Downtown Development Authority of Holly Springs

Holly Springs Public Safety Building, Council Chambers
3235 Holly Springs Pkwy. Holly Springs, GA 30115
Wednesday, September 25, 2024 | 6:00 PM

Ollie Evans - Chair | Abbey Gray | Maggie Grayeski

Andrea Johnston | Scott Owen - Vice Chair | Ryan Smith | Kyle Whitaker

AGENDA

I. CALL TO ORDER

II. OLD BUSINESS

III. NEW BUSINESS

A. Inducement resolution of the Downtown Development Authority of Holly Springs approving a proposed financing for the benefit of Holly Springs Senior Housing, LLC or its designee or designees and authorizing the execution of an inducement letter.

B. August 21, 2024 Downtown Development Authority of Holly Springs meeting minutes

IV. REPORTS

V. ADJOURNMENT

VI. EXECUTIVE SESSION

A. Real Estate

ITEM REPORT

AGENDA ITEM NUMBER: III.A.

FROM: Robert H. Logan, City Manager

MEETING DATE: September 25, 2024

AGENDA ITEM: Inducement resolution of the Downtown Development Authority of Holly Springs approving a proposed financing for the benefit of Holly Springs Senior Housing, LLC or its designee or designees and authorizing the execution of an inducement letter.

EXECUTIVE SUMMARY:

Holly Springs Senior Housing, LLC proposes to acquire, construct, furnish and equip a residential rental housing community and related facilities, expected to be comprised of approximately 222 units, 80% of which are reserved for residents who are at least 55 years old and whose incomes do not exceed 60% of the area median income, and to be located at 2455 Holly Springs Parkway which is within the Downtown Development Area. Holly Springs Senior Housing, LLC is requesting that the Authority agrees in principle to issue bonds in one or more series in an amount up to $45,000,000 for the purpose of financing the acquisition, development, construction, furnishing, and equipping of the project.

FISCAL IMPACT:

Holly Springs Senior Housing, LLC estimates that the costs of the project may require expenditures of bond proceeds of approximately $45,000,000. Holly Springs Senior Housing, LLC agrees to pay (a) the Authority's normal financing fee in connection with the issuance of the Bonds (1/8th of 1.00% of the principal amount of the issued bonds), unless the Authority agrees to waive or reduce such fee, as detailed in the Bond Documents and (b) an annual fee not to exceed $5,000 per year. Holly Springs Senior Housing, LLC also agrees to pay the Authority's legal fees and expenses incurred in connection with a sale or transfer of the Project.

ATTACHMENTS:

1. Inducement Resolution

RECOMMENDATION:

The staff recommendation is approval of the inducement resolution and authorizing the execution of an inducement letter.

CONCURRENCES:

City Manager, Planning and Zoning Commission

INDUCEMENT RESOLUTION OF THE DOWNTOWN DEVELOPMENT AUTHORITY OF HOLLY SPRINGS APPROVING A PROPOSED FINANCING FOR THE BENEFIT OF HOLLY SPRINGS SENIOR HOUSING, LLC OR ITS DESIGNEE OR DESIGNEES AND AUTHORIZING THE EXECUTION OF AN INDUCEMENT LETTER

WHEREAS, the Downtown Development Authority of Holly Springs (the "Authority") is a public body corporate and politic created and existing under the laws of the State of Georgia (the "State"), and particularly under O.C.G.A. 36-42-1, *et seq.* (the "Act"); and

WHEREAS, the Act provides that the Authority is created to develop and promote for the public good and general welfare, trade, commerce, industry, and employment opportunities and to promote the general welfare of the State by creating a climate favorable to the location of new industry, trade and commerce and the development of existing industry, trade, and commerce within the geographic jurisdiction of the Authority (the "Downtown Development Area"), and the Act further provides that by financing projects under the Act, the Authority will develop and promote for the public good and general welfare, trade commerce, industry, and employment opportunities and will promote the general welfare of the state; and

