandy Springs-Roswell, GA Metropolitan Statistical Area.

“Bond Resolution” shall mean the Master Bond Resolution of the Finance Authority, dated as of April 1, 2007, as supplemented and amended from time to time, particularly as supplemented by a Series 2007A Resolution, dated as of April 1, 2007, a Series 2017A Resolution dated as of April 1, 2017 and a Series 2020 Resolution, dated as of _____, 2020.

“Bonds” shall have the meaning assigned to that term in the recitals to this Contract.

“Chief Housing Officer” or **“CHO”** shall mean the Chief Housing Officer for the City of Atlanta with the responsibility to facilitate and lead the City’s housing initiatives.

“**City**” shall have the meaning assigned to that term in the recitals to this Contract, and its successors and assigns.

“**Commissioner of the Department of Grants and Community Development**” means the City’s Commissioner of the Department of Grants and Community Development together with any successors or assigns of such commissioner.

“**Contract**” means this Second Amended and Restated Intergovernmental Housing Cooperation Agreement between the City and the Housing Corporation, as it may be supplemented and amended from time to time in accordance with the provisions hereof.

“**Disclosure Certificate**” means the Continuing Disclosure Agreement between the City and Digital Assurance Certification, L.L.C., as disclosure dissemination agent, to be dated the date of issuance and delivery of the Series 2020 Bonds, as originally executed and as it may be amended from time to time in accordance with its terms.

“**Eligible Housing Units**” shall mean real and personal property constituting single or multifamily dwelling units within the geographic boundaries of the City, suitable for occupancy by “low and moderate income families” (as defined in the Housing Authorities Law) and such “community facilities” (as defined in the Housing Authorities Law) as may be incidental or appurtenant thereto; provided, however, that all multifamily dwelling units located within an apartment complex shall qualify as Eligible Housing Units if at least 20 percent of the multifamily dwelling units within the complex are occupied by or are held available for occupancy by “low and moderate income families.”

“**Finance Authorities Act**” shall have the meaning assigned to that term in the recitals to this Contract.

“**Finance Authority**” shall have the meaning assigned to that term in the recitals to this Contract, and its successors and assigns.

“**Fiscal Year**” shall mean the period commencing on each July 1 and ending on the next subsequent June 30.

“**HomeFirst Program**” shall mean the partnership between the City, acting through Invest Atlanta and the United Way Regional Commission on Homelessness (RCOH).

“**Housing Authorities Law**” shall have the meaning assigned to that term in the recitals to this Contract.

“**Housing Cooperation Law**” shall have the meaning assigned to that term in the recitals to this Contract, as the same may be amended from time to time.

“**Housing Corporation**” shall have the meaning assigned to that term in the recitals to this Contract, and its successors and assigns.

“**Housing Opportunity Program**” shall have the meaning set forth in Section 5.5 of this Contract.

“Invest Atlanta” means The Atlanta Development Authority a public body corporate and politic.

“Loan” shall mean the total sum of all money borrowed by the Housing Corporation to provide funding for the Housing Opportunity Program, as extended, modified and enlarged under this Contract and as provided in the Second Amended and Restated Loan Agreement.

“Master Bond Resolution” shall have the meaning assigned to that term in the recitals to this Contract.

“Permanent Supportive Housing” shall mean housing that combines low-barrier affordable housing, health care and supportive services to assist individuals who are homeless or unstable housed, which housing shall meet the criteria to constitute Eligible Housing Units and Residential Housing.

“Person” means an individual, partnership, corporation, limited liability company, association, trust, unincorporated organization, or a government or agency or political subdivision thereof.

“Program Administrator” means any Person that contracts with the Housing Corporation to administer the Housing Opportunity Program. The initial Program Administrator will be the Finance Authority.

“Relevant Percentage” means the percentages of the Area Median Income specified throughout this Contract.

“Residential Housing” means any real property and improvement thereon, whether multifamily residential housing or single-family residential housing, within the geographic boundaries of the City, which is owned, in whole or in part, by an “eligible household” (as defined in the Finance Authorities Act) or which is providing or shall provide in whole or in part, dwelling accommodations for “eligible households”; provided, however, that with respect to multifamily residential housing, such multifamily residential housing shall be deemed to be occupied by “eligible households” if at least 20 percent of the dwelling units of such multifamily residential housing are occupied by “eligible households.”

“Second Amended and Restated Loan Agreement” shall mean the Second Amended and Restated Loan and Security Agreement between the Finance Authority and Housing Corporation, dated as of _____ 1, 2019, pursuant to the terms of which the Finance Authority will make the Loan from the proceeds of the sale of the Series 2020 Bonds to the Housing Corporation and pursuant to which the Housing Corporation will repay the Loan from the revenues it receives pursuant to this Contract at such times and in such amounts as will be required to enable the Finance Authority to pay the principal of, premium, if any, and interest on the Series 2020 Bonds, as and when the same become due, as it may be amended, restated, supplemented, modified, renewed, or extended from time to time.

“Workforce Owner Housing Maximums” shall mean the income limits established by Invest Atlanta based upon the HUD AMI Income Limits as announced from time to time.

ARTICLE II

REPRESENTATIONS

Section 2.1 Representations by the Housing Corporation. The Housing Corporation makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Housing Corporation is authorized to enter into the transactions contemplated by this Contract and to carry out its obligations hereunder, has been duly authorized to execute and deliver this Contract, and will do or cause to be done all things necessary to preserve and keep in full force and effect its status and existence.

(b) The execution and delivery of this Contract and the Second Amended and Restated Loan Agreement and the performance of all covenants and agreements of the Housing Corporation contained in this Contract and the Second Amended and Restated Loan Agreement have been duly authorized by proceedings of the Housing Corporation adopted at public meetings duly and lawfully called and held.

(c) There is no litigation or proceeding pending, or to the knowledge of the Housing Corporation threatened, against the Housing Corporation that has or could have a material adverse effect on the right of the Housing Corporation to execute this Contract or the Second Amended and Restated Loan Agreement or the ability of the Housing Corporation to comply with any of its obligations under this Contract and the Second Amended and Restated Loan Agreement.

