

**“Sinking Fund Custodian”** means a bank or trust company designated by the Authority or its Chairman.

**“State”** means the State of Georgia.

**Section 102. Rules of Construction.** Unless the context clearly indicates to the contrary:

(a) “herein,” “hereby,” “hereunder,” “hereof,” “herein-before,” “hereinafter” and other equivalent words refer to this Resolution and not solely to the particular portion thereof in which any such word is used.

(b) any pronoun used herein shall be deemed to cover all genders;

(c) all references herein to particular Articles or Sections are references to Articles or Sections of this Resolution;

(d) the titles preceding each Section of this Resolution are for convenience of reference only and are not intended to define, limit or describe the scope or intent of any provisions of this Resolution.

[END OF ARTICLE I]

## ARTICLE II AUTHORIZATION, TERMS AND FORM OF BONDS

**Section 201. Designation and Authorization of Bonds.** Revenue bonds of the Authority designated GRIFFIN-SPALDING COUNTY AIRPORT AUTHORITY REVENUE BONDS, SERIES 2015, in the maximum aggregate principal amount of \$7,000,000 (the “**Bonds**”), are hereby authorized to be issued for the purposes aforesaid pursuant to the Revenue Bond Law of Georgia, codified in O.C.G.A. § 36-82-60, et seq., the Constitution of the State of Georgia, the general laws of the State of Georgia, the laws of the State of Georgia relating to the Authority including specifically the Act and pursuant to this Resolution, and all the covenants, agreements, and provisions of this Resolution shall be for the equal and proportionate benefit and security of all owners of the Bonds without preference, priority or distinction as to the charge, lien or otherwise of any one Bond over any other Bond.

**Section 202. Maturities, Interest Payment Dates, Date, Denominations, and Other Particulars of the Bonds.**

(a) The Bonds shall mature on January 1 in the years and in such principal amounts as provided by supplemental resolution of the Authority, and shall bear interest at a rate or rates not to exceed five percent (5.00%) per annum, as provided by supplemental resolution of the Authority, payable on January 1 and July 1 of each year (each an “**Interest Payment Date**”), beginning July 1, 2015 or January 1, 2016, until the obligation with respect to the payment of the principal thereof shall be discharged; provided, however, that the Bonds shall be repayable over a period ending not later than calendar year 2030 and the maximum annual principal and interest payment on the Bonds shall be \$725,000.

(b) The Bonds shall be dated as of the date of their issuance and delivery (the “**Bond Date**”). Except as provided in this Section, each Bond shall bear interest from the Interest Payment Date next preceding the date of authentication of such Bond to which interest on the Bonds has been paid, unless (i) the date of authentication is an Interest Payment Date to which interest has been paid, in which case from such Interest Payment Date or (ii) no interest has been paid on the Bonds, in which case from the Bond Date.

(c) The person in whose name any Bond is registered at the close of business on any Record Date with respect to any Interest Payment Date shall be entitled to receive the interest payable on such Interest Payment Date notwithstanding any registration of transfer or exchange subsequent to such Record Date and prior to such Interest Payment Date; provided, however, that if and to the extent a default shall occur in the payment of interest due on such Interest Payment Date, such past due interest shall be paid to the persons in whose name outstanding Bonds are registered on a subsequent date of record established by notice given by mail by the Paying Agent to the Owners of the Bonds not less than 30 days preceding such subsequent date of record. The term “**Record Date**” as used in this Section with respect to any Interest Payment Date means the 15th day of the calendar month next preceding such Interest Payment Date; provided, however, that if and to the extent a default shall occur in the payment of interest due on such Interest Payment Date, such past due interest shall be paid to the persons in whose name Outstanding Bonds are registered on a subsequent date of record established by notice given by

mail by the Bond Registrar to the Holders of the Bonds not less than 30 days preceding such subsequent date of record.

(d) The principal of and redemption premium, if any, and interest on the Bonds shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. The principal of the Bonds shall be payable upon the presentation and surrender of the same at the principal corporate trust office of the Paying Agent. The interest on the Bonds shall be paid by check or draft mailed by the Paying Agent on the date said interest is due by first class mail to the respective owners of the Bonds at their addresses as they appear on the bond register kept by the Bond Registrar or by wire transfer to the registered owner of Bonds in the minimum aggregate principal amount of \$1,000,000 at a wire transfer address which said registered owner has provided to the Paying Agent not less than five Business Days prior to an Interest Payment Date, which wire instructions shall remain in effect until the Paying Agent is notified to the contrary.

