

**Action Requested/Required:**

- ☐ Vote/Action Requested
☒ Discussion or Presentation Only
☐ Public Hearing
Report Date: _____
Hearing Date: _____
Voting Date: _____

Department: City Management **Presenter(s) & Title:** Nathan Ingram, Assistant City Mgr

Agenda Item Title:

Review and Discussion of Resolution Authorizing the Execution of an Intergovernmental Contract Relating to The Canton Building Authority Revenue Bond Series 2025, and for Other Related Purposes

Summary:

The Resolution being proposed, provides for approval of an IGA between the Downtown Development Authority (DDA) and Canton Building Authority (CBA), authorizes the Authority to issue negotiable revenue bonds, approves an Assignment Assumption of Contract, authorizes the Custodial Agreement and the Home Office Payment Agreement.
Management will ask for the DDA to consider approving Assignment Assumption of Contract at their October 8th meeting.

Budget Implications:

Budgeted? ☐ Yes ☐ No ☒ N/A

Total Cost of Project: _____ Check if Estimated ☐

Fund Source: General Fund ☐ Water & Sewer ☐ Sales Tax ☐ Other: _____

Staff Recommendations:

At Council's October 16th meeting, City Management will request Council consider: Motion to approve The Resolution Authorizing the Execution of an Intergovernmental Contract Relating to the Canton Building Authority Revenue Bond, Series 2025, and for Other Related Purposes.

Reviews:

Has this been reviewed by Management and Legal Counsel, if required? ☒ Yes ☐ No

Attachments:

Resolution Authorizing the Execution of an Intergovernmental Contract Relating to the CBA Revenue Bond, Series 2025, and for Other Related Purposes

CANTON BUILDING AUTHORITY

AND

CITY OF CANTON, GEORGIA

INTERGOVERNMENTAL CONTRACT

Dated as of November 1, 2025

The rights and interest of Canton Building Authority in this Intergovernmental Contract have been pledged under the Resolution to the holder from time to time of the Bond.

This document was prepared by:
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INTERGOVERNMENTAL CONTRACT

TABLE OF CONTENTS

(This Table of Contents is not a part of the Intergovernmental Contract and is only for convenience of reference.)

ARTICLE I. DEFINITIONS	3
ARTICLE II. REPRESENTATIONS	4
Section 2.1. Representations of Authority.	4
Section 2.2. Representations of the City.	5
ARTICLE III. ISSUANCE OF THE BOND	7
Section 3.1. Agreement to Issue the Bond;	7
Section 3.2. Application of Bond Proceeds.	7
ARTICLE IV. THE PROJECT	8
Section 4.1. Agreement to Construct and Equip the Project; Title to Project.	8
Section 4.2. Establishment of Completion Date.	8
Section 4.3. In Event Bond Proceeds Insufficient.	8
ARTICLE V. EFFECTIVE DATE OF THIS CONTRACT; DURATION OF TERM; CONTRACT PAYMENT PROVISIONS	9
Section 5.1. Effective Date of this Contract; Duration of Term.	9
Section 5.2. Contract Payments.	9
Section 5.3. Obligations of the City Hereunder Unconditional.	9
Section 5.4. Levy for Contract Payments.	10
Section 5.5. Appropriation Obligation.	10
ARTICLE VI. SPECIAL COVENANTS	11
Section 6.1. Further Assurances and Corrective Instruments.	11
Section 6.2. Authority and City Representatives.	11
Section 6.3. City's Obligations in the Resolution.	11
Section 6.4. Tax Exemption.	11
Section 6.5. Provisions Respecting Insurance.	11
Section 6.6. [Financial Statements].	11
Section 6.7. Operation and Maintenance of the Project.	12
Section 6.8. Release and Indemnification Covenants.	12
Section 6.9. Assignments.	13
Section 6.10. Fiscal Agents.	13
Section 6.11. Sale, Leases or Liens on Project by Authority.	13
ARTICLE VII. EVENTS OF DEFAULT AND REMEDIES	14
Section 7.1. Events of Default Defined.	14

Section 7.2.	Remedies on Default.....	14
Section 7.3.	No Remedy Exclusive.....	14
Section 7.4.	Agreement to Pay Attorneys’ Fees and Expenses.	15
Section 7.5.	No Additional Waiver Implied by One Waiver.....	15
ARTICLE VIII. MISCELLANEOUS		16
Section 8.1.	Notices.	16
Section 8.2.	Binding Effect; Third Party Beneficiary.....	16
Section 8.3.	Severability.	16
Section 8.4.	Amounts Remaining in Funds.	16
Section 8.5.	Amendments, Changes and Modifications.	17
Section 8.6.	Execution in Counterparts.....	17
Section 8.7.	Applicable Law.	17
Section 8.8.	Captions.	17
Section 8.9.	No Personal Recourse.	17

THIS INTERGOVERNMENTAL CONTRACT is entered into as of November 1, 2025 (this “Contract”) between the CANTON BUILDING AUTHORITY (the “Authority”) and the CITY OF CANTON, GEORGIA (the “City”).

W I T N E S S E T H:

WHEREAS, the Canton Building Authority (the “Authority”) is a public body corporate and politic of the State of Georgia (the “State”) created pursuant to the Canton Building Authority Act (2002 Ga. L., p. 4310, *et seq.*, as amended) (the “Act”); and

WHEREAS, the Act Authorizes the Authority to (a) acquire, construct, purchase, own, equip, operate, extend, improve, lease, and sell any “projects” (as defined in the Act), (b) make and execute with public and private persons and corporations contracts, lease agreements, rental agreements, installment sale agreements, and other instruments relating to its projects and (c) borrow money for any of its corporate purposes and to issue revenue bonds ... and to pledge and assign any of its revenues, income, rent, charges, and fees to provide for the payment of the same; and

WHEREAS, “project” is defined in the Act as all buildings, facilities and equipment necessary or convenient for the efficient operation of the City of Canton, Georgia (the “City”); and