(d) The Housing Corporation hereby warrants that it is not subject to any bylaw or contractual or other limitation that in any way limits, restricts, or prevents it from entering into this Contract and performing its obligations hereunder.

Section 2.2 Representations by the City. The City makes the following representations as the basis for the undertakings on its part herein contained:

(a) The City is a municipal corporation and political subdivision duly created and validly existing under the laws of the State of Georgia, having the power to enter into and carry out its obligations under this Contract, and, by proper action of its governing body, has authorized the execution and delivery of this Contract and the taking of any and all such actions as may be required on its part to carry out, give effect to, and consummate the transactions contemplated by this Contract, and no approval or other action by any governmental authority, agency, or other person is required in connection with the delivery and performance of this Contract by it except as shall have been obtained as of the date hereof.

(b) This Contract has been duly executed and delivered by the City and constitutes the legal, valid, and binding obligation of the City enforceable in accordance with its terms, except as enforcement may be limited by the application of equitable principles.

(c) The authorization, execution, delivery, and performance by the City of this Contract and compliance by the City with the provisions hereof do not violate the Constitution or the statutes of the State of Georgia relating to the City or constitute a breach of or a default under, any other

law, court order, administrative regulation, or legal decree, or any agreement or other instrument to which it is a party or by which it is bound.

(d) There is no litigation or proceeding pending or, to the knowledge of the City, threatened against the City that has or could have a material adverse effect on the right of the City to execute this Contract or its ability to comply with any of its obligations under this Contract or that involves the possibility of materially and adversely affecting the properties, activities, prospects, profits, operations, or condition (financial or otherwise) of the City.

ARTICLE III

TERM; PAYMENT PROVISIONS; OBLIGATIONS ABSOLUTE AND UNCONDITIONAL

Section 3.1 Term. It is the intent of the parties that this amended Contract shall constitute a novation for purposes of any limitation on its term under Article IX, Section III, Paragraph I of the 1983 Constitution of the State of Georgia. The term of this Contract shall commence with the execution and delivery hereof and shall expire on the date on which the Bonds have been paid in full, but in no event shall this Contract expire later than fifty years from the date of the execution and delivery (the “Effective Date”).

Section 3.2 Payments. (a) The City hereby covenants and agrees to pay to the Housing Corporation at least three (3) business days prior to the date of any scheduled Loan repayment due under the Second Amended and Restated Loan Agreement, until the principal of, premium, if any, and interest on the Bonds shall have been paid in full or duly provided for, a sum equal to the amount that will be sufficient to pay the amounts payable on such dates as Loan repayments due under the Second Amended and Restated Loan Agreement. The payments required to be made by the City to the Housing Corporation pursuant to the provisions of this Section 3.2(a) shall be used by the Housing Corporation solely to make Loan repayments due under the Second Amended and Restated Loan Agreement by providing for the payment of the principal of, premium, if any, and interest on the Bonds as the same becomes due and payable. All payments received by the Housing Corporation under the provisions of this Section 3.2(a) shall not be commingled with any other funds of the Housing Corporation and shall be received in trust and deposited directly into the Sinking Fund created and held under the Bond Resolution so as to assure the availability of moneys to the Finance Authority to pay the principal of, premium, if any, and interest on the Bonds as the same becomes due and payable.

(b) As security for the payments required by Section 3.2(a) hereof, the City hereby pledges to the Housing Corporation its full faith and credit and unlimited taxing power for such payments. The City covenants that, in order to make any such payments when due from its general funds to the extent required hereunder, the City will exercise its powers of taxation to the extent necessary to pay the amount of the payments required hereunder and will make available and use for such payments all taxes levied and collected for that purpose together with funds received from any other sources. The City further covenants and agrees that in order to make funds available for such purpose in each fiscal year, it will, to the extent necessary, in its general revenue, appropriation, and budgetary measures through which its tax funds or revenues and the allocation thereof are controlled or provided for, include sums sufficient to satisfy any such payments,

whether or not any other sums are included in such measure, until all payments so required to be made hereunder shall have been made in full. The obligation of the City to make the payments required to be made hereunder from its general funds shall constitute a general obligation of the City and a pledge of the full faith and credit of the City to provide the funds required to fulfill any such obligation. In the event for any reason any such provision or appropriation is not made as provided in this Section 3.2(b), 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 that 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 as are required to be made hereunder if for any reason the payment of such obligations shall not otherwise have been made.

(c) The City covenants and agrees that it shall, to the extent necessary, levy an annual ad valorem tax on all taxable property located within the corporate limits of the City, as now existent and as the same may hereafter be extended, at such rate or rates, without limitation as to rate or amount, as may be necessary to produce in each year revenues that will be sufficient to fulfill the City's obligations to make any such payments required to be made by the City hereunder, from which revenues the City agrees to appropriate sums sufficient to pay in full when due all of the City's obligations to make any such payments. Nothing herein contained, however, shall be construed as limiting the right of the City to make the payments required to be made by the City out of any funds lawfully available to it for such purpose, from whatever source derived (including general funds).

(d) The payments to be made to the Housing Corporation by the City under the provisions of Section 3.2(a) of this Contract shall be made directly to the depository of the Sinking Fund created and held under the Bond Resolution for the account of the Housing Corporation for deposit in the Sinking Fund.

Section 3.3 Obligations of City Hereunder Absolute and Unconditional. The obligations of the City to make the payments provided for herein and to perform and observe any and all of the other covenants and agreements on its part contained herein shall be absolute and unconditional irrespective of any defense or any rights of setoff, recoupment, or counterclaim it may otherwise have against the Housing Corporation. Until such time as the Bonds are paid or deemed paid in accordance with the terms of Article XI of the Master Bond Resolution, the City (i) shall not withhold, suspend, abate, reduce, abrogate, diminish, postpone, modify, or discontinue the payments provided for herein, (ii) shall perform and observe all of its other agreements contained in this Contract, and (iii) shall not terminate the term of this Contract or its obligations hereunder for any contingency, act of God, event, or cause whatsoever, including, without limiting the generality of the foregoing, failure of the Housing Corporation to carry out and implement the Housing Opportunity Program as contemplated in this Contract or otherwise, any acts or circumstances that may constitute failure of consideration, 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, any declaration or finding that any of the Bonds, the Second Amended and Restated Loan Agreement, or the Bond Resolution is unenforceable or invalid, the invalidity of any provision of this Contract, or any failure of the Housing Corporation to perform

