

INTERGOVERNMENTAL AGREEMENT

THIS INTERGOVERNMENTAL AGREEMENT (this “Intergovernmental Agreement”) is entered into as of _____, 2015, by and between the **GRIFFIN-SPALDING COUNTY AIRPORT AUTHORITY** (the “Authority”), a public body corporate and politic, **CITY OF GRIFFIN, GEORGIA** (the “City”) and **SPALDING COUNTY, GEORGIA** (the “County”), a political subdivision of the State of Georgia.

WITNESSETH:

WHEREAS, Griffin-Spalding County Airport Authority (the “Authority”) is a public body corporate and politic duly created and existing pursuant to a local act of the General Assembly of the State of Georgia (Ga. L. 2012, p. 5255, *et seq.*) (the “Act”); and the Authority is now existing and operating and its members have been duly appointed and have entered into their duties; and

WHEREAS, in accordance with the Act and the Revenue Bond Law (O.C.G.A. § 36-82-60 *et seq.*, as amended), the Authority has the power (a) to issue revenue bonds and use the proceeds for the purpose of paying all or part of the cost of any “project” or “undertaking” (as authorized by the Act or the Revenue Bond Law), including acquiring, constructing, equipping, maintaining, improving, and operating public- use general aviation airports and landing fields for the use of aircraft, including acquiring the necessary property therefor, both real and personal, and to do any and all things deemed by the Authority necessary, convenient or desirable for and incident to the efficient and proper development and operation of such types of undertakings; and (b) to make and execute Intergovernmental Agreements and other instruments necessary to exercise the powers of the Authority. Any and all political subdivisions, departments, institutions or agencies of the state are authorized to enter into Intergovernmental Agreements with the Authority upon such terms and for such purposes as they may deem advisable; and

WHEREAS, under O.C.G.A. § 6-3-20, *et seq.*, the City and the County have the power to acquire, establish, construct, expand, own and equip airports and landing fields for the use of aircraft, and under the Revenue Bond Law, the City and the County have the power to issue revenue bonds and use the proceeds for the purpose of paying all or part of the cost of any “undertaking” (as defined in the Revenue Bond Law) which includes airports; and

WHEREAS, Article IX, Section III, Paragraph I(a) of the Constitution of the State of Georgia authorizes, among other things, any county, municipality or other political subdivision of the State to contract, for a period not exceeding fifty (50) years, with another county, 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 GRIFFIN SPALDING COUNTY AIRPORT AUTHORITY REVENUE BONDS, SERIES 2015, in aggregate principal amount of \$_____ (the “Bonds”) for the purposes of (i) providing funds to finance the acquisition of land and property

for the construction and improvement of a new Griffin-Spalding County Airport (the "Project"), and (ii) paying the costs of issuing the Bonds; and

WHEREAS, the Authority, the City and the County have made a finding of fact that the Project is in the public interest and is a project in furtherance of the Authority's purpose and mission under the Act and the Revenue Bond Law; and

WHEREAS, the Bonds will be issued pursuant to the Act, the Revenue Bond Law, and a resolution of the Authority adopted on _____, 2015, as supplemented on _____, 2015 (collectively, the "Bond Resolution"); and

WHEREAS, the Series 2015 Bond shall contain such terms and provisions as provided in the Bond Resolution; and

WHEREAS, on August 12, 2014, the City, the County and the Authority entered into an intergovernmental agreement for joint funding of a new general aviation airport (the "Joint Funding Agreement") setting forth the parties' mutual agreements relating to "the existing G/S Airport Property," the transfer of title to certain operational assets and real property to the Authority, the parties mutual agreement for the Authority to issue revenue bonds in an amount not to exceed \$7,000,000 for the acquisition of property for a new Griffin-Spalding County Airport (the "New Airport"), the intent of the parties to enter into this Intergovernmental Agreement for the New Airport, and the provision of aviation services by the Authority to the County and the City in exchange for and in consideration of an annual amount at least equal to the annual debt service requirements on said bonds; and