(e) The Bonds shall be issued as fully registered bonds, without coupons, in the denomination of \$5,000 in principal amount or any integral multiple thereof unless a larger denomination is established by a supplemental resolution.

(f) The Bonds are authorized to be issued in either certificated form distributed to the purchasers thereof or book-entry only form, with no physical distribution of Bonds made to the public.

If Bonds are issued as book-entry bonds, the following procedures shall apply thereto:

The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee), or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity, in the aggregate principal amount of such maturity, and will be deposited with DTC.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants (which include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations), which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (a "Beneficial Owner") is in turn to be recorded on the records of the Direct Participants and others such as U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**"). Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co., or such other DTC nominee, do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Principal and interest payments on the Bonds will be made by the Paying Agent to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

If (a) DTC determines not to continue to act as securities depository for the Bonds or (b) the Authority determines that the continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect the interests of the Authority or the Beneficial Owners of the Bonds, the Authority shall discontinue the book-entry system with DTC. If the Authority fails to identify another qualified securities depository to replace DTC, the Authority will cause the Paying Agent to authenticate and deliver replacement Bonds in the form of fully registered Bonds to each Beneficial Owner.

If a book-entry system of evidence and transfer of ownership of the Bonds is discontinued pursuant to the provisions of this Section, the Bonds shall be delivered solely as fully registered Bonds without coupons, shall be lettered "R" and numbered separately from 1 upward, and shall be payable, executed, authenticated, registered, exchanged, and canceled pursuant to the provisions of this Article. In addition, the Authority will pay all costs and fees associated with the printing of the Bonds and issuance of the same in certificated form.

So long as Cede & Co. or such other DTC nominee, as nominee for DTC, is the sole Bondholder, the Authority and the Bond Registrar will treat Cede & Co. or such other nominee as the only owner of the Bonds for all purposes under this Resolution, including receipt of all principal of and interest on the Bonds, receipt of notices, voting, and requesting or directing the Authority or the Paying Agent to take or not to take, or consenting to, certain actions under this Resolution. The Authority has no responsibility or obligation to the direct or indirect participants or the Beneficial Owners with respect to (a) the accuracy of any records maintained by DTC or

any direct or indirect participant; (b) the payment by any direct or indirect participant of any amount due to any beneficial owner in respect of the principal of and interest on the Bonds; (c) the delivery or timeliness of delivery by any direct or indirect participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Resolution to be given to Bondholders; or (d) other action taken by DTC or Cede & Co. or such other DTC nominee, as Owner.

If a series of Bonds is issued as book-entry only, the form of said series of Bonds shall contain the following text:

*Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Griffin-Spalding County Airport Authority or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.*

*The Authority has established a Book Entry system of registration for this Bond. Except as specifically provided otherwise in the hereinafter defined Resolution, Cede & Co., as nominee of The Depository Trust Company, will be the registered owner and will hold this Bond on behalf of each beneficial owner hereof. By acceptance of a confirmation of purchase, delivery or transfer, each beneficial owner of this Bond shall be deemed to have agreed to such arrangement. Cede & Co., as registered owner of this Bond, will be treated as the owner of this Bond for all purposes.*

### **Section 203. Execution of Bonds.**

(a) Pursuant to the provisions of O.C.G.A. § 36-82-140, the Bonds will be executed with the manually executed or engraved, imprinted, stamped or otherwise reproduced facsimile of the signature of the Chairman of the Authority and the seal of the Authority will be imprinted or otherwise reproduced and attested by the manually executed or facsimile signature of the Secretary of the Authority. The Bonds will be issued in fully registered form.

(b) In case any officer whose facsimile signature shall appear on the Bonds shall cease to be such officer before delivery of the Bonds, such signature, nevertheless, shall be valid and sufficient for all purposes the same as if such officer had remained in office until delivery, and the Bonds may, nevertheless, be issued and delivered as though the person whose signature appears on the Bonds had not ceased to be such officer. Any of the Bonds may be executed and sealed on behalf of the Authority by the facsimile signatures of such officers who may, at the time of the execution of the Bonds, hold the proper offices of the Authority although on the date of the Bonds or on the date of any lawful proceedings taken in connection therewith such persons may not have held such offices.

