City Council of Peachtree City
Agenda
April 19, 2007
7:00 p.m.

I. Call to Order

II. Pledge of Allegiance

III. Announcements, Awards, Special Recognition
Remind Attendees to Turn Off Cell Phones
Proclamation for Rotary International Group Study Exchange
Proclamation for Older Americans Month
Proclamation for Webb Lindsey Wade Sponsorship at Amphitheater
Recognize David Rast for 10 Years of Service

IV. Public Comment

V. Minutes
April 5, 2007, Regular Meeting Minutes

VI. Consent Agenda

VII. Old Agenda Items
01-07-15 Consider Amendments to Home Occupation Ordinance

VIII. New Agenda Items
04-07-06 Public Hearing – Consider Rezoning, GA 74/Rockaway Road – GI to LUC
04-07-07 Public Hearing – Consider Partial Update of Comprehensive Plan
04-07-08 Request from Peachtree City Civic Association to Address Council Regarding TDK Extension
04-07-09 Presentation of 2006 Financial Statements
04-07-10 Consider Stormwater Revenue Bond
04-07-11 Consider Amendment to Ordinance Extending Terms of Recreation Commission from Three Years to Five Years
04-07-12 Consider Amendment to Section 78-92 Registration/Transfer Requirements, Motorized Carts Ordinance

IX. Council/Staff Topics
Update on Huddleston Pond

X. Executive Session

This agenda is subject to change at any time up to 24 hours prior to the scheduled meeting.

City Council of Peachtree City
Minutes of Meeting
April 5, 2007
7:00 p.m.

The City Council of Peachtree City met Thursday, April 5, 2007, in the City Hall Council Chambers. Mayor Logsdon called the meeting to order at 7:00 p.m. Other Council Members present: Steve Boone, Stuart Kourajian, and Judi Rutherford. Cyndi Plunkett was out of town.

Announcements, Awards, Special Recognitions
Mayor Logsdon read a proclamation for Confederate Memorial Day.

Public Comment
There was no public comment.

Minutes
Rutherford moved to approve the March 15, 2007, regular meeting minutes and the 2007 Retreat minutes as written. Kourajian seconded. The motion carried 4-0.

Monthly Reports
Logsdon noted there was an additional document on the dais – the February 2007 Police Department monthly report. Rutherford noted that the Great American Cleanup was on April 7, and the Tour de Georgia was on April 16. Logsdon pointed out that the Top 5 accident locations were SR 54/SR 74, SR 54/Peachtree Parkway, SR 54/Planterra Way, SR 74/Peachtree Parkway, and SR 74/Rockaway Road.

Consent Agenda
1. **Consider Approval of STWP/CIE**
2. **Consider Acceptance of CEDAP Grant**
3. **Consider Budget Amendments**

Rutherford moved to approve the Consent Agenda. Boone seconded. The motion carried 4-0.

Old Agenda Items
11-06-SCM Consider Ravin Homes – Cedarcroft Impact Fee Appeal
Deron Hicks, attorney for Michael Rossetti and Ravin Homes, Inc., addressed Council. He said Ravin Homes was asking for a credit against the impact fees due for the Cedarcroft subdivision. He noted that Ravin Homes had been in business and part of the community for 33 years.

Hicks continued that Ravin Homes purchased the property in 1992 and had run into many problems when the development process started. The City wanted a road that ran north from SR 54 on the west side of the City. It was considered an important part of the development of the area. The subdivision's development was held up until Ravin Homes agreed to build a substantial portion of the road. The payment of impact fees was delayed until the final phase was platted and approved; they were very close to that. The amount of impact fees due was $309,000, of which $32,000 had been paid. Ravin Homes was asking Council to consider giving a credit for the road, the land it encompassed, and the value of the construction against the impact fees.

Hicks said two questions were asked at the prior meeting on the issue. One was the question of why Ravin should receive credit for the road when the other developers had not received credit for their portion of MacDuff Parkway. The second question was how a credit could be given for a service area that did not have a road impact fee. Hicks continued that Ravin Homes had an easement agreement with another property owner that would have provided access to SR 54. Ravin Homes did not need MacDuff Parkway or any other external roadway as an access, but the City had required the road. Every other developer relied on MacDuff Parkway for access to their projects. Ravin Homes contributed to the road because the City needed it. The road was the linchpin in the development of the area. Hicks said that distinguished Ravin Homes from the other developers along MacDuff Parkway.

Hicks continued that, if impact fees had been required for a road, then MacDuff Parkway would have been that road. It was the arterial road for the Westside of the City. Other service areas in the City had road projects that were very similar. It would be fair to consider that an appropriate credit when applying the impact fee ordinance. Georgia's development fee act described two different types of capital improvement projects. One was a project improvement, which was an improvement that served one particular project. The law identified system improvements, which were addressed by impact fees. System improvements served a broader area than one project. MacDuff Parkway served a far broader area than just Cedarcroft subdivision and was irrelevant to the subdivision except that the City required it.

Hicks said that Ravin Homes paid over $159,000 in hard costs for its portion of MacDuff Parkway. The road occupied 5.6 acres of land including road, right-of-way, and setbacks, which was worth $37,000 an acre, or approximately $197,000. Ravin Homes had approximately $357,000 invested in MacDuff Parkway with the land and hard costs. The impact fees were $309,000. He asked Council to recognize this had been a substantial and unique contribution by Ravin Homes and to consider a credit against the impact fees due.

City Attorney Ted Meeker said the adage that it never hurt to ask did not work factually and legally in this scenario. He noted the reference that MacDuff Parkway was a requirement by the City. The issue had been raised on several occasions, according to what he had read in the minutes. The issue had resulted in an agreement to construct the road, which meant there had been an offer and acceptance by both parties, including Rossetti. The agreement was embodied in the consent order that was entered into between the parties to the litigation that was pending at the time and was reflected in the development agreement and the modification to the development agreement. Meeker continued that Rossetti ultimately agreed to do what he did. The City's impact fee ordinance mirrored the state's Impact Fee Act, which required that, in order for a credit to be given, it had to be for a system improvement of the category for which the development impact fee was being collected. There was a reference to prior impact fee programs that included road impact fees, and none of those were currently in place. If Ravin Homes had built a park, and the City was collecting an impact fee for recreation, then value of the park could be given as an impact fee credit since a park was a recreational use. In this case, there was no road impact fee; therefore, giving an impact fee credit for a road would undermine the City's entire impact fee program. Staff's position was that the appeal be denied.

Rutherford clarified that the impact fees collected for the service area included recreation system improvements, the library expansion, the Police Department building expansion, the Recreation Administration building, Leach Fire Station reconstruction, and the SR 74 bridge. She questioned whether a credit could be given if Ravin Homes had donated money for the Police Department expansion. Meeker said that was correct.

Rutherford moved to deny the appeal of the impact fee credit. Boone seconded.

Kourajian asked whether Rossetti would be able to file another appeal if the impact fees were changed and collected for road improvements. Meeker said it would depend on the service area and whether the impact fee was for something City-wide or just the service area.

Logsdon told Rossetti he understood what he was asking for, as well as the fact that arms might have been twisted and deals made in the past. He was leaning toward agreeing with the City Attorney that the appeal did not stack up. The decision needed to the best for the City.

Rutherford said it was Council's job to get the best deal for the City. The Council at that time worked hard to get the road built outside of the impact fees, which was in the best interests of the residents. An agreement was made; the impact fees for that area did not include roads. Council would be remiss to give credit to Ravin Homes for something that could not be credited.

The motion carried 4-0.

02-07-03 Consider Citizen Request to Form Education Commission

Meeker reported that, based on his research, there was no authority for the City to enter the education field. He had looked closely at the information that had been provided. The commission reference in the information was more of a statewide commission than a local commission.

Rutherford asked how Council should address the request. Meeker said there needed to be some action by Council since the agenda stated "Consider Citizen Request to Form Education Commission."

Boone moved to deny the request to form an Education Commission for the City. Rutherford amended the motion to add "based on legal opinion." Boone accepted the amendment and restated the motion to deny the request to form an Education Commission based on legal opinion. Kourajian seconded.

Rutherford asked if the Fayette County Board of Education (BOE) could form such a commission. Meeker said he was not well-versed in that area of law and would leave it to the BOE's staff and legal counsel to determine.

The motion carried 4-0.

New Agenda Items

04-07-01 Public Hearing – Consider Variance Request for 213 Huddleston Road for Construction of a Cell Tower

Applicant Tim Powers addressed Council. Powers told Council he had a good site, and he had a potential customer. There was already a tower on the site, which was located in the industrial park. The site was used as a tow yard.

No one spoke either for or against the variance request.

City Planner David Rast noted that this parcel was further north than another parcel Powers owned on Dividend Drive that he had previously requested a variance for. The Huddleston Road parcel was in the approach zone for Falcon Field, but the existing tower on the site did not encroach into the conical zone, which had been the issue with the site on Dividend Drive. The site was used as a storage yard for a towing company. The current tower, an Air Touch tower, was built in 1986, prior to the City's telecommunications ordinance and was grandfathered.

Rast continued that the parcel was 235 feet deep from the right-of-way on Huddleston Road to the railroad easement. According to the ordinance, a tower had to be a minimum of 200 feet from the road right-of-way, which could happen, and a minimum of 50 feet from any non-residential property line, which was not possible. Another tower could not be constructed on the property without a variance based on the ordinance. Based on the way the ordinance was written and the setbacks established, staff was not in support of granting the variance, however, the surrounding property should also be considered to determine if the variance merited consideration.

Rast noted that the railroad easement to the rear of the property was 100 feet wide. The property on the other side of the rail line belonged to the City and included the burn building and Leach Station. All the properties to the east of the rail line were zoned Limited Industrial (LI), and all the properties to the west were General Industrial (GI). The staff recommendation based solely on the established setbacks in the telecommunications ordinance was that the variance not be approved.

Rutherford said towers would have to be placed on large parcels with the required setbacks, with the towers basically located in the middle of a parcel. She asked what the residential setbacks were. She also asked if it was time to take another look at the telecommunications ordinance since the City was looking at the Comprehensive Plan. She would rather see the cell towers in the industrial park than in the middle of a neighborhood. There would not be a problem putting a tower in this area.

Rast said towers were only permitted in Agricultural Reserve (AR), OS (Open Space), LI, and GI areas. He continued that, when the ordinance was written, they had tried to establish a grid where towers could be located to serve the whole City. If the property had abutted a residential lot, then the setback would be 200 feet. The lot would have to very large. The intent of the ordinance had been to co-locate providers and towers and keep a string of towers from running down the road. Rast said the tower facility (the compound at the base of a tower with the mechanical units) should also be considered, and was usually no more than 20 feet by 20 feet. He referred to Powers' drawing of the lease area, which was 100 feet by 100 feet. The lease area could go all the way to the property line. It was just the tower facility that had to be set back from the property line. Rast said the tower element had not been addressed in the Comprehensive Plan, but they also preferred towers be located in the Industrial Park. Rutherford said that the restrictions for the airport had restricted the ability to put the towers in much of the industrial park, and the City needed to look at that. She did not want to see the towers in OS zoning, which was where things were headed.

Boone asked if there would be any impact on CSX Railroad if the variance was granted. Rast said he did not know, but noted that there were other towers in close proximity to the rail along that corridor. Rast noted that as far as the location went, he would rather see the towers in the Industrial Park. He said he could look at other tracts in the area to see how the 200-foot setback would apply.

Rutherford said that granting variances was not a favorite thing to do, especially if Council could not grant a variance for specific distances. Rast said that until there was an actual application and he knew what the compound would look like, it would be difficult to grant a variance for specific distances. He said they could keep the front setback at 200 feet, with the encroachment into the 50-foot rear setback.

Kourajian asked what the building setbacks were for the zoning. Rast said 50 feet from the rear setback line and at least 50 feet from the right-of-way. Kourajian asked why the setback for a tower was 200 feet. Rutherford suggested it was because the City did not want the towers lined up on the road. Rast said that was probably the intent; he had not researched it. Rutherford asked if they could grant a variance on the setback from the road instead of the rear lot line. Rast said he would rather see the 200 feet maintained. Kourajian asked if the front setback had to do with a safety issue. Meeker said he could not answer for what happened in 1996, but, at that time, there was a concern about towers falling. Tower technology had changed, and they were now designed to collapse down, not fall.

Kourajian asked if there was a height on the proposed tower. Rast said that was another issue staff had considered. He believed the current tower was 195 feet. He said the proposed tower could not be any higher.

Kourajian said there were questions on the height of the tower and the footprint, but he was inclined to move forward with the variance request. The City needed more cell towers, but he wanted to do it the right way and only wanted to do it one time. He asked if Council could get more information on the specifics. Rast agreed that would be helpful so the height of the tower could be confirmed, as well as size of the tower facility. Council would also be able to grant a specific variance. Rast said Powers wanted to know if this was something he should pursue on this site.

Rutherford told Powers that was where the tower belonged and asked him how Council could help him put it there. Powers said the tower would be a multi-use lattice tower that could hold up to 10 carriers. Rutherford agreed, but said Council could not grant the variance without more specific information. Kourajian suggested Powers get the specifications and come back. He said he would probably be successful. Powers said he needed to be able to negotiate in good faith. He wanted a yes or no answer. The site was viable. He had three possible customers if a tower could be built. Logsdon told Powers that Council supported his request, but needed exact information. Powers said he would have to come back to the City for landscaping and permitting. He had to be able to tell a carrier that the site was viable. He needed either a yes or no so he could negotiate. To get specific information, he would have to pay for a tower design. A lattice tower was a better design and was safer.

Meeker said Council could not grant a blanket variance. Technically, Council would have no say in where the tower was located on the parcel. Council had given Powers an idea of what they needed. Rast told Powers they needed a drawing for the proposed tower like the drawing the City had for the current tower. He would work with the provider to put a tower on a site plan to show the amount of encroachment. Rast said he understood that Council would grant the variance, but needed a specific distance. Powers said he wanted 20 feet. If it could not be done with that, then that was it.

There was some confusion in the actual amount of the variance being requested due to the overlapping front and rear setbacks. A variance of 20 feet to the 50-foot setback would technically only leave five feet for the tower, which would not be adequate.

Rutherford asked if this could be done. Meeker said he was concerned that the math did not add up, which was one reason they needed a drawing. Rast agreed. The distance was not measured from the property line to the tower structure, but to the compound. Powers said his drawing showed a 100-foot by 100-foot square in the corner. He understood they wanted an engineered drawing. He said he would complete an engineered drawing before any tower construction. Before he started dropping more money into a project that would take more than a year, he needed a yes or no.

Rutherford said this was a circular argument. Council wanted to grant the variance, but legally they could not until they knew exactly what was needed. Kourajian said Powers would have to pay his $250 again if the math did not work out for a 20-foot by 20-foot compound.

Powers said there were people very interested in the site. He could buy a tower and put it up. Rutherford asked Powers why Council should limit him to five feet for a multi-use tower. Powers said he could not negotiate with anyone unless he could tell them they would get a variance.

Kourajian asked Meeker if Powers would have to come back if Council granted a variance for a specific footprint and Powers found that that the tower could not be built at that footprint. Meeker said that was correct. Logsdon said Powers said he would make it work with a 20-foot encroachment. Kourajian understood that Rutherford wanted to make the variance right the first time, but Powers said he did not need that. Rast noted that the setbacks applied to the perimeter fence, not the tower itself. The setbacks overlapped.

City Manager Bernard McMullen suggested that, since there was already a structure on site, a variance be granted equal to the existing facility's footprint from the front and rear. Rutherford said that made sense. Logsdon said he liked McMullen's suggestion. Rutherford asked Meeker if Council could do as McMullen suggested. Meeker said that could be ascertained.

Rutherford moved to grant the variance to be no more or less than the tower footprint already on the site. Boone seconded. Kourajian asked if that included height. Rutherford said no, that Powers had not asked for a variance for the height. Rutherford restated her motion. McMullen said the variance was for the equivalent of what he currently had. Kourajian asked Powers if that was ok with him. Powers said that was what he wanted. The motion carried 4-0.

Rutherford reiterated that the Comprehensive Plan should look at the tower ordinance.

04-07-02 Discuss Rockaway Road Realignment

Rast gave a synopsis of the history of the realignment project (A copy of the PowerPoint presentation is included in the official meeting file.) He noted City Engineer Dave Borkowski had done a lot of research into the project and the DOT agreements through the years. Rast said that he had researched earlier thoroughfare plans and Comprehensive Plans. He added that DOT planned to let the contract in the late fall for the construction of Phase 2 of the SR 74 widening. The realignment was part of Phase 2. The City was working with DOT on acquiring right-of-way.

Rast continued that many residents had asked whether Rockaway Road could be realigned to Redwine Road rather than Holly Grove Road. He said that, in theory, that was fine, but in reality it would severely affect the SR 74 widening. They would have to re-do the concept, get another environmental analysis, and everything involved in getting the new road approved.

Kourajian asked what it would entail to move the realignment. Rast said that the realignment to Redwine Road would go across City property, involve the destruction of Meade Field, and would involve acquiring property outside the City limits. There would have to be environmental permitting for two streams and taking the road about 2,600 feet from where Rockaway Road was now. It would be a major undertaking to change the alignment. From the staff perspective, the City had worked with DOT and the developers in the area to identify where the road should come out. The Holly Grove Road connection had been the plan for many years.

Kourajian said the concern was about cut-through traffic on Holly Grove Road. He suggested the City should look at traffic-calming measures to discourage people from using Holly Grove as a cut-through.

Rutherford clarified that Holly Grove was a village connector. Rast said it was. There was a 25-foot greenbelt through Wilshire Estates that was not as dense as other greenbelts. The greenbelt area closer to Rubicon and Foreston Place probably looked like the buffer in Wilshire 15 years ago. The noise issue should improve as the greenbelt grew. Staff had spoken with the homeowners association while working on the Stephens tract rezoning and planned to look at the areas of concern. The safety concerns were there with or without the realignment of Rockaway Road. Rutherford said they also needed to look at what the road was designed to do. Kourajian said they should be careful in what they did. Rutherford said they might also want to encourage developers to enhance the greenspace.

04-07-03 Consider Bids for Portable Lift for Auto Shop

Public Services Director Tom Corbett said this would be the primary truck lift system for the satellite auto shop. Eight bids were received, including one no bid. The low bid did not meet the specifications. The second lowest bidder, CJ Equipment Company of Duluth, met all of the specifications. Corbett said the lifts would hold the fire equipment the City currently used, as well as anything planned for the future fleet. He said they had gone over the specifications with the Fire Department.

Rutherford asked why there was such as range in the bids. Corbett said he did not know because the highest bid had the exact same equipment as the second lowest bidder.

Kourajian asked why six units were needed. Corbett noted that six units gave maximum flexibility in lifting the pumper truck, for example, where more lift capacity was needed in one part of the vehicle. Six units provided the 96,000-pound lift capacity the Fire Department required. Kourajian asked how many lifts the department had now and said his concern was that the department had what it needed. Corbett said there were none. The other bay had a stationary lift. This would be a portable system.

Rutherford asked where the money was coming from. McMullen said the lift system was budgeted.

Rutherford moved to approve the purchase of six portable electronic truck lifts for the satellite auto facility from CJ Equipment Company of Duluth for a price not to exceed $43,500. Boone seconded. The motion carried 4-0.

04-07-04 Consider Agreement with Medalist Sports for Tour de Georgia
Meeker noted that there had been a number of concerns with the original agreement. All the concerns had been addressed, and the revisions were now included in the agreement.

Boone moved to accept the Tour de Georgia City participation agreement as of April 5, 2007, and authorize the Mayor to sign it. Kourajian seconded.

Rutherford asked if the sponsor money would cover the City's cost for the event. McMullen said the sponsor money had been collected, and there was also money in the Tourism Association budget.

The motion carried 4-0.

04-07-05 Consider Request to Allow Segways on City Paths
Logsdon noted there additional documents on the dais – an e-mail from Police Chief James Murray dated April 2 with the subject, "Segways on Cart Paths;" and two printouts from the Segway website. Logsdon noted that no one was at the meeting to represent Segway.

Rutherford noted that Chief Murray's report was not favorable and moved to deny the request to allow Segways on the City paths. Kourajian seconded. The motion carried 4-0.

Council/Staff Topics

Tour de Georgia Update
PCTA Executive Director Lauren Yawn briefed Council regarding the plans for the Tour de Georgia. She said the Local Organizing Committee (LOC) had members that were subcommittee chairs. The subcommittee chairs made up the formal LOC. The Course and Technical Committee had everything ready to go. People had been riding their bikes and driving the route since it had been released. They were working closely with the Police Department and the Fayette County Sherriff's Department. The race would start at 1 p.m. at City Hall Plaza on April 16. The festivities at the Plaza would begin at 10 a.m. There would be food vendors, inflatables, and more. Medalist Sports would also have a lot of booths. Signage was up. Local sponsors would get stars designating their sponsorship to put in front of their businesses. They had been reaching over 60,000 households on a public relations basis since March 1. She thanked the media for their support. There had also been more than 1,000 unique visitors to the website.

Yawn continued that welcome stations would be located near the front desks in all the hotel properties. Volunteers would man the stations and give out marketing materials and maps. The riders would receive several gifts from the County, and the attendees would be given a packet of information on the County. There were over 30 sponsors for the event, and they had been very involved. People were still calling. One hundred fifty people had volunteered to help.

Yawn continued that Cal Cheatham would sing the National Anthem, and Savannah Solomon, a cancer survivor, would shoot the starting pistol. Jittery Joe's had constructed the golf cart mascot, Torti Georgia. The mascot name was selected from entries submitted by local elementary school students. Jarred Hall was the winner. There had been a great turn-out at the media event held the prior week at the Tennis Center. The volunteer orientation was slated on April 11. Educational handbooks would be distributed in the schools. The sponsor appreciation event was scheduled for April 13 at City Hall Plaza. A press conference would be held on April 14 at the Wyndham. The team would be presented on April 14 at the concert at The Fred. On April 15, the City would host a dinner for the athletes. Yawn said a great team had worked on the event. Tourism had already increased in the City and more visitors had been to the Welcome Center than ever.

Great American Cleanup
Corbett updated Council and noted that as of this date there were over 20 groups and over 100 people involved in the April 7 event. Communities could select a weekend in March, April, or May. He showed a map of the cleanup areas (the map is included in the official meeting file). The City selected the upcoming weekend due to the Tour de Georgia. Public Works was responsible for bag retrieval. Some people were unable to participate because of the Easter holiday weekend, so they would be doing their projects at a later date. The City only needed the bag count. Keep America Beautiful would publish the nationwide results (tonnage) of the cleanup in July. Betsy Tyler was to lead the group at City Hall. Corbett said the City would report the results. Kourajian volunteered for an area on Robinson Road.

Rutherford asked if the computer recycling was in place at the Recycling Center. Corbett said they were getting ready to put the trailer in. They were also getting ready to announce information on cardboard and tin can recycling. Rutherford suggested that the City ask for volunteers on Saturdays to help at the Recycling Center to ensure the glass was properly separated and that those volunteers receive stormwater credit.

Rutherford moved to convene in executive session for threatened or pending litigation and personnel. Kourajian seconded. The motion carried unanimously.

Kourajian moved to reconvene in regular session. Boone seconded. The motion carried unanimously.

There being no further business to discuss, Kourajian moved to adjourn. Rutherford seconded the motion. The motion carried unanimously. The meeting adjourned at 9:12 p.m.

Betsy Tyler, Deputy City Clerk

Harold K. Logsdon, Mayor

Pamela Dufresne, Recording Secretary

CITY OF PEACHTREE CITY

INTEROFFICE MEMORANDUM

TO: **Mayor & Council Members**

VIA: **City Manager**

FROM: **Administrative Services Director / City Clerk**
Developmental Services Director/Assistant City Manager
City Planner/ Zoning Administrator

DATE: **April 11, 2007**

SUBJECT: **Home Occupation Ordinance Amendments**
April 19, 2007, City Council Meeting

Recommendation:

That Council forward the attached changes to the Home Occupations requirements in the Zoning Ordinance to the Peachtree City Planning Commission for evaluation and recommendation.

Discussion:

At the January 18 meeting, staff presented proposed changes to the Home Occupation Ordinance. A local music teacher raised concerns about one requirement, the limit to two students at a time for in-home instruction, negatively impacting the many local music instructors in the community, and Council postponed consideration of the Ordinance Amendment for staff to work with the instructors and evaluate other options.

Following a survey of the instructors and a check on complaints to Code Enforcement (none relating to the business), staff felt that existing elements of the current ordinance limiting parking to off-street locations and prohibiting the business from becoming a nuisance could address any problems that might arise from the number of students being taught. Staff has removed the limitation on number of students from the current proposal.

The proposed changes are designed to continue protecting the residential character of neighborhoods, which was the original intent of the ordinance, while ensuring some flexibility as the business world changes and more people opt to work from home. The proposed changes also support local small businesses that do not negatively impact neighborhoods.

For example, a contracting company registered as a home business that receives mail and has one resident within the home keeping the books and answering the telephone, but has multiple employees who work only at other sites, is currently prohibited. Staff has modified the wording to allow this type of activity while continuing to prohibit non-residents from coming to the house to work.

Additionally, the language within the current ordinance would prohibit in-home daycare businesses from allowing the children to play outside. Staff has modified the ordinance to allow incidental activities related to a home occupation to occur outside of the home as long as they do not become a nuisance and do not include the outside storage of materials.

The proposed changes also highlight current legal requirements to ensure that home-occupation owners are aware of State and local requirements for daycare centers and the need for permits for any structural changes relating to the business.

Finally, staff has added the requirement for zoning verification, which will be applied to all businesses in town, to ensure that there are no recurring problems of businesses opening that are not allowed in a particular zoning district.

Because this is a change to the Zoning Ordinance, a public hearing will be held by the Planning Commission, who will return the ordinance to Council where it will be heard and considered in a second public hearing.

Budget Impact:

This item will have no budgetary impact.

ORDINANCE NO. ____________

AN ORDINANCE TO AMEND THE ZONING ORDINANCES OF THE CITY OF PEACHTREE CITY, GEORGIA, AS AMENDED, SO AS TO PROVIDE FOR HOME OCCUPATIONS; AND FOR OTHER PURPOSES.

NOW THEREFORE, BE IT AND IT IS HEREBY ORDAINED BY THE CITY COUNCIL OF THE CITY OF PEACHTREE CITY, GEORGIA, THAT:

Section 1. Section 18-10 of the Code of Ordinances of the City of Peachtree City, Georgia, as amended, is hereby further amended as follows:

Sec. 907. Home occupations.

A home occupation shall be permitted in any residential zoning district on the following conditions:

(1) The primary activities associated with the home occupation conducted at the dwelling must take place entirely within the dwelling. Incidental uses associated with the home occupation, including and limited to outdoor instruction and daycare activities, may be permitted to occur outside the dwelling as long as they do not create a nuisance; provided, however, that such incidental uses shall not include the outdoor storage of any materials.

Deleted: The home occupation is conducted entirely within a dwelling;¶

(2) It is not evident from outside the dwelling that a home occupation is being carried on within;

(3) The home occupation does not utilize more than 25 percent of the floor area of the dwelling. Appropriate Building Permits may be required should there be structural modifications to the existing dwelling to accommodate the home occupation;

Deleted: 15

(4) No employee other than a member of the family residing in the dwelling may work or conduct any work-related activity at the dwelling where the home occupation is located;

Deleted: The home occupation involves no employees other than members of a family who reside in the dwelling;

(5) The home occupation in no way changes the residential character of the dwelling or the neighborhood;

(6) The home occupation in no way creates a danger or nuisance to the neighbors;

(7) No advertising is visible from the street or from adjoining property;

(8) No materials or equipment shall be stored on the premises unless it is entirely within the dwelling;

(9) Parking associated with a home occupation must be in an off-street location and in accordance with the city's parking ordinance;

Deleted: requirements of section 78-18; (Ord. No. 448, 12-3-1987)

(10) Daycare uses must obtain the State mandated registration and certification / licensing and appropriate permits from the Building and Health Departments.

(11) Each home occupation must receive written verification of zoning compliance from the City Planner/ Zoning Administrator or his designee prior to issuance of an Occupational Tax License.

Section 2. All ordinances or parts thereof which conflict with the provisions of this ordinance are, to the extent of such conflict and except as hereinafter provided, hereby repealed.

Section 3. Should any provision of this ordinance be declared invalid by a Court of competent jurisdiction, such decision shall not affect the validity of this ordinance as a whole or any provision thereof other than the provisions specifically declared to be invalid. The City Council declares that it would have passed this ordinance and each subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more subsections, sentences, clauses or phrases may be declared invalid.

Section 4. This ordinance shall be in full force and effect upon its official adoption by the City Council.

This ________ day of _________________ 2007.

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Harold K. Logsdon, Mayor

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Attest: ________________________________ ________________________________
City Clerk

POSITION PAPER

Proposed Rezoning
Stephens Tract, SR 74 South
City Planner/ Zoning Administrator
April 12, 2007

Ok David

Situation:

Mrs. Cathryn Redwine Stephens owns two tracts of land on SR 74 South across from the Wilshire Pavilion retail center. Rockaway Road bisects the overall 123.871-acre parcel, which is zoned GI General Industrial and designated as SFM single-family medium density on the city's Land Use Map. The property contains approximately 45.45 acres of developable property and 78.42 acres of floodplain.

As a part of Phase 2 of the SR 74 South road-widening project, the Georgia Department of Transportation (GDOT) plans to realign Rockaway Road from its current intersection with SR 74 to the existing traffic signal at Holly Grove Road. This realignment has been a part of the city's Thoroughfare Plan for many years and was included in the recent update to the city's Transportation Plan.

The city's 4.347-acre recycling center at the SR 74/ Rockaway Road intersection adjoins the Stephens tract and is zoned OS Open Space and designated as OS Open Space on the city's Land Use Map. Columbia Properties desires to acquire this property from the city and combine it with the developable portion of the Stephens tract to create a single tract of 49.8 acres. In exchange for the recycling center tract, the Applicant has offered to donate 36.83 acres of the Stephens tract to the city. Although predominantly floodplain and undevelopable, this acreage does include approximately 6.33 acres of developable property which could be used for a potential expansion of the Meade Field complex.

Columbia Properties has requested that the combined 49.8-acre tract be rezoned from GI General Industrial and OS Open Space to LUC Limited Use Commercial (it should be noted this number includes the 6.33-acre tract that would be donated to the city). The purpose of the rezoning would be to accommodate a multi-building retail development and several outparcels with an overall size not to exceed 295,000 SF.

The Applicant has indicated the proposed development would be constructed in phases. In order to accommodate this development, the following actions would need to occur:

- *The city would need to agree to the proposed land swap.*
- *Appraisals for the existing recycling center tract, the property being proposed for the land swap, and the existing right-of-way of Rockaway Road would need to be prepared and submitted to the city for review.*

- *Suitable property for a new recycling center would need to be acquired and the site development completed before the current recycling center could be abandoned.*
- *The existing telecommunications tower located within the recycling center tract would need to be relocated to another city-owned tract at no expense to the city.*
- *Rockaway Road and its associated right-of-way would need to be realigned and constructed to intersect with the SR 74/ Holly Grove Road intersection.*
- *The city would need to agree to abandon the existing Rockaway Road and associated right-of-way once the road is realigned and open to traffic.*
- *All utilities would need to be removed from the right-of-way of the former Rockaway Road and relocated elsewhere on the site.*
- *A new entrance into the Meade Field sports complex would need to be constructed and dedicated to the city.*

Because the property is not currently zoned for this type of development, the Applicant is requesting that it be rezoned to an appropriate classification. A copy of the Request for Rezoning application is included as Attachment "A".

Facts:

1. The property known to us as the Stephens tract is 123.871 acres in area and is currently zoned GI General Industrial. The property owner, Mrs. Cathryn Redwine Stephens, has owned the property for many years.
2. The property known to us as the Peachtree City Recycling Center tract is 4.347 acres in size and is currently zoned OS Open Space. The city desires to relocate the existing recycling center to a larger tract of land away from SR 74.
3. The Stephens tract adjoins the floodplain associated with Flat Creek to the north (zoned GI General Industrial), a similar floodplain in Coweta County to the west (zoned AG Agricultural), and the city's recycling center and Meade Field complex to the south (both of which are zoned OS Open Space).
4. The city's Land Use Plan designates the Stephens tract as SFM single-family medium density and the city's recycling center as OS Open Space.
5. The Applicant desires to trade a portion of the Stephens tract for the recycling center tract to create a 49.8-acre tract for commercial use. The overall development would be located on both sides of the realigned Rockaway Road.
6. The Applicant has provided a schematic plan for the overall tract, which identifies a multi-building retail and commercial component not to exceed 295,000 SF. The proposed development would include the future realignment of Rockaway Road and a new entrance drive into the Meade Field complex from Rockaway Road.

7. The Applicant is requesting that the combined 49.8-acre tract be rezoned to LUC Limited Use Commercial to accommodate the proposed development. The zoning of the remaining 78.42 acres within the floodplain would remain GI General Industrial.
8. Once Rockaway Road is realigned and open to traffic, the Applicant would request that the city abandon approximately 1,000 LF of the current right-of-way and deed this property to accommodate the development.
9. At their meeting on March 26, 2007, the Planning Commission voted unanimously to recommend that the rezoning not be approved (Attachment "B").

Recommendation:

The Applicant has presented an ambitious plan that would add a significant amount of retail and commercial space at the extreme south end of the city. The overall size of the proposed 295,000 SF development, combined with the existing 101,833 SF Wilshire Pavilion development across SR 74, is more typical of a village retail center as identified within the city's Comprehensive Plan and Land Use Plan. Combined, the two retail developments would include in excess of 396, 833 SF of retail, commercial and restaurant space.

By comparison, the overall Braelinn Village retail center on Crosstown Drive contains a total of 294,483 SF of retail and commercial space, and the overall Kedron Village retail center contains a total of 378,751 SF of retail and commercial space. It should be noted the 15.8-acre Wilshire Pavilion tract on SR 74 South was rezoned from R-12 Residential to GC General Commercial on May 4, 2000 to serve as a neighborhood retail center for the south end of the city.

The current land use designation for the Stephens tract calls for single-family medium density residential development. There have been two previous rezoning requests that proposed a small retail component adjacent to SR 74 and a residential component on the remainder of the property that complied with this designation. However, due to concerns with school impact and the fact the property is located within the flight pattern of Falcon Field, these rezoning requests were ultimately denied by City Council. It is understood the Land Use Plan would need to be amended to accommodate any use on the Stephens tract other than residential.

Should the Applicant be able to work out the details identified within this memo with City Council, Staff would support the rezoning of the outparcels adjacent to SR 74 on the Stephens tract and the rezoning and redevelopment of the recycling center tract to accommodate a mixed-use retail center as proposed. These commercial uses would complement the existing neighborhood retail center across SR 74 and would primarily serve the residents on the south end of the city.

However, Staff feels the 216,548 SF retail component at the rear of the site would be too intense for this area and should not be approved. It is our feeling this portion of the site would be more suitable for senior housing, professional and/ or medical office space or light industrial use, all of which could be developed without changing the zoning classification of this portion of the property. Again, it is understood the Land Use Plan would need to be amended to reflect any type of development other than residential.

Staff recommends that the rezoning request as presented not be approved for the following reasons:

1. The proposed development is not consistent with the city's Comprehensive Plan, which states "commercial areas should be located only in village centers on major thoroughfares."
2. The proposed development is not consistent with the city's Land Use Plan, which states "the village centers should be the primary commercial and office areas in Peachtree City."
3. The city's Land Use Plan currently designates this property as SFM single-family medium density residential development. Although residential zoning has been denied in the past, there are other uses that would be appropriate for this area and would not be as intense as the retail development as proposed. It is understood the Land Use Plan would need to be amended if a use other than residential is developed on this property.
4. Both the Fire Department and the Police Department have expressed concerns about a development of this magnitude being located at the extreme southern end of the city and their ability to provide adequate coverage in the event of an emergency.
5. Rezoning land that is currently zoned GI General Industrial for retail and commercial use would set a precedent for other industrial-zoned tracts throughout the city, and may cause additional rezoning requests for other tracts within the industrial park.
6. A portion of the development as proposed would be located on property currently owned by the city and utilized as a recycling center. Until such time that a site for a new recycling center is acquired and developed for this use, the city is unable to consider a request to swap property for the existing recycling center. More importantly, a decision as to the proposed land swap should be made before the current zoning classification is amended.
7. A portion of the development as proposed would be located on what is now Rockaway Road and its associated right-of-way. Until such time Rockaway Road is realigned and the existing road and right-of-way is abandoned, the city is unable to consider a request for development to occur in this area.
8. The development assumes the realignment of Rockaway Road will occur in a timely manner. GDOT has already delayed letting the contract for Phase 2 of the SR 74 South

realigned, the only access into the proposed development would be from new curb cuts on the existing SR 74, which would not be appropriate.

REQUEST FOR REZONING

CITY OF PEACHTREE CITY, GEORGIA

A request is hereby being made to change the zoning classification of the following described property: approximately 49.8 acres of real property along and south of Georgia Highway 74 at Rockaway Road

This property is presently zoned: General Industrial

The proposed zoning classification is: Limited Use Commercial

I certify that I am the owner, or the duly authorized agent of the owner, of the property described above

Signature: [signature]

Owner: (print) Rockaway Partners LLC / Cathryn Redwine Stephens

Agent: (print) Dan O'Neill

Address: 1355 Terrell Mill Rd, Bldg 1478, Suite 200, Marietta, GA 30067

Phone: 770-953-6262 Date: 12/15/06

****

This request, along with the required fee ($600 + $25/acre) and supplemental documents, has been properly submitted and is hereby accepted for consideration by the Planning Commission and the City Council:

Signature: David E. Rast

Title: City Planner / Zoning Administrator

Date: 02-27-07

Request Number: 2006-22

Date of Planning Commission Public Hearing: 03-12-07

Date of City Council Public Hearing: 04-19-07

Attachment "A"

BOUNDARY LEGAL DESCRIPTION

All that tract or parcel of land lying and being in Land Lots 29 and 30 in City of Peachtree, Fayette County, being more particularly described as follows:

To find the **TRUE POINT OF BEGINNING,** commence at a point at the intersection of the on the southerly right of way of State Route No. 74 (100' R/W varies) and the northerly right of way of Rockaway Road (R/W varies); Thence run along Rockaway Road South 01 degrees 15 minutes 08 seconds West a distance of 68.91 feet to a point; Thence continue along said right of way South 35 degrees 51 minutes 08 seconds West a distance of 841.25 feet to a 1" pipe found, the **TRUE POINT OF BEGINNING;** Thence run along said right of way along an arc of a curve to the left with a distance of 485.66 feet to a point (said arc being subtended by a chord South 36 degrees 38 minutes 13 seconds West a distance of 485.65 feet); Thence continuing along said right of way South 37 degrees 14 minutes 32 seconds West a distance of 364.75 feet to a 5/8" rebar set; Thence run North 52 degrees 33 minutes 58 seconds West a distance of 30.00 feet to a concrete r/w monument found; Thence continue along said right of way South 37 degrees 26 minutes 02 seconds West a distance of 749.44 feet to a concrete r/w monument found; Thence continue along said right of way North 52 degrees 36 minutes 52 seconds West distance of 199.74 feet to a concrete r/w monument found; Thence continue along said right of way South 37 degrees 20 minutes 29 seconds West a distance of 199.93 feet to a concrete r/w monument found; Thence continue along said right of way South 38 degrees 25 minutes 23 seconds East a distance of 205.76 feet to a concrete r/w monument found; Thence continue along said right of way South 37 degrees 26 minutes 02 seconds West a distance of 178.96 feet to a point on the centerline of Line Creek; Thence leaving said right of way and run following the meandering of the centerline of Line Creek for a distance 1,770 feet to a point on the common land lot line of Land Lots 30 and 32; Thence run North 00 degrees 33 minutes 31 seconds East a distance of 2208.28 feet to an axle found at the common point of Land Lots 29, 30, 32 and 33; Thence run North 86 degrees 17 minutes 37 seconds East a distance of 661.55 feet to a nail found in top of fence post; Thence run North 00 degrees 36 minutes 14 seconds East a distance of 673.25 feet to a ½" rebar found on the southerly State Route No. 74 (R/W varies); Thence run along said right of way North 76 degrees 32 minutes 17 seconds East a distance of 271.39 feet to a point; Thence continue along said right of way along an arc of a curve to the right with a distance if 361.69 feet to a point (said arc being subtended by a chord North 80 degrees 32 minutes 40 seconds East a distance of 361.34 feet); Thence continue along said right of way North 85 degrees 21 minutes 28 seconds East a distance of 951.45 feet to a 5/8" rebar found; Thence leave said right of way and run South 00 degrees 36 minutes 28 seconds West a distance of 711.27 feet to a 1" pipe found, the **POINT OF BEGINNING.**

Said Tract 1 contains 87.074 acres more or less.

AND

All that tract or parcel of land lying and being in Land Lots 29 and 30 in City of Peachtree, Fayette County, being more particularly described as follows:

To find the **TRUE POINT OF BEGINNING**, commence at a point at the intersection of the on the southerly right of way of State Route No. 74 (100' R/W varies) and the northerly right of way of Rockaway Road (R/W varies); Thence run along Rockaway Road South 01 degrees 15 minutes 08 seconds West a distance of 68.91 feet to a point; Thence continue along said right of way South 35 degrees 51 minutes 08 seconds West a distance of 841.25 feet to a 1" pipe found; Thence run across Rockaway Road South 00 degrees 36 minutes 28 seconds West a distance of 138.49 feet to a 1" pipe found on the southerly right of way of Rockaway Road (R/W varies), the **TRUE POINT OF BEGINNING**; Thence run South 00 degrees 37 minutes 53 seconds West a distance of 2842.41 feet to a 1" pipe found on the common land lot line of Land Lots 30 and 31; Thence running along common land lot line for Land Lots 30 and 31 North 89 degrees 20 minutes 04 seconds West a distance of 792.14 feet to a 5/8" rebar set on creek bank; Thence continue along common land lot line North 89 degrees 20 minutes 04 seconds West a distance of 35.00 feet to a point on the centerline on Line Creek; Thence leaving the common land lot line and following along the meanderings of the centerline of Line Creek a distance of 2212.00 feet to a point on southerly side of Rockaway Road (r/w varies); Thence running along Rockaway Road run North 37 degrees 26 minutes 02 seconds East a distance of 1060.33 feet to a concrete r/w monument found; Thence continuing along said right of way run North 52 degrees 33 minutes 58 seconds West a distance of 35.00 feet to a 5/8" rebar set; Thence continuing along said right of way run North 37 degrees 14 minutes 32 seconds East a distance of 364.62 feet to a point; Thence continuing along said right of way along an arc of a curve to the right with a distance of 374.24 feet to a 1" pipe found (said arc being subtended by a chord North 36 degrees 49 minutes 41 seconds East a distance of 374.23 feet), the **POINT OF BEGINNING**;

Said Tract 2 contains more or less 36.831 acres.

AND

COMMENCE at a point at the intersection of the on the southerly right of way of State Route No. 74 (100' R/W varies) and the northerly right of way of Rockaway Road (R/W varies); Thence run along Rockaway Road South 01 degrees 15 minutes 08 seconds West a distance of 68.91 feet to a point; Thence continue along said right of way South 35 degrees 51 minutes 08 seconds West a distance of 841.25 feet to a 1" pipe found; Thence leave said right of way and run North 00 degrees 36 minutes 28 seconds East a distance of 711.27 feet to 5/8" rebar found on the southerly right of way of State Route No. 74 (100' R/W); Thence run along said right of way North 85 degrees 21 minutes 29 seconds East a distance of 488.28 feet to a point, the **POINT OF BEGINNING**.

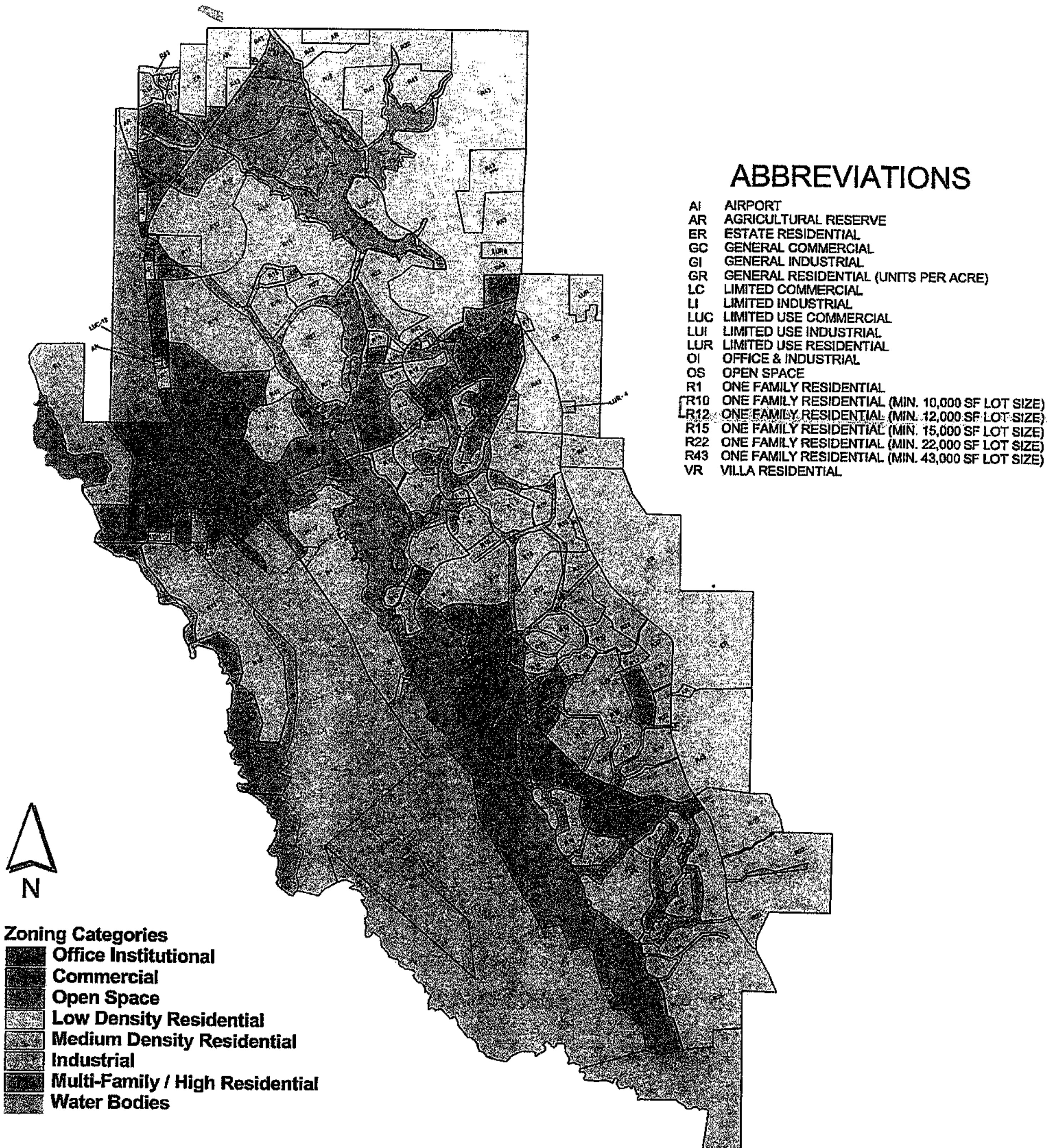
Said Tract 3 contains more or less 4.347 acres.

III.c.

III.c.

The reason for requesting this rezoning from General Industrial to Limited Use Commercial is for the purpose of developing an upscale retail development and outparcels catering to the adjacent neighborhoods.