WHEREAS, The Joint Funding Agreement provides in part that (a) the City solely shall remit to the Authority amounts equaling 100% of the debt service requirements for the first three years of said agreement, (b) the City and County shall each remit an amount equal to 50% of the debt service requirements after said three years, and (c) the County shall reimburse to the City one-half the payments made by the City during the first three years over the remainder of the term of the agreement; and

WHEREAS, it is the intent of the parties that this Intergovernmental Contract set forth more specifically the obligations of the parties as to the payment of amounts by the City and the County to or for the account of the Authority sufficient to pay the debt service requirements on the Bonds, and except to the extent that the terms of the Joint Funding Agreement may be inconsistent with the provisions of this Intergovernmental Agreement the Joint Funding Agreement is incorporated herein as fully as if set forth herein verbatim; and

WHEREAS, the Authority, the City and the County propose to enter into this Intergovernmental Agreement, pursuant to which the Authority will agree to issue the Bonds to provide funds to finance the Project and will agree to acquire, construct and equip the Project and to provide airport facilities and services for the citizens of the City and the County, and the City and the County, in consideration of the Authority's doing so, will agree to pay to the Authority from their general funds or from the proceeds of a tax levied on all taxable property located within the boundaries of the County, at such rate or rates as may be necessary to make the payments to the Authority for its services as called for pursuant to this Intergovernmental Agreement in amounts sufficient to pay the principal of, redemption premium and interest on the

Bonds. The City solely shall remit to the Authority amounts equaling 100% of the consideration due for the first three years of this Intergovernmental Agreement and the City and the County each shall remit an amount equal to 50% of the annual consideration in equal installments to the Authority for the remainder of the life of the Intergovernmental Agreement. In addition, the County shall reimburse to the City one-half payments made by the City during the first three years over the remainder of the term of the Intergovernmental Agreement.

NOW, THEREFORE, 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 hereto agree as follows:

ARTICLE 1.
DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1. Definitions

The words and terms used in this Intergovernmental Agreement shall have the same meanings as set forth in the Bond Resolution, unless the context or use indicates another or different meaning or intent.

Section 1.2. Rules of Construction.

The definitions referred to in Section 1.1 shall be equally applicable to both the singular and the plural forms of the terms therein defined and shall cover all genders. "Herein," "hereby," "hereunder," "hereof," "hereinbefore," "hereinafter," "this Intergovernmental Agreement" and other equivalent words refer to this Intergovernmental Agreement and not solely to the particular portion thereof in which any such word is used. All references herein to particular Articles or Sections are references to Articles or Sections of this Intergovernmental Agreement unless otherwise specified.

[END OF ARTICLE I]

ARTICLE 2.
REPRESENTATIONS, WARRANTIES AND AGREEMENTS

Section 2.1. Representations, Warranties and Agreements of the Authority.

The Authority makes the following representations, warranties and agreements as the basis for the undertakings on its part herein contained:

(a) The Authority is a public body corporate and politic duly created, organized and existing under the Constitution and laws of the State, including the Act, and, unless otherwise required by law, shall maintain its corporate existence so long as any of the Bonds are outstanding. Under the provisions of the Act, the Authority is authorized to (i) adopt the Bond Resolution, (ii) issue, execute, deliver and perform its obligations under the Bonds, and (iii) execute, deliver and perform its obligations under this Intergovernmental Agreement. The Bond Resolution has been duly adopted and has not been modified or repealed. The Authority has duly authorized (i) the issuance, execution, delivery and performance of the Bonds and (ii) the execution, delivery and performance of this Intergovernmental Agreement. The Bond Resolution, the Bonds and this Intergovernmental Agreement are valid, binding and enforceable obligations of the Authority.

(b) The Authority has determined that the Project is a project in furtherance of the Authority's purpose and mission under the Act.

(c) No approval or other action by any governmental authority or agency or other person is required in connection with the (i) issuance of the Bonds, (ii) financing of the Project, or (iii) execution, delivery and performance of this Intergovernmental Agreement by the Authority, except as shall have been obtained as of the date hereof; provided, however, no representation is given with respect to any "blue sky" laws.