and observe any agreement, whether express or implied, or any duty, liability, or obligation arising out of or connected with this Contract or the Second Amended and Restated Loan Agreement. Nothing contained in this Section shall be construed to release the Housing Corporation from the performance of any of the agreements on its part contained herein. If the Housing Corporation should fail to perform any such agreement, the City may institute such action against the Housing Corporation 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 or adversely affect the agreements on the part of the City contained in this Contract and to make the payments specified herein. The Housing Corporation hereby agrees that it shall not take or omit to take any action that would cause this Contract to be terminated. The City may, however, at its own cost and expense and in its own name or in the name of the Housing Corporation, prosecute or defend any action or proceeding or take any other action involving third persons that the City deems reasonably necessary in order to secure or protect its rights hereunder, and in such event the Housing Corporation hereby agrees to cooperate fully with the City and to take all action necessary to effect the substitution of the City for the Housing Corporation in any such action or proceeding if the City shall so request.

Section 3.4 Enforcement of Obligations. (a) The obligation of the City to make payments required hereunder may be enforced by (i) the Housing Corporation, (ii) the Finance Authority under the Second Amended and Restated Loan Agreement, in accordance with the applicable provisions of the Second Amended and Restated Loan Agreement, (iii) the Bondholders under the Bond Resolution, in accordance with the applicable provisions of the Bond Resolution, or (iv) such receiver or receivers as may be appointed pursuant to the Bond Resolution or applicable law. It is understood and agreed that the Housing Corporation will pledge the payments required to be made by the City hereunder, and will grant a security interest in the Housing Corporation's contract rights under this Contract, to secure its obligation to make Loan repayments pursuant to the Second Amended and Restated Loan Agreement, and the City hereby consents to the pledge of its payments required to be made hereunder, and the grant of a security interest in the Housing Corporation's contract rights hereunder, pursuant to the Second Amended and Restated Loan Agreement. The Finance Authority and the owners of the Bonds are deemed to be and are third party beneficiaries of the representations, covenants, and agreements of the City herein contained.

(b) The Finance Authority will not hereafter issue any other bonds or obligations of any kind or nature payable from or enjoying a lien on the security provided for herein or in the Master Bond Resolution superior to the lien herein created for the repayment of the Loan.

Section 3.5 No Set-Off. No breach, default, or failure by the Housing Corporation to comply with the provisions of this Contract shall permit an abatement or reduction in or setoff against the payments due from the City hereunder. Nothing in this Contract shall otherwise impair, diminish, or affect any other right or remedy available to the City (i) as a result of the Housing Corporation's breach, default, or failure under this Contract, or (ii) to enforce the obligations of the Housing Corporation under this Contract. No dispute or litigation between the Housing Corporation and the City with respect to this Contract shall affect any party's duties to 'perform its obligations or its rights or remedies while such dispute or litigation is pending.

ARTICLE IV

SPECIAL COVENANTS OF CITY

Section 4.1 Fees and Expenses Paid by the City; Indemnity.

(a) The City agrees that, as consideration for the services and facilities provided by the Housing Corporation in connection with the Housing Opportunity Program, it shall pay directly to the Housing Corporation and the Finance Authority, respectively, an amount sufficient to pay or reimburse the Housing Corporation and the Finance Authority, respectively, for all expenses actually incurred by each of them under the Second Amended and Restated Loan Agreement and the Bond Resolution, including but not limited to the reasonable fees and expenses of their respective counsel and agents, the cost of directors and officers liability insurance for the Housing Corporation, and all other costs associated with the Housing Opportunity Program. Such amounts, to the extent they are not paid by moneys on deposit in the hereinafter described Administrative Costs Fund, shall be billed to the City by the Housing Corporation or the Finance Authority from time to time, together with a statement certifying that the amount billed has been incurred or paid by such party for one or more of the above items. Amounts so billed shall be paid by the City within thirty (30) days after receipt of the bill by the City.

(b) In addition to the other amounts payable by the City under this Contract (including, without limitation, Section 4.1(a) hereof), the City hereby agrees, to the fullest extent permitted by applicable law, to pay and indemnify the Housing Corporation and the Finance Authority and each of their respective directors, officers, employees, and agents from and against all claims, liabilities, losses, costs, and expenses (including, without limitation, reasonable attorneys' fees and expenses) that the Housing Corporation and the Finance Authority may (other than as a result of the gross negligence or willful misconduct of the Housing Corporation or the Finance Authority) incur or be subjected to as a consequence, directly or indirectly, of the Housing Opportunity Program, including, but not limited to, (i) any actual or proposed use of the proceeds of any Bonds or the City's entering into or performing under this Contract, (ii) any breach by the City of any representation, warranty, covenant, or condition in, or the occurrence of any other default under, this Contract, including without limitation all reasonable attorneys' fees or expenses resulting from the settlement or defense of any claims or liabilities arising as a result of any such breach or default, (iii) allegations that the Housing Corporation or the Finance Authority has joint liability with the City to any third party as a result of the transactions contemplated by this Contract, or (iv) any suit, investigation, or proceeding as to which the Housing Corporation or the Finance Authority is involved as a consequence, directly or indirectly, of its execution of this Contract, the Second Amended and Restated Loan Agreement, or the Bond Resolution or any other event or transaction contemplated by this Contract, the Second Amended and Restated Loan Agreement, or the Bond Resolution.

(c) Nothing contained in Section 4.1(b) shall require the City to indemnify the Housing Corporation or the Finance Authority for any claim or liability that the City was not given any opportunity to contest or for any settlement of any such action effected without the City's consent. The indemnity of the Housing Corporation and the Finance Authority contained in Section 4.1(b) shall survive the termination of this Contract.