WHEREAS, the Act also authorizes the Authority to issue negotiable revenue bonds in the manner provided by Article 3 of Chapter 82 of Title 36, known as the “Revenue Bond Law,” for the purpose of paying all or any part of the cost of any one or more projects; and

WHEREAS, the governing authority of the City has determined that it is in the best interests of the citizens of the City to finance the renovation and rehabilitation of a fire station within the corporate boundaries of the City (the “Project”); and

WHEREAS, the City is a municipal corporation of the State created pursuant to the Constitution and laws of the State; and

WHEREAS, Article IX, Section II, Paragraph III(a) of the Constitution of the State of Georgia authorizes any municipality to exercise certain powers and provide certain services, including fire protection; and

WHEREAS, Article IX, Section III, Paragraph I(a) of the Constitution of the State of Georgia authorizes, among other things, any City, municipality or other political subdivision of the State to contract, for a period not exceeding fifty years, with another City, municipality or political subdivision or with any other public agency, public corporation or public authority for joint services, for the provision of services, or for the provision or separate use of facilities or equipment, provided that such contract deals with activities, services or facilities which the contracting parties are authorized by law to undertake or to provide; and

WHEREAS, the Authority proposes to issue its Revenue Bond, Series 2025, in the principal amount of \$[Par Amount] (the “Bond”) for the purpose of (a) financing all or a portion of the costs of constructing and equipping the Project and (b) paying the costs of issuing the Bond; and

WHEREAS, the Authority and the City propose to enter into this Contract, pursuant to which the Authority will agree to (a) issue the Bond and (b) construct and equip the Project, and the City will agree to (a) pay the Authority amounts sufficient to enable the Authority to pay the debt service on the Bond (the “Contract Payments”) and (b) levy an ad valorem property tax, unlimited as to rate or amount, on all property in the City subject to such tax in order to make such Contract Payments.

NOW, THEREFORE, for and in consideration of the mutual covenants hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Authority and the City, hereto agree as follows:

ARTICLE I.

DEFINITIONS

All capitalized, undefined terms used in this Contract shall have the meanings ascribed to them in the Resolution. The following words and terms used in this Contract shall have the following meanings:

“Assignment and Assumption Agreement” means the Assignment and Assumption Agreement, dated as of November 1, 2025, by and between the City of Canton Downtown Development Authority as assignor and the Authority as assignee, consented to by the City, the County and certain vendors.

“City IGA” means the Intergovernmental Agreement for Redevelopment of Property, dated November ____, 2024, by and between the City and the Downtown Development Authority, assigned to the Authority pursuant to the Assignment and Assumption Agreement.

“County” means Cherokee County, Georgia.

“County IGA” means the Intergovernmental Agreement for the Lease and Improvement of Real Property, dated December 17, 2024, by and between the County and the Downtown Development Authority, assigned to the Authority pursuant to Assignment and Assumption Agreement.

“Default” and “Event of Default” mean with respect to any Default or Event of Default under this Contract any occurrence or event specified and defined by Section 6.1 hereof.

“Downton Development Authority” means the Downton Development Authority of the City of Canton, Georgia.

“Resolution” means the resolution of the Authority adopted on October 16, 2025, pursuant to which the Bond is authorized to be issued, including any resolution supplemental thereto.

ARTICLE II.

REPRESENTATIONS

Section 2.1. Representations of Authority.

The Authority represents as follows:

(a) The Authority is a body corporate and politic of the State duly created and validly existing under the Constitution and laws of the State. Under the provisions of the Act, the Authority is authorized to (i) adopt the Resolution and perform its obligations thereunder, (ii) issue, execute, deliver and perform its obligations under the Bond and (iii) execute, deliver and perform its obligations under this Contract, the Assignment and Assumption Agreement, the City IGA and the County IGA (together with this Contract, the Assignment and Assumption and the City IGA, “Authority Documents”) (items (i) through (iii) are collectively referred to as the Authority Transactions). The Resolution has been duly adopted and has not been modified or repealed. The Authority has duly authorized the Authority Transactions. The Resolution, the Bond, and Authority Documents are valid, binding, and enforceable obligations of the Authority.

(b) No approval or other action by any governmental authority or agency or other person is required to be obtained by the Authority as of the date hereof in connection with the Authority Transactions except as shall have been obtained; provided, however, no representation is given with respect to any “blue sky” laws.

(c) The Authority Transactions, and the ownership of the Project do not (i) violate the Act or the laws or Constitution of the State or any existing court order, administrative regulation, or other legal decree to which the Authority or its property is subject or (ii) conflict with or constitute a breach of or a default under or any agreement, indenture, mortgage, lease, note or other instrument to which the Authority is a party or by which it or its property is subject.

(d) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the knowledge of the Authority, threatened against or affecting the Authority (or, to the knowledge of the Authority, any meritorious basis therefor) (i) attempting to limit, enjoin or otherwise restrict or prevent the Authority from issuing the Bond, (ii) contesting or questioning the existence of the Authority or the titles of the present officers of the Authority to their offices or (iii) wherein an unfavorable decision, ruling or finding would (A) adversely affect the enforceability of the Resolution, the Bond or this Contract, or (B) materially adversely affect (1) the financial condition or results of operations of the Authority or (2) the Authority Transactions.

(e) The Authority is not (i) in violation of the Act or the laws or Constitution of the State or any existing court order, administrative regulation, or other legal decree to which the Authority or its property is subject or (ii) in breach of or default under any agreement, indenture, mortgage, lease, note or other instrument to which the Authority is

a party or by which it or its property is subject, which violation or breach or default would (A) adversely affect the enforceability of the Resolution, the Bond or the Authority Documents, or (B) materially adversely affect (1) the financial condition or results of operations of the Authority or (2) the Authority Transactions.

(f) The Authority, in issuing the Bond for the purpose of financing the Project to be operated by the County for the benefit of the City, will be acting in accordance with the public purpose expressed in the Act.