(d) The adoption of the Bond Resolution, the issuance of the Bonds and the authorization, execution, delivery and performance by the Authority of this Intergovernmental Agreement do not violate the Act, the Authority's bylaws, any resolutions or ordinances of the County, or the laws or Constitution of the State and do not constitute a breach of or a default under any existing court order, administrative regulation, or other legal decree, or any agreement, indenture, mortgage, lease, note or other instrument to which it is a party or by which it is bound.

(e) 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 Bonds, pledging the Intergovernmental Agreement Payments and this Intergovernmental Agreement to the payment of the Bonds, or financing the Project, (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 Bonds, the Bond Resolution or this Intergovernmental Agreement or

(B) materially adversely affect the transactions contemplated by this Intergovernmental Agreement.

(f) The Authority is not in violation of the Act, its bylaws, any resolutions or ordinances of the City or the County or the laws or Constitution of the State and is not in default under any existing court order, administrative regulation, or other legal decree, or any agreement, indenture, mortgage, lease, note or other instrument to which it is a party or by which it is bound.

(g) The Authority has not made, done, executed or suffered, and warrants that it will not make, do, execute or suffer any act or thing whereby the City's or the County's interest in the Project will or may be, impaired or encumbered in any manner except as permitted herein and the Bond Resolution and except for acts or things done or permitted by the City and the County.

(h) Except as herein and in the Bond Resolution provided, the Authority will not encumber any part of its interest in the Intergovernmental Agreement Payments or its rights under this Intergovernmental Agreement. The pledge made of the Intergovernmental Agreement Payments constitutes a first and prior pledge of and lien on said Intergovernmental Agreement Payments and said pledge shall at no time be impaired by the Authority and the Intergovernmental Agreement Payments shall not otherwise be pledged.

Section 2.2. Representations, Warranties and Agreements of the City.

The City makes the following representations, warranties and agreements as the basis for the undertaking on its part herein contained:

(a) The City is a political subdivision duly created 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 Intergovernmental Agreement. The City has duly authorized the execution, delivery and performance of this Intergovernmental Agreement. This Intergovernmental Agreement is a valid, binding and enforceable obligation of the City.

(b) The City has determined that the Project is in the public interest.

(c) No approval or other action by any governmental authority or agency or other person is required in connection with the (i) issuance of the Bonds, (ii) financing of the Project or (iii) execution, delivery and performance of this Intergovernmental Agreement by the City, except as shall have been obtained as of the date hereof.

(d) The authorization, execution, delivery and performance by the City of this Intergovernmental Agreement do not violate the laws or Constitution of the State and do not constitute a breach of or a default under any existing resolution or ordinance, court order, administrative regulation, or other legal decree, or any agreement, indenture, mortgage, lease, note or other instrument to which it is a party or by which it is bound.

(e) 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) attempting to limit, enjoin or otherwise restrict or prevent the City from (A) collecting ad valorem taxes and using it to make the Intergovernmental Agreement Payments or (B) financing the Project, (ii) contesting or questioning the existence of the City or the titles of the present officers of the City to their offices or (iii) wherein an unfavorable decision, ruling or finding would (A) adversely affect the enforceability of this Intergovernmental Agreement or (B) materially adversely affect (1) the financial condition or results of operations of the City or (2) the transactions contemplated by this Intergovernmental Agreement.

(f) The City is not in violation of the laws or the Constitution of the State and is not in default under any existing resolution or ordinance, court order, administrative regulation, or other legal decree, or any agreement, indenture, mortgage, lease, note or other instrument to which it is a party or by which it is bound.

Section 2.3. Representations, Warranties and Agreements of the County.

The County makes the following representations, warranties and agreements as the basis for the undertaking on its part herein contained:

(a) The County is a political subdivision duly created under the Constitution and laws of the State. Under the Constitution and laws of the State, the County is authorized to execute, deliver and perform its obligations under this Intergovernmental Agreement. The County has duly authorized the execution, delivery and performance of this Intergovernmental Agreement. This Intergovernmental Agreement is a valid, binding and enforceable obligation of the County.

