

(a) That they will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the tax exempt status of interest on the Bonds under Section 103 of the Code.

(b) That they will not directly or indirectly use or permit the use of any of the proceeds of the Bonds or take or omit to take any action in a way that would cause the Bonds to be (i) "private activity bonds" within the meaning of Section 141 of the Code or (ii) obligations which are "federally guaranteed" within the meaning of Section 149(b) of the Code.

(c) That they will not directly or indirectly use or permit the use of any proceeds of the Bonds or any other funds of the City, the County or the Authority or take or omit to take any action that would cause the Bonds to be an "arbitrage bond" within the meaning of Section 148 of the Code. To that end, the City, the County and the Authority will comply with all requirements of Section 148 of the Code and any regulations promulgated thereunder to the extent applicable to the City, the County or the Authority. In the event that at any time the City, the County or the Authority is of the opinion that for purposes of this Section it is necessary to restrict or limit the yield on the investment of any moneys held under the Bond Resolution, the Authority, the City and the County shall take such action as may be necessary to effect the same.

Section 5.6. Arbitrage Covenants.

Neither the City, the County nor the Authority shall, subsequent to the date of the issuance and delivery of the Bonds, intentionally use any portions of the proceeds of the Bonds to acquire higher yielding investments, or to replace funds which were used directly or indirectly to acquire higher yielding investments, except as may otherwise be permitted by the Code, including, but not limited to, complying with the requirements of Section 148(f) of the Code and the payment of rebate, if any, required to be made by the Authority, and that it will expend the proceeds of the Bonds in compliance with the applicable provisions of Section 141 to 149, inclusive, of the Code.

[END OF ARTICLE V]

ARTICLE 6.
SPECIAL COVENANTS AND AGREEMENTS

Section 6.1. No Warranty of Condition or Suitability by the City

THE CITY MAKES NO REPRESENTATION OR WARRANTY WITH RESPECT TO THE CONDITION OF ANY PART OF THE PROJECT OR ITS SUITABILITY.

Section 6.2. No Warranty of Condition or Suitability by the County

THE COUNTY MAKES NO REPRESENTATION OR WARRANTY WITH RESPECT TO THE CONDITION OF ANY PART OF THE PROJECT OR ITS SUITABILITY.

Section 6.3. Inspection of the Project.

The Authority agrees that the City, the County, the Bondholders and their duly authorized agents who are acceptable to the Authority shall have the right at reasonable times during business hours, subject to the Authority's usual safety and security requirements to examine and inspect the Project without interference or prejudice to the Authority's operations.

Section 6.4. Further Assurances and Corrective Instruments, Recordings and Filings.

The Authority, the City and the County agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required to facilitate the performance of this Intergovernmental Agreement.

Section 6.5. Limitations on Future Debt.

The Authority, the City and the County covenant and agree that, other than the Bonds, no other bonds or obligations of any kind or nature will be issued which are payable or enjoy a lien on the payments received under the Intergovernmental Agreement superior to lien created by the provisions of the Resolution. Parity Bonds may be issued by the Authority under the conditions prescribed in Section 507 of the Resolution. No provisions of this Intergovernmental Agreement or the Resolution 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.

[END OF ARTICLE VI]

ARTICLE 7.
EVENTS OF DEFAULT AND REMEDIES

Section 7.1. Events of Default Defined.

The following shall be "events of default" under this Intergovernmental Agreement and the term "event of default" shall mean, whenever used in this Intergovernmental Agreement, any one of the following events:

(a) Failure by the City or the County to pay when due any amount required to be paid under Section 4.2 hereof;

(b) The City and the County shall fail to perform any of the other agreements, conditions, covenants or terms herein required to be performed by the City or the County and such default shall continue for a period of 30 days after written notice has been given to the City and the County by the Authority, the Paying Agent or the Bondholder specifying such default and requesting that it be remedied, or within a greater number of days if such remedy has been undertaken and is being diligently pursued and more than 30 days is required for its completion; provided, however, that if, by reason of force majeure, the City or the County is unable, in whole or in part, to perform the obligations on its part herein undertaken (other than the obligations relating to the payments to be made under Section 4.2 hereof), the City or the County shall not be deemed in default during the continuance of such inability to perform. The term force majeure shall mean, without limitation, acts of God; strikes; work stoppages or similar disturbances; acts of public enemies; orders of any kind of the government of the United States of America or of the State or any of their departments, agencies or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes, fire; hurricanes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accident to machinery or equipment; partial or entire failure of utilities, or any other cause or event not reasonably within the control of the City or the County. The City and the County will use their best efforts, however, to remedy, with all reasonable dispatch, the cause or causes preventing the City or the County from carrying out such obligation; provided, that the settlement of strikes, work stoppages and similar disturbances shall be entirely within the discretion of the City and the County and the City and the County shall not be required to make settlement of such disturbances by acceding to the demands of the opposing party or parties when such course is, in the judgment of the City and the County, unfavorable to the City and the County; and