(g) The Resolution creates a lien on the Security in favor of the owner of the Bond.

The Authority makes no representation as to the (a) financial position or business condition of the City, (b) condition or workmanship of the Project, or (c) suitability of the Project for the City or the County's purposes.

Section 2.2. Representations of the City.

The City represents as follows:

(a) The City is a municipal corporation duly created and organized under the Constitution and laws of the State. Under the Constitution and laws of the State, the City is authorized to execute, deliver, and perform its obligations under this Contract, the Assignment and Assumption Agreement and the City IGA (together with this Contract, and the Assignment and Assumption Agreement, the "City Documents"). The execution, delivery and performance of the City's obligations under the City Documents are collectively referred to herein as the "City Transactions." The City has duly authorized the City Transactions. The City Documents are valid, binding and enforceable obligations of the City.

(b) No approval or other action by any governmental authority or agency or other person is required to be obtained by the City as of the date in connection with the City Transactions; provided, however, no representation is given with respect to any "blue sky" laws.

(c) The City transactions do not (i) violate the City Charter or the laws or Constitution of the State or any existing court order, administrative regulation, or other legal decree to which the City or its property is subject or (ii) conflict with or constitute a breach of or a default under any agreement, indenture, mortgage, lease, note or other instrument to which the City is a party or by which it or its property is subject.

(d) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the knowledge of the City, threatened against or affecting the City (or, to the knowledge of the City, any meritorious basis therefor) (i) contesting or questioning the existence of the City or the titles of the present officers of the Board to their offices or (ii) wherein an unfavorable decision, ruling or finding would (A) adversely affect the enforceability of the City

Documents, or (B) materially adversely affect (1) the financial condition or results of operations of the City or (2) the City Transactions.

(e) The City is not (i) in violation of the City Charter or laws or Constitution of the State or any existing court order, administrative regulation, or other legal decree to which the City or its property is subject or (ii) in breach of or default under any agreement, indenture, mortgage, lease, note or other instrument to which the City is a party or by which it or its property is subject, which violation or breach or default would (A) adversely affect the enforceability of the City Documents, or (B) materially adversely affect (1) the financial condition or results of operations of the City or (2) the City Transactions.

ARTICLE III.

ISSUANCE OF THE BOND

Section 3.1. Agreement to Issue the Bond;

The Authority agrees that it will issue the Bond and cause the construction and equipping of the Project. The Authority shall deliver a certified copy of the Resolution to the City promptly upon adoption thereof.

Section 3.2. Application of Bond Proceeds.

The proceeds from the sale of the Bond shall be applied as provided in the Resolution, and the City hereby approves the issuance of the Bond.

ARTICLE IV.

THE PROJECT

Section 4.1. Agreement to Construct and Equip the Project; Title to Project.

The Authority shall execute the construction contract for the construction and equipping of the Project. The construction contract shall state that the County shall serve as project manager pursuant to the County IGA and shall require that the County accept its obligations hereunder, including, but not limited to its obligation to deliver the completion certificate.

The Authority, in collaboration with the County, shall obtain all necessary approvals from any and all governmental agencies requisite to the construction and equipping of the Project. The Project shall be constructed and equipped in compliance with all federal, state and local laws, ordinances and regulations applicable thereto. The Authority will take such action and institute such proceedings as it shall deem appropriate to assure that the construction and equipping of the Project will proceed in an efficient and workmanlike manner.

The Authority shall cause the County to construct and equip the Project with all reasonable dispatch and to use its best efforts to cause the construction and equipping of the Project to be completed as soon as may be practical, delays incident to strikes, riots, acts of God or the public enemy beyond the reasonable control of the Authority excepted.

The City shall prepare the Requisitions required by the Resolution.

The Project shall be titled in the name of the Authority during the term of this Contract. At the expiration of the term of this Contract, the City shall determine if the title to the Project shall remain in the Authority or if title shall be transferred to the City or any other entity. The Authority, at the expense of the City, shall execute the conveyance documents required to transfer the Project.

Section 4.2. Establishment of Completion Date.

The Completion Date shall be evidenced to the Project Fund Custodian, the City and the owner of the Bond by a completion certificate signed by a representative of the County substantially in the form attached hereto as Exhibit A.

Section 4.3. In Event Bond Proceeds Insufficient.

The Authority does not make any warranty, either express or implied, that the proceeds derived from the sale of the Bond will be sufficient to pay all the costs of the Project. In the event that the proceeds derived from the sale of the Bond are insufficient to pay all the costs of Project intended to be financed with Bond proceeds, the City shall pay the remaining costs.

ARTICLE V.

EFFECTIVE DATE OF THIS CONTRACT; DURATION OF TERM; CONTRACT PAYMENT PROVISIONS

Section 5.1. Effective Date of this Contract; Duration of Term.

This Contract shall remain in full force and effect from the date of its execution and delivery to and including the date the Bond and all amounts owing hereunder shall have been fully paid or provision made for such payment, whichever is later, but in no event later than 50 years from the date hereof.

Section 5.2. Contract Payments.

(a) The City agrees to pay the Contract Payments at least one day before the applicable Interest Payment Date. The Authority has assigned the Contract Payments to the owner of the Bond, and the City consents to such assignment. The Authority hereby directs the City to make the Contract Payments directly to the Sinking Fund Custodian unless the Authority, the City and the owner of the Bond shall provide otherwise pursuant to Section 208 of the Resolution.

(b) In the event the City should fail to make any of the Contract Payments required in this Section 4.2, the item or installment so in Default shall continue as an obligation of the City until the amount in Default shall have been fully paid, and the City agrees to pay the same with interest thereon at the rate borne by the Bond, to the extent permitted by law, from the date thereof.

(c) The City shall have and is hereby granted the option to prepay from time to time the Contract Payments due under this Contract, but only in accordance with the provisions of the Resolution permitting prepayment of the Bond, in amounts sufficient to pay or cause to be paid the Bond in accordance with the provisions of the Resolution.