WHEREAS, the Authority is empowered under the Act, without limitation, (a) to make and execute contracts, agreements or other instruments necessary or convenient to exercise its powers or to further the public purposes for which it was created; (b) to issue revenue bonds, notes or other obligations and use the proceeds thereof for the purpose of paying all or any part of the cost of any "project" and otherwise to further or carry out its public purpose and to pay all of its costs incidental to, or necessary and appropriate to, furthering or carrying out its public purpose; (c) to extend credit or make loans to any person, corporation, partnership, or other entity for the costs of any project or any part of the costs of any project; and (d) as security for repayment of any of its revenue bonds, notes or other obligations, to pledge, mortgage, convey, assign, hypothecate or otherwise encumber any of its property (including, without limitation, real property, fixtures, personal property, revenues or other funds) all as provided more fully in the Act; and

WHEREAS, the Authority has been informed by officials of Holly Springs Senior Housing, LLC and any successors or assigns (the "Borrower"), that the Borrower proposes to acquire, construct, furnish and equip a residential rental housing community and related facilities expected to be comprised of approximately 222 units, eighty percent of which are reserved for residents who are least 55 years old and whose incomes do not exceed sixty percent of the area median income, and to be located at 2455 Holly Springs Parkway, Holly Springs, Georgia 30115, which is within the Downtown Development Area (collectively, the "Project"); and

WHEREAS, the Borrower estimates that the costs of the Project may require expenditures of bond proceeds of approximately $45,000,000; and

WHEREAS, the Borrower has represented that the Project is expected to create temporary construction jobs and full-time jobs in the City of Holly Springs, Georgia (the "City") and will otherwise have a favorable impact on the welfare of the City; and

WHEREAS, the Project, being a project that will assist industry and commerce in the City, may be financed under the Act; and

WHEREAS, after careful study and investigation of the nature of the Project at a meeting open to the public, held in accordance with all open meetings laws, the Authority has determined that in assisting with the financing of the acquisition, construction, furnishing and equipping of the Project, it will be acting in furtherance of the purposes of the Act; and

WHEREAS, the most feasible method of financing a portion of the Project is for the Authority to issue its revenue bonds or other debt instruments in one or more issue which may be in one or more series (the "Bonds") for such purpose, and for it to lend the proceeds from the sale of said Bonds to the Borrower to enable the Borrower to acquire, construct, furnish and equip the Project, with loan repayments to be sufficient and timely to enable the payment of the principal of, premium (if any) and interest on said Bonds; and

WHEREAS, the Borrower has requested that the Authority indicate its willingness to issue its Bonds to finance the Project which financing may include the funding of various reserve funds and/or payment of professional fees and costs of issuance of the Bonds, so that said acquisition, construction, furnishing and equipping of the Project may proceed; and

WHEREAS, in view of the need to place the Project in operation as soon as possible and other factors, the Borrower desires to make expenditures or to cause the Authority to make expenditures with moneys advanced by the Borrower, relating to the Project prior to the issuance of the Bonds, which the Borrower desires to have reimbursed with proceeds of the Bonds and wishes to obtain assurances from the Authority that, upon satisfaction of all requirements of law and other conditions imposed by the Authority as specified in the Letter of Intent and Inducement Agreement that is approved hereby, the Bonds will be issued and sold and the proceeds therefor will be made available to finance the costs of the Project, to the extent of such proceeds, and to reimburse the Borrower for expenditures relating to the Project prior to the issuance of the Bonds; and

WHEREAS, the Borrower has requested that the Authority express its willingness to issue the Bonds to finance the Project, and the Authority has determined that it is in the best interest of the inhabitants of the Downtown Development Area that the Project be carried out and that the planning, development, acquisition, equipping and carrying out thereof proceed without delay; and

WHEREAS, in order to further provide inducement for the Borrower to acquire, construct, furnish and equip the Project it is desirable for the Authority to approve and authorize the execution of the Letter of Intent and Inducement Agreement; and

WHEREAS, the Authority has determined that it is in the best interest of the inhabitants within the City that the acquisition, construction, furnishing and equipping of the Project proceed without delay; and

NOW, THEREFORE, BE IT RESOLVED as follows:

l. Finding and Authority for this Resolution. The Authority hereby finds that providing for the issuance of the Bonds for the purpose of financing the acquisition, construction and equipping of the Project is a lawful and valid public purpose in that will further the public purpose intended to be served by the Act.