111.d



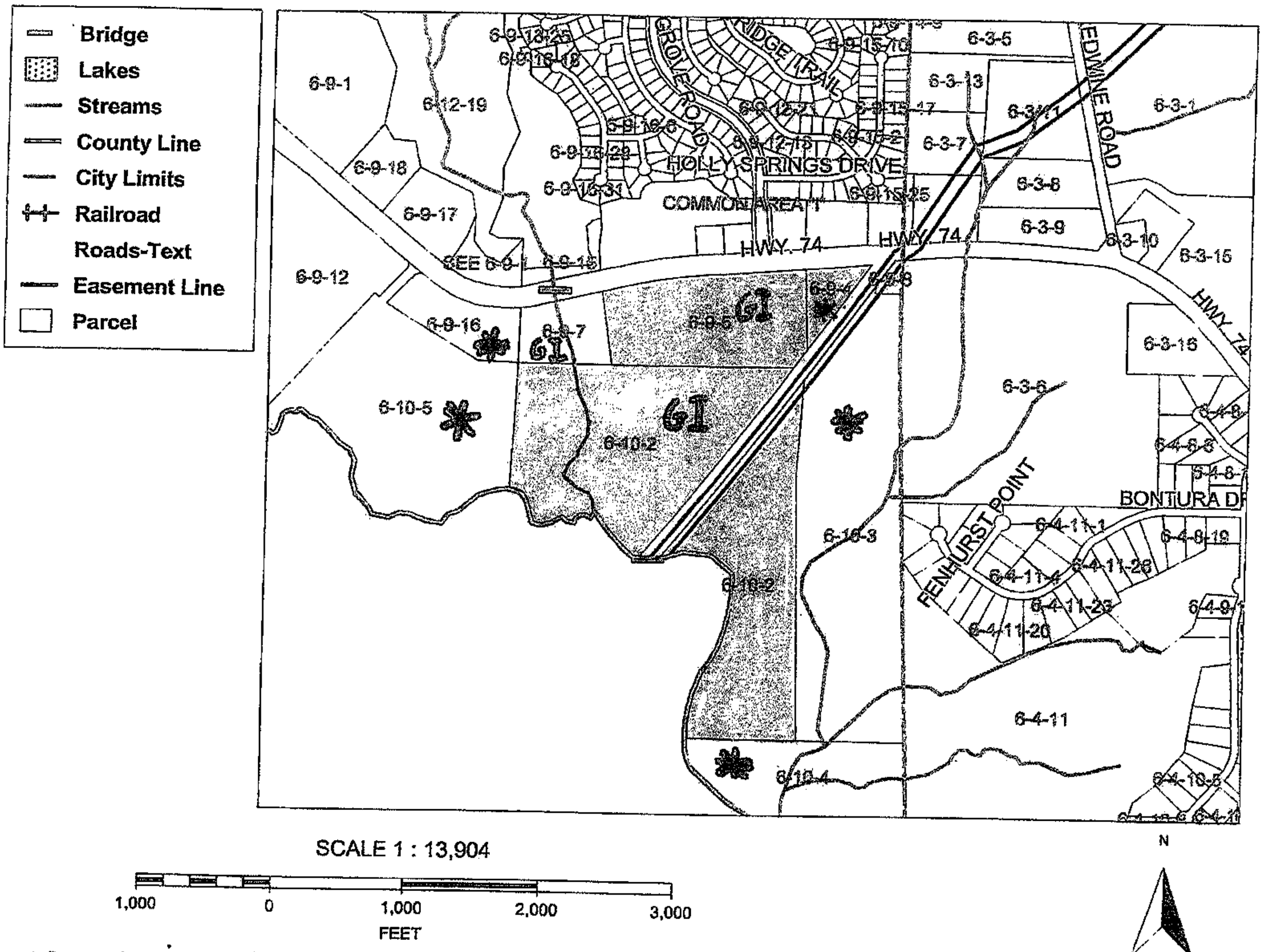
City of Peachtree City Zoning Map January 2000

DISCLAIMER: This map is provided for general public information but is not the Official Zoning Map of Peachtree City or an official city record. Although every effort has been made to provide accurate information as of the date of publication, this map may contain errors, omissions or inaccuracies and should not be relied upon as the most current available data regarding zoning in Peachtree City. For fully accurate and up-to-date information regarding zoning, please visit the Peachtree City Planning Department at City Hall or call 770-487-7657.

1 0 1 Miles

Fayette County

III d

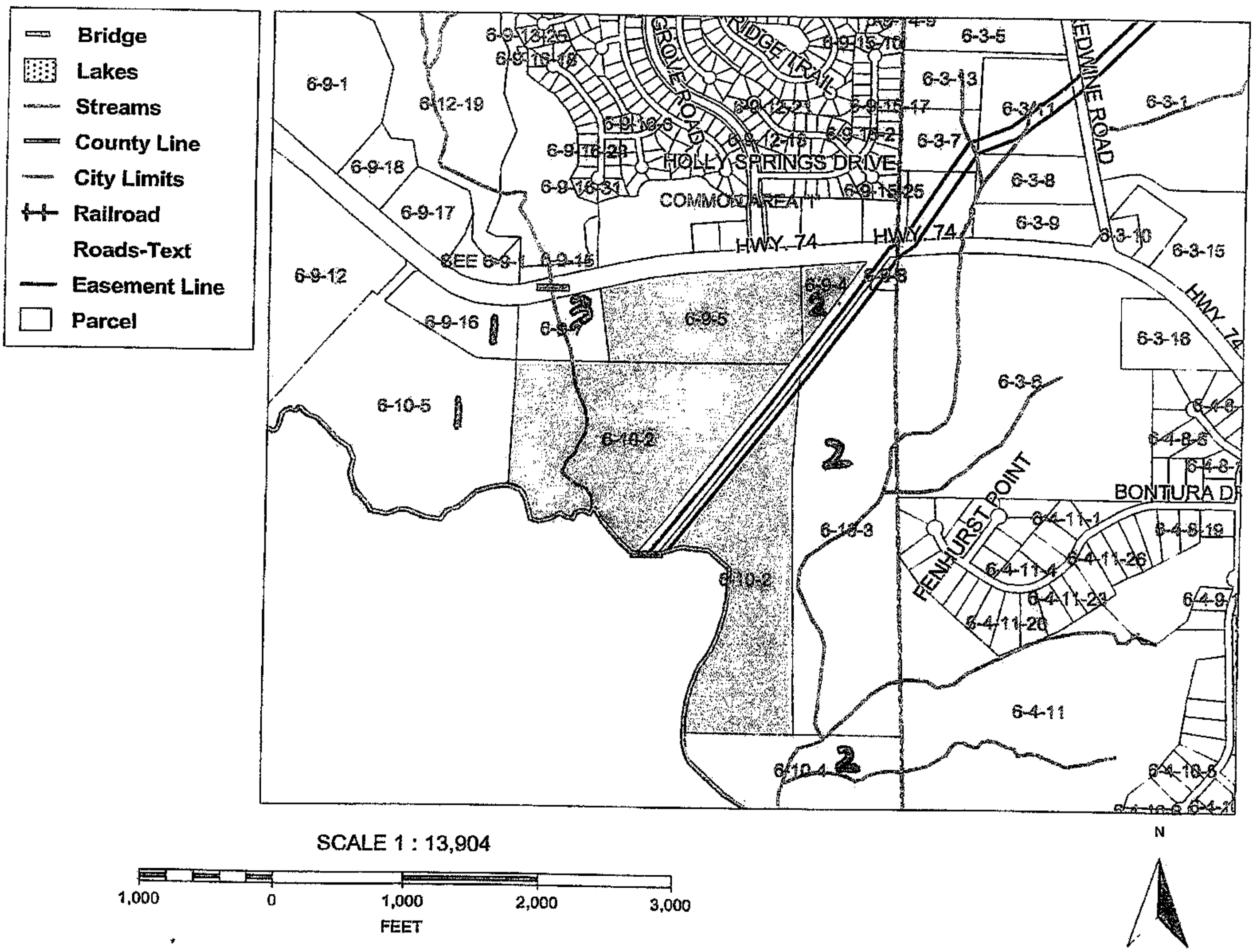


GI: General Industrial

*: City Owned

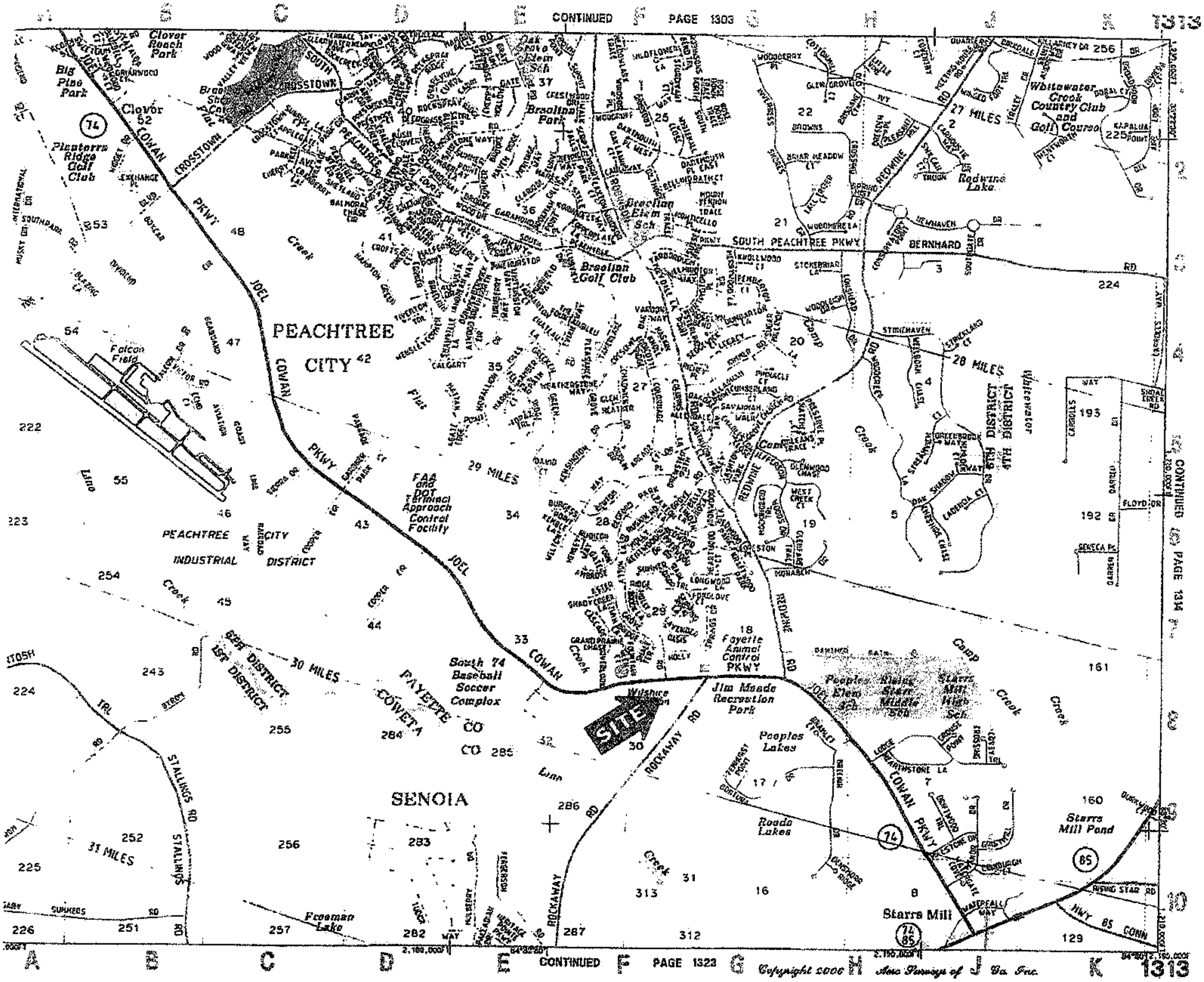
111.e

Fayette County



1 Peachtree City Water & Sewage Authority — PO Box 2371, Peachtree City, GA 30269
2 Peachtree City — PO Box 2371, Peachtree City, GA 30269
3 Dorothy Black — 139 Charlotte Place, Fayetteville, GA 30215

11. F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1313
Clover Reach Park
Big Pine Park
Clover
Planterrs Ridge Golf Club
Braelinn Park
Oak Grove Elem Sch
Whitewater Creek Country Club and Golf Course
Redwine Lake
Braelinn Elem Sch
SOUTH PEACHTREE PKWY
BERNHARD
RD
Braelinn Golf Club
PEACHTREE CITY
Falcon Field
27 MILES
28 MILES
29 MILES
30 MILES
31 MILES
FAA and DOT Terminal Approach Control Facility
PEACHTREE CITY INDUSTRIAL DISTRICT
JOEL COWAN PKWY
6TH DISTRICT
4TH DISTRICT
7TH DISTRICT
1ST DISTRICT
FAYETTE CO
COWETA CO
South 74 Baseball Soccer Complex
SITE
Fayette Animal Control
Jim Meade Recreation Park
Peoples Lakes
Roads Lakes
ROCKAWAY RD
REDWINE RD
STALLINGS RD
SENOIA
Freeman Lake
Starrs Mill Pond
Starrs Mill
HWY 85 CONN
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Copyright 2006 Asso Surveys of Ga. Inc.

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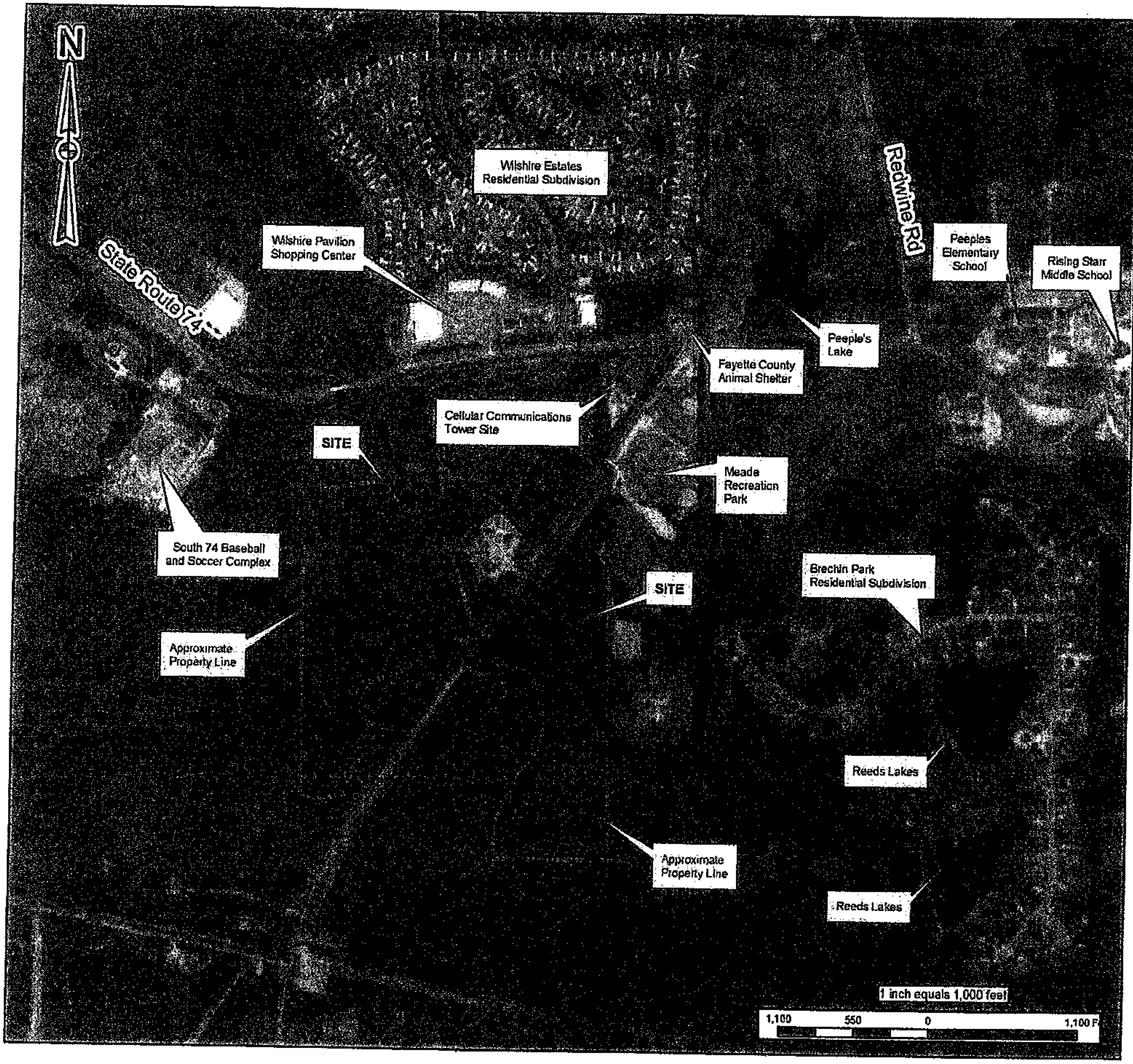


2005 Aerial Photography Courtesy GoogleEarth, Fayette County Roads from Georgia GIS Data Clearinghouse - Georgia Base Map

PROPOSED PEACHTREE CITY MARKETPLACE PROPERTY

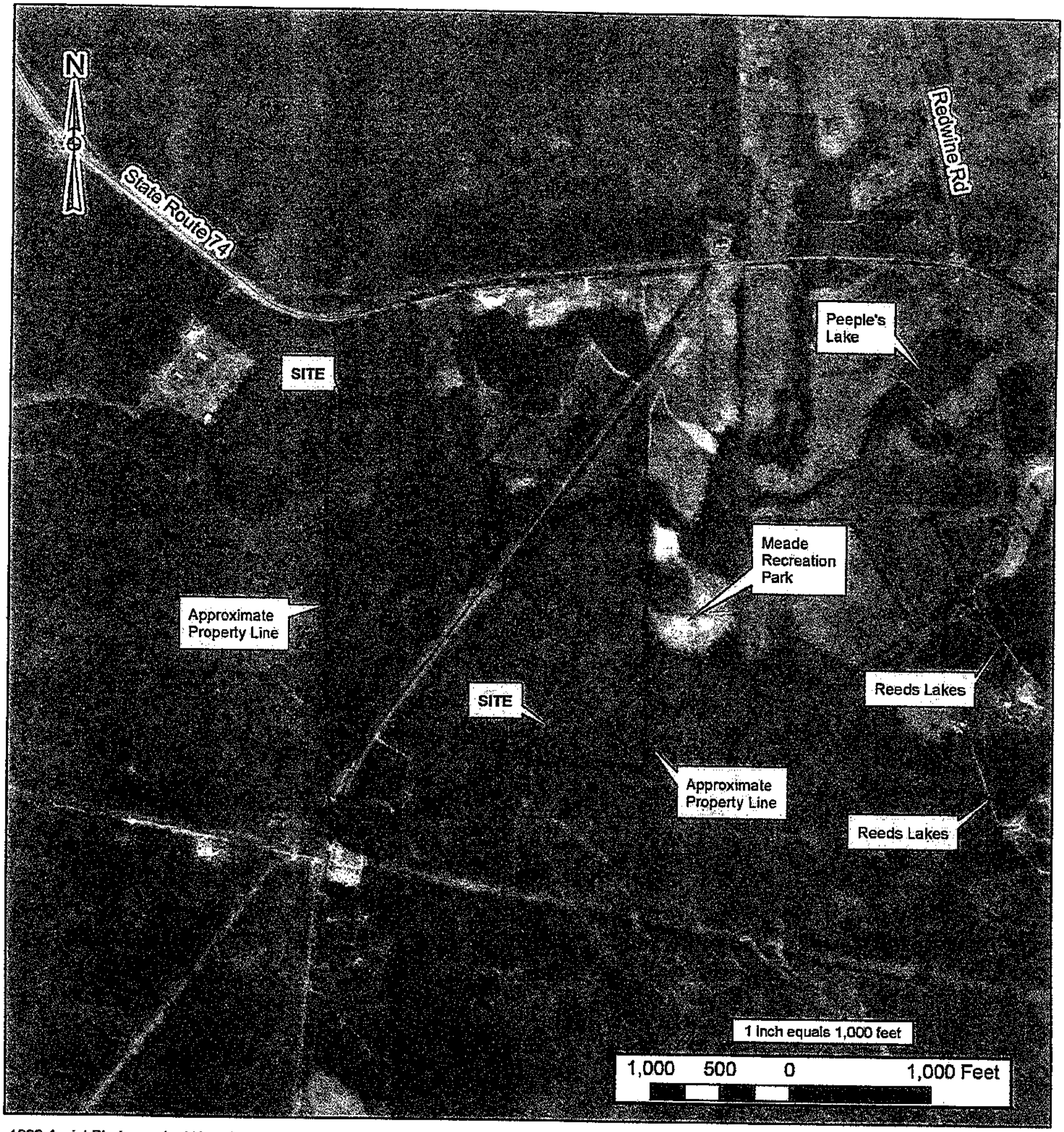
Rockaway Road at GA SR 74
Peachtree City, GA; Fayette County

Job No. 062-136

SEA 2202

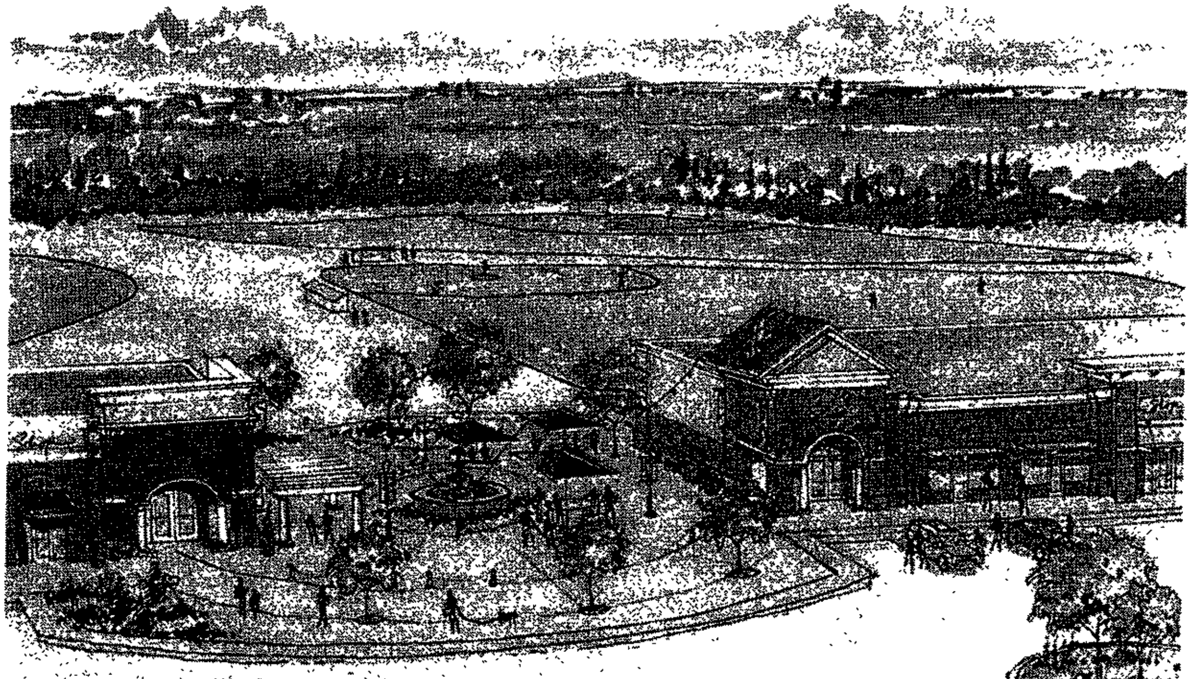
SITE PLAN

SEA SAILORS ENGINEERING ASSOCIATES, INC.
ENVIRONMENTAL/GEOTECHNICAL
1675 SPECTRUM DRIVE
LAWRENCEVILLE, GEORGIA 30043
(770) 962-5922 FAX 962-7964

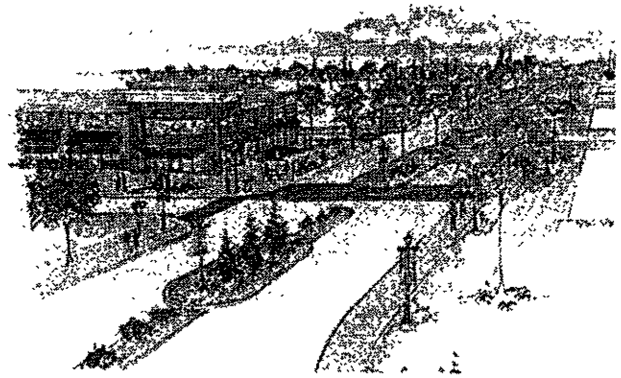


1993 Aerial Photography USGS/TerraServer, Fayette County Roads from Georgia GIS Data Clearinghouse - Georgia Base Map

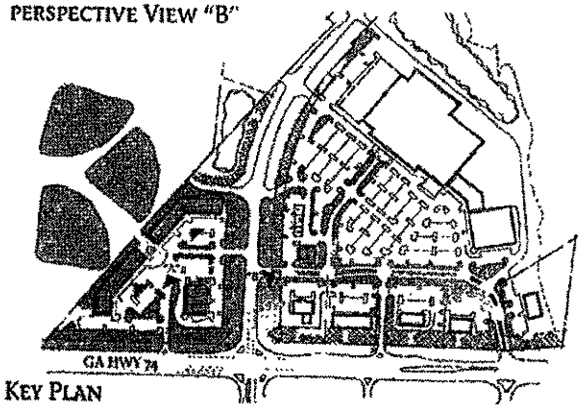
SEA SAILORS ENGINEERING ASSOCIATES, INC. ENVIRONMENTAL/GEOTECHNICAL 1675 SPECTRUM DRIVE LAWRENCEVILLE, GEORGIA 30043 (770) 962-5922 FAX 962-7964	1993 AERIAL PHOTOGRAPH	PROPOSED PEACHTREE CITY MARKETPLACE PROPERTY Rockaway Road at GA SR 74 Peachtree City, GA; Fayette County Job No. 062-136 SEA 2202



PERSPECTIVE VIEW "A"



PERSPECTIVE VIEW "B"



KEY PLAN

PRELIMINARY ELEVATIONS

PEACHTREE CITY VILLAGE

ROBERTSON LOIA ROOF

Coweta-Fayette
Electric Membership Corporation
807 Collinsworth Road • Palmetto, Georgia 30268-9442 • Phone 770-502-0226 • www.utility.org

August 4, 2006

Wendy Auerbach
Columbia Properties Incorporated
Building 1478
Suite 200
1355 Terrell Mill Road
Marietta, Georgia 30067-9483

RE: Availability Letter for
Columbia Properties Incorporated

Dear Miss Auerbach:

This letter is to verify that Coweta-Fayette EMC has electric utilities available to serve the proposed retail development located on two tracts of land at the intersection of Hwy 74 and Rockaway Road in Land Lots 29 and 30 of 6th District, Peachtree City, Fayette County, Georgia.

If you have any questions or if additional information is needed, please do not hesitate to call me at 770-502-0226 ext. 4243.

Sincerely,

Chris Stephens, PE
Manager of Engineering
Coweta-Fayette EMC

Atlanta Gas Light

508 Georgia Hwy 138
Riverdale, GA 30274

770 909 5800 phone
770 909 5860 fax
www.atlantagaslight.com

August 14, 2006

Wendy Auerbach
Columbia Properties, Inc
1355 Terrell Mill Rd
Bldg. 1478, Suite 200
Marietta, GA 30067

Ref: Peachtree City Village
Hwy 74 & Rockaway Rd
Land Lot 29 & 30 of the
6th District
Fayette County, Georgia

To Whom It May Concern:

This letter will serve to certify that there is a 6-inch high pressure steel main on Hwy 74 to serve this project. There is no main on Rockaway Rd.

This is to further advise you that natural gas service can be made available to the above referenced project in accordance with the Rules and Regulations governing our operations on file with the Georgia Public Service Commission at the time said service is requested.

If you need additional information, you may contact me at 770 909-5861.

Sincerely,

Gloria Daniel

Gloria Daniel
Account Executive

Peachtree City Water and Sewerage Authority

August 23, 2006

Columbia Properties
Wendy Auerbach
1355 Terrell Mill Rd.
Bld. 1478 Suite 200
Marietta, GA 30067-9483

RE: Sewer Availability at Land Lots 29 and 30 6th District Peachtree City, GA

Dear Ms. Auerbach,

This is to certify that the Peachtree City Water and Sewerage Authority does have sanitary sewer capacity available at the Rockaway WWTP for the above referenced property. The Authority will require a complete analysis of flows required for the project as well as a detail of proposed sanitary sewer lines to serve property.

If you have any questions, please feel free to contact me.

Sincerely,

Nathan B. Brooks
Construction Coordinator
Peachtree City Water & Sewerage Authority

Fayette County GEORGIA

Where Quality Is A Lifestyle

August 8, 2006

Wendy Auerbach
Building 1478 Suite 200
1355 Terrell Mill Road
Marietta, GA 30067-9483

Dear Wendy Auerbach:

SUBJECT: WATER AVAILABILITY

Water is available to Tract 1 along State Route No. 74. There is not a water line on Rockaway Rd. There is sufficient capacity to meet the needs of a commercial retail development. The property is located in Land Lots 29 and 30 of the 6th District, Peachtree City, Georgia. If you have additional questions, my office number is 770-461-1146, ext 6102.

Sincerely,

Russell Ray

Russell Ray
Assistant Director
Fayette County Water System

RR
cc: Tony Parrott

COLUMBIA PROPERTIES INCORPORATED

Date: 12/06/06
Current Geography Selection: (3 Selected) 1, 3, 5 mile radii: HIGHWAY 74 S & ROCKAWAY RD, SENOIA, GA 30276

Lat: 33.341850 **Long:** -84.536870
City: Peachtree City **Pop:** 36,652
County: Fayette County **Pop:** 103,468
Zip: 30269 **Pop:** 37,381

Demographic Detail Comparison Report

	1 Miles:	3 Miles:	5 Miles:
2006 Demographics			
Total Population	1,862	17,260	36,886
Total Households	608	5,503	12,231
Female Population	958	8,694	18,597
% Female	51.5%	50.4%	50.4%
Male Population	903	8,566	18,289
% Male	48.5%	49.6%	49.6%
Population Density (per Sq. Mi.)	592.6	610.5	469.7
Age:			
Age 0 - 4	4.9%	5.9%	5.5%
Age 5 - 14	16.6%	17.3%	15.3%
Age 15 - 19	8.5%	9.0%	8.9%
Age 20 - 24	7.0%	6.1%	6.9%
Age 25 - 34	11.6%	10.3%	10.8%
Age 35 - 44	14.9%	16.3%	14.7%
Age 45 - 54	15.5%	16.5%	16.9%
Age 55 - 64	10.1%	9.8%	11.4%
Age 65 - 74	6.7%	5.5%	5.8%
Age 75 - 84	3.5%	2.7%	3.0%
Age 85 +	0.7%	0.7%	0.9%
Median Age	36.2	36.2	37.2
Housing Units			
Total Housing Units	670	6,022	13,350
Owner Occupied Housing Units	64.2%	77.6%	78.9%
Renter Occupied Housing Units	26.4%	13.8%	12.7%
Vacant Housing Units	9.4%	8.6%	8.4%
Race and Ethnicity			
American Indian, Eskimo, Aleut	0.1%	0.1%	0.1%
Asian	5.5%	4.1%	3.6%
Black	11.3%	8.2%	7.5%
Hawaiian/Pacific Islander	0.0%	0.0%	0.0%
White	79.5%	84.7%	85.9%
Other	1.8%	1.1%	1.1%
Multi-Race	1.8%	1.8%	1.8%
Hispanic Ethnicity	7.3%	4.2%	4.2%
Not of Hispanic Ethnicity	92.7%	95.8%	95.8%
Marital Status:			
Age 15 + Population	1,461	13,265	29,196

Divorced	7.2%	5.6%	6.3%
Never Married	18.2%	18.2%	18.8%
Now Married	69.0%	70.8%	69.1%
Separated	2.6%	2.2%	2.1%
Widowed	3.1%	3.3%	3.8%
Educational Attainment:			
Total Population Age 25+	1,172	10,660	23,386
Grade K - 8	0.3%	1.4%	1.8%
Grade 9 - 12	2.1%	3.7%	3.8%
High School Graduate	24.7%	22.5%	24.3%
Associates Degree	9.5%	8.9%	9.7%
Bachelor's Degree	29.9%	28.5%	25.2%
Graduate Degree	11.4%	12.6%	11.5%
Some College, No Degree	22.1%	22.4%	23.7%
Household Income:			
Income $ 0 - $9,999	2.0%	2.3%	2.2%
Income $ 10,000 - $14,999	2.7%	1.8%	1.8%
Income $ 15,000 - $24,999	5.5%	5.4%	5.5%
Income $ 25,000 - $34,999	6.5%	5.4%	6.2%
Income $ 35,000 - $49,999	14.9%	9.7%	10.2%
Income $ 50,000 - $74,999	13.4%	15.6%	18.2%
Income $ 75,000 - $99,999	18.3%	16.4%	17.7%
Income $100,000 - $124,999	14.2%	15.4%	14.1%
Income $125,000 - $149,999	8.2%	11.1%	9.2%
Income $150,000 +	14.2%	17.0%	15.0%
Average Household Income	$86,885	$96,254	$93,097
Median Household Income	$82,050	$89,416	$82,587
Per Capita Income	$29,743	$30,909	$31,069
Vehicles Available:			
0 Vehicles Available	0.9%	1.2%	1.8%
1 Vehicle Available	30.4%	20.0%	20.2%
2+ Vehicles Available	68.7%	78.8%	78.0%
Average Vehicles Per Household	2.10	2.20	2.20
Total Vehicles Available	1,250	12,031	26,662
Business and Employment:			
Number of Employees	1,290	5,296	13,746
Number of Establishments	44	307	955

	1 Miles:	3 Miles:	5 Miles:
2011 Demographics			
Total Population	2,041	19,210	41,823
Total Households	658	6,062	13,697
Female Population	1,049	9,643	21,018
% Female	51.4%	50.2%	50.3%
Male Population	992	9,566	20,804
% Male	48.6%	49.8%	49.7%

Age:

Age 0 - 4	5.1%	6.2%	5.8%
Age 5 - 14	13.1%	14.1%	12.5%
Age 15 - 19	7.4%	8.1%	8.0%
Age 20 - 24	7.6%	6.8%	7.4%
Age 25 - 34	14.8%	12.7%	13.0%
Age 35 - 44	11.7%	13.2%	11.9%
Age 45 - 54	14.2%	15.5%	15.7%
Age 55 - 64	12.2%	11.9%	13.5%
Age 65 - 74	9.1%	7.6%	7.9%
Age 75 - 84	4.1%	3.2%	3.4%
Age 85 +	0.8%	0.8%	1.0%
Median Age	36.9	36.8	38.0
Housing Units Trend			
Total Housing Units	749	6,867	15,472
Owner Occupied Housing Units	62.7%	75.2%	76.5%
Renter Occupied Housing Units	25.1%	13.1%	12.1%
Vacant Housing Units	12.2%	11.7%	11.5%
Race and Ethnicity			
American Indian, Eskimo, Aleut	0.1%	0.1%	0.1%
Asian	6.4%	4.7%	4.3%
Black	12.1%	9.4%	8.6%
Hawaiian/Pacific Islander	0.0%	0.0%	0.0%
White	76.1%	82.4%	83.7%
Other	2.7%	1.5%	1.4%
Multi-Race	2.7%	2.0%	1.9%
Hispanic Ethnicity	8.2%	4.8%	4.8%
Not of Hispanic Ethnicity	91.8%	95.2%	95.2%
Marital Status:			
Age 15 + Population	1,670	15,319	34,205
Divorced	7.2%	5.6%	6.2%
Never Married	18.1%	18.3%	18.8%
Now Married	69.0%	70.7%	69.1%
Separated	2.6%	2.2%	2.1%
Widowed	3.1%	3.3%	3.7%
Educational Attainment:			
Total Population Age 25+	1,352	12,388	27,700
Grade K - 9	0.3%	1.3%	1.6%
Grade 9 - 12	1.8%	3.2%	3.3%
High School Graduate	24.7%	22.9%	24.5%
Associates Degree	10.4%	9.9%	10.7%
Bachelor's Degree	30.1%	28.6%	25.5%
Graduate Degree	11.1%	12.2%	11.3%
Some College, No Degree	21.7%	21.9%	23.2%
Household Income:			
Income $ 0 - $9,999	1.9%	2.2%	2.1%
Income $ 10,000 - $14,999	2.4%	1.6%	1.6%
Income $ 15,000 - $24,999	4.6%	4.8%	4.9%
Income $ 25,000 - $34,999	6.6%	5.6%	6.3%
Income $ 35,000 - $49,999	12.8%	8.4%	8.3%
Income $ 50,000 - $74,999	13.1%	14.2%	16.6%
Income $ 75,000 - $99,999	16.0%	15.2%	16.8%

Income $100,000 - $124,999	15.1%	13.7%	13.5%
Income $125,000 - $149,999	9.4%	12.6%	10.8%
Income $150,000 +	18.2%	21.8%	19.1%
Average Household Income	$94,731	$104,478	$101,281
Median Household Income	$89,924	$96,463	$90,474
Per Capita Income	$32,050	$33,180	$33,362
Vehicles Available			
0 Vehicles Available	0.6%	1.0%	1.4%
1 Vehicle Available	29.4%	19.6%	19.8%
2+ Vehicles Available	69.9%	79.4%	78.9%
Average Vehicles Per Household	2.30	2.50	2.50
Total Vehicles Available	1,403	13,562	30,601

	1 Miles:	3 Miles:	5 Miles:
2000 Census Demographics			
Total Population	1,631	14,799	30,647
Total Households	543	4,802	10,377
Female Population	842	7,489	15,529
% Female	51.6%	50.6%	50.7%
Male Population	790	7,310	15,118
% Male	48.4%	49.4%	49.3%
Age:			
Age 0 - 4	5.8%	6.6%	6.4%
Age 5 - 14	21.7%	21.8%	19.5%
Age 15 - 19	7.7%	8.0%	8.1%
Age 20 - 24	3.5%	3.1%	3.7%
Age 25 - 34	10.1%	9.1%	9.9%
Age 35 - 44	20.6%	21.7%	19.7%
Age 45 - 54	15.2%	16.1%	16.8%
Age 55 - 64	6.8%	6.6%	8.1%
Age 65 - 74	5.0%	4.1%	4.5%
Age 75 - 84	3.2%	2.4%	2.7%
Age 85 +	0.4%	0.4%	0.6%
Median Age	35.8	35.8	36.5
Housing Units Trend			
Total Housing Units	570	4,978	10,731
Owner Occupied Housing Units	66.6%	81.6%	82.9%
Renter Occupied Housing Units	28.7%	14.9%	13.8%
Vacant Housing Units	4.7%	3.5%	3.3%
Race and Ethnicity			
American Indian, Eskimo, Aleut	0.2%	0.2%	0.2%
Asian, and Hawaiian or other Pacific Islander	4.0%	3.0%	2.6%
Black	9.7%	6.5%	5.9%
White	83.4%	88.2%	89.3%
Other	1.3%	0.8%	0.8%
Two or More Races	1.4%	1.3%	1.3%

Hispanic Ethnicity	5.9%	3.4%	3.3%
Not of Hispanic Ethnicity	94.1%	96.6%	96.7%
Marital Status:			
Age 15 + Population	1,183	10,583	22,726
Divorced	7.2%	5.5%	6.3%
Never Married	18.1%	18.1%	18.8%
Now Married	68.9%	70.9%	69.0%
Separated	2.6%	2.2%	2.1%
Widowed	3.2%	3.3%	3.8%
Educational Attainment:			
Total Population Age 25+	1,001	8,933	19,104
Grade K - 9	0.0%	1.1%	1.8%
Grade 9 - 11, No diploma	2.5%	4.2%	4.5%
High School Graduate	24.7%	21.9%	23.9%
Associates Degree	8.3%	7.6%	8.3%
Bachelor's Degree	29.9%	28.6%	25.1%
Graduate Degree	12.1%	13.4%	12.0%
Some College, No Degree	22.4%	22.9%	24.2%
No Schooling Completed	0.3%	0.4%	0.3%
Public School Enrollment	93.8%	89.0%	87.2%
Private School Enrollment	6.2%	11.0%	12.8%
Household Income:			
Income $ 0 - $9,999	2.3%	2.5%	2.5%
Income $ 10,000 - $14,999	3.5%	2.3%	2.7%
Income $ 15,000 - $24,999	7.6%	6.7%	6.2%
Income $ 25,000 - $34,999	7.0%	5.5%	6.7%
Income $ 35,000 - $49,999	15.9%	11.6%	13.5%
Income $ 50,000 - $74,999	16.9%	18.7%	20.9%
Income $ 75,000 - $99,999	20.3%	18.0%	17.8%
Income $100,000 - $124,999	10.6%	15.5%	13.0%
Income $125,000 - $149,999	6.7%	7.9%	6.6%
Income $150,000 - $199,999	5.7%	6.8%	6.2%
Income $200,000 or More	3.6%	4.6%	4.0%
Average Household Income	$78,573	$87,427	$83,012
Median Household Income	$71,266	$78,658	$72,279
Per Capita Income	$26,158	$28,368	$28,109
Vehicles Available			
0 Vehicles Available	1.0%	1.5%	2.4%
1 Vehicle Available	32.1%	20.7%	20.9%
2 Vehicles Available	43.9%	50.9%	49.5%
3+ Vehicles Available	23.0%	27.0%	27.2%
Average Vehicles Per Household	1.90	2.00	2.00
Total Vehicles Available	1,080	10,172	21,885
Blue Collar Occupations	201	2,133	4,737
White Collar Occupations	535	4,624	9,989
% Blue Collar Workers	27.3%	31.6%	32.2%
% White Collar Workers	72.7%	68.4%	67.8%

	1 Miles:	3 Miles:	5 Miles:
1990 Demographics			
Total Population	961	7,555	19,655
Total Households	285	2,392	6,428
Female Population	481	3,767	9,899
% Female	50.0%	49.9%	50.4%
Male Population	481	3,787	9,756
% Male	50.0%	50.1%	49.6%
Age:			
Total Population	961	7,555	19,655
Age 0 - 4	11.0%	9.8%	8.1%
Age 5 - 14	20.7%	19.3%	18.6%
Age 15 - 19	5.9%	6.6%	7.9%
Age 20 - 24	2.2%	3.7%	4.6%
Age 25 - 34	20.0%	18.4%	15.5%
Age 35 - 44	23.9%	21.9%	21.3%
Age 45 - 54	8.6%	9.8%	11.8%
Age 55 - 64	4.1%	5.2%	5.6%
Age 65 - 74	2.7%	3.6%	4.4%
Age 75 - 84	0.9%	1.5%	2.0%
Age 85 +	0.0%	0.2%	0.3%
Median Age	31.6	31.8	32.6
Housing Units			
Total Housing Units	294	2,514	6,860
Owner Occupied Housing Units	92.1%	86.6%	81.1%
Renter Occupied Housing Units	4.7%	8.6%	12.6%
Vacant Housing Units	3.3%	4.9%	6.3%
Race and Ethnicity			
American Indian, Eskimo, Aleut	0.1%	0.1%	0.1%
Asian	3.3%	2.5%	2.3%
Black	2.9%	5.3%	4.7%
White	93.4%	91.8%	92.6%
Other	0.4%	0.3%	0.3%
Hispanic Ethnicity	2.3%	2.0%	1.9%
Not of Hispanic Ethnicity	97.7%	98.0%	98.1%
Educational Attainment:			
Total Population Age 25+	579	4,576	11,957
Grade K - 9	0.7%	4.1%	4.5%
Grade 9 - 12	3.9%	7.4%	7.7%
High School Graduate	16.4%	22.6%	27.0%
Associates Degree	10.9%	8.7%	7.3%
Bachelor's Degree	32.8%	25.5%	21.2%
Graduate Degree	10.7%	8.3%	7.0%
Some College, No Degree	24.7%	23.4%	25.2%
1990 Household Income:			
Income $ 0 - $9,999	0.0%	2.9%	5.1%

Income $ 10,000 - $19,999	3.4%	6.1%	7.3%
Income $ 20,000 - $29,999	7.7%	9.9%	11.0%
Income $ 30,000 - $39,999	10.6%	12.3%	13.1%
Income $ 40,000 - $49,999	15.7%	15.8%	15.4%
Income $ 50,000 - $59,999	24.4%	20.1%	15.3%
Income $ 60,000 - $74,999	17.1%	14.6%	15.0%
Income $ 75,000 - $99,999	12.7%	10.7%	10.0%
Income $100,000 - $124,999	7.1%	5.9%	4.9%
Income $125,000 - $149,999	0.4%	0.5%	1.0%
Income $150,000 +	0.6%	1.2%	1.8%
Average Household Income	$60,029	$55,520	$53,029
Median Household Income	$54,950	$51,578	$48,274
Per Capita Income	$18,879	$17,870	$17,462
Vehicles Available			
0 Vehicles Available	0.1%	2.0%	2.1%
1 Vehicle Available	11.5%	13.3%	16.8%
2+ Vehicles Available	88.5%	84.8%	81.1%
Average Vehicles Per Household	2.10	2.20	2.20
Total Vehicles Available	593	5,155	14,122

	1 Miles:	3 Miles:	5 Miles:
Population Trend			
1990	961	7,555	19,655
2000	1,631	14,799	30,647
Change 1990 to 2000	69.7%	95.9%	55.9%
2006	1,862	17,260	36,886
2011	2,041	19,210	41,823
Change 2006 to 2011	9.6%	11.3%	13.4%
Household Trend			
1990	285	2,392	6,428
2000	543	4,802	10,377
Change 1990 to 2000	90.8%	100.7%	61.4%
2006	608	5,503	12,231
2011	658	6,062	13,697
Change 2006 to 2011	8.3%	10.2%	12.0%
Average Household Size Trend			
1990	3.38	3.16	3.06
2000	3.00	3.08	2.95
2006	3.06	3.14	3.01
2011	3.10	3.17	3.05
Median Age Trend			
1990	32	32	33
2000	36	36	37
Change 1990 to 2000	13.1%	12.4%	11.9%
2006	36	36	37
2011	37	37	38
Change 2006 to 2011	1.8%	1.7%	2.4%

Housing Units Trend

Total Housing Units			
Change 1990 to 2000	93.9%	98.0%	56.4%
Change 2006 to 2011	11.8%	14.0%	15.9%
Owner Occupied Housing Units			
Change 1990 to 2000	40.2%	86.6%	59.9%
Change 2006 to 2011	9.2%	10.4%	12.3%
Renter Occupied Housing Units			
Change 1990 to 2000	1,075.4%	243.0%	71.5%
Change 2006 to 2011	6.1%	8.7%	10.1%
Vacant Housing Units			
Change 1990 to 2000	176.4%	42.1%	-18.5%
Change 2006 to 2011	45.1%	55.0%	58.6%

Race and Ethnicity Trend

American Indian, Eskimo, Aleut			
Change 1990 to 2000	359.4%	365.6%	179.4%
Change 2006 to 2011	-39.2%	-35.7%	-38.6%
Asian or Pacific Islander			
Change 1990 to 2000	105.4%	140.2%	80.2%
Change 2006 to 2011	27.2%	29.4%	34.7%
Black			
Change 1990 to 2000	472.1%	138.7%	92.3%
Change 2006 to 2011	17.8%	27.4%	30.6%
White			
Change 1990 to 2000	51.5%	88.2%	50.3%
Change 2006 to 2011	4.9%	8.2%	10.4%
Other			
Change 1990 to 2000	493.4%	393.2%	363.7%
Change 2006 to 2011	61.9%	43.1%	46.9%
Hispanic Ethnicity			
Change 1990 to 2000	332.2%	233.3%	173.6%
Change 2006 to 2011	23.1%	26.5%	30.1%
Not of Hispanic Ethnicity			
Change 1990 to 2000	63.4%	93.1%	53.7%
Change 2006 to 2011	8.6%	10.6%	12.7%

Current year data is for the year **2006**, 5 year projected data is for the year **2011**. More About Our Data.

III.1

REZONING REQUEST
+/-49.8 ACRES FRONTING HIGHWAY 74

We are requesting to rezone the existing property from General Industrial to Limited Use Commercial for the purpose of developing an upscale retail development and outparcels catering to the adjacent neighborhoods.

a. Should the property be rezoned to Limited Use Commercial, the City of Peachtree City would benefit from receiving taxes based on a higher millage rate. The estimated tax benefit on an annual basis for our proposed shopping center will be approximately:

$25,000,000 (estimated value) x 40% (assessed) x 33.62 mills = $336,200.00

b. The commercial development will not have any demand on public education.

c,d. Emergency services are provided by Station #83 located at 450 Peachtree Parkway. Commercial uses tend to have less of a demand than residential uses for medical, fire and police services.

e. There will be no undue burdens on transportation. The widening of Highway 74 and the re-alignment of Rockaway Road will happen concurrently with the development of the shopping center. The shopping center customers will draw from the existing population.