**Section 204. Delivery and Authentication of Bonds.** The Authority shall execute and deliver to the Authentication Agent and the Authentication Agent shall authenticate the Bonds and deliver them to the purchasers as shall be directed by the Authority. Each Bond shall bear thereon a certificate of authentication substantially in the form hereinafter prescribed, executed by the Authentication Agent with a manually executed signature. Only such Bonds as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under this Resolution and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Authentication Agent and such certificate of the Authentication Agent shall be conclusive evidence that the Bond so authenticated has been duly authenticated, registered and delivered under the Resolution and that the owner thereof is entitled to the benefits of the Resolution. The Authentication Agent's certificate of authentication on any Bond shall be deemed to have been executed by the Authentication Agent if signed manually by an authorized officer of the Authentication Agent or its authorized representative, but it shall not be necessary that the same officer or authorized representative sign the certificate of authentication on all the Bonds.

**Section 205. Mutilated, Destroyed, or Lost Bonds.** In the event any Bond is mutilated, lost, stolen or destroyed, the Authority will execute and deliver a new Bond of like tenor as that mutilated, lost, stolen or destroyed, provided that, in the case of any such mutilated Bond, such Bond is first surrendered to the Authority or the Bond Registrar and, in the case of any such lost, stolen or destroyed Bond, there is first furnished evidence of such loss, theft or destruction satisfactory to the Authority and the Bond Registrar, together with indemnity satisfactory to them. No service charge shall be made for any such transaction, but a charge may be made to cover any actual expense incurred. All responsibility with respect to the issuance of any such new bonds shall be on the Authority and not on the Clerk of the Superior Court whose signature shall appear on the validation certificate, and said Clerk shall have no liability in the event of an over-issuance occurs. In the event any such Bond shall have matured or become due, in lieu of issuing a duplicate Bond, the Paying Agent may pay such Bond without surrender thereof.

**Section 206. Persons Treated as Owners of Bonds.** The Authority and its agents, including the Paying Agent and Bond Registrar, may deem and treat the registered owner of any Bond as the absolute owner of such Bond for the purpose of receiving payment of the principal thereof and the interest thereon and for all other purposes whatever. All such payments of principal, premium, if any, and interest made to any such owner or upon such owner's order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Authority nor any such agent shall be affected by any notice to the contrary.

**Section 207. Validation Certificate.** A validation certificate of the Clerk of the Superior Court of Spalding County, State of Georgia, properly executed by said Clerk will be endorsed on each Bond and will be essential to its validity.

**Section 208. Paying Agent and Bond Registrar; Authentication Agent.** The Bond Registrar, Paying Agent, and the Authentication Agent for a series of Bonds will keep proper

registration, exchange, and transfer records in which it shall register the name and address of the owner of each Bond for which it serves as Bond Registrar, Paying Agent, and the Authentication Agent.

**Section 209. Interchangeability of Bonds.** The Bonds, upon surrender thereof to the Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or such owner's duly authorized attorney, may be exchanged, at the option of the registered owner and upon payment by such registered owner of any charges which the Bond Registrar may make as provided in Section 210, for an equal aggregate principal amount of Bonds of any other authorized denominations.

**Section 210. Transfer and Registration of Bonds.** Bonds shall be transferable only upon the books of the Authority (which shall be kept for that purpose by the Bond Registrar) by the registered owner thereof in person or by such owner's attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or such owner's duly authorized attorney. Upon the transfer of any such registered Bond the Authority shall issue in the name of the transferee a new fully registered Bond, without coupons, of the same aggregate principal amount and maturity as the surrendered Bond.

**Section 211. Regulations With Respect to Exchanges and Transfers.** In all cases in which the privilege of exchanging or transferring Bonds is exercised, the Authority shall execute and the Bond Registrar shall authenticate and deliver Bonds in accordance with the provisions hereof. All Bonds surrendered in any such exchanges or transfers shall forthwith be delivered to the Bond Registrar and canceled or retained by the Bond Registrar. No service charge shall be made to any Bondholder for any registration of transfer or exchange of Bonds, but for every such exchange or transfer the Authority or the Bond Registrar may make a charge sufficient to reimburse it for any tax or other governmental charge, if any, required to be paid with respect to such exchange or transfer. The Bond Registrar shall not be required (i) to issue, transfer, or exchange any Bond during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Bonds selected for redemption and ending at the close of business on the day of such mailing, or (ii) to register the transfer of or exchange of any Bond so selected for redemption in whole or in part.