2. Preliminary Approval. The Authority hereby agrees in principle to issue the Bonds in one or more series in an amount up to $45,000,000 under and in accordance with the applicable laws of the State of Georgia for the purpose of financing the acquisition, development, construction, furnishing and equipping of the Project. The execution and delivery to the Borrower of an inducement agreement is hereby authorized, said inducement agreement to be in substantially the form attached hereto as Exhibit "A" subject to such minor changes, insertions and omissions as may be approved by the Chair or Vice Chair of the Authority, and the execution of said inducement agreement by the Chair or Vice Chair and Secretary of the Authority as herewith authorized shall be conclusive evidence of any such approval. The Bonds will not be issued until the Authority has reviewed the documents pursuant to which the Bonds are to be issued and secured and until and unless the Authority adopts a bond resolution approving such documents.

3. Official Intent. It is the intention of the Authority that this resolution constitutes a declaration of "official intent" of the Authority to reimburse expenditures with the proceeds of Bonds, within the meaning of Treasury Regulations Section 1.150-2.

4. Approval and Appointment of Bond Counsel and Authority Counsel. The Authority hereby approves the engagement of Butler Snow LLP as bond counsel ("Bond Counsel") in connection with the issuance of the Bonds. Bond Counsel's fees and expenses shall be paid by the Borrower or from the proceeds of the Bonds. Murray Barnes Finister LLP and Dyer Rusbridge Argo, P.C. shall serve as the Authority's co-counsel ("Authority Counsel"). Authority Counsel's fees and expenses shall be paid by the Borrower or from the proceeds of the Bonds.

5. Public Hearings and Governmental Approvals. The Authority is hereby authorized to publish a notice of public hearing, conduct a public hearing, and obtain the approval of the City in accordance with the provisions of Section 147(f) of the Internal Revenue Code of 1986, as amended, and Treasury Regulations Section 5f.103-2. The Authority's Counsel is hereby designated as the hearing officer of the Authority for purposes such public hearing.

6. Application for Bond Allocation. The Authority is authorized to apply for bond allocation from the Georgia Department of Community Affairs in accordance with the application procedures applicable thereto.

Adopted this _____ day of ________ 2024.

DOWNTOWN DEVELOPMENT AUTHORITY OF HOLLY SPRINGS

By: ________________________________
Chair

[SEAL]

Attest:

____
Secretary

[Signature Page of Inducement Resolution]

SECRETARY'S CERTIFICATE

The undersigned, Secretary of the Downtown Development Authority of Holly Springs (the "Authority"), DOES HEREBY CERTIFY that the foregoing two (2) pages of typewritten matter constitute a true and correct copy of the resolution adopted on __________, 2024, by the Authority in a meeting duly called and assembled in accordance with all open meetings laws and the procedures of the said Authority, , which meeting was open to the public and at which a quorum was present and acting throughout, and that the original of said resolution appears of public record in the Minute Book of the Authority, which is in my custody and control.

Given under my hand and the seal of the Authority, this ___ day of _______ 2024.

____
Secretary, Downtown Development
Authority of Holly Springs

[SEAL]

[Secretary Signature Page of Inducement Resolution]

EXHIBIT "A"

INDUCEMENT AGREEMENT

_______ ___, 2024

To: Holly Springs Senior Housing, LLC

RE: Proposed Issuance of Bonds by Downtown Development Authority of Holly Springs

Ladies and Gentlemen:

The Downtown Development Authority of Holly Springs (the "Authority") is a development authority and public body corporate and politic duly created pursuant O.C.G.A. Section 36-42-1, *et seq*., as amended (the "Act").