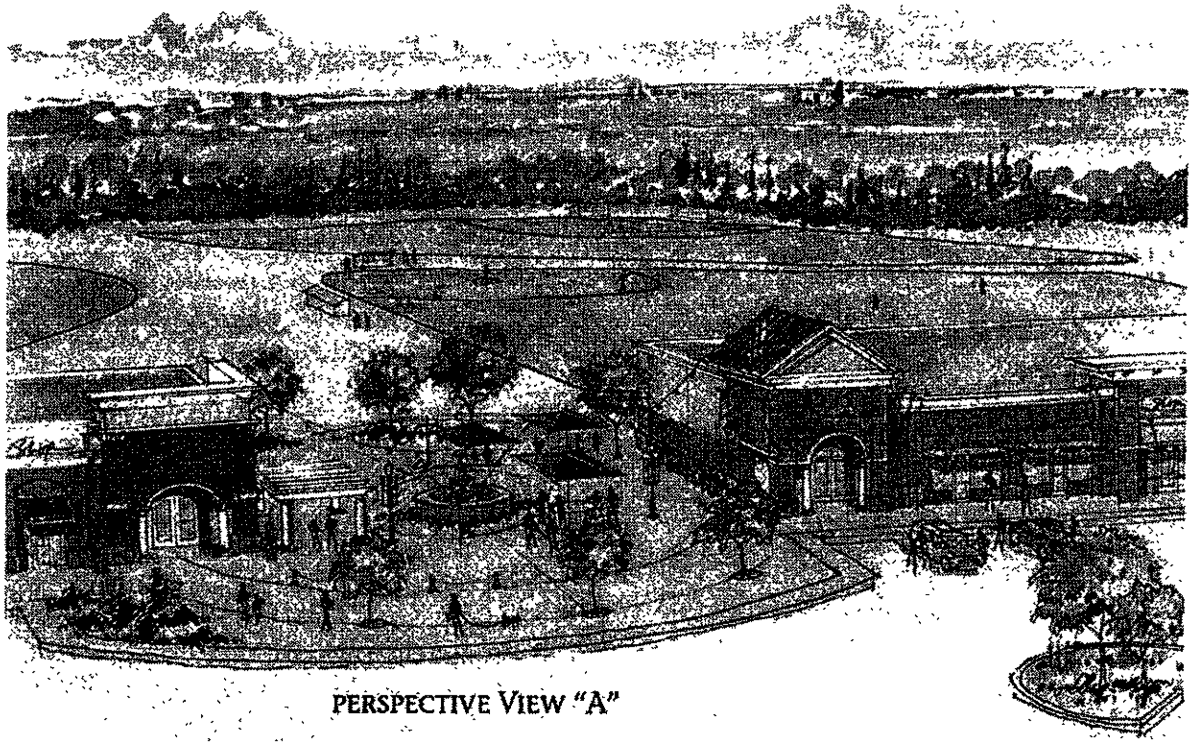
f. The utility providers are Atlanta Gas Light, Peachtree City Water and Sewerage Authority, Fayette County Water System and Coweta-Fayette Electric Membership Corporation.

i. Currently the Peachtree City Recycling Center is located on part of the property. Peachtree City has indicated they would be interested in relocating the Recycling Center onto a different piece of property and executing a land swap.

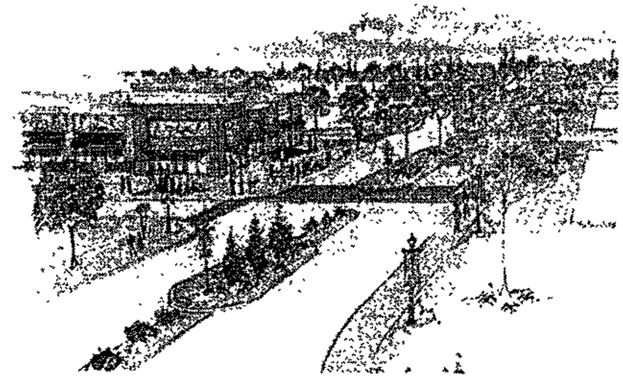
g. The topography of the land is ideal for commercial development. The topo survey and soil tests have indicated that there are no environmental issues at the site.

h. The proposed commercial development will not impact recreational programs in Peachtree City but will be located adjacent to the Jim Meade Recreation Park allowing residents to go shopping and to the park in one convenient location.

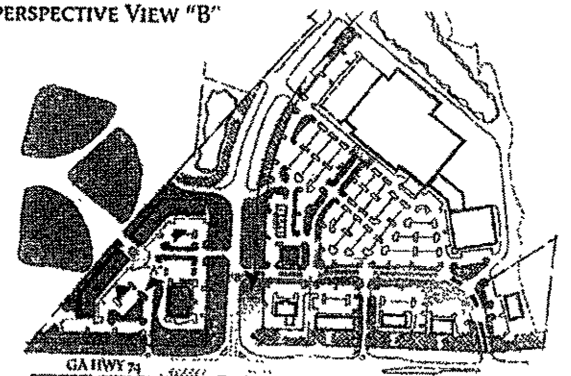
Overall, the development will be an asset to the City of Peachtree City in that it will provide amenities and convenience to the adjacent neighborhoods.



PERSPECTIVE VIEW "A"



PERSPECTIVE VIEW "B"

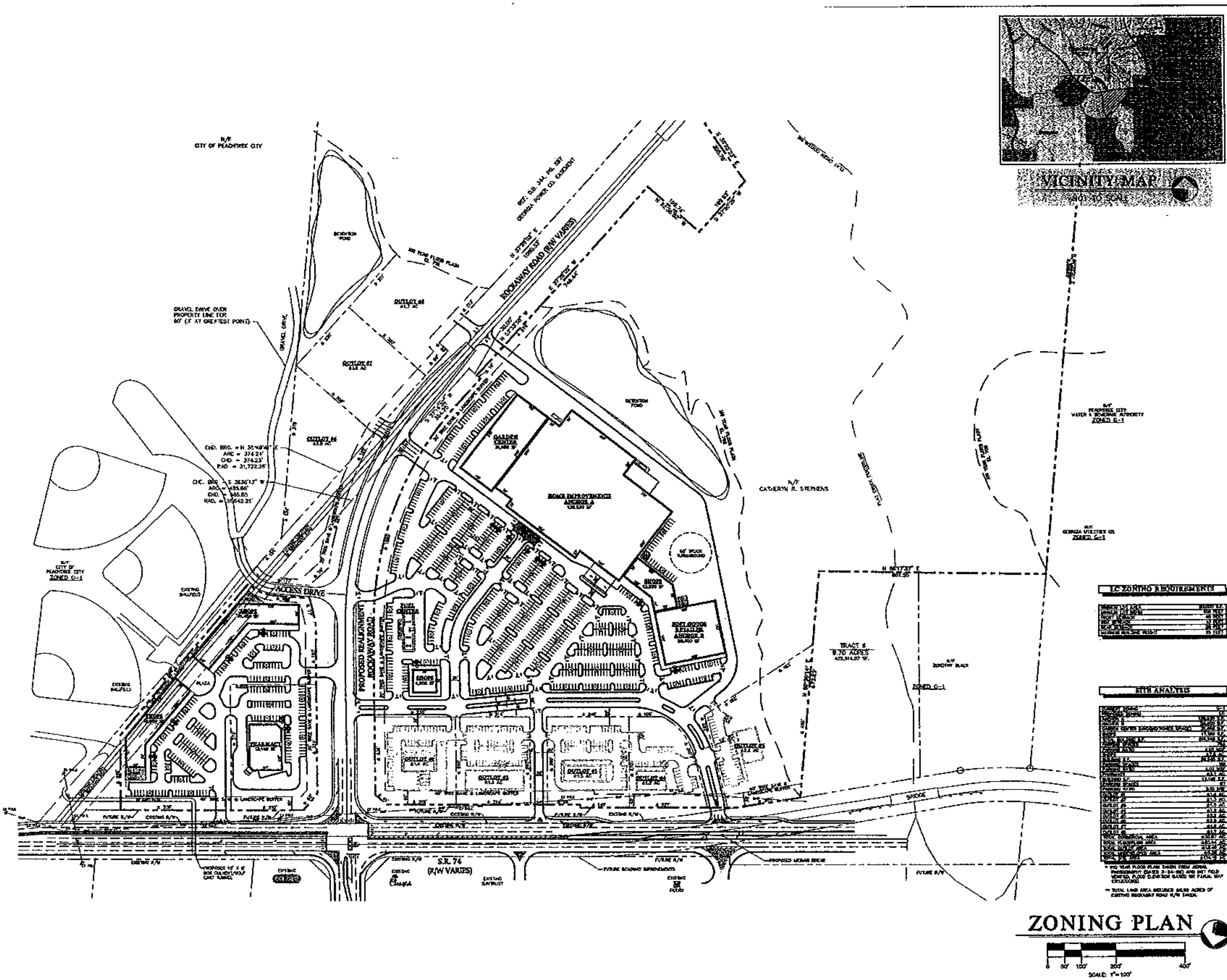


KEY PLAN

PRELIMINARY ELEVATIONS

PEACHTREE CITY VILLAGE

ROBERTSON LOIA ROOF



PAULSON MITCHELL INCORPORATED

PROJECT:

PROPOSED DEVELOPMENT

LAND LOTS 29 AND 30;
6th DISTRICT;
CITY OF PEACHTREE CITY
FAYETTE COUNTY, GA

FOR:

COLUMBIA PROPERTIES INC.

1355 TERRELL MILL RD
BLDG 1478; SUITE 200
MARIETTA, GA. 30067
(770) 953-6262

REVISIONS

03.07.07

ZONING PLAN

Z.4

RECEIVED MAR 8 2007

UNAPPROVED EXCERPT

PEACHTREE CITY PLANNING COMMISSION
MINUTES OF MEETING
March 26, 2007

PH-07-03 Proposed Rezoning: Stephens Tract Retail (Columbia Properties), SR 74 South and Rockaway Road, GI to LUC.

This public hearing had been continued from the March 12, 2007, Planning Commission meeting.

Mr. Mullin prefaced the public hearing by stating that there were a lot of issues surrounding the realignment of Rockaway Road, but the purpose of this meeting was to discuss the proposed rezoning of the Stephens tract on Highway 74. In that regard, Mr. Ted Meeker, the City Attorney for Peachtree City, addressed the audience and explained that the realignment of Rockaway Road was not part of this rezoning. It had not been imposed on the developer as a condition for approval of the rezoning and merely reflected what was to date part of Phase 2 of the GA 74 South widening. He added that he was not sure how germane discussions on that subject would be to the issues before the Commission. Mr. Mullin thought that some discussion related to the traffic study and how the realignment would affect that area would be appropriate.

Mr. Rick Lindsey of Webb, Lindsey & Wade was in attendance to present the proposed rezoning of two tracts of land on SR 74 South across from the Wilshire Pavilion retail center that were owned by Mrs. Cathryn Redwine Stephens. He was representing the Stephens family as well as Columbia Properties and noted that this item had been discussed at the Planning Commission meeting on March 12, 2007. He did not want to repeat comments that had already been made but wanted to address what had happened in the past two weeks.

He indicated the current and proposed path of Rockaway Road on a drawing that had been projected on the screen. He suggested that comments relative to the realignment be reserved for the Department of Transportation (DOT) or some other body. He further stated that there had been many references to allowing the trees to remain on this property which he felt was naïve and not based on reality. The market was driving the development of the property, and it would be developed – if not by them, by someone else.

Mr. Lindsey reviewed all of the efforts Columbia Properties had made to reach out to the Wilshire Estates community and find out about their concerns including setting up a website where residents could submit their comments by e-mail. He addressed each of those issues – noise, traffic, crime, and property values – as follows:

<u>Noise</u> – The big stores were proposed to be located as far from the Wilshire Estates subdivision as was possible. They were working with the Environmental Protection Division (EPD) and had found that although there was a floodplain on the property, there were no wetlands. He said they were not about to violate federal, state, or local ordinances and would not build in the floodplain.

Attachment "A"

They also planned to heavily landscape the outparcels and the buffer along Highway 74 to lessen both the audible and visual impact of this development on the neighborhood. He stated that the distance from the large home improvement store to the closest residential unit was over a quarter mile. In addition, he noted that the land was about 30 feet below the level of the street. Since the proposed zoning would be LUC Limited Use Commercial, Mr. Lindsey noted that the Planning Commission and City Council could impose conditions on the hours of operation, the delivery hours, etc., etc.

<u>Traffic</u> – Mr. Lindsey felt the focus of the traffic concerns was Holly Grove Road. He explained, for the benefit of those who might not have attended the March 12 meeting, that the center had been designed so that, as much as possible, traffic would be pulled off of Rockaway Road. Four entrances would be provided and only one main entrance and exit off of Highway 74. The site had been designed to pull the traffic off of Highway 74 and along Rockaway Road.

Mr. Lindsey said they did not want to be a bad neighbor and wanted to fit into the area. They were willing to participate at their cost to help the City with any traffic-calming devices that the City Engineer deemed appropriate. They were willing to do more than their fair share relative to traffic-calming devices along Holly Grove Road. He really thought the majority of the traffic would be on Highway 74 and said that the traffic engineer would discuss this.

<u>Crime</u> – They did not want crime either and would only have good, clean, reputable stores. The fuel center would not be a truck stop and would not be a center of any inappropriate activity. It was simply a fuel stop for automobiles and they were not proposing a 24/7 operation. He repeated that they had a vested interest in this area because of the Wilshire Pavilion across the street. Mr. Lindsey further stated that they planned to have shorter light posts and lighting that would not spill over onto the surrounding property. They were very serious about providing a safe environment where citizens would feel comfortable. They wanted to be a good neighbor to Wilshire Estates.

<u>Property Values</u> – Mr. Lindsey said in his opinion this was where Peachtree City's good planning and attention to detail paid off. He noted that there were many areas in the City where residential and retail mixed, and he thought Peachtree City had done a better job of mixing these uses than any other city in Georgia and probably most of the country. They planned to do the things that had been done in the past and do them better to make this development an asset to Wilshire Estates as well as the City.

Mr. Lindsey stated they wanted to do the following:

- To heavily buffer this site.
- An aesthetically pleasing architectural style.
- To bring traffic into the center.
- To provide a means for the golf cart paths to go under Highway 74 and hook up to Meade Field.

- To make this a pedestrian friendly center where sidewalks and cart paths were used heavily.
- Inter-connectivity throughout the parcel.
- That this be a destination and not just a stopping-off point.
- To swap the land where the recycling center was currently located. He acknowledged that the property was in the floodplain but he said it could be developed as ball fields and impervious surface for parking lots.

Mr. Abdul Amir, a registered traffic engineer with the state of Georgia, was in attendance to present the traffic study A & R Engineering had prepared on the anticipated traffic impact of this proposal. He stated that they were consultants who had experience with various city and county governments, Georgia DOT, and private developers on projects such as this one and had done work in Peachtree City for the past 13-14 years. He noted that the realignment of Rockaway Road was not part of this project but it was included in their study.

Mr. Amir described the methodology that had been used, what they had done, and the results. Mr. Amir also noted that a development like this one would have a significant number of "pass-by" trips where a vehicle that was already on the road would turn into the site to visit one of the establishments and then continue in the same direction they were going. That was not considered a new trip. Among other things, he noted that the traffic to a home improvement store would be different than to a grocery store; the home improvement store tended to attract its customers from a larger area which he said would bring more traffic from Highway 74. This had been factored into their analysis.

Mr. Amir stated that their final determination was that the level of service at the intersection of Holly Grove Road and Highway 74 after the widening of Highway 74, the realignment of Rockaway Road, and the construction of this project would be a "D." He said this was the goal for the target level of service for the state and the Georgia Regional Transportation Authority.

Mr. Amir estimated that this project would add approximately 40 cars per hour to Holly Grove Road after the realignment of Rockaway Road. He noted that traffic signals on state highways typically operated on a two-minute cycle which meant that within one hour there would be 30 cycles. Consequently, it was estimated there would be one or two vehicles at the traffic signal as a result of this project. He acknowledged that there would also be traffic from Rockaway Road and Wilshire Pavilion. Mr. Amir stated that they used pretty standard methodology to get these figures.

Mr. Thomas Stephens, whose mother was the owner of the property proposed for rezoning, stated that they were selling the property to Columbia Properties. He noted that the property had been under contract approximately six years ago and was proposed for residential development. Although the Planning Commission recommended the rezoning request be approved, it was ultimately denied by the Mayor and City Council.

Mr. Stephens said they had waited patiently for someone who would purchase the property and build something on it of which they could be proud. The property had been in their family for a very long time. He stated that he had tried to explain to his children that some of the comments being made were less than true. He urged the Commissioners to look at the facts of this matter and to not make a decision based on the emotion. They were not trying to do anything that was detrimental to their neighborhood. This was not about turning a profit and walking away from it – they also lived in this area.

Ms. Linda O'Hare did not live in Wilshire Estates but understood their emotion. She said there were a lot of similar comments about the Kedron Village expansion. However, that development had turned out to be no problem at all and the traffic situation in their neighborhood had actually improved. She could not say that these homeowners would have the same experience but the concerns that had been expressed before the Kedron Village expansion had not materialized.

Mr. Mark Klynott lived in the Kedron area in Spooner Ridge subdivision and agreed with the comments Ms. O'Hare had made. He said the traffic signals had been installed in a timely manner and had actually improved the traffic in that area. He felt that Wilshire Estates and the neighborhoods along Holly Grove were not an island unto themselves. They were part of a larger community, a larger village, Peachtree City, and Fayette County. He felt that when the decision was made to add the 600,000+ SF of commercial development across Line Creek in Coweta County, Holly Grove had already become a feeder road as would Highway 54, McIntosh, TDK, and other roads with an east-west orientation. He thought the residents should rather be concerned about what traffic mitigation could be done by the City to make sure the traffic slowed down and stopped.

Mr. Klynott also wondered what would happen to the City's sales tax money and what could be done to keep it in Fayette County and Peachtree City. He thought it was better to develop this property in the "Peachtree City way" to counter-balance what would be developed in Coweta County. He thought there were bigger issues than what would happen on Holly Grove Road.

No one else spoke in favor of the proposed rezoning.

Mr. Brian Dingivan, a resident of Wilshire Pavilion, thought this developer was providing a lot of misinformation to the people and was misleading them about their proposal. He gave a PowerPoint presentation outlining his issues of concern which included the following:

- Although the developer wanted people to think the realignment of Rockaway Road was a benefit they were providing, the fact was that it was a DOT project and had nothing to do with this developer.
- To achieve the $87 million in annual sales tax revenue that the developer was projecting, sales would have to total $1.45 billion. He thought the Mall of Georgia would have trouble bringing in that sales volume.

- He thought Peachtree City residents already had access to a variety of goods and services and consequently did not need more of the same. He felt the traffic that would be generated by this development would not make it convenient for anyone.
- He noted about that, for various reasons, ten businesses within Wilshire Pavilion had gone out of business. They did not need more empty buildings in their neighborhood.
- The restaurants with the patios to watch activities at Meade Field were 270 yards away from them.
- He provided quotes from Police Chief James Murray relative to the last development that was constructed in the City. He said the cost of services should be examined and noted that the crime rate increased as the patrols decreased. Mr. Dingivan stated that there was already a shortage of police and fire officers; this development would further stretch those resources.
- He quoted from an article written by a fire chief in a community where a home improvement store caught fire. Mr. Dingivan said there were public safety issues to consider, i.e., carcinogens that would be released if the property caught fire and the proximity of the site to schools and residential neighborhoods.

Mr. Dingivan stated that he had nothing against the Stephens family and acknowledged that they had the right to sell their property but he suggested that there were better uses for it than this proposal. He felt it would be opening Pandora's box to change the Land Use Plan and that it would set a precedent for similar actions on other industrial properties in the City.

Mr. Joe Iniguez, a resident of Wilshire Estates, strongly questioned the accuracy of the information that was being presented and specifically mentioned the following items:

- The developer's knowledge about the location of the tunnel under Highway 74.
- The "D" grade of the intersection.
- Coweta County's 20-year master plan showed a brand new highway connecting Rockaway Road with State Route 85 which would become a truck corridor through Peachtree City.
- There was no assurance that the big box proposed would be a home improvement store; he thought it could be a Wal-Mart.
- Rockaway Road was not a "done deal" because DOT had not acquired the right-of-way yet. He thought the appraisal value of the property was dependent upon rezoning the property.
- Wilshire Estates subdivision would be flooded in the next major storm (hurricane capacity) if this development was constructed. When the last major storms came through this area, all of the cart paths between Holly Grove and Crosstown were flooded. Some of their homeowners had water within five feet of their basements.
- Mr. Lindsey failed to mention all the restaurants that could go in the green spot next to the highway.

Mr. Iniguez said he was against the project as a homeowner and also as a highway contractor who would be bidding on one of the road projects in December.

Mr. Mullin cautioned the audience about maintaining a civil attitude during these proceedings or no progress would be made on this subject.

Ms. Laurie Farmer, the president of the Wilshire Estates Homeowners Association, wanted to discuss the facts and asked the homeowners to listen to them. She asked those who were in opposition to this proposal to stand and then requested that those who were not residents of Wilshire Estates to stand. She pointed out that this was not just a Wilshire Estates issue. She said this was the beginning of a long working relationship with the Planning Commission and City Council. There was developable land all around their subdivision, and they would be involved for many years to come.

Ms. Farmer expressed her appreciation to Staff, the Commissioners, and the developer for the information they had shared with them. She emptied a large bag of books onto the table in front of the microphones indicating that these were books she had gotten from the Peachtree City Library to research big box retail and what it would do to a city and a neighborhood. She noted that they received word late on Friday afternoon regarding the change in venue and she was very pleased with the number of homeowners who were able to attend this meeting.

Ms. Farmer stated that they had had their second meeting with the developer which was also attended by two City Council members and a representative from the Planning Commission. She said they had put their concerns in writing. She also said Columbia Properties had pulled out all the stops, papering their neighborhood with marketing surveys and conducting telephone surveys all over the city. Their position was "No Rezone. No Big Box." She noted that people were interested in this rezoning. They had done a one-day petition drive for "No Rezone" and had received over 600 signatures from people around the City.

Ms. Farmer further stated that even though the developer's attorney was proposing a rezoning to LUC, this proposal should be heard under City Ordinance 875, the City's Big Box Ordinance. They felt the developer was trying to skirt the Big Box Ordinance by rezoning the property to a designation that was not appropriate for this development. The majority of people in Peachtree City had moved here to get away from this type of development.

In addition, Ms. Farmer said the following were Wilshire Estates' top reasons for opposing this rezoning and big box development of the site:

- Property values would decrease. Her research showed that a frequently overlooked cost was the effect big box stores had on existing property values due to the added traffic and crime.
- Too close to schools. A regional shopping center in this area would put the children at risk.

- Most people moved here for the planned community concept understanding what could be built around them. Stick to the plan.
- Negative economic impact to the City. What the City gained in sales taxes would be lost in providing city services. According to the research she had done, cities showed a net annual loss of $.44 per SF.
- Crime. The Peachtree City Police Department opposed this development. They would present figures at the City Council meeting that showed how crime figures had been affected since Target opened.
- Traffic. This item had been discussed in depth at this meeting and the meeting on March 12.
- No regional shopping center in this location. Fix Braelinn, the City-planned village center; don't kill it.

Ms. Farmer stated that rezoning this property to commercial was a conflict with the City's Comprehensive Land Use Plan. They considered any change to this plan to be an abuse of zoning power and would be further pursued.

In summary, Ms. Farmer asked the Commission to hear this request under City Ordinance 875, which said that Peachtree City opposed big box development, and follow the City's Land Use Plan.

Mr. Mullin asked that, in the interest of time, those requesting to speak at this meeting not duplicate comments that had already been made.

Mr. Steve Brown, the former mayor of Peachtree City and a resident of Planterra Ridge subdivision, said that the most basic element of this discussion should relate to what was already in the City Code relating to this type of development. He stated that Ordinance 875, which was the Big Box Ordinance, definitively said that our City had conducted studies and examined the studies conducted by other cities and organizations and had found that these types of developments were detrimental to the City. He said he was not opposed to appropriate commercial development on this site. He added that regional draws like big box stores were not part of the City's plan; neighborhood village shopping centers were.

Mr. Brown wanted to clear up any misunderstandings that might exist about the plan for this property that was denied while he was mayor. He noted that in a previous meeting, Dennis Payton, the former chairman of the Planning Commission, confirmed that what he was about to say was true. The Planning Commission unanimously passed the plan that was submitted for residential development. However, the day the plan was presented to City Council, it was changed to include multi-family housing which was "a big no-no."

Mr. Brown said he probably knew the big box issue better than anyone in Peachtree City, and he knew that the citizens did not want this type of development in the City. He also noted that the development in Coweta County was not a "done deal" because it was recently reported that the

Coweta County Commissioners wanted to wait until they knew for sure that the TDK extension was going to be built. He said this was another issue the people needed to get behind – not building TDK.

Mr. Brown brought in a box full of cards and survey sheets showing overwhelming opposition to big box development in Peachtree City – this was the sentiment that led to the adoption of the Big Box Ordinance.

Ms. Sharon Waples, a resident in The Estates, said she was very, very proud to be the community association manager for Wilshire Estates. She wondered if the level "D" traffic study considered the two-lane streets with golf cart paths crossing over them that we have in Peachtree City. She said that she saw a lot of speeding and felt that something needed to be done about a golf cart warning sign that was less than 10 feet from the cart path on Holly Grove Road close to the pool. Ms. Waples also said that just because this development would not border Wilshire Estates did not mean the subdivision would not be affected by it. She cited Planterra Ridge as an example after Wal-Mart and Home Depot were developed. She further stated that they had seen an incredible amount of cut-through traffic on Holly Grove Road and Robinson Road since the construction on Highway 74 began.

Ms. Waples was also concerned about the current vacancies in Braelinn Village and thought that center should be revitalized. Rather than bringing in national chains, she favored local restaurants and shops. She was afraid this area would be over-built commercially. She thought the Commissioners should consider what this development would mean not only to Wilshire Estates but also to other subdivisions in the area.

Ms. Phyllis Aguayo, a resident of Stoneybrook subdivision, stated that people all over the City were feeling threatened by traffic and big boxes. She said the quality of life in Peachtree City was eroding from what residents thought they had been promised when they purchased their homes here. They knew there was a Land Use Plan and a Comprehensive Plan and believed that the planned community would be what they said.

Ms. Aguayo stated that she had been attending Planning Commission and City Council meetings for the 20 years she had lived here and had also served on various committees during that time. She said there was a reason the City's zoning was planned, and there was also a reason there was an industrial park and it was not supposed to be residential or commercial zoning. She did not think this was an appropriate use for this land. The City's shopping centers were to serve the needs of the citizens in each village and they were to be in the village center. This would be a regional draw that would bring additional cars from outside the city. She thought this would be a traffic nightmare for what was already a very bad intersection.

Ms. Aguayo was also very concerned about the impervious surface associated with this development and the wetlands on the property. It had been proven that development and impervious surface created flooding. She wanted to know what would be done to ensure the runoff would not impact the stream, the wetlands, and the residents who lived nearby.

Ms. Aguayo also mentioned her concern about setting a precedent. She said there was a lot of industrial land and there was pressure to rezone that land to residential. She said this had been discussed for years; if this happened, it would spoil the whole plan for Peachtree City. The Land Use Plan was a contract the City had made with the residents and it needed to be honored. The citizens expected the City to live up to their end of the contract.

Ms. Aguayo also stated that the Big Box Ordinance was a clear mandate from the citizens and it should not be ignored. It pained her to have to come to these meetings and speak against the wishes of other citizens, but she felt the good of the community was most important. She noted that this property was always zoned industrial. It was never promised that the owner would be able to sell it as commercial or residential property. There was no obligation on the part of the City or the residents to the property owner. She asked that the Commission honor the Comprehensive and Land Use Plans.

Ms. Suzanne Dingivan, another resident of Wilshire Estates, suggested that this parcel be used for educational purposes such as the Central Education Center (CEC) of Coweta County which offered training in specific job areas. At this time, students who needed these classes had to go to Griffin Technical College. The CEC would be a publicly funded charter school that worked in conjunction with the area's largest employers. She further stated that the success of the CEC was that nearly 200 local businesses provided work-based opportunities for students. She thought it would be great to do something with this land that would benefit the youth, the businesses, and the community.

Mr. Mullin said that good ideas were being presented but asked that the comments be focused on the rezoning of this property. The Commission was not in a position to make recommendations about what would be good ideas.

Mr. Mark Wallace, a resident of Wilshire Estates, had two degrees in engineering and could understand from a traffic planner's perspective. He thought it was important to learn from others' mistakes. He had recently moved here from Greenville, South Carolina, where a big box development very similar to this one was built. After a year and a half, the traffic congestion was completely out of control to the point that on the weekends, police had to direct the traffic. He noted that Greenville was a smaller city than Peachtree City, but he still did not think this development would be good for the City.

Ms. Carolyn Cannon, a Wilshire Estates resident, asked for some clarification on the flooding issues their subdivision had experienced. She asked that Mr. Lindsey address how water would be absorbed if the trees were removed and replaced with concrete.

Ms. D'Arcy Pitts of Shadowood Subdivision went door to door in her neighborhood. She spoke with residents in 43 of the 65 homes and found that 85 percent of the registered voters in those 43 homes did not want this property to be rezoned.

Ms. Valerie Sherman, a resident in Wilshire Estates, noted that Mr. Campbell had made a couple of statements at their last neighborhood meeting that really caught her attention. One of them was that they were in the business of making money and that was their primary purpose for putting in this development. The other thing he said was that they did not want to build this development if the community would not support this business venture. She asked that the Commission consider this and take Mr. Campbell at his word because there was overwhelming opposition throughout this community to this development.

Mr. Russ Lewis of Wilshire Estates appreciated that a traffic study had been done, but he had not heard any suggestions for improving the current traffic situation. He had tried to get an audience with DOT to share some of his suggestions but had not be able to do so yet. His suggestions included the following:

- Bringing Rockaway Road along the 100-year flood line and the wetlands to abate some of the runoff and bring it into the lower parking lot at Publix.
- Widen the intersection to drive traffic away from Holly Grove Road.
- Rezoning the property to OI Office Institutional.

Mr. Paul Vant' Hof of Planterra Ridge Subdivision, the president of the Peachtree City Civic Association, stated that their association was currently running some surveys. Out of eight subdivisions across the City, the results were running 92 percent against big boxes and 8 percent for.

The comments from the last person to speak in opposition to the rezoning were inaudible.

In Mr. Lindsey's response to the comments that had been made, he stated that the LUC zoning had been suggested by the City Planner because this zoning category was stricter than the GC General Commercial zoning which would have put them under Ordinance 875. He noted that the LUC zoning would put them under Ordinance 875 and then some. They were cooperating with the City to get the strictest controls the City could put on this type of development. He thought this was a great location for this development because it would be on the edge of the city and there was no commercial development in that area. In addition, the property was surrounded on the east by Meade Field, on the south by the floodplain, on west by the Water and Sewer Authority, and on the north by Highway 74 and the Wilshire Pavilion.

Mr. Lindsey also noted that there had been a limited number of rezonings from GI to commercial; he mentioned The Avenue and pointed out that Wilshire Estates and Wilshire Pavilion had been rezoned from industrial zoning. He noted that the latter rezoning impacted this property. He thought this development made sense for this property because it was isolated from any residential exposure. He pointed out that an industrial user could bring a 24/7 operation. He also pointed out that the size of this center was 260,000 SF as compared to the total square footage of the Kedron Village retail center, 425,000 SF, the expansion being 282,000 SF of that; and the Wal-Mart/Home Depot and associated stores, 500,000 SF. He noted that this development would be quite a bit smaller than those.

Mr. Lindsey further stated that the plan had been greatly modified since it was originally presented to the City and they were willing to make further modifications, e.g., restrictions on hours of operation, etc. They would listen to the Planning Commission and respond accordingly.

In response to the concerns relative to runoff and impervious surface that had been mentioned, Mr. Lindsey stated that they would have a detention pond that would control the flow which could be no greater than what currently existed on the site. They would ensure that the development did not cause a problem on other properties.

Mr. Rast stated that there had been a lot of comments about factual information. The focus of his position paper was to present the facts. He applauded the efforts of all of the parties involved and noted that this issue was not as simple as it might seem. The facts were as follows:

- The Stephens tract was 123.871 acres of which only about 45.45 acres was developable; the remaining 78.42 acres was in the floodplain.
- DOT had begun their design for Phase 2 of Highway 74 South which included the realignment of Rockaway Road so that it would intersect with the traffic signal at Holly Grove Road.
- The Stephens tract was zoned GI General Industrial, but the city's Land Use Plan designated the Stephens tract as SFM single-family medium density. This was one of the only parcels in the City where the land use designation was different than the zoning and went back to a blanket rezoning for Braelinn Village many years ago. The City knew that at some point the Land Use Plan would have to be modified for this tract but wanted to wait until the right development came along.
- The City's 4.347-acre recycling center adjoined the Stephens tract and was zoned OS Open Space and designated as OS Open Space on the City's Land Use Map. Columbia Properties desired to acquire this property from the City as well as the existing right-of-way of Rockaway Road after it was realigned. These properties would be combined with the developable portion of the Stephens tract to create a 49.8-acre parcel.
- In exchange for this, Columbia Properties would donate approximately 36 acres of the Stephens tract to the City. However, only about 6.3 acres would be usable property. Mr. Rast noted that Mr. Lindsey had stated that the City could develop ball fields within the floodplain, but the current ordinances would not permit that.
- The purpose of the rezoning would be to accommodate a large multi-building retail development with an overall size not to exceed 295,000 SF.

Mr. Rast explained that in order for this to happen, the following actions would need to occur:

- The City would need to agree to the proposed land swap.
- Appraisals for the existing recycling center tract, the property being proposed for the land swap, and the existing right-of-way of Rockaway Road would need to be prepared and submitted to the city for review.
- Suitable property for a new recycling center would need to be acquired and the site development completed before the current recycling center could be abandoned.
- The existing telecommunications tower located within the recycling center tract would need to be relocated to another city-owned tract at no expense to the city.
- Rockaway Road and its associated right-of-way would need to be realigned and constructed to intersect with the SR 74/ Holly Grove Road intersection.
- The City would need to agree to abandon the existing Rockaway Road and associated right-of-way once the road was realigned and open to traffic.
- All utilities would need to be removed from the right-of-way of the former Rockaway Road and relocated elsewhere on the site.
- A new entrance into the Meade Field sports complex would need to be constructed and dedicated to the city.

Mr. Rast had prepared a PowerPoint presentation to help explain the City's Land Use Plan and Comprehensive Plan. He noted that the 1992 Comprehensive Plan was in the process of being updated and in that process there had been a lot of research into its current status. The following aspects were especially applicable to this proposed rezoning:

- *The goal of the Commercial component was to "Provide commercial facilities concentrated in the four village centers already established that serve the needs of the residents of that village. Ensure that these facilities do not adversely affect the adjoining residential areas, the environment, or existing traffic patterns."*

  Mr. Rast noted that all of the village centers were fully developed. Kedron had recently been expanded and Braelinn was an area that was being addressed in the update to the Comprehensive Plan in an effort to revitalize that area.

- *The goal of the Land Use component was to "Establish appropriate land uses in areas that are suitable for development that would not endanger but protect the surrounding environment and aesthetics."*

  Mr. Rast stated that this applied to the village concept, the step-down theory, etc.

- *The goal of the commercial component of the 1985 Land Use Plan was to "Develop commercial areas conveniently located in four (4) village centers serving approximately 10,000 residents each and which support land use development that conserves energy."*

Mr. Rast stated that this was the plan when the City was developed, and it had pretty much been followed which had enabled the City to defend its Land Use Plan. A lot of jurisdictions rezoned property to allow things that were not in compliance with their Land Use Plan and consequently their plan was compromised as well as their ability to defend it.

- *The goal of the Land Use component was to "Provide for the appropriate allocation and compatible arrangement of land uses."*

  Mr. Rast stated that this was the village concept. Within the center of the village was the village retail center – the concentration of retail, office, and professional space to serve the residents of that village – and it was sized appropriately for the village's land mass.

Mr. Rast stated that one of the most important things his research about the Land Use Plan revealed related to future land use:

- *"The viability of Peachtree City of the future depends on how well city officials, professional staff and residents are able to interpret, implement and adopt this plan according to the purpose, concepts, goals and objectives previously established. To reiterate, the purpose of the Peachtree City Land Use Plan is to guide the physical development of the city. Primary concepts are:*

  1. *Protection of the natural environment*
  2. *Planned growth,*
  3. *Village centers, and*
  4. *Appropriate industrial development."*

- *"Development of Peachtree City around four village centers should and will promote the basic development concepts described in Chapter One. Crucial to this idea are:*

  1. *Mixed-use and*
  2. *Step-down development.*

  Mixed-use involves the proximity of various uses in a compatible manner. The village centers should include retail, office and community facilities and should be located at major intersections. The neighborhood activity centers are smaller versions of a village center, and decentralized to convenience, energy conservation and promoting a sense of neighborhood."

  Mr. Rast stated that each of the City's village centers met this goal. He noted that the Wilshire Pavilion retail center was basically a neighborhood retail center to serve the south end of the City. The fact that this center was in compliance with the Land Use Plan was one of the main points raised by Staff in support of the rezoning.

Mr. Rast also noted that the concentration of commercial development around the 54 West Corridor was also included in the Land Use Plan. If there was a large mass of retail development in the City, this was the area where it should occur.

Mr. Rast compared the sizes of the existing retail centers. He noted that what was being proposed by Columbia Properties (295,000 SF) plus the square footage within Wilshire Pavilion and the three outparcels, would make the development larger than any of the four village retail centers that had been identified in the City's Land Use Plan.

Mr. Rast explained that Staff initially thought this was a good location for a development of this size. However, it must be compared to the existing village retail centers as well as its location on the extreme southern end of the City. He noted that both the Fire Marshal and the Police Department had expressed concerns about coverage in the area without this expansion. Staff also felt that the larger retail component at the rear of that site was out of place.

Mr. Rast stated that Staff felt the development along Highway 74 and that proposed on the recycling center tract could be an expansion of the neighborhood retail center.

Mr. Rast further stated that Staff's recommendation was that the rezoning as proposed not be approved because it was not consistent with the Comprehensive Plan or the Land Use Plan and because of the concerns expressed by the Fire and Police Departments. He stated that he was concerned about rezoning land that was zoned GI for retail development because there were several tracts within the industrial park where this could come into play. He noted that an application was currently in-house for another home improvement center on property that was zoned GI, and the Planning Commission had denied that application. This would open up a tremendous amount of property within the industrial park to anyone who had not been able to develop their property or wanted to look at changing the zoning. There were several other factors as well, but the Staff position was that the rezoning not be recommended for approval at this time.

Mr. Mullin appreciated the information Mr. Rast had provided and noted that he had been able to look at this issue in greater detail than any of the Commissioners had been able to. He pointed out that traffic was not even part of the equation. He stated that he still thought there were advantages to rezoning this property to commercial but probably not to this size. He thought that removing the back portion of the 200,000 SF, it would be more in scale with what the Land Use Plan was calling for.

Mr. Scott thought the traffic impact on fire and emergency services was significant. He also thought it would be a grave mistake to deviate from the Comprehensive Plan and Land Use Plan in this case when it had been consistently followed for so many years.

Mr. Mullin wondered how this property could be developed. Mr. Rast stated that GI zoning did not limit the development to strictly industrial uses. Professional office uses such as Cooper Lighting and Cooper Wiring were a permitted use. The intent of the GI zoning was to avoid a component that was strictly retail. Mr. Rast noted that the recycling center was currently zoned OS Open Space and would have to be rezoned as well.

Mr. Staples noted all of the e-mails, phone calls, and letters the Commissioners had received regarding this proposed rezoning. He had noted the following:

- Land Use Plans should not be changed on a whim.
- Land Use Plans and zoning plans that were consistently followed provided the City with added protection from future challenges.
- Changes compromised integrity.
- When contemplating changes, the reasons for the changes must be well established and well researched.
- The reasons for the change must be driven by the City, its planners, and its citizens; developers may participate, but they must not drive the process.
- Residents of the nearby residential neighborhoods seemed to overwhelming support maintaining the current industrial zoning of this property.
- The City had not indicated that it had given up on its industrial zoning so the potential was still there to attract an economically attractive industrial enterprise that would necessitate development consistent with current zoning and land use philosophies.

  Mr. Staples noted that he would like to see the City do everything it could – in collaboration with all relevant City officials and departments, current property owners, developers, and businesses – to attract industrial businesses to fill out the current zoning and commercial businesses to revitalize the village centers, including the big box potential, within the existing struggling village centers.

- He had not seen convincing evidence that these types of commercial developments in the long run were typically net economic positives for a community.
- The burden of proof firmly rested on those endorsing a rezoning, and the evidence must be much more than ambiguous or neutral.

Mr. Staples did not feel a firm case had been presented as to why we should vary from the Land Use and Comprehensive Plan that for the most part had worked perfectly fine.

Mr. Mullin stated, with all due respect, that he felt there was some merit to this property being rezoned to commercial as opposed to staying industrial because of the traffic patterns alone.

Mr. Staples agreed but said that if the current zoning and land use did not fit with current reality, the change should be driven by the City in conjunction with the neighborhoods.

Mr. Mullin wondered how removing a piece of their development would affect the developer's proposal. Mr. Campbell stated that it fundamentally changed the nature of the plan that they had spent the last three months trying to mold into something they thought the City was looking for. He noted that they had been getting feedback from the Planning Commission, City Council, Staff, and Wilshire Estates over those past three months but it had not been this type of feedback.

Mr. Staples noted that earlier in the process, all of the contingencies had been brought up.

Mr. Campbell stated that they would have to look at all of the economic factors to determine whether it would still be a viable development for them.

In speaking to Mr. Campbell, Mr. Mullin stated that the plan seemed over ambitious. He wondered how the phasing would work. Mr. Campbell stated that the phasing was relative to the road being realigned which was dependent on the DOT. The latest date was that the realignment would be completed in 2010.

Mr. Mullin asked how many people in attendance would be in favor of this development if the big box store was removed. Most of the residents felt they did not have enough information about a prospective development to say. However, a hand count showed that most of them were opposed to any commercial development at all. It was noted that as currently zoned, the property could be developed with offices or a church.

Mr. Brown stated that the Airport Authority did not have the right to deny or approve any type of land plan. He noted again that the plan for residential development that was approved by the Planning Commission was not the same plan that was brought to City Council. Mr. Stephens stated that the point was debatable.

After discussion, a motion was made by Mr. Scott, seconded by Mr. Staples, and unanimously adopted that the proposed rezoning of the Stephens Tract Retail (Columbia Properties), from GI to LUC be forwarded to City Council with a recommendation that it not be approved.

CITY OF PEACHTREE CITY

INTEROFFICE MEMORANDUM

TO: **Mayor and Council Members**

VIA: **City Manager**
Development Services Director

FROM: **City Planner** David

DATE: **April 12, 2007**

SUBJECT: **Comprehensive Plan – Partial Plan Update**
April 19, 2007 City Council Agenda

Recommendation:
Staff recommends that Council approve the attached Transmittal Resolution and authorize Staff to forward this document to the Atlanta Regional Commission (ARC) and the Georgia Department of Community Affairs (DCA).

Discussion:
Staff has completed the 2007 Partial Plan Update as required by the Georgia Department of Community Affairs. This document will be transmitted to ARC and DCA for review and approval and will then be adopted by the City. As opposed to updating our overall comprehensive plan as originally instructed, the city is now required to adopt a partial plan update by June 30 of this year, and a revised comprehensive plan no later than June 30, 2014. Staff will continue to work with the Comprehensive Plan Advisory Board to complete the comprehensive plan update as originally proposed and has tentatively scheduled the completion of this document for the fall of this year. Public and neighborhood meetings will take place throughout the summer as we finalize the Community Agenda portion of this plan.

The Partial Plan Update includes a summary of the Goals and Objectives identified in the 1992 Comprehensive Plan, an analysis of the consistency of the city's comprehensive plan in comparison with the Quality Community Objectives identified by DCA, a section identifying areas of the city where special attention will be needed to assist in developing or redeveloping specific areas of the city, and a new Short Term Work Program identifying specific projects to be implemented to meet the goals and objectives identified within the plan.

Budget Impact:
There is no budget impact associated with the adoption of this document.

Attachment

Pam Dufresne

From: Bernard McMullen
Sent: Thursday, April 12, 2007 10:57 AM
To: Jane Miller
Cc: 'R Spain'; 'Paul Vant Hof'; Pam Dufresne
Subject: RE: Agenda Request

Jane, please add to the April 19th agenda.

From: Paul Vant Hof [mailto:vanthofp@bellsouth.net]
Sent: Thursday, April 12, 2007 10:38 AM
To: Bernard McMullen
Cc: 'R Spain'
Subject: Agenda Request

Date: April 12, 2007

From: Paul M. Van't Hof, President of PTCCA

To: Bernie McMullen

Re: Request to have agenda time

I am requesting the opportunity to be placed on the City Council Agenda on April 19. Myself and Richard Spain will require no more than 10 minutes to present a position paper prepared by the Peachtree City Civic Association regarding TDK. The time will include reading a short prepared position paper and following it with a few comments. The position paper will contain a request for City Council action at a future date. I will have a copy of the final version of the paper to your office on Wednesday, April 17, so as to be included in the packet of information for council members. I will also bring additional copies for press and other interested individuals.

Please let me know if this will be possible. Thank you for your assistance.

CITY OF PEACHTREE CITY

INTEROFFICE MEMORANDUM

MEMO TO: Mayor and City Council

VIA: Bernard J. McMullen, City Manager

FROM: Paul J. Salvatore, Financial Services Director
Janet I. Camburn, Assistant Finance Director

DATE: April 13, 2007

SUBJECT: Annual Audit and Comprehensive Annual Financial Report for the **Fiscal Year Ended September 30, 2006**

April 19, 2007 City Council Agenda

Recommendation:

It is Staff's recommendation that City Council accept the Comprehensive Annual Financial Report (CAFR) for the **Fiscal Year Ended September 30, 2006.**

Discussion:

The Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2006, has been placed in your City Hall mailbox. The City's auditing firm, Mauldin & Jenkins, LLC, has issued an unqualified report (clean opinion) on these financial statements and no material weaknesses have been reported.

Representatives from Mauldin & Jenkins will be at the April 19, 2007, City Council meeting to present their "Annual Audit Agenda" (see attachment). This document discusses their findings during the 2006 audit process and current pronouncements (Governmental Accounting Standards and Statements of Auditing Standards) that will apply to future City audits. They will also be available to answer any questions that you may have regarding the fiscal year 2006 audit and/or financial statements.

City management's responses to the Mauldin & Jenkins "Annual Audit Agenda" are attached to this memorandum and are to be read in conjunction with the Mauldin & Jenkins agenda item.

As required, the CAFR has been submitted to the State of Georgia Department of Audits for review and to Disclosure USA for continuing bond disclosure. The CAFR has also been submitted to the Government Finance Officers Association (GFOA) for consideration for the Certificate of Achievement for Excellence in Financial Reporting.

The CAFR will be placed on the City's web site shortly and a copy will be available at the Library and in the lobby of City Hall.

If you have any questions regarding the CAFR, the audit process, the Mauldin & Jenkins "Annual Audit Agenda," or City management's responses, please do not hesitate to contact either Paul or Janet.

Budget Impact

There is no budget impact. Costs associated with the audit of the 2006 financial statements are within the 2007 annual budgeted amounts.

JIC/CITY COUNCIL – 2006 CAFR

Attachments

MANAGEMENT'S RESPONSES
TO THE MAULDIN & JENKINS "ANNUAL AUDIT AGENDA"

The following are responses to the Mauldin & Jenkins "Annual Audit Agenda" to be presented to City Council on April 19, 2007 and are to be read in conjunction with the Mauldin & Jenkins agenda item.

Required Communications

As indicated on page 8 of the Mauldin & Jenkins "Annual Audit Agenda," the City has booked audit adjustments that were initiated by City's management or recommended by Mauldin & Jenkins as part of the 2006 annual audit process. These audit adjustments include adjustments to the books of the Development Authority – books that are maintained by City staff.

Accounting Recommendations and Related Matters

The American Institute of Certified Public Accountants (AICPA) regularly issues standards that establish standards and provide guidance to independent auditors that are required to be applied during their audits. Statements of Auditing Standards Nos. 103 through 112 are the latest standards issued that will apply to future City audits and will impact City staff throughout the year and as they prepare for the annual audits.

A. Statement of Auditing Standards (SAS) No. 103 (page 11) – Audit Documentation

City management is aware of the requirements under the Statement on Auditing Standards (SAS) No. 103, issued in October 2005. This standard is effective for financial statements for the fiscal year ending September 30, 2007. With current staffing levels in the Finance Department, a large burden will be placed on the department to complete all of the necessary work for this standard to be met by the end of the regularly scheduled fieldwork in January 2008. Although certain staff will be able to work overtime to meet some of these requirements, most of the work required to meet this standard is currently being performed on nights and weekends from the middle of November through late February by an exempt, degreed, certified accountant. In order to complete all of these requirements, by the third week of January, will require considerably more uncompensated night and weekend time by this staff member in the month of December.

B. Statement of Auditing Standards (SAS) Nos. 104 –111 (page 11 – 12) – Risk Assessment in the Planning and Performance of Audits

City management is also aware of Statements of Auditing Standards (SAS) Nos. 104 – 111, issued in March 2006. Although management has instituted many changes in the last several years that we feel have significantly improved internal controls within the Financial Services Division, current Finance Department staff has not yet had the opportunity to document these internal controls, review (possibly modify) controls of all other City departments, or to regularly monitor the current controls. Although these standards are not effective until fiscal year 2008, current Finance Department staffing levels will be unable to meet these requirements without considerable uncompensated overtime.

C. Statement of Auditing Standards (SAS) No. 112 (page 12) – Communication of Internal Control Matters

City management is also aware of Statement of Auditing Standards (SAS) No. 112 issued in May 2006. This standard, effective in fiscal year 2007 is a major concern to management. Although the City does take great responsibility for the accounting records and review of the preparation of financial statements, current staffing levels in the Finance Department do not allow us to complete all of the items listed on page 14 of the Mauldin & Jenkins "Annual Audit Agenda" on a month to month basis. Much work is currently done at the end of the fiscal year, after the completion of the annual budget documents.