Section 5.3. Obligations of the City Hereunder Unconditional.

The obligations of the City to make the Contract Payments shall be absolute and unconditional and shall not be subject to any defense or any right of setoff, counterclaim or recoupment arising out of any breach by the Authority of any obligation to the City, whether hereunder or otherwise, or out of any indebtedness or liability at any time owing to the City by the Authority. Until such time as the principal of and interest and prepayment premium (if any) on the Bond shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Resolution, the City (a) will not suspend or discontinue any payments provided for in Section 5.2 hereof, (b) will perform and observe all of its other agreements contained in this Contract and (c) will not terminate the Contract for any cause, including, without limiting the generality of the foregoing, the occurrence of any acts or circumstances that may constitute failure of consideration, commercial frustration of purpose, any change in the laws of the United States of America or of the State or any political subdivision thereof or any failure of the Authority to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Contract. Nothing contained in this

Section shall be construed to release the Authority from the performance of any of the agreements on its part herein contained, and in the event the Authority should fail to perform any such agreement on its part, the City may institute such action against the Authority as the City may deem necessary to compel performance so long as such action does not abrogate the obligations of the City contained in the first sentence of this Section.

Section 5.4. Levy for Contract Payments.

The City may make the Contract Payments from any legally available funds. In the event that the City does not have sufficient legally available funds to make the Contract Payments, the City shall levy an ad valorem tax, unlimited as to rate or amount, on all property located within the City subject to such tax in the amounts necessary to make the Contract Payments.

Section 5.5. Appropriation Obligation.

In order to make funds available to pay the Contract Payments, the City shall in its general revenue, appropriation and budgetary measures include sums sufficient to timely pay the Contract Payments

ARTICLE VI.

SPECIAL COVENANTS

Section 6.1. Further Assurances and Corrective Instruments.

The Authority and the City agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the expressed intention of this Contract.

Section 6.2. Authority and City Representatives.

Whenever under the provisions of this Contract the approval of the Authority or the City is required or the Authority or the City is required to take some action at the request of the other, such approval or such request shall be given for the Authority by its designated representative and for the City by its designated representative.

Section 6.3. City's Obligations in the Resolution.

The City agrees to perform all of its obligations (if any) under, and to comply with all of the terms of, the Resolution.

Section 6.4. Tax Exemption.

The Authority and the City will take all actions required to preserve the tax-exempt status of the Bond.

Section 6.5. Provisions Respecting Insurance.

During the term of the County IGA, the County shall insure the Project in the same manner that it insures its other similar facilities. Upon the termination of the County IGA, the City shall insure the Project in the same manner that it insures its other similar facilities. All general liability insurance with respect to the Project shall name the Authority as an additional insured, unless the policy prohibits it.

Section 6.6. [Financial Statements].

The City shall provide a copy of its audited financial statements to the owner of the Bond in reasonable detail, with supporting schedules (the "Audit") as soon as practicable after the City's acceptance thereof and in any case within 270 days of the end of each fiscal year. The City may satisfy its obligation to provide the owner of the Bond with audited financial statements by providing the owner of the Bond a link to an electronic copy of such audited financial statements or by posting the audited financial statements on the Electronic Municipal Market Access system. In the event the audit is not available within 270 days of fiscal year end, the City will furnish unaudited financial statements to the owner of the Bond in the manner described in this paragraph within such period, and will then supply the Audit immediately upon the availability thereof. In

addition, at the request of the owner of the Bond the City shall provide a copy of its annual budget as submitted or approved, and such other financial information at such reasonable times as the owner of the Bond may reasonably request.

Section 6.7. Operation and Maintenance of the Project.

During the term of the County IGA, the Authority shall own and the County shall operate the Project and the County shall pay all costs of operating the Project, including, without limitation, salaries, wages, employee benefits, the payment of any contractual obligations incurred pertaining to the operation of the Project, cost of materials and supplies, rentals of leased property, real or personal, insurance premiums, audit fees, any incidental expenses and such other charges as may properly be made for the purpose of operating the Project in accordance with sound business practice (the "Operating Costs").

Pursuant to the County IGA, the County shall keep the Project in good repair and shall pay all expenses related thereto (the "Maintenance Costs").

In the event the County IGA is terminated, the City shall pay all of the Operating Costs and the Maintenance Costs.

Section 6.8. Release and Indemnification Covenants.

(a) To the extent permitted by law, the City hereby agrees to release the Authority from and to indemnify the Authority for any and all liabilities and claims against the Authority arising from the issuance of the Bond and the operation of the Project, including without limitation, (i) any condition of the Project, (ii) any breach or Default on the part of the City in the performance of any of its obligations under this Contract, (iii) any act or negligence of the City or of any of its agents, contractors, servants, employees or licensees, or (iv) any act or negligence of any assignee or lessee of the City, or of any agents, contractors, servants, employees or licensees of any assignee or lessee of the City or (v) any material statement or omission by the City in connection with the sale of the Bond. Upon notice from the Authority, the City shall defend the Authority in any such action or proceeding. In addition, to the extent permitted by law, the City agrees to release the Fiscal Agents from and to indemnify the Fiscal Agents for any and all liabilities and claims against the Fiscal Agents arising from the issuance of the Bond and the acceptance or administration of the duties of the Fiscal Agents under the Resolution.

(b) Any one or more of the parties indemnified in this Section 6.8 shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such parties unless the employment of such counsel has been specifically authorized by the City.

(c) Notwithstanding the foregoing provisions of this Section 6.8, the City shall not indemnify the Authority or the Fiscal Agents for any claim or loss arising as a result of the gross negligence or willful misconduct of the Authority or the Fiscal Agents or for any claim that the City is prohibited by law from providing indemnification to such party.

(d) For purposes of this Section 6.8, all references to the Authority and the Fiscal Agents shall include their present and future directors, officers, members, agents and employees.

(e) The provisions of this Section 6.8 shall survive the termination of this Contract.