(b) The County has determined that the Project is in the public interest.

(c) No approval or other action by any governmental authority or agency or other person is required in connection with the (i) issuance of the Bonds, (ii) financing of the Project or (iii) execution, delivery and performance of this Intergovernmental Agreement by the County, except as shall have been obtained as of the date hereof.

(d) The authorization, execution, delivery and performance by the County of this Intergovernmental Agreement do not violate the laws or Constitution of the State and do not constitute a breach of or a default under any existing resolution or ordinance, court order, administrative regulation, or other legal decree, or any agreement, indenture, mortgage, lease, note or other instrument to which it is a party or by which it is bound.

(e) 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 County, threatened against or affecting the County (or, to the knowledge of the County, any meritorious basis therefor) (i) attempting to limit, enjoin or otherwise restrict or prevent the County from (A) collecting ad valorem taxes and using it to make the Intergovernmental Agreement Payments or (B) financing the Project, (ii) contesting or

questioning the existence of the County or the titles of the present officers of the County to their offices or (iii) wherein an unfavorable decision, ruling or finding would (A) adversely affect the enforceability of this Intergovernmental Agreement or (B) materially adversely affect (1) the financial condition or results of operations of the County or (2) the transactions contemplated by this Intergovernmental Agreement.

(f) The County is not in violation of the laws or the Constitution of the State and is not in default under any existing resolution or ordinance, court order, administrative regulation, or other legal decree, or any agreement, indenture, mortgage, lease, note or other instrument to which it is a party or by which it is bound.

[END OF ARTICLE II]

ARTICLE 3.
ISSUANCE OF BONDS; APPLICATION OF BOND PROCEEDS; CONSTRUCTION

Section 3.1. Agreement to Issue the Bonds.

In order to provide funds, as provided in the Bond Resolution to finance the Project and pay the costs incident thereto, the Authority, in accordance with the Act, will issue the Bonds, and all of the covenants, agreements and provisions hereof shall, to the extent provided herein and in the Bond Resolution, be for the benefit and security of the Bondowner. The Authority has delivered a certified copy of the Bond Resolution to the City and the County.

Section 3.2. Date, Denomination, and Maturities.

The Bonds will be issued in fully registered form and will mature and be paid pursuant to the provisions of Article II of the Bond Resolution. Interest on the Bonds will be paid to the person or persons and in the manner stated in the Bonds and in the Bond Resolution, until the obligation of the Authority with respect to the payment of the principal of, premium, if any, and interest on the Bonds shall be discharged in accordance therewith.

Section 3.3. Obligations Relating to the Bonds.

The City and the County agree to perform all such obligations as are contemplated by the Bond Resolution to be performed by the City and the County.

Section 3.4. Application of Bond Proceeds.

At and upon the delivery of and payment for the Bonds, the proceeds received therefrom shall be applied in the manner set forth in Section 401 of the Bond Resolution.

Section 3.5. Completion of Project.

The Authority will provide for the acquisition, construction, extension and improvement of the Project, and the Authority hereby agrees to undertake and complete the Project with due diligence. Payment therefor shall be made from the Acquisition Fund in accordance with the provisions of Section 3.6 hereof.

Section 3.6. Disbursements from the Acquisition Fund.

The money credited to the Acquisition Fund from the sale of the Bonds shall be used and applied only for the purpose of paying the cost of the Project. All payments from the Acquisition Fund shall be made upon the terms and conditions set forth in Article IV of the Bond Resolution. The Authority shall prepare the requisitions and certificates required by the Bond Resolution.

Section 3.7. Establishment of Completion Date.