Items Noted as Management Points (pages 13 – 16)

1) Governmental Accounting Standards Board (GASB) Statement No. 34 requires the City to include infrastructure as part of the City's capital asset records. Management agrees with the auditors that in order for the Finance Department to maintain accurate capital asset records of the assets donated to the City by developers, a better system of collecting the necessary data must be developed and maintained. This information is being shared with the Developmental Services Division, as they are the ones that collect the initial data.

2) Please see Section C. (SAS No. 112) above.

3) City management is aware of GASB Statement Nos. 43 and 45 regarding Other Post Employment Benefits (OPEB). The City provides post employment health insurance benefits for public safety personnel only. Currently, the City has no retirees receiving these benefits, so there is no "pay-as-you-go" expense to the City. Management is aware of the potential liability and will be working with the City's actuary during the next fiscal year to address this issue. Funding for this work will be requested in the Finance Department's fiscal year 2008 budget.

The City of

Peachtree City, Georgia

Annual Audit Agenda
September 30, 2006

Meeting with Management

Presented by:

Miller G. Edwards and
Adam M. Fraley
of

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

CITY OF PEACHTREE CITY

Annual Audit Agenda

September 30, 2006

PURPOSE OF ANNUAL AUDIT AGENDA

- Overview of Auditor.
- Overview of:
  - Audit Opinion.
  - Financial Statements and Footnotes.
  - Compliance Report.
- Required Communications under Government Auditing Standards.
- Accounting Recommendations and Related Matters.
- Answer Questions.

OVERVIEW OF AUDITOR

Mauldin & Jenkins:

- Large regional firm serving the Southeastern United States with a primary emphasis in Georgia.
- Founded in 1920.
- Offices located in Atlanta, Macon, Albany and Birmingham with firm governmental leadership positioned in the Atlanta and Macon offices.
- Serve more governmental entities in Georgia than any other certified public accounting firm requiring over 40,000 hours of service on an annual basis.
- Most recent auditor for 20 counties in Georgia, as well as another 35 cities in Georgia, and over 100 total governmental entities in Georgia.
- Auditor of a substantial part of the State of Georgia including approximately 25% of the State's general fund, and approximately 13 of the State of Georgia's component units.

AUDIT OPINION

City of Peachtree City's Responsibility

The financial statements are the responsibility of the City of Peachtree City's management.

Auditor's Responsibility

Our responsibility, as external auditors, is to express an opinion on these financial statements.

Auditing Standards

We audited the City's financial statements in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States.

Clean Opinion

The financial statements of the City are considered to present fairly the financial position and results of operations as of, and for the year ended September 30, 2006.

REVIEW OF FINANCIAL STATEMENTS AND FOOTNOTES

Statement of Net Assets

This statement attempts to provide a reader of the financial statements with a full accrual perspective and reflects separately the governmental activities from the business-type activities. Both such columns are on the full accrual basis of accounting.

The City's governmental activities net asset position decreased from $80,633,608 to $74,798,849 due to the creation and transfer of infrastructure capital assets to the City's newly created business-type activities (i.e. Stormwater activities). The net asset position for the City's business-type activities was $8,197,204 at September 30, 2006. Changes in the City's net assets are reconciled on the City's "Statement of Activities".

In reference to the City's net assets, it is important to note that $62,389,995 and $8,116,927 for governmental activities and business-type activities, respectively, of total net assets is invested in capital assets (net of any related debt). While the City is reflecting total net assets of $74,798,849 and $8,197,204 for governmental activities and business-type activities, respectively, only $8,082,067 and $80,277 for governmental activities and business-type activities, respectively, is unrestricted and considered available for operations.

Statement of Activities

This statement reflects the net costs of providing governmental and business-type activities on the full accrual basis of accounting and reconciles to the statement of net assets.

Footnotes

Note 1 – Accounting Policies

This footnote discusses the overall organization of the City and the nature of its operations. This note also discloses pertinent information regarding the governing body of the City.

This footnote continues by sharing with a reader of the financial statements the significant accounting polices and principles utilized in the preparation of the financial statements.

Footnotes (Continued)

Note 2 – Reconciliation of Government-wide Financial Statements and Fund Financial Statements

This footnote provides additional detailed information, which is not already shown within the financial statements themselves, on the differences between the City's fund level financial statements and its government-wide financial statements.

Note 3 – Legal Compliance – Budgets

This footnote discloses the City's procedures in establishing its annual budget.

Note 4 – Deposits and Investments

This disclosure addresses common deposit and investment risks related to credit risk, concentration of credit risk, and interest rate risk.

Note 5 – Receivables

This footnote discloses the City's property tax calendar and detailed information on various receivable (and allowances for doubtful receivables) balances.

Note 6 – Capital Assets

This footnote discloses the City's capital asset activity and its related accumulated depreciation for the year.

Note 7 – Long-Term Debt, Capital Leases, and Other Financing Arrangements

This footnote discloses the City's various long-term debt activities for the year, and other information and maturities for this long-term debt.

Note 8 – Interfund Receivables, Payables, and Transfers

This footnote discloses detailed information on the City's interfund balances and transfers and the purpose for these balances and transactions.

Footnotes (Continued)

Note 9 – Commitments and Contingent Liabilities

This footnote discloses the contingencies from potential litigation, claims, and assessments filed against the City and significant contractual commitments of the City at year-end.

Notes 10, 11 & 12 – Defined Benefit and Defined Contribution Pension Plans

These footnotes disclose the details of the City's Defined Benefit Pension Plan and Deferred Compensation Plan.

Notes 13 – Joint Venture

This footnote discloses the City's relationship with the Atlanta Regional Commission.

Note 14 – Hotel/Motel Lodging Tax

This footnote discloses the City's tax rate for hotel/motel taxes, along with the amounts and nature of these revenues and expenditures.

Note 15 – Risk Management

This footnote discloses the City's various risks of loss and the measures the City has taken to mitigate those potential losses.

Note 16 – Changes in Reservations and Designations

This footnote discloses the changes in reserved fund balances for the City's major governmental funds and nonmajor funds in the aggregate.

Note 17 – Discretely Presented Component Units

This footnote discloses condensed financial statements for the City's discretely presented component units.

COMPLIANCE REPORT

Last, but not least, the financial report package contains a report on our tests of the City's internal controls and compliance with laws, regulations, etc. The report is not intended to provide an opinion, but to provide a form of negative assurance as to the City's internal controls and compliance with applicable rules and regulations.

This report and the procedures performed are required by *Government Auditing Standards.*

REQUIRED COMMUNICATIONS

The Auditor's Responsibility Under Auditing Standards Generally Accepted in the United States of America

Our audit of the financial statements of the City for the year ended September 30, 2006 was conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error, fraudulent financial reporting or misappropriation of assets. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Accordingly, the audit was designed to obtain reasonable, rather than absolute, assurance about the financial statements. We believe our audit accomplishes that objective.

In accordance with *Government Auditing* Standards, we have also performed tests of controls and compliance with laws and regulations that contribute to the evidence supporting our opinion on the financial statements. However, they do not provide a basis for opining on the City's internal control or compliance with laws and regulations.

Management Judgments and Accounting Estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. Management has informed us they used all the relevant facts available to them at the time to make the best judgments about accounting estimates and we considered this information in the scope of our audit. Estimates significant to the financial statements include such items as the estimated incurred but not reported liability for insurance claims payable, the estimated allowance for uncollectible accounts receivable, and the estimated lives of capital assets.

Audit Adjustments

During our audit of the City's basic financial statements as of and for the year ended September 30, 2006, we recorded certain audit adjustments. Many of these adjustments were initiated by the City's management. These audit adjustments have been delivered to and discussed with management and have been recorded in the books of the City. Additionally, these adjustments have been included as an attachment to this document for your review.

Uncorrected Misstatements

We accumulated no uncorrected misstatements.

Accounting Policies

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the City.

Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and the related Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, have also been issued by the GASB. These statements provide significant new accounting and reporting requirements for the City's post-employment benefits, other than pensions – primarily health care and life insurance benefits. It will require the City to obtain an actuarial valuation on all postemployment benefits offered by the City. Previously the City was not required to calculate, accrue, or report any liability for these benefits; only recording expenditures as the benefits were paid. Statement No. 43 will be effective for the City's 2008 fiscal year, and Statement No. 45 will be effective for the City's 2009 fiscal year.

These new pronouncements will require the accumulation of information from various sources outside the City. For example, actuarial valuations will be required for the new standards related to other post employment benefits. We recommend that the City begin to establish the process for accumulating the required information as soon as possible to ensure smooth transition in the adoption of these new accounting and reporting standards.

We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Other Information in Documents Containing Audited Financial Statements

We are not aware of any other documents that contain the audited basic financial statements. If such documents were to be published, we would have a responsibility to determine that such financial information was not materially inconsistent with the audited statements of the City.

Disagreements with Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on significant matters, the scope of the audit or significant disclosures to be included in the financial statements.

Consultations with Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Major Issues Discussed With Management Prior to Retention

No major issues were discussed with management prior to our retention to perform the aforementioned audit.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management relating to the performance of the audit.

ACCOUNTING RECOMMENDATIONS AND RELATED MATTERS

New Audit Standards

The American Institute of Certified Public Accountants (AICPA) has been very busy this year with the issuance of several new auditing standards, which should be of interest to the City.

A. The first one to mention is the **Statement on Auditing Standards (SAS) No. 103, *Audit Documentation,* which was issued in October 2005**. This new audit standard establishes standards and provides guidance, to auditors of non-SEC entities, relative to audit documentation. Of particular interest to the City is requiring that the auditor's report not be dated earlier than the date on which the auditor obtained sufficient appropriate audit evidence to support the opinion on the financial statements. Historically, the audit report date has been the last day of fieldwork, yet oftentimes many items remain to be addressed (such as the MD&A). What this means to the City is the potential for the auditor to have to return to the field to perform additional audit work for the time that has elapsed from the last day of audit fieldwork to the time all other matters have been addressed. After all items are addressed this will allow the auditor to release the audit report, and to date the audit report later than the last day fieldwork. If the auditor has to return to the field this will not only disrupt the City' day to day operations, but will increase the cost of the audit. The City will be required to be more prepared for participating in the annual audit process and the auditor must be more proactive than in the past to ensure the audit process runs smoothly and all reports are released timely.

   This standard will be effective for the **September 30, 2007** audit of the City.

B. A series of eight (8) new audit standards commonly known as **SAS's 104 – 111 Risk Assessment Standards were issued by the AICPA in March 2006** relating to risk assessment involved in the planning and performance of a financial statement audit. One of the major changes resulting from these new standards is that auditors will be required to gain a more in-depth understanding of the client and its operating environment, including its internal controls. In the past, auditors were only required to gain an understanding of internal controls; whereas, auditors will now be required to evaluate the design of relevant controls and determine whether these controls have been placed into operation. To make this determination, auditors will be required to test controls even when they plan to place no reliance on them during the performance of the audit.

   These new audit standards also require more detailed documentation than previously issued standards. The additional testing requirements, along with the more extensive documentation demands, are expected to result in a significant increase in the total hours required to perform an audit. Even though the verdict is still out there, many industry experts believe the cost of performing an audit under these new standards will increase audit costs by approximately 20%. We are currently in the process of modifying our audit approach in order to implement these new standards in an effective and efficient manner.

These new audit standards will be required for the audit of the City for the year ended **September 30, 2008.**

C. The final standard to mention is the **Statement on Auditing Standard No. 112, *Communicating Internal Control Related Matters Identified in an Audit* which was issued in May 2006.** This new audit standard will require the auditor to report significant deficiencies in internal control if the City does not take greater responsibility for accounting records and preparation of financial statements. This new standard identifies specified control deficiencies that ordinarily will be considered at least *significant deficiencies*, and identifies specified circumstances that should be regarded as at least a significant deficiency and a strong indicator of a *material weakness*.

This new standard is addressed further in the management points section of this Audit Agenda, and is effective for the **September 30, 2007** audit of the City.

Recommendations for Improvement

During our audit of the financial statements as of and for the year ended September 30, 2006, we noted certain items management should consider as part of its decision making process. Our recommendations (also commonly referred to as management points) are presented in the following paragraphs. We believe consideration of these recommendations will help provide proper control over financial activities, and add effectiveness and efficiency to overall operations.

Items Noted As Management Points

We have discussed various matters with management pertaining to operations and controls including, but not limited to:

1) Under GASB Statement No. 34, the City is now required to include infrastructure as part of the City's capital asset records. A portion of the City's new infrastructure each year may consist of roads and other infrastructure which are "donated" to the City by developers. Due to the significance of these assets, it is extremely important to have information on the cost and date of completion of each donated asset to ensure the capital asset and depreciation records are properly stated and calculated.

   For the year ended September 30, 2006, the accumulation of this information for reporting purposes included compiling the infrastructure that was donated during the year and, using the City's engineers, developing estimates for the value of such infrastructure. We recommend the City consider several changes in the process of accepting and recording "donated" infrastructure regarding general infrastructure including roads, bridges, etc. When the responsibility of the infrastructure is transferred from the developer to the City, there should be a written record signed by the developer. This document should include all the specifics relating to the location, length and any other particulars of the respective infrastructure as well as the total cost of the road as determined by the developer which would reflect a value that the City can use to record the respective assets. This document should be dated to provide the date of acquisition to be included in the capital asset listing. A copy of these documents should be given to the accounting department on a regular basis (at least monthly) so the capital asset records can be updated and properly maintained throughout the year.

2) In May 2006, the American Institute of Certified Public Accountants (AICPA) issued the Statement of Auditing Standard No. 112, *Communicating Internal Control Related Matters Identified in an Audit*. This new auditing standard will require the auditor to report significant deficiencies in internal control if the (City/County/Authority, etc.) does not take greater responsibility for accounting records and preparation of financial statements. This new standard identifies specified control deficiencies that ordinarily will be considered at least *significant deficiencies*, and identifies specified circumstances that should be regarded as at least a significant deficiency and a strong indicator of a *material weakness*.

   Recognizing over 95% of governments in Georgia do not prepare their own audited financial statements and oftentimes recognize significant closing, post-closing and audit adjustments to the respective general ledgers, the following are several examples (not all-inclusive) of deficiencies which will affect the vast majority of local governments in Georgia and therefore require an auditor to report significant deficiencies and/or material weaknesses in the audit report:

   - Management not having sufficient expertise in selecting and applying accounting principles.
   - Inadequate controls over procedures used to enter transaction totals into the general ledger; initiate, authorize, record, and process journal entries.
   - Inadequate design of internal control over the preparation of the financial statements being audited.
   - Inadequate segregation of duties within a significant account or process.
   - Failure to perform reconciliations of significant accounts' (cash, accounts receivable, and accounts payable) subsidiary ledgers to general ledgers in a <u>timely or accurate manner</u>.
   - Restatement of previously issued financial statements to reflect the correction of a material misstatement to previously issued financial statements.
   - Inadequate processes, within the government, to report deficiencies in internal control to management on a timely basis.
   - Management override of established routine controls.
   - Failure to perform reconciliations of significant general ledger accounts (cash, accounts receivable, accounts payable, etc.) to subsidiary ledgers in a timely or accurate manner.
   - Ineffective oversight by those charged with governance of the entity's financial reporting and internal control, or an ineffective overall governance structure. (This oversight structure includes members of boards, commissions, councils, authorities, etc.)

- Identification by the auditor of a material misstatement in the financial statements for the period under audit that was not initially identified by the government's internal control.
- Identification of <u>fraud of any magnitude</u> on the part of senior management.

This new standard is effective for audits of financial statements for periods ending on or after December 15, 2006; consequently, it will be effective for next year's September 30, 2007 audit.

Matters to consider in an attempt to avoid reporting of significant deficiencies would include:

- ✓ Enhancing internal controls relative to all accounting functions from receipting, disbursing, posting journal entries, performing reconciliations, etc., preparing monthly reconciliations for all respective balance sheet accounts.
- ✓ Keeping the general ledgers adjusted monthly and on a GAAP (generally accepted accounting principles) basis throughout the fiscal year.
- ✓ Making all needed adjustments during the interim periods of the fiscal year as well as making final adjustments of all kinds at the close of each fiscal year.
- ✓ Better oversight by governing boards of the financial operations, accounting & reporting, including requiring timely & periodic reporting of financial information on a GAAP basis. Governing boards need to be reviewing the actions of management and considering the possibility of fraud. Relying on the auditor is not considered appropriate.
- ✓ Employing individuals with sufficient expertise in selecting and applying generally accepted accounting principles. This means having people involved in the accounting and reporting cycle that have accounting degrees, and appropriate experience for their respective duties.
- ✓ Obtaining the services of an outsourced party to assist in quarterly, semi-annual, or simply annual close-outs.

In all likelihood, to properly address the above thoughts, the overall costs of accounting and financial reporting will be required to increase.

We recommend the City consider the above thoughts and immediately begin working to avoid the reporting of numerous significant deficiencies in the future. If the City elects **not** to take the necessary measures to avoid potential numerous significant deficiencies, then the readers of the reports and findings may perceive a lack of ability on the part of the City's management and governing board.

**New Pronouncement: GASB Statement No.'s 43 and 45 –
Other Post Employment Benefits (Effective for Fiscal year 9/30/08)**

GASB has issued pronouncements regarding the recording and recognition of Other Post Employment Benefits (OPEB) which is effective for the City during fiscal years 9/30/08 (GASB 43) and 9/30/09 (GASB 45). OPEB includes:

- Post employment healthcare benefits (i.e., medical, dental, vision, hearing, etc.)
- Other forms of post-employment benefits when provided separately from a pension plan (i.e., life insurance, long-term care, cash stipends if compensation for services).

Postemployment benefits (pensions and OPEB) are part of the compensation for services rendered by employees (meaning, they are part of an exchange transaction). Benefits are "earned," and obligations accrue or accumulate, during employment. Payment is deferred until after employment.

Currently, plans are typically financed on a *pay-as-you-go basis.* The measurement focus of financial reporting is on contributions or benefits *paid*—outflows of *current financial resources*. Additionally, the current Long-term financial implications of an OPEB transaction, including the accrued obligation and the potential demand on future cash flows, are not reported, and oftentimes are not estimated for budgetary purposes.

The objective of the new GASB pronouncements is to recognize OPEB cost (expense) systematically over employees' years of service, and to report OPEB consistent with pension plans. Also, an objective is to provide relevant information about:

- the accrued OPEB obligation
- the cost of services including the cost of OPEB
- the progress made in funding the plan

All post employment benefits (OPEB as well as pensions) will be reported using the same general approach. Biennial actuarial valuations will be required for all OPEB plans with total membership of over 200 participants.

At this time and as noted last year, our recommendation continues to be for the City Finance Department to determine if the City has any OPEB plans, and then prepare to obtain the actuarial valuation for each OPEB, if appropriate.

Summations of Thoughts Noted Above

We believe the implementation of these suggestions will enhance both the control environment and the financial reporting process, making both more effective. We also believe these recommendations can be easily implemented, and all problems resolved quite timely should management elect to employ the corrective measures.

CLOSING

If you have any questions regarding any comments, suggestions or recommendations set forth in this memorandum, we will be pleased to discuss them with you at your convenience.

This information is intended solely for the use of the City council and management, and others within the City's organization and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate the opportunity to serve the City of Peachtree City and look forward to future engagements. Thank you.

Client: *City of Peachtree City, Georgia*
Engagement: *9/30/06 Audit*
Period Ending: *9/30/2006*
Workpaper: *General - Adjusting Journal Entries Report*

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1		**PBC**		
To adjust Due to/from to actual.				
100-00-12-1912	DUE TO TOURISM FUND-MERCHAN.		852.64	
100-00-38-9003	OTHER - MERCHANDISE SALES			852.64
Total			**852.64**	**852.64**

Client: *City of Peachtree City, Georgia*
Engagement: *9/30/06 Audit*
Period Ending: *9/30/2006*
Workpaper: *Fire EMS Grants AJEs Report*

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1		**PBC**		
To record donation and other activity from fund 265 in Fire/EMS fund per Janet.				
208-00-11-1100	CLAIM ON CASH - SPECIAL EVENTS		1,052.80	
208-00-36-1100	INTEREST REVENUE			9.92
208-00-37-1000	DONATIONS			1,042.88
Total			**1,052.80**	**1,052.80**

Client: ***City of Peachtree City, Georgia***
Engagement: ***9/30/06 Audit***
Period Ending: ***9/30/2006***
Workpaper: ***Public - Adjusting Journal Entries Report***

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1		**1716.000**		
To record deferred revenue for intergovernmental receivables that weren't collected within 60 days.				
350-00-33-3310	FEDERAL GRANTS		248,000.00	
350-00-12-2500	DEFERRED REVENUE			248,000.00
Total			**248,000.00**	**248,000.00**

Client: **0207012 - City of Peachtree City, Georgia**
Engagement: **0207012 - 9/30/06 Audit**
Period Ending: **9/30/2006**
Workpaper: **0204.521 - Stormwater AJEs Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1		PBC		
To transfer the NBV of stormwater fixed assets from General Fixed Assets to the Stormwater Utility Fund.				
521-00-11-7300	INFRASTRUCTURE		7,711,544.76	
521-00-39-9000	CAPITAL CONTRIBUTIONS FROM PRIMARY GOVT.			7,711,544.76
Total			**7,711,544.76**	**7,711,544.76**
Adjusting Journal Entries JE # 2		PBC		
To record depreciation expense for assets transferred from the Primary Government.				
521-4250-56-1000	DEPRECIATION EXPENSE		79,619.34	
521-00-11-7310	ACCUMULATED DEPRECIATION - INFRASTRUCTURE			79,619.34
Total			**79,619.34**	**79,619.34**
Adjusting Journal Entries JE # 3		PBC		
To record depreciation expense for those assets purchased by the Stormwater Utility in 2006 and those transferred from Developers in 2006				
521-4250-56-1000	DEPRECIATION EXPENSE		5,108.50	
521-00-11-7310	ACCUMULATED DEPRECIATION - INFRASTRUCTURE			3,608.50
521-00-11-7510	ACCUMULATED DEPRECIATION - MACH/EQUIP			1,500.00
Total			**5,108.50**	**5,108.50**
Adjusting Journal Entries JE # 4		PBC		
To record stomwater assets donated from developers in 2006.				
521-00-11-7300	INFRASTRUCTURE		438,349.22	
521-00-37-1000	CAPITAL CONTRIBUTIONS FROM DEVELOPERS			438,349.22
Total			**438,349.22**	**438,349.22**

Client: **0207012 - City of Peachtree City, Georgia**
Engagement: **0207012 - 9/30/06 Audit**
Trial Balance: **0200.801 - Developmental Authority Trial Balance Database**
Workpaper: **0204.801 - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1		5510.000		
To recognize settlement with PNB, Group VI, and Foley and to write down liabilities to settled amounts. Also, to record long-term receivable from primary gov't to cover future				
130-00-12-1100	Accounts Payable		2,150.18	
130-00-12-1901	Long-term Receivable - Due from City		1,050,000.00	
130-00-12-2400	Interest Payable		62,274.11	
130-00-12-2400	Interest Payable		110,927.40	
130-00-12-2701	Loan Payable - Pickup Truck		9,487.99	
130-00-12-2702	Loan Payable - Peachtree National		428,455.28	
130-00-39-1100	Transfer from Primary Govt.			1,050,000.00
130-00-39-3100	Gain on Settlement of Debt			613,294.96
Total			1,663,294.96	1,663,294.96

Client: **_0207012 - City of Peachtree City, Georgia_**
Engagement: **_0207012 - 9/30/06 Audit_**
Period Ending: **_9/30/2006_**
Workpaper: **_Reclassifying Journal Entries Report - 2_**

Account	Description	W/P Ref	Debit	Credit
Reclassifying Journal Entries JE # 2		**F/S**		
To reclassify accounts payable and notes payable as settlement payable for financial reporting purposes.				
130-00-12-1100	Accounts Payable		23,068.37	
130-00-12-1100	Accounts Payable		180,195.30	
130-00-12-2702	Loan Payable - Peachtree National		400,618.18	
130-00-12-2703	Loan Payable - Peachtree National		105,000.00	
130-00-12-2704	Loan Payable - Peachtree National		140,000.00	
130-00-12-2705	Loan Payable - Regions		68,381.82	
130-00-12-2800	Settlement Payable			203,263.67
130-00-12-2800	Settlement Payable			714,000.00
Total			**917,263.67**	**917,263.67**

CITY OF PEACHTREE CITY

INTEROFFICE MEMORANDUM

TO: **Mayor and City Council**

VIA: **City Manager** Bernard McMullen

FROM: **Financial Services Director** P.S.

DATE: **April 12, 2007**

SUBJECT: **Stormwater Revenue Bond**

April 19, 2007 City Council Meeting

Recommendation:
Adopt the attached Master Bond Ordinance authorizing issuance of $3,745,000 Series 2007 Stormwater Utility Revenue Bonds through RBC Centura Bank.

Discussion:
When the city adopted the Stormwater ordinance, a budget was presented that included debt service payments for a Stormwater Utility bond that would fund numerous capital projects within the utility. On March 15, 2007, Council also approved an Official Intent Resolution to finance numerous stormwater projects. A comprehensive list of all projects being financed is included in the attached Consulting Engineers Report. Also attached is a copy of the summary of bids received showing RBC Centura Bank as the low bidder with an interest rate of 4.07%, for a 20-year term. The City Attorney has reviewed all documents pertaining to the bond. Once Council approves the ordinance, the City Attorney will start the bond validation process. The closing date for this bond issuance is set for Thursday May 10.

Budgetary Impact:
Sufficient funds have been appropriated in the FY 2007 Stormwater Utility Fund Budget to cover the debt service payments on the bond.

$3,600,000
City of Peachtree City, Georgia
Stormwater Utility Revenue Bond, Series 2007
Sale Date: February 28, 2007

Summary of Bids Received

Bidders	Interest Rate (%)
RBC Centura Bank	**4.070**
BB&T Governmental Finance	4.100
Wachovia Bank	4.110
Suntrust Leasing Corporation	4.147
Bank of America	4.280
All Points Public Funding, LLC	4.600

RBC Centura

Public & Institutional Banking
3201 Beechleaf Court
Suite 700
Raleigh, NC 27604
Toll Free: (888) 680-5064

April 13, 2007

Mr. Paul Salvatore
Finance Director
City of Peachtree City
151 Willowbend Road
Peachtree City, GA 30269

Re: Revised Proposal for the City of Peachtree City, Georgia Stormwater Utility Revenue Bond, Series 2007

Dear Mr. Salvatore,

RBC Centura Bank is pleased to respond to the City of Peachtree City's request for the private placement of their proposed Stormwater Utility Revenue Bond. The terms and conditions of our proposal are as follows:

Borrowing Entity:	City of Peachtree City, Georgia (the "City")
Purchaser:	RBC Centura Bank (the "Bank")
Purpose:	To provide funding for eighteen high priority improvement projects for the City's Stormwater Utility System.
Type of Financing:	Privately Placed Revenue Bond (the "Bond")
Anticipated Funding:	On or before May 10, 2007
Final Maturity Date:	January 1, 2027
Amount:	Not to exceed $3,745,000.00
Payments:	Interest due semi-annually beginning July 1, 2007; Principal due annually beginning January 1, 2008
Interest Rate:	4.07%
Prepayment Terms:	Prepayment of the Bond will be subject to a yield maintenance fee equal to the present value of the daily lost cash flow to RBC Centura based upon the difference between the interest rate under the Bond and the rate on a new loan of similar amount with the same remaining maturity to a similar Borrower. The discount rate for calculating the present value will be the current rate offered by RBC Centura for a new loan of the similar amount with the same remaining maturity to a similar borrower, as determined by RBC Centura in its reasonable discretion, which discretion shall be conclusive absent a showing of bad faith or manifest error. Any prepayment of the Bonds will be subject to a minimum fee of one-half percent (.5%).

Security Interest:	The Bond will be payable from and secured by a first lien on and pledge of the Net Revenues of the City's Stormwater Utility System.
Tax Status:	The proposal is subject to the City's being qualified as a governmental entity or "political subdivision" within the meaning of the appropriate sections of the Internal Revenue Code. The City agrees to cooperate with the Bank in providing evidence as deemed necessary or desirable by the Bank to substantiate such tax status.
Bank Qualification:	The Borrowing Entity will represent that this agreement is designated as a "qualified tax-exempt obligation" under the $10,000,000 small issue exemption as described within Section 265 of the Internal Revenue Code of 1986, as amended.
Change In Deductibility:	If at any time there is a Change in Deductibility (hereinafter defined), the interest rate payable hereunder shall increase to the rate which will provide to the Bank the effective yield which it would have received had there not been a Change in Deductibility. A "Change in Deductibility" means any determination by the Internal Revenue service or any court of competent jurisdiction that the obligation of the City hereunder is not a "qualified tax-exempt obligation" within the meaning of Section 265(b) (3) of the Internal Revenue Code as a result or as a consequence of (i) an action, or failure to act, by the City or (ii) a breach of any representation or warranty made by the City to the Bank relating to the status of this Contract as a qualified tax-exempt obligation.
Covenants of the City:	Covenants shall include, but not be limited to, the following:
A. <u>Rate Covenant:</u>	The City shall fix, establish and maintain such rates and collect such fees, rentals or other charges for the services and facilities of the Stormwater Utility System, and revise the same from time to time whenever necessary, as will always provide in each Fiscal Year, Net Revenues, which shall be adequate at all times to pay in each Fiscal Year at least 115% of the Annual Debt Service Requirement for the Bond and any Additional Bonds hereafter issued for the then current Fiscal Year. Such rates, fees, rentals or other charges shall not be so reduced as to be insufficient to provide adequate Net Revenues for such purposes.
B. <u>Issuance of Additional Parity Obligations:</u>	The City shall have the right to issue additional obligations payable on a parity to (but not senior to) the Bond from the Net Revenues provided that the following conditions are satisfied: (1) the City is not in default under the Bond, and (2) the Net Revenues, for the one Fiscal Year immediately preceding the issuance date of the proposed additional obligations for which audited financial statements are available, equal or exceeded 1.20x the maximum annual debt service payable in any future Fiscal Year on the Bond and all other debt obligations payable on a parity basis with the Bond from the Net Revenues. A pro forma test taking into consideration the adoption of new rates and charges may be included in the calculation, subject to the Bank's approval to the language included in the Master Bond Ordinance.
C. <u>Debt Service Reserve:</u>	A debt service reserve fund shall be funded at closing equal to 50% of the maximum annual debt service due on the Bond.

D. Payments:	The City will make timely payment of all principal and interest on the Bond on or before each due date by wire transfer to the Bank.
E. Financial Statements:	Not later than 180 days following the end of each Fiscal Year, beginning with the 2006 Fiscal Year, the City will provide the Bank a copy of the Comprehensive Annual Financial Report of the City for such Fiscal Year.
F. Annual Budget and Other Information:	The City will prepare the annual budget in accordance with Georgia law, and will provide to the Bank (i) a copy of its final annual budget within 30 days of adoption thereof by the Council and (ii) such other public information as the Bank may reasonably request.
G. Tax Compliance:	The City will take all actions necessary to maintain its tax-exempt status.
Representations And Warranties:	The City represents and warrants to the Bank that:
A. Representations and Warranties; No Default:	The representations and warranties made by the City herein shall be true and correct in all material respects on and as of the Disbursement Date, as if made on and as of such date; no Default shall have occurred and be continuing as of the Disbursement Date or will result from the consummation of the Bonds; and the Bank shall have received a certificate from the City to the foregoing effect.
Conditions Precedent:	The obligation of the Bank to make the Bonds is subject to the satisfaction of each of the following conditions precedent on or before the Disbursement Date:
A. Opinion of City Attorney:	The Bank shall have received a written opinion of the City's Attorney as to (1) the corporate existence of the City; (2) the due adoption of the Resolution; (3) the due authorization, execution, validity, and enforceability of the Bond and the related financing documents; (4) the absence of litigation against the City relating to its existence or powers, or the proceedings for the authorization and issuance of the Bond, in form and substance satisfactory to the Bank; and (5) such other matters as the Bank may reasonably request, in form and substance satisfactory of the Bank.
B. Approving Opinion of Bond Counsel:	Standard approving opinion of qualified Bond Counsel including its opinion that the interest is excluded from gross income for federal income tax purposes to the Bank shall be provided with all associated costs to be paid by the City.
C. Documentation :	All financing documentation will be subject to final satisfactory review and approval by the Bank and Bank's Counsel. Drafts of the proposed documents will be provided to the Bank once the bid had been awarded.
Events of Default:	The "Events of Default" for the Bond shall include, but not be limited to, the following items and the terms "Default" and "Events of Default" shall mean (except where the context clearly indicates otherwise), any one or more of the following events:
A.	Failure by the City to make any payment of principal of or interest on the Bond when due.
B.	Payment default by the City on other debt secured by the Net Revenues of the Stormwater Utility System on parity with the Series 2007 Bond.
C.	The application for the appointment of a receiver for any party or the filing of a petition under any provisions of the Bankruptcy Code or Act

by or against any party or any assignment for the benefit of creditors by or against any party.

If the terms are mutually satisfactory, they will be incorporated into the Bond documentation that will be executed by the City and the Bank.

May 10, 2007: **Funding Date**: The interest rate and payments will be valid for funding through this date. If this agreement is not closed by the funding date, the quote and interest rate and payments are subject to change based on current market conditions, unless extended by RBC Centura Bank.

If this proposal is accepted by the governing body, please sign below and return this letter to RBC Centura. Upon receipt of acceptance, the Bank and its Counsel will promptly upon receipt review the Bond documentation prepared by Bond Counsel. If the anticipated transaction does not close through no fault of the Bank, the Borrowing Entity shall be responsible for legal fees and other costs incurred.

If you have any questions, please feel free to contact me at (678) 637-8114 or rick.cornejo@rbc.com.

RBC Centura Bank

Rick Cornejo
Georgia Manager
RBC Centura Public & Institutional Banking

Accepted this ____ day of ________, 2007

By:________________________

Title:________________________

Consulting Engineers Report

for

City of Peachtree City
Georgia

Stormwater Utility Revenue Bonds
Series 2007

February 5, 2007

INTRODUCTION

The City of Peachtree City, Georgia (City) has contracted with Integrated Science & Engineering, Inc. (ISE) to provide this stormwater bond feasibility study in support of the City's proposed Stormwater Utility Revenue Bonds, Series 2007. This document presents general information on the Utility service area; a description of the existing stormwater facilities; a description of the capital improvement program (CIP), including specific projects to be funded; and historical and projected Utility sources and uses of funds. The proceeds of the Series 2007 bonds will finance the expansion and improvement of the existing stormwater system, as outlined in the stormwater CIP. ISE has worked closely with the City's Engineering Department and the Finance Department during the course of this study. All assumptions relied upon in this analysis are those of City staff.

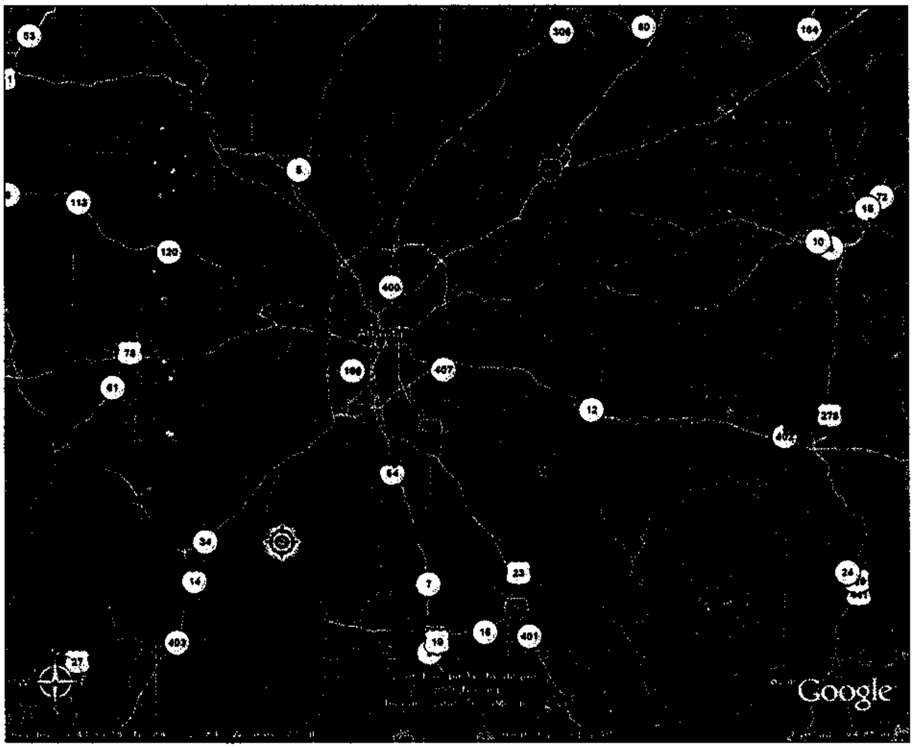
The following analysis relies upon the City comprehensive annual financial reports, budgets, fee schedules, CIP, and other appropriate sources. ISE cannot assume responsibility for the accuracy of such reference material. Moreover, forecasts and projections are subject to many future uncertainties; therefore, ISE cannot and does not ensure that the projected financial performance will reflect the actual future results. ISE has endeavored to include appropriate comments to draw the reader's attention to matters of risk or uncertainty in the projections contained in the report.

Service Area

The Stormwater Utility service area is defined by the City limits. The Utility was established by a local ordinance dated February 2, 2006 in order to provide a methodology for improving and enhancing stormwater control and management for its citizens.

The Utility service area includes about 24.5 square miles. Peachtree City lies in the western portion of Fayette County approximately 20 miles south of Atlanta. The City is generally bounded on the west by Line Creek, which forms the County Boundary with Coweta County, on the east by Camp Creek and on the north by the Town of Tyrone.

Figure 1. General Location Map of Peachtree City



The City is approaching "build-out" with respect to the residential areas of the existing City limits and limited annexation opportunities exist primarily in the northwestern portion of the City. However, there exists several areas in the western portion of the City that could be developed in the future but these are primarily commercial and industrial in nature. All other development in the City is anticipated to be infill development type projects.

Prior to 1970, Peachtree City was a small community containing a total population of approximately 790, representing about 250 homes. The city limits and the population are now substantially larger, and new construction continues at a significant rate however as stated earlier this has recently shifted to more industrial and commercial type projects. The 2000 City population was 31,580 and the estimated number of developed residential units was 11,313. The population figures for the City were derived from prior census data and information from the Reference Library & Information Department of the Georgia Institute of Technology.

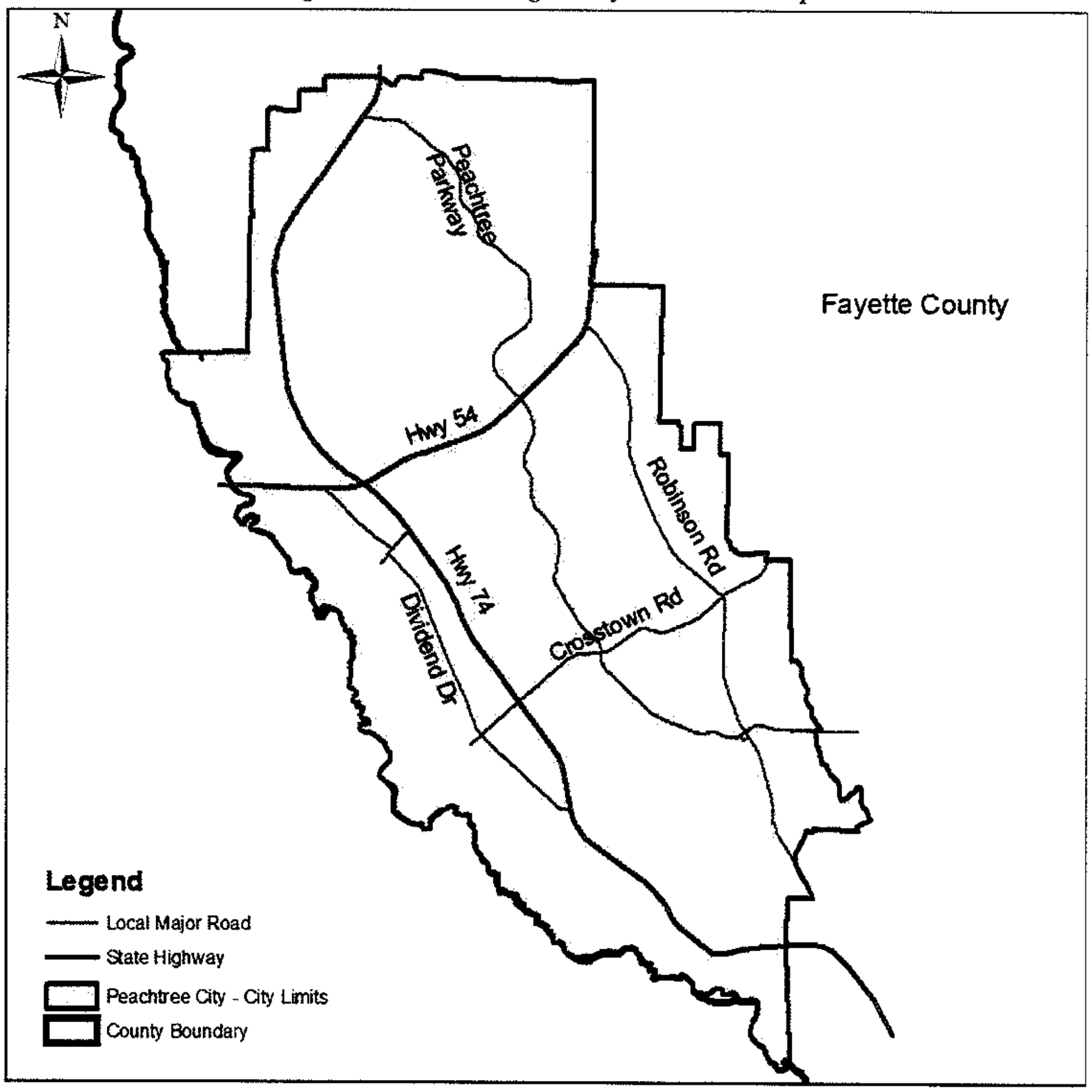
Table 1. Population Data

Year	Peachtree City Population	Estimated Homes
2000	31,580	11,313
1990	19,027	6,541
1980	6,429	2,048
1970	793	250

Source: 2000 - U.S. Census; 1990, 1980, 1970 - Reference Library & Information Dept., Georgia Institute of Technology

The following Figure shows a map of the City limits which comprise the Stormwater Utility service area.

Figure 2. Storm Drainage Utility Service Area Map



DESCRIPTION OF THE UTILITY

The Stormwater Utility was established to provide a stable source of revenue to address drainage related needs within the City of Peachtree City. The primary programs that fall under the responsibilities of the Utility include the following:

1. Administrative Control
2. Operation & Maintenance of System Improvements
3. Stormwater Quality & Flood Control Related Construction
4. Regulation of New Development Design

The Utility was established by City Ordinance on February 2, 2006. Fee collection commenced April 1, 2006.

The Ordinance imposed user fees on every developed lot or parcel within the City. A base rate of $3.95 per month ($47.70 per year) was established based on the findings of a rate study. In order to demonstrate that the revenue stream could meet projected costs for a multi-year period, a cash flow and rate analysis model was developed. The model incorporated the rate base and cost of service data projected for a multi-year period. It also accounted for full use of the user-charge to fund 100% of the operations and maintenance activities of the SWMP, rather than just addressing current capital needs.

The rate model incorporated the rate base data and calculated the LOS charges necessary to generate the required revenue stream. It includes the estimated total number of ERUs derived from the rate base, and the calculated rate per ERU. The number of ERUs was increased annually based on an assumed growth factor for the service area. The adjusted revenue requirement is subtracted from the revenue estimated to be generated by the service charge. Any funds remaining at year-end represent the "fund balance" which was then included in the next year's calculations as additional revenue. The result is that the cash flow model provides a pro-forma financial profile of the utility over the rate period being analyzed. This process provided the City with advance insight into possible changes in the rates to fit the timing of expenditures.

The stormwater system currently services 11,733 customers. These customers have been divided into six different customer classes based on the type of property on which they reside. The following discussion documents the various customer classes and how they were developed.

Detached Single Family Residential (DSFR)

The City evaluated a sample of residential housing in order to determine the Equivalent Residential Unit (ERU) and evaluate the sample for tiering. The sample was conducted such that every named subdivision within the City was represented with a minimum of three homes. This sample included approximately 1,000 homes in the statistical analysis of an estimated 10,000 residential parcels. As such, at least 10 percent of the City was included in the analysis.

One of the primary concerns during the Stormwater Utility development was that the rate structure would be perceived as unfair by the citizens if a single rate class was adopted for the DSFR customers. At the time, it was believed that the housing stock across the City had a statistically significant spread of impervious surface coverages. Based on the housing sample, a table was developed by grouping the approximate 1,000 samples into 50 classes with a range of 352 square feet of impervious surface area and then count the number of samples that fell into each class. The results indicated that the median impervious surface area for the upper 10% of the sample was approximately four times larger than the lower 10% of the sample.

As a result of the analysis, the City implemented a system whereby DSFR customers were divided into different rate classes by the amount of impervious surface area on their property. In order to make the system as equitable as possible while at the same time not increasing the cost of administering the database, the City settled on a three tier system for the DSFR customers. The sample was evenly divided into three groups based on impervious surface area thereby creating the breakpoints between the customer classes. The lower tier or Tier I was established as all DSFR properties with an impervious surface area of up to 3,810 square feet. Tier II was established as all properties with impervious surface areas of 3,811 square feet and less than or equal to 5,503 square feet. Finally, the upper tier or Tier III was established as all properties with greater than 5,503 square feet of impervious surface.

In order to establish the rate for each of the tiers, the City determined that the rate should be proportional to each tier. Median impervious surface areas were established for each of the tiers within the DSFR customer class. The median impervious surface area for Tier II corresponded to the overall ERU for the Utility and was rounded from 4,586 square feet to 4,600 for simplicity. Tier I and Tier III median impervious surface areas were determined to be 3,128 and 6,992 square feet respectively. (This is what we have in our ordinance online. If this is not correct please let me know.) If we divide the Tier I median impervious surface area by the median of Tier II, it was determined that the Tier I median was approximately 68% of the Tier II median. The team also determined that the Tier III median was approximately 152% of the Tier II median. As such, the City determined that the rate for DSFR - Tier I customers should be set at 68% of the DSFR Tier II rate and DSFR Tier III customers should have a rate of 152% of the Tier II customers.

Another concern of the City was how to handle subdivisions with private streets. The City had a number of subdivisions for which the local subdivision streets were never deeded to the City as public rights-of-way. The homeowners in each of those subdivisions as a result "own" the streets. As a result, the City decided that a surcharge would be added to those customers to account for the roads. The surcharge would be determined by establishing the impervious surface area of the roads within the subdivision and then dividing the impervious surface area equally amongst the homeowners. A charge for this area was established by dividing the resultant apportioned impervious surface area by the ERU (4,600 square feet) and multiplying the result by the rate.

For example, if a subdivision with 50 homes had 120,000 square feet of impervious surface area associated with its private streets, then the surcharge each home would be calculated as follows:

- Impervious Surface Area of Private Streets = 120,000 square feet
- Number of Homes in Subdivision = 50 homes
- Apportioned Impervious Surface Area per Home = 120,000 sf / 50 homes = 2,400 sf / home

- Surcharge = 2,400 sf / 4,600 sf = 0.52 ERUs
- Surcharge = 0.52 ERUs x $3.95 per ERU per month = $2.05 per month

If the homes in this example problem were determined to be Tier II homes, then the monthly equivalent charge would be $6.00 per month ($3.95 + $2.05).

Attached Residential Customers (AR)

After evaluating updated property owner parcel data, the project team also determined that approximately 700 customers lived in attached residential properties (i.e. condos, duplexes, town homes, etc.). This figure represented approximately 6% of the customer base in Peachtree City. A decision was made to establish a separate customer class for these residents under the theory that the impervious area per residence for these customers was much less than the median DSFR customer. As the data was reviewed, the City determined that two distinct groups of these Attached Residential (AR) groups existed in the community. The first group consisted of attached residential units on public streets (Dover Square for example). The other group consisted of attached residential units on private streets (Tinsley Mill for example). As a result, the team decided to establish two tiers for the AR customer class. AR Tier I would consist of all attached residential units that had direct access to Public Rights-of-Way. AR Tier II would consist of all other attached residential units that resided on privately held streets / parking areas. Please note that the AR customer classes only apply to attached residential properties that have fee simple ownership for each unit. Apartments such as the AMLI apartment complex are not included in this class since they tend to operate more like a commercial operation and all units are owned by one entity on a common property.

Application of the fee structure to this customer class was determined based on the individual tier. AR Tier I properties were analyzed and a median impervious surface area was determined for the 127 properties that applied to this customer class. The median was found to be approximately 2,162 square feet. The City then decided to establish the rate in a manner similar to the DSFR tiers. As such, the rate for the AR Tier I customers would be set at 47% of the

DSFR Tier II rate (2,162 sf / 4,600 sf = 0.47) and billed as a flat rate. AR Tier II properties were found to vary significantly by development and number of units. Therefore, the City decided to establish an individual rate for each development. The charge would be determined by establishing the impervious surface area of the development and then dividing the impervious surface area equally amongst the homeowners. A charge for this area was established by dividing the resultant apportioned impervious surface area by the ERU (4,600 square feet) and multiplying the result by the rate.