Section 6.9. Assignments.

Except for the assignment of the Contract pursuant to the Resolution, this Contract may not be assigned, as a whole or in part, by the Authority. The Authority has assigned this Contract to the owner of the Bond, and the City consents to such assignment.

This Contract may not be assigned, as a whole or in part, by the City without the consent of the Authority and the owner of the Bond. No assignment shall relieve the City from primary liability for any obligations hereunder, and in the event of any such assignment the City shall continue to remain primarily liable for payment of the Contract Payments and for performance and observance of the other agreements on its part herein provided to be performed and observed by the City to the same extent as though no assignment had been made.

Section 6.10. Fiscal Agents.

The City agrees to pay the reasonable fees and expenses of the Fiscal Agents as provided by Section 604 of the Resolution, such reasonable fees and expenses to be paid directly to the party to whom the payment is due when such reasonable fees and expenses become due and payable.

Section 6.11. Sale, Leases or Liens on Project by Authority.

The Authority shall not sell or lease all or any part of the Project or create a lien on all or any part of the Project without the written consent of the City.

ARTICLE VII.

EVENTS OF DEFAULT AND REMEDIES

Section 7.1. Events of Default Defined.

The following shall be “Events of Default” under this Contract and the terms “Event of Default” and “Default” shall mean, whenever they are used in this Contract, any one or more of the following events:

- (a) Failure by the City to make the payments required to be paid under Section 5.2 hereof.
- (b) Failure by the City or the Authority to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subparagraph (a) of this Section 6.1, for a period of 30 days after written notice specifying such failure and requesting that it be remedied is given to the defaulting party by the nondefaulting party, unless the nondefaulting party shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice be such that it cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted by the defaulting party within the applicable period and is being diligently pursued until the Default is corrected.
- (c) Any representation or warranty made in this Contract shall be found untrue.
- (d) The occurrence of an Event of Default under the Resolution.

Section 7.2. Remedies on Default.

Whenever any Event of Default referred to in Section 7.1 hereof shall have happened and be continuing, the nondefaulting party or the owner of the Bond may take any action and pursue any remedy available under the laws of the State, including, without limitation, bringing an action for specific performance; provided, however, the owner of the Bond shall not have the right to accelerate the principal of the Bond.

Section 7.3. No Remedy Exclusive.

No remedy herein conferred or conferred in the Resolution is intended to be exclusive of any other remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Contract or the Resolution or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to exercise any remedy, it shall not be necessary to give any notice, other than such notice as may be expressly required in this Article.

Section 7.4. Agreement to Pay Attorneys' Fees and Expenses.

In the event the City should Default under any of the provisions of this Contract and the Authority or the owner of the Bond should employ attorneys or incur other expenses for the collection of payments or the enforcement of performance or observance of any obligation or agreement on the part of the City herein contained, the City agrees that it will on demand therefor pay to the Authority or the owner of the Bond the reasonable fee of such attorneys and such other reasonable expenses so incurred by the Authority or the owner of the Bond.

Section 7.5. No Additional Waiver Implied by One Waiver.

In the event any agreement contained in this Contract should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE VIII.

MISCELLANEOUS

Section 8.1. Notices.

All notices, certificates or other communications hereunder shall be given by hand delivery, overnight mail or registered mail, postage prepaid, to the following addresses, as changed by notice in writing delivered to all other parties:

If to Authority:

Canton Building Authority Attn: Chairperson
c/o City of Canton, Georgia
110 Academy St.
Canton, GA 30114

If to the City:

City of Canton, Georgia
Attn: City Manager
110 Academy St.
Canton, GA 30114

If to the Lender, as owner of the Bond:

[Lender]
[Lender's Address]

Section 8.2. Binding Effect; Third Party Beneficiary.

This Contract shall inure to the benefit of and shall be binding upon the Authority and the City and their successors and assigns. The owner of the Bond shall be a third-party beneficiary hereof. No other party is a beneficiary of this Contract.

Section 8.3. Severability.

In the event any provision of this Contract shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 8.4. Amounts Remaining in Funds.

Any amounts remaining in any funds or accounts created under the Resolution upon expiration or earlier termination of the Contract, as provided in this Contract, after payment in full of the Bond (or provision for payment thereof having been made in accordance with the provisions of the Resolution) and all other amounts owing hereunder, shall belong to and be paid to the City.

Section 8.5. Amendments, Changes and Modifications.

This Contract may only be amended, changed or modified in writing by the parties hereto and with the written consent of the owner of the Bond.

Section 8.6. Execution in Counterparts.

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

Section 8.7. Applicable Law.

This Contract shall be governed by and construed in accordance with the laws of the State.

Section 8.8. Captions.

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

Section 8.9. No Personal Recourse.

No personal recourse shall be had for any claim based on this Contract against any member, officer or employee of the Authority or the City in his or her individual capacity.

IN WITNESS WHEREOF, the parties have caused this Contract to be executed in their corporate names by duly authorized officers and have caused their seals to be impressed hereon, all as of the date first above written.

CANTON BUILDING AUTHORITY

(SEAL)

By: _____
Chairperson

Attest:

By: _____
Secretary

CANTON, GEORGIA

(SEAL)

By: _____
Mayor

Attest:

By: _____
Clerk

(Intergovernmental Contract)

EXHIBIT A

COMPLETION CERTIFICATE

Regions Bank
Atlanta, Georgia

Canton Building Authority
Canton, Georgia

[Lender]
[Lender's Address]

City of Canton, Georgia
Canton, Georgia

Re: Canton Building Authority Revenue Bond, Series 2025

To the Addressees:

The proceeds of the above-captioned bond (the "Bond") were used to finance all or a portion of the costs of renovation and rehabilitation of a fire station (the "Project") within the corporate boundaries of the City of Canton, Georgia (the "City"). The Canton Building Authority and the City entered into an Intergovernmental Contract, dated as of November 1, 2025 (the "Contract") relating to the Bond. Capitalized terms used, but not defined herein, shall have the meanings assigned to them in the Contract.