(c) An Event of Default shall have occurred under the Bond Resolution.

Section 7.2. Remedies on Default.

(a) If an event of default referred to in Section 7.1(a) hereof occurs and is continuing, then two thirds of the Bondowners (i) by written notice to the City and the County, may declare the payments to be made under Section 4.2 hereof to be immediately due and payable, and (ii) may take whatever action at law or in equity may appear necessary or desirable to collect said amounts payable by the City and the County

under Section 4.2 hereof. No remedy conferred upon or reserved to the Bondowners in this subsection (a) is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Intergovernmental Agreement or now or hereafter existing at law or in equity or by statute, subject to the provisions of the Bond Resolution.

(b) If an event of default referred to in Section 7.1(b) hereof occurs and is continuing, then the Paying Agent or two thirds of the Bondowners, by written notice to the City and the County, may take whatever action at law or in equity may appear necessary or desirable to enforce the performance and observance of the obligation, agreement or covenant of the City and the County then in default under this Intergovernmental Agreement, whether for specific performance of any covenant or agreement contained herein or therein or in aid of the execution of any power herein granted. No remedy conferred upon or reserved to the Bondowners in this subsection (b) is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Intergovernmental Agreement and now or hereafter existing at law or in equity or by statute, subject to the provisions of the Bond Resolution.

No delay or omission to exercise any right or power accruing upon any event of default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Bondowner to exercise any respective remedy reserved to them in this Article VII, it shall not be necessary to give any notice, other than any notice required herein.

Any amounts collected pursuant to action taken under subsection (a) of this Section 7.2 shall be applied in accordance with the Bond Resolution to the extent the provisions of the Bond Resolution relate to such amounts.

Section 7.3. No Waiver of Breach.

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

Section 7.4. City and County Authorized to Cure Default of Authority.

With regard to any default on the part of the Authority under this Intergovernmental Agreement or under the Bond Resolution, the Authority hereby vests the City and the County, with full power, for the account of the Authority, to perform any obligation in remedy of such default in the name and stead of the Authority with full power to do any and all things and acts to the same extent that the Authority could do and perform any such acts.

Section 7.5. Failure to Enforce Agreement Not a Waiver.

The failure of the Authority or the Bondowner to enforce any agreement, condition, covenant or term by reason of any default or breach by the City and the County shall not be deemed to void or affect the right to enforce the same agreement, condition, covenant or

term on the occasion of any subsequent default or breach.

[END OF ARTICLE VII]

ARTICLE 8. MISCELLANEOUS

Section 8.1. Agreement to Pay Attorneys' Fees and Expenses.

If a party should default under any of the provisions of this Intergovernmental Agreement and either or both the nondefaulting party or the Bondholder should employ attorneys or incur other expenses for the enforcement of performance or observance of any obligation or agreement on the part of the City, the County or the Authority herein contained, the defaulting party agrees that it shall on demand therefor pay to the nondefaulting party and the Bondholder the reasonable fee of such attorneys and such other reasonable expenses so incurred by the nondefaulting party and the Bondholder.

Section 8.2. Reporting Requirements.

The City and the County shall furnish to each Bondholder with such the following information or reports:

- (a) Within 270 days from the end of each fiscal year the audited financial statements of the City and the County;
- (b) Within 60 days from the end of each fiscal year, the operating budgets for the current fiscal year approved by the Mayor and Council of the City and the Board of Commissioners of the County; and
- (c) Such other information as may be reasonably requested by the Bondholders.]

Section 8.3. Notices.