For example, if a town home development with 100 units had 375,000 square feet of impervious surface area, then the charge for each home would be calculated as follows:

- Impervious Surface Area of Development = 375,000 square feet
- Number of Homes in the Development = 100 homes
- Apportioned Impervious Surface Area per Home = 375,000 sf / 100 homes = 3,750 sf / home

- Charge = 3,750 sf / 4,600 sf = 0.82 ERUs
- Charge = 0.82 ERUs x $3.95 per ERU per month = $3.24 per month

The AR Tier II homes in this example would receive a monthly equivalent charge of $3.24 per month.

Non-Single Family Residential (NSFR)

NSFR customers would be billed based on the amount of impervious surface area on the property and would be similar to the AR Tier II customers. For example, if a shopping center had 650,000 square feet of impervious surface area, then the charge would be calculated as follows:

- Impervious Surface Area of Development = 650,000 square feet
- Charge = 650,000 sf / 4,600 sf = 141.30 ERUs
- Charge = 141.30 ERUs x $3.95 per ERU per month = $558.14 per month

The shopping center in this example would receive a monthly charge of $558.14 per month.

Table 2 summarizes the Stormwater Utility customers and the number of equivalent units represented.

Table 2. Customer Information

Customer Type	Accounts	ERUs
DSFR Tier I	3,365	2,288
DSFR Tier II	4,840	4,840
DSFR Tier III	2,377	3,613
AR Tier I	127	60
AR Tier II	583	332
NSFR	442	15,430
Total	**11,733**	**26,563**

The City currently holds the largest single account for the Stormwater Utility due to the fact that the City streets are billed as a single NSFR customer. The five largest non-City Stormwater Utility customers are outlined in the table below:

Table 3. Largest Non-City Stormwater Utility Customers

Name	ERUs	% of Overall ERUs
Fayette County Board of Education	497.03	1.87%
Peachtree City Airport Authority (Falcon Field)	486.71	1.83%
Braelinn Village I LLC	234.77	0.84%
Matsushita Communication Corp of USA	203.62	0.77%
Fayette County Development Authority (Cooper Lighting)	201.50	0.76%

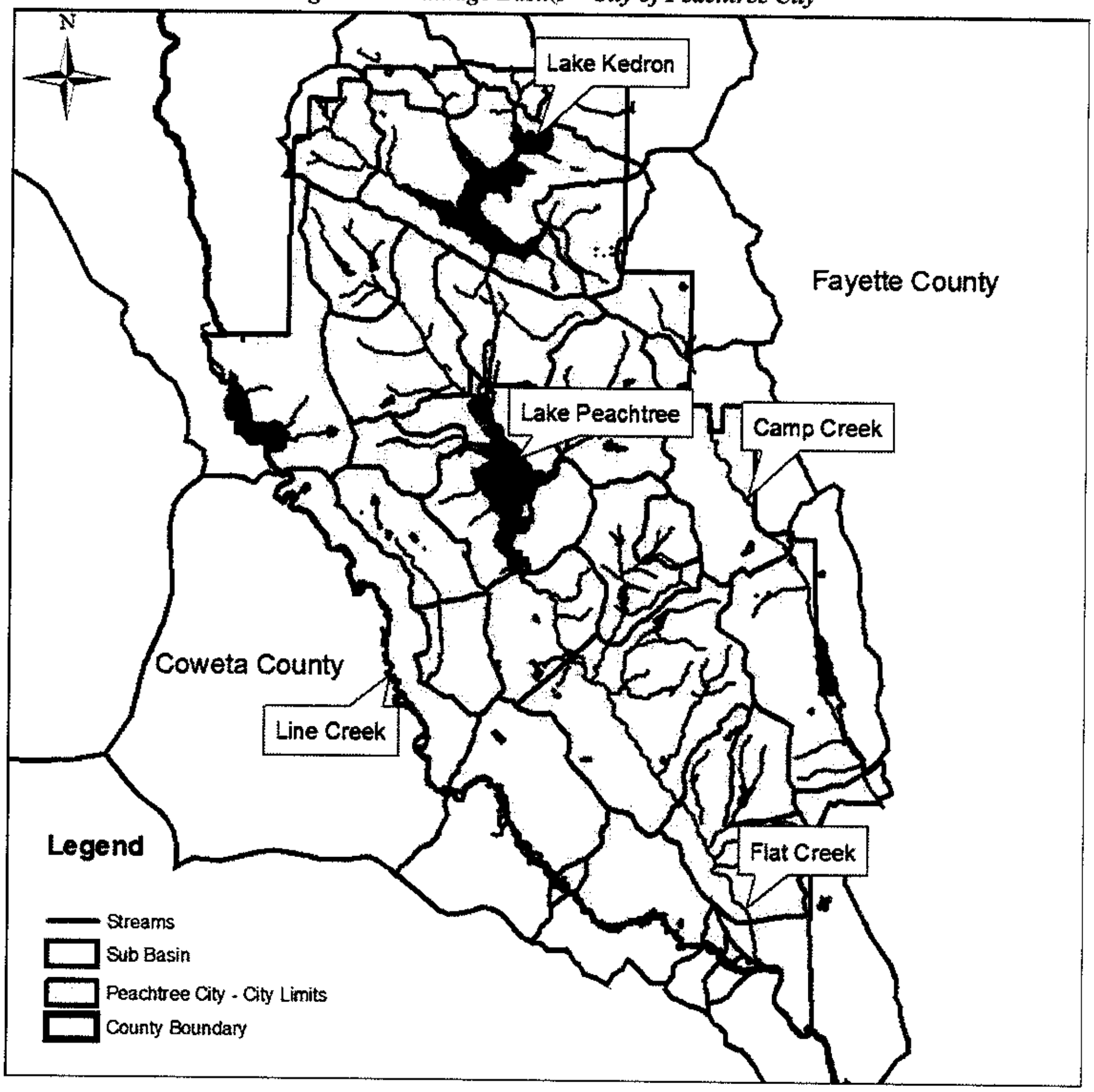
The City's Engineering Department staff computes the impervious surface. Any property owner that disagrees with the City staff's calculations can appeal by providing more accurate information to the City Engineer. This procedure has been very effective and the number of appeals has been negligible.

STORM DRAINAGE SYSTEM

A network of swales, ditches, channels, and culverts transport stormwater from developed property within the City of Peachtree City. Stormwater management and conveyance structures were constructed for each parcel as it was developed. As a result, the drainage system varies significantly in age, materials and condition. One of the primary reasons for creation of the Stormwater Utility was to improve inadequate structures and address water quality problems caused when land was changed from its natural state.

Peachtree City has three defined major drainage basins within its present City limits. These basins drain to Line Creek, Flat Creek and Camp Creek. The basins are further divided into sub-basins. All of these basins ultimately discharge into the Flint River.

Figure 3. Drainage Basins – City of Peachtree City



Each drainage basin is unique as to size, ground elevation and stormwater discharge rate. The basin characteristics were established in the City's *Stormwater Management Program Assessment & Implementation Plan* which was prepared in 2002.

The Peachtree City Stormwater Utility is tasked with the replacement of inadequate culverts, the construction of pipelines required to eliminate local flooding, and the maintenance of the carrying capacity of the various channels and improved ditches serving the City. Operation and maintenance are essential to an effective stormwater management system. The primary elements of an ongoing maintenance program are debris removal from the various ditches and channels as well as removal of sediment from catch basins and storm sewers.

REGULATORY COMPLIANCE

In addition to maintaining the City's existing and future drainage system components as defined above, the Stormwater Utility is also responsible for financing the City's federal, state and local regulatory compliance mandates. These regulatory components include the following programs:

- NPDES Phase II Stormwater Program (EPA / EPD)
- Georgia Erosion & Sediment Control Act (EPD)
- Metropolitan North Georgia Water Planning District (EPD / ARC)
- Total Maximum Daily Load Program (EPA / EPD)

The various components of these programs are significant and include drainage system maintenance, drainage system mapping, floodplain identification, water quality monitoring / remediation, and public education / involvement.

THE PROJECTS

The City of Peachtree City has identified a series of projects that will provide both stormwater quantity and quality improvements. The projects shown below represent high priority system needs. This project list may be modified in response to other system needs. The modification of the project list is not expected to affect system revenue or operating expenses.

Project Name	Project Type	Project Description	Estimated Cost
306 Preston Chase	Capital Construction – Structural Flooding	This project consists of reconstruction of a small residential drainage system that currently is unable to convey the upstream drainage contributions resulting in flooding of a residence. Proposed improvements include reconstruction of a drainage swale / berm and reconstruction of the downstream drainage system to accommodate higher intensity storms.	$191,500
406 Peachtree Parkway	Capital Construction – Structural Flooding	This project consists of reconstruction of a small residential detention pond and downstream minor drainage swale. Currently, the pond is unable to accommodate larger storm events resulting stormwater runoff bypassing the drainage system and flowing downstream to an existing residence.	$68,500
Bridlepath	Capital Construction – Safety	This project consists of relocating a cart path stream crossing to a point approximately 200 feet downstream. The new crossing will reside within the right-of-way of Peachtree Parkway and will eliminate the existing crossing and no new crossing will be created since the new crossing will be on the existing roadway fill adjacent to the roadway.	$159,470
235 Cedar Drive	Capital Construction – Structural Flooding	This project consists of replacing the existing roadway culvert under Hip Pocket Road to reduce the flood elevations to a point below the finished floor elevation of the residence at 235 Cedar Drive.	$108,700

Project Name	Project Type	Project Description	Estimated Cost
585 North Fairfield Drive	Capital Construction – Structural Flooding	This project consists of purchasing land and reconstructing an existing detention pond to eliminate flooding in adjacent residences from bypassing stormwater runoff. The design goals of the project seek to lessen flooding both in the adjacent residences as well as impacts to the downstream infrastructure.	$179,600
Huddleston Pond	Capital Construction – Downstream Flood Control	This project consists of reconstructing an existing earthen dam that is currently experiencing significant seepage and is in danger of failing resulting in a breach of the dam. Additionally, the dam serves as a regional detention facility buffering downstream areas from upstream stormwater runoff impacts.	$395,000
315 Peachtree Parkway	Capital Construction – Safety	This project consists of reconstructing an existing headwall that has collapsed for a drainage system under Peachtree Parkway. Anticipated components of the project include construction of a new cast-in-place concrete headwall and a downstream stilling basin to reduce downstream channel erosion.	$133,000
101 Lakeside Drive	Capital Construction – Structural Flooding	This project consists of constructing a new drainage system under Lakeside Drive to provide for the efficient transfer of stormwater runoff to downstream receiving waters as well as re-grading an existing swale to promote better drainage of areas on the downstream side of Lakeside Drive away from existing homes.	$175,000
222 Smokerise	Capital Construction – Safety	This project consists of reinforcing the bridge abutments of an existing bridge under Smokerise Drive. Currently stormwater runoff from the upstream drainage basin is causing the earthen fill for the approaches to wash away leading to settlement of the roadway immediately adjacent to the bridge. The existing bridge structure is not believed to be affected due to the fact that the bridge is constructed on piles and is not subject to significant erosion influences. Current plans call for placement of rip-rap along the embankments to eliminate washing of the earthen fill.	$33,000
206 Willowbend Road	Capital Construction – Structural Flooding	This project consists of analyzing and possibly improving the level of service provided by a drainage system under Willowbend Road adjacent to City Hall to reduce upstream flooding and impacts to the existing sanitary sewer system.	$112,000
208 & 210 Lenox Road	Capital Construction – Structural Flooding	This project consists of reconfiguring the inlet of an existing drainage system to reduce flooding in adjacent residential structures. The City anticipates constructing a small detention pond at the inlet to allow runoff to enter the system without impacting the surrounding homes at 208 and 210 Lenox Road.	$245,000

Project Name	Project Type	Project Description	Estimated Cost
Flat Creek Villas By-Pass Channel	Capital Construction – Structural Flooding	This project consists of constructing a by-pass channel to divert stormwater runoff away from a group of homes. The downstream receiving system is a privately owned drainage system that is not functioning due to maintenance and physical limitations. The project will allow runoff to by-pass directly to Lake Peachtree thus reducing ponding around Flat Creek Villas as well as providing some relief to downstream flooding in Tinsley Mill Village.	$110,000
Peachtree City Tennis Center	Capital Construction – Structural Flooding	This project consists of reconfiguring the drainage system around the Peachtree City Tennis Center to reduce structural flooding of the main building.	$83,500
110 & 118 Wynnmeade Parkway	Capital Construction – Structural Flooding	This project consists of replacing two inadequately sized drainage systems located under Wynnmeade Parkway which are currently causing upstream flooding of residential structures at 110 and 118 Wynnmeade Parkway.	$266,000
209 Wysteria Court	Capital Construction – Structural Flooding	This project consists of rehabilitation an existing residential pond dam which is allowing water to bypass the primary outlet structure and flood a downstream home. The proposed improvements would consist of improving the existing primary outlet and grading a new emergency spillway to direct stormwater runoff away from the downstream home.	$253,000
146 Interlochen	Capital Construction – Maintenance	This project consists of re-channeling water running through a green belt to downstream receiving waters and away from adjacent homes.	$168,450
Drainage System Inventory / Floodplain Mapping	Mapping	This project consists of developing a drainage system map of all pipes, inlets, and outlets associated with the City's drainage system. The inventory will also include a condition assessment of sufficient detail to assist the City in meeting its regulatory requirements related to GASB34 and MNGWPD mapping / assessment needs. Additionally, the City will develop new floodplain maps of sufficient detail to meet the City's regulatory requirements related to MNGWPD build out floodplain identification.	$500,000
Misc. Drainage System Improvements	Capital Construction	The projects outlined above represent known drainage system deficiencies based on past inspections by the City and drainage complaints from citizens. The City anticipates that additional drainage system upgrades will be identified as a result of drainage system inspections / mapping outlined in the drainage system inventory project. As such, a reserve contingency project was created to address urgent system needs identified in the mapping project.	$500,000
		Total	**$3,681,720**

PROJECT IMPLEMENTATION

Projects to be Implemented in FY07

Project Name	Estimated Cost
Bridlepath	$159,470
235 Cedar Drive	$108,700
585 North Fairfield Drive	$179,600
Huddleston Pond	$395,000
Flat Creek Villas By-Pass Channel	$110,000
Peachtree City Tennis Center	$83,500
Total	**$1,036,270**

Projects to be Implemented in FY08

Project Name	Estimated Cost
306 Preston Chase	$191,500
315 Peachtree Parkway	$133,000
101 Lakeside Drive	$175,000
222 Smokerise	$33,000
206 Willowbend Road	$112,000
146 Interlochen	$168,450
Total	**$812,950**

Projects to be Implemented in FY09

Project Name	Estimated Cost
406 Peachtree Parkway	$68,500
208 & 210 Lenox Road	$245,000
110 & 118 Wynnmeade Parkway	$266,000
209 Wysteria Court	$253,000
Total	**$832,500**

Projects to be Implemented in FY07 through FY09

Project Name	Estimated Cost
Drainage System Inventory / Floodplain Mapping	$500,000
Misc. Drainage System Improvements	$500,000
Total	**$1,000,000**

PROJECTED REVENUES, EXPENSES AND DEBT SERVICE COVERAGE

As stated earlier, the Stormwater Utility was established in February 2006 and the first billing was initiated on April 1, 2006. As such, the Utility has not established long term financial records related to collections and net revenues available for debt service. However, for the purpose of determining the adequacy of the revenues for meeting the operating expenses, debt service requirements and capital needs of the Utility, a revenue model is outlined below.

Peachtree City Stormwater Management Program
Projected Stormwater Utility Revenue Model

	FY 2006 Actual[1]	FY 2007 Budget	FY 2008 Projected	FY 2009 Projected	FY 2010 Projected	FY 2011 Projected	FY 2012 Projected	FY 2013 Projected	FY 2014 Projected	FY 2015 Projected
Sources of Cash:										
Stormwater Billings[2]	865,888	1,271,239	1,282,923	1,294,702	1,345,775	1,358,089	1,439,041	1,452,209	1,538,771	1,552,851
Bad Debt Expense[3]	-	(44,493)	(44,902)	(45,315)	(47,102)	(47,533)	(50,366)	(50,827)	(53,857)	(54,350)
Credits[3]	-	(25,425)	(25,658)	(25,894)	(26,916)	(27,162)	(28,781)	(29,044)	(30,775)	(31,057)
Reimburse Capital Item	-	21,527	-	-	-	-	-	-	-	-
Interest Earnings	8,105	9,778	9,532	9,849	11,320	13,112	13,550	15,504	16,765	18,998
Other	57	-	-	-	-	-	-	-	-	-
Total Sources of Cash	874,050	1,232,626	1,221,895	1,233,342	1,283,077	1,296,506	1,373,444	1,387,841	1,470,904	1,486,442
Use of Cash:										
Salaries and Benefits	86,798	478,605	532,282	562,888	595,254	629,481	665,677	703,953	744,430	787,235
Other Expenses	365,606	325,410	330,291	335,246	340,274	345,378	350,559	355,817	361,155	366,572
Debt Service[4]	-	68,438	276,663	276,375	275,863	275,125	279,050	277,638	276,000	279,025
Debt Service Reserve[5]	-	280,000	-	-	-	-	-	-	-	-
Total Uses of Cash	452,404	1,152,453	1,139,236	1,174,509	1,211,391	1,249,985	1,295,286	1,337,408	1,381,585	1,432,832
Net Increase (Decrease) in Cash (before Capital Items)	421,646	80,173	82,659	58,833	71,685	46,521	78,159	50,433	89,319	53,610
Capital Items	30,527	90,000	70,000	-	-	29,000	-	-	-	-
Net Increase (Decrease) in Cash (after Capital Items)	391,119	(9,827)	12,659	58,833	71,685	17,521	78,159	50,433	89,319	53,610
Beginning Cash Balance	-	391,119	381,292	393,951	452,784	524,470	541,991	620,150	670,583	759,901
Ending Cash Balance	**$391,119**	**$381,292**	**$393,951**	**$452,784**	**$524,470**	**$541,991**	**$620,150**	**$670,583**	**$759,901**	**$813,511**
Net Revenue Available for Debt Service[6]		$428,611	$359,322	$335,208	$347,548	$321,646	$357,209	$328,071	$365,319	$332,635
Annual Debt Service Payments		$68,438	$276,663	$276,375	$275,863	$275,125	$279,050	$277,638	$276,000	$279,025
Coverage		**6.26**	**1.30**	**1.21**	**1.26**	**1.17**	**1.28**	**1.18**	**1.32**	**1.19**

Footnotes:

1 Fiscal Year 2006 covered the period from April 1, 2006 through September 30, 2006.

2 All residential and some smaller non-residential customers are billed annually on April 1. The larger non-residential customers are billed on a monthly basis. Billings are projected to increase annually by 0.915% based on growth of the City via new developments. Additionally, the model assumes the City will implement rate increases of 3%, 5% and 5% in 2010, 2012 and 2014, respectively.

3 A Bad Debt Expense of 3.50% of billings is assumed. Mitigation credits of 2.0% of billings are assumed.

4 The debt service requirements are based on a $3,650,000 bond issue with an interest rate of 4.50% and level debt service over twenty years.

5 A debt service reserve equal to the estimated maximum annual principal and interest requirement will be funded from operating revenues.

6 Net revenues available for debt service are derived from Total Sources of Cash minus Salaries and Benefits and Other Expenses.

CONCLUSIONS & RECOMMENDATIONS

Based on our knowledge and experience with the system and the development of the Stormwater Utility, ISE is of the opinion that:

1. Net revenues from the system will be in excess of the debt service required to finance the proposed improvements.

2. The projections of revenues and cost of operation and maintenance for the fiscal years 2007 through 2015 are both reasonable and appropriate for the operation of the system. Under the assumptions set forth herein, the City will have sufficient revenues in each year to pay the projected costs of operation and maintenance, and to cover debt service on the then outstanding bonds.

MASTER BOND ORDINANCE

ADOPTED APRIL 19, 2007

BY THE COUNCIL OF PEACHTREE CITY

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and is not part of this Master Bond Ordinance.

MASTER BOND ORDINANCE

A MASTER BOND ORDINANCE PROVIDING FOR THE ISSUANCE BY PEACHTREE CITY OF ITS STORM WATER REVENUE BOND, SERIES 2007 FOR THE PURPOSE OF FINANCING THE COSTS OF MAKING ADDITIONS, EXTENSIONS, AND IMPROVEMENTS TO ITS STORM WATER SYSTEM; TO PROVIDE TERMS, PROVISIONS, AND CONDITIONS FOR THE ISSUANCE OF ITS REVENUE BOND, SERIES 2007 AND OTHER SERIES OF BONDS; AND FOR OTHER RELATED PURPOSES.

WHEREAS, under and by virtue of the authority of the Constitution and laws of the State of Georgia, including specifically, but without limitation, Article 3 of Chapter 82 of Title 36 of the Official Code of Georgia Annotated, known as the "Revenue Bond Law", as amended (the "Revenue Bond Law"), and the Charter of Peachtree City, as amended (the "Charter"), Peachtree City (the "City") is authorized to acquire, construct, reconstruct, improve, better, and extend any system, plant, work, instrumentality, and property used or useful in connection with the collection, treatment, and disposal of storm water, together with all parts of any such undertaking and all appurtenances thereto, including lands, easements, rights in land, water rights, contract rights, franchises, approaches, dams, reservoirs, generating stations, sewage disposal plants, intercepting sewers, trunk connecting and other water and sewer mains, filtration works, pumping stations, and equipment; and

WHEREAS, the Revenue Bond Law authorizes the City to issue revenue bonds to finance, in whole or in part, the cost of the acquisition, construction, reconstruction, improvement, betterment, or extension of any undertaking or any combination of two or more such undertakings, including any undertakings specified above, and to issue revenue bonds at any time to refund or refinance, in whole or in part, all outstanding revenue bonds against any existing undertaking or any combination thereof or its anticipated revenue; and

WHEREAS, the City has determined that there is a need for the acquisition and construction of improvements, betterments, and extensions of the City's existing storm water collection and disposal system, all as generally described in the report dated February 5, 2007, prepared by the City's consulting engineers, Integrated Science & Engineering, Inc., Fayetteville, Georgia, and in accordance or substantially in accordance with plans and specifications on file from time to time with the City; and

WHEREAS, the City has determined that it is in the best interests of the customers of the City for the City to make the additions, extensions, and improvements to the City's existing storm water system described above, and to finance the costs of the foregoing by issuing its revenue bond in the principal amount of $3,745,000;

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

ARTICLE I

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1. <u>Definitions</u>. The following terms shall have the meanings specified below, unless the context clearly requires otherwise.

"Accreted Value" means, with respect to each Compound Interest Bond, the principal amount of such Compound Interest Bond, plus, on the date of calculation, the interest accrued thereon to such date compounded at the interest rate thereof on each compounding date contained in such Compound Interest Bond, and, with respect to any calculation on a date other than a compounding date, the Accreted Value means the Accreted Value as of the preceding compounding date plus interest on such amount from such compounding date to the date of calculation at a rate equal to the interest rate on such Compound Interest Bond.

"Additional Interest" means, for any period during which any Pledged Bonds are owned by a Liquidity Facility Issuer pursuant to a Liquidity Facility or Liquidity Facility Agreement, the amount of interest accrued on such Pledged Bonds at the Pledged Bond Rate less the amount of interest that would have accrued during such period on an equal principal amount of Bonds at the Bond Rate.

"Annual Budget" means the annual budget of the City relating to the System (which shall include all costs, obligations, and expenses properly allocable to the System), as amended or supplemented in accordance with established procedures of the City, adopted or in effect for a particular Fiscal Year.

"Attesting Officer" means the individual presently holding the office of City Clerk of the City (or any individual presently holding the office of Deputy City Clerk of the City) and any successor who might hereafter hold such office, and any individual, body, or authority to whom or which may hereafter be delegated by law the duties, powers, authority, obligations, or liabilities of such office.

"Authorized Denomination" means, (i) with respect to Bonds other than Institutional Bonds, $5,000 (principal amount, in the case of Current Interest Bonds, and maturity amount, in the case of Compound Interest Bonds) or any integral multiple thereof, and, (ii) with respect to Institutional Bonds of each series, the unpaid principal amount of Bonds of such series.

"Balloon Bonds" means any series of Bonds 25% or more of the original principal amount of which (i) is due in any 12-month period or (ii) may, at the option of the Bondholders, be required to be redeemed, prepaid, purchased directly or indirectly by the City, or otherwise paid in any 12-month period; provided that, in calculating the principal amount of such Bonds due or required to be redeemed, prepaid, purchased, or otherwise paid in any 12-month period, such principal amount shall be reduced to the extent that all or any portion of such amount is required to be redeemed or amortized prior to such 12-month period.

"Balloon Date" means any Principal Maturity Date or Put Date on which more than 25% of the original principal amount of related Balloon Bonds mature or are subject to mandatory redemption or could, at the option of the Bondholders, be required to be redeemed, prepaid, purchased directly or indirectly by the City, or otherwise paid.

"Bond Counsel" means any firm of nationally recognized bond counsel experienced in matters relating to tax-exempt financing, appointed by the City.

"Bondholder" means the registered owner of one or more Bonds.

"Bond Ordinance" means this Master Bond Ordinance as it may from time to time be modified, supplemented, or amended by Supplemental Ordinances.

"Bond Rate" means the rate of interest per annum payable on specified Bonds other than Pledged Bonds.

"Bond Register" means the registration books maintained and to be maintained by the City or by the Bond Registrar on behalf of the City.

"Bond Registrar" means any bank or trust company designated as such by the City in the Bond Ordinance with respect to any of the Bonds. Such Bond Registrar shall perform the duties required of the Bond Registrar in the Bond Ordinance. There shall be no Bond Registrar for the Institutional Bonds.

"Bonds" means any revenue bonds authorized by and authenticated and delivered pursuant to the Bond Ordinance, including the Series 2007 Bond, any Parity Bonds, and any Subordinate Bonds.

"Capitalized Interest Account" means the Capitalized Interest Account within the Sinking Fund established in Article IV.

"Change in Deductibility" means any determination by the Internal Revenue Service or any court of competent jurisdiction that the Series 2007 Bond is not a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Code as a result or as a consequence of (i) an action, or failure to act, by the City, or (ii) a breach of any representation or warranty made by the City to the Purchaser relating to the status of the Series 2007 Bond as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Code.

"Chief Officer" means the individual presently holding the office of Mayor of the City and any successor who might hereafter hold such office, and any individual, body, or authority to whom or which may hereafter be delegated by law the duties, powers, authority, obligations, or liabilities of such office.

"City" means Peachtree City, a municipal corporation created and existing under the laws of the State.

"Code" means the Internal Revenue Code of 1986, as amended, and any regulations promulgated or applicable thereunder.

"Commitment," when used with respect to Balloon Bonds, means a binding written commitment from a financial institution, surety, or insurance company to refinance such Bonds on or prior to any Balloon Date thereof, including without limitation any Liquidity Facility for such Bonds.

"Compound Interest Bonds" means Bonds that bear interest which is calculated based on periodic compounding, payable only at maturity or earlier redemption.

"Consultant" means a firm of engineers or utility consultants experienced in the planning and management of storm water systems and having a nationally recognized reputation for such work.

"Costs" with respect to any Project, means the total cost, paid or incurred, to study, plan, design, finance, acquire, construct, reconstruct, install, or otherwise develop the Project and shall include, but shall not be limited to, the following costs and expenses relating to such Project and the reimbursement to the City for any such items previously paid by the City:

(i) the cost of all lands, real or personal properties, rights, easements, and franchises acquired;

(ii) the cost of all machinery and equipment, financing charges, and interest prior to and during construction and for six months after completion of construction;

(iii) the cost of the acquisition, construction, reconstruction, or installation of any Project;

(iv) the cost of engineering, architectural, development, and supervisory services, fiscal agents' and legal expenses, plans and specifications, and other expenses necessary or incident to determining the feasibility or practicability of any Projects, administrative expenses, and such other expenses as may be necessary or incident to any financing by Bonds;

(v) the cost of placing any Project in operation;

(vi) the cost of condemnation of property necessary for such construction and operation;

(vii) the costs of issuing any Bonds to finance any Project or to refund any Bonds; and

(viii) any other costs that may be incident to any Project.

"Credit Facility" means any letter of credit, insurance policy, guaranty, surety bond, or similar obligation, arrangement, or instrument issued by a bank, insurance company, or other financial institution that is used by the City to enhance the City's credit by assuring owners of any of the Bonds that principal of and interest on such Bonds will be paid promptly when due. The term Credit Facility shall not include a Reserve Account Credit Facility.

"Credit Facility Agreement" means an agreement between the City and a Credit Facility Issuer pursuant to which the Credit Facility Issuer issues a Credit Facility and may include the promissory note or other instrument evidencing the City's obligations to a Credit Facility Issuer pursuant to a Credit Facility Agreement. The term Credit Facility Agreement shall not include a Reserve Account Credit Facility.

"Credit Facility Issuer" means any issuer of a Credit Facility then in effect for all or part of the Bonds. The term Credit Facility Issuer shall not include any Reserve Account Credit Facility Provider. Whenever in the Bond Ordinance the consent of the Credit Facility Issuer is required, such consent shall only be required from the Credit Facility Issuer whose Credit Facility is issued with respect to the Bonds for which the consent is required.

"Current Interest Bonds" means those Bonds that are not Compound Interest Bonds.

"Debt Service Requirement" means the total principal and interest coming due, whether at maturity or upon mandatory redemption, in any specified period. If any Bonds Outstanding or proposed to be issued shall bear interest at a Variable Rate, the interest coming due in any specified future period shall be determined as if the Variable Rate in effect at all times during such future period equaled, at the option of the City, either (1) the average of the actual Variable Rates that were in effect (weighted according to the length of the period during which each such Variable Rate was in effect) for the most recent twelve-month period immediately preceding the date of calculation for which such information is available (or shorter period if such information is not available for a twelve-month period), or (2) the current average annual long-term fixed rate of interest on securities of similar quality having a similar maturity date as certified by a Financial Advisor. If any Compound Interest Bonds are Outstanding or proposed to be issued, the total principal and interest coming due in any specified period shall be determined, with respect to such Compound Interest Bonds, by Series Ordinance of the City authorizing such Compound Interest Bonds. With respect to any Bonds secured by a Financial Facility, Debt Service Requirement shall include (i) any commission or commitment fee obligations with respect to such Financial Facility, (ii) the outstanding amount of any Reimbursement Obligation owed to the relevant Financial Facility Issuer and interest thereon, (iii) any Additional Interest owed on Pledged Bonds to a Liquidity Facility Issuer, and (iv) any remarketing agent fees. With respect to any Hedged Bonds, the interest on such Hedged Bonds during any Hedge Period and for so long as the provider of the related Hedge Agreement has not defaulted on its payment obligations thereunder shall be calculated by adding (x) the amount of interest payable by the City on such Hedged Bonds pursuant to their terms and (y) the amount of Hedge Payments payable by the City under the related Hedge Agreement and subtracting (z) the amount of Hedge Receipts payable by the provider of the related Hedge Agreement at the rate specified in the related Hedge Agreement; provided, however, that to the extent that the provider of any Hedge Agreement is in default thereunder, the amount of interest payable by the City on the related Hedged Bonds shall be the interest calculated as if such Hedge Agreement had not been executed. In determining the amount of Hedge Payments or Hedge Receipts that are not fixed throughout the Hedge Period (i.e., which are variable), payable or receivable for any future period, such Hedge Payments or Hedge Receipts for any period of calculation (the "Determination Period") shall be computed by assuming that the variables comprising the calculation (e.g., indices) applicable to the Determination Period are equal to the average of the actual variables that were in effect (weighted according to the length of the period during which each such variable was in effect) for the most recent twelve-month period immediately preceding the date of calculation for which such information is available (or shorter period if such information is not available for a twelve-month period). For the purpose of calculating the Debt Service Requirement on Balloon Bonds (1) which are subject to a Commitment or (2) which do not have a Balloon Date within 12 months from the date of calculation, such Bonds shall be assumed to be amortized in substantially equal annual amounts to be paid for principal and interest over an assumed amortization period of 20 years at an assumed interest rate (which shall be the interest rate certified by a Financial Advisor to be the interest rate at which the City could reasonably expect to borrow the same amount by issuing Bonds with the same priority of lien as such Balloon Bonds and with a 20-year term); provided, however, that if the maturity of such Bonds (taking into account the term of any Commitment) is in excess of 20 years from the date of issuance, then such Bonds shall be assumed to be amortized in substantially equal annual amounts to be paid for principal and interest over an assumed amortization period of years equal to the number of years from the date of issuance of such Bonds to maturity (including the Commitment) and at the interest rate applicable to such Bonds. For the purpose of calculating the Debt Service Requirement on Balloon Bonds (1) which are not subject to a Commitment and (2) which have a Balloon Date within 12 months from the date of calculation, the principal payable on such Bonds on the Balloon Date shall be calculated as if paid on the Balloon Date. The principal of and interest on Bonds and Hedge Payments shall be excluded from the determination of Debt Service Requirement to the extent that the same were or are expected to be paid with amounts on deposit on the date of calculation (or Bond proceeds to be deposited on the date of issuance of proposed Bonds) in the Project Fund, the Sinking Fund, or a similar fund for Subordinate Bonds.

"Debt Service Reserve Account" means the Debt Service Reserve Account within the Sinking Fund established in Article IV.

"Debt Service Reserve Requirement" means, in the case of Senior Bonds which do not bear interest at a Variable Rate, as of any date, an amount equal to 50% of the maximum annual Debt Service Requirement with respect to Senior Bonds in the then current or any succeeding Fiscal Year. Debt Service Reserve Requirement means, in the case of Senior Bonds which bear interest at a Variable Rate, an amount equal to 10% of the proceeds from the sale of each series of such Senior Bonds.

"Depository" means the depository of each fund established under the Bond Ordinance, and any successor depository of such fund hereafter designated by the City from time to time by Supplemental Ordinance.

"Deputy Officer" means the individual presently holding the office of Mayor Pro Tem of the City and any successor who might hereafter hold such office, and any individual, body, or authority to whom or which may hereafter be delegated by law the duties, powers, authority, obligations, or liabilities of such office.

"Event of Default" means any of the events defined as such in Article VII.

"Expenses of Operation and Maintenance" means all expenses reasonably incurred in connection with the operation and maintenance of the System, including salaries, wages, the cost of materials and supplies, rentals of leased property, if any, management fees, payments to others for the collection and disposal of storm water, if any, the cost of audits, Paying Agent's and Bond Registrar's fees, payment of premiums for insurance required by the Bond Ordinance and other insurance that the City deems prudent to carry on the System and its operations and personnel, and, generally, all expenses, exclusive of interest on the Bonds and depreciation or amortization, that under accounting principles generally accepted for municipal utility purposes are properly allocable to operation and maintenance; however, only such expenses as are reasonably and properly necessary or desirable for the proper operation and maintenance of the System shall be included. "Expenses of Operation and Maintenance" also includes the City's obligations under any contract with any other political subdivision or public agency or authority of one or more political subdivisions pursuant to which the City undertakes to make payments measured by the expenses of operating and maintaining any facility that constitutes part of the System and that is owned or operated in part by the City and in part by others.

"Financial Advisor" means an investment banking or financial advisory firm, commercial bank, or any other Person who or which is appointed by the City for the purpose of passing on questions relating to the availability and terms of specified types of Bonds and is actively engaged in and, in the good faith opinion of the City, has a favorable reputation for skill and experience in underwriting or providing financial advisory services in respect of similar types of securities.

"Financial Facility" means a Credit Facility or a Liquidity Facility.

"Financial Facility Agreement" means a Credit Facility Agreement or a Liquidity Facility Agreement.

"Financial Facility Issuer" means a Credit Facility Issuer or a Liquidity Facility Issuer.

"Fiscal Year" means the 12-month period used by the City for its general accounting purposes, as it may be changed from time to time. The Fiscal Year at the time this Master Bond Ordinance was adopted began on October 1 and ended on September 30 of the following year.

"Fitch" means Fitch Investors Service, L.P., or, if such limited partnership is dissolved or liquidated or otherwise ceases to perform securities rating services, such other nationally recognized securities rating agency as may be designated in writing by the City. The notice address of Fitch shall be One State Street Plaza, New York, New York 10004.

"Forecast Period" means a period of five consecutive Fiscal Years commencing with the Fiscal Year after the later of (1) the Fiscal Year in which any proposed Parity Bonds are to be issued or (2) the Fiscal Year in which any Project to be financed with the proceeds of any proposed Parity Bonds is expected to be completed.

"Governing Body" means the Council of Peachtree City and any predecessor or successor in office to such present body, and any Person to whom or which may hereafter be delegated by law the duties, powers, authority, obligations, or liabilities of the present body, either in whole or in relation to the System.

"Government Loans" means loans to the City by the government of the United States or the State, or by any department, authority, or agency of either, for the purpose of acquiring, constructing, reconstructing, improving, bettering, or extending any part of the System.

"Government Obligations" means (a) direct obligations of the United States of America for the full and timely payment of which the full faith and credit of the United States of America is pledged or (b) obligations issued by a person controlled or supervised by and acting as an instrumentality of the United States of America, the full and timely payment of the principal of and the interest on which is fully and unconditionally guaranteed as a full faith and credit obligation of the United States of America (including any securities described in (a) or (b) issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), which obligations, in either case, (i) are not subject to redemption or prepayment prior to maturity except at the option of the holder of such obligations and (ii) may include U.S. Treasury Trust Receipts.

"Hedge Agreement" means, without limitation, (i) any contract known as or referred to or which performs the function of an interest rate swap agreement, currency swap agreement, forward payment conversion agreement, or futures contract; (ii) any contract providing for payments based on levels of, or changes or differences in, interest rates, currency exchange rates, or stock or other indices; (iii) any contract to exchange cash flows or payments or series of payments; (iv) any type of contract called, or designed to perform the function of, interest rate floors, collars, or caps, options, puts, or calls, to hedge or minimize any type of financial risk, including, without limitation, payment, currency, rate, or other financial risk; and (v) any other type of contract or arrangement that the City determines is to be used, or is intended to be used, to manage or reduce the cost of any Bonds, to convert any element of any Bonds from one form to another, to maximize or increase investment return, to minimize investment return risk, or to protect against any type of financial risk or uncertainty.

"Hedged Bonds" means any Bonds for which the City shall have entered into a Hedge Agreement.

"Hedge Payments" means amounts payable by the City pursuant to any Hedge Agreement, other than termination payments, fees, expenses, and indemnity payments.

"Hedge Payments Account" means the Hedge Payments Account within the Sinking Fund established in Article IV.

"Hedge Period" means the period during which a Hedge Agreement is in effect.

"Hedge Receipts" means amounts payable by any provider of a Hedge Agreement pursuant to such Hedge Agreement, other than termination payments, fees, expenses, and indemnity payments.

"Independent Certified Public Accountant" means a certified public accountant, or a firm of certified public accountants, who or which is "independent" as that term is defined in Rule 101 and related interpretations of the Code of Professional Ethics of the American Institute of Certified Public Accountants, of recognized standing, who or which does not devote his or its full time to the City (but who or which may be regularly retained by the City).

"Institutional Bonds" means any whole series of Bonds initially purchased for investment purposes and not with a view to distribution by a single institutional investor and designated as such pursuant to the Bond Ordinance.

"Interest Account" means the Interest Account within the Sinking Fund established in Article IV.

"Interest Payment Date" means each date on which interest is to become due on any Bonds, as established in the Series Ordinance for such Bonds.

"Investment Earnings" means all interest received on and profits derived from investments made with Pledged Revenues or any moneys in the funds and accounts established under Article IV.

"Liquidity Facility" means any letter of credit, standby bond purchase agreement, line of credit, revolving credit agreement, or similar obligation, arrangement, or instrument issued by a bank, insurance company, or other financial institution that is used by the City to perform one or more of the following tasks: (i) providing liquidity for the owners of Bonds through undertaking to cause Bonds to be bought from the owners thereof when submitted pursuant to an arrangement prescribed by a Series Ordinance; or (ii) remarketing any Bonds so submitted to the Liquidity Facility Issuer (whether or not the same Liquidity Facility Issuer is remarketing the Bonds).

"Liquidity Facility Agreement" means an agreement between the City and a Liquidity Facility Issuer pursuant to which the Liquidity Facility Issuer issues a Liquidity Facility and may include the promissory note or other instrument evidencing the City's obligations to a Liquidity Facility Issuer pursuant to a Liquidity Facility Agreement.

"Liquidity Facility Issuer" means any issuer of a Liquidity Facility then in effect for all or part of the Bonds.

"Moody's" means Moody's Investors Service, Inc. or, if such corporation is dissolved or liquidated or otherwise ceases to perform securities rating services, such other nationally recognized securities rating agency as may be designated in writing by the City. The notice address of Moody's shall be 99 Church Street, New York, New York 10007.

"Net Operating Revenues" means Operating Revenues, after provision for payment of all Expenses of Operation and Maintenance.

"Operating Revenues" means all income and revenue of any nature derived from the operation of the System, including monthly storm water utility fees and surcharges, service charges, other charges for storm water collection and disposal service and the availability thereof (other than any special assessment proceeds), and local, state, or federal grants or other moneys received for the payment of Expenses of Operation and Maintenance, but excluding local, state, or federal grants, loans, capital improvement contract payments, or other moneys received for capital improvements to the System and excluding Investment Earnings.

"Other System Obligations" means obligations of any kind, including but not limited to, Government Loans, revenue bonds, capital leases, installment purchase agreements, or notes (but excluding Bonds and related obligations to Financial Facility Issuers, Reserve Account Credit Facility Providers, and Qualified Hedge Providers), incurred or issued by the City to finance or refinance the cost of acquiring, constructing, reconstructing, improving, bettering, or extending any part of the System.

"Outstanding" means, when used in reference to the Bonds, all Bonds that have been duly authenticated and delivered under the Bond Ordinance, with the exception of (a) Bonds in lieu of which other Bonds have been issued under agreement to replace lost, mutilated, stolen, or destroyed obligations, (b) Bonds surrendered by the owners in exchange for other Bonds under Section 2.9 or Section 3.4, and (c) Bonds for the payment of which provision has been made in accordance with Article IX. In determining the amount of Compound Interest Bonds Outstanding under the Bond Ordinance, the Accreted Value of such Compound Interest Bonds at the time of determination shall be used.

"Parity Bonds" means Bonds issued with a right to payment and secured by a lien on a parity with the Series 2007 Bond.

"Paying Agent" means any bank or trust company authorized by the City in the Bond Ordinance to pay the principal of, premium, if any, or interest on any Bonds on behalf of the City. Such Paying Agent shall perform the duties required of the Paying Agent in the Bond Ordinance. There shall be no Paying Agent for the Institutional Bonds.

"Permitted Investments" means obligations in which the City is permitted to invest moneys of the City pursuant to applicable law that have (or are collateralized by obligations that have) a Rating by any Rating Agency which is equal to or greater than the third highest long-term Rating of such Rating Agency, or that bears (or are collateralized by obligations that bear) the second highest short-term Rating of such Rating Agency. Obligations in which the City is permitted to invest proceeds of Bonds are described, as of the date of adoption of this Master Bond Ordinance, in Section 36-82-7 of the Official Code of Georgia Annotated.

"Person" or **"person"** means any individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust, unincorporated organization, body, authority, government, or agency or political subdivision thereof.

"Pledged Bond" means any Bond purchased and held by a Liquidity Facility Issuer pursuant to a Liquidity Facility Agreement. A Bond shall be deemed a Pledged Bond only for the actual period during which such Bond is owned by a Liquidity Facility Issuer pursuant to a Liquidity Facility Agreement.

"Pledged Bond Rate" means the rate of interest payable on Pledged Bonds, as may be provided in a Liquidity Facility or Liquidity Facility Agreement.

"Pledged Revenues" means Operating Revenues, Investment Earnings, Hedge Receipts, and all moneys paid or required to be paid into, and all moneys and securities on deposit from time to time in, the funds and accounts specified in Section 4.2, but excluding any amounts required in the Bond Ordinance to be set aside pending, or used for, rebate to the United States government pursuant to Section 148(f) of the Code, including, but not limited to, amounts in the Rebate Fund.

The term **"principal"** means the principal amount of any Bond and includes the Accreted Value of any Compound Interest Bonds. All references to principal shall be construed as if they were also references to Accreted Value with respect to Compound Interest Bonds.

"Principal Account" means the Principal Account within the Sinking Fund established in Article IV.

"Principal Maturity Date" means each date on which principal is to become due on any Bonds, by maturity or mandatory sinking fund redemption, as established in the Series Ordinance for such Bonds.

"Project" means the acquisition, construction, reconstruction, improvement, betterment, extension, or equipping of the System, in whole or in part, with the proceeds of any Bonds.

"Project Fund" means the Peachtree City Storm Water Project Fund established in Article IV.

"Projected Senior Interest Payment" means that sum, redetermined by the City monthly, which would have to be accumulated in the Interest Account by the next Interest Payment Date to pay interest on Senior Bonds that bear interest at a Variable Rate if such Variable Rate should continue to equal the rate borne by such Senior Bonds on the date of calculation.

"Purchaser" means, for purposes of the Series 2007 Bond, RBC Centura Bank.

"Put Date" means any date on which a Bondholder may elect to have Balloon Bonds redeemed, prepaid, purchased directly or indirectly by the City, or otherwise paid.

"Qualified Hedge Provider" means an entity whose senior unsecured long term obligations, financial program rating, counterparty rating, or claims paying ability, or whose payment obligations under the related Hedge Agreement are absolutely and unconditionally guaranteed by an entity whose senior unsecured long term obligations, financial program rating, counterparty rating, or claims paying ability, are rated either (i) at least as high as the middle range of the third highest rating category of each Rating Agency, but in no event lower than any Rating on the related Hedged Bonds at the time of execution of the Hedge Agreement, or (ii) in any such lower Rating that each Rating Agency indicates in writing to the City will not, by itself, result in a reduction or withdrawal of its Rating on the related Hedged Bonds that is in effect prior to entering into the Hedge Agreement. An entity's status as a "Qualified Hedge Provider" is determined only at the time the City enters into a Hedge Agreement with such entity and cannot be redetermined with respect to that Hedge Agreement.

"Rating" means a rating in one of the categories by a Rating Agency, disregarding pluses, minuses, and numerical gradations.

"Rating Agencies" or **"Rating Agency"** means Fitch, Moody's, and Standard & Poor's or any successors thereto and any other nationally recognized credit rating agency then maintaining a rating on any Bonds at the request of the City. If at any time a particular Rating Agency does not have a rating outstanding with respect to the relevant Bonds, then a reference to Rating Agency or Rating Agencies shall not include such Rating Agency.

"Rebate Fund" means the Peachtree City Storm Water Rebate Fund, established in Article IV.

"Record Date" means, with respect to any Interest Payment Date for Bonds other than Institutional Bonds, the date(s) specified as Record Date(s) in any Series Ordinance(s) for such Bonds. There shall be no Record Dates for Institutional Bonds.

"Reimbursement Obligation" means the obligation of the City to directly reimburse any Financial Facility Issuer for amounts paid by such Financial Facility Issuer under a Financial Facility, whether or not such obligation to so reimburse is evidenced by a promissory note or other similar instrument.

"Renewal and Extension Fund" means the Peachtree City Storm Water Renewal and Extension Fund established in Article IV.

"Reserve Account Credit Facility" means the letter of credit, insurance policy, line of credit, or surety bond, together with any substitute or replacement therefor, if any, complying with the provisions of the Bond Ordinance, thereby fulfilling all or a portion of the Debt Service Reserve Requirement.

"Reserve Account Credit Facility Provider" means any provider of a Reserve Account Credit Facility.

"Revenue Fund" means the Peachtree City Storm Water Revenue Fund established in Article IV.

"Senior Bonds" means the Series 2007 Bond and any Parity Bonds.

"Senior Hedge Agreements" means Hedge Agreements relating to Hedged Bonds that are Senior Bonds.

"Series Ordinance" means a Bond Ordinance or Bond Ordinances of the City (which may be supplemented by one or more Bond Ordinance(s)) to be adopted prior to and authorizing the issuance and delivery of any series of Bonds. This Master Bond Ordinance shall constitute the Series Ordinance for the Series 2007 Bond, as well as a Master Bond Ordinance for Parity Bonds and Subordinate Bonds. Such a Bond Ordinance as supplemented shall establish the date or dates of the pertinent series of Bonds, the schedule of maturities of such Bonds, whether any such Bonds will be Institutional Bonds, whether any such Bonds will be Compound Interest Bonds, the name of the purchaser(s) of such series of Bonds, the purchase price thereof, the rate or rates of interest to be borne thereby, whether fixed or variable, the interest payment dates for such Bonds, the terms and conditions, if any, under which such Bonds may be made subject to redemption (mandatory or optional) prior to maturity, the form of such Bonds, and such other details as the City may determine.

"Series 2007 Bond" means the City's Storm Water Revenue Bond, Series 2007, in the original principal amount of $3,745,000, authorized under Section 2.1.