Pursuant to the County IGA, the County served as project manager.

The undersigned County Representative, as project manager, hereby certifies as follows:

1. The Project has been completed.
2. Except for amounts retained by the City to pay any costs of the Project not then due and payable, all costs of labor, services, materials and supplies have been paid.

The foregoing certifications have been made without prejudice to any rights against third parties which exist at the date of this certificate or which may subsequently come into being.

[Include the following only if there are excess moneys in the Project Fund]

Regions Bank, as Project Fund Custodian, is hereby directed to transfer all moneys in the Project Fund to the Sinking Fund Custodian for deposit in the Sinking Fund.

CHEROKEE COUNTY, GEORGIA

By: _____
County Representative

HOME OFFICE PAYMENT AGREEMENT

THIS HOME OFFICE PAYMENT AGREEMENT is dated as of November 1, 2025 (this “Agreement”) and is made and entered by and among the CANTON BUILDING AUTHORITY (the “Authority”), the CITY OF CANTON, GEORGIA (the “City”), and [PURCHASER] (the “Lender”).

W I T N E S S E T H:

WHEREAS, the Authority adopted a resolution on October 16, 2025 (the “Resolution”) authorizing the issuance of its Revenue Bond, Series 2025 (the “Bond”); and

WHEREAS, pursuant to the Resolution, the Authority authorized the sale of the Bond to the Lender; and

WHEREAS, the Authority, the City and the Lender desire to enter into this Agreement pursuant to Article II Section 208 of the Resolution in order to provide for an alternative method of paying the debt service on the Bond.

NOW, THEREFORE, for and in consideration of the premises and undertakings as hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1.

This Agreement shall become effective upon the date of issuance and delivery of the Bond and shall continue in effect until the principal of and the interest on the Bond shall have been fully paid pursuant to the provisions of the Resolution. Capitalized terms used, but not defined herein, shall have the meanings assigned to them in the Resolution.

2.

While the Bond remains outstanding and the Lender is the registered owner of the Bond, on or prior to each Interest Payment Date, the City shall pay the principal and interest due on the Bond to the Lender on such Interest Payment Date as follows:

(a) If such payment is by wire transfer:

Bank Name: [Purchaser]

Routing/ABA No:

Account Number:

Account Name:

Reference/Loan:

(b) If such payment is by ACH:

Bank Name: [Purchaser]
Routing/ABA No:
Account Number:
Account Name:
Reference/Loan:

(c) If such payment is by mail:

Address:

[Purchaser]
Attn:

The City shall include the invoice statement with all mail payments and include the following notation on the check: "Loan/Account Number" provided by Lender after the loan is closed and funded.

3.

Should any phrase, clause, sentence or paragraph herein contained be held invalid or unconstitutional, it shall in no way affect the remaining provisions of this Agreement, which said provisions shall remain in full force and effect.

4.

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

5.

This Agreement shall be construed and enforced in accordance with the laws of the State of Georgia.

IN WITNESS WHEREOF, the parties hereto, acting by and through their duly authorized officers, have caused this Agreement to be executed as of the day and year first above written.

CITY OF CANTON, GEORGIA

(SEAL)

By: _____
Mayor

Attest:

City Clerk

CANTON BUILDING AUTHORITY

(SEAL)

By: _____
Chairperson

Attest:

Secretary

[PURCHASER]

By: _____
Title:

CUSTODIAL AGREEMENT

This Custodial Agreement (this “Agreement”) is dated as of November 1, 2025 (this “Agreement”) and is entered into by and among the Canton Building Authority (the “Authority”), the City of Canton, Georgia (the “City”) and Regions Bank (the “Bank”).

WITNESSETH:

WHEREAS, the Authority adopted a resolution on October 16, 2025 (the “Resolution”) authorizing the issuance of its Revenue Bond, Series 2025 (the “Series 2025 Bonds”) and creating a Project Fund; and

WHEREAS, pursuant to the Resolution, the Authority appointed the Bank as the Project Fund Custodian (the “Custodian”); and

WHEREAS, the Authority, the City and the Bank desire to enter into this Agreement in order to more clearly define the duties of the Bank as Custodian; and

WHEREAS, capitalized terms used, but not defined herein, shall have the meanings assigned to them in the Resolution.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

Section 1. Appointment and Acceptance. The Authority hereby appoints the Bank as the Custodian, and the Bank accepts such appointment.

Section 2. Documents to be Filed with the Bank. The Authority shall provide to the Bank in connection with its appointment hereunder (a) a copy of the Resolution, (b) a certificate listing the officers of the Authority authorized to act on behalf of the Authority under this Agreement and (c) such other instruments, opinions and certificates as the Bank may reasonably request. The City shall provide to the Bank in connection with its appointment hereunder (a) a certificate listing the officers of the City authorized to act on behalf of the City under this Agreement and (b) such other instruments, opinions, and certificates as the Bank may reasonably request.

Section 3. Duties of the Bank. The Bank shall perform the duties of the Custodian specified in this Agreement and in the Resolution.

Section 4. Establishment of Project Fund. The Authority hereby directs the Bank to establish and maintain a separate account known as the “Canton Building Authority Project Fund - Series 2025” (the “Project Fund”). The Project Fund shall remain the property of the Authority. Within the Project Fund, the Custodian shall create two subaccounts, the “Bond Proceeds Account” and the “Current Impact Fees Subaccount.” Additional subaccounts may be established within the Project Fund when deemed necessary or convenient by the City or the Bank. The Bank

shall have custody of the Project Fund, which shall be held on behalf of the Authority and kept separate from the other assets of the Bank, and the money on deposit in the Project Fund shall be held, invested and disbursed as directed by the City pursuant to this Agreement and the Resolution.

Section 5. Investments. The moneys on deposit in the Project Fund shall be invested or reinvested by the Bank at the direction of the City in Permitted Investments. Notwithstanding the foregoing, the Current Impact Fees Subaccount does not need to be invested in Permitted Investments.

Section 6. Disbursement of Money. The Bank shall disburse moneys on deposit in the Project Fund in accordance with this Agreement and the Resolution. Prior to the disbursement of funds from the Project Fund, the Bank shall receive a written requisition in the form described in the Resolution executed by a duly authorized representative of the City in accordance with the Resolution.

Section 7. Compensation; Indemnification. The City agrees to pay the Bank a one-time fee of \$_____ for acting as the Custodian, and, if applicable, to reimburse the Bank for its reasonable out-of-pocket expenses (including, without limitation, legal and accounting fees, costs and expenses) directly attributable to the performance of its obligations hereunder and under the Resolution. Notwithstanding the foregoing, the Bank shall not be entitled to be reimbursed for any general operating expenses allocated to this Agreement. To the fullest extent permitted by applicable law, the City hereby agrees to indemnify, defend and hold the Bank harmless from and against any loss, liability, cost or expense (including reasonable attorneys' fees, costs and disbursements) arising hereunder or in connection herewith, except to the extent any such loss, liability, cost or expense is the result of the gross negligence or willful misconduct of the Bank. Such indemnification shall survive the termination of this Agreement or the sooner resignation or removal of the Bank and shall inure to the benefit of the Bank's successors and assigns.

Section 8. Concerning the Custodian.

(a) The Bank may conclusively rely and be fully protected in acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) The Bank may consult with counsel (who may, but not need be, counsel to the Authority) and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Bank hereunder in good faith in accordance with the opinion of such counsel.

(c) The Bank may act through its agents and attorneys and shall not be responsible for any misconduct or negligence on the part of any such person so appointed with due care.

(d) Any payment obligation of the Bank hereunder shall be paid from, and is limited to funds available, established and maintained under this Agreement and the Resolution and the Bank shall not be required to expend its own funds for the performance of its duties hereunder.

(e) The Bank shall not be liable for any action taken or neglected to be taken in performing or attempting to perform its obligations hereunder other than for its gross negligence or willful misconduct. Notwithstanding any provision herein to the contrary, in no event shall the Bank be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Bank has been advised of the likelihood of such loss or damage and regardless of the form of action.

(f) The Bank undertakes to perform such duties and only such duties as are specifically set forth in this Agreement and the Resolution, and no implied covenants or obligations should be read into this Agreement against the Bank.

(g) The Bank shall not be responsible or liable for any failure or delay in the performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; hurricanes or other storms; wars; terrorism; similar military disturbances; sabotage; epidemic; pandemic; riots; interruptions; loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Bank shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

(h) The Bank may accept and act upon instructions or directions pursuant to this Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods. If the Authority or the City elects to give the Bank e-mail or facsimile instructions (or instructions by a similar electronic method) and the Bank in its discretion elects to act upon such instructions, the Bank's understanding of such instructions shall be deemed controlling. The Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Authority and the City agree to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Bank, including without limitation the risk of the Bank acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Section 9. Successors. Any banking association or corporation into which the Bank may be merged, converted or with which the Bank may be consolidated, or any banking association or corporation resulting from any merger, conversion or consolidation to which the Bank shall be a party, or any banking association or corporation to which all or substantially all of the corporate trust business of the Bank shall be transferred, shall succeed to all the Bank's rights, obligations and immunities hereunder without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding.

Section 10. Notices. Until changed by notice in writing, communications between the parties shall be delivered to:

If to Authority:

Canton Building Authority
Attn: Chairperson
110 Academy St.
Canton, Georgia 30114

If to City:

City of Canton, Georgia
Attn: City Manager
110 Academy St.
Canton, Georgia 30114

If to the Bank:

Regions Bank
Attn: Greg Pulley
1180 West Peachtree Street
Suite 1200
Atlanta, Georgia 30309

Section 11. Destruction of Records, Instruments and Papers. The Bank may retain in its files records, instruments, and papers maintained by it in relation to its Authority as long as the Bank shall consider that such retention is necessary; provided, however, the Bank shall in all cases maintain such records until the fifth anniversary of the issuance of the Series 2025 Bonds.

Section 12. Resignation or Removal of Bank. The Bank may resign or may be removed by the Authority at any time by giving at least thirty (30) days' prior written notice. No such resignation or removal shall become effective unless and until a successor has been appointed and has accepted its duties hereunder.

Section 13. Effectiveness and Term. This Agreement shall be effective upon its execution and delivery and shall remain in effect and the Authority established by this Agreement shall continue until (a) terminated by mutual agreement of the Authority, the City, and the Bank, (b) the resignation or removal of the Bank pursuant to Section 12 hereof or (c) after all moneys in the Project Fund have been spent.

Section 14. Conflict with Resolution. In the event of a conflict between the provisions of this Agreement and those of the Resolution, the terms of the Resolution shall govern.

Section 15. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Georgia without regard to conflict of law principles.

Section 16. Severability. If any term, covenant, condition or provision of this Agreement shall ever be held to be invalid or unenforceable, then in each such event the remainder

of this Agreement shall not be thereby affected, and each term, covenant, condition and provision hereof shall remain valid and enforceable to the fullest extent permitted by law.

Section 17. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of such counterparts together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers, all as of the date first above written.