All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by registered or certified mail, return receipt requested, postage prepaid and addressed as follows:

If to the Authority:

Griffin-Spalding County Airport Authority
100 South Hill Street
Griffin, Georgia 30223
Attention: Chairman
Facsimile:

cc:

Johnston, Owen & Bullard, LLP
Attention: William Johnston, Airport Authority Attorney
P.O. Drawer L
124 N. Hill Street
Griffin, Georgia 30224
Facsimile: (770) 229-1844

If to the City:

City of Griffin
100 South Hill Street
Griffin, Georgia 30223
Attention: City Manager
Facsimile:

cc:

The Whalen Law Firm, LLP
100 South Hill Street, Suite 524
Griffin, Georgia 30223
Attention: Andrew J. Whalen, III, City Attorney
Facsimile: (770) 228-9873

If to the County:

Spalding County Board of Commissioners
119 E. Solomon Street
Griffin, Georgia 30223
Attention: County Manager
Facsimile: (770) 467-4227

cc:

Beck, Owen & Murray
100 South Hill Street, Suite 600
Griffin, Georgia 30223
Attention: James R. Fortune, County Attorney
Facsimile:

Any party, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications will be sent.

Section 8.4. Binding Effect; Third-Party Beneficiaries.

This Intergovernmental Agreement shall inure to the benefit of and shall be binding upon the Authority, the City, the County and their respective successors and assigns, subject, however, to the limitations contained in this Intergovernmental Agreement. The Bondholders are third-party beneficiaries of this Intergovernmental Agreement, and may enforce the terms and provisions hereof. There are no other third-party beneficiaries.

Section 8.5. Severability

If any provision of this Intergovernmental Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 8.6. Amounts Remaining in Sinking Fund.

It is agreed by the parties hereto that, subject to and in accordance with the terms and conditions of the Bond Resolution certain surplus moneys remaining in the Sinking Fund after payment of the Bonds shall belong to and be paid to the City and the County.

Section 8.7. Amendments, Changes and Modifications.

This Intergovernmental Agreement may be amended without the consent of the Bondholder in order to grant any additional rights, remedies, powers, authority or security that may be lawfully granted to or conferred upon the Bondholders or to make any other change that does not materially adversely affect the Bondholders. All other amendments shall require the consent of the Bondholder in accordance with Section 904 of the Bond Resolution. Notwithstanding the foregoing, this Intergovernmental Agreement shall not be amended if such amendment reduces the Intergovernmental Agreement Payments.

Section 8.8. Execution Counterparts.

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

Section 8.9. Captions.

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

Section 8.10. Law Governing Intergovernmental Agreement.

This Intergovernmental Agreement shall be governed by, and construed in accordance with, the laws of the State of Georgia.

Section 8.11. City and County Parties to Validation.

The City and the County hereby agree to be party defendants in the validation proceedings related to the Bonds and covenant and agree that they shall cooperate with the Authority in validating the Bonds and in connection therewith, shall execute such certificates, consent to service of process and make sworn answers as may be necessary for the validation proceedings.

[END OF ARTICLE VIII]

IN WITNESS WHEREOF, the Authority, the City and the County have caused this Intergovernmental Agreement to be executed in their respective corporate names and their respective corporate seals to be hereunto affixed and attested by their duly authorized officers, all as of the date first above written.

**GRIFFIN-SPALDING COUNTY
AIRPORT AUTHORITY**

(SEAL)

By: _____
Chairman

Attest:

Secretary

CITY OF GRIFFIN, GEORGIA

(SEAL)

By: _____
Chairperson

Attest:

Secretary

[Intergovernmental Agreement]

SPALDING COUNTY, GEORGIA

(SEAL)

By: _____
Chairman

Attest:

Clerk

[Intergovernmental Agreement]

SCHEDULE 1

INTERGOVERNMENTAL AGREEMENT PAYMENTS

SECRETARY'S CERTIFICATE

The undersigned Secretary of the Board of Commissioners of the City of Griffin, Georgia (the "County") DOES HEREBY CERTIFY that the foregoing pages of typewritten matter constitute a true and correct copy of a resolution adopted by the City, at a meeting open to the public which was duly called and assembled on the 10th day of February, at which meeting a quorum was present and acting throughout, and that the original of the resolution appears in the minute book of the City which is in my custody and control.

WITNESS my hand this 10th day of February, 2015.

Secretary, Board of Commissioners