"Series 2007 Project" means the Project as (1) generally described in the report dated February 5, 2007, prepared by the City's consulting engineers, Integrated Science & Engineering, Inc., Fayetteville, Georgia, and (2) particularly described in plans and specifications on file from time to time with the City.

"Series 2007 Project Account" means the Peachtree City Storm Water Project Fund - Series 2007 Project Account within the Project Fund established in Article IV.

"Sinking Fund" means the Peachtree City Storm Water Sinking Fund established in Article IV.

"Standard and Poor's" or **"S&P"** means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., or, if such corporation is dissolved or liquidated or otherwise ceases to perform securities rating services, such other nationally recognized securities rating agency as may be designated in writing by the City. The notice address of Standard & Poor's shall be 55 Water Street, New York, New York 10041.

"State" means the State of Georgia.

"Subordinate Bonds" means Bonds issued with a right to payment from the Pledged Revenues and secured by a lien on the Pledged Revenues expressly junior and subordinate to the Senior Bonds.

"Subordinate Hedge Agreements" means Hedge Agreements relating to Hedged Bonds that are Subordinate Bonds.

"Supplemental Ordinance" means (a) any Series Ordinance and (b) any modification, amendment, or supplement to this Master Bond Ordinance other than a Series Ordinance.

"System" means the storm water collection and disposal system of the City, as it now exists and as it may be hereafter added to, extended, improved, and equipped, either from the proceeds of the Bonds or from any other sources at any time hereafter, including, without limitation, (a) all swales, ditches, channels, storm drains, detention ponds, and culverts for the collection, drainage, and disposal of storm water and all equipment and property used in connection therewith, and (b) all other facilities or property of any nature or description, real or personal, tangible or intangible, now or hereafter owned or used by the City in the collection, drainage, and disposal of storm water. The City may own a partial interest in any storm water collection and disposal facility, the remaining interest in which may be owned by or on behalf of a political subdivision of the State or any agency or authority thereof. In case of such ownership, the rights and interests possessed by the City in such facility shall be included as part of the System.

"Tax-Exempt Bonds" means any Bonds the interest on which has been determined, in an unqualified opinion of Bond Counsel, to be excludable from the gross income of the owners thereof for federal income tax purposes.

"Term Bonds" means Bonds that mature on one Principal Maturity Date yet a portion of which are required to be redeemed, prior to maturity, under a schedule of mandatory redemptions established by the Bond Ordinance.

"U.S. Treasury Trust Receipts" means receipts or certificates that evidence an undivided ownership interest in the right to the payment of portions of the principal of or interest on obligations described in clauses (a) or (b) of the term Government Obligations, provided that such obligations are held by a bank or trust company organized under the laws of the United States acting as custodian of such obligations, in a special account separate from the general assets of such custodian.

"Variable Rate" means a rate of interest applicable to the Bonds, other than a fixed rate of interest that applies to a particular maturity of Bonds so long as that maturity of Bonds remains Outstanding.

Section 1.2. **Construction of Certain Terms**. For all purposes of the Bond Ordinance, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction shall apply:

(1) The use of the masculine, feminine, or neuter gender is for convenience only and shall be deemed and construed to include correlative words of the masculine, feminine, or neuter gender, as appropriate.

(2) All references in the Bond Ordinance to designated "Articles," "Sections," and other subdivisions are to the designated Articles, Sections, and other subdivisions of the Bond Ordinance. The words "herein," "hereof," and "hereunder" and other words of similar import refer to the Bond Ordinance as a whole and not to any particular Article, Section, or other subdivision.

(3) The terms defined in this Article shall have the meanings assigned to them in this Article and include the plural as well as the singular.

(4) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles as promulgated by the American Institute of Certified Public Accountants.

Section 1.3. **Table of Contents; Titles and Headings**. The table of contents, the titles of the articles, and the headings of the sections of the Bond Ordinance are solely for convenience of reference, are not a part of the Bond Ordinance, and shall not be deemed to affect the meaning, construction, or effect of any of its provisions.

Section 1.4. **Contents of Certificates or Opinions**. Every certificate or opinion with respect to the compliance with a condition or covenant provided for in the Bond Ordinance shall include: (i) a statement that the person or persons making or giving such certificate or opinion have read such covenant or condition and the definitions herein relating thereto, (ii) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based, (iii) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such covenant or condition has been complied with, and (iv) a statement as to whether, in the opinion of the signers, such condition or covenant has been complied with.

Any such certificate or opinion made or given by an official of the City may be based, insofar as it relates to legal or accounting matters, upon a certificate or an opinion of counsel or an accountant, which certificate or opinion has been given only after due inquiry of the relevant facts and circumstances, unless such official knows that the certificate or opinion with respect to the matters upon which his certificate or opinion may be based as aforesaid is erroneous or in the exercise of reasonable care should have known that the same was erroneous. Any such certificate or opinion made or given by counsel or an accountant may be based (insofar as it relates to factual matters with respect to information that is in the possession of an official of the City or any third party) upon the certificate or opinion of or representations by an official of the City or any third party on whom counsel or an accountant could reasonably rely unless such counsel or such accountant knows that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion may be based as aforesaid are erroneous or in the exercise of reasonable care should have known that the same were erroneous. The same official of the City, or the same counsel or accountant, as the case may be, need not certify or opine to all of the matters required to be certified or opined under any provision of the Bond Ordinance, but different officials, counsel, or accountants may certify or opine to different matters, respectively.

[End of Article I]

ARTICLE II

THE BONDS

Section 2.1. Authorization; Designation of Bonds. The Bonds authorized under the Bond Ordinance may be issued and sold from time to time in one or more series, shall be designated "Peachtree City Storm Water Revenue Bonds," and shall be in substantially the form set forth in the related Series Ordinance, but such variations, omissions, substitutions, and insertions may be made therein, and such particular series designation, legends, or text may be endorsed thereon, as may be necessary or appropriate to conform to and as required or permitted by this Master Bond Ordinance and any Series Ordinance or as may be necessary or appropriate to comply with applicable requirements of the Code. The Bonds also may bear such legend or contain such further provisions as may be necessary to comply with or conform to the rules and requirements of any brokerage board, securities exchange, or municipal securities rulemaking board.

The City hereby authorizes the execution, issuance, and delivery of a Bond, in the principal amount of $3,745,000, to be designated "Peachtree City Storm Water Revenue Bonds, Series 2007," which shall be executed, issued, and delivered under, and secured by, this Master Bond Ordinance. The Series 2007 Bond shall constitute an Institutional Bond. Parity Bonds may be issued from time to time as provided in, and subject to the limitations set forth in, Article V. Subordinate Bonds may be issued from time to time as provided in, and subject to the limitations set forth in, Section 5.4.

Section 2.2. Bond Details. The Bonds shall be issued in fully registered form in Authorized Denominations and shall be dated as provided in the pertinent Series Ordinance. Each Bond (other than an Institutional Bond) authenticated prior to the first Interest Payment Date thereon shall bear interest from its dated date. Each Bond (other than an Institutional Bond) authenticated on or after the first Interest Payment Date thereon shall bear interest from the Interest Payment Date thereon next preceding the date of authentication thereof, unless such date of authentication shall be an Interest Payment Date to which interest on such Bond has been paid in full or duly provided for, in which case from such date of authentication; provided that if, as shown by the records of the Paying Agent, interest on such Bond shall be in default, such Bond shall bear interest from the date to which interest has been paid in full on such Bond or, if no interest has been paid on such Bond, its dated date. Each Bond shall bear interest on overdue principal and, to the extent permitted by law, on overdue premium, if any, and interest at the rate borne by such Bond. No payment due on any Bond shall be overdue if on the due date of such payment sufficient collected funds to make such payment are on deposit with the Paying Agent.

The principal of, premium, if any, and interest on the Bonds shall be payable in any coin or currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts.

The Series 2007 Bond shall be dated the date of its issuance and delivery and shall be issued as a single, fully registered bond without coupons in the principal amount of $3,745,000 and shall be numbered R-1.

The Series 2007 Bond shall bear interest from the dates advances are made under the purchase contract for the Series 2007 Bond on the outstanding principal amount thereof at the rate per annum equal to 4.07%, computed on the basis of a 360-day year consisting of twelve 30-day months.

Interest on the Series 2007 Bond shall be payable on July 1, 2007, and semiannually thereafter on each January 1 and July 1 of each year. Principal of the Series 2007 Bond shall be payable on the 1st day of January, in the years and amounts as follows, unless earlier called for redemption:

Year	Principal Amount	Year	Principal Amount
2008	$125,000	2018	$185,000
2009	130,000	2019	195,000
2010	135,000	2020	200,000
2011	140,000	2021	210,000
2012	145,000	2022	220,000
2013	150,000	2023	230,000
2014	160,000	2024	235,000
2015	165,000	2025	245,000
2016	170,000	2026	255,000
2017	180,000	2027	270,000

In the event all or any portion of the Series 2007 Bond is prepaid, redeemed, or otherwise paid before its stated maturity date for any reason, whether voluntary or by reason of default, acceleration, or otherwise, the City shall pay a premium on demand to the registered owner of the Series 2007 Bond, but solely from the Pledged Revenues. The premium shall be equal to the aggregate daily lost cash flow to the registered owner of the Series 2007 Bond as a result of the prepayment. The aggregate daily lost cash flow to the registered owner of the Series 2007 Bond shall be the difference between (i) the present value, as of the date of prepayment of the Series 2007 Bond, of the remaining scheduled payments of principal and interest from the prepayment date to the scheduled maturity date of the Series 2007 Bond at the contract rate of interest on the Series 2007 Bond (4.07%), assuming all payments are made as and when required, and (ii) the present value, as of the date of prepayment of the Series 2007 Bond, of payments of principal and interest that the registered owner of the Series 2007 Bond would receive from the prepayment date to the scheduled maturity date of the Series 2007 Bond, assuming all payments are made as and when required, from a new loan of a similar amount as the principal balance outstanding on the Series 2007 Bond as of the date of prepayment, with the same remaining maturity, to a similar borrower, at the contract rate of interest being offered by the registered owner of the Series 2007 Bond as of the prepayment date on new loans of similar amount with the same remaining maturity to similar borrowers. The discount rate for calculating the present value of the daily lost cash flow to the registered owner of the Series 2007 Bond shall be the contract rate of interest being offered by the registered owner of the Series 2007 Bond as of the date of prepayment of the Series 2007 Bond for a new loan of a similar amount with the same remaining maturity to a similar borrower, all of which shall be determined by the registered owner of the Series 2007 Bond in its reasonable discretion, which discretion shall be conclusive absent a showing of bad faith or manifest error. Notwithstanding the foregoing, any optional redemption of the Series 2007 Bond, whether in whole or in part, shall be subject to a minimum premium of one-half percent (0.5%) of the amount being redeemed, which minimum premium shall be paid by City to the owner of the Series 2007 Bond at the time of redemption of the Series 2007 Bond.

If at any time there is a Change in Deductibility, the interest rate on the Series 2007 Bond shall increase to the rate that will provide the registered owner of the Series 2007 Bond the effective yield that it would have received had there not been a Change in Deductibility.

Some or all of the Bonds issued after the Series 2007 Bond may be Term Bonds maturing in one or more years yet subject to mandatory redemption prior to maturity. Any requirement for the mandatory redemption of Term Bonds prior to maturity may be satisfied to the extent that any Bonds of the same series and maturity shall have been acquired by the City and presented for cancellation to the Bond Registrar on or prior to the mandatory redemption date.

Section 2.3. <u>Execution and Authentication of Bonds</u>. The Bonds shall be executed by the Chief Officer and Attesting Officer and shall be sealed with the official seal or a facsimile of the official seal of the City. The facsimile signature of the Chief Officer and the Attesting Officer may be imprinted on Bonds other than Institutional Bonds instead of their manual signatures. A facsimile of the official seal of the City may be reproduced on Bonds other than Institutional Bonds instead of impressed thereon. Bonds bearing the manual or facsimile signatures of a person in office at the time such signature was signed or imprinted shall be fully valid, notwithstanding the fact that before or after delivery of such Bonds such person ceased to hold such office.

Prior to the preparation of definitive Bonds, the City may issue interim receipts, interim certificates, or temporary Bonds, exchangeable in any case for definitive Bonds upon the issuance of definitive Bonds.

Only (i) manually executed Institutional Bonds and (ii) in the case of Bonds other than Institutional Bonds, such Bonds as shall be authenticated by the endorsement thereon of a certificate substantially in the form contained on the form of Bond set forth in the Bond Ordinance, executed by the Bond Registrar by the manual signature of one of its authorized signatories, shall be secured by the Bond Ordinance or shall be entitled to any benefit under the Bond Ordinance. Every such certificate of the Bond Registrar upon any Bond (other than an Institutional Bond) purporting to be secured by the Bond Ordinance shall be conclusive evidence that the Bond so certified has been duly issued under the Bond Ordinance and that the owner is entitled to the benefit of the Bond Ordinance. It shall not be necessary for the same signatory to sign the certificate of authentication on all of the Bonds secured under the Bond Ordinance or on all Bonds of any series.

Section 2.4. <u>Registration of Bonds</u>. The City shall keep at its office the Bond Register for the registration and registration of transfers of the Institutional Bonds. The name and address of the Bondholder, each transfer thereof, and the name and address of each transferee of the Institutional Bonds shall be registered in such register.

The City shall cause the Bond Register for the registration and for the transfer of the Bonds (other than Institutional Bonds) as provided in the Bond Ordinance to be kept by the Bond

Registrar. The Bonds (other than Institutional Bonds) shall be registered as to principal and interest on the Bond Register upon presentation thereof to the Bond Registrar which shall make notation of such registration thereon; provided that the City reserves the right to issue coupon Bonds payable to bearer whenever to do so would not result in any adverse federal tax consequences.

Section 2.5. Place of Payment. All sums becoming due on the Institutional Bonds for principal, premium, if any, 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 Bondholder in writing to the City, without the presentation or surrender of the Institutional Bonds or the making of any notation thereon, except that upon written request of the City made concurrently with or reasonably promptly after payment or redemption in full of any Institutional Bond, the Bondholder shall surrender such Bond for cancellation, reasonably promptly after any such request, to the City. Prior to any sale or other disposition of the Institutional Bonds, the Bondholder shall endorse thereon the amount of principal paid thereon and the last date to which interest has been paid thereon.

All payments of principal of each Institutional Bond (whether at maturity or upon redemption), including the date and amount of each payment, shall be endorsed by the Bondholder on the Schedule of Payments and Redemptions attached to each Institutional Bond; provided, however, that any failure by the Bondholder 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 the Institutional Bonds. The City hereby irrevocably authorizes and directs the registered owner of each Institutional Bond to enter on the Schedule of Payments and Redemptions the date and amount of each payment of principal of each Institutional Bond.

The registered owner of each Institutional Bond shall permit the City at any time during regular business hours to make at such registered owner's principal office an appropriate notation on each Institutional Bond of payments of principal thereof, if at least five days prior thereto the City shall have given written notice of its intention to do so and if it shall not have received from the Bondholder a written confirmation that the requested notation has been made.

The principal of and redemption premium, if any, on any Bonds (other than Institutional Bonds) shall be payable to the Bondholder at the principal corporate trust office of the Paying Agent, upon presentation and surrender of such Bonds. Payment of the interest on each Bond (other than Institutional Bonds) shall be made by the Paying Agent on each Interest Payment Date to the person appearing as the registered owner thereof as of the close of business on the Record Date preceding the Interest Payment Date by check mailed to such registered owner at its address as it appears on the Bond Register, or at such other address as is furnished in writing by such registered owner to the Bond Registrar prior to such Record Date, notwithstanding the cancellation of any such Bonds upon any exchange or transfer thereof subsequent to the Record Date and prior to such Interest Payment Date.

Notwithstanding the foregoing, however, interest on the Bonds (other than Institutional Bonds) of any series shall be payable to any registered owner of more than $1,000,000 in aggregate principal amount of the Bonds of such series by deposit of immediately available funds to the account of such registered owner maintained with the Paying Agent or transmitted by wire transfer to such registered owner at an account maintained at a commercial bank located within the United States of America, if the Paying Agent receives from such registered owner written deposit or wire transfer instructions prior to the Record Date preceding the Interest Payment Date for which the deposit or wire transfer is requested.

The City may, by Supplemental Ordinance, provide for other methods or places of payment, including wire transfer, as it may deem appropriate for any Bonds.

Section 2.6. <u>Persons Treated as Owners</u>. The person in whose name any Bond is registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of either principal or interest shall be made only to or upon the order of the registered owner thereof or such registered owner's attorney duly authorized in writing. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Section 2.7. <u>Transfer and Exchangeability of Bonds</u>. Upon surrender of any Institutional Bond 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 Institutional Bond or its attorney duly authorized in writing and accompanied by the address for notices of each transferee of the Institutional Bond, the City shall execute and deliver a new Institutional Bond of the same series in exchange therefor, in a principal amount equal to the unpaid principal amount of each surrendered Institutional Bond. Each such new Institutional Bond shall be payable to such Person as the former Bondholder may request and shall be issued as a single, fully registered bond substantially in the form set forth in the Bond Ordinance. Each such new Institutional Bond shall be dated and bear interest from the date to which interest shall have been paid on the surrendered Bond or dated the date of the surrendered Bond 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 Institutional Bonds, but shall not otherwise impose a charge or fee in connection with any such transfer. Each Institutional Bond shall not be transferred in a denomination of less than the unpaid principal amount of the surrendered Bond. No transfer of the Institutional Bonds shall be made until the transferee has executed and delivered to the City an Investment Letter substantially in the form delivered to the City in connection with the initial delivery of the Institutional Bonds being transferred. The City shall not be required to transfer the Institutional Bonds until the certificate of validation on each new Bond shall have been properly executed by the Clerk of the Superior Court of Fayette County.

Bonds (other than Institutional Bonds) may be transferred by surrender for transfer at the principal corporate trust office of the Bond Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or the registered owner's attorney duly authorized in writing. The City shall cause to be executed and the Bond Registrar shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds (other than Institutional Bonds) of the same series, maturity, interest rate, aggregate principal amount, and tenor, of any Authorized Denomination or Denominations, and bearing numbers not then outstanding.

Bonds (other than Institutional Bonds) may be exchanged at the principal corporate trust office of the Bond Registrar for a like aggregate principal amount of Bonds (other than Institutional Bonds) of other Authorized Denominations of the same series, maturity, and interest rate, and bearing numbers not then outstanding. The City shall cause to be executed and the Bond Registrar shall authenticate and deliver Bonds (other than Institutional Bonds) which the Bondholder making the exchange is entitled to receive.

The Bond Registrar shall not be required to transfer or exchange any Bond after notice calling such Bond for redemption has been given or during the period of 15 days (whether or not a business day for the Bond Registrar, but excluding the date of giving such notice of redemption and including such 15th day) immediately preceding the giving of such notice of redemption.

In any exchange or registration of transfer of any Bond other than an Institutional Bond, the owner of the Bond shall not be required to pay any charge or fee; provided, however, if and to whatever extent any tax or governmental charge is at any time imposed on any such exchange or transfer, the City or the Bond Registrar may require payment of a sum sufficient for such tax or charge.

All Bonds (other than Institutional Bonds) surrendered for exchange or transfer of registration shall be canceled and destroyed by the Bond Registrar in accordance with Section 2.8.

Section 2.8. Destruction of Bonds. All Bonds (other than Institutional Bonds) paid by the Paying Agent at maturity or upon redemption prior to maturity shall be canceled and delivered to the Bond Registrar for destruction. All Bonds canceled on account of payment, transfer, or exchange shall be destroyed by the Bond Registrar and shall not be reissued, and a certificate that such Bonds have been destroyed shall be furnished by the Bond Registrar to the City on an annual basis.

Section 2.9. Mutilated, Lost, Stolen, or Destroyed Bonds. Upon receipt by the City of evidence reasonably satisfactory to it of the ownership of and the loss, theft, destruction, or mutilation of any Institutional Bond, and

1. in the case of loss, theft, or destruction, of indemnity reasonably satisfactory to it (provided that if the Bondholder is, or is a nominee for, the Purchaser or another Bondholder 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 shall execute and deliver, in lieu thereof, a new single, fully registered Bond of the same series, dated and bearing interest from the date to which interest shall have been paid on such lost, stolen, destroyed, or mutilated Bond or dated the date of such lost, stolen, destroyed, or mutilated Bond if no interest shall have been paid thereon.

If any Bond other than an Institutional Bond is mutilated, lost, stolen, or destroyed, the City may execute and deliver a new Bond of the same series, maturity, interest rate, aggregate principal amount, and tenor in lieu of and in substitution for the Bond mutilated, lost, stolen, or destroyed. In the case of any mutilated Bond other than an Institutional Bond, however, such mutilated Bond shall first be surrendered to the Bond Registrar, and, in the case of any lost, stolen, or destroyed Bond other than an Institutional Bond, there shall first be furnished to the Bond Registrar evidence satisfactory to it of the ownership of such Bond and of such loss, theft, or destruction, together with indemnity to the City and the Bond Registrar, satisfactory to each of them. If any such Bond shall have matured or a redemption date pertaining to the Bond shall have passed, instead of issuing a new Bond the City may pay or cause the Paying Agent to pay the Bond. The City, the Bond Registrar, and the Paying Agent may charge the owner of such Bond with their reasonable fees and expenses for replacing mutilated, lost, stolen, or destroyed Bonds.

In executing a new Bond other than an Institutional Bond and in furnishing the Bond Registrar with the written authorization to deliver a new Bond as provided for in this Section, the City may rely conclusively on a representation of the Bond Registrar that the Bond Registrar is satisfied with the adequacy of the evidence presented concerning the mutilation, loss, theft, or destruction of any Bond.

Section 2.10. Form of Series 2007 Bond. The Series 2007 Bond shall be in substantially the form set out below, with such variations, omissions, substitutions, and insertions as are required or permitted by this Master Bond Ordinance or by any Series Ordinance.

[FORM OF SERIES 2007 BOND]

THIS BOND 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 AND THE HEREINAFTER DESCRIBED BOND PURCHASE AGREEMENT.

UNITED STATES OF AMERICA
STATE OF GEORGIA
PEACHTREE CITY
STORM WATER REVENUE BOND,
SERIES 2007

Number R-1 Principal Amount $3,745,000

Maturity Date: Dated:

January 1, 2027 _______, 2007

Registered Owner: RBC Centura Bank

KNOW ALL MEN BY THESE PRESENTS that **PEACHTREE CITY** (the "City"), a municipal corporation duly created and existing under the laws of the State of Georgia, for value received, hereby promises to pay, but only from the source as hereinafter provided, to the registered owner shown above, or registered assigns, the principal sum stated above, or so much of the principal sum stated above as shall have been advanced and shall be outstanding, as indicated on the Schedule of Advances and the Schedule of Payments and Redemptions attached to this Bond, payable as provided herein.

The principal represented by all advances of purchase price of this Bond under the Bond Purchase Agreement (the "Bond Purchase Agreement"), dated _______, 2007, between the City and RBC Centura Bank, including the date and amount of principal represented by each advance, shall be endorsed by the registered owner of this Bond on the Schedule of Advances attached to this Bond; provided, however, that any failure by the registered owner of this Bond 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 Bond. The City hereby irrevocably authorizes and directs the registered owner of this Bond to enter on the Schedule of Advances attached to this Bond the date and amount of principal represented by each advance of purchase price of this Bond.

This Bond shall bear interest from the dates advances are made under the Bond Purchase Agreement on the outstanding principal amount hereof at the rate per annum equal to 4.07%, computed on the basis of a 360-day year consisting of twelve 30-day months.

Interest on this Bond shall be payable on July 1, 2007, and semiannually thereafter on each January 1 and July 1 of each year. Principal of this Bond shall be payable on the 1st day of January, in the years and amounts as follows, unless earlier called for redemption:

Year	Principal Amount	Year	Principal Amount
2008	$125,000	2018	$185,000
2009	130,000	2019	195,000
2010	135,000	2020	200,000
2011	140,000	2021	210,000
2012	145,000	2022	220,000
2013	150,000	2023	230,000
2014	160,000	2024	235,000
2015	165,000	2025	245,000
2016	170,000	2026	255,000
2017	180,000	2027	270,000

In the event all or any portion of this Bond is prepaid, redeemed, or otherwise paid before its stated maturity date for any reason, whether voluntary or by reason of default, acceleration, or otherwise, the City shall pay a premium on demand to the registered owner of this Bond, but solely from the Pledged Revenues (as hereinafter defined). The premium shall be equal to the aggregate daily lost cash flow to the registered owner of this Bond as a result of the prepayment. The aggregate daily lost cash flow to the registered owner of this Bond shall be the difference between (i) the present value, as of the date of prepayment of this Bond, of the remaining scheduled payments of principal and interest from the prepayment date to the scheduled maturity date of this Bond at the contract rate of interest on this Bond (4.07%), assuming all payments are made as and when required, and (ii) the present value, as of the date of prepayment of this Bond, of payments of principal and interest that the registered owner of this Bond would receive from the prepayment date to the scheduled maturity date of this Bond, assuming all payments are made as and when required, from a new loan of a similar amount as the principal balance outstanding on this Bond as of the date of prepayment, with the same remaining maturity, to a similar borrower, at the contract rate of interest being offered by the registered owner of this Bond as of the prepayment date on new loans of similar amount with the same remaining maturity to similar borrowers. The discount rate for calculating the present value of the daily lost cash flow to the registered owner of this Bond shall be the contract rate of interest being offered by the registered owner of this Bond as of the date of prepayment of this Bond for a new loan of a similar amount with the same remaining maturity to a similar borrower, all of which shall be determined by the registered owner of this Bond in its reasonable discretion, which discretion shall be conclusive absent a showing of bad faith or manifest error. Notwithstanding the foregoing, any optional redemption of this Bond, whether in whole or in part, shall be subject to a minimum premium of one-half percent (0.5%) of the amount being redeemed, which minimum premium shall be paid by City to the owner of this Bond at the time of redemption of this Bond.

If at any time there is a Change in Deductibility (as defined in the Bond Ordinance), the interest rate on this Bond shall increase to the rate that will provide the registered owner of this Bond the effective yield that it would have received had there not been a Change in Deductibility.

All sums becoming due on this Bond for principal, premium, if any, 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 Bond in writing to the City, without the presentation or surrender of this Bond or the making of any notation hereon, except that upon the written request of the City made concurrently with or reasonably promptly after payment or redemption in full of this Bond, the registered owner of this Bond shall surrender this Bond for cancellation, reasonably promptly after any such request, to the City. Prior to any sale or other disposition of this Bond the registered owner of this Bond shall endorse hereon the amount of principal paid hereon and the last date to which interest has been paid hereon.

All payments of principal of this Bond (whether at maturity or upon redemption), including the date and amount of each payment, shall be endorsed by the registered owner of this Bond on the Schedule of Payments and Redemptions attached to this Bond; provided, however, that any failure by the registered owner of this Bond 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 Bond. The City hereby irrevocably authorizes and directs the registered owner of this Bond to enter on the Schedule of Payments and Redemptions the date and amount of each payment of principal of this Bond.

This Bond is the only bond of an authorized issue limited in original principal amount to $3,745,000, designated "Peachtree City Storm Water Revenue Bond, Series 2007", issued by the City pursuant to and in full compliance with the provisions of the Constitution and laws of the State of Georgia, including specifically, but without limitation, Article 3 of Chapter 82 of Title 36 of the Official Code of Georgia Annotated, known as the "Revenue Bond Law", as amended, and the Charter of Peachtree City, as amended. This Bond has been authorized by a Master Bond Ordinance (the "Bond Ordinance") duly adopted by the City on April 19, 2007, for the purpose of financing the costs of making additions, extensions, and improvements to the City's existing storm water collection and disposal system. This Bond is issued under and will be equally and ratably secured by and entitled to the benefit of the Bond Ordinance.

This Bond shall be subject to optional redemption by the City prior to maturity, in whole on any date or in part on any scheduled interest payment date, and if in part in amounts not less than $10,000, at a redemption price equal to one hundred percent (100%) of the principal amount being redeemed plus accrued interest to the redemption date and plus premium calculated as set forth above. As a condition precedent to each optional redemption pursuant to the preceding sentence, the registered owner of this Bond 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 Bond to be redeemed on such date, and the accrued interest to be paid on the redemption date with respect to the principal amount being redeemed.

Any partial redemptions of this Bond shall be applied to the annual principal payments due on this Bond in the inverse order of their maturities.

In the case of each redemption of this Bond, the principal amount of this Bond to be redeemed shall mature and become due and payable on the date fixed for such redemption, together with interest on such principal amount accrued to such date and the applicable premium, if any. From and after such date, unless the City shall fail to pay such principal amount when so due and payable, together with the interest and premium, if any, as aforesaid, interest on such principal amount shall cease to accrue.

This Bond shall be issued as a single, fully registered bond without coupons in the original principal amount of $3,745,000. Upon surrender of this Bond 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 Bond or its attorney duly authorized in writing and accompanied by the address for notices of each transferee of this Bond, the City shall execute and deliver a new Bond in exchange herefor, in a principal amount equal to the unpaid principal amount of the surrendered Bond. Each such new Bond shall be payable to such person as the former registered owner of this Bond may request and shall be issued as a single, fully registered bond. Each such new Bond shall be dated and bear interest from the date to which interest shall have been paid on the surrendered Bond or dated the date of the surrendered Bond 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 Bond, but shall not otherwise impose a charge or fee in connection with any such transfer. This Bond shall not be transferred in a denomination of less than the unpaid principal amount of the surrendered Bond. No transfer of this Bond shall be made until the transferee has executed and delivered to the City an Investment Letter substantially in the form delivered to the City in connection with the initial delivery of this Bond.

This Bond and such revenue bonds of the City as may in the future be issued on a parity therewith, are equally and ratably secured by pledge of the "Pledged Revenues" of the storm water system (the "System") of the City, which are defined in the Bond Ordinance to include gross operating revenues, certain amounts payable by any provider of a Hedge Agreement (as defined in the Bond Ordinance) pursuant to such Hedge Agreement, moneys and securities from time to time on deposit in the funds and accounts established in the Bond Ordinance, and earnings on investments made with the foregoing moneys and securities, excluding any amounts required in the Bond Ordinance to be set aside pending, or used for, rebate to the United States government pursuant to Section 148(f) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated with respect to any such rebate requirement.

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

THIS BOND SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OF THE CITY NOR A PLEDGE OF THE FAITH AND CREDIT OF THE CITY. THIS BOND SHALL NOT BE PAYABLE FROM OR A CHARGE UPON ANY FUNDS OTHER THAN THE REVENUES AND AMOUNTS PLEDGED TO THE PAYMENT HEREOF, NOR SHALL THE CITY BE SUBJECT TO ANY PECUNIARY LIABILITY HEREON. NO OWNER OR OWNERS OF THIS BOND SHALL EVER HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE CITY TO PAY THIS BOND OR THE INTEREST HEREON, NOR TO ENFORCE PAYMENT OF THIS BOND AGAINST ANY PROPERTY OF THE CITY; NOR SHALL THIS BOND CONSTITUTE A CHARGE, LIEN, OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON ANY PROPERTY OF THE CITY,

EXCEPT FOR THE PLEDGED REVENUES AND ANY OTHER FUNDS PLEDGED TO SECURE THIS BOND.

The City has covenanted and hereby covenants and agrees at all times while this Bond is outstanding and unpaid to prescribe, fix, maintain, and collect rates, fees, and other charges for the services, facilities, and commodities furnished by the System fully sufficient at all times to: (i) provide for 100% of the expenses of operation and maintenance of the System and for the accumulation in the Revenue Fund (as defined in the Bond Ordinance) of a reasonable reserve therefor, and (ii) produce net operating revenues in each Fiscal Year (as defined in the Bond Ordinance) that, together with certain investment earnings, will: (a) equal at least 110% of the debt service requirement on all Senior Bonds (as defined in the Bond Ordinance) then outstanding and 100% of the debt service requirement on all Subordinate Bonds (as defined in the Bond Ordinance) then outstanding, (b) enable the City to make all required payments into the Debt Service Reserve Account and the Rebate Fund and to any Financial Facility Issuer, any Reserve Account Credit Facility Provider, and any Qualified Hedge Provider (as each is defined in the Bond Ordinance), (c) enable the City to accumulate an amount to be held in the Renewal and Extension Fund (as defined in the Bond Ordinance), which in the judgment of the City is adequate to meet the costs of major renewals, replacements, repairs, additions, betterments, and improvements to the System, necessary to keep the same in good operating condition or as is required by any governmental agency having jurisdiction over the System, and (d) remedy all deficiencies in required payments into any of the funds and accounts mentioned in the Bond Ordinance from prior Fiscal Years.

The Bond Ordinance contains a more particular statement of the covenants and provisions securing the Series 2007 Bond, the conditions under which the owner of this Bond may enforce covenants (other than the covenant to pay principal of and interest on this Bond when due from the sources provided, the right to enforce which is unconditional), the conditions upon which additional revenue bonds may be issued on a parity or achieve parity status with this Bond under the Bond Ordinance, and the conditions upon which the Bond Ordinance may be amended with the consent of the owners of a majority in aggregate principal amount of the Bonds (as defined in the Bond Ordinance) of each class (senior and subordinate) outstanding or the issuer of any Credit Facility (as defined in the Bond Ordinance), if any, of such Bonds. Upon the occurrence of an Event of Default under the Bond Ordinance, the owner of this Bond shall be entitled to the remedies provided by the Bond Ordinance and the Revenue Bond Law.

It is hereby certified, recited, and declared that all acts, conditions, and things required to exist, happen, and be performed precedent to and in the issuance of this Bond do exist, have happened, and have been performed in due time, form, and manner as required by law.

IN WITNESS WHEREOF, the City has caused this Bond to be executed by the manual signature of its Mayor and has caused the official seal of the City to be impressed on this Bond and attested by the manual signature of its City Clerk.

PEACHTREE CITY

By:______________________________
Mayor

(SEAL)

Attest:

____
City Clerk

[FORM OF VALIDATION CERTIFICATE]

VALIDATION CERTIFICATE

STATE OF GEORGIA)
)
COUNTY OF FAYETTE)

The undersigned Clerk of the Superior Court of Fayette County, State of Georgia, **DOES HEREBY CERTIFY** that this Bond and the security therefor was validated and confirmed by judgment of the Superior Court of Fayette County, on the ____ day of ___________, 2007, that no intervention or objection was filed opposing the validation of this Bond and the security therefor, and that no appeal of such judgment of validation has been taken.

IN WITNESS WHEREOF, I have hereunto set my hand and have impressed hereon the official seal of the Superior Court of Fayette County, Georgia.

(SEAL)

____
Clerk, Superior Court
of Fayette County, Georgia

SCHEDULE OF ADVANCES

Date of Advance	Amount of Advance	Notation Made By	Date of Advance	Amount of Advance	Notation Made By

SCHEDULE OF PAYMENTS AND REDEMPTIONS

Date of Payment	Amount of Payment	Notation Made By	Date of Payment	Amount of Payment	Notation Made By

SCHEDULE OF PAYMENTS AND REDEMPTIONS

Date of Payment	Amount of Payment	Notation Made By	Date of Payment	Amount of Payment	Notation Made By

ASSIGNMENT AND TRANSFER

FOR VALUE RECEIVED, the undersigned, ______________________________, hereby sells, assigns, and transfers unto _______________ (Tax Identification or Social Security No. _________) the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints ________________________ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: ________________________________ ____
Signature

NOTICE: The signature(s) to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatsoever.

[End of Article II]

ARTICLE III

REDEMPTION OF BONDS

Section 3.1. <u>Optional Redemption of Series 2007 Bond</u>. The Series 2007 Bond shall be subject to optional redemption by the City prior to maturity, in whole on any date or in part on any scheduled Interest Payment Date, and if in part in amounts not less than $10,000, at a redemption price equal to one hundred percent (100%) of the principal amount being redeemed plus accrued interest to the redemption date and plus premium calculated as provided in Section 2.2. As a condition precedent to each optional redemption under this Section 3.1, the Bondholder 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 Series 2007 Bond to be redeemed on such date, and the accrued interest to be paid on the redemption date with respect to the principal amount being redeemed.

Any partial redemptions of the Series 2007 Bond shall be applied to the annual principal payments due on the Series 2007 Bond in the inverse order of their maturities.

In the case of each redemption of the Series 2007 Bond pursuant to this Section 3.1, the principal amount of the Series 2007 Bond to be redeemed shall mature and become due and payable on the date fixed for such redemption, together with interest on such principal amount accrued to such date and the applicable premium, if any. From and after such date, unless the City shall fail to pay such principal amount when so due and payable, together with the interest and premium, if any, as aforesaid, interest on such principal amount shall cease to accrue.

Section 3.2. <u>Notice of Redemption</u>. Unless waived by any registered owner of Bonds to be redeemed, official notice of any redemption of Bonds other than Institutional Bonds shall be given by the Bond Registrar on behalf of the City by mailing a copy of an official redemption notice by first class mail, at least 30 days and not more than 60 days prior to the date fixed for redemption to the registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

All official notices of redemption shall be dated, shall contain the complete official name of the Bond issue, and shall state:

(1) the redemption date;

(2) the redemption price;

(3) the interest rate and maturity date of the Bonds being redeemed;

(4) the date on which notice of redemption will be published;

(5) if less than all the Outstanding Bonds are to be redeemed, the Bond numbers, and, where part of the Bonds evidenced by one Bond certificate are being redeemed, the respective principal amounts of such Bonds to be redeemed;

(6) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after such date; and

(7) the place where such Bonds are to be surrendered for payment of the redemption price (which place of payment shall be the principal corporate trust office of the Paying Agent) and the name, address, and telephone number of a person or persons at the Paying Agent who may be contacted with respect to the redemption.

Prior to any redemption date, the City shall deposit with the Paying Agent an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds, other than Institutional Bonds, which are to be redeemed on that date.

In addition to the official notice described above, further notice shall be given by the Bond Registrar as set forth below:

1. Each further notice of redemption given shall contain the information required above for an official notice of redemption plus: (i) the CUSIP numbers of all Bonds being redeemed; (ii) the date of issue of the Bonds as originally issued; (iii) the rate of interest borne by each Bond being redeemed; (iv) the maturity date of each Bond being redeemed; and (v) any other descriptive information needed to identify accurately the Bonds being redeemed.

2. Each further notice of redemption shall be sent at least 35 days before the redemption date by legible facsimile transmission, registered or certified mail, or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations of the types comprising the Bonds and to two or more national information services that disseminate notices of redemption of obligations such as the Bonds (such as Financial Information Inc.'s Financial Daily Called Bond Service, Interactive Data Corporation's Bond Service, Kenny Information Service's Called Bond Service, and Standard & Poor's Called Bond Record).

3. Each further notice of redemption shall be published one time in The Bond Buyer of New York, New York or, if The Bond Buyer ceases to be published or if such publication is impractical or unlikely to reach a substantial number of the Bondholders, in some other financial newspaper or journal that regularly carries notices of redemption of obligations similar to the Bonds. Such publication shall be made at least 30 days prior to the date fixed for redemption.

Upon the payment of the redemption price of Bonds, other than Institutional Bonds, being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Not less than 60 days after the redemption date, the Bond Registrar shall send a second copy of the official notice of redemption to the registered owner of any Bond or Bonds to be redeemed if, by such date, such registered owner has not surrendered its Bond or Bonds for redemption. Such notice shall be sent by registered or certified mail, with a return receipt requested.

Any defect in any notice of redemption shall not affect the validity of proceedings for redemption of the Bonds.

The Paying Agent shall hold amounts payable on redemption for Bonds, other than Institutional Bonds, which have not been surrendered for redemption for a period of not less than one year after the final maturity date of the Bonds or any earlier date when all of the Bonds have been redeemed.

Section 3.3. City or Bond Registrar May Give Notice of Redemption. Notice of redemption of Bonds to be redeemed shall be given by the City or by the Bond Registrar for and on behalf of the City whenever either: (i) such redemption is required to be made under the Series Ordinance for such Bonds, or (ii) such redemption is permitted to be made under the terms of such Bonds and the City requests that such redemption be made.

Section 3.4. Effect of Notice of Redemption. Official notice of redemption of Bonds other than Institutional Bonds having been given in the manner and under the conditions provided in this Article, and moneys for payment of the redemption price being held by the Paying Agent as provided in the Bond Ordinance, the Bonds or portions of Bonds called for redemption shall, on the redemption date designated in such notice, become and be due and payable at the redemption price provided for redemption of such Bonds or portions of Bonds on such date, and from and after such date interest on the Bonds or portions of Bonds called for redemption shall cease to accrue, such Bonds or portions of Bonds shall cease to be entitled to any lien, benefit, or security under the Bond Ordinance, and the owners of such Bonds or portions of Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof. Upon surrender for partial redemption of any Bond other than an Institutional Bond, there shall be prepared for and delivered to the registered owner a new Bond or Bonds of the same series, maturity, and interest rate in the amount of the unpaid principal.

Section 3.5. Redemption Among Series. Subject to the redemption provisions of any Series Ordinance authorizing Bonds, the City in its discretion may redeem the Bonds of any series, or a portion of the Bonds of any such series, before it redeems the Bonds of any other series. Within any particular series, any redemption of Bonds shall be effected in the manner provided in this Master Bond Ordinance and in any Series Ordinance.

Section 3.6. Selection of Bonds to be Redeemed. If less than all of the Bonds, other than Institutional Bonds, of like maturity of any series shall be called for redemption, the particular Bonds, or portions of Bonds, to be redeemed shall be selected by lot by the City or in such other manner as the City in its discretion may deem proper. The portion of any Bond other than an Institutional Bond of a denomination of more than $5,000 to be redeemed shall be in the principal amount of $5,000 or an integral multiple thereof, and, in selecting portions of such Bonds for redemption, the City shall treat each such Bond as representing that number of Bonds which is obtained by dividing the principal amount of such Bond to be redeemed in part by $5,000.

Section 3.7. <u>Purchase in Open Market</u>. Nothing herein contained shall be construed to limit the right of the City to purchase with any excess moneys in the Interest Account or the Principal Account (i.e., moneys not needed in the then current Fiscal Year to pay principal of and interest on any Senior Bonds) and for Sinking Fund purposes, any Senior Bonds in the open market at a price not exceeding the callable price. Any such Senior Bonds so purchased shall not be reissued and shall be canceled.

[End of Article III]

ARTICLE IV

PLEDGED REVENUES AND FLOW OF FUNDS

Section 4.1. <u>Pledge of Revenues; Limited Obligations</u>. All Pledged Revenues shall be and are hereby pledged to the prompt payment of the principal of, premium, if any, and interest on the Bonds. Such moneys and securities shall immediately be subject to the lien of this pledge for the benefit of the Bondholders without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding against the City and against all other persons having claims against the City, whether such claims shall have arisen in tort, contract, or otherwise, and regardless of whether such persons have notice of the lien of this pledge. This pledge shall rank superior to all other pledges that may hereafter be made of any of the Pledged Revenues, except for pledges of the Pledged Revenues hereafter made by the City in the Hedge Agreements to secure Hedge Payments, which may rank on a parity with this pledge as to the related Hedged Bonds. The lien of the pledge made in this Section 4.1 does not secure any obligation of the City other than the Bonds.

THE BONDS SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OF THE CITY NOR A PLEDGE OF THE FAITH AND CREDIT OF THE CITY. THE BONDS SHALL NOT BE PAYABLE FROM OR A CHARGE UPON ANY FUNDS OTHER THAN THE REVENUES AND AMOUNTS PLEDGED TO THE PAYMENT THEREOF, NOR SHALL THE CITY BE SUBJECT TO ANY PECUNIARY LIABILITY THEREON. NO OWNER OR OWNERS OF THE BONDS SHALL EVER HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE CITY TO PAY THE BONDS OR THE INTEREST THEREON, NOR TO ENFORCE PAYMENT OF THE BONDS AGAINST ANY PROPERTY OF THE CITY; NOR SHALL THE BONDS CONSTITUTE A CHARGE, LIEN, OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON ANY PROPERTY OF THE CITY, EXCEPT FOR THE PLEDGED REVENUES.

Section 4.2. <u>Funds and Accounts</u>. The City hereby establishes the following funds and accounts, and the moneys deposited in such funds and accounts shall be held in trust for the purposes set forth in the Bond Ordinance:

4.2.1. Peachtree City Storm Water Revenue Fund, to be held by Wachovia Bank, National Association, Atlanta, Georgia, as Depository for the account of the City.

4.2.2. Peachtree City Storm Water Sinking Fund, to be held by RBC Centura Bank, Raleigh, North Carolina, as Depository for the account of the City.

(a) Interest Account.

(b) Hedge Payments Account.

(c) Principal Account.

(d) Capitalized Interest Account.

(e) Debt Service Reserve Account.

4.2.3. Peachtree City Storm Water Renewal and Extension Fund, to be held by Wachovia Bank, National Association, Atlanta, Georgia, as Depository for the account of the City.

4.2.4. Peachtree City Storm Water Rebate Fund, to be held by Wachovia Bank, National Association, Atlanta, Georgia, as Depository for the account of the City.

4.2.5. Peachtree City Storm Water Project Fund, to be held by RBC Centura Bank, Raleigh, North Carolina, as Depository for the account of the City.

(a) Series 2007 Project Account.

Each account listed above shall be held within the fund under which it is created. All funds and accounts listed above are further described in this Article, except for (i) the Rebate Fund and (ii) the Project Fund and the Series 2007 Project Account, which are further described in Article VI and Article XII, respectively.

Section 4.3. Revenue Fund. The City shall deposit and continue to deposit all Operating Revenues in the Revenue Fund from time to time as and when received. Moneys in the Revenue Fund shall be applied by the City from time to time to the following purposes and in the following order of priority:

4.3.1. First: The City shall make withdrawals as needed from the Revenue Fund in amounts necessary to pay Expenses of Operation and Maintenance.

4.3.2. Second: There shall next be deposited monthly into the Interest Account the amount required by Section 4.4 (a) hereof.

4.3.3. Third: There shall next be deposited monthly into the Hedge Payments Account the amount required by Section 4.4(b) hereof.

4.3.4. Fourth: There shall next be deposited monthly into the Principal Account the amount required by Section 4.4(c) hereof.

4.3.5. Fifth: There shall next be deposited monthly any amounts required to be deposited into the Rebate Fund, as estimated by the City, or as estimated for the City and approved by the City, for purposes of complying with the requirement for rebate to the United States government under Section 148(f) of the Code. Deposits may be made in monthly installments and may be adjusted as the City deems necessary to provide the amount that it estimates to be necessary, as revised from time to time, within any Fiscal Year.

4.3.6. Sixth: There shall next be paid monthly to any Financial Facility Issuer securing Senior Bonds all amounts required to be paid to such Financial Facility Issuer as compensation for the Financial Facility securing Senior Bonds and as satisfaction of any other amounts due under the Financial Facility Agreement that are not considered to be subrogated payments of principal and interest on Senior Bonds under Section 7.6, including Additional Interest on Senior Bonds.

4.3.7. Seventh: There shall next be deposited monthly into the Debt Service Reserve Account and paid monthly to any Reserve Account Credit Facility Provider, on a pro rata basis, the amount required by Section 4.4(f) hereof.

4.3.8. Eighth: There shall next be paid monthly repayments of any draw-down on any Reserve Account Credit Facility (other than repayments that reinstate the Reserve Account Credit Facility) and any interest or fees due the Reserve Account Credit Facility Provider under such Reserve Account Credit Facility.

4.3.9. Ninth: There shall next be deposited monthly the amounts required to be deposited into the funds and accounts created by any Series Ordinance authorizing the issuance of Subordinate Bonds, for the purpose of paying principal of (whether at maturity or upon mandatory redemption) and interest on Subordinate Bonds, making Hedge Payments under Subordinate Hedge Agreements, and accumulating reserves for such payments. Any money withdrawn from such funds and accounts for use in making such payments shall be released from the lien of the Bond Ordinance. If at any time the amounts in any account of the Sinking Fund are less than the amounts required by the Bond Ordinance, and there are not on deposit in the Renewal and Extension Fund available moneys sufficient to cure any such deficiency, then the City shall withdraw from the funds and accounts relating to Subordinate Bonds and deposit in such account of the Sinking Fund, as the case may be, the amount necessary (or all the moneys in such funds and accounts, if less than the amount required) to make up such deficiency.

4.3.10. Tenth: There shall next be paid monthly any amounts required to be paid with respect to any Other System Obligations.

4.3.11. Eleventh: There shall next be deposited monthly into the Renewal and Extension Fund all remaining moneys and securities held in the Revenue Fund in excess of not less than 30 nor more than 60 days' estimated Expenses of Operation and Maintenance and after all of the other transfers set forth in this Section 4.3 have been made.

Section 4.4. Sinking Fund. Sufficient moneys shall be paid in monthly installments from the Revenue Fund into (1) the Interest Account and the Principal Account for the purpose of paying the principal of and interest (excluding Additional Interest) on the Senior Bonds as they become due and payable and (2) the Hedge Payments Account for the purpose of making Hedge Payments under Senior Hedge Agreements. Amounts held in the Interest Account shall not be used to pay Additional Interest.