At such time as the Project is completed (the "Completion Date"), the Authority shall notify the Acquisition Fund Depository, the City and the County by a certificate executed by an authorized representative of the Authority. Such certificate shall establish the Completion Date

and shall state that, except for any amounts retained by the Authority for any costs of the Project not then due and payable or the liability for payment of which is being contested or disputed in good faith by the Authority (i) the Project has been completed and all the costs of the Project have been paid and (ii) all other facilities necessary in connection with the Project have been acquired, constructed and installed and all labor, services, materials and supplies used therefor have been paid. Notwithstanding the foregoing, such certificate may state that it is given without prejudice to any rights against third parties which exist at the date thereof or which may subsequently come into being.

Section 3.8. Completion of Project if Acquisition Fund Insufficient.

In the event money in the Acquisition Fund available for payment of the costs of the Project are not sufficient to pay the costs of the Project in full, the Authority shall use its best efforts to cause the Project to be completed and the Authority shall pay that portion of the cost of the Project in excess of the money available therefor in the Acquisition Fund.

Section 3.9. Investment of Moneys.

Any money held as a part of the Acquisition Fund shall be invested or reinvested as directed by the Authority in accordance with Article VI of the Bond Resolution. Any money held as a part of the Sinking Fund shall be invested or reinvested as directed by the City and the County in accordance with Article V of the Bond Resolution.

[END OF ARTICLE III]

ARTICLE 4.
EFFECTIVE DATE OF THIS INTERGOVERNMENTAL AGREEMENT; DURATION
OF TERM; PROVISION OF AIRPORT FACILITIES AND SERVICES;
INTERGOVERNMENTAL AGREEMENT PAYMENT PROVISIONS

Section 4.1. Effective Date of this Intergovernmental Agreement; Duration of Term; Provision of Airport Facilities and Services.

This Intergovernmental Agreement shall become effective as of _____, 2015 and the interests created by this Intergovernmental Agreement shall then begin, and, subject to the other provisions of this Intergovernmental Agreement, shall expire on the later of (a) _____, 20__, or if at said time and on said date the Bonds have not been paid in full as to principal, interest and premium, if any, then on such date as such payment shall have been made or (b) the date the Bonds have been paid in full, but in no event in excess of fifty (50) years from the date hereof. Notwithstanding the foregoing, the provisions of Sections 8.1 and 8.2 hereof shall expire fifty (50) years from the date hereof. The Authority agrees to provide airport facilities and services for the citizens of the City and the County through the operation of the Project as provided in Section 5.2 hereof, in return for the Intergovernmental Agreement Payments set forth in Section 4.2 hereof.

Section 4.2. Intergovernmental Agreement Payments.

On or prior to each _____ 1 and _____ 1 of each year (each a "Intergovernmental Agreement Payment Date"), commencing _____ 1, 201_, the City and the County shall make the Intergovernmental Agreement Payments with respect to the Bonds to the Authority as set forth on Schedule 1 attached hereto. As shown in Schedule 1 and consistent with the provisions of the Joint Funding Agreement, the City shall pay 100% of the Intergovernmental Agreement Payments due through January 1, 2018, and thereafter the City and the County shall each remit an amount equal to 50% of the Intergovernmental Agreement Payments due. The County agrees to reimburse to the City one-half of the total payments made by the City from July 1, 2015 through January 1, 2018, in equal installments beginning July 1, 2018 on each Interest Payment Date through January 1, 2030. If the Bonds are defeased or paid in full prior to January 1, 2030, the County shall immediately remit to the City the balance of the installments otherwise due on each Interest Payment Date. The obligation of the County to the City to make such reimbursement payments shall not in any way affect the payments otherwise due from the County and the City for deposit to the Sinking Fund. In the event of an acceleration of payments on the Bonds as a result of an Event of Default as provided in the Resolution, the City and the County shall each remit for deposit to the Sinking Fund 50% of the amounts required to pay the Bondowners in accordance with the Resolution. Intergovernmental Agreement Payments shall continue and recontinue until provision has been made for the payment in full of the Bonds as to principal, interest and premium, if any. The Intergovernmental Agreement Payments provided for herein shall be made by payment directly to the Sinking Fund Custodian for deposit into the Sinking Fund.

Section 4.3. Optional and Mandatory Redemption of Bonds and Prepayment of Intergovernmental Agreement Payments.