**Section 212. Form of Bonds.** The Bonds and the certificate of validation and certificate of authentication to be endorsed thereon will be in substantially the terms and form as set forth in Exhibit A, with such variations, omissions, substitutions and insertions as may be required, in accordance with this Resolution, to complete properly each Bond and as may be approved by the officer or officers executing each Bond by facsimile signature, which approval shall be conclusively evidenced by such execution.

[END OF ARTICLE II]

**ARTICLE III**  
**REDEMPTION OF BONDS BEFORE MATURITY**

**Section 301. Scheduled Mandatory Redemption.** The Bonds may be subject to mandatory redemption as set forth in a supplemental resolution of the Authority.

**Section 302. Optional Redemption.** The Bonds may be subject to optional redemption as set forth in a supplemental resolution of the Authority.

**Section 303. [Reserved].**

**Section 304. [Reserved].**

**Section 305. [Reserved].**

**Section 306. Redemption of Parity Bonds.** Parity Bonds may be made subject to redemption either mandatorily or at the option of the Authority prior to maturity at the times and upon such terms and conditions as may be prescribed in the respective resolutions of the Authority supplemental to this Resolution relating to such Parity Bonds. In the event Parity Bonds are hereafter issued, such Parity Bonds of any such future issue or issues may be redeemed in whole or in part before the maturity of the Bonds, subject to the Sinking Fund requirements herein prescribed, and subject to the call provisions of such future Parity Bond series; provided, however, the Authority is not restricted hereby from acquiring as a whole, by redemption or otherwise, all Outstanding Bonds of all such issues from any money which may be available for that purpose.

**Section 307. Purchase of Bonds in Market.** Nothing herein contained shall be construed to limit the right of the Authority at the direction of the County and the City to purchase Bonds in the open market, at a price not exceeding the then applicable redemption price of the Bonds to be acquired, or at par and accrued interest for Bonds not then subject to redemption, from funds in the Sinking Fund, subject to the Sinking Fund requirements herein prescribed. Any such Bonds so purchased shall not be reissued and shall be cancelled.

[END OF ARTICLE III]

**ARTICLE IV**  
**APPLICATION OF PROCEEDS; COSTS OF ISSUANCE ACCOUNT;**  
**ACQUISITION FUND;**

**Section 401. Application of Bond Proceeds.** The proceeds derived from the sale of the Bonds shall be applied by the Authority, concurrently with the delivery of the Bonds to the initial purchaser or purchasers thereof, to fund the Acquisition Fund and to pay costs of issuance in accordance with a supplemental resolution to be adopted by the Authority.

**Section 402. Costs of Issuance Account.**

(a) A special account is hereby authorized to be created and established prior to the issuance and delivery of the Bonds, said fund to be designated the GRIFFIN –SPALDING COUNTY AIRPORT AUTHORITY, SERIES 2015 COSTS OF ISSUANCE ACCOUNT (the “**Costs of Issuance Account**”). If created, said fund shall be held separate and apart from all other deposits or funds, and any money deposited into the Costs of Issuance Account pursuant to Section 501as supplemented and amended shall be disbursed to pay, or reimburse the County for, all or a portion of the Costs of Issuance.

(b) The Authority shall make disbursements from the Costs of Issuance Account with the approval of the Chairman upon the receipt of a proper invoice for such payment. The Authority shall keep and maintain adequate records pertaining to the Costs of Issuance Account and all disbursements therefrom.

(c) Upon the occurrence of an Event of Default and the acceleration of the Bonds as provided in Section 802, the Authority shall transfer all money on deposit in the Costs of Issuance Account to the Sinking Fund.

(d) Money on deposit in the Costs of Issuance Account may be invested, pending disbursement or use, in accordance with Section 601.

**Section 403. Acquisition Fund.**

(a) A special trust fund is hereby created for the benefit of the Bondholders and designated GRIFFIN-SPALDING COUNTY AIRPORT AUTHORITY ACQUISITION FUND (the “**Acquisition Fund**”). There shall be deposited with the Acquisition Fund Depository the amounts specified in a supplemental resolution to be adopted prior to the delivery of the Bonds.

(b) The money in the Acquisition Fund shall be held by the Acquisition Fund Depository and withdrawn and applied to pay costs of the Acquisition. Any money in the Acquisition Fund not presently needed for the payment of current obligations during the course of acquisition of the Project may be invested in accordance with Section 605 upon the written direction of the Chairman of the Authority, and proper evidence of the same being delivered to the Acquisition Fund Depository. Any such securities shall be held by the Acquisition Fund Depository for the account of the Acquisition Fund until maturity or until sold, and at maturity or upon such sale, the proceeds received therefrom, including interest income and premium, if any,

shall be immediately deposited into the Acquisition Fund and shall be disbursed in the manner and for the purposes hereinafter set forth.

(c) Withdrawals from the Acquisition Fund may be made for the purpose of paying the cost of the undertaking herein contemplated or contemplated by a supplemental resolution, including the purchase of such property and equipment as may be useful in connection therewith, including, but not limited to: (i) the cost of indemnity and fidelity bonds either to secure deposits in the Acquisition Fund or to insure the faithful completion of any contract pertaining to said improvements; (ii) any taxes or any charges lawfully levied or assessed against the undertaking; (iii) fees and expenses of consulting engineers for engineering studies, surveys and estimates, and the preparation of plans and supervising the construction; (iv) legal expenses and fees and all other items of expense not elsewhere in this Section specified incident to said undertaking; (v) payments made for labor, contractors, builders and materialmen in connection with the improvements contemplated by the undertaking and payment for machinery and equipment and for the restoration of property damaged or destroyed in connection therewith and the repayment of advances or loans made for the purpose of paying any of the aforementioned costs; (vi) the cost of acquiring by purchase, and the amount of any award or final judgment in any proceeding to acquire by condemnation, lands and rights of way necessary for the improvements and appurtenances in connection therewith, and options and payments thereon, and any easements or rights or any damages incident to or resulting from the making of such improvements; and (vii) to reimburse the Authority or the County for the advance payment of costs pertaining to the undertaking prior to the receipt of the proceeds derived from the sale of the Bonds.

(d) Before any money is disbursed, there shall be filed with the Acquisition Fund Depository: (i) a requisition for such payment stating each amount to be paid, the circumstances of such obligation and the name of the person, firm or corporation to whom payment thereof is due; and (ii) a certificate attached to the requisition and certifying: (1) that an obligation in the stated amount has been incurred, is a proper charge against the Project Fund and has not been paid; (2) a bill or statement of account for such obligation, or a copy thereof, is attached to the requisition or is on file in the offices of the Authority; (3) that they have no notice of any vendor's, mechanic's or other liens or rights to liens, security interests, chattel mortgages or conditional sales contracts, which should be satisfied or discharged before such payment is made; (4) that such requisition contains no item representing payment on account or any retained percentages which the Authority is, at the date of such certificates, entitled to retain; and (5) that insofar as such obligation was incurred for work, materials, supplies or equipment in connection with the undertaking, such work was actually performed or such materials, supplies or equipment were actually installed in or about the construction or delivered at the site of the work for that purpose. The requisition shall be signed by a Chairman or another duly authorized representative of the Authority.

**Section 404. Availability of Requisitions and Certificates.** All requisitions and certificates required by this Article shall be retained by the Acquisition Fund Depository, subject at all times to inspection by an officer of the Authority, the County or the City.

**Section 405. Completion of Project.** If upon the payment of all Project Costs and notification being given from the Authority to the Acquisition Fund Depository, the City and the

County as required by Section 3.7 of the Intergovernmental Agreement, any money remaining in the Acquisition Fund, shall be transferred to the Sinking Fund and shall be used to pay the next occurring principal amount due on the Bonds.

**Section 406. Transfer Upon Event of Default of Final Bond Payment.** Upon the occurrence of an event of default, as described in Section 801 no further money shall be disbursed from the Acquisition Fund, except that all money in the Acquisition Fund shall be transferred, as soon as practicable, to the Sinking Fund.

**Section 407. Designation of Acquisition Fund Depository.** The Acquisition Fund Depository shall be designated by the Authority pursuant to a supplemental resolution of the Authority adopted prior to the issuance of the Bonds. The Authority may, from time to time, designate a successor Acquisition Fund Depository, at the direction of the County, provided said Acquisition Fund Depository shall at all times be a commercial bank or trust company and shall comply with all of the provisions of this Article and the applicable provisions of this Bond Resolution.

[END OF ARTICLE IV]

**ARTICLE V**  
**APPLICATION OF REVENUE;**  
**FLOW OF FUNDS; PARITY BONDS; DEFEASANCE**

**Section 501. Bonds as Limited Obligations of the Authority.** The Bonds are limited obligations of the Authority payable solely from the special funds and accounts established under this Resolution derived from proceeds received from the sale of the Bonds and from the revenue, rents, and other amounts received by the Authority under the Intergovernmental Agreement.

**Section 502. Sinking Fund.**

(a) There is hereby created and the Authority will maintain, for so long as any of the Bonds remain outstanding and unpaid or provision for the payment thereof has not been made in accordance with the provisions hereof, a special fund designated GRIFFIN-SPALDING COUNTY AIRPORT AUTHORITY SINKING FUND (the "**Sinking Fund**"), to be held by Sinking Fund Custodian in the name of the Authority.

(b) So long as any of the principal of or interest on the Bonds remains outstanding and unpaid, the Authority will cause to be paid by the City and the County, directly to the Sinking Fund, the Intergovernmental Agreement Payments for which provision is made in the Intergovernmental Agreement for the purpose of paying the principal of and interest on the Bonds. The Sinking Fund will be used only for payment of the principal of and interest on the Bonds as the same shall become due without preference or priority of any one Bond over any other Bond.

(c) Nothing herein shall be construed so as to prohibit the Authority from maintaining directly or through the Sinking Fund Custodian a consolidated fund for outstanding Bonds provided that accurate and complete records are maintained at all times to show the amount within such consolidated fund credited to the Sinking Fund.

**Section 503. Disbursements from Sinking Fund.** Subject to the terms and conditions of this Resolution, money in the Sinking Fund will be disbursed for (a) the payment of interest on the Bonds as such interest falls due, (b) the payment of the principal on the Bonds, either at maturity or by proceedings for mandatory redemption, (c) the redemption of Bonds before maturity at the price and under the conditions provided therefor in Article III hereof, and (d) the purchase, at prices not to exceed par and accrued interest, and retirement of the Bonds before their maturity.

**Section 504. Bonds Constitute First Lien.** All Intergovernmental Agreement payments due under the Intergovernmental Agreement and all money in the in the Sinking Fund are pledged to the payment of the principal of and interest on the Bonds and shall be subject to and there is hereby created thereon a first and prior charge or lien for the purpose of paying the principal of and interest on the Bonds.

**Section 505. Pledge Binding on All Parties.** All Intergovernmental Agreement Payments so pledged shall immediately be subject to the charge or lien created in Section 504

without any physical delivery thereof or further act and such pledge shall be valid and binding against the Authority and against all parties having claims of any kind against the Authority whether such claims shall have arisen in contract, tort or otherwise and irrespective of whether such parties have notice thereof.

**Section 506. Priority of Bonds Preserved.** The Authority will not hereafter issue any other bonds or obligations of any kind or nature payable from or enjoying a charge or lien on the Revenues prior to the charge or lien herein created for the payment of the Bonds. No provisions of this Resolution or the Intergovernmental Agreement shall be construed as prohibiting the City or the County from entering into other contracts with the Authority for the services or facilities of the Authority or with regard to the financing and use of other projects of the Authority.

**Section 507. Parity Bonds.** Parity Bonds may be issued by the Authority, from time to time, ranking as to the lien on the Revenue *pari passu* with the Bonds herein authorized for the specific purpose of completing the financing of the Project or financing improvements or additions, real or personal, to the Griffin-Spalding County Airport, provided all the following conditions are met:

(a) The payments covenanted to be made hereunder have been and are being made as required;

(b) The Authority, the City and the County shall enter into a contract, reaffirming and extending through the final maturity of the Parity Bonds then proposed to be issued all applicable covenants, terms and provisions of the Intergovernmental Agreement. Under the terms of such contract the County and the City shall each obligate itself to pay to the Authority 50% of the amounts sufficient to pay the principal of and the interest on the Bonds then outstanding and on the Parity Bonds then proposed to be issued, and for the payment of the reasonable fees and charges of the Paying Agent and Bond Registrar, if any, less the interest and principal requirements on any bonds or obligations to be paid or redeemed from any or all of the funds to be made available by the sale of the Parity Bonds proposed to be issued.