(a) Interest Account. There shall be paid into the Interest Account monthly, on or before the 20th day of the month, an installment equal to 1/6 of the amount of interest (excluding Additional Interest) falling due and payable on all Outstanding Senior Bonds (other than Institutional Bonds which require monthly debt service payments, which payments shall be made directly to the Bondholder) on the next Interest Payment Date, adjusted to give credit for any other available moneys then in the Interest Account or the Capitalized Interest Account, and further adjusted if necessary to assure the timely accumulation of the required amount in approximately equal installments. To the extent that any of the Senior Bonds bear interest at a Variable Rate, this requirement shall be deemed satisfied with respect to such Senior Bonds if the installment paid into the Interest Account in each month shall be sufficient to accumulate for such Senior Bonds an amount equal to 1/6 of the Projected Senior Interest Payment multiplied by the number of months and fractions of months expired since delivery of such Senior Bonds or the most recent Interest Payment Date. Notwithstanding the foregoing, any Series Ordinance that authorizes the issuance of Parity Bonds which pay interest other than semiannually may establish a different method of accumulating money in the Interest Account to pay interest on such Parity Bonds, so long as such method provides for the accumulation, in equal installments of no greater frequency than monthly, of sufficient funds to pay interest due on such Parity Bonds on each Interest Payment Date established for such Parity Bonds. The City shall also deposit and continue to deposit all Hedge Receipts under Senior Hedge Agreements in the Interest Account from time to time as and when received. Moneys in the Interest Account shall be used solely to pay interest (excluding Additional Interest) on the Senior Bonds when due.

(b) Hedge Payments Account. On or before each payment date for Hedge Payments under Senior Hedge Agreements, the City shall deposit in the Hedge Payments Account from moneys in the Revenue Fund an amount which, together with any other moneys already on deposit therein and available to make such payment, is not less than such Hedge Payments coming due on such payment date. In addition, on or before the 20th day of each month, the City shall deposit in the Hedge Payments Account from moneys in the Revenue Fund an amount which, together with an equal amount to be deposited in each such month, if any, occurring prior to the next succeeding payment date for Hedge Payments under Senior Hedge Agreements, will not be less than the amount of such Hedge Payments to become due on such next succeeding payment date for such Hedge Payments. No deposit pursuant to this subsection need be made to the extent that there is a sufficient amount already on deposit in the Hedge Payments Account to pay such Hedge Payments on each such payment date. Moneys in the Hedge Payments Account shall be used solely to pay Hedge Payments under Senior Hedge Agreements when due.

(c) Principal Account. There shall be paid into the Principal Account monthly, on or before the 20th day of the month, an installment equal to 1/12 of the principal amount falling due and payable on all Outstanding Senior Bonds (other than Institutional Bonds which require monthly debt service payments, which payments shall be made directly to the Bondholder) on the next Principal Maturity Date plus whatever additional amounts may be necessary in equal monthly installments to accumulate in the Principal Account the full principal amount falling due in such Fiscal Year. For purposes of this requirement, the amount of principal falling due in any Fiscal Year shall include all amounts of principal maturing during the Fiscal Year and all amounts of principal that are subject to mandatory redemption during the Fiscal Year. Notwithstanding the foregoing, any Series Ordinance that authorizes the issuance of Parity Bonds which pay principal other than annually may establish a different method of accumulating money in the Principal Account to pay principal on such Parity Bonds, so long as such method provides for the accumulation, in equal installments of no greater frequency than monthly, of sufficient funds to pay principal on such Parity Bonds when due. Moneys in the Principal Account shall be used solely for the payment of principal of the Senior Bonds as the same shall become due and payable at maturity or upon redemption.

(d) No further payments need be made into the Interest Account or the Principal Account whenever the amount available in the Interest Account and the Principal Account, if added to the amount then in the Debt Service Reserve Account (without taking into account any amount available to be drawn on any Reserve Account Credit Facility), is sufficient to retire all Senior Bonds then Outstanding and to pay all unpaid interest accrued and to accrue prior to such retirement. No moneys in the Interest Account or the Principal Account shall be used or applied to the optional purchase or redemption of Senior Bonds prior to maturity unless: (i) provision shall have been made for the payment of all of the Senior Bonds; or (ii) such moneys are applied to the purchase and cancellation of Senior Bonds that are subject to mandatory redemption on the next mandatory redemption date, which falls due within 12 months, such Senior Bonds are purchased at a price not more than would be required for mandatory redemption, and such Senior Bonds are canceled upon purchase; or (iii) such moneys are applied to the purchase and cancellation of Senior Bonds at a price less than the amount of principal that would be payable on such Senior Bonds, together with interest accrued through the date of purchase, and such Senior Bonds are canceled upon purchase; or (iv) such moneys are in excess of the then required balance of the Interest Account or the Principal Account and are applied to redeem a part of the Senior Bonds Outstanding on the next succeeding redemption date for which the required notice of redemption may be given.

(e) Capitalized Interest Account. There shall be deposited into the Capitalized Interest Account the amounts specified in Series Ordinances with respect to Parity Bonds. Amounts deposited in the Capitalized Interest Account shall be applied to the payment of interest on the Senior Bonds and shall be transferred to the Interest Account to pay interest on the Senior Bonds or to reimburse any Credit Facility Issuer for amounts drawn on a Credit Facility for such purposes. Such transferred amounts shall be limited to amounts necessary to enable the City to make all required deposits into the Interest Account, thereby leaving sufficient Net Operating Revenues to enable the City to make all required deposits to the other funds and accounts established under the Bond Ordinance. Upon filing with the Depository the certificate required by Section 12.5, all amounts then on deposit in the Capitalized Interest Account shall be transferred to the Interest Account.

(f) Debt Service Reserve Account. There shall be deposited into the Debt Service Reserve Account the amounts specified in Series Ordinances with respect to Parity Bonds. After the issuance of any Parity Bonds, the increase in the amount of the Debt Service Reserve Requirement resulting from the issuance of such Parity Bonds shall be accumulated, to the extent not covered by deposits from Bond proceeds or funds on hand, over a period not exceeding 13 months from date of delivery of such Parity Bonds in monthly deposits, none of which is less than 1/12 of the amount to be accumulated. The balance of the Debt Service Reserve Account shall be maintained at an amount equal to the Debt Service Reserve Requirement (or such lesser amount that is required to be accumulated in the Debt Service Reserve Account in connection with the periodic accumulation to the Debt Service Reserve Requirement after the issuance of Parity Bonds or upon the failure of the City to provide a substitute Reserve Account Credit Facility in certain events). There shall be transferred from the Revenue Fund on a pro rata basis (1) to the Debt Service Reserve Account the amount necessary to restore the amount of cash and securities in the Debt Service Reserve Account to an amount equal to the difference between (a) the Debt Service Reserve Requirement (or such lesser monthly amount that is required to be deposited into the Debt Service Reserve Account after the issuance of Parity Bonds or upon the failure of the City to provide a substitute Reserve Account Credit Facility in certain events) and (b) the portion of the required balance of the Debt Service Reserve Account satisfied by means of a Reserve Account Credit Facility, and (2) to any Reserve Account Credit Facility Provider the amount necessary to reinstate any Reserve Account Credit Facility that has been drawn down. Whenever for any reason the amount in the Interest Account or the Principal Account is insufficient to pay all interest or principal falling due on the Senior Bonds within the next seven days, the City shall make up any deficiency by transfers from the Renewal and Extension Fund. Whenever, on the date that such interest or principal is due, there are insufficient moneys in the Interest Account or the Principal Account available to make such payment, the City shall, without further instructions, apply so much as may be needed of the moneys in the Debt Service Reserve Account to prevent default in the payment of such interest or principal, with priority to interest payments. Whenever by reason of any such application or otherwise the amount remaining to the credit of the Debt Service Reserve Account is less than the amount then required to be in the Debt Service Reserve Account, such deficiency shall be remedied by monthly deposits from the Revenue Fund, to the extent funds are available in the Revenue Fund for such purpose after all required transfers set forth above have been made.

The City may elect to satisfy in whole or in part the Debt Service Reserve Requirement by means of a Reserve Account Credit Facility, subject to the following requirements: (A) the Reserve Account Credit Facility Provider must have a credit rating issued by a Rating Agency not less than its second highest Rating; (B) the City shall not secure any obligation to the Reserve Account Credit Facility Provider by a lien equal to or superior to the lien granted to the related series of Senior Bonds; (C) each Reserve Account Credit Facility shall have a term of at least one (1) year (or, if less, the remaining term of the related series of Senior Bonds) and shall entitle the City to draw upon or demand payment and receive the amount so requested in immediately available funds on the date of such draw or demand; (D) the Reserve Account Credit Facility shall permit a drawing by the City for the full stated amount in the event (i) the Reserve Account Credit Facility expires or terminates for any reason prior to the final maturity of the related series of Senior Bonds, and (ii) the City fails to satisfy the Debt Service Reserve Requirement by the deposit to the Debt Service Reserve Account of cash, securities, a substitute Reserve Account Credit Facility, or any combination thereof, on or before the date of such expiration or termination; (E) if the Rating issued by the Rating Agency to the Reserve Account Credit Facility Provider is withdrawn or reduced below its second highest Rating, the City shall provide a substitute Reserve Account Credit Facility within sixty (60) days after such rating change, and, if no substitute Reserve

Account Credit Facility is obtained by such date, shall fund the Debt Service Reserve Requirement in not more than twenty-four (24) equal monthly deposits commencing not later than the first day of the month immediately succeeding the date representing the end of such sixty (60) day period; and (F) if the Reserve Account Credit Facility Provider commences any insolvency proceedings or is determined to be insolvent or fails to make payments when due on its obligations, the City shall provide a substitute Reserve Account Credit Facility within sixty (60) days thereafter, and, if no substitute Reserve Account Credit Facility is obtained by such date, shall fund the Debt Service Reserve Requirement in not more than twenty-four (24) equal monthly deposits commencing not later than the first day of the month immediately succeeding the date representing the end of such sixty (60) day period. If the events described in either clauses (E) or (F) above occur, the City shall not relinquish the Reserve Account Credit Facility at issue until after the Debt Service Reserve Requirement is fully satisfied by the provision of cash, securities, or a substitute Reserve Account Credit Facility or any combination thereof. Any amount received from the Reserve Account Credit Facility shall be deposited directly into the Interest Account and the Principal Account, and such deposit shall constitute the application of amounts in the Debt Service Reserve Account. Repayment of any draw-down on the Reserve Account Credit Facility (other than repayments that reinstate the Reserve Account Credit Facility) and any interest or fees due the Reserve Account Credit Facility Provider under such Reserve Account Credit Facility shall be secured by a lien on the Pledged Revenues subordinate to payments into the Sinking Fund and the Rebate Fund and payments to any Financial Facility Issuer securing Senior Bonds.

Any such Reserve Account Credit Facility shall be pledged to the benefit of the owners of all of the Senior Bonds. The City reserves the right, if it deems it necessary in order to acquire such a Reserve Account Credit Facility, to amend the Bond Ordinance without the consent of any of the owners of the Bonds in order to grant to the Reserve Account Credit Facility Provider such additional rights as it may demand, provided that such amendment shall not, in the written opinion of Bond Counsel filed with the City, impair or reduce the security granted to the owners of Senior Bonds or any of them.

Section 4.5. <u>Renewal and Extension Fund</u>. In addition to the deposits to be made to the Renewal and Extension Fund pursuant to Section 4.3, the City shall deposit in the Renewal and Extension Fund all termination payments received under any Hedge Agreements. All sums accumulated and retained in the Renewal and Extension Fund shall be used first to prevent default in the payment of interest on or principal of the Senior Bonds when due and then shall be applied by the City from time to time, as and when the City shall determine, to the following purposes and in the following order of priority:

4.5.1. <u>First</u>: To the payment of Expenses of Operation and Maintenance, to the extent moneys are not available for such purpose in the Revenue Fund;

4.5.2. <u>Second</u>: To the restoration of the Interest Account, the Principal Account, and the Hedge Payments Account to the respective amounts required at that time to be held therein;

4.5.3. Third: To the restoration of the Rebate Fund to the amount required at that time to be held therein;

4.5.4. Fourth: To the payment of any and all amounts that may then be due and owing to any Financial Facility Issuer securing Senior Bonds;

4.5.5. Fifth: To the restoration of the Debt Service Reserve Account (including the reinstatement of any Reserve Account Credit Facility) to the amount required at that time to be held therein;

4.5.6. Sixth: To the payment of any and all amounts that may then be due and owing to any Reserve Account Credit Facility Provider;

4.5.7. Seventh: To prevent default in the payment of interest on or principal of the Subordinate Bonds when due;

4.5.8. Eighth: To the restoration of the funds and accounts relating to Subordinate Bonds to the respective amounts required at that time to be held therein;

4.5.9. Ninth: To the payment of any and all amounts that may then be due and owing under any Hedge Agreement (including termination payments, fees, expenses, and indemnity payments);

4.5.10. Tenth: To the payment of any and all governmental charges and assessments against the System or any part thereof that may then be due and owing;

4.5.11. Eleventh: To the payment of any and all amounts that may then be due and owing under any Other System Obligation;

4.5.12. Twelfth: To make acquisitions, betterments, extensions, repairs, or replacements or other capital improvements (including the purchase of equipment) to the System deemed necessary by the City (including payments under contracts with vendors, suppliers, and contractors for the foregoing purposes); and

4.5.13. Thirteenth: At the option of the City, to the acquisition of Senior Bonds by redemption or by purchase in the open market at a price not exceeding the callable price as provided and in accordance with the terms and conditions of the Bond Ordinance, which Senior Bonds may be any of the Senior Bonds, prior to their respective maturities, and when so used for such purposes the moneys shall be withdrawn from the Renewal and Extension Fund and deposited into the Interest Account and the Principal Account for the Senior Bonds to be so redeemed or purchased.

Section 4.6. Deposits and Security of Funds and Accounts. All moneys in the funds and accounts established under the Bond Ordinance shall be held by the City in one or more Depositories qualified for use by the City. Uninvested moneys shall, at least to the extent not guaranteed by the Federal Deposit Insurance Corporation, be secured to the fullest extent required by the laws of the State for the security of public funds.

Section 4.7. <u>Investment of Funds and Accounts</u>. Moneys in the funds and accounts established under the Bond Ordinance shall be invested and reinvested in Permitted Investments bearing interest at the highest rates reasonably available (except to the extent that a restricted yield is required or advisable under Section 148 of the Code). Moneys in the Revenue Fund may be invested by the City in Permitted Investments maturing within 90 days from the date of purchase. Moneys in the Interest Account and the Capitalized Interest Account may be invested by the City in Permitted Investments maturing or redeemable at the option of the holder prior to the next Interest Payment Date, but whenever prior to any Interest Payment Date the aggregate of the available moneys in such accounts exceeds the amount necessary to pay interest falling due on such Interest Payment Date, such excess may be invested in Permitted Investments maturing or redeemable at the option of the holder prior to the next following Interest Payment Date. Moneys in the Principal Account may be invested by the City in Permitted Investments maturing or redeemable at the option of the holder prior to the next Principal Maturity Date, but whenever prior to any Principal Maturity Date the aggregate of the available moneys in such account exceeds the amount necessary to pay principal falling due on such Principal Maturity Date, such excess may be invested in Permitted Investments maturing or redeemable at the option of the holder prior to the next following Principal Maturity Date. Moneys in the Hedge Payments Account may be invested by the City in Permitted Investments maturing or redeemable at the option of the holder prior to the next due date of related Hedge Payments, but whenever prior to any due date of related Hedge Payments the aggregate of the available moneys in such account exceeds the amount necessary to pay related Hedge Payments falling due on such date, such excess may be invested in Permitted Investments maturing or redeemable at the option of the holder prior to the next following due date of related Hedge Payments. Moneys in the Debt Service Reserve Account shall be invested by the City in Permitted Investments that mature or are redeemable at the option of the holder within 5 years from date of purchase. Moneys in the Renewal and Extension Fund may be invested by the City in Permitted Investments, and on the date of purchase of each such Permitted Investment at least 65% of all Permitted Investments held in the Renewal and Extension Fund must mature or be redeemable at the option of the holder not later than 5 years from the date of such purchase. Whenever any moneys in the Debt Service Reserve Account or the Renewal and Extension Fund invested as above provided are needed for the payment of currently maturing principal of or interest on the Senior Bonds, the City shall cause such investments to be liquidated at current market prices, to produce the amount required, without further instructions, and shall cause the proceeds of such liquidation to be applied to the payment of such principal and interest.

Investment Earnings in each fund and account (except for those established pursuant to Article IX) shall be allocated as follows:

(a) Investment Earnings from the investment of moneys of each account held in the Sinking Fund (except for the Debt Service Reserve Account) shall be retained in the account of the Sinking Fund to which such investments relate;

(b) Investment Earnings from the investment of moneys of each account held in the Project Fund shall be retained in the account of the Project Fund to which such investments relate;

(c) Investment Earnings from the investment of moneys in the Debt Service Reserve Account shall be retained in the Debt Service Reserve Account at all times the balance is less than the Debt Service Reserve Requirement; thereafter and at all times the balance of the Debt Service Reserve Account is equal to or greater than the Debt Service Reserve Requirement, such Investment Earnings shall be deposited in the Interest Account;

(d) Investment Earnings from the investment of moneys in the Rebate Fund shall be retained in the Rebate Fund;

(e) Investment Earnings from the investment of moneys in the Renewal and Extension Fund shall be retained in the Renewal and Extension Fund; and

(f) Investment Earnings from the investment of moneys in the Revenue Fund shall be retained in the Revenue Fund.

The Series Ordinance authorizing the issuance of any Subordinate Bonds shall specify any maturity limitations and allocations of Investment Earnings on investments of moneys in the funds and accounts relating to such Subordinate Bonds.

Moneys in each of such funds shall be accounted for as a separate and special fund apart from all other City funds, provided that investments of moneys therein may be made in a pool of investments together with other moneys of the City so long as sufficient Permitted Investments in such pool, not allocated to other investments of contractually or legally limited duration, are available to meet the requirements of the foregoing provisions.

Section 4.8. Valuation of Investments. All investments made under the Bond Ordinance shall, for purposes of the Bond Ordinance, be valued at fair market value on each Interest Payment Date.

Section 4.9. Application of Excess in Sinking Fund. Whenever at the end of each Fiscal Year the amount of moneys in any account of the Sinking Fund exceeds the amount then currently required to be held therein, the excess shall be transferred to the Revenue Fund.

Section 4.10. Disposition of Moneys After Payment of Bonds. Any amounts remaining in any fund or account established under the Bond Ordinance after payment in full of the principal of, redemption premium, if any, and interest on the Bonds (or after provision for payment thereof has been made), the fees, charges, and expenses of the Paying Agent and Bond Registrar, all amounts owing to any Financial Facility Issuer, any Reserve Account Credit Facility Provider, and any Qualified Hedge Provider, and all other amounts required to be paid under the Bond Ordinance (including amounts required to be paid into the Rebate Fund), shall be promptly paid to the City.

[End of Article IV]

ARTICLE V

PARITY BONDS AND SUBORDINATE BONDS

Section 5.1. **No Prior Lien Bonds nor Parity Bonds Except as Permitted in the Bond Ordinance.** All Senior Bonds shall have complete parity of lien on the Pledged Revenues despite the fact that any of the Senior Bonds may be delivered at an earlier date than any other of the Senior Bonds. The City may issue Parity Bonds in accordance with the Bond Ordinance, and the City shall issue no other obligations of any kind or nature payable from or enjoying a lien on the Pledged Revenues or any part thereof having priority over or (except as permitted in the Bond Ordinance) on a parity with the Series 2007 Bond.

Section 5.2. **Refunding Bonds.** Any or all of the Senior Bonds may be refunded at maturity, upon redemption in accordance with their terms, or with the consent of the owners of such Senior Bonds, and the refunding Bonds so issued shall constitute Parity Bonds, if:

5.2.1. The City shall have executed a certificate: (i) setting forth the aggregate amount of interest and principal of the Senior Bonds falling due during the then current Fiscal Year and for each subsequent Fiscal Year to and including the Fiscal Year of the last maturity of any Senior Bonds then Outstanding (A) with respect to all Senior Bonds Outstanding immediately prior to the date of authentication and delivery of such refunding Bonds and (B) with respect to all Senior Bonds to be Outstanding immediately thereafter; and (ii) demonstrating that the amount set forth for each Fiscal Year pursuant to (i)(B) above is no greater than the amount set forth for such Fiscal Year pursuant to (i)(A) above.

5.2.2. As an alternative to, and in lieu of, satisfying the requirements of Section 5.2.1, all Outstanding Senior Bonds are being refunded under arrangements that immediately result in making provision for the payment of the refunded Bonds.

5.2.3. The requirements of Section 5.3.5 and 5.3.7 are met with respect to such refunding Bonds.

Section 5.3. **Parity Bonds Generally.** Bonds (including refunding Bonds that do not meet the requirements of Section 5.2) may also be issued on a parity with the Series 2007 Bond pursuant to a Series Ordinance, and the Bonds so issued shall constitute Parity Bonds, if all of the following conditions are satisfied:

5.3.1. Except in the case of Parity Bonds issued for refunding purposes pursuant to Section 5.2, there shall have been procured and filed with the City either:

(a) a report by an Independent Certified Public Accountant to the effect that the historical Net Operating Revenues and Investment Earnings (excluding Investment Earnings, if any, on the Project Fund) for a period of 12 consecutive months of the most recent 18 consecutive months prior to the issuance of the proposed Parity Bonds were equal to at least 120% of the maximum annual Debt Service Requirement on all Senior Bonds that will be

Outstanding immediately after the issuance of the proposed Parity Bonds, in the then current or any succeeding Fiscal Year, or

(b) (1) a report by an Independent Certified Public Accountant to the effect that the historical Net Operating Revenues and Investment Earnings (excluding Investment Earnings, if any, on the Project Fund) for a period of 12 consecutive months of the most recent 18 consecutive months prior to the issuance of the proposed Parity Bonds were equal to at least 125% of the historical Debt Service Requirement on all Senior Bonds that were Outstanding during such 12-month period, and

(2) a report by a Consultant to the effect that (A) the forecasted Net Operating Revenues and Investment Earnings (excluding Investment Earnings, if any, on the Project Fund) for the period beginning on the expected date of issuance of the proposed Parity Bonds and ending on the date of commencement of the Forecast Period are expected to equal at least 100% of the Debt Service Requirement during such period on all Senior Bonds that will be Outstanding immediately after the issuance of the proposed Parity Bonds, after taking into account amounts deposited into the Capitalized Interest Account, and (B) the forecasted Net Operating Revenues and Investment Earnings (excluding Investment Earnings, if any, on the Project Fund) for each Fiscal Year in the Forecast Period are expected to equal at least 120% of the maximum annual Debt Service Requirement on all Senior Bonds that will be Outstanding immediately after the issuance of the proposed Parity Bonds, in the then current or any succeeding Fiscal Year.

The reports by the Independent Certified Public Accountant that are required by this Section 5.3.1 may contain pro forma adjustments to historical Net Operating Revenues equal to 100% of the increased annual amount attributable to any revision in the schedule of rates, fees, and charges for the services, facilities, and commodities furnished by the System, imposed prior to the date of delivery of the proposed Parity Bonds and not fully reflected in the historical Net Operating Revenues actually received during such 12-month period. Such pro forma adjustments shall be based upon a report of a Consultant as to the amount of Operating Revenues that would have been received during such 12-month period had the new rate schedule been in effect throughout such 12-month period.

The report by the Consultant that is required by Section 5.3.1(b)(2) may not take into consideration any rate schedule to be imposed in the future, unless such rate schedule has been adopted by ordinance or resolution of the Governing Body. Such rate schedule adopted by ordinance or resolution may contain, however, future effective dates.

5.3.2. The City shall have received, at or before issuance of the Parity Bonds, a report from an Independent Certified Public Accountant to the effect that the payments required to be made into each account of the Sinking Fund have been made and the balance in each account of the Sinking Fund is not less than the balance required by the Bond Ordinance as of the date of issuance of the proposed Parity Bonds.

5.3.3. The Series Ordinance authorizing the proposed Parity Bonds must require (i) that the amount to be accumulated and maintained in the Debt Service Reserve Account be increased to not less than 100% of the Debt Service Reserve Requirement computed on a basis that includes all Senior Bonds which will be Outstanding immediately after the issuance of the proposed Parity Bonds and (ii) that the amount of such increase be deposited in such account on or before the date and at least as fast as the rate specified in Section 4.4(f).

5.3.4. The Series Ordinance authorizing the proposed Parity Bonds must require the proceeds of such proposed Parity Bonds to be used solely to make capital improvements to the System, to fund interest on the proposed Parity Bonds, to acquire existing or proposed storm water utilities, to refund other obligations issued for such purposes (whether or not such refunding Bonds satisfy the requirements of Section 5.2), and to pay expenses incidental thereto and to the issuance of the proposed Parity Bonds.

5.3.5. If any Parity Bonds would bear interest at a Variable Rate, the Series Ordinance under which such Parity Bonds are issued shall provide a maximum rate of interest per annum that such Parity Bonds may bear.

5.3.6. The Chief Officer shall have certified, by written certificate dated as of the date of issuance of the Parity Bonds, that the City is in compliance with all requirements of the Bond Ordinance.

5.3.7. The City shall have received an opinion of Bond Counsel, dated as of the date of issuance of the Parity Bonds, to the effect that the Series Ordinance and any related Supplemental Ordinance authorizing the issuance of Parity Bonds have been duly adopted by the City.

Section 5.4. <u>Subordinate Bonds</u>. (a) Bonds may also be issued on a subordinate basis with the Series 2007 Bond pursuant to a Series Ordinance, payable from moneys that would otherwise be deposited in the Renewal and Extension Fund, and the Bonds so issued shall constitute Subordinate Bonds, if all of the following conditions are satisfied:

(1) The Series Ordinance authorizing the Subordinate Bonds shall provide that such Subordinate Bonds shall be junior and subordinate in lien and right of payment to all Senior Bonds Outstanding at any time.

(2) The Series Ordinance authorizing the Subordinate Bonds shall establish funds and accounts for the moneys that would otherwise be deposited in the Renewal and Extension Fund, to be used to pay debt service on the Subordinate Bonds, to pay Hedge Payments under Subordinate Hedge Agreements, and to provide reserves therefor.

(3) The requirements of Section 5.3.4, 5.3.5, and 5.3.7 are met with respect to such Subordinate Bonds (as if such Bonds constituted Parity Bonds).

(b) In the event of any insolvency or bankruptcy proceedings, and any receivership, liquidation, reorganization, or other similar proceedings in connection therewith, relative to the City or to its creditors, as such, or to its property, and in the event of any proceedings for voluntary liquidation, dissolution, or other winding up of the City, whether or not involving insolvency or bankruptcy, the owners of all Senior Bonds then Outstanding and related Qualified Hedge Providers shall be entitled to receive payment in full of all principal and interest due on all such Senior Bonds in accordance with the provisions of the Bond Ordinance and related Hedge Payments in accordance with the provisions of the Senior Hedge Agreements before the owners of the Subordinate Bonds or related Qualified Hedge Providers are entitled to receive any payment from the Pledged Revenues or the amounts held in the funds and accounts created under the Bond Ordinance on account of principal of, premium, if any, or interest on the Subordinate Bonds or Hedge Payments under Subordinate Hedge Agreements.

(c) In the event that any of the Subordinate Bonds are declared due and payable before their expressed maturities because of the occurrence of an event of default (under circumstances when the provisions of paragraph (b) shall not be applicable), the owners of all Senior Bonds Outstanding and related Qualified Hedge Providers at the time such Subordinate Bonds so become due and payable because of the occurrence of such an event of default shall be entitled to receive payment in full of all principal and interest on all such Senior Bonds and all Hedge Payments under related Senior Hedge Agreements before the owners of the Subordinate Bonds or related Qualified Hedge Providers are entitled to receive any accelerated payment from the Pledged Revenues or the amounts held in the funds and accounts created under the Bond Ordinance of principal of, premium, if any, or interest on the Subordinate Bonds or Hedge Payments under Subordinate Hedge Agreements.

(d) If any Event of Default shall have occurred and be continuing (under circumstances when the provisions of paragraph (b) shall not be applicable), the owners of all Senior Bonds then Outstanding and related Qualified Hedge Providers shall be entitled to receive payment in full of all principal and interest then due on all such Senior Bonds and all Hedge Payments under related Senior Hedge Agreements before the owners of the Subordinate Bonds or related Qualified Hedge Providers are entitled to receive any payment from the Pledged Revenues or the amounts held in the funds and accounts created under the Bond Ordinance of principal of, premium, if any, or interest on the Subordinate Bonds or Hedge Payments under Subordinate Hedge Agreements.

(e) No owner of Senior Bonds or any related Qualified Hedge Provider shall be prejudiced in its right to enforce subordination of the Subordinate Bonds and Subordinate Hedge Agreements by any act or failure to act on the part of the City.

(f) The obligations of the City to pay to the owners of the Subordinate Bonds the principal of, premium, if any, and interest thereon in accordance with their terms and to pay to related Qualified Hedge Providers Hedge Payments in accordance with the terms of the Subordinate Hedge Agreements shall be unconditional and absolute. Nothing in the Bond Ordinance shall prevent the owners of the Subordinate Bonds or related Qualified Hedge

Providers from exercising all remedies otherwise permitted by applicable law or under the Bond Ordinance or the Subordinate Hedge Agreements upon default thereunder, subject to the rights contained in the Bond Ordinance of the owners of Senior Bonds and related Qualified Hedge Providers to receive cash, property, or securities otherwise payable or deliverable to the owners of the Subordinate Bonds and related Qualified Hedge Providers, and any Series Ordinance authorizing Subordinate Bonds may provide that, insofar as a trustee or paying agent for the Subordinate Bonds is concerned, the foregoing provisions shall not prevent the application by such trustee or paying agent of any moneys deposited with such trustee or paying agent for the purpose of the payment of or on account of the principal of, premium, if any, and interest on such Subordinate Bonds and Hedge Payments under Subordinate Hedge Agreements if such trustee or paying agent did not have knowledge at the time of such application that such payment was prohibited by the foregoing provisions.

(g) Any series of Subordinate Bonds and related Subordinate Hedge Agreements may have such rank or priority with respect to any other series of Subordinate Bonds and related Subordinate Hedge Agreements as may be provided in the Series Ordinance authorizing such series of Subordinate Bonds and may contain such other provisions as are not in conflict with the provisions of the Bond Ordinance.

Section 5.5. Accession of Subordinate Bonds and related Subordinate Hedge Agreements to Parity Status. By proceedings authorizing Subordinate Bonds, the City may provide for the accession of such Subordinate Bonds and related Subordinate Hedge Agreements to the status of complete parity with the Senior Bonds and related Senior Hedge Agreements if, as of the date of accession, the conditions of Section 5.3.1(a) and 5.3.6 are satisfied, on a basis that includes all Outstanding Senior Bonds and such Subordinate Bonds, and if on the date of accession:

5.5.1. the Debt Service Reserve Account contains an amount equal to the Debt Service Reserve Requirement computed on a basis that includes all Outstanding Senior Bonds and such Subordinate Bonds; and

5.5.2. the Interest Account, the Principal Account, and the Hedge Payments Account contain the amounts that would have been required to be accumulated therein on the date of accession if the Subordinate Bonds had originally been issued as Parity Bonds.

Section 5.6. Adoption of Proceedings and Validation. The City shall adopt a Series Ordinance authorizing the issuance of any additional Bonds and reciting that the requirements of this Article have been satisfied, and shall set forth in such proceedings, among other things, the date or dates such additional Bonds shall bear and the rate or rates of interest, interest payment date or dates, maturity date or dates, and redemption provisions with respect to such additional Bonds and any other matters applicable to such additional Bonds as the City may deem advisable.

Any such Series Ordinance shall restate and reaffirm, by reference, all of the applicable terms, conditions, and provisions of the Bond Ordinance not modified by the Series Ordinance.

All additional Bonds, any Series Ordinance providing for additional Bonds, and all proceedings relative thereto and the security therefor shall be validated as then prescribed by law.

Section 5.7. Proceedings Authorizing Additional Bonds. No Series Ordinance authorizing the issuance of additional Bonds as permitted under this Article shall conflict with the terms and conditions of the Bond Ordinance, except to the extent that the Series Ordinance is adopted for one of the purposes set forth in Section 10.1 and complies with the provisions of Section 10.1 for the adoption of Supplemental Ordinances without the consent of Bondholders.

Section 5.8. Applicability to Additional Bonds. The provisions of the Bond Ordinance shall be construed as including and being applicable to any future series of Bonds, and any such Bonds shall be treated, unless otherwise specifically stated, just as if they had been issued together with the Series 2007 Bond and pursuant to the terms of this Master Bond Ordinance.

Section 5.9. Financial Facilities and Hedge Agreements. (a) In connection with the issuance of any Bonds under the Bond Ordinance, the City may obtain or cause to be obtained one or more Financial Facilities providing for payment of all or a portion of the principal of, premium, if any, or interest due or to become due on such Bonds, providing for the purchase of such Bonds by the Financial Facility Issuer, or providing funds for the purchase of such Bonds by the City. In connection therewith the City shall enter into Financial Facility Agreements with such Financial Facility Issuers providing for, among other things, (i) the payment of fees and expenses to such Financial Facility Issuers for the issuance of such Financial Facilities; (ii) the terms and conditions of such Financial Facilities and the Bonds affected thereby; and (iii) the security, if any, to be provided for the issuance of such Financial Facilities. The City may secure any Financial Facility by an agreement providing for the purchase of the Bonds secured thereby with such adjustments to the rate of interest, method of determining interest, maturity, or redemption provisions as are specified by the City in the applicable Series Ordinance. The City may in a Financial Facility Agreement agree to directly reimburse such Financial Facility Issuer for amounts paid under the terms of such Financial Facility, together with interest thereon; provided, however, that no Reimbursement Obligation shall be created for purposes of the Bond Ordinance until amounts are paid under such Financial Facility. Any such Reimbursement Obligation shall be deemed to be a part of the Bonds to which the Financial Facility relates that gave rise to such Reimbursement Obligation, and references to principal and interest payments with respect to such Bonds shall include principal and interest (except for Additional Interest and principal amortization requirements with respect to the Reimbursement Obligation that are more accelerated than the amortization requirements for the related Bonds, without acceleration) due on the Reimbursement Obligation incurred as a result of payment of such Bonds with the Financial Facility. All other amounts payable under the Financial Facility Agreement (including any Additional Interest and principal amortization requirements with respect to the Reimbursement Obligation that are more accelerated than the amortization requirements for the related Bonds, without acceleration) shall be fully subordinate to the payment of debt service on the related class of Bonds. Any such Financial Facility shall be for the benefit of and secure such Bonds or portion thereof as specified in the applicable Series Ordinance.

(b) In connection with the issuance of any Bonds or at any time thereafter so long as such Bonds remain Outstanding, the City may enter into Hedge Agreements with Qualified Hedge Providers, and no other providers, with respect to any Bonds. The City shall authorize the execution, delivery, and performance of each Hedge Agreement in a Supplemental Ordinance, in which it shall designate the related Hedged Bonds. The City's obligation to pay Hedge Payments may be secured by a pledge of, and lien on, the Pledged Revenues on a parity with the lien created by Section 4.1 to secure the related Hedged Bonds, or may be subordinated in lien and right of payment to the payment of the Bonds, as determined by the City.

Section 5.10. Other Obligations. The City expressly reserves the right, at any time, to adopt one or more other bond ordinances and reserves the right, at any time, to issue any other obligations not secured by the amounts pledged under the Bond Ordinance.

[End of Article V]

ARTICLE VI

GENERAL PROVISIONS

Section 6.1. <u>Rate Covenant</u>. The City shall continuously own, control, operate, and maintain the System in an efficient and economical manner and on a revenue producing basis and shall at all times prescribe, fix, maintain, and collect rates, fees, and other charges for the services, facilities, and commodities furnished by the System fully sufficient at all times to:

6.1.1. provide for 100% of the Expenses of Operation and Maintenance and for the accumulation in the Revenue Fund of a reasonable reserve therefor; and

6.1.2. produce Net Operating Revenues in each Fiscal Year that (together with Investment Earnings, other than Investment Earnings on the Project Fund):

(a) will equal at least 115% of the Debt Service Requirement on all Senior Bonds then Outstanding for the year of computation and 100% of the Debt Service Requirement on all Subordinate Bonds then Outstanding for the year of computation;

(b) will enable the City to make all required payments, if any, into the Debt Service Reserve Account and the Rebate Fund and to any Financial Facility Issuer, any Reserve Account Credit Facility Provider, and any Qualified Hedge Provider;

(c) will enable the City to accumulate an amount to be held in the Renewal and Extension Fund, which in the judgment of the City is adequate to meet the costs of major renewals, replacements, repairs, additions, betterments, and improvements to the System, necessary to keep the same in good operating condition or as is required by any governmental agency having jurisdiction over the System; and

(d) will remedy all deficiencies in required payments into any of the funds and accounts mentioned in the Bond Ordinance from prior Fiscal Years.

If the City fails to prescribe, fix, maintain, and collect rates, fees, and other charges, or to revise such rates, fees, and other charges, in accordance with the provisions of this Section, the owners of not less than 25% in aggregate principal amount of the Senior Bonds then Outstanding, without regard to whether any Event of Default shall have occurred, may institute and prosecute in any court of competent jurisdiction an appropriate action to compel the City to prescribe, fix, maintain, or collect such rates, fees, and other charges, or to revise such rates, fees, and other charges, in accordance with the requirements of this Section.

The rates, fees, and other charges shall be classified in a reasonable manner to cover users of the services and facilities furnished by the System so that, as nearly as practicable, such rates, fees, and other charges shall be uniform in application to all users falling within any reasonable class. Except as may be provided in any agreement for storm water services entered into by the City and any customer prior to the effective date of this Master Bond Ordinance, no free services shall at any time be furnished from the System. All services shall be furnished in accordance with rates now or hereafter established.

Section 6.2. **Maintenance of the System in Good Condition.** The City covenants that it has and will continue to enforce reasonable rules and regulations governing the System and the operation thereof, that all compensation, salaries, fees, and wages paid by it in connection with the operation, maintenance, and repair of the System will be reasonable, and that no more persons will be employed by it than are necessary, that it will operate the System in an efficient and economical manner and will at all times maintain the System in good repair and in sound operating condition, that it will make all necessary repairs, renewals, and replacements to the System, and that it will comply with all valid acts, rules, regulations, orders, and directions of any legislative, executive, administrative, or judicial body applicable to the System and the City's operation thereof.

Section 6.3. **Insurance.** With respect to the System, the City will carry adequate public liability, fidelity, and property insurance, such as is maintained by similar utilities as the System, including but not limited to the following:

(a) comprehensive general liability insurance on an occurrence or claims made basis with limits of at least $500,000 per occurrence; and

(b) the following properties will at all times be insured to the full insurable value thereof with a responsible insurance company or companies, authorized and qualified under the laws of the State to assume the risks thereof against loss or damage from the following causes: (i) all buildings and all machinery and equipment therein against loss or damage by fire, lightning, tornado, winds, and explosions; and (ii) all other property against loss or damage by fire or lightning if the same is not fireproof, and against loss or damage from other causes customarily insured against by similar utilities of like size; and

(c) fidelity bonds or policies covering all agents, employees, and officials of the City whose duties involve the receipt, custody, investment, or disbursement of Operating Revenues, Investment Earnings, Hedge Receipts, or other Pledged Revenues, including proceeds from the sale of Bonds, in an amount not less than the greatest amount reasonably anticipated to be within the custody or control of such officer, agent, or employee at one time.

The City shall indemnify itself against the usual hazards incident to the construction of any Project, and without in any way limiting the generality of the above, shall: (a) require each construction contractor and each subcontractor to furnish a bond, or bonds, of such type and in amounts adequate to assure the faithful performance of their contracts and the payment of all bills and claims for labor and material arising by virtue of such contracts; and (b) require each construction contractor or the subcontractor to maintain at all times until the completion and acceptance of the Project adequate compensation insurance for all of their employees and adequate public liability and property damage insurance for the full and complete protection of the City from any and all claims of every kind and character that may arise by virtue of the operations under their contracts, whether such operations be by themselves or by anyone directly or indirectly for them, or under their control.

All such policies shall be for the benefit of and made payable to the City and shall be on deposit with the City; provided, however, the City may elect to be a self-insurer with respect to any risks for which insurance is required under this Section 6.3. The cost of such insurance may be paid as an Expense of Operation and Maintenance.

All moneys received for losses under any such insurance policies, except public liability policies, are hereby pledged by the City as security for the Bonds until and unless such proceeds are paid out in making good the loss or damage in respect of which such proceeds are received, either by repairing the property damaged or replacing the property destroyed or by depositing the same in the Renewal and Extension Fund. Adequate provision for making good such loss and damage shall be made within 120 days from the date of the loss. Insurance proceeds not used in making such provision shall be deposited in the Renewal and Extension Fund on the expiration of such 120-day period. Such insurance proceeds shall be payable to the City by appropriate clause to be attached to or inserted in the policies.

Section 6.4. <u>No Sale, Lease, or Encumbrance; Exceptions</u>. Except as expressly permitted in the Bond Ordinance, the City irrevocably covenants, binds, and obligates itself not to sell, lease, encumber, or in any manner dispose of the System as a whole until all of the Bonds and all interest thereon shall have been paid in full or provision for payment has been made in accordance with Article IX.

The City shall have and hereby reserves the right to sell, lease, or otherwise dispose of any of the property comprising a part of the System in the following manner, if any one of the following conditions exists: (i) such property is not necessary for the operation of the System; (ii) such property is not useful in the operation of the System; (iii) such property is not profitable in the operation of the System; or (iv) the disposition of such property will be advantageous to the System and will not adversely affect the security for the Bondholders. All proceeds of any such sale shall be deposited in the Renewal and Extension Fund.

The City reserves the right to transfer the System as a whole to any political subdivision, public corporation, or agency of one or more political subdivisions of the State to which may be delegated the legal authority to own and operate the System, or any portion thereof, on behalf of the public, and which undertakes in writing, filed with the City, the City's obligations under the Bond Ordinance, provided that there shall be first filed with the City: (i) an opinion of Bond Counsel to the effect that such sale will not adversely affect the extent to which interest on any Tax-Exempt Bonds is excluded from gross income for federal income tax purposes; and (ii) an opinion of a Consultant expressing the view that such transfer will not result in any diminution of Pledged Revenues to the extent that in any future Fiscal Year the Pledged Revenues will be less than 120% of the maximum annual Debt Service Requirement on all Senior Bonds to be Outstanding after such sale, in the then current or any succeeding Fiscal Year. In reaching this conclusion, the Consultant shall take into consideration such factors as the Consultant may deem significant, including any rate schedule that has been approved and is to be imposed by the transferee political subdivision, public corporation, or agency.

Section 6.5. Books, Records, and Accounts. The City shall, after the close of each Fiscal Year, cause the books, records, and accounts of the System to be properly audited by an Independent Certified Public Accountant and shall require such Independent Certified Public Accountant to complete its report within 180 days after the close of the Fiscal Year. The audit report shall cover, but shall not be limited to, a balance sheet, an income statement, a cash flow statement, and any other statement required by law or accounting convention, and a report by such Independent Certified Public Accountant disclosing any material financial default on the part of the City in the performance of any covenant in the Bond Ordinance. A copy of such annual audit report shall be provided to the registered owner of any Series 2007 Bond within 180 days after the close of the Fiscal Year and shall be made available to any other Bondholder, Financial Facility Issuer, Qualified Hedge Provider, or Reserve Account Credit Facility Provider on request.

Section 6.6. Rights of Inspection. The owner or owners of $1,000,000 or more in aggregate principal amount of Bonds, any Financial Facility Issuer, any Qualified Hedge Provider, or any Reserve Account Credit Facility Provider shall have the right at all reasonable times to inspect the System and all records, accounts, and data of the City relating thereto. Upon request the City will furnish to such persons such financial statements and other available information relating to the City and the System as such persons may from time to time reasonably require.

Section 6.7. Employees' Salaries. No part of the salary of any City employee shall be charged against the Revenues unless, and only to the extent that, the duties and performance of such employee pertain to the operation of the System.

Section 6.8. No Impairment of Rights. The City shall not enter into any contract or contracts, nor take any action, the results of which might materially impair the rights of the Bondholders.

Section 6.9. Satisfaction of Liens. The City will from time to time duly pay and discharge or cause to be paid and discharged all taxes, assessments, and other governmental charges, if any, lawfully imposed upon the System or any part thereof or upon the Pledged Revenues, as well as any lawful claims for labor, materials, or supplies that if unpaid might by law become a lien or charge upon the System or the Pledged Revenues or any part thereof or that might impair the security of the Bonds, except when the City in good faith contests its liability to pay the same.

Section 6.10. Enforcement of Bills. The City shall diligently enforce payment of all bills for services supplied by the System. The City will do all things and exercise all remedies reasonably available to assure the prompt payment of charges for all services supplied by the System.

Section 6.11. Payments. All payments falling due on the Bonds for principal and interest shall be made by the City from the Pledged Revenues or, at the City's option, other legally available revenues to the owners thereof when due in full, and all reasonable and authorized charges made by the Bond Registrar and any Paying Agent shall be paid by the City when due.

Section 6.12. No Loss of Lien on Revenues. The City shall not do, or omit to do, or permit to be done or to be omitted any matter or thing whatsoever whereby the lien of the Bond Ordinance on the Pledged Revenues or any part thereof might or could be lost or impaired.

Section 6.13. Annual Budget. The City agrees to adopt an Annual Budget for the System for each Fiscal Year in compliance with the rate covenants as stated in Section 6.1. A copy of such Annual Budget shall be provided to the registered owner of the Series 2007 Bond within 30 days after adoption thereof.

Section 6.14. Tax Provisions. The City recognizes that the purchasers and owners of Tax-Exempt Bonds will have accepted the Tax-Exempt Bonds on, and paid for the Tax-Exempt Bonds a price that reflects, the understanding that interest on such Tax-Exempt Bonds is not included in the gross income of the owners for federal income tax purposes under laws in force at the time the Tax-Exempt Bonds shall have been delivered.

The City shall take any and all action that may be required from time to time in order to assure that interest on the Tax-Exempt Bonds shall remain excludable from the gross income of the owners of the Tax-Exempt Bonds for federal income tax purposes and shall refrain from taking any action that would adversely affect such status.

Prior to or contemporaneously with delivery of each series of Tax-Exempt Bonds, the Chief Officer and the Attesting Officer shall execute a Certificate as to Arbitrage Matters on behalf of the City respecting the investment of the proceeds of such series of Tax-Exempt Bonds. Such certificate shall be a representation and certification of the City, and an executed copy thereof shall be delivered to the Bond Registrar or the registered owner of any Institutional Bonds. The City shall not knowingly invest or participate in the investment of any moneys held under the Bond Ordinance if such investment would cause interest on any Tax-Exempt Bonds to become included in gross income for federal income tax purposes.

The Chief Officer or the Attesting Officer may also execute and deliver, on behalf of the City: (i) such agreements, filings, and other writings as may be necessary or desirable to cause or bind the City to comply with any requirements for rebate under Section 148(f) of the Code, or (ii) such certificate or other writing as may be necessary or desirable to qualify for exemption from such rebate requirements.

The City shall calculate, from time to time, as required in order to comply with the provisions of Section 148(f) of the Code, the amounts required to be rebated (including penalties) to the United States and shall deposit or cause to be deposited into the Rebate Fund any and all of such amounts promptly following a determination of any such amount.

The City shall direct the Depository of the Rebate Fund to keep all moneys held therein invested in Permitted Investments. To the extent and at the times required in order to comply with Section 148(f) of the Code, the City may withdraw funds from the Rebate Fund for the purpose of making rebate payments (including penalties) to the United States as required by Section 148(f) of the Code. Except as otherwise specifically provided in this Section, moneys in the Rebate Fund may not be withdrawn from the Rebate Fund for any other purpose.

All earnings on investments held in the Rebate Fund shall be retained in the Rebate Fund and shall become part of the Rebate Fund. Moneys held in the Rebate Fund, including the investment earnings thereon, if any, shall not be subject to a pledge in favor of the owners of the Bonds under the Bond Ordinance and may not be used to pay amounts due on the Bonds or under any Financial Facility Agreements or Hedge Agreements or amounts required for the operation, maintenance, enlargement, or extension of the System.

The City shall have the right to create special accounts, from time to time, in the Rebate Fund as it may deem desirable.

If the City shall deliver to the Depository of the Rebate Fund a certificate, signed by an officer of the City, certifying that the City has filed all reports required to be filed with the United States pursuant to Section 148(f) of the Code and has made all payments required to be made to the United States pursuant to Section 148(f) of the Code, then the Depository of the Rebate Fund shall transfer to, or upon the order of, the City all moneys or investments remaining in the Rebate Fund, and such moneys and investments may be used by the City for any lawful purpose.

The City may employ any rebate analyst or other expert to perform any of the City's duties with respect to the Rebate Fund, other than payment of moneys into the Rebate Fund.