- (a) The Bonds shall be subject to mandatory redemption in part and optional

redemption, in whole or in part, as provided in the Bond Resolution, and the Intergovernmental Agreement Payments due under Section 4.2 shall be subject to prepayment, both at the option and agreement by both the City and the County.

(b) No prepayment of any Intergovernmental Agreement Payment in accordance with the provisions of the preceding sentence shall relieve the City or the County to any extent from its obligations thereafter to make Intergovernmental Agreement Payments required by the provisions hereof until the Bonds and interest thereon has been paid in full. Upon the prepayment of the Intergovernmental Agreement Payments in whole, the amount of such prepayment shall be used to retire the Bonds, in the manner provided in, and subject to, the Bond Resolution.

Section 4.4. Budget and Tax Levy to Pay Intergovernmental Agreement Payments.

(a) The obligations of the City and the County to make the Intergovernmental Agreement Payments when due under Section 4.2 hereof, and to perform their other obligations hereunder, are absolute and unconditional general obligations of the City and the County as herein provided, and the City and the County hereby pledge their full faith and credit and taxing power to such payment and performance. In the event the amount of funds lawfully available to the City and the County is not sufficient to pay the Intergovernmental Agreement Payments when due in any year, the City and the County shall levy an ad valorem tax on all taxable property located within the limits of the County subject to taxation for such purposes, as now existent and as same may hereafter be extended, at such rate or rates as may be necessary to produce in each calendar year revenues which shall be sufficient to fulfill the City's and the County's obligations hereunder, from which revenues there shall be appropriated sums sufficient to pay in full when due the obligations herein contracted to be paid by the City and the County including specifically the obligation to make the Intergovernmental Agreement Payments as provided herein. The City and the County hereby create a lien on any and all revenues realized by it pursuant to the provisions of this subparagraph to enable it to make the Intergovernmental Agreement Payments required pursuant to Section 4.2 hereof and such lien is superior to any that can hereafter be made.

(b) The City and the County further covenant and agree that in order to make funds available for such purpose, they will, in their general revenue, appropriation and budgetary measures whereby their tax funds or revenues and the allocation thereof are controlled or provided for, include sums sufficient to satisfy any such Intergovernmental Agreement Payments that may be required to be made, whether or not any other sums are included in such measure, until all payments so required to be made shall have been made in full. The obligation of the City and the County to make the Intergovernmental Agreement Payments shall constitute a general obligation of the City and the County and a pledge of the full faith and credit of the City and the County to provide the funds required to fulfill such obligation; provided, however, nothing herein contained shall be construed as limiting the right of the City and the County to pay the obligations hereunder assumed out of their general funds or from other sources lawfully available to them for such purpose.

(c) In the event for any reason any such provision or appropriation is not made as provided in the preceding subsection (b), then the fiscal officers of the City and the County are

hereby authorized and directed to set up as an appropriation on their accounts in the appropriate fiscal year the amounts required to pay the obligations which may be due from the general funds of the City and the County. The amount of such appropriation shall be due and payable and shall be expended for the purpose of paying any such obligations, and such appropriation shall have the same legal status as if the City and the County had included the amount of the appropriation in its general revenue, appropriation and budgetary measures, and the fiscal officers of the City and the County shall make such Intergovernmental Agreement Payments to the Sinking Fund Custodian for deposit to the Sinking Fund if for any reason the payment of such obligations shall not otherwise have been made.

Section 4.5. Obligations of City and County Hereunder Absolute and Unconditional.