The Act provides that the Authority is created to develop and promote for the public good and general welfare trade, commerce, industry and employment opportunities and to promote the general welfare of the State by creating a climate favorable to the location of new industry, trade and commerce and the development of existing industry, trade, and commerce within the geographic jurisdiction of the Authority (the "Downtown Development Area"). The Authority is authorized by the Act to issue its revenue bonds, notes or other obligations and use the proceeds thereof for the purpose of paying all or any part of the cost of any "project"

The Authority has been informed by Holly Springs Senior Housing, LLC (the "Borrower," which term shall include a person or persons, or entity or entities to which the rights of the Borrower under this agreement may be assigned), that the Borrower desires for the Authority to issue its revenue bonds or other debt instruments (the "Bonds") in one or more series in an aggregate principal amount not to exceed $45,000,000 (hereinafter called the "Maximum Bond Amount") to finance all or a part of the costs of a rental housing community and related facilities expected to consist of approximately 222 units, eighty percent of which are reserved for residents who are least 55 years old and whose incomes do not exceed sixty percent of the area median income, and to be located at 2455 Holly Springs Parkway, Holly Springs, Georgia 30115 which is within the area of operation (the "Downtown Development Area") of the Authority (the "Project").

The Authority has been advised that the Borrower expects the Project to create temporary construction jobs and create or preserve full-time jobs in the City and will otherwise have a favorable impact on the welfare of the City.

The Project constitutes a "project" under the Act, which may be financed under the Act.

After careful study and investigation of the nature of the Project, the Authority found and determined that the Project will promote the objectives of the Act and will provide employment opportunities in the City. The Authority further specifically determined that the Project will develop and promote trade, commerce, industry and employment opportunities for the public good and the general welfare and will promote the general welfare of the State of Georgia (the "State") and that the Project and the issuance of the Bonds to finance all or a part of the cost thereof will be in the public interest of the inhabitants of the City and of the State and will be in furtherance of the public purposes for which the Authority was created and is existing, as provided in the Act.

Accordingly, in order to induce the Borrower to locate the Project in the City and to operate, or cause to be operated, and continue to operate, the Project and in order to carry out the public purposes for which the Authority was created and exists, the Authority hereby makes the following proposals which, if accepted by the Borrower in writing as hereinafter provided, shall constitute an agreement having the following terms:

1. The Authority will issue the Bonds, in one or more issue and one or more series or sub-series, having an aggregate principal amount not to exceed the Maximum Bond Amount for the purpose of providing funds to pay or reimburse the costs, in whole or in part, as the Borrower may determine, of the planning, development, acquisition, construction, equipping and carrying out any or all of the Project, including the cost of issuing the Bonds.

2. The Borrower shall be responsible for the arrangements pertaining to the sale of the Bonds. The Bonds may be sold under a bond purchase agreement (or other similar instrument such as an investor letter) (the "Bond Purchase Agreement") to be executed by the Authority, the Borrower and the original purchaser(s) of the Bonds (the "Bond Purchaser"), provided that all terms and conditions of the Bond Purchase Agreement must be satisfactory to the Borrower, the Authority and the Bond Purchaser in their absolute discretion. The Bonds may be, but are not required to be, issued pursuant to a trust indenture (an "Indenture"). The Bonds may be, but are not required to be, issued as a single Bond. Any such single Bond may be issued in the form of a draw-down obligation providing for the Bond Purchaser to make a disbursement at the closing of the Bond issue of a portion of maximum principal amount of the Bond (the initial principal balance of the Bond being equal to such disbursement) and for subsequent disbursements (which will increase the principal balance of the Bond) from time to time as funds are needed to pay costs of the Project. The terms of the Bonds (principal amortization, final maturity, interest rate(s), redemption provisions, and other terms) shall be as provided for in the resolution of the Authority authorizing the issuance of the Bonds (the "Bond Resolution"), in the Bond Purchase Agreement, in the Indenture, if any, or in a combination of the foregoing and shall be reflected in the form of the Bonds. The Bonds shall be issued and sold by the Authority at such price and upon such terms as shall be provided in the Bond Purchase Agreement. The Bond Purchase Agreement, Indenture, Bond Resolution, the Loan Agreement, as hereinafter defined, mortgage, promissory note or guaranty agreement or any other security documents such as security deed, promissory note, guaranty agreement and other documents required for the issuance of the Bonds for the Project shall be known as the basic security documents ("Basic Security Documents").