The City hereby covenants and agrees that it will not use or permit any use of the proceeds of the sale of any Tax-Exempt Bonds, or any other moneys arising out of the ownership or operation of the System or otherwise, or use or permit the use of any of the facilities being financed or refinanced thereby or any other portion of the System, which would cause any Tax-Exempt Bonds or any portion thereof to be "private activity bonds" within the meaning of Section 141 of the Code.

The City hereby designates the Series 2007 Bond as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Code and covenants that the Series 2007 Bond does not constitute "private activity bonds", as defined in Section 141 of the Code, and that not more than $10,000,000 in aggregate principal amount of obligations the interest on which is excludable from gross income for federal income tax purposes (excluding, however, private activity bonds, as defined in Section 141 of the Code, other than qualified 501(c)(3) bonds, as defined in Section 145 of the Code), including the Series 2007 Bond, shall be issued by the City, including all subordinate entities of the City and all entities which issue obligations on behalf of the City, during the calendar year 2007.

The covenants, certifications, representations, and warranties contained in this Section shall survive payment in full or provision for payment in full of the Tax-Exempt Bonds.

Section 6.15. Payments to City Must be in Money. The City shall require all payments to be made to the City as storm water fees and charges to be made in lawful moneys of the United States of America.

[End of Article VI]

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

Section 7.1. Definition of Events of Default. An "Event of Default" shall mean the occurrence of any one or more of the following:

7.1.1. failure to pay the principal or redemption price or premium of any Senior Bond when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise; or

7.1.2. failure to pay any installment of interest on any Senior Bond when and as such installment of interest shall become due and payable; or

7.1.3. default shall be made by the City in the performance of any obligation in respect to the Debt Service Reserve Account and such default shall continue for 30 days thereafter; or

7.1.4. the City shall (1) admit in writing its inability to pay its debts generally as they become due, (2) file a petition in bankruptcy or take advantage of any insolvency act, (3) make an assignment for the benefit of its creditors, (4) consent to the appointment of a receiver of itself or of the whole or any substantial part of its property, or (5) be adjudicated a bankrupt; or

7.1.5. a court of competent jurisdiction shall enter an order, judgment, or decree appointing a receiver of the System or any of the funds or accounts established in Article IV or Article XII, or of the whole or any substantial part of the City's property, or approving a petition seeking reorganization of the City under the federal bankruptcy laws or any other applicable law or statute of the United States of America or the State, and such order, judgment, or decree shall not be vacated or set aside or stayed within 60 days from the date of the entry thereof; or

7.1.6. under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of any of the funds or accounts established in Article IV or Article XII, or of the City or of the whole or any substantial part of the City's property, and such custody or control shall not be terminated or stayed within 60 days from the date of assumption of such custody or control; or

7.1.7. the City shall fail to perform any of the other covenants, conditions, agreements, and provisions contained in the Senior Bonds or in the Bond Ordinance on the part of the City to be performed, and such failure shall continue for 90 days after written notice specifying such failure and requiring it to be remedied shall have been given to the City by the owners of not less than, or a Credit Facility Issuer securing not less than, 25% in aggregate principal amount of the Senior Bonds; provided, however, if the failure stated in such notice can be corrected, but not within such 90 day period, the City shall have 180 days after such written notice to cure such default if corrective action is instituted by the City within such 90 day period and diligently pursued until the failure is corrected; or

7.1.8. an Event of Default under any Series Ordinance relating to Senior Bonds shall occur; or

7.1.9. failure by any Liquidity Facility Issuer to pay the purchase price of Senior Bonds under any Liquidity Facility then in effect; or

7.1.10. delivery to the City by a Credit Facility Issuer of written notice stating that an "Event of Default" has occurred under any Credit Facility Agreement relating to Senior Bonds; or

7.1.11. delivery to the City by a Qualified Hedge Provider of written notice stating that an "Event of Default" has occurred under any Senior Hedge Agreement.

Section 7.2. Remedies. (a) Upon the happening and continuance of any Event of Default specified in Section 7.1 (except in Section 7.1.9, 7.1.10, and 7.1.11), then and in every such case, upon the written declaration of the owners of more than 50% in aggregate principal amount of all Senior Bonds then Outstanding or upon the written demand of a Credit Facility Issuer securing more than 50% in aggregate principal amount of the Senior Bonds then Outstanding, the principal of all Senior Bonds then Outstanding shall become due and payable immediately, together with the interest and premium, if any, accrued thereon to the date of such acceleration, at the place of payment provided therein, and interest on the Senior Bonds shall cease to accrue after the date of such acceleration, anything in the Bond Ordinance or in the Senior Bonds to the contrary notwithstanding.

Upon any declaration of acceleration under the Bond Ordinance, the City shall immediately draw under the applicable Credit Facility to the extent permitted by the terms thereof that amount which, together with other amounts on deposit under the Bond Ordinance, shall be sufficient to pay the principal of and accrued interest and premium, if any, on the related Senior Bonds so accelerated.

The above provisions, however, are subject to the condition that if, after the principal of the Senior Bonds shall have been so accelerated, all arrears of interest upon such Bonds, and interest on overdue installments of interest at the rate on such Bonds, shall have been paid by the City, the principal of such Bonds that has matured (except the principal of any Bonds not then due by their terms except as provided above) has been paid, and the City shall also have performed all other things in respect to which it may have been in default under the Bond Ordinance, and the Credit Facility Issuer shall have reinstated the Credit Facility in the full amount available to be drawn thereunder by written notice to the City, then, in every such case, the owners of more than 50% in aggregate principal amount of all Senior Bonds then Outstanding by written notice to the City, may waive such default and its consequences and such waiver shall be binding upon the City and upon all owners of the Bonds; but no such waiver shall extend to or affect any subsequent default or impair any right or remedy consequent thereon. Notwithstanding the foregoing, as long as the applicable Credit Facility Issuer shall not then continue to dishonor draws under the Credit Facility, no Event of Default with respect to the related Senior Bonds may be waived without the express written consent of such Credit Facility Issuer.

(b) Upon the happening and continuance of any Event of Default, any owner of Senior Bonds then Outstanding affected by the Event of Default or a duly authorized agent for such owner may proceed to protect and enforce its rights and the rights of the owners of Senior Bonds by such of the following remedies as it shall deem most effectual to protect and enforce such rights:

(1) by mandamus or other suit, action, or proceeding at law or in equity, enforce all rights of the owners of Senior Bonds, including the right to require the appointment of a receiver for the System or to exercise any other right or remedy provided by the Revenue Bond Law and to require the City to perform any other covenant or agreement contained in the Bond Ordinance and to perform its duties under the Revenue Bond Law;

(2) by bringing suit upon the Senior Bonds;

(3) by action or suit in equity, require the City to account as if it were the trustee of an express trust for the owners of the Senior Bonds;

(4) by action or suit in equity, enjoin any acts or things that may be unlawful or in violation of the rights of the owners of the Senior Bonds; or

(5) by pursuing any other available remedy at law or in equity or by statute.

In the enforcement of any remedy under the Bond Ordinance, owners of Senior Bonds shall be entitled to sue for, enforce payment on, and receive any and all amounts then or during any default becoming, and at any time remaining, due from the City for principal, redemption premium, interest, or otherwise, under any provision of the Bond Ordinance or of the Senior Bonds, and unpaid, with interest on overdue payments at the rate or rates of interest specified in such Senior Bonds, together with any and all costs and expenses of collection and of all proceedings under the Bond Ordinance and under such Senior Bonds, without prejudice to any other right or remedy of the owners of Senior Bonds, and to recover and enforce a judgment or decree against the City for any portion of such amounts remaining unpaid, with interest, costs, and expenses, and to collect from any moneys available for such purpose, in any manner provided by law, the moneys adjudged or decreed to be payable.

Section 7.3. Remedies Cumulative. No remedy conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Bond Ordinance or now or hereafter existing at law or in equity or by statute.

Section 7.4. Waiver of Default. No delay or omission of any Bondholder to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default, or an acquiescence therein, and every power and remedy given by the Bond Ordinance to the Bondholders may be exercised from time to time and as often as may be deemed expedient.

Section 7.5. Application of Moneys After Default. If an Event of Default occurs and shall not have been remedied, the City or a receiver appointed for the purpose shall apply all Pledged Revenues as follows and in the following order of priority:

7.5.1. Expenses of Receiver and Paying Agent and Bond Registrar - to the payment of the reasonable and proper charges, expenses, and liabilities of the receiver and the Paying Agent and Bond Registrar under the Bond Ordinance;

7.5.2. Expenses of Operation and Maintenance and Renewals and Replacements - to the payment of all reasonable and necessary Expenses of Operation and Maintenance and major renewals and replacements to the System;

7.5.3. Principal or Redemption Price, Interest, and Hedge Payments - to the payment of the interest and principal or redemption price then due on the Senior Bonds and Hedge Payments then due under Senior Hedge Agreements, as follows:

(a) Unless the principal of all the Senior Bonds shall have become due and payable, all such moneys shall be applied as follows:

First: to the payment to the persons entitled thereto of all installments of interest then due on the Senior Bonds, in the order of the maturity of such installments (with interest on defaulted installments of interest at the rate or rates borne by the Senior Bonds with respect to which such interest is due, but only to the extent permitted by law), and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference. If some of the Senior Bonds bear interest payable at different intervals or upon different dates than the semiannual Interest Payment Dates specified for the Series 2007 Bond, and if at any time moneys from the Debt Service Reserve Account must be used to pay any such interest, the moneys in the Debt Service Reserve Account shall be applied (to the extent necessary) to the payment of all interest falling due on the dates upon which such interest is payable to and including the next succeeding semiannual Interest Payment Date specified for the Series 2007 Bond. After such date, moneys in the Debt Service Reserve Account plus any other moneys available in the Interest Account shall be set aside for the payment of interest on Senior Bonds of each class (a class consisting of all Senior Bonds payable as to interest on the same dates) pro rata among Senior Bonds of the various classes on a daily basis so that there shall accrue to each owner of a Senior Bond throughout each Fiscal Year the same proportion of the total interest payable to such owner of a Senior Bond as shall so accrue to every other owner of a Senior Bond during such Fiscal Year. As to any Compound Interest Bond that is a Senior Bond, such interest shall accrue on the Accreted Value of such Bond and be set aside on a daily basis until the next compounding date for such Bonds, whereupon it shall be paid to the owner of such Bond as interest on a defaulted obligation and only the unpaid portion of such interest (if any) shall be treated as principal of such Bond.

Second: to the payment of the Hedge Payments due under any Senior Hedge Agreements pursuant to their terms.

Third: to the payment to the persons entitled thereto of the unpaid principal of any of the Senior Bonds that shall have become due at maturity or upon mandatory redemption prior to maturity (other than Senior Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of Article IX), in the order of their due dates, with interest upon such Senior Bonds from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full Senior Bonds due on any particular date, together with such interest, then to the payment first of such interest, ratably according to the amount of such interest due on such date, and then to the payment of such principal, ratably according to the amount of such principal due on such date, to the persons entitled thereto without any discrimination or preference. If some of the Senior Bonds mature (including mandatory redemption prior to maturity as a maturity) upon a different date or dates than the annual Principal Maturity Dates specified for the Series 2007 Bond, and if at any time moneys from the Debt Service Reserve Account must be used to pay any such principal falling due, the moneys in the Debt Service Reserve Account not required to pay interest under paragraph first above shall be applied to the extent necessary to the payment of all principal falling due on the dates upon which such principal is payable to and including the annual Principal Maturity Date specified for the Series 2007 Bond. After such date, moneys in the Debt Service Reserve Account not required to pay interest plus any other moneys available in the Principal Account shall be set aside for the payment of principal of Senior Bonds of each class (a class consisting of all Senior Bonds payable as to principal on the same date) pro rata among Senior Bonds of the various classes that mature or must be redeemed pursuant to mandatory redemption prior to maturity throughout each Fiscal Year in such proportion of the total principal payable on each such Senior Bond as shall be equal among all classes of Senior Bonds maturing or subject to mandatory redemption within such Fiscal Year. The Accreted Value of a Compound Interest Bond that is a Senior Bond (except for interest that shall have been paid under paragraph first) shall be treated as principal for purposes of this paragraph third.

Fourth: to the payment of the redemption premium on and the principal of any Senior Bonds called for optional redemption pursuant to their terms.

(b) If the principal of all the Senior Bonds shall have become due and payable, all such moneys shall be applied to the payment of the principal, premium, if any, and interest then due and unpaid upon the Senior Bonds, with interest thereon as aforesaid, and due and unpaid Hedge Payments under Senior Hedge Agreements, without preference or priority of principal over interest, premium, or Hedge Payments, or of interest over principal, premium, or Hedge Payments, or of premium over principal, interest, or Hedge Payments, or of Hedge Payments over principal, premium, or interest, or of any installment of interest over any other installment of interest, or of any Senior Bond over any other Senior Bonds, or of any such Hedge Payment over any other such Hedge Payment, ratably, according to the amounts due respectively for principal, premium, if any, interest, and Hedge Payments, to the persons entitled thereto without any discrimination or preference.

Section 7.6. Rights of Credit Facility Issuer. Notwithstanding any other provision of the Bond Ordinance, in the event that the City shall draw under a Credit Facility any amount for the payment of principal of or interest on any Bonds, then upon such payment the related Credit Facility Issuer shall succeed to and become subrogated to the rights of the recipients of such payments and such principal or interest shall be deemed to continue to be unpaid and Outstanding for all purposes and shall continue to be fully secured by the Bond Ordinance until the Credit Facility Issuer, as successor and subrogee, has been paid all amounts owing in respect of such subrogated payments of principal and interest. Such rights shall be limited and evidenced by having the City note the Credit Facility Issuer's rights as successor and subrogee on its records, and the City shall, upon request, deliver to the Credit Facility Issuer (i) in the case of interest on the Bonds, an acknowledgment of the Credit Facility Issuer's ownership of interest to be paid on the Bonds specifying the amount of interest owed, the period represented by such interest, and the numbers of the Bonds on which such interest is owed and (ii) in the case of principal of the Bonds, either the Bonds themselves duly assigned to the Credit Facility Issuer or new Bonds registered in the name of the Credit Facility Issuer or in such other name as the Credit Facility Issuer shall specify. Whenever moneys become available for the payment of any interest then overdue, the Credit Facility Issuer shall be treated as to interest owed to it as successor and subrogee as if it had been the Bondholder of the Bonds on which such interest is payable on any special record date therefor.

[End of Article VII]

ARTICLE VIII

BOND OWNERSHIP

Section 8.1. <u>Manner of Evidencing Ownership of Bonds</u>. Any request, direction, or other instrument required by the Bond Ordinance to be signed or executed by Bondholders may be in any number of counterparts or writings of similar tenor and may be signed or executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such request, direction, or other instrument, or of the writing appointing such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any purpose of the Bond Ordinance.

The fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction, who, by the laws thereof, has power to take acknowledgments within such jurisdiction, to the effect that the person signing such writing acknowledged before him the execution thereof, or by an affidavit of a witness to such execution; provided that the execution of the form of assignment on the back of each Bond (other than Institutional Bonds) may be guaranteed only by an eligible guarantor institution (such as banks, stockbrokers, savings and loan associations, and credit unions) with membership in an approved Signature Guarantee Medallion Program pursuant to S.E.C. Rule 17Ad-15. The fact of ownership of the Bonds by any Bondholder, the amount and issue numbers of such Bonds, and the date of ownership shall be proved by the Bond Register.

Section 8.2. <u>Call of Meetings of Bondholders</u>. The City or the owners of not less than 25% in aggregate principal amount of the Bonds of either the senior class or the subordinate class may at any time call a meeting of the Bondholders for any one or more of the following purposes:

(a) to consent to, approve, request, or direct any action required to be consented to or approved by the Bondholders of the affected class under the Bond Ordinance or which they may request or direct under the Bond Ordinance to be taken;

(b) to give any notices to the City;

(c) to take any other action that the Bondholders of the affected class may take under the Bond Ordinance; and

(d) for any other purpose concerning the payment, security, or enforcement of the Bonds of the affected class.

Any such meeting shall be held at such place in the City of Atlanta, Georgia, or in the City of New York, New York, as may be specified in the notice calling such meeting. Written notice of such meeting, stating the place and time of the meeting and in general terms the business to be submitted, shall be mailed by the City or the Bondholders calling such meeting to the Bondholders of the affected class at their addresses then appearing upon the Bond Register not less than 30 days nor more than 60 days before such meeting. The mailing of such notice shall not, however, be a condition precedent to the validity of any action taken at any such meeting. Any meeting of Bondholders shall be valid without notice if the Bondholders of the affected class are present in person or by proxy or if notice is waived in writing before or within 30 days after the meeting by the Bondholders of the affected class not so present.

Section 8.3. Proxies and Proof of Ownership of Bonds. Attendance and voting by Bondholders at such meetings may be in person or by proxy. The Bondholders may, by an instrument in writing, appoint any person or persons, with full power of substitution, as their proxy to vote at any meeting for them. The right of a proxy for a Bondholder to attend a meeting and act and vote may be proved (subject to the right of the City to require additional proof) by a written instrument executed by such Bondholder.

Any registered owner of Bonds of the affected class shall be entitled in person or by proxy to attend and vote at such meeting without producing the Bonds registered in such Bondholder's name; provided, however, that such persons and their proxies shall, if required, produce such proof of personal identity as shall be satisfactory to the secretary of the meeting. All other persons seeking to attend or vote at such meeting must produce the Bonds claimed to be owned or represented at such meeting.

The vote of any Bondholder shall be binding upon such Bondholder and upon every subsequent owner of such Bond (whether or not such subsequent Bondholder has notice of that vote).

Section 8.4. Appointment of Officers at Meeting of Bondholders. A chairman and a secretary of any meeting of the Bondholders shall be elected by the Bondholders of the affected class, by a majority in principal amount of the Bonds of the affected class represented at such meeting in person or by proxy. The chairman shall appoint two (2) inspectors of votes who shall count all votes cast at such meeting, except votes on the election of chairman and secretary, and who shall make and file with the secretary and with the City their verified report of all such votes cast at the meeting.

Section 8.5. Quorum at Meetings of Bondholders. The owners of not less than the principal amount of the Bonds of the affected class required for any action to be taken at such meeting must be present at such meeting in person or by proxy in order to constitute a quorum for the transaction of business.

Section 8.6. Meetings. Meetings shall be conducted in accordance with rules, regulations, orders, and procedures established by the chairman of the meeting.

[End of Article VIII]

ARTICLE IX

DEFEASANCE

Section 9.1. <u>Provision for Payment</u>. Bonds for the payment or redemption of which sufficient moneys or sufficient Government Obligations shall have been deposited with the Paying Agent or the Depository of the Sinking Fund (whether upon or prior to the maturity or the redemption date of such Bonds) shall be deemed to be paid and no longer Outstanding under the Bond Ordinance; provided, however, that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been duly given as provided in Article III or firm and irrevocable arrangements shall have been made for the giving of such notice. Government Obligations shall be considered sufficient for purposes of this Article IX only: (i) if such Government Obligations are not callable by the issuer of the Government Obligations prior to their stated maturity, and (ii) if such Government Obligations fall due and bear interest in such amounts and at such times as will assure sufficient cash (whether or not such Government Obligations are redeemed by the City pursuant to any right of redemption) to pay currently maturing interest and to pay principal and redemption premiums, if any, when due on the Bonds without rendering the interest on any Tax-Exempt Bonds includable in gross income of any owner thereof for federal income tax purposes.

The City may at any time surrender to the Bond Registrar for cancellation by it any Bonds previously authenticated and delivered under the Bond Ordinance, which the City may have acquired in any manner whatsoever. All such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

[End of Article IX]

ARTICLE X

SUPPLEMENTAL ORDINANCES

Section 10.1. <u>Supplemental Ordinances Not Requiring Consent of Bondholders</u>. The City, from time to time and at any time, subject to the conditions and restrictions in the Bond Ordinance, may adopt one or more Supplemental Ordinances, which thereafter shall form a part of the Bond Ordinance, for any one or more or all of the following purposes:

10.1.1. To add to the covenants and agreements of the City in the Bond Ordinance other covenants and agreements thereafter to be observed or to surrender, restrict, or limit any right or power reserved in the Bond Ordinance to or conferred upon the City (including but not limited to the right to issue Parity Bonds);

10.1.2. To make such provisions for the purpose of curing any ambiguity, or of curing, correcting, or supplementing any defective provision contained in the Bond Ordinance, or in regard to matters or questions arising under the Bond Ordinance, as the City may deem necessary or desirable and not inconsistent with the Bond Ordinance;

10.1.3. To grant to or confer any additional rights, remedies, powers, or authorities that may be lawfully granted to or conferred upon the owners of the Bonds;

10.1.4. To subject to the lien and pledge of the Bond Ordinance additional revenues, receipts, properties, or other collateral;

10.1.5. To evidence the appointment of successors to any Depositories, Paying Agent(s), or Bond Registrar(s);

10.1.6. To modify, amend, or supplement the Bond Ordinance in such manner as to permit the qualification of the Bond Ordinance under the Trust Indenture Act of 1939 or any federal statute hereinafter in effect, and similarly to add to the Bond Ordinance such other terms, conditions, and provisions as may be permitted or required by such Trust Indenture Act of 1939 or any similar federal statute;

10.1.7. To make any modification or amendment of the Bond Ordinance required in order to make any Bonds eligible for acceptance by The Depository Trust Company or any similar holding institution or to permit the issuance of any Bonds or interests therein in book-entry form;

10.1.8. To modify any of the provisions of the Bond Ordinance in any respect if such modification shall not become effective until after the Bonds Outstanding immediately prior to the effective date of such Supplemental Ordinance shall cease to be Outstanding and if any Bonds issued contemporaneously with or after the effective date of such Supplemental Ordinance shall contain a specific reference to the modifications contained in such subsequent proceedings;

10.1.9. Subject to the provisions of Article XII, to modify the provisions of the Bond Ordinance with respect to the disposition of any moneys remaining in the Project Fund upon the completion of any Project;

10.1.10. To modify the Bond Ordinance to permit the qualification of any Bonds for offer or sale under the securities laws of any state in the United States of America;

10.1.11. To modify the Bond Ordinance to provide for the issuance of Parity Bonds or Subordinate Bonds, and such modification may deal with any subjects and make any provisions that the City deems necessary or desirable for that purpose;

10.1.12. To make such modifications in the provisions of the Bond Ordinance as may be deemed necessary by the City to accommodate the issuance of Bonds that (i) are Compound Interest Bonds (including, but not limited to, provisions for determining the Debt Service Requirement for such Compound Interest Bonds and for treatment of Accreted Value in making such determination) or (ii) bear interest at a Variable Rate; and

10.1.13. To modify any of the provisions of the Bond Ordinance in any respect (other than a modification of the type described in Section 10.2 requiring the unanimous written consent of the Bondholders); provided that for (i) any Outstanding Bonds which are assigned a Rating and which are not secured by a Credit Facility providing for the payment of the full amount of principal and interest to be paid thereon, each Rating Agency shall have given written notification to the City that such modification will not cause the then applicable Rating on any Bonds to be reduced or withdrawn, (ii) any Outstanding Bonds which are secured by Credit Facilities providing for the payment of the full amount of the principal and interest to be paid thereon, each Credit Facility Issuer shall have consented in writing to such modification, and (iii) any Outstanding Bonds that are Institutional Bonds, each registered owner of such Institutional Bonds shall have consented in writing to such modification.

Any Supplemental Ordinance authorized by the provisions of this Section may be adopted by the City without the consent of or notice to the owners of any of the Bonds at the time Outstanding, notwithstanding any of the provisions of Section 10.2.

Any Supplemental Ordinance of the City may modify the provisions of the Bond Ordinance in such a manner, and to such extent and containing such provisions, as the City may deem necessary or desirable to effect any of the purposes stated above.

As used in this Section, the term "modify" shall mean "modify, amend, or supplement" and the term "modification" shall mean "modification, amendment, or supplement."

Section 10.2. Supplemental Ordinances Requiring Consent of Bondholders. With the consent (evidenced as provided in Article VIII) of the owners of not less than a majority in aggregate principal amount of the Outstanding Bonds of each class (senior and subordinate), voting separately by class, the City may from time to time and at any time adopt a Supplemental Ordinance for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Bond Ordinance or of any Supplemental Ordinance; provided, however, that no such Supplemental Ordinance shall: (1) extend the maturity date or due date of any mandatory sinking fund redemption with respect to any Bond Outstanding under the Bond Ordinance; (2) reduce or extend the time for payment of principal of, redemption premium, or interest on any Bond Outstanding under the Bond Ordinance; (3) reduce any premium payable upon the redemption of any Bond under the Bond Ordinance or advance the date upon which any Bond may first be called for redemption prior to its stated maturity date; (4) give to any Senior Bond or Senior Bonds (or related Senior Hedge Agreements) a preference over any other Senior Bond or Senior Bonds (or related Senior Hedge Agreements); (5) permit the creation of any lien or any other encumbrance on the Pledged Revenues having a lien equal to or prior to the lien created under the Bond Ordinance for the Senior Bonds; (6) reduce the percentage of owners of either class of Bonds required to approve any such Supplemental Ordinance; or (7) deprive the owners of the Bonds of the right to payment of the Bonds or from the Pledged Revenues, without, in each case, the consent of the owners of all the Bonds then Outstanding. No amendment may be made under this Section that affects the rights or duties of any Financial Facility Issuer securing any of the Bonds or any Qualified Hedge Provider under any Hedge Agreement without its written consent.

If the City intends to enter into or adopt any Supplemental Ordinance as described in this Section, the City shall mail, by registered or certified mail, to the registered owners of the Bonds at their addresses as shown on the Bond Register, a notice of such intention along with a description of such Supplemental Ordinance not less than 30 days prior to the proposed effective date of such Supplemental Ordinance. The consents of the registered owners of the Bonds need not approve the particular form of wording of the proposed Supplemental Ordinance, but it shall be sufficient if such consents approve the substance thereof. Failure of the owner of any Bond to receive the notice required in the Bond Ordinance shall not affect the validity of any Supplemental Ordinance if the required number of owners of the Bonds of each class shall provide their written consent to such Supplemental Ordinance.

Notwithstanding any provision of the Bond Ordinance to the contrary, upon the issuance of a Credit Facility to secure any Bonds and for the period in which such Credit Facility is outstanding, the Credit Facility Issuer may have the consent rights of the owners of the Bonds that are secured by such Credit Facility pertaining to some or all of the amendments or modifications of the Bond Ordinance, to the extent provided in the applicable Series Ordinance. Notwithstanding the foregoing, if a Credit Facility Issuer is granted the consent rights of the owners of any Bonds in a Series Ordinance and refuses to exercise such consent rights, either affirmatively or negatively, then the registered owners of the Bonds secured by the related Credit Facility may exercise such consent rights.

Section 10.3. <u>Notice of Supplemental Ordinances</u>. The City shall cause the Bond Registrar to mail a notice by registered or certified mail to the registered owners of all Bonds Outstanding, at their addresses shown on the Bond Register or at such other address as has been furnished in writing by such registered owner to the Bond Registrar, setting forth in general terms the substance of any Supplemental Ordinance that has been: (i) adopted by the City pursuant to Section 10.1 or (ii) approved by Bondholders or any Credit Facility Issuer and adopted by the City pursuant to Section 10.2.

[End of Article X]

ARTICLE XI

SALE OF SERIES 2007 BOND AND APPLICATION OF PROCEEDS

Section 11.1. **Sale of Series 2007 Bond.** The Series 2007 Bond shall be sold to the Purchaser and each series of additional Bonds shall be sold from time to time as the City may determine by Series Ordinances. A certified copy of each Series Ordinance shall be filed with the Bond Registrar.

Section 11.2. **Application of Series 2007 Bond Proceeds.** The City, when it agrees with the Purchaser, shall execute and deliver the Series 2007 Bond to the Purchaser and shall receive a receipt for the Series 2007 Bond. The City shall deposit all of the proceeds from the sale of the Series 2007 Bond into the Series 2007 Project Account of the Project Fund.

[End of Article XI]

ARTICLE XII

PROJECT FUND

Section 12.1. <u>Project Fund</u>. The City shall establish within the Project Fund a separate account for each Project. Moneys in the Project Fund shall be held by RBC Centura Bank, Raleigh, North Carolina, as Depository, or such other bank as may from time to time be designated by the City, and applied to the payment of the Costs of the Project, or for the repayment of advances made for that purpose in accordance with and subject to the provisions and restrictions set forth in this Article. The City covenants that it will not cause or permit to be paid from the Project Fund any sums except in accordance with such provisions and restrictions; provided, however, that any moneys in the Project Fund not presently needed for the payment of current obligations during the course of construction may be invested in Permitted Investments maturing not later than (i) the date upon which such moneys will be needed according to a schedule of anticipated payments from the Project Fund filed with the City by the Consultant in charge of the Project or (ii) in the absence of such schedule, 36 months from the date of purchase, in either case upon written direction of the City. Any such investments shall be held by the Depository, in trust, for the account of the Project Fund until maturity or until sold, and at maturity or upon such sale the proceeds received therefrom including accrued interest and premium, if any, shall be immediately deposited by the Depository in the Project Fund and shall be disposed of in the manner and for the purposes provided in the Bond Ordinance.

Section 12.2. <u>Purposes of Payments</u>. Moneys in each separate account in the Project Fund shall be used for the payment or reimbursement of the Costs of the Project for which such account was established as provided in this Article XII.

Section 12.3. <u>Documentation of Payments</u>. All payments from the Project Fund shall be made upon draft except as provided in the Bond Ordinance, signed by the officers of the City properly authorized to sign on its behalf, but before they shall sign any such draft, there shall be filed with the Depository:

12.3.1. A requisition for such payment (the above mentioned draft may be deemed a requisition for the purpose of this Section), stating each amount to be paid and the name of the person to whom payment is due.

12.3.2. A certificate executed by such officers attached to the requisition and certifying:

(a) That an obligation in the stated amount has been incurred by the City and that the same is a proper charge against the Project Fund and has not been paid and stating that the bill or statement of account for such obligation, or a copy thereof, is on file in the office of the City;

(b) That the signers have no notice of any vendor's, mechanic's, or other liens or rights to liens, chattel mortgages, or conditional sales contracts that should be satisfied or discharged before such payment is made; and

(c) That such requisition contains no item representing payment on account of any retained percentages that the City is, at the date of any such certificate, entitled to retain.

12.3.3. No requisition for payment shall be made until the City has been furnished with a proper certificate of the supervising Consultant that insofar as such obligation was incurred for work, material, supplies, or equipment in connection with the undertaking, such work was actually performed, or such material, supplies, or equipment was actually installed in or about the construction or delivered at the site of the work for that purpose.

In the event the United States government or government of the State, or any department, authority, or agency of either, agrees to allocate moneys to be used to defray any part of the Cost of any Project upon the condition that the City appropriate a designated amount of moneys for such purpose, and it is required of the City that its share of such cost be deposited in a special account, the City shall have the right to withdraw any sum so required from the Project Fund by appropriate transfer and deposit the same in a special account for that particular Project; provided, however, that all payments thereafter made from such special account shall be made only in accordance with the requirements set forth in this Section.

Withdrawals for investment purposes only may be made by the Depository to comply with written directions from the City without any requisition other than such direction.

Section 12.4. Retention of Payment Documents. All requisitions and certificates required by this Article shall be retained for at least five years by the Depository subject at all times to inspection by any officer of the City and the Bondholders.

Section 12.5. Funds Remaining on Completion of Projects. The City shall, when a Project has been completed, and may, when a Project has been substantially completed, file with the Depository a certificate signed by the Chief Officer estimating what portion of the funds remaining in the separate account relating to such Project will be required by the City for the payment or reimbursement of the Costs of such Project. The Chief Officer shall attach to his certificate a certificate of the supervising engineer certifying that such Project has been completed or substantially completed, as the case may be, in accordance with the plans and specifications therefor and approving the estimates of the Chief Officer with respect to the portion of funds in the account required for Costs of the Project. Such funds that will not be used shall be (1) transferred to the Principal Account and used to redeem Bonds of the related series on the next redemption date or to pay principal of such Bonds on the next Principal Maturity Date, or (2) transferred to the Interest Account and used to pay interest on Bonds of the related series, provided that the City shall first obtain an opinion of Bond Counsel to the effect that, under existing law, the application of such moneys to pay interest on such Bonds (a) is allowed under State law, and (b) if such Bonds are Tax-Exempt Bonds, will not, by itself and without more, adversely affect the exclusion from gross income for federal income tax purposes of interest payable on such Bonds. When all moneys have been withdrawn or transferred from any separate account within the Project Fund in accordance with the provisions of this Article XII, such separate account shall terminate and cease to exist.

Section 12.6. Series 2007 Project Account. Proceeds from the sale of the Series 2007 Bond shall be deposited in the Series 2007 Project Account pursuant to Section 11.2 of this Master Bond Ordinance. The amount deposited in the Series 2007 Project Account, together with earnings thereon, shall be held and paid out in accordance with this Article XII, invested in accordance with the provisions of the Bond Ordinance, and applied only to payment of Costs of the Series 2007 Project.

[End of Article XII]

ARTICLE XIII

MISCELLANEOUS PROVISIONS

Section 13.1. <u>Severability</u>. In case any one or more of the provisions of the Bond Ordinance or of the Bonds shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of the Bond Ordinance or of the Bonds, but the Bond Ordinance and the Bonds shall be construed and enforced as if such illegal or invalid provision had not been contained therein. In case any covenant, stipulation, obligation, or agreement contained in the Bonds or in the Bond Ordinance shall for any reason be held to be unenforceable or in violation of law, then such covenant, stipulation, obligation, or agreement shall be deemed to be the covenant, stipulation, obligation, or agreement of the City to the full extent that the power to incur such obligation or to make such covenant, stipulation, or agreement shall have been conferred on the City by law.

Section 13.2. <u>Requests of City</u>. Whenever any action is to be taken by the Bond Registrar or the Paying Agent at the request of the City under the Bond Ordinance, if no other means of authenticating such request is required, such request shall be evidenced by a written instrument signed by the Chief Officer and Attesting Officer or by such other City official or employee (one or more) as may from time to time be designated in writing by the Chief Officer and Attesting Officer. A duly certified copy of such designation must be filed with the Bond Registrar and the Paying Agent.

Section 13.3. <u>Validation of Series 2007 Bond</u>. The City shall deliver a certified copy of this Master Bond Ordinance with an appropriate notice signed by the Attesting Officer to the District Attorney for the Griffin Judicial Circuit accompanied by the request that the District Attorney proceed with the validation of the Series 2007 Bond.

Section 13.4. <u>Sale of Series 2007 Bond</u>. The City shall sell the Series 2007 Bond to the Purchaser for the price of $3,745,000. The Chief Officer is hereby authorized to execute and deliver, on behalf of the City, a purchase contract between the City and the Purchaser, providing for the sale of the Series 2007 Bond. The execution and delivery of a purchase contract by the Chief Officer shall constitute conclusive evidence of the ratification, confirmation, and approval by the City of the terms and conditions of the purchase contract.

Section 13.5. <u>Deputy Officer May Act</u>. Notwithstanding anything in the Bond Ordinance to the contrary, any action that the Chief Officer is required, permitted, or otherwise authorized to take may be taken by the Deputy Officer, in the absence at the time or in the event of a vacancy in the office of the Chief Officer or the incapacity at the time of the Chief Officer. These actions shall include execution, delivery, or performance of any certificate, agreement, instrument, document, or other writing, including the execution of the Bonds. To this end, the Bond Ordinance shall be construed so that all references to the Chief Officer may also be considered to be references to the Deputy Officer. The Attesting Officer shall determine whether the Chief Officer is absent or incapacitated or whether there is a vacancy in the office of Chief Officer such that the Deputy Officer may act under this Section, and the determination of the Attesting Officer shall be binding and conclusive.

Section 13.6. Payments Due on Saturdays, Sundays, etc. Whenever a date upon which a payment is to be made under the Bond Ordinance falls on a Saturday, a Sunday, a legal holiday, or any other day on which banking institutions are authorized to be closed in the state in which the payment is to be made, such payment may be made on the next succeeding business day without interest for the intervening period.

Section 13.7. Effective Date. This Master Bond Ordinance shall take effect immediately upon its adoption.

Section 13.8. Applicable Provisions of Law. The Bond Ordinance shall be governed by and construed and enforced in accordance with the laws of the State.

Section 13.9. Repeal of Conflicting Ordinances or Resolutions. Any and all ordinances and resolutions, or parts of ordinances or resolutions, if any, in conflict with the Bond Ordinance are hereby repealed.

Section 13.10. No Individual Responsibility of Members and Officers of City. No stipulations, obligations, or agreements of any member of the Governing Body or of any officer of the City shall be deemed to be stipulations, obligations, or agreements of any such member or officer in his or her individual capacity.

Section 13.11. General Authorization. From and after the date of adoption of this Master Bond Ordinance, the officials, employees, and agents of the City are hereby authorized to do all such acts and things and to execute and deliver any and all other documents, agreements, certificates, and instruments as may be necessary or desirable in connection with the execution, delivery, and sale of the Series 2007 Bond, the investment of the proceeds of the Series 2007 Bond, and the transactions contemplated on the part of the City by the Bond Ordinance. The Chief Officer and Attesting Officer are hereby authorized and directed to prepare and furnish to the Purchaser, when the Series 2007 Bond is issued, certified copies of all proceedings and records of the City relating to the Series 2007 Bond or to this Master Bond Ordinance, and such other affidavits and certificates as may be required to show the facts relating to the legality and marketability of the Series 2007 Bond as such facts appear from the books and records in the officers' custody and control or as otherwise known to them. All such certified copies, certificates, and affidavits, including any heretofore furnished, shall constitute representations of the City as to the truth of all statements contained therein.

Section 13.12. Bond Ordinance Constitutes a Contract. The Bond Ordinance constitutes a contract with the Bondholders binding the City, and therefore it is proper and appropriate for the Chief Officer to execute the same on behalf of the City and for the Attesting Officer to attest the same.

PEACHTREE CITY

(SEAL)

By:______________________________
Mayor

Attest:

____
City Clerk

CITY CLERK'S CERTIFICATE

GEORGIA, FAYETTE COUNTY

I, **JANE S. MILLER**, City Clerk of Peachtree City, **DO HEREBY CERTIFY** that the foregoing pages constitute a true and correct copy of the Master Bond Ordinance adopted by the Council of Peachtree City at an open public meeting duly called and lawfully assembled at 7:00 p.m., on the 19th day of April 2007, in connection with the authorization, issuance, and sale of $3,745,000 in principal amount of a revenue bond designated "Peachtree City Storm Water Revenue Bond, Series 2007," the original of such Master Bond Ordinance being duly recorded in the Minute Book of the City, which Minute Book is in my custody and control.

I do hereby further certify that the following members of the Council of Peachtree City were present at such meeting:

Harold Logsdon
Steve Boone
Stuart Kourajian
Cyndi Plunkett
Judi-ann Rutherford

and that the following members were absent:

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and that such Master Bond Ordinance was duly adopted by a vote of:

Aye ____ Nay ____.

WITNESS my hand and the official seal of the City of Canton, this the 19th day of April 2007.

____
City Clerk, Peachtree City

(SEAL)

CITY OF PEACHTREE CITY

INTEROFFICE MEMORANDUM

TO: **Mayor & Councilmembers**

VIA: **City Manager**
Assistant City Manager
Director of Administrative Services

FROM: **Director of Leisure Services**

DATE: **April 11, 2007**

SUBJECT: **Consider Ordinance Update: Recreation Commission Terms**
For City Council Meeting April 19, 2007

Recommendation: That Council considers approval of an update to Ordinance section 2-471 that will change Recreation Commission terms from 3 years to 5 years.

Discussion: During a routine review of ordinances it was discovered that the city ordinance guiding administration of the recreation commission was not in sync with current state law. The change noted in the attached amended ordinance now brings the local ordinance in line with state guidelines. The city attorney drafted the change and has reviewed and approved the final ordinance revision. This change will not affect the terms of currently seated commissioners but will take effect with new commissioners.

Budget Impact: No budget impact.

ORDINANCE NO. ____________

AN ORDINANCE TO AMEND THE CODE OF ORDINANCES OF THE CITY OF PEACHTREE CITY, GEORGIA, AS AMENDED, SO AS TO PROVIDE FOR TERMS FOR THE RECREATION COMMISSION; AND FOR OTHER PURPOSES.

NOW THEREFORE, BE IT AND IT IS HEREBY ORDAINED BY THE CITY COUNCIL OF THE CITY OF PEACHTREE CITY, GEORGIA, THAT:

Section 1. Section 2-471 of the Code of Ordinances of the City of Peachtree City, Georgia, as amended, is hereby further amended as follows:

Sec. 2-471. Established; organization.

There is established a recreation commission. The commission shall consist of five persons serving without pay. The members' terms of office shall be for three years, or until their successors are appointed and qualified; except that the appointment authority, in making initial appointments or in filling vacancies, is authorized and directed to vary the initial terms of members or the terms of persons appointed to fill vacancies in such a manner that thereafter the term of at least one member shall expire annually. Effective May 1, 2007, all subsequent appointments shall be for a term of five years, or until their successors shall have been duly appointed. Any member of the commission in office as of May 1, 2007, shall complete the three- year term for which such member was appointed. All appointments on such boards shall be filled by the mayor and approved by the council.

Section 2. All ordinances or parts thereof which conflict with the provisions of this ordinance are, to the extent of such conflict and except as hereinafter provided, hereby repealed.

Section 3. Should any provision of this ordinance be declared invalid by a Court of competent jurisdiction, such decision shall not affect the validity of this ordinance as a whole or any provision thereof other than the provisions specifically declared to be invalid. The City Council declares that it would have passed this ordinance and each subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more subsections, sentences, clauses or phrases may be declared invalid.

Section 4. This ordinance shall be in full force and effect upon its official adoption by the City Council.

This _________ day of __________________ 2007.

____
Harold K. Logsdon, Mayor

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Attest: ________________________________ ___________________________________
City Clerk

CITY OF PEACHTREE CITY

INTEROFFICE MEMORANDUM

TO: **Mayor and Council**

FROM: **City Manager** Bernard M. McMullen

DATE: **April 13, 2007**

SUBJECT: **Proposed Amendment to Motorized Cart Ordinance, Section 78-92**
April 19, 2007 Council Agenda

Recommendation: Staff recommends Council approve the proposed amendments to the Motorized Cart Ordinance, attached, providing reciprocity for registration between Peachtree City and Tyrone effective April 20, 2007.

Discussion: The proposed changes to the Motorized Cart Ordinance were discussed at the April 10, 2007 Association of Fayette County Governments meeting. Changes were recommended to both the City of Peachtree City and the Town of Tyrone ordinances which will allow reciprocity for citizens registered in either of the two communities to operate their motorized carts without having to pay for dual registration. In Peachtree City, registration fees are $12 every five years and $60 annually for non-residents. In Tyrone, registration is a one time charge of $15, until the cart is transferred, and $60 annually for non-residents.

Budget Impact: Peachtree City currently has 35 carts from Tyrone who pay the $60 annual user fee. Passage of this ordinance will eliminate this revenue of $2,100.

ORDINANCE NO. ________

AN ORDINANCE TO AMEND THE CODE OF ORDINANCES OF THE CITY OF PEACHTREE CITY, GEORGIA, AS AMENDED SO AS TO PROVIDE FOR MOTORIZED CART REGISTRATION AND TRANSFERS; TO REPEAL CONFLICTING ORDINANCES; TO PROVIDE FOR SEVERABILITY; TO PROVIDE AN EFFECTIVE DATE; AND FOR OTHER PURPOSES.

NOW THEREFORE, BE IT AND IT IS HEREBY ORDAINED BY THE CITY COUNCIL OF THE CITY OF PEACHTREE CITY, GEORGIA, THAT:

Section 1. That Section 78-92(a)(2) of the Code of Ordinances of the City of Peachtree City, Georgia, as amended, is hereby further amended as follows:

Sec. 78-92. Registration/transfer requirements.

(a) **Motorized carts**. It shall be the duty of every owner of an electric or gasolinepowered motorized cart that is operated over the recreation paths and streets and those areas accessible by the public to register the cart with the city within ten business days of the date of purchase. Two numerical decals shall be issued upon registration; and a record of each motorized cart number, along with the name and address of the owner, shall be maintained by the City Clerk's Office. The decals must be affixed to the sides of the cart in such a manner as to be fully visible at all times. The failure to have a current registration decal on a motorized cart shall be a violation of this Section and subject the owner of such cart to the penalties set forth in Section 1-11 of the Code of Ordinances of the City of Peachtree City.

1) **Resident Fee**: The registration fee for motorized carts owned by city residents shall be $12.00, and the registration shall be effective until the next regular registration period. Registration periods shall occur every five (5) years, beginning in 2006.

2) **Non-Resident Fee**: **In addition to the initial $12.00 fee for the registration and decal, an** annual registration/user fee of $60.00 shall be charged to nonresidents of the city. The nonresident fee is due by January 31 each year until such time as the cart is sold or otherwise disposed of. This nonresident registration/user fee shall be prorated for carts purchased after January 31 of the first calendar year of ownership, unless the nonresident had previously paid the registration/user fee the same calendar year, in which case **the $12.00 registration fee would be required to** register and obtain decals for the new cart.

3) **Registration Deadline**: If the cart is not registered within ten business days of purchase, a $20.00 penalty will be applied in addition to the registration fee; and the cart shall be considered an unregistered cart after the ten business-day period.

4) **Transfers**: Upon occurrence of a sale of the cart to another person who shall operate the cart over the recreation paths and streets of the city, the registration must be transferred to the new owner within ten business days of the change in ownership at a cost of $5.00, and if the new owner is not a city resident, the nonresident registration/user fee for the balance of the year shall be due from the new owner. If the registration is not transferred within ten business days, a

$20.00 penalty will be applied in addition to the $5.00 transfer charge; and the cart shall be considered an unregistered cart after the ten business-day period. Dealers acquiring a registered cart exclusively for resale (non-rental) shall not be required to pay the transfer charge, but shall notify the city of the transfer within ten business days of receiving the cart, and of the ultimate disposition of the cart within ten business days of sale.

5) **Special tourism events**: Council may, at its discretion, waive registration requirements for special events of a limited duration to which out-of-city residents may bring carts as participants.

6) **Tyrone Registration**. The City of Peachtree City will honor/recognize permits issued by the Town of Tyrone. Registered Tyrone residents will be afforded the same privileges in Peachtree City as those Peachtree City resident permit holders, and all Sections of this Ordinance will apply to those non-residents.

Section 2. All ordinances or parts thereof which conflict with the provisions of this ordinance are, to the extent of such conflict and except as hereinafter provided, hereby repealed.

Section 3. Should any provision of this ordinance be declared invalid by a Court of competent jurisdiction, such decision shall not affect the validity of this ordinance as a whole or any provision thereof other than the provisions specifically declared to be invalid. The City Council declares that it would have passed this ordinance and each subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more subsections, sentences, clauses or phrases may be declared invalid.

Section 4. This ordinance shall be in full force and effect as of April 20, 2007.

This 16th day of February 2006.

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Harold K. Logsdon, Mayor

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Attest: ____________________________ ______________________________
City Clerk

Peachtree City Civic Association Position on the TDK Extension Project

Our Position: The Peachtree City Civic Association (PTCCA) does not support the expansion of TDK Boulevard into Coweta County and views the project as a serious detriment to Peachtree City and Fayette County's quality of life. Therefore, The Mayor and City Council should immediately take any and all actions necessary to terminate the extension of TDK Boulevard.

The following reasons support our position.

Environmental Impact

- Water quality in Line Creek and future Lake McIntosh will be adversely affected
- Increased traffic and commuting delays will lower air quality
- Noise and vibrations will increase from additional traffic

Massive traffic influx into Peachtree City, resulting in colossal congestion:

- Numerous new road/signal projects are required in Peachtree City
- Eastern Coweta's cut through traffic will have an adverse impact on our neighborhood quality of life
- Significantly increased commute time due to increased congestion
- Extension of TDK will encourage eastern Coweta County to build at a much higher density

Negative Impact on Public Safety

- Pedestrian, biker, and golf cart safety will be jeopardized
- Increased demand on emergency, police, and fire services

Negative financial impact on Peachtree City and Fayette County:

- Future Coweta retail development would be in direct competition to the PTC village retail centers
- An increased tax burden will be necessary to deal with infrastructure requirements

Negative affect on Falcon Field:

- Coweta Residents May Be Opposed to Flight Patterns and Operational Issue
- Residential development in Coweta County will present a challenge to Falcon Field operations
- Any negative financial impact burden will be borne by PTC

In Summary: The PTCCA requests that the governing bodies of Peachtree City and Fayette County take immediate due diligence to stop the expansion of TDK Boulevard into Coweta County. There are no positive benefits to our county or to the residents of Peachtree City. We acknowledge that the TDK extension has been proposed for several decades. However, the changes in the Coweta County Land use plan, zoning ordinances, and the apparent lack of funds to compensate Peachtree City for the TDK's impact on our infrastructure and current roadways, prevents us from endorsing this project. PTCCA requests that the elected officials and governing bodies place what is in the best interests of its residents above the interests of developers and that Coweta County take responsibility for improving roads and managing traffic from development in its own county.