(d) As security for the payments required by Section 4.1(a) and (b) hereof, the City hereby pledges to the Housing Corporation and the Finance Authority its full faith and credit and unlimited taxing power for such payments. The City covenants that, in order to make any such payments when due from its general funds to the extent required hereunder, the City will exercise its powers of taxation to the extent necessary to pay the amount of the payments required hereunder and will make available and use for such payments all taxes levied and collected for that purpose together with funds received from any other sources. The City further covenants and agrees that in order to make funds available for such purpose in each fiscal year, it will, to the extent necessary, in its general revenue, appropriation, and budgetary measures through which its tax funds or revenues and the allocation thereof are controlled or provided for, include sums sufficient to satisfy any such payments, whether or not any other sums are included in such measure, until all payments so required to be made hereunder shall have been made in full. The obligation of the City to make the payments required to be made hereunder from its general funds shall constitute a general obligation of the City and a pledge of the full faith and credit of the City to provide the funds required to fulfill any such obligation. In the event for any reason any such provision or appropriation is not made as provided in this Section 4.1(d), 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 that 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 as are required to be made hereunder if for any reason the payment of such obligations shall not otherwise have been made.

(e) The City covenants and agrees that it shall, to the extent necessary, levy an annual ad valorem tax on all taxable property located within the corporate limits of the City, as now existent and as the same may hereafter be extended, at such rate or rates, without limitation as to rate or amount, as may be necessary to produce in each year revenues that will be sufficient to fulfill the City's obligations to make any such payments required to be made by the City hereunder, from which revenues the City agrees to appropriate sums sufficient to pay in full when due all of the City's obligations to make any such payments. Nothing herein contained, however, shall be construed as limiting the right of the City to make the payments required to be made by the City out of any funds lawfully available to it for such purpose, from whatever source derived (including general funds).

Section 4.2 Continuing Disclosure. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Disclosure Certificate. Notwithstanding any other provision of this Contract, failure of the City to comply with the Disclosure Certificate shall not be considered an event of default under this Contract; however, any beneficial owner of the Bonds 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 Section 4.2.

Section 4.3 Further Assurances and Corrective Instruments, Recordings, and Filings. The City agrees that it will, from time to time, execute, acknowledge, and deliver, or cause to be executed, acknowledged, and delivered, such supplements hereto and such further

instruments, certificates, and acknowledgments as may reasonably be required to perfect the pledge of revenues derived hereunder as provided in the Second Amended and Restated Loan Agreement or for carrying out the intention of or facilitating the performance of this Contract.

Section 4.4 Confirming Documents. In connection with the issuance of any series of Bonds, the City shall, upon request by the Housing Corporation, authorize, execute, and deliver to the Housing Corporation any certificates, letters, or other documents confirming the obligations of the City under this Contract, or the execution and delivery of this Contract.

Section 4.5 Tax Returns. The City shall prepare and file, or cause to be prepared and filed, any tax returns or other information that the Housing Corporation is required by law to file with any taxing authority, federal, state, or local.

ARTICLE V

SPECIAL COVENANTS OF THE HOUSING CORPORATION

Section 5.1 Additional Bonds. The Housing Corporation shall not request or participate in the issuance of any revenue bonds secured by this Contract, other than the Bonds, to be issued by the Finance Authority under the Bond Resolution without the prior written consent of the City.

Section 5.2 Access to Records. The Housing Corporation shall keep or cause to be kept accurate and complete records and books of account with respect to its activities in which proper entries are made in accordance with generally accepted accounting principles reflecting all of its financial transactions. The City shall have the right at all reasonable times to examine and make extracts from the books and records of the Housing Corporation, insofar as necessary to ascertain compliance with this Contract and to discuss with the Housing Corporation's officers, employees, agents, and accountants the Housing Corporation's affairs, finances, accounts, activities, assets, liabilities, financial condition, results of operations, and financial prospects.

Section 5.3 Housing Corporation to Maintain its Existence; Line of Business. The Housing Corporation agrees that while this Contract is in effect it shall maintain its legal existence as a Georgia nonprofit corporation, shall not consolidate with or merge into another corporation or permit one or more other corporations to consolidate with or merge into it, and shall not dissolve or otherwise dispose of all or substantially all of its assets.

Section 5.4 Financial Statements and Other Information. The Housing Corporation shall provide, or cause to be provided to, the Commissioner of the Department of Grants and Community Development and the Chief Housing Officer for the City (the "CHO") (1) annually, within one hundred eighty (180) days after the end of each Fiscal Year, the basic financial statements of the Housing Corporation, including the balance sheet, statement of support, revenues, and expenses and changes in fund balance, and statement of cash flows, for the year then ended, in comparative form with the preceding fiscal year, which basic financial statements shall be accompanied by an audit report resulting from an audit conducted by a firm of independent certified public accountants in conformity with generally accepted auditing standards, (such audited financial statements shall also be provided to the City Council of the City), (2) promptly upon receipt thereof, a copy of each other report submitted to the Housing Corporation by its

accountants in connection with any annual, interim, or special audit made by them of the books of the Housing Corporation (including, without limitation, any management report prepared in connection with such accountants' annual audit of the Housing Corporation), (3) semiannually, within thirty (30) days after each June 30 and December 31, financial statements for such semiannual period prepared by the Housing Corporation without audit, covering the operations of the Housing Corporation for such semiannual period and containing a balance sheet as of the end of such semiannual period and an income statement for such semiannual period, showing in comparative form the year to date financial figures for the current fiscal year, and a report showing the amounts of the loaned and unloaned balances of the Program Fund required to be created by the Housing Corporation pursuant to this Article V and the types of outstanding loans, categorized by the types of loans specified in Sections 5.6, 5.7, 5.8 and 5.9 hereof, and, with respect to single family loans, categorized by the Relevant Percentages set forth in Section 5.7(c) hereof, (4) with reasonable promptness, such other information relating to the operations, management, business, properties, or condition (financial or other) of the Housing Corporation as the City may reasonably request in writing from time to time and (5) annually, within one hundred eighty (180) days of the end of each Fiscal Year, an annual presentation regarding the Program to the City Council. The audited financial statements to be furnished to the Office of Housing and Community Development and the City Council of the City annually pursuant to this Section 5.4 shall be prepared in accordance with generally accepted accounting principles applied on a consistent basis.

Section 5.5 Creation of Housing Opportunity Program.

(a) The Housing Corporation hereby establishes the Housing Opportunity Program (1) as a revolving loan program to make loans to finance in whole or in part single family housing and multifamily housing that constitute Eligible Housing Units and Residential Housing and (2) as a land acquisition program to purchase land to be held for future sale for use as part of Eligible Housing Units and Residential Housing, pursuant to the requirements set forth in this Article V. The Housing Corporation shall, pursuant to the Second Amended and Restated Loan Agreement, establish the following funds to be held in trust by one or more depositories for the account of the Housing Corporation and to be used for the purposes set forth in this Article V:

- A. Program Fund;
- B. Loan Repayments Fund; and
- C. Administrative Costs Fund.

(b) Pursuant to the Second Amended and Restated Loan Agreement, the Finance Authority shall make the Loan by depositing the proceeds of the sale of the Bonds into the funds created in the Second Amended and Restated Loan Agreement and the Costs of Issuance Fund created in the Bond Resolution, in the amounts specified by joint written direction of the Housing Corporation and the City, acting through the Commissioner of the Department of Grants and Community Development or other authorized representative of the Office of the Commissioner of the Department of Grants and Community Development. Prior to the issuance of each series of Bonds, the City, acting through its legislative process, shall approve the amounts to be deposited in the Program Fund from each series of Bonds and the purposes for which such amounts shall be applied, categorized by the purposes specified in Sections 5.6, 5.7, 5.8, 5.9, 5.10 and 5.11 hereof.

(c) Amounts held in the Program Fund may be used as provided in Sections 5.6, 5.7, 5.8, 5.9, 5.10 and 5.11 hereof. Repayments of loans made from the Program Fund shall be deposited in the Loan Repayments Fund. The Housing Corporation may make transfers from the Loan Repayments Fund to the Program Fund from time to time as needed to carry out the Housing Opportunity Program. The Housing Corporation may make transfers from the Program Fund to the Administrative Costs Fund from time to time as needed to pay the administrative costs of the Housing Opportunity Program.

(d) Annually, on or before the date that is thirty (30) days prior to the commencement of each fiscal year of the Housing Corporation, the City, acting through the Commissioner of the Department of Grants and Community Development or other authorized representative of the Office of the Commissioner of the Department of Grants and Community Development, shall file with the Housing Corporation a written direction of the amounts or percentages of moneys held in the Program Fund (or to be transferred to the Program Fund from the Loan Repayments Fund) that are to be used for the purposes specified in Sections 5.6, 5.7, 5.8, 5.9, 5.10 or 5.11 hereof. Such written direction may be amended at any time by the City, acting through the Commissioner of the Department of Grants and Community Development or other authorized representative of the Office of Commissioner of the Department of Grants and Community Development. Notwithstanding the foregoing, any such written direction of the Commissioner of the Department of Grants and Community Development or other authorized representative of the Office of the Commissioner of the Department of Grants and Community Development that changes the purposes of moneys held in the Program Fund, categorized by the purposes specified in Sections 5.6, 5.7, 5.8, 5.9, 5.10 or 5.11 hereof, by more than twenty percent (20%) of the remaining proceeds from the previous year's balance shall require the prior approval of the City, acting through its legislative process. The Housing Corporation shall comply with such written direction in applying moneys held in the Program Fund (or to be transferred to the Program Fund from the Loan Repayments Fund) for the purposes specified in Sections 5.6, 5.7, 5.8, 5.9, 5.10 or 5.11 hereof. The Housing Corporation may continue to rely upon such written direction until a new or amended written direction is filed with the Housing Corporation by the City.

(e) Recipients of Multifamily Loans, Developer Loans or Non-Profit Loans under Sections 5.6, 5.7(b) and 5.9 must adopt an affirmative marketing plan, which must include: (1) methods for informing the public and solicitation to the those who are not likely to apply for multifamily housing or single family residential units that constitutes Eligible Housing Units and Residential Housing without special outreach; and (2) the use of the Equal Housing Opportunity logo or slogan in press releases or solicitations.

Section 5.6 Multifamily Loans.

(a) Large Multifamily Developer Loans. Moneys held in the Program Fund may be applied to make loans to developers to finance, in part, capitalizable pre-development costs and the acquisition, construction, or renovation of large-scale multifamily housing consisting of 71 or more units that constitute Eligible Housing Units and Residential Housing (“**Large Multifamily Loans**”) to be occupied by households having an income that does not exceed sixty percent (60%) of AMI, adjusted for household size. The total amount of each such Large Multifamily Loan may not exceed fifty percent (50%) of the total capital expenditures (excluding fees paid to a developer or its Affiliates) of the multifamily housing project financed by such Large Multifamily Loan. No

Large Multifamily Loan may be made or unconditionally committed to be made unless the developer shall have obtained, through a firm commitment, secure funding sources for the balance of the total costs of the multifamily housing project, but nothing in this sentence shall preclude the Housing Corporation from making conditional commitments for Large Multifamily Loans. Large Multifamily Loans shall be subordinated in lien and right of payment to the repayment of other loans to finance or refinance the multifamily housing project, provided such other loans are made by lenders that are not Affiliates of the developer. The obligation to repay Large Multifamily Loans shall be evidenced by a promissory note, in a form acceptable to the Program Administrator, and shall be secured by a deed to secure debt, in a form acceptable to the Program Administrator. Each multifamily housing project financed by a Large Multifamily Loan shall be regulated by a land use restriction agreement in a form acceptable to the Program Administrator.

(b) Small Multifamily Developer Loans. Moneys held in the Program Fund may be applied to make loans to developers to finance, in part, capitalizable pre-development costs and the acquisition, construction, or renovation of small-scale multifamily housing consisting of 70 or fewer units that constitute Eligible Housing Units and Residential Housing (“Small Multifamily Loans”) to be occupied by households having an income that does not exceed eighty percent (80%) of AMI, adjusted for household size. Funds may also be used for capitalizable pre-development costs and the acquisition, development, construction, and rehabilitation of small multifamily properties (consisting of between 5 and 70 units, inclusive) or small mixed-use properties (consisting of 30 or fewer residential units and 5,000 or fewer square feet of retail and commercial space) with a focus on in-fill development. The total amount of each such Small Multifamily Loan may not exceed fifty percent (50%) of the total capital expenditures (excluding fees paid to a developer or its Affiliates) of the multifamily housing or small mixed use project financed by such Small Multifamily Loan but shall not exceed the maximum amount established by the Program Administrator. A factor to be considered by the Program Administrator in determining the loan amount would be the number of units targeted at 60% AMI and below and/or the number of units targeting 80% AMI and below, adjusted for household size, with larger loans being awarded to projects with a lower targeted percentage of AMI. A minimum of thirty percent (30%) of the residential units must be set-aside as affordable in any small multifamily project. No Small Multifamily Loan may be made or unconditionally committed to be made unless the developer shall have obtained, through a firm commitment, secure funding sources for the balance of the total costs of the multifamily housing project, but nothing in this sentence shall preclude the Housing Corporation from making conditional commitments for Small Multifamily Loans. Small Multifamily Loans shall be subordinated in lien and right of payment to the repayment of other loans to finance or refinance the multifamily housing project, provided such other loans are made by lenders that are not Affiliates of the developer. The obligation to repay Small Multifamily Loans shall be evidenced by a promissory note, in a form acceptable to the Program Administrator, and shall be secured by a deed to secure debt, in a form acceptable to the Program Administrator. Each multifamily housing project financed by a Small Multifamily Loan shall be regulated by a land use restriction agreement in a form acceptable to the Program Administrator.

Section 5.7 Single Family Loans.

(a) General Requirements Applicable to Developer Loans and Down Payment Assistance Loans. Moneys held in the Program Fund may be applied to make loans for properties that are eligible to be financed with Single Family Loans; i.e. single family homes, townhomes, or

condominiums that are or will be located within the corporate limits of the City. Each single family residential unit to be financed with a Single Family Loan (1) must be sold to and occupied by a household whose income does not exceed 120% of AMI, adjusted for household size, (2) if it has been occupied, must be inspected by a licensed residential inspector, and (3) if it was constructed before 1978, must have an inspection attesting to its safety regarding lead-based paint. Each homeowner of a single family residential unit financed by a Single Family Loan must occupy the single family residential unit as such homeowner’s principal place of residency within 30 days of closing the single family loan. The purchase price or acquisition and construction or rehabilitation cost, as the case may be, and appraised value of each single family residential unit financed with a Single Family Loan may not exceed the dollar amount limitation that applies for the area under the Workforce Owner Housing Maximums.

(b) Developer Loans. Moneys held in the Program Fund may be applied to make Single Family Loans to developers to finance, in part, capitalizable predevelopment costs and the acquisition, construction, or renovation of single family residential units that constitute Eligible Housing Units and Residential Housing (“Developer Loans”). Developer Loans may be issued as traditional loans or may be offered as a “guidance line of credit” which shall constitute a perpetual approval to a developer for a predetermined period of time, provided that the project(s) each meet the conditions of the Housing Opportunity Program. Developer Loans shall be subordinated in lien and right of payment to the repayment of other loans to finance or refinance the single family residential unit, provided such other loans are made by lenders that are not Affiliates of the developer. The obligation to repay Developer Loans shall be evidenced by a promissory note, in a form acceptable to the Program Administrator, and shall be secured by a deed to secure debt, in a form acceptable to the Program Administrator. Each single family residential unit that is financed by a Developer Loan that cannot be sold to an income eligible owner occupant may be leased or rented to an income eligible household.

(c) Down Payment Assistance Loans. Moneys held in the Program Fund may be applied to make Down Payment Assistance Family Loans to individuals to finance in part the acquisition or acquisition and rehabilitation of single family residential units that constitute Eligible Housing Units and Residential Housing (“Down Payment Assistance Loans”). The Housing Corporation shall exercise its best efforts, for a period of six months following the issuance of each series of Bonds, to cause the following percentages of Bond proceeds targeted for Individual Loans to be applied to make loans to persons and households with the following Relevant Percentages:

Percentage of Bond Proceeds Targeted For Down Payment Assistance Loans	Relevant Percentage of AMI
20%	60%
30	80
50	120

Down Payment Assistance Loans shall be subordinated in lien and right of payment to the repayment of other loans to finance or refinance the single family residential unit, provided such other loans are made by lenders that are not Affiliates of the individual. The obligation to repay Down Payment Assistance Loans shall be evidenced by a promissory note, in a form acceptable

to the Program Administrator, and shall be secured by a deed to secure debt, in a form acceptable to the Program Administrator. The interest rate on each Down Payment Assistance Loan shall be 0%. Each homeowner of a single family residential unit financed by a Down Payment Assistance Loan (1) must successfully complete a homeownership training course prior to obtaining such Down Payment Assistance Loan and (2) must contribute \$1,500 of his or her own funds toward the purchase price of the residence or the related closing costs. The total amount of each Down Payment Assistance Loan may not exceed twenty percent (20%) of the total purchase price of the single family residential unit financed by such Down Payment Assistance Loan. No Down Payment Assistance Loan may be made or unconditionally committed to be made unless the homeowner shall have obtained through a firm commitment secure funding sources for the balance of the total costs of the single family residential unit, but nothing in this sentence shall preclude the Housing Corporation from making conditional commitments for Down Payment Assistance Loans.

Section 5.8 Owner Occupied Rehabilitation Loans. Moneys held in the Program Fund may be applied to make home repair loans to households whose income does not exceed 60% of AMI, adjusted for household size and who own and reside within a single family residential unit that constitutes Eligible Housing Units and Residential Housing, located within the City that is their primary residence for a minimum of five (5) years prior to application. Eligible repairs and the priority of repairs addressed shall include (1) repairs that address health and life safety of the single family residential unit that constitutes Eligible Housing Units and Residential Housing; (2) remediation of mold, lead based paint and/or asbestos; (3) improvements of energy efficiency; and (4) deferred maintenance. The priority of eligible recipients includes (1) senior head of households aged 55+; (2) disabled households; (3) military veteran head of households, (4) households with City of Atlanta code violations for structural issues; and (5) all other households whose income does not exceed 60% of AMI, adjusted for household size. The obligation to repay Owner Occupied Rehabilitation Loans shall be evidenced by a promissory note, in a form acceptable to the Program Administrator, and shall be secured by a deed to secure debt, in a form acceptable to the Program Administrator. The interest rate on each Owner-Occupied Rehabilitation Loan shall be 0%.

Section 5.9 Non-Profit Affordable Housing Development Organization Loans. Moneys held in the Program Fund may be applied to make loans to non-profit affordable housing development organizations (“**Non-Profit Loans**”) hereinafter defined as organizations with housing development as part of its primary mission that: (1) are organized under state or local laws; (2) have no part of their net earnings benefiting any member, founder, contributor, or individual; (3) are neither controlled by, nor under the direction of, individuals or entities seeking to derive profit or gain from the organization; (4) have a tax exemption ruling from the Internal Revenue Service under Section 501(c)(3) or (4) of the Internal Revenue Code; (5) have standard of financial accountability that conform to 2 CFR 200.302, “Financial Management” and 2 CFR 200.303, “Internal Controls”; and (6) have among their purposes the provision of decent housing that is affordable to low-income and moderate-income persons. Non-Profit Loans will finance, in part, capitalizable predevelopment costs and the acquisition, construction, or renovation of multifamily housing or single family housing that constitutes Eligible Housing Units and Residential Housing. The total amount of each Non-Profit Loan may not exceed fifty percent (50%) of the total capital expenditures (excluding fees paid to the non-profit affordable housing development organization or its Affiliates) of the housing project financed by such Non-Profit

Loan. No Non-Profit Loan may be made or unconditionally committed to be made unless the non-profit affordable housing development organization shall have obtained through a firm commitment secure funding sources for the balance of the total costs of the housing project, but nothing in this sentence shall preclude the Housing Corporation from making conditional commitments for Non-Profit Loans. Non-Profit Loans shall be subordinated in lien and right of payment to the repayment of other loans to finance or refinance the housing project, provided such other loans are made by lenders that are not Affiliates of the non-profit affordable housing organization. The obligation to repay the Non-Profit Loans shall be evidenced by a promissory note, in a form acceptable to the Program Administrator, and shall be secured by a deed to secure debt, in a form acceptable to the Program Administrator. The Housing Corporation may make Non-Profit Loans when the non-profit affordable housing development organization acts as owner, developer, or sponsor of an affordable housing project, as follows:

- (1) Owner - A non-profit affordable housing development organization is an “owner” when it holds valid legal title to or has a long term (99 year minimum) leasehold interest in a rental property. A non-profit affordable housing development organization may be an owner with one or more other Persons. If it owns the project in partnership, it or its wholly-owned nonprofit or for-profit subsidiary must be the managing general partner with effective control (i.e., decision-making authority) of the project. A non-profit affordable housing development organization may be both owner and developer, or may have another entity as the developer.
- (2) Developer - A non-profit affordable housing development organization is a “developer” when it (A) owns a property and develops a project, or has a contractual obligation to a property owner to develop a project, and (B) performs all the functions typically expected of for-profit developers, and assumes all the risks and rewards associated with being the project developer.
- (3) Sponsor - A non-profit affordable housing development organization is a “sponsor” for rental or homebuyer housing in the following circumstances: (A) for rental housing, the non-profit affordable housing development organization may develop a project that it solely or partially owns and agrees to convey ownership to a second non-profit organization at a predetermined time prior to or during development or upon completion of the development of the project, and (B) for a homebuyer program, the non-profit affordable housing development organization owns a property, then shifts responsibility for the project to another nonprofit at some specified time in the development process.

Section 5.10 Land and Property Assemblage.

(a) Direct Acquisition. Moneys held in the Program Fund may be applied to purchase land, improvements, and pay the costs of demolishing improvements on such land and otherwise clearing such land or improvements for use as part of Eligible Housing Units and Residential Housing (“**Acquisition Loans**”). The City, the Housing Authority, Atlanta BeltLine, Inc., the Finance Authority the Fulton-County-City of Atlanta Land Bank Authority, or any investment trust, housing trust, non-profit corporation, created and controlled by the aforementioned entities may submit an application for loan funding to the Program Administrator with the concurrence of

the CHO for subsequent development, rehabilitation, and ownership that is required to constitute Eligible Housing Units and Residential Housing. Land and property acquired under this activity must be redeveloped and sold (to households whose income does not exceed 120% of AMI, adjusted for household size) or rented (to households whose income does not exceed 60% of AMI, adjusted for household size). The obligation to repay the Acquisition Loans shall be evidenced by a promissory note, in a form acceptable to the Program Administrator, and shall be secured by a deed to secure debt, in a form acceptable to the Program Administrator. Each Acquisition Loan shall be regulated by a land use restriction agreement in a form acceptable to the Program Administrator.

(b) Land Assemblage Financing Fund. Moneys held in the Program Fund may be reserved to secure firm commitments by or on behalf of the Housing Corporation to purchase participation interests in land assemblage or property to finance Eligible Housing Units and Residential Housing.

Section 5.11 Permanent Supportive Housing Loans. Moneys held in the Program Fund may be applied to make loans to developers to finance, in part, the acquisition, construction, or renovation of Permanent Supportive Housing that constitutes Eligible Housing Units and Residential Housing, to be occupied by households having an income that does not exceed fifty percent (50%) of AMI, adjusted for household size. The total amount of any Permanent Supportive Housing Loan may not exceed fifty percent (50%) of the total capital expenditures (excluding fees paid to a developer or its Affiliates) of the project. Permanent Supportive Housing Loan funding shall be limited to properties with no more than 50% Permanent Supportive Housing Units per project. No Permanent Supportive Housing Loan may be made or unconditionally committed to be made unless the developer shall have obtained through a firm commitment secure funding sources for the balance of the total costs of the project, but nothing in this sentence shall preclude the Housing Corporation from making conditional commitments for Permanent Supportive Housing Loans. Permanent Supportive Housing Loans shall be subordinated in lien and right of payment to the repayment of other loans to finance or refinance the multifamily housing project, provided such other loans are made by lenders that are not Affiliates of the developer. The obligation to repay Permanent Supportive Housing Loans shall be evidenced by a promissory note, in a form acceptable to the Program Administrator, and shall be secured by a deed to secure debt, in a form acceptable to the Program Administrator. Each multifamily housing project financed by a Permanent Supportive Housing Loan shall be regulated by a land use restriction agreement, in a form acceptable to the Program Administrator, for the greater of 20 years of the term of the Permanent Supportive Housing Loan.