(c) The Authority shall pass proper proceedings reciting that all of the above requirements have been met and authorizing the issuance of such Parity Bonds and shall provide in such proceedings, among other things, for the date, the rate or rates of interest, maturity dates and redemption provisions, if any, which such Parity Bonds shall bear. The interest on any such Parity Bonds shall fall due on the Interest Payment Dates in each year, and the Parity Bonds shall mature in annual installments on either Interest Payment Date, but not necessarily in each year or in equal installments.

(d) Any such proceeding or proceedings shall require the payments then being made for deposit into the Sinking Fund to be increased to the extent necessary to pay the principal of and interest on the Outstanding Bonds and on the Parity Bonds proposed to be issued, less the principal and interest requirements on any bonds or obligations to be redeemed from any or all of the funds to be made available by the sale of the Parity Bonds proposed to be issued. Any such proceeding or proceedings shall restate and reaffirm by reference all of the applicable terms, conditions and provisions of this Resolution.

(e) Such Parity Bonds and all proceedings relative thereto, and the security therefor, shall be validated as prescribed by law.

**Section 508. Bonds to be Canceled on Payment.** All Bonds paid or purchased, either at or before maturity, shall be canceled when payment therefor is made. Canceled Bonds shall be delivered to the Authority, and such Bonds so canceled shall be mutilated and destroyed. A record of such mutilation and destruction shall be preserved in the records of the Authority.

**Section 509. Defeasance.**

(a) Any funds paid to or received by the Authority at any time for the purchase and retirement of Bonds shall be placed in a special fund to be created by the Authority and applied to such purpose as far as possible in the same manner that funds in the Sinking Fund are applied. If and when sufficient funds are deposited in such special fund to pay all Outstanding Bonds, including interest due or to become due thereon together with the reasonable charges and fees of the Paying Agent and Bond Registrar, such deposit shall constitute payment in full of the Bonds.

(b) Bonds shall also be deemed to have been paid in full and the lien of this Resolution shall be discharged as to such Bonds,

(i) after there shall have been deposited in an irrevocable trust fund created for that purpose, (A) sufficient money, and/or (B) Government Obligations which shall not contain provisions permitting the redemption thereof prior to their stated maturity, the principal of and the interest on which money and/or Government Obligations when due, will be sufficient, without further investment or reinvestment of either the principal amount thereof or the interest earnings thereon (said earnings to be held in trust also), for the payment of the principal of and premium, if any, on such Bonds, plus interest thereon to the due date thereof (whether such due date is by reason of maturity or upon redemption as provided herein);

(ii) after there shall have been paid, or satisfactory provision shall have been made for payment, to the Bond Registrar and Paying Agent all fees and expenses due or to become due in connection with the payment of such Bonds or there shall be sufficient money deposited with the Bond Registrar and Paying Agent to make said payments; and

(iii) unless all Bonds being defeased pursuant to this Section 509 are to mature or be redeemed within the next 60 days, the Authority shall have given the Bond Registrar and Paying Agent irrevocable instructions to give notice, as soon as practicable, to the Owners of such Bonds, by first class mail, postage prepaid, at their last addresses appearing upon the books of registration, that the deposit required by subsection (b)(i) of this Section 509 has been made and that such Bonds are deemed to have been paid in accordance with this Section 509.

(c) In addition to the foregoing provisions of this Section 509, the lien of this Resolution as to all Bonds which are being defeased shall only be discharged pursuant to this Section 509 if the Authority delivers an opinion of bond counsel providing that all conditions

precedent to the discharge of the lien of this Resolution pursuant to this Section 509 have been satisfied and such deposit and discharge will not adversely affect the exclusion of the interest on such Bonds from federal income taxation.

(d) In the event provision for the payment in full of all Outstanding Bonds is to be made at the same time, the funds for such payment may be deposited to and such Bonds may be redeemed or paid from the Sinking Fund.

(e) After provision shall have been made for the payment of all Bonds and the interest thereon and all expenses and charges herein required to be paid, any balance attributable solely to the Bonds and remaining in such fund shall be paid to the County and the City.

(f) At such time as payment in full of Bonds shall be accomplished in accordance with the provisions of this Section, the lien of such Bonds created by this Resolution on the Revenues securing such payment shall be discharged, and such Bonds shall no longer be considered to be outstanding for any purpose except for the payment of the principal thereof and the interest thereon and for the registration and transfer thereof.

[END OF ARTICLE V]