3. (a) Simultaneously with the delivery of the Bonds, the Authority will loan the proceeds from the sale of the Bonds to the Borrower to enable the Borrower to finance the acquisition, construction, furnishing and equipping of the Project, fund various funds and accounts in connection with the Project, as necessary, including, but not limited to, a debt service reserve fund, an operating reserve fund, and capitalized interest accounts for the Bonds and pay costs of issuance of the Bonds and the terms and provisions of the loan agreement to be entered by the Authority and the Borrower in connection therewith (the "Loan Agreement"), shall be substantially in the form generally utilized in connection with such financial undertakings, as agreed upon by the Authority and the Borrower.

(b) The Loan Agreement will be dated contemporaneously with the Bonds and the term of the Loan Agreement will equal or exceed the term of the issue of Bonds.

(c) The amounts payable under the Loan Agreement will be paid directly to the holders of the Bonds or to a corporate trustee (if any) at such times and in such amounts as shall be timely and sufficient to pay the principal of, redemption premium (if any), and the interest on the Bonds as the same become due and payable. The duty of the Borrower to make all payments required under the Loan Agreement shall be absolute and unconditional after the delivery of the Bonds.

(d) The proceeds from the sale of the Bonds may be deposited in a project fund and disbursed pursuant to requisitions in accordance with the requirements of the Loan Agreement. Moneys in the project fund may be invested in any obligations that represent legal investments for proceeds of Bonds issued by the Authority.

(e) The Borrower will pay any taxes, assessments or utility charges which may be lawfully levied, assessed or charged upon the Borrower, the Authority, the Project or the payments under the Loan Agreement if such would result in a lien or charge upon the Project or the revenues of the Authority therefrom.

(f) The Loan Agreement will require the Borrower to keep the Project insured against loss or damage or perils generally insured against by industries similar to the Borrower and to carry public liability insurance covering personal injury, death or property damage with respect to the Project, in amounts and with deductibles approved by the Authority. The Borrower may be self-insured to the extent permitted by the Authority and the Basic Security Documents. The Authority shall be named as an additional insured on all public liability insurance policies.

(g) The Bonds shall be limited obligations of the Authority payable solely from moneys pledged to the repayment thereof. The Bonds shall not constitute obligations of the State or the City..

(h) The Loan Agreement shall contain covenants providing for the indemnification of the Authority and the individual members and officers thereof for all expenses incurred by them and for any loss suffered or damage to property or any injury or death of any person occurring in connection with the construction or operation of the Project or the issuance of the Bonds.

4. The Borrower may not transfer the Project or its interests and rights under the Basic Security Documents without the prior written consent of the Authority, except as otherwise provided in the Basic Security Documents.

5. The Borrower shall pay all taxes and assessments, if any, which may be lawfully levied or assessed upon the Borrower, the Authority, the Project, or the payments under the Basic Security Documents, but shall be entitled to contest such taxes or assessments so long as such contest does not expose the Project or the revenues received by the Authority under the Basic Security Documents to risk of loss. If no *ad valorem* taxes are payable on the Project or on the Borrower's interest therein, the Authority may require the Borrower to pay payments in lieu of such taxes, or payments equivalent thereto, as hereinafter provided.

6. The Borrower shall pay utility charges for utilities used at the Project. The Borrower shall keep the Project in good repair.

7. The obligation of the Borrower to make all payments required under the Basic Security Documents shall be absolute and unconditional upon the issuance and delivery of the Bonds. The obligations of the Borrower under the Basic Security Documents shall be secured in a manner as shall be agreed upon by the Authority, the Borrower and the Bond Purchaser.

8. The Borrower shall be permitted to dispose of, replace or make substitutions for any obsolete or worn-out fixtures, machinery, equipment, and related personal property constituting part of the Project in accordance with the Basic Security Documents.

9. Simultaneously with the delivery of the Bonds, the Borrower, or another person or entity, shall, if required by the Bond Purchase Agreement, and if such person or entity shall consent thereto, execute a guaranty agreement in favor of the Bond Purchaser or, if an Indenture is used, such guaranty may be in favor of the trustee for the Bonds, pursuant to which the guarantor or guarantors shall absolutely and unconditionally guarantee the Authority's obligations under the Bonds or the obligations of the Borrower under the Basic Security Documents.

10. The Bonds and the Basic Security Documents shall contain terms and provisions of the type generally utilized in connection with such financial undertakings, as agreed upon by the Authority, by the Bond Purchaser and by the Borrower. The Authority shall pledge, assign, and grant, subject to certain retained and unassigned rights, a security interest to the Bond Purchaser, or to the trustee (if an Indenture is used) in the Authority's right, title, interest, and remedies in and to the Basic Security Documents, as security for its obligations under the Bonds. The Authority shall further secure its obligations under the Bonds in a manner as shall be agreed upon by the Authority, the Borrower, and the Bond Purchaser. The Bonds and the Basic Security Documents shall provide that in the performance of the covenants contained therein on the part of the Authority, any obligations the Authority may incur for the payment of money shall not be a general obligation on its part, but shall be a special or limited obligation payable solely from the specific payments received under the Basic Security Documents or from Bond proceeds, foreclosure proceeds, title insurance proceeds, casualty insurance proceeds, condemnation awards, or other proceeds collected under the Basic Security Documents, or from security for the Borrower's obligations under the Basic Security Documents, or from security otherwise pledged to the payment of debt service on the Bonds or from a combination of such sources.

11. The Borrower, in accepting this agreement, will thereby agree to indemnify, defend and hold the Authority and the individual members and officers thereof harmless against any claim of loss or damage to property or any injury or death of any person or persons occurring in connection with the planning, development, acquisition, construction, renovation, equipping, and operation of the Project or the issuance of the Bonds. The Borrower also agrees to reimburse or otherwise pay on behalf of the Authority any and all reasonable and necessary expenses not hereinbefore mentioned, incurred by the Authority and approved by the Borrower in connection with the Project or the issuance of the Bonds. This indemnity shall be superseded by a similar indemnity in the Loan Agreement, and, if the Bonds are not issued and delivered, this indemnity shall survive the termination of the agreement resulting from the Borrower's acceptance of this agreement. Nothing herein contained shall require the Borrower to provide indemnification against any claim, liability or loss resulting from any act of gross negligence or intentional misconduct on the part of or attributable to the particular indemnitee.

12. The Borrower shall be responsible for the financing and carrying out of the Project, and the Borrower, in accepting this agreement, hereby agrees to perform all acts needed in connection with the financing and carrying out of the Project.

13. The Authority shall, upon the request of the Borrower, permit the financing and carrying out of the Project by the Borrower to begin and to continue prior to the issuance and delivery of the Bonds. Contracts or other documents for the financing and carrying out of the Project may be let by the Borrower. The Borrower will be responsible, as principal and not as agent for the Authority, for the acquisition, construction and/or installation of the Project. The Borrower may expend its own funds to pay costs of the Project prior to the issuance of the Bonds and may advance funds to the Authority for such purpose. Any such funds so advanced shall be kept by the Authority in a separate bank account or accounts to be opened by it, or its designee, until expended, at the direction of the Borrower, to pay costs of the Project. If the Borrower elects to exercise its rights granted in this Section, it is understood and agreed that expenditures of funds by the Borrower and advances by the Borrower of funds to the Authority in connection with the Project shall be at the entire risk of the Borrower, and in the event costs are incurred by the Borrower or incurred by the Authority with funds advanced by the Borrower, reimbursement by the Authority for such costs or advances can only be made from the proceeds of the Bonds if and when the Bonds are issued. If proceeds of the Bonds are not sufficient to provide for the financing in full of the Project, the Borrower shall provide funds or obtain additional financing in an amount necessary to complete the Project.

14. The Borrower is hereby informed that numerous procedural and substantive actions must be undertaken and completed in order to conclude this transaction in accordance with applicable state and federal laws, rules, and regulations. Further, if the Borrower elects to exercise its rights granted in Section 13, above, it is understood and agreed that expenditures of funds shall be at the entire risk of the Borrower, and in the event costs are incurred by the Borrower, reimbursement for such costs or expenses can only be made from the proceeds of the Bonds if and when the Bonds are issued.

15. The Authority and the Borrower shall assist in the prompt preparation by Bond Counsel of the Bonds and the Basic Security Documents , and any related documents needed to carry out the financing (collectively called the “Bond Documents”) .

16. Upon the issuance and delivery of the Bonds, the agreement resulting from the Borrower’s acceptance of this agreement shall have no further effect, and in the event of any inconsistency between the terms of this agreement and the terms of the Basic Security Documents, the provisions of the Basic Security Documents shall control;

17. If for any reason the Bonds are not issued and delivered by the Authority on or before December 31, 2026 then the provisions of this agreement and the agreement resulting from its acceptance by the Borrower shall, at the option of any party to be evidenced in writing, be canceled, and no party shall have any rights against the other, and no third parties shall have any rights against any party, except:

(a) The Authority shall convey to the Borrower any portion of the Project that was theretofore acquired by the Authority from the Borrower or with funds provided by the Borrower; and

(b) The Borrower shall pay or reimburse the Authority for all expenses which shall have been authorized by the Borrower and incurred by the Authority with funds of the Authority in connection with the planning, development, acquisition, equipping and carrying out and financing of the Project; and

(c) The Borrower shall assume and be responsible for all contracts entered into by the Authority at the request or direction of the Borrower in connection with the Project and any contracts heretofore assigned by the Borrower to the Authority in connection with the Project.

(d) The Borrower shall pay or reimburse reasonable out-of-pocket expenses of the members, directors, officers, agents and consultants of the Authority, and counsel for the Authority incurred at the direction or with the consent of the Borrower in connection with the Project and the proposed issuance of the Bonds and shall pay counsel for the Authority's reasonable fees for legal services related to the proposed issuance of the Bonds, regardless of whether or not the Bonds are issued or sold.

(e) If for any reason the Authority or its counsel has not received a duplicate original of this letter of intent and inducement agreement, with the acceptance hereof signed by the Borrower, by 5:00 o'clock p.m., Camden County, Georgia, time, on November 1, 2024, then this letter of intent and inducement agreement shall expire and the Authority shall have no obligation to the Borrower.

18. The Borrower shall apply for or cause others to apply for, and use its best efforts to obtain, all permits, licenses, authorizations, and approvals required by all governmental authorities in connection with the planning, development, acquisition, construction, installation, equipping and carrying out and use of the Project.

19. Neither the Issuer, nor any local government in the City, will be responsible in any way for the repayment of the Bonds to finance the Project. The Borrower has the sole responsibility to repay the debt service obligations with respect to the Bonds.

20. The Borrower agrees to pay (a) the Authority's normal financing fee in connection with the issuance of the Bonds (which is 1/8th of 1.00% of the principal amount of the issued bonds), unless the Authority agrees to waive or reduce such fee, as detailed in the Bond Documents and (b) an annual fee not to exceed $5,000 per year. The Borrower also agrees to pay the Authority's legal fees and expenses incurred in connection with a sale or transfer of the Project.

21. All rights and benefits of the Borrower under this agreement and the Authority's Resolution authorizing this agreement may be transferred and assigned by the Borrower, in whole or in part, with the written approval of the Authority, which approval shall not unreasonably be withheld, conditioned or delayed, to any one or more individuals, corporations or other entities which propose to acquire the Project, in either case with the same effect as if such affiliate or such

individuals, corporations or other entities were named as the "Borrower" in this agreement and the Authority's resolution authorizing this agreement. Unless otherwise agreed in writing by the Authority, the assignment of the Borrower's rights shall not release the Borrower from its obligations for costs and indemnification and following any such assignment, the Borrower and such assignee shall be jointly and severally liable for costs and indemnification hereunder.

22. The Borrower shall bear all reasonable costs incurred by the Authority pursuant to this agreement resulting from the Borrower's acceptance of this agreement incurred at the direction or with the consent of the Borrower if the Bonds are not issued or sold.

23. The Authority's willingness to issue the Bonds and to enter into the agreement resulting from the Borrower's acceptance of this agreement is based on the Authority's knowledge of the Borrower and the Project as of the date of this agreement. In the event materially adverse information about the Borrower (or any assignee of the Borrower's rights hereunder) or the Project should come to the attention of the Authority prior to the issuance of the Bonds which, in the reasonable judgment of the Authority, makes it unwise to proceed with the issuance of the Bonds, the Authority shall so advise the Borrower (or the Borrower and any assignee of the Borrower's rights hereunder) in writing, whereupon the agreement resulting from the Borrower's acceptance of this agreement shall, except for the Borrower's obligations to pay expenses and the Borrower's (and any assignee's) indemnity contained herein, terminate and be of no further force and effect.

24. At any time prior to the issuance and delivery of the Bonds, the Borrower (or any assignee of the Borrower's rights hereunder) may, at its option, and upon written notice to the Authority, direct the Authority not to issue the Bonds and terminate this agreement provided that such termination shall not terminate the Borrower's or any such assignee's obligations that are stated in this agreement relating to the reimbursement of the Authority for expenditures incurred by the Authority and shall not terminate the Borrower's or any such assignee's indemnification obligations that are stated in this agreement.

25. Butler Snow LLP shall serve as Bond Counsel in connection with the issuance of the Bonds. . Bond Counsel's fees and expenses shall be paid by the Borrower or from the proceeds of the Bonds. Murray Barnes Finister LLP and Dyer Rusbridge Argo, P.C. shall serve as the Authority's co-counsel ("Authority Counsel"). Authority Counsel's fees and expenses shall be paid by the Borrower or from the proceeds of the Bonds.

26. The Authority's obligations under this agreement are subject to (1) the continuing due diligence investigation by the Authority of the Project and the Borrower, (2) the Authority's determination in its sole discretion that the Project is financially feasible and that the Borrower is financially sound, and (3) the Bonds being sold on terms that are satisfactory to the Authority in its sole discretion. If for any reason any of the foregoing conditions are not met to the satisfaction of the Authority, the provisions of this proposal and the agreement resulting from its acceptance by the Borrower shall, at the option of the Authority to be evidenced in writing, be cancelled, and the Borrower shall have no rights against the Authority, and no third parties shall have any rights against the Authority.

If the foregoing proposal is satisfactory to the Borrower, you may so indicate by executing this agreement as a duly authorized representative of the Borrower and by returning a copy to the

Authority. By so executing this agreement, you shall be deemed to have represented that your execution hereof has been duly authorized by the Borrower and that this agreement is binding upon the Borrower.

This agreement and your acceptance will then constitute an agreement in principle with respect to the matters herein contained as of the date set forth above between the Authority and the Borrower.

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DOWNTOWN DEVELOPMENT AUTHORITY OF HOLLY SPRINGS

By: ________________________________
Chair

[SEAL]

Attest:

____
Secretary

ACCEPTANCE OF
DOWNTOWN DEVELOPMENT AUTHORITY OF HOLLY SPRINGS
INDUCEMENT AGREEMENT

The terms and conditions contained in the foregoing proposal by the Downtown Development Authority of Holly Springs are hereby accepted this ____ day of ______ 2024.

HOLLY SPRINGS SENIOR HOUSING, LLC

By: ____
Name:
Title:

City of Holly Springs
Downtown Development Authority of Holly Springs Minutes
August 21, 2024

Authority Members Present: Chairman Ollie Evans, Secretary Andrea Johnston, Treasurer Maggie Grayeski, Authority Member Ryan Smith, and Authority Member Kyle Whitaker.

Authority Members Not Present: Vice Chairman Scott Owen and Authority Member Abbey Gray.

Staff Present: City Manager Robert H. Logan, Finance Director Denise Lamazares, Community Development Director Nancy Moon, and Communications & External Affairs Director Erin Honea.

I. CALL TO ORDER

Chairman Evans called the Downtown Development Authority of Holly Springs Meeting to order.

II. PRESENTATIONS

A. Dominium

Representatives from Dominium made a presentation to the Authority regarding a proposed senior-living housing project within the Town Center District.

III. OLD BUSINESS

IV. NEW BUSINESS

A. June 26, 2024 Downtown Development Authority of Holly Springs meeting minutes.

Secretary Johnston made a motion to approve the minutes. Chairman Evans seconded the motion. Motion carried. Yes 5, No 0, Abstained 0.

V. REPORTS

No reports given.

VI. ADJOURNMENT

Authority Member Smith made a motion to adjourn the meeting. Treasurer Grayeski seconded the motion. Motion carried. Yes 5, No 0, Abstained 0.

Respectfully Submitted.

Ollie Evans, Chairman

Erin Honea, Communications & External Affairs Director