Permanent Supportive Housing Loans may be offered in collaboration with the HomeFirst Program and may be layered with Home First Program funds for capital costs. No Permanent Supportive Housing Loan shall be made that does not provide or have contractual third-party agreements to provide supportive services to the occupants of the Permanent Supportive Housing in form and in substance satisfactory to Program Administrator.

Section 5.12 Administrative Costs Fund. Moneys held in the Administrative Costs Fund shall be applied to pay the costs of issuing Bonds, the fees and expenses of the Housing Corporation and the Finance Authority and their respective agents and counsel, and the costs of carrying out and administering the Housing Opportunity Program.

ARTICLE VI

MISCELLANEOUS

Section 6.1 Governing Law. This Contract and the rights and obligations of the parties hereto (including third party beneficiaries) shall be governed, construed, and interpreted according to the laws of the State of Georgia.

Section 6.2 Entire Agreement. This Contract expresses the entire understanding and all agreements between the parties hereto.

Section 6.3 Severability. If any provision of this Contract shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses, or sections contained in this Contract shall not affect the remaining portions of this Contract or any part thereof.

Section 6.4 Survival of Warranties. All agreements, representations, and warranties of the parties hereunder, or made in writing by or on behalf of them in connection with the transactions contemplated hereby, shall survive the execution and delivery hereof, regardless of any investigation or other action taken by any person relying thereon.

Section 6.5 Counterparts. This Contract may be executed in several counterparts, each of which shall be an original, and all of which shall constitute but one and the same instrument.

Section 6.6 Amendments in Writing. No waiver, amendment, release, or modification of this Contract shall be established by conduct, custom, or course of dealing, but solely by an instrument in writing only executed by the parties hereto. The provisions of Article III of this Contract may not be amended, changed, modified, altered, or terminated except as provided in the Bond Resolution. All other provisions of this Contract may be amended, changed, modified, altered, or terminated without notice to or the consent of the Finance Authority or the owners of any Bonds.

Section 6.7 Notices. Except as otherwise specifically provided herein, any notices, demands, approvals, consents, requests, and other communications hereunder shall be in writing and shall be deemed given when the writing is delivered in person or five days after being mailed, if mailed, by certified mail, return receipt requested, postage prepaid, to the City and the Housing Corporation, respectively, at the addresses shown below or at such other addresses as may be furnished by the City or the Housing Corporation in writing from time to time:

City:

City of Atlanta
55 Trinity Avenue, Office of the Mayor
Atlanta, Georgia 30303
Attention: Chief Housing Officer

with copies to:

City of Atlanta
Department of Law
55 Trinity Avenue, Suite 5000
Atlanta, Georgia 30303
Attention: City Attorney

City of Atlanta
Department of Finance
68 Mitchell Street, S.W., Suite 1100
Atlanta, Georgia 30303
Attention: Department of Accounting Services

Housing Corporation:

Atlanta Housing Opportunity, Inc.
c/o The Housing Authority of the City of
Atlanta, Georgia
230 John Wesley Dobbs Avenue, N.E.
Atlanta, Georgia 30303-2429
Attention: President and Chief Executive Officer
with a copy to: General Counsel

with copies to:

Urban Residential Finance Authority of the City
of Atlanta
133 Peachtree Street NE, Suite 2900
Atlanta, Georgia 30303
Attention: Senior Vice President, Community
Development

Urban Residential Finance Authority of the City
of Atlanta
133 Peachtree Street, NE, Suite 2900
Atlanta, Georgia 30303
Attention: General Counsel

Section 6.8 Limitation of Rights. Nothing in this Contract, express or implied, shall give to any person, other than the parties hereto and their successors and assigns hereunder and the Finance Authority and the owners of the Bonds, any benefit or any legal or equitable right, remedy, or claim under this Contract.

Section 6.9 Program Administration Agreement. The City hereby acknowledges and agrees that the Housing Corporation and the Finance Authority will enter into a Second Amended and Restated Program Administration Agreement (the “**Program Administration Agreement**”), pursuant to which the Finance Authority will serve as program administrator on behalf of the Housing Corporation and, in such role, the Finance Authority will be solely responsible for the implementation and administration of the Housing Opportunity Program on behalf of the Housing Corporation. The City hereby consents to this arrangement.

Section 6.10 Responsibilities of Housing Corporation. It is hereby recognized and agreed that the financial obligations of the Housing Corporation under the Housing Opportunity Program and the associated revenue bonds to be issued by the Finance Authority will be payable from those payments received by the Housing Corporation under this Contract, as provided herein. In addition, the administration of the Housing Opportunity Program will be the responsibility of the Finance Authority, as provided in the Program Administration Agreement. The Housing Corporation shall be responsible for the oversight and review of the information and reports presented by the Finance Authority and the City, acting through the Office of Housing and Community Development, on a periodic basis, from both a financial and administrative position. As provided in Section 14-3-830 of the Official Code of Georgia Annotated, the directors of the Housing Corporation shall be entitled to rely upon such information, opinions, reports, or statements, including financial statements, and other data if prepared by legal counsel, public accountants, or other persons as to matters the directors reasonably believe are within the person's professional or expert competence. The Housing Corporation hereby recognizes the Finance Authority and the Office of Housing and Community Development of the City to have the professional and expert competence on which it may reasonably rely.

[Signatures and Seals to Follow]

IN WITNESS WHEREOF, the City and the Housing Corporation have caused this Contract to be executed in their respective corporate names and have caused their respective corporate seals to be hereunto affixed and attested by their duly authorized officers, all as of the day and year first above written.

CITY OF ATLANTA

(SEAL)

By: _____
Mayor

Attest:

Municipal Clerk

Approved As to Form:

Deputy City Attorney

**ATLANTA HOUSING OPPORTUNITY,
INC.**

(SEAL)

By: _____
President

Attest:

Secretary