

MAYOR AND ALDERMEN OF THE CITY OF SAVANNAH
RESOLUTION

DOWNTOWN SAVANNAH AUTHORITY
TAXABLE REVENUE BONDS
(CITY OF SAVANNAH EASTERN WHARF GARAGE PROJECT), SERIES 2018

WHEREAS, the Mayor and Aldermen of the City of Savannah (the “**City**”) has requested the Downtown Savannah Authority (the “**Authority**”) to issue its TAXABLE REVENUE BONDS (CITY OF SAVANNAH EASTERN WHARF GARAGE PROJECT), SERIES 2018 (the “**Bonds**”), to provide funds for the purposes of (i) financing the acquisition, development, construction, and equipping of the hereinafter defined Parking Garage Condominium in the downtown area of the City (the “**Project**”); and (ii) paying the expenses incurred in connection with the issuance of the Bonds; and

WHEREAS, the Authority, by a bond resolution adopted on May 10, 2018 (the “**Resolution**”), authorized the issuance of the Bonds in an aggregate principal amount not to exceed \$33,000,000; and

WHEREAS, the City has entered into a Phase I Project Development Agreement with SRL Land Venture LLC (“**SRL**”), EW MFR VENTURE I, LLC (the “**Developer**” or “**Developer**”), and the Authority (the “**Development Agreement**”), whereby the Developer will construct a condominium building (the “**Phase I Building**”) on land (the “**Phase I Land**”) owned by Developer located to the east of the City’s historic district in an area of the City and now known as Eastern Wharf. The Phase I Building will consist of (i) the basement and floors one and two of the Phase I Building consisting of approximately 700 parking spaces, which, as described below, will constitute the hereinafter defined Parking Garage Condominium to be owned and operated by the Authority; (ii) multifamily apartments with separate parking spaces, constituting the hereinafter defined Apartments Condominium; and (iii) retail shops, constituting the hereinafter defined Retail Condominium. The Developer, the City, and the Authority will enter into a development management agreement (the “**Development Management Agreement**”), whereby the Developer, as Development Manager, will manage and coordinate the construction of the Phase I Building; and

WHEREAS, a portion of the proceeds from the sale of the Bonds will be deposited in the Construction Fund described in the Resolution and will be requisitioned therefrom for payment to Developer pursuant to a disbursement agreement between the Developer and the Authority (the “**Disbursement Agreement**”) for the purpose of constructing the Parking Garage Condominium pursuant to a guaranteed maximum price contract between Developer (or its affiliate) and Choate Construction Company (“**Construction Contract**”); and

WHEREAS, The Developer will provide the Authority with a deed to secure debt (the “**Security Deed**”) on its fee simple interest in the Phase I Land and the improvements situated thereon (including the Phase I Building) as security for the completion of the Project and its conveyance to the Authority as the Parking Garage Condominium; and

WHEREAS, upon completion of the construction of the Phase I Building, Developer will record a declaration of condominium (the “**Declaration**”), consisting of the Parking Garage

Condominium unit (the “**Parking Garage Condominium**”), an apartment complex condominium unit with separate parking spaces (the “**Apartments Condominium**”), and a retail condominium unit (the “**Retail Condominium**”), at which time Developer will convey the Parking Garage Condominium to the Authority and the Security Deed will be cancelled. Thereafter, the Authority or the City shall operate the Parking Garage Condominium and shall retain all of the revenue generated by the Parking Garage Condominium, to be applied in part to cover the debt service payments on the Bonds; and

WHEREAS, in addition to the foregoing, in order to ensure the necessary funding for completion, the Authority, the City, the Developer, and the lender for the Apartments Condominium and the Retail Condominium, will enter into an intercreditor and recognition agreement whereby the parties will set forth the parameters and guidelines for continued funding for the completion of the Phase I Building in the event of Developer’s default (the “**Intercreditor Agreement**”). As further security for the Authority’s future interest in the Parking Garage Condominium, the Intercreditor Agreement will be drafted to ensure the Authority maintains a first priority lien and security interest over the fee simple interest of Developer in the Phase I Land pursuant to the Security Deed until such time as the Phase I Building is completed and Developer has conveyed the Parking Garage Condominium to the Authority. The above-described Development Agreement, Development Management Agreement, and Intercreditor Agreement are herein collectively referred to as the “**City Development Documents**”; and

WHEREAS, pursuant to an Intergovernmental Contract (the “**Contract**”) between the Authority and the City, to be dated the date of issuance and delivery of the Bonds, the City will agree to make payments, if required, to the Authority sufficient to pay the principal of, premium, if any, and interest on the Bonds as the same become due; and

WHEREAS, the Bonds shall be issued in the aggregate principal amount of \$30,205,000, bear interest at rates per annum and mature (or be subject to scheduled mandatory redemption) in the years and amounts set forth in a supplemental bond resolution (the “**Supplemental Resolution**”) adopted by the Authority on the date hereof, a certified copy of which Supplemental Resolution has been presented to this meeting; and

WHEREAS, a notice of sale of the Bonds has been disseminated by the Authority, pursuant to which prospective bidders were invited to submit electronic bids for the purchase of the Bonds on the date hereof, and the best bid for the purchase of the Bonds with the lowest true interest cost has been accepted by the Authority;

NOW, THEREFORE, BE IT RESOLVED as follows:

Section 1. Authorization of Contract and City Development Documents. The execution, delivery, and performance of the Contract and the City Development Documents are hereby authorized and approved. The Contract and the City Development Documents shall be in substantially the forms presented to this meeting, subject to such changes, insertions, or omissions as may be approved by the City Manager, and the execution of the Contract and the City Development Documents by the City Manager and, if required, the attestation of the same by the Clerk of Council as hereby authorized shall be conclusive evidence of such approval.

Section 2. General Authorization. In addition to the documents hereinabove authorized and approved, the proper officials of the City are hereby authorized, empowered, and directed to do all acts and things and to execute all documents as may be necessary to carry out and comply with the provisions of said documents as executed and are further authorized to take any and all other actions and execute and deliver any and all other documents as may be necessary in the issuance of the Bonds and the execution and delivery of the Contract and all other documents authorized hereby.

Section 3. Approval of Acts. All acts and doings of the officials of the City which are in conformity with the purposes and intents of this resolution and furtherance of the issuance of the Bonds, and the execution, delivery, and performance of the Contract and all other documents authorized hereby shall be, and the same hereby are, in all respects approved and confirmed.

ADOPTED this September 13, 2018.

MAYOR AND ALDERMEN
OF THE CITY OF SAVANNAH

By: _____

CLERK OF COUNCIL CERTIFICATE

I, the undersigned Clerk of Council of the Mayor and Aldermen of the City of Savannah, keeper of the records and seal thereof, hereby certify that the foregoing is a true and correct copy of a resolution approved and adopted by the governing body of said political subdivision in public meeting assembled on September 13, 2018, the original of which resolution has been entered in the official records of said political subdivision under my supervision and is in my official possession, custody, and control.

(S E A L)

Clerk of Council