CANTON BUILDING AUTHORITY

Chairperson

(Custodial Agreement)

CITY OF CANTON, GEORGIA

By: _____
Mayor

REGIONS BANK, as Project Fund Custodian

By: _____
Vice President

(Custodial Agreement)

ASSIGNMENT AND ASSUMPTION AGREEMENT

DATED AS OF _____ 1, 2025

between

DOWNTOWN DEVELOPMENT AUTHORITY OF THE CITY OF CANTON, GEORGIA
as Assignor

and

CANTON BUILDING AUTHORITY,
as Assignee

This instrument was prepared by:
Murray Barnes Finister LLP
3525 Piedmont Road NE
5 Piedmont Center, Suite 515
Atlanta, Georgia 30305
Telephone: (678) 999-0350

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (this "Assignment") is dated as of _____ 1, 2025 and is entered into by and between the DOWNTOWN DEVELOPMENT AUTHORITY OF THE CITY OF CANTON, GEORGIA (the "Assignor") and the CANTON BUILDING AUTHORITY and its successors and assigns (the "Assignee") and is acknowledged and consented to by CHEROKEE COUNTY, GEORGIA (the "County"), the CITY OF CANTON, GEORGIA (the "City"), CROFT & ASSOCIATES, INC., and BLUE SHIELF ENVIRONMENTAL.

WITNESSETH:

WHEREAS, the Assignor owns certain real property located at 190 W Main Street, Canton, Georgia (the "Site"); and

WHEREAS, the Site includes a building previously used as a fire station (the "Property") by the City; and

WHEREAS, on or about September 20, 2016, the County and the City entered into a Fire & Emergency Services Consolidation Agreement to allow the County to provide fire and emergency services to the City; and

WHEREAS, the County, the City and the Assignor determined that the Property should be improved (the "Project") and used as a fire station; and

WHEREAS, Assignor entered into the contracts listed on Exhibit A hereto (the "Contracts") in connection with the Project; and

WHEREAS, the Assignor, the City and the Assignee have determined that the (a) costs of the Project should be financed with the proceeds of a revenue bond issued by the Assignee, (b) Property should be conveyed to the Assignee and (c) Contracts should be assigned to the Assignee; and

NOW, THEREFORE, for and in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Assignment. The Assignor hereby assigns all of its rights and obligations under the Contracts to the Assignee.
2. Assumption. The Assignee hereby assumes all of the Assignor's rights and obligations under the Contracts.
3. Representations of the Assignor. The Assignor has full power and authority to execute this Assignment. True and complete copies of the Contracts have been delivered to the

Assignee. The Contracts are in full force and effect and have not been amended. All of the material contracts executed by the Assignor related to the Project are listed on Exhibit A.

4. Further Acts. The Assignor agrees to make, execute, and deliver all such further or additional instruments as may be necessary to satisfy the intent and purpose hereof or to perfect the assignment made hereby.

5. Governing Law. This Assignment shall be governed by, construed in accordance with, and enforceable under the laws of the State of Georgia and applicable federal law without regard to choice of law rules.

6. Headings. Section headings in this Assignment are included herein for convenience of reference only and shall not constitute a part of this Assignment for any other purpose.

7. Counterparts. This Assignment may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which, when so executed, shall be deemed an original, but all of which together shall constitute one and the same instrument.

8. Severability. In the event any item, term, or provision contained in this Assignment is in conflict, or may hereafter be held to be in conflict, with the laws of the State of Georgia or of the United States of America, this Assignment shall be affected only as to such particular item, term, or provision, and shall in all other respects remain in full force and effect.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be executed by their duly authorized officers, all as of the date first above written.

DOWNTOWN DEVELOPMENT AUTHORITY OF
THE CITY OF CANTON, GEORGIA, as Assignor

By: _____
Chairman

(Assignment and Assumption Agreement)

CANTON BUILDING AUTHORITY, as
Assignee

By: _____
Chairman

EXHIBIT A

CONTRACTS

1. Architect Agreement, dated May 9, 2025, by and between the City of Canton Downtown Development Authority and Croft & Associates, Inc; and
2. Construction Services Agreement, by and between the City of Canton Downtown Development Authority and Blue Shield Environmental; and
3. Intergovernmental Agreement for Redevelopment of Property, by and between the City of Canton, Georgia and the City of Canton Downtown Development Authority; and
4. Intergovernmental Agreement for the Lease and Improvement of Real Property, by and between Cherokee County, Georgia and the Downtown Development Authority of the City of Canton, Georgia.

ACKNOWLEDGMENT AND CONSENT

The undersigned acknowledges and consents to the foregoing Assignment, including the foregoing assignment of the Contracts, and agrees to the assumption of all obligations of the Assignor under the Contracts by the Assignee arising on and after the dated date of the Assignment, and hereby releases the Assignor from its obligations under such Contracts arising from said Contracts. [The undersigned further consents to the City's retention of the fire development impact fees and the use of such fees for (a) the payment of the Assignee's revenue bond, or (b) the reimbursement of the City's payment of the Assignee's revenue bond].

CHEROKEE COUNTY, GEORGIA

By: _____
Chairman

(Acknowledgment and Consent of County)

ACKNOWLEDGMENT AND CONSENT

The undersigned acknowledges and consents to the foregoing Assignment, including the foregoing assignment of the Contracts, and agrees to the assumption of all obligations of the Assignor under the Contracts by the Assignee arising on and after the dated date of the Assignment, and hereby releases the Assignor from its obligations under such Contracts arising from said Contracts.

CITY OF CANTON, GEORGIA

By: _____
Mayor

(Acknowledgment and Consent of City)

ACKNOWLEDGMENT AND CONSENT

The undersigned acknowledges and consents to the foregoing Assignment, including the foregoing assignment of the Contracts, and agrees to the assumption of all obligations of the Assignor under the Contracts by the Assignee arising on and after the dated date of the Assignment, and hereby releases the Assignor from its obligations under such Contracts arising from said Contracts.

CROFT & ASSOCIATES, INC.

By: _____

Name:

Title:

ACKNOWLEDGMENT AND CONSENT

The undersigned acknowledges and consents to the foregoing Assignment, including the foregoing assignment of the Contracts, and agrees to the assumption of all obligations of the Assignor under the Contracts by the Assignee arising on and after the dated date of the Assignment, and hereby releases the Assignor from its obligations under such Contracts arising from said Contracts.

BLUE SHIELD ENVIRONMENTAL

By: _____

Name:

Title:

(Acknowledgment and Consent of Blue Shield Environmental)