The obligations of the City and the County to make the payments required in Section 4.2 hereof and to perform and observe any and all of the other covenants and agreements on its part contained herein shall be absolute and unconditional irrespective of any defense or any rights of set off, recoupment, or counterclaim it may otherwise have against the Authority. Until such time as all amounts owing hereunder have been paid or provision for the payment thereof shall have been made in accordance with the Bond Resolution and hereof, the City and the County (a) will not suspend, abate, reduce, abrogate, diminish, postpone, modify or discontinue the Intergovernmental Agreement Payments provided for herein, (b) will perform and observe all of their other agreements contained in this Intergovernmental Agreement, and (c) will not terminate the Term of this Intergovernmental Agreement or its obligations hereunder for any contingency, act of God, event, or cause whatsoever, including, without limiting the generality of the foregoing, failure of title in and to the Project, or any part thereof, any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Project, the taking by eminent domain of title to or the use of all or any part of the Project, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State or any political subdivision of either, any declaration or finding that the Bonds is unenforceable or invalid, the invalidity of any provision of this Intergovernmental Agreement, 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 Intergovernmental Agreement, or the Bond Resolution. Nothing contained in this Section shall be construed to release the Authority from the performance of any of the agreements on its part contained herein or in the Bond Resolution; and if the Authority should fail to perform any such agreement, the City and the County may institute such action against the Authority as the City and the County may deem necessary to compel performance or recover their damages for nonperformance as long as such action shall not do violence to or adversely affect the agreements on the part of the City and the County contained in this Intergovernmental Agreement and to make the Intergovernmental Agreement Payments specified herein. The City and the County may, however, at their own cost and expense and in their own names, prosecute or defend any action or proceeding or take any other action involving third persons which the City and the County deem reasonably necessary in order to secure or protect their rights hereunder, and in such event the Authority hereby agrees to cooperate to the extent required.

Section 4.6. Enforcement of Obligations.

The obligations of the City and the County to make Intergovernmental Agreement Payments under this Article may be enforced by (a) the Authority, (b) the owners of the Bonds, in accordance with the applicable provisions of the Bond Resolution and independently of the Authority or (c) such receiver or receivers as may be appointed pursuant to the Bond Resolution or applicable law. The covenants and agreements hereunder, including specifically the obligation to make the Intergovernmental Agreement Payments, shall be enforceable by specific performance; it being acknowledged and agreed by the Authority, the City and the County that no other remedy at law is adequate to protect the interests of the parties hereto.

[END OF ARTICLE IV]

ARTICLE 5.
OWNERSHIP; COVENANTS OF THE CITY, THE COUNTY AND AUTHORITY

Section 5.1. Title to the Project.

Title to the Project shall be held in the name of the Authority.

Section 5.2. Operation of the Project.

The Authority agrees to provide airport facilities and service for the citizens of the City and the County through the operation of the Project. The Authority shall operate and maintain the Project or cause the Project to be operated and maintained economically, efficiently and in accordance with good business practices and in compliance with the terms of the laws, regulations and ordinances of any federal, state, county, or municipal government having jurisdiction over the operation of such facilities.

The revenues derived from the operation of the Project after the payment of all operating expenses and any other amounts received in connection with the Project shall be used by the Authority for any lawful purpose.

Section 5.3. Operating Expenses.

The Authority shall pay or cause to be paid the reasonable and necessary costs of operating, maintaining and repairing the Project, including salaries, wages, employee benefits, the payment of any contractual obligations incurred pertaining to the operation of the Project, cost of materials and supplies, rentals (excluding Intergovernmental Agreement Payments) 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, maintaining and repairing the Project in accordance with sound business practice.

Section 5.4. Sale of Assets.

The Authority, the City and the County may agree that the Authority can sell, lease or give away all or a portion of the Project. Prior to such conveyance, the Authority, the City or the County shall obtain an opinion of nationally recognized bond counsel to the effect that such sale or lease will not adversely affect the tax-exempt status of the Bonds.

Section 5.5. Use of Proceeds and Specific Tax Covenants.

The Bonds are being issued by the Authority in compliance with the conditions necessary for interest income on the Bonds to be excluded from gross income for federal income tax purposes pursuant to the provisions of Section 103(a) of the Code relating to obligations of the State or political subdivisions thereof. It is the intention of the Authority, the City and the County that the interest on the Bonds be and remain excludable from gross income for federal income tax purposes, and, to that end, the Authority, the City and the County hereby covenant with the Bondholder as follows: