



**SEDA Board of Directors Meeting  
Agenda  
Tuesday, April 12, 2022  
10:30 AM**

- |   |                 |
|---|-----------------|
| <b>I. Call to Order</b>                                 | <b>Hinchey</b>  |
| <b>II. Action Items</b>                                 | <b>Hinchey</b>  |
| A. Approval of Minutes from March 8, 2022 Board Meeting |                 |
| B. Approval of February 2022 Financials                 |                 |
| C. Review and Approval of 2021 Audit                    |                 |
| D. Approval of Rockingham Farms Bond Resolution         |                 |
| <b>III. President's Report</b>                          | <b>Tollison</b> |
| <b>IV. Executive Session (if needed)</b>                | <b>Hinchey</b>  |
| <b>VI. Comments for the Good of the Order</b>           | <b>Hinchey</b>  |
| <b>VI. Adjourn</b>                                      | <b>Hinchey</b>  |

**\*\* Next scheduled board meeting is May 10, 2022.**

**PROPOSED MINUTES**  
**Savannah Economic Development Authority**  
**Board Meeting**  
**March 8, 2022**  
**10:30 AM**

**PRESENT**

**Board of Directors:** Audrey King, Cheri Dean, Greg Parker, John Coleman, Joyce Roche', Kal Patel, Kay Ford, Nina Gompels, Paul Hinchey, Reed Dulany, Bob James, Scott Center, Steve Green, Trey Thompson

**SEDA Employees:** Trip Tollison, Angela Hendrix, Antwone Smoak, Leigh Ryan, Beth Nelson, Liz Ely, Jen Bonnett, Jennifer Collins, Jessie Jenkins, Jesse Dillon, Leia Dedic, Leigh Acevedo, Mark Sprosty, Morgan Ferguson, Yvonne Wilemon

**Guests:** Laura Moore, Kathy Love, Jason Coley, Samuel Evans, Stephen Swinson, C.J. Chance, David Paddison, Lenny Panzitta, Bart Gobeil, Kyle Marrero, Christopher Curtis, Greg Kelly, Stephanie Dammen-Morrell, Brian Jackson, Darrell Naylor-Johnson, Cliff Dales, Gaye Reese, Chester A. Ellis, Gena P. Taylor, Rebecca C Benton, Asia Hernton

**Counsel:** Jon Pannell

**CALL TO ORDER**

Chairman Paul Hinchey called the meeting to order at 10:30 a.m. with a good morning and thanking everyone for being here today. He asked Angela Hendrix if the meeting was posted, and the media notified in accordance with the Georgia Open Meetings Law. Ms. Hendrix responded yes. He then asked Ms. Hendrix if there was a quorum present to which Ms. Hendrix responded yes. Mr. Hinchey asked that everyone in the room introduce themselves.

**ACTION ITEMS**

*A) Approval of Minutes from February 8, 2022*

Mr. Hinchey asked if there were any comments or corrections to the proposed minutes from the February 8, 2022 Board Meeting that were uploaded to BoardEffect, and email notification was sent to board members on Wednesday, March 2, 2022. There were no comments or corrections.

**MOTION** was made by John Coleman to approve the minutes of the February 2, 2022 Board Meeting. The motion was seconded by Scott Center. The board approved the minutes by unanimous vote.

*B) Approval of January 2022 Financials*

Mr. Hinchey stated that the SEDA financial statements for January 2022 were uploaded to BoardEffect, and email notification was sent to board members on Wednesday, March 2, 2022. He then called on Mark Sprosty for comments.

Mr. Sprosty shared the following: The Financial Statements presented are for January 2022. The January Statement of Assets, Liabilities & Net Assets (Balance Sheet) shows: The operating cash accounts had a slight increase in January while the Veterans Parkway and West Savannah accounts decreased. Market Value of Investments was down significantly at the end of January, 4.5% down

from December, however, up 3% over January 2021. We are slightly behind where we were in April of 2021. The Statement of Revenues & Expenses shows: Net Ordinary Income is in line with the monthly budget. Total Net Loss is due to the loss on investments. Mr. Sprosty added that the 2021 Audit was going well and expected to be completed shortly.

**MOTION** was made by Kay Ford to approve the January 2022 financial statements. The motion was seconded by Greg Parker. The board approved the financials by unanimous vote.

*C) Approval of Bond Resolution for Igneo Technologies*

Mr. Hinchey called on Jon Pannell to tell the board about the Bond Resolution for Igneo Technologies.

Mr. Pannell stated that the company is locating on a site at the Savannah Chatham Manufacturing Center. The proposed resolution is a Reimbursement Resolution in which SEDA agrees that the \$150,000,000 Industrial Revenue Bond will be used to reimburse Igneo for project construction and equipment purchases related to the project. Mr. Pannell reminded the board that SEDA is a conduit and is not obligated to pay bondholders if the company fails to. The resolution is a required step in the bond issuance process.

**MOTION** was made by Scott Center to approve the Bond Resolution for Igneo Technologies. The motion was seconded by Kay Ford. The board approved the resolution by unanimous vote.

**PRESIDENT'S REPORT**

At this time, Mr. Hinchey turned the meeting over to Trip Tollison for the president's report.

*A) Welcome*

Mr. Tollison welcomed Katlyn Satterthwaite, who will be joining the team starting April 18<sup>th</sup> as his assistant and board coordinator. Mr. Tollison also welcomed two elected officials: Rebecca Benton, Mayor of Pooler, and Commissioner Ellis.

*B) Savannah Airport*

Mr. Tollison called on Steve Green to introduce Greg Kelly, Executive Director of the Savannah Airport Commission. Mr. Kelly thanked the board for the strong relationship between SEDA and the Airport. He reviewed the airport boundaries and talked a little about the five member commissioners of his board before getting into the Air Service Update. Earlier today, Breeze Airways announced service to Savannah. They will have non-stop flights to and from Los Angeles, CA. Mr. Kelly stated that it takes years of work to sell SAV to airlines and acknowledged the Savannah Regional Film Commission's delight in the news. Mr. Kelly reported that the SAV regional catchment area includes 28 counties in Georgia and South Carolina with a population of 1.5 million people. The average seats per week were 50,000 in 2021 versus 21,000 in 2012. SAV currently has 35 non-stop destinations and 70 daily non-stop departures. 70% of travel through SAV is leisure travel and 30% business/residential. Mr. Kelly shared that the Savannah Airport Commission's mission is to have aircraft accessible parcels ready for aviation-related development and opportunities and went through the main airport projects currently underway as well as in the planning phases:

1. Federal Inspection Services Facility
2. Apron Expansion

3. Security Checkpoint and Concourse Expansion
4. New Air Cargo Facility Complex
5. Emergency Operations Center
6. Reconstruct Existing North Apron Phase I
7. Southeast Quadrant Redevelopment
8. Southeast Quadrant Storm Water Drainage Improvements

Mr. Kelly went on to share the projects for General and Business Aviation:

1. Sheltair Expansion
2. Signature Flight Support
3. Interstate 95 – Exit 104 Improvements
4. Future Expansion of Northwest Quadrant
5. Rolls Royce / CAE

Mr. Kelly concluded with what SEDA can do:

1. Maintain Air Service Funds
2. Provide data to Airport Service Team
3. Push State to support SAV Air Service initiatives
4. Support Georgia Airports Infrastructure funding initiative HB910
5. Support Airport Interchange Upgrade initiative
6. Bring businesses in that use Air Travel & Cargo

#### *C) Savannah Logistics Innovation Center*

Mr. Tollison asked Bart Gobeil for an update on the Savannah Logistics Innovation Center (SLIC).

Mr. Gobeil shared that the Georgia Department of Transportation has just joined GSU, SEDA, GPA, SSU, Sav Tech, Georgia Power and Forum as a partner. He also shared that Plug and Play announced a 3 year commitment and SSU offered them 1000 square feet of space at the Coastal Georgia Center. Plug and Play will:

1. Drive business and growth opportunities for a local corporate ecosystem through investments in startups in the supply chain and logistics space;
2. Establish Savannah as an innovation leader in the supply chain and logistics industry;
3. Provide services to establish a supply chain and logistics accelerator program in the Savannah region; and
4. Offer two classes of 10 cohorts each year.

Mr. Gobeil asked Dr. Marrero if he wanted to say a few words. Dr. Marrero stated that the SLIC is a difference maker and adds value to GSU.

#### **EXECUTIVE SESSION**

Mr. Hinchey stated there was a need to go into Executive Session (to discuss real estate matters).

**MOTION** was made by Kay Ford to move into Executive Session to discuss real estate matters. The motion was seconded by Joyce Roche'. The board approved the motion by unanimous vote.

**MOTION** was made by Kay Ford to move out of Executive Session. The motion was seconded by Scott Center. The board approved the motion by unanimous vote.

**ACTION ITEMS FROM EXECUTIVE SESSION**

*A) Approval of Site 8 expenditures*

Mr. Hinchey asked for a motion to approve staff to negotiate contracts and expend funds not to exceed \$1.3 million to clear, grub, grade and provide other services to the developable acreage located at Site 8 in SEDA's Crossroads Business Park.

**MOTION** was made by Scott Center to approve the expenditures at Site 8. The motion was seconded by Kay Ford. The board approved the resolution by unanimous vote.

**FOR THE GOOD OF THE ORDER**

Mr. Hinchey reminded the board of the photo to be taken immediately after the meeting.

There being no further business, the meeting was adjourned.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'MAS', with a stylized flourish at the end.

Mark A. Sprosty  
Assistant Secretary



**Management Analysis for Board of Directors  
February 2022**

The January 2022 Statement of Assets, Liabilities & Net Assets records \$25.5m in cash, excluding funds held for Veterans Parkway Interchange and funds associated with the GEFA Loan / Bloomingdale infrastructure. \$828k was collected in February and \$833k was disbursed. Funds held for Veterans Parkway Interchange decreased by \$223k for the month.

Accounts Receivable decreased \$815k from collections of annual billings.

The market value of investments decreased nearly \$400k in February but remains \$186k more than this time last year. The balance as of February 28, 2022 is \$24.7m.

Deferred Income decreased to \$6.7m, representing the amount of billing that has been invoiced but not yet recognized.

The February 2022 Statement of Revenues & Expenses records \$220k Net Ordinary Income for the month. Non-Operating Loss of \$389k is due to the loss on investments and contributed to the \$169k Total Net Loss for February. Year to Date (YTD) Net Ordinary Income is \$412k while Non-Operating Loss is \$1.3m, producing a Net Loss of \$921k for the first two months of 2022.

**SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY**  
**Statement of Assets, Liabilities & Net Assets**  
As of February 28, 2022

	Feb 28, 22	Jan 31, 22	\$ Change	Feb 28, 21	\$ Change
<b>ASSETS</b>					
Current Assets					
Checking/Savings					
CHECKING & MONEY MARKET ACCTS.	25,570,966.65	25,575,613.47	-4,646.82	26,231,557.31	-660,590.66
SOUTH STATE VETERANS PKWY CKI...	19,890,514.00	20,113,806.65	-223,292.65	27,510,054.92	-7,619,540.92
UNITED COMMUNITY BANK GEFA	483,017.83	484,499.61	-1,481.78	0.00	483,017.83
Total Checking/Savings	45,944,498.48	46,173,919.73	-229,421.25	53,741,612.23	-7,797,113.75
Accounts Receivable					
ACCOUNTS RECEIVABLE	3,335,488.77	4,150,847.02	-815,358.25	2,816,392.06	519,096.71
Total Accounts Receivable	3,335,488.77	4,150,847.02	-815,358.25	2,816,392.06	519,096.71
Other Current Assets					
A/R-MISCELLANEOUS	1,260,553.50	1,140,635.60	119,917.90	530,304.95	730,248.55
INVESTMENTS @ MKT VALUE	24,739,672.72	25,139,319.16	-399,646.44	24,553,439.04	186,233.68
PREPAID EXPENSES	141,776.13	132,552.00	9,224.13	44,441.75	97,334.38
Total Other Current Assets	26,142,002.35	26,412,506.76	-270,504.41	25,128,185.74	1,013,816.61
Total Current Assets	75,421,989.60	76,737,273.51	-1,315,283.91	81,686,190.03	-6,264,200.43
Fixed Assets					
ACCUMULATED DEPRECIATION	-366,190.18	-342,940.18	-23,250.00	-629,169.35	262,979.17
AMORTIZATION OF DEFERRED COST	-832,402.33	-825,102.33	-7,300.00	-744,782.75	-87,619.58
BUILDINGS	7,268,211.67	7,268,211.67	0.00	6,480,155.72	788,055.95
FURNITURE & EQUIPMENT	696,724.12	698,155.23	-1,431.11	837,391.75	-140,667.63
GULFSTREAM DEFERRED COST	1,752,391.58	1,752,391.58	0.00	1,752,391.58	0.00
LAND AND LAND IMPROVEMENTS	1,200,000.00	1,200,000.00	0.00	0.00	1,200,000.00
VEHICLES	86,091.45	86,091.45	0.00	86,091.45	0.00
Total Fixed Assets	9,804,826.31	9,836,807.42	-31,981.11	7,782,078.40	2,022,747.91
Other Assets					
INVESTMENT IN SEDA I, LLC	656,838.47	649,316.46	7,522.01	348,827.84	308,010.63
OTHER RECEIVABLE	215,538.00	215,538.00	0.00	445,460.00	-229,922.00
REAL PROP.HELD-SALE/DEVELOPMENT	11,230,171.65	11,230,171.65	0.00	11,259,272.33	-29,100.68
Total Other Assets	12,102,548.12	12,095,026.11	7,522.01	12,053,560.17	48,987.95
<b>TOTAL ASSETS</b>	<b>97,329,364.03</b>	<b>98,669,107.04</b>	<b>-1,339,743.01</b>	<b>101,521,828.60</b>	<b>-4,192,464.57</b>

**SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY**  
**Statement of Assets, Liabilities & Net Assets**  
As of February 28, 2022

	Feb 28, 22	Jan 31, 22	\$ Change	Feb 28, 21	\$ Change
<b>LIABILITIES &amp; EQUITY</b>					
Liabilities					
Current Liabilities					
Accounts Payable					
ACCOUNTS PAYABLE	1,798,285.26	1,727,005.78	71,279.48	983,158.41	815,126.85
Total Accounts Payable	1,798,285.26	1,727,005.78	71,279.48	983,158.41	815,126.85
Credit Cards	62,325.17	56,632.79	5,692.38	30,233.58	32,091.59
Other Current Liabilities					
A/P-MISCELLANEOUS	0.00	0.00	0.00	0.00	0.00
ACCRUED EXPENSES	2,376,048.13	2,545,548.13	-169,500.00	732,881.50	1,643,166.63
DEFERRED INCOME	6,688,061.35	7,380,329.35	-692,268.00	6,842,315.52	-154,254.17
PILOT/PILT PAYABLE	1,116,687.60	1,116,687.60	0.00	1,729,828.60	-613,141.00
TENANT DEPOSITS-SEDA OFC BLDG	1,500.00	1,500.00	0.00	1,500.00	0.00
UNITED WAY PAYABLE	820.00	820.00	0.00	628.34	191.66
Total Other Current Liabilities	10,183,117.08	11,044,885.08	-861,768.00	9,307,153.96	875,963.12
Total Current Liabilities	12,043,727.51	12,828,523.65	-784,796.14	10,320,545.95	1,723,181.56
Long Term Liabilities					
DEFERRED INTERCHANGE COSTS	18,976,127.82	19,361,668.31	-385,540.49	27,309,896.97	-8,333,769.15
Total Long Term Liabilities	18,976,127.82	19,361,668.31	-385,540.49	27,309,896.97	-8,333,769.15
Total Liabilities	31,019,855.33	32,190,191.96	-1,170,336.63	37,630,442.92	-6,610,587.59
Equity					
NET ASSETS-INVSTD IN CAP ASSETS	8,933,074.09	8,933,074.09	0.00	6,210,611.09	2,722,463.00
NET ASSETS-UNRESTRICTED	58,297,734.50	58,297,734.50	0.00	56,927,359.71	1,370,374.79
Net Income	-921,299.89	-751,893.51	-169,406.38	753,414.88	-1,674,714.77
Total Equity	66,309,508.70	66,478,915.08	-169,406.38	63,891,385.68	2,418,123.02
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>97,329,364.03</b>	<b>98,669,107.04</b>	<b>-1,339,743.01</b>	<b>101,521,828.60</b>	<b>-4,192,464.57</b>



**SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY**  
**Statement of Revenues & Expenses - Actual vs. Budget**  
**February 2022**

	Feb 22	Budget	\$ Over Budget	Jan - Feb 22	YTD Budget	\$ Over Budget	Annual Budget
Ordinary Income/Expense							
Income							
BOND FEES	22,345.00	21,000.00	1,345.00	44,750.12	42,000.00	2,750.12	252,000.00
FOREIGN TRADE ZONE REVENUE	18,540.00	18,750.00	-210.00	37,100.00	37,500.00	-400.00	225,000.00
INFRASTRUCTURE FEES	643,961.00	651,700.00	-7,739.00	1,287,916.17	1,303,300.00	-15,383.83	7,820,000.00
MISCELLANEOUS INCOME	1,681.95	1,250.00	431.95	2,931.95	2,500.00	431.95	15,000.00
RENTAL INCOME - OTHER	3,000.00	0.00	3,000.00	4,500.00	0.00	4,500.00	3,000.00
TRADE SERVICES INCOME	12,422.00	19,100.00	-6,678.00	25,648.00	38,200.00	-12,552.00	230,000.00
Total Income	701,949.95	711,800.00	-9,850.05	1,402,846.24	1,423,500.00	-20,653.76	8,545,000.00
Gross Profit	701,949.95	711,800.00	-9,850.05	1,402,846.24	1,423,500.00	-20,653.76	8,545,000.00
Expense							
ADMIN. OPERATING EXPENSES	356,426.09	314,477.00	41,949.09	671,548.14	628,834.00	42,714.14	3,809,000.00
ASSESSMENTS-CROSSROADS OWNE...	0.00	0.00	0.00	0.00	0.00	0.00	21,000.00
DEPRECIATION & AMORTIZATION	30,550.00	42,330.00	-11,780.00	65,075.14	84,660.00	-19,584.86	518,000.00
ENG,ENV,MITIGATION,SURVEY,LEGAL	-1,623.04	54,160.00	-55,783.04	525.53	108,330.00	-107,804.47	650,000.00
PROPERTY MAINTENANCE	2,555.00	3,410.00	-855.00	10,709.00	6,830.00	3,879.00	41,000.00
SALES,MKT,PR,RES,PROJ MGT EXP.	93,840.59	175,465.00	-81,624.41	243,173.46	349,740.00	-106,566.54	3,114,400.00
Total Expense	481,748.64	589,842.00	-108,093.36	991,031.27	1,178,394.00	-187,362.73	8,153,400.00
Net Ordinary Income	220,201.31	121,958.00	98,243.31	411,814.97	245,106.00	166,708.97	391,600.00
Other Income/Expense							
Other Income							
NON-OPERATING REVENUE(EXPENSE)	-389,607.69	56,600.00	-446,207.69	-1,333,114.86	68,200.00	-1,401,314.86	500,000.00
Total Other Income	-389,607.69	56,600.00	-446,207.69	-1,333,114.86	68,200.00	-1,401,314.86	500,000.00
Net Other Income	-389,607.69	56,600.00	-446,207.69	-1,333,114.86	68,200.00	-1,401,314.86	500,000.00
Net Income	-169,406.38	178,558.00	-347,964.38	-921,299.89	313,306.00	-1,234,605.89	891,600.00

SAVANNAH ECONOMIC  
DEVELOPMENT AUTHORITY

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

draft 4-1-22

SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY

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DECEMBER 31, 2021 AND 2020

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## **Independent Auditor's Report**

To the Board of Directors of  
Savannah Economic Development Authority

### **Opinions**

We have audited the consolidated financial statements of the Savannah Economic Development Authority (SEDA) and affiliates, as of and for the years ended December 31, 2021 and 2020, and the related notes to the consolidated financial statements, which collectively comprise SEDA's basic financial statements as listed in the table of contents.

In our opinion, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the respective financial position of SEDA, as of December 31, 2021 and 2020, and the respective changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of SEDA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about SEDA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SEDA's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about SEDA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Management has omitted management's discussion and analysis and budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the consolidated financial statements that collectively comprise SEDA's based financial statements. The Schedule of Expenditures of OneGeorgia Awards, the Source and Application of Funds Schedule - OneGeorgia Awards, and the Project Cost Schedule - OneGeorgia Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this supplementary information is fairly stated, in all material respects, in relation to the based financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 5, 2022, on our consideration of SEDA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion the effectiveness of SEDA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SEDA's internal control over financial reporting and compliance.

Holland, Bromley, Barnhill & Brett, LLP  
Savannah, Georgia  
April 5, 2022

draft 4-1-22

SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY  
CONSOLIDATED STATEMENTS OF NET POSITION  
PROPRIETARY FUND

	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 25,355,183	\$ 21,659,955
Restricted cash	22,730,873	-
Investments	26,333,695	24,484,984
Accounts receivable	1,035,349	1,722,838
Current portion of other receivable	229,922	229,922
Prepaid expenses and deposits	<u>145,217</u>	<u>29,809</u>
Total current assets	<u>75,830,239</u>	<u>48,127,508</u>
Noncurrent assets		
SEDA I, LLC investment	401,200	332,784
Noncurrent portion of other receivable	215,538	445,460
Capital assets-net of accumulated depreciation	8,933,074	6,210,612
Real property held for sale or development	<u>11,230,171</u>	<u>11,256,320</u>
Total noncurrent assets	<u>20,779,983</u>	<u>18,245,176</u>
Total assets	<u>96,610,222</u>	<u>66,372,684</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows of resources-net of amortization	<u>934,609</u>	<u>1,022,229</u>
	<u>934,609</u>	<u>1,022,229</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	1,881,626	2,638,849
Accrued expenses	2,516,048	950,882
Unearned property deposits	1,500	1,500
Voluntary payments in lieu of taxes	<u>-</u>	<u>613,141</u>
Total current liabilities	<u>4,399,174</u>	<u>4,204,372</u>
Total liabilities	<u>4,399,174</u>	<u>4,204,372</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows of resources	<u>25,914,849</u>	<u>52,492</u>
<b>NET POSITION</b>		
Net investment in capital assets	8,933,074	6,210,612
Unrestricted	<u>58,297,734</u>	<u>56,927,437</u>
Total net position	<u>\$ 67,230,808</u>	<u>\$ 63,138,049</u>

(The accompanying notes are an integral part of the consolidated financial statements.)

**SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY**  
**CONSOLIDATED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUND**

	For the years ended	
	December 31,	
	2021	2020
<b>REVENUES AND OTHER SUPPORT</b>		
Infrastructure and recap fees	\$ 8,319,664	\$ 7,807,001
Rental income	25,315	67,808
World Trade Center income	452,026	380,605
Administrative fees	436,121	312,714
Miscellaneous income	20,302	18,174
Total operating revenues	9,253,428	8,586,302
<b>OPERATING EXPENSES</b>		
Personnel and wages	2,041,284	1,926,715
Incentives	1,351,443	440,565
Professional fees	1,071,159	848,835
Sponsorships	424,677	474,308
Travel and entertainment	376,407	222,938
Depreciation and amortization	301,598	176,510
Insurance	252,413	254,727
Office	230,552	151,323
Special events and business development	180,825	162,385
Payroll taxes	131,191	114,286
Website development and maintenance	115,089	63,655
Retirement plan contributions	99,395	84,106
Property maintenance	84,186	9,175
Board meetings and reports	80,851	6,626
Promotional and collateral materials	65,236	174,567
Research	59,816	57,656
Advertising	58,845	113,566
Dues and subscriptions	57,965	56,658
Telephone	53,468	46,610
Utilities	47,031	2,290
Organization	28,575	19,415
Grants	14,310	2,700
Bad debt	7,500	3,500
Assessments - Crossroads Owners Association	-	19,338
Total operating expenses	7,133,816	5,432,454
Operating income	2,119,612	3,153,848

(The accompanying notes are an integral part of the consolidated financial statements.)



SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY  
CONSOLIDATED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUND - (continued)

	For the years ended December 31,	
	2021	2020
<b>NON-OPERATING (EXPENSES) REVENUES</b>		
Investment fees	\$ (170,873)	\$ (137,530)
Interest income	287,502	329,698
Dividend income	127,873	163,417
Unrealized gains	616,082	1,962,514
Realized gains (losses)	1,003,503	(76,082)
Gain (loss) on disposal of capital assets	40,694	(73,827)
Income from SEDA I, LLC	68,366	116,065
Total non-operating revenues	1,973,147	2,284,255
Net income	4,092,759	5,438,103
Net position - beginning	63,138,049	57,699,946
Net position - ending	\$ 67,230,808	\$ 63,138,049

(The accompanying notes are an integral part of the consolidated financial statements.)

SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
PROPRIETARY FUND

	For the years ended	
	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from providing services	\$ 35,803,274	\$ 6,963,775
Payments to suppliers and employees	<u>(6,522,902)</u>	<u>(5,181,486)</u>
Net cash provided by operating activities	<u>29,280,372</u>	<u>1,782,289</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition or construction of capital assets	(2,954,494)	(1,119,124)
Proceeds from sale of capital assets	<u>58,748</u>	<u>100</u>
Net cash used for capital and related financing activities	<u>(2,895,746)</u>	<u>(1,119,024)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net proceeds from reimbursements of costs related to real property held for sale or development	154,860	16,777,768
Acquisition or development of real property held for sale or development	(128,712)	(11,017,950)
Interest proceeds from cash and cash equivalents	<u>15,327</u>	<u>58,835</u>
Net cash provided by investing activities	<u>41,475</u>	<u>5,818,653</u>
Net increase in cash and cash equivalents	26,426,101	6,481,918
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>21,659,955</u>	<u>15,178,037</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 48,086,056</u>	<u>\$ 21,659,955</u>
<b>CASH AND CASH EQUIVALENTS from the Consolidated Statements of Financial Position</b>		
Cash and cash equivalents	\$ 25,355,183	\$ 21,659,955
Restricted cash	<u>22,730,873</u>	<u>-</u>
	<u>\$ 48,086,056</u>	<u>\$ 21,659,955</u>

(The accompanying notes are an integral part of the consolidated financial statements.)

SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
PROPRIETARY FUND - (continued)

	For the years ended	
	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
<b>RECONCILIATION OF OPERATING INCOME TO</b>		
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating income	\$ 2,119,612	\$ 3,153,848
Adjustments to reconcile operating income to cash provided by operating activities		
Depreciation and amortization expense	301,598	176,510
Increase (decrease) in deferred inflows of resources	25,862,357	(137,832)
Change in assets and liabilities		
Decrease (increase) in accounts receivable	687,489	(1,456,922)
(Increase) decrease in prepaid expenses and deposits	(115,408)	6,973
Decrease in other receivable	229,922	229,922
(Decrease) increase in accounts payable	(757,223)	1,449,036
Increase (decrease) in accrued expenses	1,565,166	(549,216)
Decrease in voluntary payments in lieu of taxes	(613,141)	(1,090,030)
Net cash provided by operating activities	<u>\$ 29,280,372</u>	<u>\$ 1,782,289</u>
 <b>SCHEDULE OF NON-CASH INVESTING, CAPITAL,</b>		
<b>AND FINANCING ACTIVITIES</b>		
Change in fair value of investments	\$ 1,848,711	\$ 2,183,209
Change in investment in SEDA I, LLC	68,416	116,040

(The accompanying notes are an integral part of the consolidated financial statements.)

SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

The Savannah Economic Development Authority is a body corporate and politic and an instrumentality of the State of Georgia established in 1925, as the Savannah Port Authority, and by amendment to the Constitution of the State of Georgia in 1951. The organization was renamed the Savannah Economic Development Authority (SEDA) in 1989. SEDA's board consists of nineteen members with six members appointed by each the City of Savannah, Chatham County, and SEDA. Each of the above organizations has the opportunity to appoint the nineteenth member on a rotating basis.

SEDA's primary goals are developing industrial growth and expansion and making long range plans for the coordination of commerce, industry and traffic within Savannah and Chatham County, Georgia. SEDA's primary functions in achieving these goals are the issuance of industrial revenue obligations, real estate acquisition, development and management, and soliciting businesses for potential relocation to the Savannah area.

Reporting Entity

SEDA is governed by members of the board of directors. The reporting entity comprises the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading.

Criteria for determining if other entities are potential component units which should be reported within SEDA's financial statements are identified and described in GASB's Codification of Governmental Accounting and Financial Reporting Standards, Sections 2100 and 2600. The application of these criteria provides for identification of any entities for which SEDA is financially accountable and other organizations for which the nature and significance of their relationship with SEDA are such that exclusion would cause SEDA's financial statements to be misleading or incomplete. Based on these criteria, no component units are included within the reporting entity of SEDA.

SEDA's consolidated financial statements include the investment in SEDA I, LLC, which is a single-member limited liability company wholly owned by SEDA. See Note 14 for further discussion.

In 2011, World Trade Center Savannah, LLC (WTCSav) was created as a single member limited liability company wholly owned by SEDA. WTCSav was created to further the SEDA mission to create, grow and attract jobs and investment in the Savannah region. It does so by helping regional businesses expand internationally and identifying more foreign direct investment opportunities for our region. WTCSav is treated as a consolidating entity included in SEDA's financial statements as of December 31, 2021 and 2020. See Note 14 for further discussion.

In 2014, Savannah World Trade Center for Investment, LLC (SWTCI) was created as a single member limited liability company wholly owned by WTCSav which is wholly owned by SEDA. SWTCI was created in anticipation of developing and operating a U.S. Citizenship and Immigration Services (USCIS)

### Reporting Entity (continued)

approved EB-5 Regional Center. The EB-5 program was created by Congress to stimulate the U.S. economy through job creation and capital investment by foreign investors. SWTCI was approved by USCIS to become a Regional Center in January 2016. The EB-5 Regional Center status was terminated by USCIS in 2020 due to a lack of applicable projects. SWTCI is treated as a consolidating entity included in SEDA's financial statements as of December 31, 2021 and 2020. SWTCI was dissolved in 2021. See Note 14 for further discussion.

In August 2016, the Savannah Area Film Office became a part of SEDA through memorandums of understanding with the City of Savannah and Chatham County. Financial information related to the Savannah Area Film Office is included in the accompanying consolidated financial statements with other SEDA operations.

### Fund Type

The operations of SEDA are accounted for in the Proprietary Fund type of Enterprise Fund. Enterprise funds are used to account for the operations that are financed and operated in a manner similar to private business or where SEDA has decided that the determination of revenues earned, costs incurred, and/or income is necessary for management accountability.

### Basis of Presentation – Fund Accounting

As a body corporate and politic, SEDA elected, in 1998, to change its method of financial reporting from that of a not-for-profit organization to that of a government unit. Accordingly, the financial statements are presented in accordance with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of SEDA's accounting policies are described below.

### Measurement Focus/Basis of Accounting

The economic measurement focus and the accrual basis of accounting are used by SEDA. Proprietary funds use the accrual basis of accounting. Under the accrual basis, revenues are recognized when they are earned, and expenses are recognized when incurred or the economic asset is used. Under this basis of accounting, all assets and liabilities associated with the operations of SEDA are included on the statement of net position. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flow. Proprietary fund equity is classified as net position. Proprietary Fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in fund net position.

### Cash, Cash Equivalents, and Investments

Cash equivalents include amounts in petty cash, bank demand deposits, and money funds. SEDA considers all highly liquid investments with maturities of three months or less, when purchased, to be cash equivalents. Restricted cash consists of cash held for other entities as part of SEDA's administration of certain economic development projects.

Investments are stated at fair value based on quoted market prices.

### Accounts Receivable

SEDA's accounts receivable are stated at realizable values net of allowances for uncollectible accounts, if any. Management considers all receivables at December 31, 2021 and 2020, to be fully collectible. Accordingly, no allowance for doubtful accounts is considered necessary for these receivables.

### Prepaid Items

Payments made to vendors for services that benefit periods beyond the current fiscal year are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting expense in the year in which the services are consumed.

### Real Property Held for Sale or Development

Real property held for sale or development consists of land and improvements located at Crossroads Business Park, Savannah Chatham Manufacturing Center, and other smaller tracts. If purchased, these assets are recorded at the lower of cost or fair market value. If donated, these assets are recorded at appraised value. See Note 7 for further discussion.

### Capital Assets

Land, buildings, and equipment are recorded at cost if purchased or appraised value if donated. Depreciation is recorded by using the straight-line method and is based on assets' estimated useful lives ranging from 5 - 40 years.

### Fund Equity

Fund equity for all proprietary funds is classified as "net position." Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvements of those assets. Net positions are reported as restricted when there are limitations imposed on their use by outside third-parties, creditors, grantors, or regulation of other governments. All other net positions are reported as unrestricted.

### Accounting Pronouncements

SEDA is applying all applicable GASB pronouncements as well as following all Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedures issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

### Tax Abatements

SEDA adheres to GASB 77, *Tax Abatement Disclosures*, which requires state and local governments to disclose certain information about tax abatements and the tax revenues affected by these abatements. SEDA is authorized to enter into tax abatement agreements as a state constitutional authority and by state law. The tax abatement agreements are designed to attract new businesses to Chatham County, Georgia and to incentivize existing businesses to retain or expand operations in the County. Tax on real property and attached fixtures can be partially to fully abated. The length of the agreements as well as the abatement percentages are based on SEDA's approved guidelines related to the projects' commitment of the dollar amount of investment and the number of qualifying jobs to be created and/or maintained. SEDA does not collect property taxes and therefore entering into these contracts does not negatively impact SEDA's revenues. As of December 31, 2021 and 2020, SEDA was a party to fifty-two (52) and fifty-three (53) tax abatement agreements, respectively.

### Infrastructure and Recapitalization Fees

SEDA has invested its own and borrowed funds to foster investment and job creation in Chatham County, Georgia. As a state constitutional authority, SEDA is empowered to offer certain incentives to potential investors in Chatham County, Georgia by taking title to the land and improvements of a project and leasing the property back to the company. In return for that action, SEDA negotiates annual fees that will repay SEDA for its investment and costs of infrastructure typically paid by government.

### Advertising

Advertising costs are expensed as incurred. Advertising costs for the years ended December 31, 2021 and 2020 were \$58,845 and \$113,566, respectively.

### Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources are reported on a separate line in the consolidated statements of net position to record costs related to future income until such future payments are received. Expenses will then be amortized over the established payment period. See Note 9 for further discussion.

Deferred inflows of resources are reported on a separate line in the consolidated statements of net position to record funds received related to future expenditures until such future costs are incurred. See Note 3 for further discussion.

### Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### Reclassifications

Certain prior year amounts have been reclassified to conform to current year presentation.

### Subsequent Events

SEDA has evaluated subsequent events through April 5, 2022, the date the financial statements were available to be issued.

### NOTE 2 - CASH ON DEPOSIT WITH FINANCIAL INSTITUTIONS AND CONCENTRATIONS OF CREDIT RISK

SEDA maintains its cash balances with commercial banks in deposit accounts. The Federal Deposit Insurance Corporation (FDIC) insured these deposits up to \$250,000 per financial institution. At December 31, 2021 and 2020, SEDA had deposits totaling \$20,566,518 and \$0, respectively, related to bond funds that are collateralized in accordance with Official Code of Georgia Annotated, Title 45, Chapter 8, Section 12 (O.C.G.A. § 45-8-12). This requires banking institutions holding public deposits in excess of the amount insured by the FDIC to pledge collateral to the State of Georgia Depository Board. Uninsured cash at December 31, 2021 and 2020 totaled approximately \$13,898,000 and \$21,283,000, respectively. SEDA has a custodial credit risk policy which states that cash account balances will be reviewed monthly to ensure proper coverage through FDIC insurance.

### NOTE 3 - INCOME TAX-EXEMPT INDUSTRIAL REVENUE OBLIGATIONS

A function of SEDA is the issuance of certain income tax-exempt industrial revenue bonds (IRBs) known as conduit debt securities. The full faith and credit of the issuer, SEDA, is not involved. A typical conduit debt security IRB states on its face that the bonds are limited obligations of the issuer, and they are payable solely out of the proceeds of the related project. Hence, purchasers of such bonds have no recourse against SEDA or its employees in the event of default. The bonds are the primary obligation of the borrower on whose behalf the bonds are issued. Consequently, they are not reflected on the financial statements of SEDA. As of December 31, 2021 and 2020, there were 20 and 19 IRBs outstanding with aggregate principal balances of \$653,539,724 and \$677,473,354, respectively.

NOTE 3 - INCOME TAX-EXEMPT INDUSTRIAL REVENUE OBLIGATIONS (continued)

In January 2021, SEDA issued revenue bonds totaling \$28,000,000 to fund the Veterans Parkway Interchange Project. The City of Savannah is the obligor on the bonds and is responsible for bond payments. SEDA agreed to administer and manage the project as an agent of the City. SEDA received the bond proceeds in January 2021, and at December 31, 2021, there are remaining, unspent bond funds totaling \$20,566,518 included in restricted cash on the accompanying consolidated statement of net position. Also included on the accompanying consolidated statement of net position at December 31, 2021 are accounts receivable of \$160,525 related to amounts spent from SEDA operating funds on the project, accounts payable of \$138,709 related to unpaid vendor invoices for the project, and deferred inflows of resources of \$20,427,809 representing unspent bond funds less vendor payables related to the project.

NOTE 4 - CAPITAL ASSETS

Capital assets are stated at cost and consist of the following:

	December 31,			December 31,
	<u>2020</u>	<u>Additions</u>	<u>Disposals</u>	<u>2021</u>
Land and improvements	\$ -	\$ 1,200,000		\$ 1,200,000
Building	-	7,268,212		7,268,212
Vehicles	86,093			86,093
Furniture and equipment	658,678	573,826	\$ (538,000)	694,504
Construction in process	<u>6,087,544</u>	<u>2,380,668</u>	<u>(8,468,212)</u>	<u>-</u>
Total	<u>6,832,315</u>	<u>11,422,706</u>	<u>(9,006,212)</u>	<u>9,248,809</u>
Less accumulated depreciation	<u>621,703</u>	<u>213,978</u>	<u>(519,946)</u>	<u>315,735</u>
Net capital assets	<u>\$ 6,210,612</u>	<u>\$ 11,208,728</u>	<u>\$ (8,486,266)</u>	<u>\$ 8,933,074</u>
	December 31,			December 31,
	<u>2019</u>	<u>Additions</u>	<u>Disposals</u>	<u>2020</u>
Land and improvements	\$ 366,125		\$ (366,125)	\$ -
Vehicles	86,093			86,093
Furniture and equipment	630,091	\$ 31,580	(2,993)	658,678
Construction in process	<u>5,000,000</u>	<u>1,087,544</u>	<u>-</u>	<u>6,087,544</u>
Total	<u>6,082,309</u>	<u>1,119,124</u>	<u>(369,118)</u>	<u>6,832,315</u>
Less accumulated depreciation	<u>800,229</u>	<u>88,890</u>	<u>(267,416)</u>	<u>621,703</u>
Net capital assets	<u>\$ 5,282,080</u>	<u>\$ 1,030,234</u>	<u>\$ (101,702)</u>	<u>\$ 6,210,612</u>

Provision for depreciation is made by charges to income at rates based upon the estimated useful lives of the assets and is computed by the straight-line method. Estimated useful lives are 20 - 40 years for buildings and improvements, 5 - 10 years for furniture, fixtures, and equipment, 10 years for leasehold improvements, and 5 years for vehicles.



## NOTE 5 - INVESTMENTS

As of December 31, 2021 and 2020, SEDA had total investments worth \$26,333,695 and \$24,484,984, respectively. Custodial credit risk for investments is the risk that, in the event of failure of the counterparty, SEDA will not be able to recover the value of its investments. Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. SEDA maintains an investment policy with portfolio guidelines to mitigate these risks. SEDA's investments in debt securities have an average credit quality rating of A1 as of December 31, 2021 and 2020.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. SEDA has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rates. Investments are presented in the financial statements at published fair market values. They are composed of the following:

<u>December 31, 2021</u>	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Gains/(Losses)</u>
Common stocks	\$ 6,751,550	\$ 11,122,983	\$ 4,371,433
Money funds	199,435	199,435	-
Bonds	11,258,405	11,525,429	267,024
Fixed income funds	3,355,411	3,485,848	130,437
	<u>\$ 21,564,801</u>	<u>\$ 26,333,695</u>	<u>\$ 4,768,894</u>

  

<u>December 31, 2020</u>	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Gains/(Losses)</u>
Common stocks	\$ 5,844,304	\$ 9,181,433	\$ 3,337,129
Certificates of deposit	50,000	51,515	1,515
Money funds	348,099	348,099	-
Bonds	11,042,278	11,738,168	695,890
Fixed income funds	3,084,254	3,165,769	81,515
	<u>\$ 20,368,935</u>	<u>\$ 24,484,984</u>	<u>\$ 4,116,049</u>

At December 31, 2021, SEDA's investments had the following maturities:

	<u>Total Fair Value</u>	<u>No Maturity</u>	<u>Less than 3 Months</u>	<u>4-12 Months</u>	<u>1-5 Years</u>	<u>6-10 Years</u>
Money funds	\$ 199,435		\$ 199,435			
Bonds	11,525,429			\$ 812,320	\$ 8,596,622	\$ 2,116,487
Fixed income funds	3,485,848	\$ 3,485,848				
Common stocks	11,122,983	11,122,983	-	-	-	-
Total investments	<u>\$ 26,333,695</u>	<u>\$ 14,608,831</u>	<u>\$ 199,435</u>	<u>\$ 812,320</u>	<u>\$ 8,596,622</u>	<u>\$ 2,116,487</u>

## NOTE 6 - FAIR VALUE MEASUREMENTS

GAAP establishes a framework for measuring fair value and provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that SEDA has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the assets or liabilities;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

The following table sets forth by level, within the fair value hierarchy, the investment assets at fair value as of December 31, 2021 and December 31, 2020, respectively. As required by GAAP, assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Assets at Fair Value as of December 31, 2021				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common stocks	\$ 11,122,983			\$ 11,122,983
Money funds	199,435			199,435
Bonds		\$ 11,525,429		11,525,429
Fixed income funds	-	3,485,848	\$ -	3,485,848
Total	<u>\$ 11,322,418</u>	<u>\$ 15,011,277</u>	<u>\$ -</u>	<u>\$ 26,333,695</u>

  

Assets at Fair Value as of December 31, 2020				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common stocks	\$ 9,181,433			\$ 9,181,433
Certificates of deposit	51,515			51,515
Money funds	348,099			348,099
Bonds		\$ 11,738,168		11,738,168
Fixed income funds	-	3,165,769	\$ -	3,165,769
Total	<u>\$ 9,581,047</u>	<u>\$ 14,903,937</u>	<u>\$ -</u>	<u>\$ 24,484,984</u>

#### NOTE 7 - REAL PROPERTY HELD FOR SALE OR DEVELOPMENT

SEDA has real property available for sale or development totaling \$11,230,171 and \$11,256,320 as of December 31, 2021 and 2020, respectively.

In November 2016, SEDA entered into an agreement with Chatham County under which SEDA agreed to aid in the purchase and development of certain tracts of land in Chatham County, and Chatham County agreed to reimburse SEDA for the costs incurred with Special Purpose Local Option Sales Tax (SPLOST) funds. SEDA paid \$2,101,508, and Chatham County paid \$3,000,000 for the initial purchase of the property which is titled to SEDA.

Since the initial purchase in 2016, SEDA has incurred additional costs of \$29,001,890 related to the development of the property and received \$27,000,000 in reimbursement funds from Chatham County of which \$5,000,000 was paid back to Chatham County as part of the intergovernmental agreement to provide funds for The Savannah Harbor-Interstate 16 Corridor Joint Development Authority. In 2021 and 2020, SEDA received \$154,860 and \$2,353,894, respectively, from the City of Savannah to reimburse SEDA for certain water and sewer infrastructure costs at the site. In 2020, SEDA also received \$1,175,814 from adjacent landowners to reimburse SEDA for road construction costs at the site. As of December 31, 2021 and 2020, SEDA has included net costs of \$5,418,830 and \$5,413,797, respectively, in relation to the purchase and development of these land tracts in real property held for sale or development in the accompanying consolidated financial statements. This valuation is in accordance with the policy of recording real property held for sale or development at the lower of SEDA's cost or market value and is consistent with the understanding established with Chatham County.

#### NOTE 8 - GRANT AWARDS

On May 28, 2010, SEDA was authorized to borrow funds from the OneGeorgia Authority to provide a portion of the funding for the site preparation, infrastructure improvements, construction of the rail spur and other facilities relating to the acquisition, construction and equipping of the Mitsubishi Power Systems Americas, Inc. (Mitsubishi) facility in Chatham County, Georgia. The loan, which was in the form of an Economic Development, Growth and Expansion (EDGE) award, was for \$5,000,000 and for a term of 13 years. Disbursements from the total loan amount were passed to SEDA representing incurred actual costs. This agreement has an interest rate of one percent per annum. The loan is being repaid by SEDA in equal annual installments, solely from the payments in lieu of tax (PILOT) payments received from Mitsubishi.

SEDA requested, received and disbursed a total of \$5,000,000 of loan funds related to site preparation, water and sewer connections, rail construction and professional services expense for the Mitsubishi site. Mitsubishi began making required payments to SEDA in 2014. SEDA receives annual payments from Mitsubishi per the payment schedule and SEDA subsequently remits loan payments to OneGeorgia. Due to

the timing of these payment receipts and disbursements, there may be a receivable or payable recorded related to this agreement at year end.

There is a balance receivable of \$573,820 and a balance payable of \$510,000 related to this agreement in the accompanying consolidated financial statements as of December 31, 2021. There is a balance receivable of \$573,820 and a balance payable of \$515,000 related to this agreement in the accompanying consolidated financial statements as of December 31, 2020.

On March 21, 2018, SEDA was awarded a OneGeorgia Authority Equity Fund Award of \$900,000 to be used for a water tank and fire suppression infrastructure at the east campus of the Savannah Airport. In 2021 and 2020, \$0 and \$231,921, respectively, was requested from this award for costs incurred related to the project, and these totals were subsequently disbursed by OneGeorgia. There were no amounts receivable or payable related to this award as of December 31, 2021, or December 31, 2020. The total

#### NOTE 8 - GRANT AWARDS (continued)

grant award has been expended, and the award is expected to be closed once the grantor performs the final site visit.

On March 26, 2019, SEDA was awarded a OneGeorgia Authority Regional Economic Business Assistance (REBA) Award of \$1,500,000 to be used for machinery and equipment at a Chatham County logistical center. In 2021 and 2020, \$0 and \$150,000, respectively, was requested from this award for costs incurred related to the project, and these totals were subsequently disbursed by OneGeorgia. There were no amounts receivable or payable related to this award as of December 31, 2021, or December 31, 2020. The total grant award has been expended, and the award is expected to be closed once the award period is over in 2024.

On December 10, 2019, SEDA was awarded a OneGeorgia Authority REBA Award of \$1,000,000 to be used for machinery and equipment at a Chatham County logistical center. In 2021 and 2020, \$0 and \$999,636, respectively, was requested related to the project and was subsequently disbursed by OneGeorgia. There were no amounts receivable or payable related to this award as of December 31, 2021, or December 31, 2020.

In November 2019, SEDA entered into an agreement with the Georgia Department of Community Affairs (DCA), in which \$400,000 was appropriated for a preliminary needs assessment for the development of a Savannah logistics innovation hub. In 2020, SEDA requested \$154,522 from DCA related to this agreement and this amount was subsequently disbursed by DCA. In 2021, SEDA requested \$90,431 from DCA related to this agreement and \$22,700 was received from DCA. At December 31, 2021 and 2020, there were amounts receivable of \$87,730 and \$0, respectively, related to costs SEDA has incurred for this project.

In November 2020, SEDA was awarded a \$6,500,000 loan from the Georgia Environmental Finance Authority (GEFA) to develop the water and drainage infrastructure, including a water tower, at the Bloomingdale Industrial Development Park in west Chatham County. The loan will bear interest of 1.22% and have a term of fifteen years. SEDA has executed the loan but has not yet withdrawn any loan funds from GEFA. SEDA has agreed to administer the GEFA loan, manage the construction project and contribute \$221,403 of SEDA funds to the project. Developers of the industrial park have agreed to reimburse SEDA for the costs of the project and to repay the GEFA loan. During 2020, SEDA incurred costs of \$192,658 related to the project and this amount was included in accounts receivables at December 31, 2020. In 2021, SEDA incurred costs of \$2,227,442 related to this project and received \$2,923,087 from developers for the project. At December 31, 2021, there are amounts payable totaling \$1,082,197 included in accounts payable on the consolidated statement of net position related to this project, made up of \$579,124 payable to vendors for costs incurred and \$503,073 related to unspent funds received from developers. At December 31, 2021, there is \$2,164,355 in restricted cash on the accompanying consolidated statement of net position related to funds restricted for this project.

#### NOTE 9 - DEFERRED OUTFLOWS OF RESOURCES

During the year ended December 31, 2010, SEDA entered into an agreement with Gulfstream Aerospace Corporation (Gulfstream) under which SEDA committed \$2,500,000 to aid in Gulfstream's expansion. The project was completed in September 2012, and the deferred outflow of resources for SEDA totaled \$1,752,392. SEDA will receive payments from Gulfstream for 20 years in lieu of Gulfstream paying property taxes. Amortization began in September 2012 and will continue over the established payment period of 20 years. Amortization expense related to these deferred outflows of resources totaled \$87,620 for each of the years ended December 31, 2021 and 2020, and the net value was \$934,609 and \$1,022,229, respectively, at December 31, 2021 and 2020.

NOTE 10 - RETIREMENT PLAN

SEDA sponsors a defined contribution 401(k) plan, and SEDA matches employee contributions to the Plan up to 6% of each employee's compensation. Employees must be over the age of 21 with six months of service to receive the matching contribution. These contributions are made each pay period based on each participating employee's elected deferral amount. Expenses related to the plan totaled \$99,395 and \$84,106 for the years ended December 31, 2021 and 2020, respectively.

NOTE 11 - LEASE COMMITMENTS

SEDA leases a vehicle and office equipment under non-cancelable operating leases, expiring at various dates through 2027. At December 31, 2021, future minimum lease payments required under these agreements are as follows:

<u>Year ending</u> <u>December 31,</u>	
2022	\$ 216,755
2023	194,120
2024	191,949
2025	191,949
2026	128,274
Thereafter	31,250
	<u>\$ 954,297</u>

Expenses associated with operating lease agreements totaled \$81,239 and \$26,796 during 2021 and 2020, respectively.

NOTE 12 - OTHER RECEIVABLE

In March 2018, SEDA entered into an agreement with Gulfstream in which Gulfstream agreed to reimburse SEDA for certain deconstruction costs incurred by SEDA in 2017 and 2018, totaling \$1,365,148, related to property located at 1000 Davidson Drive in Savannah, Georgia, adjacent to the Gulfstream campus and the Savannah Airport. The payments due to SEDA are to be paid over five years, ending in 2023. At December 31, 2021 and 2020, respectively, SEDA recognized a receivable of \$445,460 and \$675,382, related to this agreement, in the consolidated statements of net position.

The following is a summary of future payments due under this agreement:

<u>Year ending</u> <u>December 31,</u>	
2022	\$ 229,922
2023	215,538
Thereafter	-
	<u>\$ 445,460</u>

#### NOTE 13 - COVID-19

In March 2020, there was a global outbreak of a new strain of coronavirus, COVID-19, which the World Health Organization declared to be a global pandemic. To date, COVID-19 has resulted in government-imposed quarantines, certain travel restrictions and other public health safety measures. The impact of the COVID-19 pandemic on SEDA's financial condition and results of operations will depend on future developments, including the duration of the pandemic and related advisories and restrictions that could impact SEDA. The impact of the COVID-19 pandemic and associated effects on SEDA and the overall economy are uncertain and cannot be predicted.

#### NOTE 14 - TRANSACTIONS WITH RELATED PARTIES

In 1998, SEDA entered into a partnership with Lummus Properties Corporation (Lummus) for the purchase, development, sale or lease, and management of specified sites located at Crossroads Business Center. On April 4, 2012, SEDA and Lummus held 100% ownership of Crossroads Partners and agreed to dissolve it. As a part of the termination agreement, SEDA paid Lummus \$165,000, and Lummus released all of its ownership in the property to SEDA. Under a separate agreement established on April 4, 2012, SEDA leased a portion of the Crossroads property to Lummus through the end of 2021 when legal ownership of the 12.81 leased acres transferred to Lummus.

SEDA is the owner of ten units of and is the sole member of SEDA I, LLC, a Georgia Limited Liability Company formed April 18, 2007. The President and CEO of SEDA serves as the Manager of SEDA I, LLC. SEDA I, LLC owns ten percent of Northpoint Office Center II, LLC and Northpoint Office Center III, LLC which lease property from SEDA (Crossroads Business Center).

In November 2012, SEDA entered into an agreement with Northpoint Office Center V, LLC in which SEDA contributed 3.15 acres of the property held for sale in exchange for fifteen percent ownership in Northpoint Office Center V, LLC. SEDA assigned the ownership to SEDA I, LLC. Thus, all income related to this agreement will flow through SEDA I, LLC.

There are certain members of the Board of Directors of SEDA who provide paid services at market rates to SEDA.

The Savannah Harbor-Interstate 16 Corridor Joint Development Authority (the JDA) was formed in late 2014 and incorporated in 2015. The JDA members include SEDA as the Chatham County economic development authority along with the economic development authorities of the Georgia counties of Bryan, Bulloch, and Effingham. SEDA made grants of \$47,385 and \$23,861 to the JDA during 2021 and 2020, respectively, and is also responsible for the administration of the JDA. As of December 31, 2021 and 2020, a net receivable of \$7,908 and \$21,242, respectively, from the JDA is included in SEDA's consolidated statements of net position.

NOTE 14 - TRANSACTIONS WITH RELATED PARTIES (continued)

World Trade Center Savannah, LLC (WTCSav), wholly owned by SEDA, and Savannah World Trade Center for Investment, LLC (SWTCI), wholly owned by WTCSav, are consolidated in the SEDA financial statements as of December 31, 2021 and 2020. The following are included in the SEDA consolidated financial statements for WTCSav and SWTCI:

	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash and cash equivalents - WTCSav	\$ 786,481	\$ 430,612
Cash and cash equivalents - SWTCI	-	100,000
Accounts receivable	<u>31,862</u>	<u>69,500</u>
Total assets	<u>\$ 818,343</u>	<u>\$ 600,112</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 2,491	\$ 3,098
Deferred inflows of resources	<u>73,010</u>	<u>52,492</u>
Total liabilities	<u>75,501</u>	<u>55,590</u>
<b>NET POSITION</b>		
SEDA contribution	(143,509)	(21,730)
Retained earnings	<u>886,351</u>	<u>566,252</u>
Total net position	<u>742,842</u>	<u>544,522</u>
Total liabilities and net position	<u>\$ 818,343</u>	<u>\$ 600,112</u>
	For the years ended	
	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
Revenues - WTCSav	\$ 418,131	\$ 381,361
Expenses - WTCSav	(98,032)	(100,643)
Expenses - SWTCI	<u>-</u>	<u>(341)</u>
Net income before allocations	<u>320,099</u>	<u>280,377</u>
Allocated expenses		
Direct allocation	(214,464)	(209,384)
Indirect allocation	<u>(178,576)</u>	<u>(166,432)</u>
Total allocations	<u>(393,040)</u>	<u>(375,816)</u>
Net loss after allocations	<u>\$ (72,941)</u>	<u>\$ (95,439)</u>

**SUPPLEMENTARY INFORMATION**

draft 4-1-22



SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY

SCHEDULE OF EXPENDITURES OF ONEGEORGIA AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2021

<u>Contract title</u>	<u>Contract number and period</u>	<u>Contract revenues</u>	<u>Contract expenses</u>	<u>Contract receivable at 12/31/21</u>	<u>Contract payable at 12/31/21</u>
Georgia Department of Community Affairs OneGeorgia Authority Equity Fund Award	18gq-025-3-4894 3/21/18 - 12/31/21	\$ -	\$ -	\$ -	\$ -
Georgia Department of Community Affairs OneGeorgia Authority Regional Economic Business Assistance (REBA) Award	19pd-025-3-4946 3/26/19 - 4/1/24	-	-	-	-
Georgia Department of Community Affairs OneGeorgia Authority Regional Economic Business Assistance (REBA) Award	20pd-025-3-4988 12/10/19 - 1/31/25	-	-	-	-
		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY  
SOURCE AND APPLICATION OF FUNDS SCHEDULE  
ONEGEORGIA AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>OneGeorgia Equity Fund Award 18gq-025-3-4894</u>	<u>OneGeorgia REBA Award 19pd-025-3-4946</u>	<u>OneGeorgia REBA Award 20pd-025-3-4988</u>
Total award year 2021 funds allocated to recipient	\$ -	\$ -	\$ -
Less: Total award year 2021 funds drawn by recipient	<u>-</u>	<u>-</u>	<u>-</u>
Funds still available from award year 2021 resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total award year 2021 funds drawn and received by recipient in 2021	\$ -	\$ -	\$ -
Less: Funds applied and expended to award year 2021 costs	<u>-</u>	<u>-</u>	<u>-</u>
Total award year 2021 funds held by recipient	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY  
PROJECT COST SCHEDULE  
ONEGEORGIA AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

<u>Award</u>	<u>Project Activity</u>	<u>Activity Number</u>	<u>Latest Approved Budget OneGeorgia Funds</u>	<u>Accumulative Expenditures To Date OneGeorgia Funds</u>	<u>Accumulative Expenditures To Date Other Funds</u>	<u>Grand Total Expenditures to Date</u>
OneGeorgia Equity Fund Award 18gq-025-3-4894	Fire Protection Facilities	G70-1413-I	<u>\$ 900,000</u>	<u>\$ 900,000</u>	<u>\$ 56,676,148</u>	<u>\$ 57,576,148</u>
OneGeorgia REBA Award 19pd-025-3-4946	Purchase or Lease of Machinery & Equipment	G50-1501-I	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>	<u>\$ 35,229,544</u>	<u>\$ 36,729,544</u>
OneGeorgia REBA Award 20pd-025-3-4988	Purchase or Lease of Machinery & Equipment	G50-1501-I	<u>\$ 1,000,000</u>	<u>\$ 999,636</u>	<u>\$ 69,370,537</u>	<u>\$ 70,370,173</u>
	Total		<u>\$ 3,400,000</u>	<u>\$ 3,399,636</u>	<u>\$ 161,276,229</u>	<u>\$ 164,675,865</u>

**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards**

To the Board of Directors of  
Savannah Economic Development Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Savannah Economic Development Authority (SEDA), as of and for the year ended December 31, 2021, and the related notes to the consolidated financial statements, which collectively comprise SEDA's basic financial statements and have issued our report thereon dated April 5, 2022.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered SEDA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of SEDA's internal control. Accordingly, we do not express an opinion on the effectiveness of SEDA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal controls that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether SEDA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Holland, Bromley, Barnhill & Brett, LLP  
Savannah, Georgia  
April 5, 2022

draft 4-1-22

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SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY

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BOND RESOLUTION

Adopted April 12, 2022

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Providing for the issuance of the

SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY (GEORGIA)  
REVENUE BOND  
(VETERANS PARKWAY INTERCHANGE PROJECT),  
SERIES 2022

in principal amount not to exceed \$6,500,000

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- Exhibit A - FORM OF SERIES 2022 BOND
- Exhibit B - FORM OF AMENDMENT TO CONTRACT

## BOND RESOLUTION

THIS BOND RESOLUTION (this “**Resolution**”), adopted April 12, 2022, by the SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY, a public body corporate and politic created and validly existing pursuant to the Constitution and laws of the State of Georgia (the “**Authority**”);

### PREAMBLE

1. The Authority is a public body corporate and politic and an instrumentality of the State of Georgia (the “**State**”) created pursuant to the provisions of amendments to the Constitution of the State of Georgia contained in Ga. Laws 1951, page 854, et seq., Ga. Laws 1965, page 675, et seq., and Ga. Laws 1972, page 1569, et seq.; and those acts of the General Assembly of Georgia contained in Ga. Laws 1925, page 1451, et seq., Ga. Laws 1951, page 190, et seq., Ga. Laws 1955, page 170, et seq., Ga. Laws 1956, page 329, et seq., Ga. Laws 1958, page 2459, et seq., Ga. Laws 1967, page 2062, et seq., Ga. Laws 1972, page 1186, et seq., Ga. Laws 1975, page 3131, et seq., Ga. Laws 1977, page 184, et seq., Ga. Laws 1977, page 898, et seq., Ga. Laws 1980, Page 380, et seq., Ga. Laws 1982, page 993, et seq., and Ga. Laws 1989, page 47, et seq. (collectively, the “**Act**”).

2. On June 4, 2020, the Authority entered into a Development Agreement (the “**Development Agreement**”) by and among the Authority, Rockingham Farms, LLC, a Georgia limited liability company (“**Rockingham Farms**”), and the Mayor and Aldermen of the City of Savannah, a municipal corporation existing under the laws of the State (the “**City**”), regarding the development of 1,125 acres of land for industrial uses (the “**Site**”) annexed into the City and located adjacent to Veterans Parkway, being more specifically set forth on the map of the Site attached as Exhibit A to the Development Agreement. Rockingham Farms intends to develop the Site for industrial uses with the capacity for the construction of more than 10 million square feet of such industrial uses, and it is anticipated that such development will create new jobs and additional annual *ad valorem* tax revenue for the City. The Site has limited vehicular access and the development of the Site requires the construction of an interchange connecting the Site with Veterans Parkway (the “**Interchange**”) and the construction and installation of certain off-site infrastructure necessary to provide water and sewer connections to the Site (the “**Infrastructure**”).

3. Pursuant to the Development Agreement, the Authority agreed to issue one or more series of bonds in an aggregate principal amount not to exceed \$38,000,000 to assist with the financing of the Interchange and the Infrastructure, and the City agreed to enter into an intergovernmental agreement with Authority, to be dated the date of issuance and delivery of the bonds providing that the City will secure the payment of the principal and interest on the bonds with a pledge of its full faith and credit. Under the terms of the Development Agreement, the City authorized the City Manager of the City (“**City Manager**”) to negotiate and execute the final terms of the intergovernmental contract on behalf of the City. The intergovernmental contract provides for payment by the City of the amounts sufficient to pay the principal of and interest to become due on the Bonds (hereinafter defined), subject to the following terms and conditions: (a) the bonds will constitute a limited or special obligation of the Authority and will be payable solely from the revenues pledged to the payment thereof under the Contract; (b) the bonds will be issued in the aggregate principal amount not to exceed \$38,000,000; (c) the bonds will bear an effective interest rate not to exceed 4.0% per annum and the annual principal of and interest on the bonds will not exceed \$3,800,000; (d) the final maturity date of the bonds will be

not later than December 1, 2040; (e) the debt service schedule for the bonds will provide for the payment of capitalized interest for the first three years of the bonds; and (f) the proceeds of the bonds will be used exclusively for the design and construction of the Interchange and the design, construction and installation of the Infrastructure, and costs of issuance for the bonds.

4. In accordance with the Development Agreement, on January 26, 2021, the Authority issued its REVENUE BONDS (VETERANS PARKWAY INTERCHANGE PROJECT), SERIES 2021, in the aggregate principal amount of \$26,720,000, (the “**Series 2021 Bonds**”), for the purpose of financing (i) the design and construction of the Interchange, and the design, construction and installation of the Infrastructure (collectively, the “**Projects**”), (ii) capitalized interest on the Series 2021 Bonds, and (iii) the costs of issuance for the Series 2021 Bonds. The Series 2021 Bonds were authorized pursuant to the provisions of a bond resolution adopted by the Authority on November 10, 2020, as supplemented and amended by a supplemental bond resolution adopted by the Authority on January 13, 2021 (together, the “**2021 Resolution**”), and are secured by an intergovernmental agreement, dated January 26, 2021, between the Authority and the City (the “**2021 Contract**”), whereby the City is obligated to pay amounts which are sufficient to pay the principal of and redemption premium, if any, and interest on the Series 2021 Bonds and any additional Parity Bonds (as hereinafter defined) as the same shall become due.

5. Pursuant to Article IX, Section III, Paragraph I of the Constitution of the State of Georgia, any municipal corporation or other political subdivision of the State of Georgia may contract for any period not exceeding 50 years with any public authority for joint services, for the provision of services or for the joint or separate use of facilities and equipment, provided such contracts deal with activities, services or facilities which the contracting parties are authorized by law to undertake or provide; however, under Georgia law, the City may obligate itself to make the payments required under such contract from money received from taxes and from any other source without creating a debt within the meaning of Article IX, Section V, Paragraph I of said Constitution.

6. The Act provides that the Authority is created for the purpose of developing industrial growth and expansion and for the purpose of making long range plans for the coordination of commerce, industry and traffic within the territorial limits of Chatham County. The Authority has the power to issue revenue bonds in accordance with the Revenue Bond Law of Georgia, codified in Official Code of Georgia Annotated (“**O.C.G.A.**”) § 36-82-60 through § 36-82-85, as amended, and finance projects for industrial expansion and development including, but not limited to, the acquirement and construction of roads, highways, bridges, causeways and approaches necessary or incidental to the use of such projects.

7. The City is authorized under the laws of the State to provide public facilities to its citizens which includes roads, streets, and bridges, and water supply and wastewater collection, treatment and disposal facilities. The City is also authorized pursuant to the Constitution of the State of Georgia to levy taxes, and to expend tax money of the City and other available funds and to obligate the City to make payment thereof to the Authority of the amounts provided for in the Contract, herein defined.

8. The 2021 Contract provides that Parity Bonds may be issued by the Authority from time to time, ranking as to the lien on the Revenues *pari passu* with the Series 2021 Bonds for the specific purpose of completing the financing of the Projects or financing further improvements or additions, real or personal, to the Projects, provided the provisions of the 2021 Resolution are met. Section 404(b) of the 2021 Resolution provides as follows:

(b) Parity Bonds may be issued by the Authority from time to time, ranking as to the lien on the Revenues *pari passu* with the Series 2021 Bonds for the specific purpose of completing the financing of the Projects or financing improvements or additions, real or personal, to any portion of the Projects, provided all the following conditions are met:

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

(2) The Authority and the City shall enter into a contract or an amendment to 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 Contract. Under the terms of such contract or amendment to contract, the City shall obligate itself to pay directly to the Sinking Fund Custodian, for credit to the Sinking Fund, 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, if any, of the Paying Agent and Bond Registrar, 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.

(3) 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. Any such proceeding or proceedings shall require that 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.

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

9. Due to the cost of construction and supply-chain issues, the Authority and the City have both determined that it is in the best interest of its citizens for the Authority to issue an additional series of its revenue bonds in order to finance the completion of the Projects that are currently under construction.

10. The Authority has determined that all conditions required by the 2021 Resolution for the issuance of Parity Bonds can be met. In accordance with the provisions of this Resolution, the Authority will issue its SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY (GEORGIA) REVENUE BOND (VETERANS PARKWAY INTERCHANGE PROJECT), SERIES 2022 (the “**Series 2022 Bond**”), on a parity with the Series 2021 Bonds, in the principal amount not to exceed \$6,500,000, for the purposes of paying the costs of the completion of the Projects, capitalized interest on the Series 2022 Bonds, and the costs of issuance of the Series 2022 Bonds.

11. Prior to the issuance and delivery of the Series 2022 Bond, the Authority and the City will enter into an Amendment to Contract (the “Amendment to Contract,” and together with the 2021 Contract, the “**Contract**”), whereby the City will be obligated to pay amounts which are sufficient to pay the principal of and redemption premium, if any, and interest on the Series 2021 Bonds and the Series 2022 Bond.

**NOW, THEREFORE, BE IT RESOLVED** by the Authority as follows:

## ARTICLE I

### DEFINITIONS; RULES OF CONSTRUCTION

**Section 101. Definitions of Certain Terms.** In addition to the words and terms elsewhere defined in this Resolution, the following words and terms used herein shall have the following meanings:

“**Act**” shall have the meaning set forth in the Preamble.

“**Amendment to Contract**” means the amendment to intergovernmental contract, to be dated as of the date of issuance and delivery of the Series 2022 Bond, amending the 2021 Contract, between the Authority and the City, which among other provisions, increases the Revenues to be paid by the City under the 2021 Contract in amounts sufficient to pay the principal of and interest on the Series 2022 Bond.

“**Authentication Agent**” means The Bank of New York Mellon Trust Company, N.A.

“**Authority**” means the Savannah Economic Development Authority and its successors.

“**Authority Representative**” means the person or persons at the time designated to act on behalf of the Authority by written certificate, containing the specimen signature of each such person, signed on behalf of the Authority by its President.

“**Authorized Newspaper**” means a newspaper or financial journal of general circulation in New York, New York which carries financial news, is printed in the English language and is customarily published on each Business Day.

“**Bond Counsel**” means an attorney at law or a firm of attorneys, designated by the Authority, of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on bonds issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America.

“**Bond Date**” means the date of issuance and delivery of the Series 2022 Bond or such other date as the Authority shall approve.

“**Bondholder,**” “**Bondholders,**” “**Holder,**” “**Bondowner,**” “**owner of Bonds,**” “**Owner,**” or “**Registered Owners**” means the registered owner of any Bond or its assigns.

“**Bond Registrar**” means The Bank of New York Mellon Trust Company, N.A.

“**Bonds**” means the Series 2021 Bonds and the Series 2022 Bond, and from and after the issuance of any additional Parity Bonds, such Parity Bonds.

“**Business Day**” means a day which is not (a) a Saturday, a Sunday, or a legal holiday on which banking institutions in the State of Georgia, the State of New York, or the state in which is located the designated office of the Paying Agent (if a bank or trust company) are authorized by

law or executive order to close or (b) a day on which the New York Stock Exchange is authorized or obligated by law or executive order to close.

“**City**” means the City of Savannah, Georgia, a municipal corporation of the State.

“**City Representative**” means the City Manager of the City of Savannah, or such other person or persons at the time designated to act on behalf of the City by written certificate, containing the specimen signature of each such person, signed on behalf of the City by its City Manager.

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Construction Fund**” means the fund authorized to be established by Section 503 of this Resolution.

“**Construction Fund Custodian**” means South State Bank.

“**2021 Contract**” means the intergovernmental contract, dated January 26, 2021, between the Authority and the City, securing the repayment of the Series 2021 Bonds.

“**Contract**” means the 2021 Contract, as amended by the Amendment to Contract.

“**Cost**” or “**Costs**” in connection with the Projects, means all expenses which are properly chargeable thereto under generally accepted accounting principles or which are incidental to the financing, acquisition, construction, or installation of the Projects, or which otherwise may be financed under the Act, including, without limiting the generality of the foregoing:

(a) amounts payable to contractors and costs incident to the award and performance of contracts;

(b) cost of labor, materials, facilities, and services furnished by the Authority, and its employees or others, materials and supplies purchased by the Authority or others, and permits and licenses obtained by the Authority or others;

(c) engineering, architectural, legal, accounting, and other professional and advisory fees, as well as the fees and expenses, if any, of the Bond Registrar and Paying Agent;

(d) costs, fees, and expenses in connection with the acquisition of real and personal property or rights therein, including premiums for title insurance;

(e) costs of equipment;

(f) amounts required to repay temporary loans or advances of the Authority’s funds made to finance preliminary expenditures relating to the Projects, such as engineering, architectural, surveying, and similar costs; and

(g) costs of site improvements, including demolition, performed in anticipation of the Projects.

**“Costs of Issuance”** means the reasonable and necessary costs and expenses incurred by the Authority and the City with respect to the issuance of a series of Bonds, the Contract, this Resolution, and any transaction or event contemplated by the Contract or this Resolution, including fees and expenses of engineers, accountants, attorneys, and underwriters, and financial fees and expenses, advertising, recording, validation and printing expenses, and all other expenses incurred in connection with the issuance of a series of Bonds.

**“Costs of Issuance Account”** means the account authorized to be established by Section 502 of this Resolution.

**“Event of Default”** shall have the meaning given such term in Section 801 of this Resolution.

**“Federal Tax Certificate”** means a certificate executed by the appropriate officer of the Authority, dated the date of issuance and delivery of a series of Bonds, to the effect that on the basis of facts and estimates set forth therein, (A) it is not expected that the proceeds of the series of Bonds will be used in a manner that would cause the said Bonds to be “arbitrage bonds” within the meaning of § 148 of the Code and applicable regulations thereunder, and (B) to the best knowledge and belief of said officer, such expectations are reasonable.

**“Government Obligations”** means bonds or other obligations of the United States of America or obligations representing an interest therein which as to principal and interest constitute direct obligations of the United States of America or are fully guaranteed as to payment by the United States of America.

**“Interest Payment Date”** shall have the meaning given such term in Section 202 of this Resolution.

**“O.C.G.A.”** means Official Code of Georgia Annotated.

**“Outstanding under this Resolution,” “Outstanding hereunder,” “Bonds Outstanding” or “Outstanding,”** when used in reference to the Bonds means, as at any particular date, the aggregate of all Bonds authenticated and delivered under this Resolution except:

(a) Bonds canceled after purchase in the open market or because of payment at maturity or redemption prior to maturity;

(b) Bonds otherwise deemed to be paid in accordance with Article VII of this Resolution; and

(c) Bonds in lieu of or in exchange or substitution for which other Bonds shall have been authenticated and delivered pursuant to this Resolution unless proof is presented that such Bonds are held by a bona fide purchaser.

**“Parity Bonds”** means any revenue bonds of the Authority which may be issued hereafter on a parity with the Series 2021 Bonds and the Series 2022 Bond in accordance with the terms of this Resolution.



“**Paying Agent**” means The Bank of New York Mellon Trust Company, N.A.

“**Person**” or “**persons**,” unless the context shall otherwise indicate, shall include any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government, or any agency or political subdivision thereof.

“**Plans and Specifications**” means the plans and specifications for the Projects prepared by or at the request of the City or Authority and on file with the City and Authority, as the same may be amended or revised from time to time.

“**Record Date**” means the 15th day of the calendar month preceding each Interest Payment Date.

“**Projects**” shall have the meaning given such term in the Preamble to this Resolution.

“**2021 Resolution**” means the bond resolution adopted by the Authority on November 10, 2020, as supplemented and amended by a supplemental bond resolution adopted by the Authority on January 13, 2021, authorizing the issuance of the Series 2021 Bonds.

“**Resolution**” or “**this Resolution**” means collectively, the 2021 Resolution and this Bond Resolution, as the same may be amended or supplemented.

“**Revenues**” means all money paid to the Authority by the City pursuant to Section 5.01(a) of the Contract, and all receipts of the Paying Agent credited under the provisions of this Resolution against such payments.

“**Series 2021 Bonds**” means the SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY REVENUE BONDS (VETERANS PARKWAY INTERCHANGE PROJECT), SERIES 2021 authorized to be issued pursuant to the 2021 Resolution.

“**Series 2022 Bond**” means the SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY REVENUE BOND (VETERANS PARKWAY INTERCHANGE PROJECT), SERIES 2022 authorized to be issued pursuant to this Resolution.

“**Sinking Fund**” means the fund continued by Section 507 of this Resolution.

“**Sinking Fund Custodian**” means The Bank of New York Mellon Trust Company, N.A.

“**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.** A revenue bond designated SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY (GEORGIA) REVENUE BOND (VETERANS PARKWAY INTERCHANGE PROJECT), SERIES 2022, in the principal amount not to exceed \$6,500,000 (the “**Series 2022 Bond**”), is 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 Act, the general laws of the State of Georgia, and pursuant to this Resolution, and all the covenants, agreements, and provisions of this Resolution shall be for the benefit and security of the owner of the Series 2022 Bond. The Series 2022 Bond shall be issued as a single-instrument bond and sold as set forth in a supplemental resolution to be adopted by the Authority prior to the issuance and delivery of the Series 2022 Bond.

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

(a) The Series 2022 Bond shall be issued in principal amount not to exceed \$6,500,000, shall bear interest payable semi-annually (each an “**Interest Payment Date**”) on the dates, at an effective rate or rates (i.e., true interest cost) not to exceed 4.00% per annum, may be subject to redemption, and shall mature in the years and principal amounts to be set forth in a supplemental resolution to be adopted by the Authority prior to the issuance and delivery of the Series 2022 Bond, with a final maturity date not later than December 1, 2040. The annual principal of and interest on the Series 2022 Bond shall not exceed \$550,000. The Series 2022 Bond as originally issued shall be lettered and numbered from R-1 according to the records maintained by the Bond Registrar.

(b) The Series 2022 Bond shall be dated as of its date of issuance and delivery (the “**Bond Date**”). Except as provided in this Section, the Series 2022 Bond shall bear interest from the Interest Payment Date next preceding the date of authentication of the Series 2022 Bond to which interest on the Series 2022 Bond 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 Series 2022 Bond, in which case from the Bond Date.

(c) The person in whose name the Series 2022 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. 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 the Series 2022 Bond is registered on a subsequent date of record established by notice given by mail by the Bond Registrar to the Holders of the Series 2022 Bond not less than 30 days preceding such subsequent date of record.

(d) The principal of and interest on the Series 2022 Bond 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 Series 2022 Bond shall be payable without the requirement of presentation and surrender of the same at the designated corporate trust office of the Paying Agent. The interest on the Series 2022 Bond 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 owner of the Series 2022 Bond at the address as appears on the bond register kept by the Bond Registrar or by wire transfer to the registered owner of the Series 2022 Bond 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.

**Section 203. Execution of Bonds.** The Bonds will be executed on behalf of the Authority with the manual or facsimile signature of its President and shall have printed or impressed thereon the official seal of the Authority and be attested with the manual or facsimile signature of its Secretary or Assistant Secretary. In case any officer of the Authority whose signature shall appear on any Bonds shall cease to be such officer before the delivery of such Bonds, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

**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, lost, stolen or destroyed Bond, there is first furnished evidence of such loss, theft or destruction satisfactory to the Bond Registrar and the Authority, 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 Chatham County, State of Georgia, bearing the manual signature or the engraved, imprinted, stamped or otherwise reproduced facsimile signature of such Clerk and the impressed, imprinted, or otherwise reproduced seal of said court will be endorsed on each Bond and will be essential to its validity.

**Section 208. [Reserved].**

**Section 209. Delivery of Bonds.** The Authority shall execute the Bonds and deliver them to the Bond Registrar, and the Bond Registrar shall authenticate the Bonds and deliver them to the purchaser or purchasers as shall be designated by the Authority.

**Section 210. Destruction of Canceled Bonds.** All Bonds paid, purchased, or redeemed, either at or before maturity, shall be canceled and delivered to the Bond Registrar when such payment is made. All Bonds so canceled shall be destroyed upon their delivery to the Bond Registrar in accordance with the practice then prevailing with the Authority and record of such destruction shall be made and preserved in the permanent records of the Authority.

**Section 211. Form of Bonds.** The Series 2022 Bond 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 the Series 2022 Bond and as may be approved by the officer or officers executing the Series 2022 Bond by manual or facsimile signature, which approval shall be conclusively evidenced by such execution.

[END OF ARTICLE II]

ARTICLE III

REDEMPTION OF BONDS BEFORE MATURITY;  
EFFECT OF REDEMPTION CALL; PURCHASE OF SERIES 2022 BOND

**Section 301. Optional Redemption of the Series 2022 Bond.** Provisions relating to optional redemption of the Series 2022 Bond shall be set forth in the supplemental resolution described in Section 202(a).

**Section 302. Scheduled Mandatory Redemption.** Provisions relating to scheduled mandatory redemption of the Series 2022 Bond shall be set forth in the supplemental resolution described in Section 202(a).

**Section 303. [Reserved].**

**Section 304. [Reserved].**

**Section 305. [Reserved].**

**Section 306. [Reserved].**

**Section 307. Redemption of Parity Bonds.** Additional 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. If Parity Bonds are issued hereafter, such Parity Bonds of any such future issue or issues may be redeemed in whole or in part before the maturity of the Series 2021 Bonds or the Series 2022 Bond, 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.

[END OF ARTICLE III]

## ARTICLE IV

### GENERAL AUTHORIZATIONS AND AGREEMENTS; PARITY BONDS; NON-ARBITRAGE AND TAX COVENANTS

**Section 401. Payment of Principal and Interest; Limited Obligation.** The Authority agrees that it will promptly pay the principal of and interest on the Bonds at the place, on the dates, and in the manner provided herein and in the Bonds according to the true intent and meaning hereof and thereof. The Bonds shall not constitute a debt or a pledge of the faith and credit of the State of Georgia or of any political subdivision thereof, including the City, or of the Authority, but shall be payable from Revenues as provided herein. The issuance of the Bonds shall not obligate the State or any political subdivision thereof, including the City, to levy or pledge any form of taxation whatever for the payment thereof. No Holder of the Bonds or receiver or trustee in connection therewith shall have the right to enforce payment thereof against any property of the State or any political subdivision thereof, including the City, or against any property of the Authority (other than the funds specifically pledged therefor pursuant to this Resolution), nor shall the Bonds constitute a charge, lien or encumbrance, legal or equitable, upon any such property. No recourse shall be had for the payment of the principal of or interest on the Bonds against any officer, director, or member of the Authority. The Authority has no taxing power.

**Section 402. Performance of Covenants; Authority.** The Authority covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Resolution and in the Contract, in any and every Bond executed, authenticated, and delivered hereunder and in all of its proceedings pertaining hereto. The Authority covenants that it is duly authorized under the Constitution and laws of the State, including particularly and without limitation the Act, to issue the Bonds authorized hereby and to adopt this Resolution and to execute the Amendment to Contract, that all action on its part for the execution and delivery of this Resolution has been duly and effectively taken, and that the Bonds in the hands of the owners thereof will be valid and enforceable obligations of the Authority according to the terms thereof and hereof.

**Section 403. Instruments of Further Assurance.** The Authority will execute, acknowledge, and deliver or cause to be executed, acknowledged, and delivered, such resolutions supplemental hereto and such further acts and instruments for the better assuring, pledging, and confirming the amounts pledged hereby to the payment of the principal of and redemption premium, if any, and interest on the Bonds. The Authority, except as herein and in the Contract provided, will not encumber any part of its interest in the Revenues payable under the Contract or its rights under the Contract.

**Section 404. Priority of Pledge; Parity Bonds.**

(a) The pledge made in Section 508 hereof of the Revenues payable under the Contract and on deposit in the Sinking Fund constitutes a first and prior pledge of and lien on said Revenues. No other bonds or obligations of any kind or nature will be issued hereafter which are payable from or enjoy a lien on the Revenues prior to the lien created thereon for the payment of the Bonds.

(b) Parity Bonds may be issued by the Authority from time to time, ranking as to the lien on the Revenues *pari passu* with the Series 2021 Bonds and the Series 2022 Bond for the specific purpose of completing the financing of the Projects or financing improvements or additions, real or personal, to any portion of the Projects, provided all the following conditions are met:

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

(2) The Authority and the City shall enter into a contract or an amendment to 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 Contract. Under the terms of such contract or amendment to contract, the City shall obligate itself to pay directly to the Sinking Fund Custodian, for credit to the Sinking Fund, 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, if any, of the Paying Agent and Bond Registrar, 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.

(3) 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. Any such proceeding or proceedings shall require that 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.

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

**Section 405. Authorization of Amendment to Contract.** The execution, delivery, and performance of the Amendment to Contract by and between the Authority and the City are hereby authorized. The Amendment to Contract shall be in substantially the form attached hereto as Exhibit B, with such changes, insertions, or omissions as may be approved by the President of the Authority. The Amendment to Contract shall be executed by the President of the Authority and attested by the Secretary or Assistant Secretary of the Authority.

**Section 406. Authorization for Validation of Bonds.** The Series 2022 Bond shall be validated in the manner provided by law, and, to that end, notice of the adoption of this



Resolution and a copy hereof shall be served upon the District Attorney of the Eastern Judicial Circuit of Georgia in order that proceedings for the above purpose may be instituted in the Superior Court of Chatham County, and said notice shall be executed by the President and the seal of the Authority shall be impressed thereon and attested by the Secretary or Assistant Secretary of the Authority.

**Section 407. [Reserved].**

**Section 408. General Authorization.** The proper officers of the Authority are hereby authorized, empowered, and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of this Resolution and the Amendment to Contract, and are further authorized to take any and all further actions and execute and deliver any and all other documents as may be necessary in the issuance of the Series 2022 Bond and the execution and delivery of the Amendment to Contract and all other documents authorized hereby.

**Section 409. Non-Arbitrage and Tax Covenants.**

(a) The Authority covenants and agrees for the benefit of the purchasers and owners of the Bonds from time to time outstanding that so long as any of the Bonds remain outstanding, it will not intentionally cause any proceeds of the Bonds to be used to acquire higher yielding investments, except as may be otherwise permitted by § 148 of the Code, and that it will comply with, and take such action and make such payments as may be permitted or required by § 148(f) of the Code, to insure that the Bonds do not constitute “arbitrage bonds” within the meaning of § 148(a) of the Code.

(b) The Authority hereby covenants and agrees that it will cause the proceeds from the sale of the Bonds to be expended so that the interest on the Bonds will be and will remain excluded from the gross income of the owners thereof for federal income tax purposes, including, without limitation, compliance with provisions of §§ 141-149 of the Code, as applicable. In furtherance of this covenant, for the benefit of the Bondholders, the Authority agrees to comply with the provisions of a Federal Tax Certificate to be executed by the Authority and delivered concurrently with the issuance and delivery of the Series 2022 Bond.

**Section 410. Continuing Disclosure.**

(a) No financial or operating data concerning the Authority is material to an evaluation of the offering of the Bonds or to any decision to purchase, hold or sell the Series 2022 Bond and the Authority will not provide any such information. The Authority shall have no liability to the owner of the Series 2022 Bond or any other person with respect to Securities and Exchange Commission Rule 15c2-12(b)(5). Pursuant to Section 2.02 of the Contract, the City has undertaken all responsibility for compliance with continuing disclosure requirements, and the Authority shall have no liability to the Bondowners or any other person with respect to Securities and Exchange Commission Rule 15c2-12.

(b) The Authority covenants that the initial and continuing disclosure requirements of Securities and Exchange Commission Rule 15c2 12(b)(5) do not apply to the Series 2022 Bond

because the issuance and delivery of the Series 2022 Bond complies with the exemption contained in Section 15c2 12(d)(1)(i) of said rule.

[END OF ARTICLE IV]

## ARTICLE V

### APPLICATION OF BOND PROCEEDS; CONSTRUCTION FUND; COSTS OF ISSUANCE ACCOUNT; SINKING FUND; PLEDGE OF REVENUES

**Section 501. Application of Bond Proceeds.** The proceeds derived from the sale of the Series 2022 Bond shall be applied by the Authority as set forth in a supplemental resolution to be adopted by the Authority prior to the issuance and delivery of the Series 2022 Bond.

**Section 502. Costs of Issuance Account.**

(a) A special account is hereby authorized to be created and established prior to the issuance and delivery of the Series 2022 Bond, said fund to be designated the SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY REVENUE BOND, SERIES 2022 COSTS OF ISSUANCE ACCOUNT (the “**Costs of Issuance Account**”). If created and established, 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 501 shall be disbursed to pay, or reimburse the Authority for, all or a portion of the Costs of Issuance.

(b) Disbursements from the Cost of Issuance Account shall not require the hereinafter described requisition and certificate but shall require an invoice for such payment; however, the Authority shall keep and maintain adequate records pertaining to the Costs of Issuance Account and all disbursements therefrom.

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

**Section 503. Construction Fund.** A construction fund is hereby authorized to be established prior to or concurrently with the issuance and delivery of the Series 2022 Bond, said fund to be designated the SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY REVENUE BOND, SERIES 2022 CONSTRUCTION FUND (the “**Construction Fund**”). Proceeds from the sale of the Series 2022 Bond as set forth in Section 501 of this Resolution and any other funds received by grant, donation or otherwise to finance the Projects, shall be deposited to the credit of the Construction Fund. Such money as is deposited in the Construction Fund shall be held by the Construction Fund Custodian and withdrawn only in accordance with the provisions and restrictions set forth in this Resolution and the Authority will not cause or permit to be paid therefrom any sums except in accordance herewith; provided, however, that any money in the Construction Fund not needed at the time for the payment of the current obligations during the course of the acquisition, construction, and equipping of the Projects, may be invested and reinvested by the Construction Fund Custodian, in such investments as are set forth in Section 601(a) of this Resolution. Any such investments shall mature not later than such times as shall be necessary to provide money when needed for payments to be made from the Construction Fund, and shall be held by said Custodian for the account of the Construction Fund until maturity or until sold, and at maturity or upon such sale, the proceeds received therefrom, including accrued interest and premium, if any, shall be immediately deposited by said Custodian in the Construction Fund and shall be disposed of in the manner and for the purposes hereinafter provided. All money in and securities held for the Construction Fund shall be subject to a lien

and charge in favor of the Holders of the Bonds and shall be held for the security of such Holders until disbursed as hereinafter provided for the payment of Costs of the Projects.

**Section 504. Requisition Procedure.**

(a) All payments from the Construction Fund shall be made upon checks signed by the Authority Representative, but before the Authority Representative shall sign any such checks (other than checks issued in payment for Costs of Issuance which shall not require the hereinafter described requisition and certificate but shall require an invoice for such payment) there shall be filed with the Authority a requisition and certificate signed by the Authority Representative certifying:

(i) each amount to be paid and the name of the person, firm, or corporation to whom payment thereof is due;

(ii) that an obligation in the stated amount has been incurred relating to the Projects, that the same is a proper charge against the Construction Fund and has not been paid, and stating that the bill, invoice, or statement of account for such obligation, or a copy thereof, is on file in the office of the Authority Representative;

(iii) that the Authority Representative has no notice of any vendor's, mechanic's, or other liens or rights to liens, chattel mortgages, or conditional sales contracts which should be satisfied or discharged before such payment is made;

(iv) that such requisition contains no item representing payment on account or any retained percentages (other than any percentages required by the State to be retained) which the Authority, at the date of such certificate, is entitled to retain; and

(v) that insofar as such obligation was incurred for work, material, supplies, or equipment in connection with the Projects, such work was actually performed, or such material, supplies, or equipment was actually installed in or about the construction or delivered at the site of the work for that purpose.

(b) The Authority shall retain all requisitions filed pursuant to this Section, subject at all times to inspection by any officer of the City, upon reasonable request.

**Section 505. Other Disbursements from the Construction Fund.**

(a) If the United States of America or the State, or any department, agency, or instrumentality of either, agrees to allocate money to be used to defray any part of the cost of acquiring, constructing, and equipping the Projects upon the condition that the Authority appropriate a designated amount of money for said specified purpose or purposes, and the Authority is required to withdraw any sum so required from the Construction Fund for deposit in a special account, the Authority shall have the right to withdraw any sum so required from the Construction Fund by appropriate transfer and to deposit the same in a special account for that particular purpose; provided, however, that all payments thereafter made from said special account may be made only in accordance with the requirements set forth in this Article.

(b) Withdrawals for investment purposes only (including authorized deposits with other banks) may be made by the Construction Fund Custodian to comply with written directions from the Authority Representative without any requisition other than said direction.

**Section 506. Completion of the Projects.** When the acquisition, construction, equipping, and installation of the Projects have been completed substantially in accordance with the Plans and Specifications therefor, said fact shall be evidenced by a certificate to the Authority, the City, and the Construction Fund Custodian from the Authority Representative to such effect and specifying the date of completion. Should there be any balance in the Construction Fund which is not needed to defray proper unpaid charges against said fund, such balance shall be transferred to the Sinking Fund, or otherwise applied in accordance with State law.

**Section 507. Continuation of Sinking Fund; Use of Money Therein.**

(a) There has heretofore been created and established, pursuant to Section 507 of the 2021 Resolution, and the Authority will maintain for so long as any Bonds remain outstanding and unpaid or provision for the payment thereof has not been made in accordance with the provisions hereof, a special trust fund in the name of the Authority designated SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY REVENUE BONDS, SERIES 2021 SINKING FUND (the “**Sinking Fund**”). The Sinking Fund shall be in the custody of the Sinking Fund Custodian, but in the name of the Authority.

(b) Except as otherwise provided in this Section 507 and in Sections 510 and 601, money in the Sinking Fund shall be used solely for the payment of the principal of and premium, if any, and interest on the Bonds, whether at maturity, by redemption, or otherwise. The Authority hereby authorizes and directs the Paying Agent to withdraw sufficient funds from the Sinking Fund to pay the principal of and interest on the Bonds as the same shall become due and payable, whether at maturity, or otherwise. Any money held as a part of the Sinking Fund shall be invested and reinvested in accordance with the provisions of Section 601 hereof.

(c) Any amount in the Sinking Fund at the close of business of the Sinking Fund Custodian on the day immediately preceding any Interest Payment Date shall be credited against the obligations of the City to make payments under the Contract on such Interest Payment Date.

**Section 508. Revenues to be Paid to Sinking Fund Custodian; Pledge of Revenues; Collateral Assignment to Bondholders.**

(a) The Revenues (including the payments provided for in Section 5.01(a) of the Contract) are to be paid directly to the Sinking Fund Custodian for the account of the Authority, and deposited in the Sinking Fund. Said Revenues shall be sufficient in amount to pay the principal of and interest on the Bonds.

(b) The Authority hereby covenants and agrees that so long as any of the Bonds issued hereunder are Outstanding it will cause to be deposited in the Sinking Fund, pursuant to the Contract, sufficient sums from the Revenues to meet and pay promptly the principal of and interest on the Bonds as the same become due and payable.

(c) All Revenues payable under the Contract and on deposit in the Sinking Fund shall be and are hereby pledged by the Authority to the prompt payment of the principal of and interest on the Bonds. Such money shall immediately be subject to the lien of this pledge for the benefit of the Bondholders without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding against the Authority and against all other persons having claims against the Authority, whether such claims shall have arisen in tort, contract, or otherwise and irrespective of whether such parties have notice thereof. This pledge shall rank superior to all other pledges which hereafter may be made of any of the funds and accounts pledged in this Resolution.

(d) In order to secure the Authority's obligations under the Bonds, the Authority hereby collaterally assigns, for the benefit of the Bondholders, all of the right, title, and interest of the Authority in and to the Contract, and all extensions and renewals of the term thereof, if any, and all amounts encumbered thereby, including, but without limiting the generality of the foregoing, the present and continuing right to make claim for, collect, receive, and make receipt for payments and other sums of money payable, receivable, or to be held thereunder, to bring any actions and proceedings thereunder or for the enforcement thereof, and to do any and all other things which the Authority is or may become entitled to do under the foregoing, provided that the assignment made by this sentence shall not impair or diminish any obligation of the Authority under the provisions of the Contract or impair or diminish the right of the Authority to enforce compliance with the obligations of the City under the Contract.

(e) The Bondholders may enforce all rights of the Authority and all obligations of the City under and pursuant to the Contract, whether or not the Authority is in default hereunder. So long as any of the Bonds remain Outstanding, and for such longer period when required by the Contract, the Authority shall faithfully and punctually perform and observe all obligations and undertakings on its part to be performed and observed under the Contract. The Authority covenants to maintain, at all times, the validity and effectiveness of the Contract and (except as expressly permitted by the Contract) shall take no action, and shall not omit to take any action, which action or omission might release the City from its liabilities or obligations under the Contract or result in the surrender, termination, amendment, or modification of, or impair the validity of the Contract.

(f) The Authority covenants to enforce all covenants, undertakings, and obligations of the City under the Contract, and the Authority hereby authorizes and directs the Bondholders to enforce any and all of the Authority's rights under the Contract on behalf of the Authority. The Authority shall retain possession of an executed original or counterpart of the Contract and shall release the same only in accordance with the provisions thereof. The Contract shall be available for inspection at reasonable times and under reasonable conditions by any owner of any Bond.

(g) The Authority shall not create or suffer to be created any lien, security interest, or charge upon the Revenues or the Contract, other than the pledge and assignment created by this Resolution.

**Section 509. Deposits into Sinking Fund.** There shall be paid into the Sinking Fund, as and when received: (i) all payments under the Contract which are required to be paid into the Sinking Fund, (ii) any other money required to be deposited therein pursuant to this Resolution, including, without limitation, all capitalized interest, if any, on the Series 2021 Bonds and the

Series 2022 Bond, and (iii) all other money received by the Sinking Fund Custodian when accompanied by directions that such money is to be paid into the Sinking Fund. There also shall be retained in the Sinking Fund interest and other income received on investments of money in the Sinking Fund, to the extent provided in Section 601 hereof.

**Section 510. Bonds Not Presented When Due.** If any Bonds shall not be presented for payment when the principal thereof and premium, if any, become due, either at maturity or otherwise, if money sufficient to pay such Bonds are on deposit in the Sinking Fund for the benefit of the Holders thereof, all liability of the Authority to the Holders thereof for the payment of such Bonds shall cease forthwith, terminate, and be completely discharged, and it shall be the duty of the Paying Agent to segregate and hold such money in trust, without liability for interest thereon, for the benefit of Holders of such Bonds who thereafter shall be restricted exclusively to such fund or funds for the satisfaction of any claim of whatever nature on their part under this Resolution or relating to said Bonds. Such segregated funds shall not be subject to investment.

Any money deposited with the Paying Agent in trust for the payment of the principal of and premium, if any, or interest on any Bond and remaining unclaimed for five years after such principal, premium, if any, or interest has become due and payable shall, upon the City's request to the Paying Agent, be paid to the City. After the payment of such unclaimed money to the City, the Bondholder thereafter shall look only to the City for the payment thereof, and any liability of the Paying Agent with respect to such money shall thereupon cease.

**Section 511. Fees, Charges, and Expenses.** Pursuant to the Contract, during such time as the Bond Registrar, Paying Agent, and Authentication Agent is a bank or trust company, the City is to pay, during such time, the reasonable and necessary fees and expenses of the Bond Registrar and Paying Agent, as and when the same become due, upon the submission by the Bond Registrar and Paying Agent of invoices therefor.

[END OF ARTICLE V]

ARTICLE VI

INVESTMENT OF MONEY;  
DESIGNATION OF DEPOSITORIES

**Section 601. Authorized Investments.**

(a) Construction Fund Money. Subject to the provisions of this Resolution, money in the Construction Fund may be invested and reinvested by the Construction Fund Custodian at the direction of the Authority Representative in any of the following investments allowed by O.C.G.A. § 36-82-7, if and to the extent the same are at the time legal for investment of bond proceeds:

(i) the local government investment pool created in O.C.G.A. § 36-83-8; or

(ii) the following securities and no others:

(A) bonds or other obligations of the Authority, or bonds or obligations of the State or other states or of counties, municipal corporations, and political subdivisions of the State;

(B) bonds or other obligations of the United States or of subsidiary corporations of the United States government, which are fully guaranteed by such government;

(C) obligations of and obligations guaranteed by agencies or instrumentalities of the United States government, including those issued by the Federal Land Bank, Federal Home Loan Bank, Federal Intermediate Credit Bank, Bank for Cooperatives, and any other such agency or instrumentality now or hereafter in existence; provided, however, that all such obligations shall have a current credit rating from nationally recognized rating service of at least one of the three highest rating categories available and have a nationally recognized market;

(D) bonds or other obligations issued by any public housing agency or municipal corporation in the United States, which such bonds or obligations are fully secured as to payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States government, or project notes issued by any public housing agency, urban renewal agency or municipal corporation in the United States which are fully secured as to payment of both principal and interest by a requisition, loan or payment agreement with the United States government;

(E) certificates of deposit of national or state banks located within the State which have deposits insured by the Federal Deposit Insurance Corporation and certificates of deposit of federal savings and loan associations and state building and loan or savings and loan associations located within the State which have deposits insured by the Savings Association Insurance Fund of the Federal



Deposit Insurance Corporation or the Georgia Credit Union Deposit Insurance Corporation, including the certificates of deposit of any bank, savings and loan association, or building and loan association acting as depository, custodian or trustee for any proceeds of the Bonds; provided, however, that the portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation, the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation, or the Georgia Credit Union Deposit Insurance Corporation, if any, shall be secured by deposit with the Federal Reserve Bank of Atlanta, Georgia, or with any national or state bank or federal savings and loan association or state building and loan or savings and loan association located within the State or with a trust office within the State, of one or more of the following securities in an aggregate principal amount equal at least to the amount of such excess: direct and general obligations of the State or other states or any county or municipal corporation in the State, obligations of the United States or subsidiary corporations included in subparagraph (B) above, obligations of the agencies and instrumentalities of the United States government included in subparagraph (C) above, or bonds, obligations, or project notes of public housing agencies, urban renewal agencies, or municipalities included in subparagraph (D) above;

(F) securities of or other interests in any no-load, open-end management type investment company or investment trust registered under the Investment Company Act of 1940, as from time to time amended, or any common trust fund maintained by any bank or trust company which holds such proceeds as trustee or by an affiliate thereof so long as:

(1) the portfolio of such investment company or investment trust or common trust fund is limited to the obligations referenced in subparagraph (B) and (C) above and repurchase agreements fully collateralized by any such obligations;

(2) such investment company or investment trust or common trust fund takes delivery of such collateral either directly or through an authorized custodian;

(3) such investment company or investment trust or common trust fund is managed so as to maintain its shares at a constant net asset value; and

(4) securities of or other interests in such investment company or investment trust or common trust fund are purchased and redeemed only through the use of national or state banks having corporate trust powers and located within the State; and

(G) interest-bearing time deposits, repurchase agreements, reverse repurchase agreements, rate guarantee agreements, or other similar banking arrangements with a bank or trust company having capital and surplus aggregating at least \$50 million or with any government bond dealer reporting to,

trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York having capital aggregating at least \$50 million or with any corporation which is subject to registration with the Board of Governors of the Federal Reserve System pursuant to the requirements of the Bank Holding Company Act of 1956, provided that each such interest-bearing time deposit, repurchase agreement, reverse repurchase agreement, rate guarantee agreement, or other similar banking arrangement shall permit the money so placed to be available for use at the time provided with respect to the investment or reinvestment of such money.

(b) Sinking Fund and Costs of Issuance Money. Money in the Sinking Fund and the Costs of Issuance Account, if any, may be invested by the custodian of said funds, at the direction of the Authority Representative, in such investments as are authorized by law at the time the investment is made, including specifically investments pursuant to O.C.G.A. § 36-80-3 and O.C.G.A. § 36-83-4, if and to the extent the same are at the time legal for investment of such money.

Pursuant to O.C.G.A. § 36-80-3, the Authority Representative may invest and reinvest money in the Sinking Fund and the Costs of Issuance Account in:

1. obligations of the United States and of its agencies and instrumentalities, or obligations fully insured or guaranteed by the United States government or by one of its agencies.
2. bonds or certificates of indebtedness of the State and of its agencies and instrumentalities.
3. certificates of deposit of banks which have deposits insured by the Federal Deposit Insurance Corporation; provided, however, that portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation must be secured by direct obligations of the State or the United States which are of a par value equal to that portion of such certificates of deposit which would be uninsured.

Pursuant to O.C.G.A. § 36-83-4, the Authority Representative may invest and reinvest money subject to its control and jurisdiction in:

1. obligations of the State or of other states;
2. obligations issued by the United States government;
3. obligations fully insured or guaranteed by the United States government or by one of its agencies;
4. obligations of any corporation of the United States government;
5. prime bankers' acceptances;
6. the local government investment pool established by O.C.G.A. § 36-83-8;

7. repurchase agreements; and
8. obligations of other political subdivisions of the State of Georgia.

**Section 602. Funds Constitute Trust Funds.** All money deposited in any fund created hereby shall constitute trust funds for which the Authority shall be responsible and will be applied in accordance with the terms hereof and for the purposes set forth herein and will not be subject to lien or attachment by any creditor of the Authority, and, except as otherwise provided herein, all funds received by the Authority under the terms hereof, subject to the giving of security as hereinafter provided, will be deposited with a depository in the name of the Authority.

**Section 603. Deposits in Excess of FDIC Guarantee.** No money belonging to any of the funds created hereunder will be deposited or remain on deposit with any depository or custodian in an amount in excess of the amount guaranteed or insured for public bodies by the Federal Deposit Insurance Corporation or other agency of the United States of America which may succeed to the functions of said corporation unless such depository shall have pledged, for the benefit of the Authority and the owners of the Bonds as collateral security for the money deposited, Government Obligations, or other marketable securities eligible as security for the deposit of public trust funds under regulations of the Board of Governors of the Federal Reserve System and under applicable Georgia law and having a market value (exclusive of accrued interest) at least equal to the amount of such deposits and having a face or par value at least equal to the amount prescribed by applicable Georgia law.

**Section 604. Designation of Bond Registrar, Paying Agent, Sinking Fund Custodian, and Custodian of the Construction Fund.**

(a) The Bank of New York Mellon Trust Company, N.A., is hereby designated as the Bond Registrar, Paying Agent, and Authentication Agent for the Series 2022 Bond. The Bank of New York Mellon Trust Company, N.A. will continue to be designated as Sinking Fund Custodian as provided by the 2021 Resolution. South State Bank is hereby designated as Custodian of the Construction Fund.

(b) A successor Bond Registrar and Paying Agent or depository for or custodian of any fund or account may, from time to time, be designated provided such successor agrees to comply with all of the provisions of this Resolution. During such time as the Paying Agent is a bank or trust company, any corporation into which the Paying Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Paying Agent shall be a party, or any corporation to which substantially all the corporate trust business of the Paying Agent may be transferred, shall, subject to the terms of this Resolution, be Paying Agent under this Resolution without further act.

**Section 605. Paying Agent Instructions.** Not less than two business days prior to any Interest Payment Date, the Paying Agent shall ascertain whether amounts sufficient to make the interest and/or principal payment due on the Bonds on such Interest Payment Date are on deposit in the Sinking Fund, and, if so, shall make appropriate arrangements with the Sinking Fund Custodian for the transfer of such sufficient amount to the Paying Agent in order to effect timely

payment of the Bonds on such Interest Payment Date in accordance with the terms thereof. In the event amounts on deposit in the Sinking Fund are insufficient to make the payment due on any Interest Payment Date as aforesaid, the Paying Agent shall immediately notify the Authority, and the Authority shall deposit to the Sinking Fund the amounts necessary to pay the amounts due on said Interest Payment Date.

**Section 606. Paying Agent.** The Authority shall appoint any succeeding Paying Agent for the Bonds, subject to the conditions set forth in Section 607 hereof. The Paying Agent shall designate to the City and the Authority its principal office for all purposes hereof and signify its acceptance of the duties imposed upon it hereunder by a written instrument of acceptance delivered to the Authority under which the Paying Agent will agree, particularly:

- (i) to hold all sums held by it for the payment of the principal of and interest on the Bonds in trust for the benefit of the Owners of the Bonds until such sums shall be paid by it to such Owners of the Bonds or otherwise disposed of as herein provided;
- (ii) to authenticate and cancel Bonds as provided herein;
- (iii) to perform its obligations under Article II of this Resolution; and
- (iv) to keep such books and records relating to its duties as Paying Agent as shall be consistent with prudent industry practice and, upon reasonable notice, to make such books and records available for inspection by the Authority and City at all reasonable times.

The Authority shall cause the necessary arrangements to be made and to be thereafter continued whereby:

- (a) funds derived from the sources specified in this Resolution will be made available at the principal office of the Paying Agent for the timely payment of principal of and interest on the Bonds;
- (b) Bonds shall be made available for authentication, exchange, and registration of transfer by the Paying Agent at the principal office of the Paying Agent; and
- (c) the Paying Agent shall be furnished such records and other information, at such times, as shall be required to enable the Paying Agent to perform the duties and obligations imposed upon it hereunder.

**Section 607. Qualifications of Paying Agent; Resignation; Removal.**

(a) The Paying Agent shall be a commercial bank or national banking association with trust powers or trust company duly organized under the laws of the United State of America of any state or territory thereof, having a combined capital stock, surplus and undivided profits of at least \$10,000,000 and authorized by law to perform all the duties imposed upon it by this Resolution. The Paying Agent may at any time resign and be discharged of the duties and obligations created by this Resolution by giving at least 60 days' notice to the Authority. The

Paying Agent may be removed at any time by an instrument, signed by the President of the Authority, filed with such Paying Agent.

(b) In the event of the resignation or removal of the Paying Agent, the Paying Agent, prior to its resignation or removal, shall deliver any money and any Bonds and its related books and records held by it in such capacity to its successor, or, if there be no successor, to the Authority.

[END OF ARTICLE VI]

## ARTICLE VII

### DEFEASANCE

#### **Section 701. Defeasance.**

(a) Bonds shall be deemed to have been paid in full and the lien of this Resolution shall be discharged:

(i) after there shall have been irrevocably deposited with the Paying Agent for that purpose, either (A) sufficient money or (B) obligations of, or guaranteed as to principal and interest by, the United States of America, or certificates of an ownership interest in the principal or interest of obligations of or guaranteed as to principal and interest by the United States of America, which shall not contain provisions permitting the redemption thereof prior to their stated maturity, the principal of and the interest on which 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), together with any money deposited therewith, for the payment at the respective maturities or redemption dates of the Bonds to be defeased, of the principal thereof and the redemption premium, if any, and the interest to accrue thereon to such maturity or redemption date, as the case may be;

(ii) there shall have been paid to the Bond Registrar and Paying Agent all fees and expenses due or to become due in connection with the payment or redemption of the Bonds to be defeased or satisfactory arrangements have been made with the Bond Registrar and Paying Agent to make said payments; and

(iii) unless all Outstanding Bonds 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 the Outstanding Bonds to be defeased, by first class mail, postage prepaid, at their last addresses appearing upon the books of registration, that the deposit required by (i) above has been made with the Bond Registrar and Paying Agent and that said Bonds are deemed to have been paid in accordance with this Section 701 and stating such maturity date or redemption date upon which money is to be available for the payment of the principal or redemption price of said Bonds. The Bond Registrar and Paying Agent may also give such notice by publication in an Authorized Newspaper but such publication shall not be a condition precedent to payment in full of the Bonds and failure so to publish any such notice shall not affect the validity of the proceedings for the payment in full of the Bonds to be defeased.

(b) In addition to the foregoing provisions of this Article VII, the lien of this Resolution shall only be discharged pursuant to this Article VII if the City delivers to the Authority an opinion of Bond Counsel providing that all conditions precedent to the discharge of the lien of this Resolution pursuant to this Article VII have been satisfied and such deposit and discharge will not adversely affect the exclusion of the interest on the Bonds from federal income taxation.

(c) It is contemplated that any Bonds issued and secured pursuant to this Resolution may be paid, or deemed to be paid in full as aforesaid, and any other Bonds not paid, or not deemed to be paid in full as aforesaid, shall remain Outstanding hereunder. Upon payment in full of any Bonds as provided in this Section 701, the Owners of such Bonds shall no longer be entitled to the benefits of the security afforded by this Resolution and, except for the purposes of registration, exchange, and transfer, shall no longer be deemed outstanding hereunder.

(d) Whenever all Bonds issued hereunder shall be deemed to have been paid pursuant to this Section 701, any balances remaining in the Sinking Fund shall be retained by the City and used for any lawful purpose.

[END OF ARTICLE VII]

ARTICLE VIII

DEFAULT PROVISIONS AND  
REMEDIES OF BONDHOLDERS

**Section 801. Defaults; Events of Default.** If any of the following events occur, it is hereby declared to constitute an “Event of Default”:

(a) default in the due and punctual payment of the principal of or premium, if any, on any Bond when and as the same shall become due and payable, whether at maturity or by proceedings for redemption prior to maturity, or otherwise; or

(b) default in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable; or

(c) default in the performance or observance of any of the other covenants, agreements, or conditions on the part of the Authority in this Resolution or in the Bonds contained and failure to remedy the same within 30 days after written notice specifying such default and requiring the same to be remedied shall have been received by the Authority and the City from the owner of any Bond; unless, however, action to remedy such failure shall have been undertaken and more than 30 days is reasonably required for its completion, in which event the Authority and the City may permit such failure to remain unremedied during the lesser of 90 days or the time required for the completion of such action and any appeal therefrom, irrespective of whether such period extends beyond the 30 day period after the receiving of notice, unless by such action the lien or charge hereof on any part of the Revenues shall be materially endangered, in which event, such failure shall be promptly remedied.

(d) the dissolution or liquidation of the City or the voluntary initiation by the City of any proceeding under any law relating to bankruptcy, insolvency, arrangement, reorganization, readjustment of debt or any other form of debtor relief, or the initiation against the City of any such proceeding which shall remain undismissed for 60 days, or assignment by the City for the benefit of creditors, or the entry by the City into an agreement of composition with creditors or the failure generally by the City to pay its debts as they become due; or

(e) the occurrence and continuance of any event of default as described in Section 8.01 of the Contract.

**Section 802. [Reserved].**

**Section 803. Remedies; Rights of Bondholders.** Upon the occurrence of an Event of Default, the owners of not less than a majority in principal amount of the Bonds Outstanding may pursue any available remedy (other than the remedy of acceleration) provided by the Contract as well as any available remedy at law or in equity to enforce the payment of the principal of and premium, if any, and interest on the Bonds.

If an Event of Default shall have occurred the owners of not less than a majority in principal amount of Bonds Outstanding may exercise such one or more of the rights and powers conferred by this Section 803, the right to protect and enforce the rights of the owners of the



Bonds by suit, action or special proceedings in equity or at law in aid or execution of any power herein granted or for the enforcement of any proper legal or equitable remedy deemed most effectual to protect and enforce such rights; and the right to enforce remedies afforded to the Authority under the Contract.

No remedy by the terms of this Resolution conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Bondholders hereunder or now or hereafter existing at law or in equity.

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 of any such Event of Default or acquiescence therein; such right or power may be exercised from time to time as often as may be deemed expedient.

**Section 804. Right of Bondholders to Direct Proceedings.** The Holders of a majority in principal amount of the Bonds Outstanding shall have the right to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Resolution, or any other proceedings hereunder, provided that such direction shall not be otherwise than in accordance with the provisions of law and of this Resolution.

**Section 805. Waiver by Authority.** Upon the occurrence of an Event of Default, to the extent that such rights may then lawfully be waived, neither the Authority, nor anyone claiming through or under it, shall set up, claim or seek to take advantage of any appraisement, valuation, stay, extension, or redemption laws of any jurisdiction now or hereafter in force, in order to prevent or hinder the enforcement of this Resolution, and the Authority, for itself and all who may claim through or under it, hereby waives, to the extent that it lawfully may do so, the benefit of all such laws.

**Section 806. Application of Money.** After payment of the costs and expenses of the proceedings resulting in the collection of money and of the expenses, liabilities, and advances incurred or made pursuant to any right given or action taken under the provisions of this Article, all money received shall be deposited in the Sinking Fund and all money in the Sinking Fund shall be applied to or in connection with the payment of Bondholders in respect of all accrued and unpaid interest and unpaid principal, or unpaid premium due on redemption, which has become due on such Bonds, and, if the amount available shall not be sufficient to pay in full any amount owed on the Bonds, then to the payment, according to the amount due respectively, for principal, premium, if any, and interest then due and unpaid upon the Bonds, without preference or priority of principal or premium over interest, or of interest over principal or premium, if any, or of any installments of interest over any other installments of interest or of any Bonds over any other Bonds, ratably, according to the amount due, respectively, of principal and interest to the persons entitled thereto without any discrimination or privilege.

**Section 807. Limitation on Rights and Remedies of Bondholders.** No Holder of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Resolution, for the execution of any trust thereof or to enforce any other right or remedy hereunder, unless a default has occurred nor unless also such default shall have become an Event of Default and the Holders of not less than a majority in principal amount of

Bonds Outstanding shall have instituted an action, suit or proceeding in its, his or their own name or names, it being understood and intended that no one or more Holders of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Resolution by its, his or their action or to enforce any right or remedy hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal and ratable benefit of the Holders of all Bonds Outstanding. Nothing in this Resolution contained shall affect or impair, however, the right of any Bondholder to enforce the payment of the principal of and premium, if any, and interest on any Bond at and after the maturity thereof, or the obligation of the Authority to pay solely from the Revenues the principal of and premium, if any, and interest on each of the Bonds issued hereunder to the respective Holders thereof at the time and place, from the source, and in the manner expressed in the Bonds.

**Section 808. Termination of Proceedings.** In case any proceedings taken by the owner of any Bond on account of any default shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Authority and the owners of the Bonds shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the owners of the Bonds shall continue as if no such proceedings had been taken.

[END OF ARTICLE VIII]

ARTICLE IX

SUPPLEMENTAL RESOLUTIONS;  
AMENDMENTS TO CONTRACT

**Section 901. Supplemental Resolutions Not Requiring Consent of Bondholders.**

The Authority, with the consent of the City, but without the consent of, or notice to, any of the Bondholders, may adopt such resolution or resolutions supplemental to this Resolution as shall be consistent with the terms and provisions hereof, for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission or inconsistent provision in this Resolution;
- (b) to grant to or confer upon the Bondholders any additional rights, remedies, powers, or authority that may lawfully be granted to or conferred upon the Bondholders;
- (c) to subject to the lien and pledge of this Resolution additional revenues, properties, or collateral; or
- (d) to provide for the issuance of Parity Bonds in accordance with the provisions of this Resolution.

**Section 902. Supplemental Resolutions Requiring Consent of Bondholders.**

(a) Exclusive of supplemental resolutions covered by Section 901 hereof, and subject to the terms and provisions contained in this Section 902, and not otherwise, the owners of a majority in principal amount of the Bonds Outstanding shall have the right, from time to time, anything contained in this Resolution to the contrary notwithstanding, to consent to and approve, in writing, the adoption by the Authority of such other resolution or resolutions supplemental hereto as shall be deemed necessary and desirable by the Authority for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Resolution or in any supplemental resolution, provided, that without the written consent of owners of all the Bonds Outstanding the Authority may not adopt any supplemental resolution that has the effect of permitting a change in the terms of redemption (other than changes in the procedures for redemption) or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or redemption price thereof or in the rate of interest thereon without the consent of the Holder of such Bonds, or shall reduce the percentages of Bonds the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of the Bond Registrar or Paying Agent without its written assent thereto.

(b) If at any time the Authority shall seek to adopt any such supplemental resolution for any purposes of this Section, it shall notify the City and the Bond Registrar, and the Bond Registrar shall cause notice of the proposed execution of such supplemental resolution to be mailed by first class mail to the registered owners of the Bonds, but no failure to mail any such notice nor any defect in any notice shall affect the right of the Authority to effect the validity of such supplemental resolution if all necessary consents are obtained. Such notice shall briefly set

forth the nature of the proposed supplemental resolution and shall state that a copy of the same is on file with the Bond Registrar. If the owners of a majority in aggregate principal amount of the Bonds Outstanding hereunder at the time of the execution of any such supplemental resolution shall have consented to and approved the execution thereof as herein provided, no Bondholder shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Authority from adopting the same or from taking any action pursuant to the provisions thereof. Upon the adoption of any such supplemental resolution as in this Section 902 permitted and provided, this Resolution shall be deemed to be modified and amended in accordance therewith.

(c) Anything herein to the contrary notwithstanding, a supplemental resolution adopted under this Article IX shall not become effective unless and until the City shall have consented in writing to the adoption and delivery of such supplemental resolution. In this regard, the Authority shall cause notice of the proposed adoption and delivery of any such supplemental resolution to which the City has not already consented, together with a copy of the proposed supplemental resolution and a written consent form to be signed by the City Manager to be hand delivered to the City Manager at least 30 days prior to the proposed date of adoption and delivery of any such supplemental resolution.

**Section 903. Amendments to Contract Not Requiring Consent of Bondholders.** The Authority and the City, without the consent of or prior notice to the Bondholders, may amend the Contract for the following purposes:

- (a) to cure any ambiguity or formal defect or omission or inconsistent provisions of the Contract;
- (b) to reaffirm all applicable covenants, terms, and provisions of the Contract and extend its term through the final maturity of Parity Bonds then proposed to be issued; or
- (c) any other purpose which does not adversely affect the interest of the Bondholders.

**Section 904. Amendments to Contract Requiring Consent of Bondholders.** Except for the amendments as provided in Section 903 hereof, neither the Authority nor the City may amend the Contract whereby such amendment would operate to affect adversely the interest of the Holders of the Outstanding Bonds unless written consent is obtained of (A) all the Holders of the Bonds Outstanding or (B) in the case less than all of the Bonds then outstanding are affected by the amendment, the Holders of all the Outstanding Bonds which are so affected. No such amendment shall ever affect the obligations of the City to make payments under the Contract or the City's covenants with respect to the use of the proceeds of the Bonds.

**Section 905. Notice of Supplemental Resolutions and Amendments.** To the extent herein not otherwise required, a copy of each supplemental resolution or amendment to the Contract, made or entered into in accordance with the preceding Sections of this Article IX, shall be furnished to each of the Authority, the City, and the Bondholders.

**Section 906. Effect of Supplemental Proceeding.** Any supplemental resolution adopted and becoming effective in accordance with the provisions of this Article thereafter shall

form a part of this Resolution, and all the terms and conditions contained in any such supplemental resolution as to any provision authorized to be contained therein shall be a part of the terms and conditions of this Resolution and shall be effective as to all Owners of the then Outstanding Bonds and of any Parity Bonds, and no notation or legend of such modifications and amendments shall be required to be made on any such outstanding Bonds.

**Section 907. Resolution Constitutes Contract.** The provisions, terms, and conditions of this Resolution shall constitute a contract by and between the Authority and the Owners of Outstanding Bonds, and, after the issuance of the Series 2022 Bond, this Resolution shall not be repealed or amended in any respect which will adversely affect the rights and interest of the Owners of the Bonds nor shall the Authority adopt any resolution or ordinance in any way ever adversely affecting the rights of such Owners so long as any of the Bonds or the interest thereon shall remain unpaid; provided, however, that the provisions of this Section shall not be construed to restrict or impair any rights reserved to the Authority by the provisions of this Article IX.

**Section 908. Subsequent Proceedings Consistent with Resolution.** Any subsequent proceeding or proceedings authorizing the issuance of Parity Bonds as permitted under the provisions of this Resolution shall in nowise conflict with the terms and conditions of this Resolution, but, for all legal purposes, shall contain all the covenants, agreements, and provisions of this Resolution for the equal protection and benefit of all Owners of Bonds.

[END OF ARTICLE IX]

## ARTICLE X

### MISCELLANEOUS

**Section 1001. Consents of Bondholders.** Any consent, request, direction, approval, objection, or other instrument required by this Resolution to be signed and executed by the Bondholders may be in any number of concurrent documents and may be executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection, or other instrument or of the written appointment of any such agent or the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Resolution, and shall be conclusive with regard to any action taken under such request or other instrument, namely:

(a) The fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by an affidavit of any witness to such execution; and

(b) The fact of ownership of Bonds and the amount or amounts, numbers, and other identification of such Bonds, and the date of holding the same shall be provided by the registration books of the Authority maintained by the Bond Registrar.

**Section 1002. Limitation of Rights.** With the exception of any rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Resolution or the Bonds is intended or shall be construed to give to any person or company other than the parties hereto and the owner of any Bonds any legal or equitable right, remedy, or claim under or with respect to this Resolution or any covenants, conditions and provisions herein contained; this Resolution and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the Holders of the Bonds as herein provided.

**Section 1003. Severability.** If any provision of this Resolution shall be held or deemed to be or shall, in fact, be illegal, inoperative, or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative, or unenforceable to any extent whatever.

**Section 1004. Immunity of Members, Officers, and Employees of the Authority.** No recourse shall be had for the enforcement of any obligation, covenant, promise or agreement of the Authority contained in this Resolution or in the Bonds or for any claim based hereon or otherwise in respect hereof or upon any obligation, covenant, promise, or agreement of the Authority contained in the Contract, against any member, officer, or employee, as such, in his individual capacity, past, present, or future, of the Authority or of any successor corporation, either directly or through the Authority or any successor corporation, whether by virtue of any constitutional provision, statute, or rule of law or by the enforcement of any assessment or penalty or otherwise; it being expressly agreed and understood that this Resolution, the Bonds, and the Contract are solely corporate obligations, and that no personal liability whatsoever shall attach to or be incurred by any member, officer or employee as such, past, present or future, of the Authority or of any successor corporation, either directly or by reason of the obligations, covenants, promises, or agreements entered into between the Authority and the City to be

implied therefrom as being supplemental hereto or thereto, and that all personal liability of that character against every such member, officer, and employee is, by the adoption of this Resolution and the issuance of the Bonds, and as a condition of, and as a part of the consideration for, the adoption of this Resolution and execution of the Bonds, expressly waived and released. The immunity of members, officers, and employees of the Authority under the provisions contained in this Section 1004 shall survive the termination of this Resolution.

**Section 1005. Communications.** All communications provided for herein shall be in writing and shall be sufficiently given and served upon the Authority and the City if sent by facsimile with the original to follow by United States registered mail, return receipt requested, postage prepaid (unless otherwise required by the specific provisions hereof in respect of any matter) and addressed as follows:

If to Authority: Savannah Economic Development Authority  
Attention: President/CEO  
131 Hutchinson Island Road, 4th Floor  
Savannah, Georgia 31421  
Phone: (912) 447-8450

with copy to: Jonathan B. Pannell, Esq.  
Gray Pannell & Woodward LLP  
323 East Congress Street  
Savannah, Georgia 31401-2729  
Phone: (912) 443-4040

If to City: City of Savannah  
Attention: City Manager  
2 East Bay Street  
City Hall, 4th Floor  
Post Office Box 1027  
Savannah, Georgia 31401  
Phone: (912) 651-6415

with copy to: Office of the City Attorney  
Attention: City Attorney  
6 East Bay Street  
Gamble Building, 3rd Floor  
Post Office Box 1027  
Savannah, Georgia 31401  
Phone: (912) 525-3092

A copy of each communication given hereunder by the Authority or the City also shall be given to any registered owner of a majority in principal amount of Outstanding Bonds.

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

**Section 1006. Payments Due on Day Other than a Business Day.** When the date on which any payment is due hereunder shall not be a Business Day, then such payment may be made on the next succeeding Business Day with the same force and effect as if made on the date fixed for such payment and no additional interest shall accrue because of such payment occurring on said next Business Day.

**Section 1007. Laws Governing Resolution.** The effect and meaning of this Resolution and the rights of all parties hereunder shall be governed by and construed according to the laws of the State.

**Section 1008. Performance Audit.** The Authority hereby specifically waives the requirements of O.C.G.A. § 36-82-100 that the expenditure of the proceeds of the Bonds be subject to an ongoing performance audit or performance review, and authorizes such waiver to be published in the notice of hearing relating to the validation of the Bonds.

**Section 1009. [Reserved].**

**Section 1010. Captions.** The captions and headings in this Resolution are for convenience only and in no way define, limit, or describe the scope or intent of any provisions or Sections of this Resolution.

**Section 1011. Repealer.** Any and all ordinances or resolutions or parts of ordinances or resolutions in conflict with this Resolution shall be and the same hereby are repealed, and this Resolution shall be in full force and effect from and after its adoption.

**Section 1012. General Authority.** The proper officers, agents, and employees of the Authority hereby are authorized to take any and all further actions and execute and deliver any and all other certificates and documents as may be necessary or desirable in connection with the issuance of the Series 2022 Bond and the execution and delivery of the Amendment to Contract, the federal tax certificate, and the carrying out of the purposes and intent of this Resolution. From and after the execution and delivery of the documents hereinabove authorized, the proper officers, agents, and employees of the Authority hereby are authorized, empowered, and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of said documents as executed.

[END OF ARTICLE X]



APPROVED AND ADOPTED in public meeting, this April 12, 2022.

SAVANNAH ECONOMIC  
DEVELOPMENT AUTHORITY

By: \_\_\_\_\_  
President

Exhibit A

FORM OF SERIES 2022 BOND

THIS BOND AND THE INSTRUMENTS HEREINAFTER DESCRIBED ARE SUBJECT TO AN INVESTMENT LETTER AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED, OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO THE TERMS OF SUCH INVESTMENT LETTER.

*This Bond shall not be sold or transferred if such sale or transfer would void the exemption, contained in U.S. Securities and Exchange Commission Rule 15c2-12(d)(1)(i), from the disclosure requirements of Securities and Exchange Commission Rule 15c2-12(b)(5) or any similar rules or statutes in effect at the time of such sale or transfer.*

No. R-1

UNITED STATES OF AMERICA  
STATE OF GEORGIA

SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY  
REVENUE BOND  
(VETERANS PARKWAY INTERCHANGE PROJECT),  
SERIES 2022

Maturity Date: \_\_\_\_\_, 20\_\_  
Principal Amount: \$ \_\_\_\_\_  
Interest Rate: \_\_\_\_\_ %  
Bond Date: \_\_\_\_\_, 2022  
Registered Owner: \_\_\_\_\_

The Savannah Economic Development Authority (the "Authority"), a public body corporate and politic, and an instrumentality of the State of Georgia, for value received hereby promises to pay to, or cause to be paid to the registered owner specified above or to payee's registered assigns, the principal sum specified above, solely from funds provided therefor as hereinafter set forth on the maturity date specified above, without the requirement of presentation and surrender of this Bond for cancellation at the designated corporate trust office of The Bank of New York Mellon Trust Company, N.A., as Paying Agent and Bond Registrar, and to pay to the registered owner hereof, by check or draft mailed by first class mail (or by wire transfer to the registered owner of this Bond 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 (hereinafter defined) which wire instructions shall remain in effect until the Paying Agent is notified to the contrary) to such owner at such owner's address as it shall appear on the bond register kept by the Bond Registrar, interest on such principal amount from the date hereof or from the most recent interest payment date to which interest has been paid at the rate per annum specified above, payable on \_\_\_\_\_ 1 and

\_\_\_\_\_ 1 (each an “Interest Payment Date”) in each year, beginning \_\_\_\_\_ 1, 20\_\_\_\_, until the obligation with respect to the payment of such principal sum shall be discharged.

The interest so payable on any such Interest Payment Date will be paid to the person in whose name this Bond is registered at the close of business on the 15th day of the calendar month preceding such Interest Payment Date (the “Record 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 this Bond is registered on a subsequent date of record established by notice given by mail by the Paying Agent to the owner of this Bond not less than 30 days preceding such subsequent date of record. Both the principal of and interest on this Bond are 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.

This Bond is the duly authorized bond designated SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY REVENUE BOND (VETERANS PARKWAY INTERCHANGE PROJECT), SERIES 2022 (this “Bond”), issued as a single-instrument bond in the principal amount of \$ \_\_\_\_\_ to provide funds for: (a) the completion of the acquisition, construction, equipping, and installation of an interchange and certain water and sewer improvements within the City of Savannah (the “Projects”); (b) paying capitalized interest on this Bond; and (c) paying certain costs of issuing this Bond. This Bond is issued pursuant to authority of and in accordance with the provisions of the Constitution and laws of the State of Georgia, the Revenue Bond Law of Georgia, codified in O.C.G.A. § 36-82-60 *et seq.*, the general laws of the State of Georgia, and the Act (as such term is defined in the Resolution), and was duly authorized by a bond resolution adopted by the Authority on April 12, 2022, as amended and supplemented by a supplemental bond resolution adopted on \_\_\_\_\_, 2022 (together, the “Resolution”).

[Insert redemption provisions here]

The Authority has heretofore issued its SAVANNAH ECONOMIC DEVELOPMENT AUTHORITY REVENUE BONDS (VETERANS PARKWAY INTERCHANGE PROJECT), SERIES 2021 (the “Series 2021 Bonds”) in accordance with a bond resolution adopted by the Authority on November 10, 2020, as supplemented and amended by a supplemental bond resolution adopted by the Authority on January 13, 2021. Proceeds from the Series 2021 Bonds were used for (i) the acquisition, construction, equipping, and installation of the Projects, (b) paying capitalized interest on the Series 2021 Bonds, and (c) paying certain costs of issuing the Series 2021 Bonds.

The payment of the Series 2021 Bonds, this Bond, and any bonds issued hereafter on a parity therewith and the interest thereon, is secured pursuant to an Intergovernmental Contract, dated January 26, 2021, as amended by an Amendment to Intergovernmental Contract, dated as of the date hereof (together, the “Contract”), between the Authority and the Mayor and Aldermen of the City of Savannah, Georgia, a municipal corporation existing under the laws of the State of Georgia (the “City”). The City is obligated to pay contractual amounts which are sufficient to pay the principal of and redemption premium, if any, and interest on the Series 2021 Bonds, this Bond and any additional Parity Bonds (as hereinafter defined) (collectively, the “Bonds”) as the same shall become due in accordance with their terms and provisions and to pay all fees and expenses as provided for in the Resolution. The City is obligated to pay the payments due under

the Contract directly to the Sinking Fund Custodian for the account of the Authority and deposited in the Sinking Fund, as defined and continued by the Resolution.

Payment of the Series 2021 Bonds and this Bond is secured by a first and prior pledge of and charge or lien on the revenue to be derived by the Authority pursuant to the Contract and the money on deposit in the Sinking Fund. In addition to the Series 2021 Bonds, and this Bond, the Authority, under certain conditions as provided in the Resolution, may issue additional revenue bonds (“Parity Bonds”) which, if issued in accordance with such provisions, will rank *pari passu* with the Series 2021 Bonds and this Bond with respect to the pledge of and the charge or lien on the revenue pledged to the payment thereof. Any such Parity Bonds may be redeemed in whole or in part before the maturity of the Series 2021 Bonds or this Bond, subject to the requirements of the Resolution.

This Bond shall not constitute a debt or a pledge of the faith and credit of the State of Georgia or of any political subdivision thereof, but this Bond shall be payable solely from certain revenues and other funds of the Authority as provided in the Resolution. The issuance of this Bond shall not obligate the State of Georgia or any political subdivision thereof, including the City or the Authority, to levy or pledge any form of taxation whatever for the payment hereof. No holder hereof or receiver or trustee in connection herewith shall have the right to enforce payment hereof against any property of the State of Georgia or any political subdivision thereof, including the City, or against any property of the Authority (other than the funds specifically pledged therefor pursuant to the Resolution), nor shall this Bond constitute a charge, lien, or encumbrance, legal or equitable, upon any such property. No recourse shall be had for the payment of the principal of or the interest on this Bond against any officer, director, or member of the Authority. The Authority has no taxing power.

Terms defined in the Resolution and used but not defined herein, shall, unless the context otherwise requires, have the meanings ascribed to such terms in the Resolution.

This Bond is being issued as a fully registered bond in the principal amount of \$\_\_\_\_\_.

This Bond is transferable as provided in the Resolution only upon the books of the Authority kept for that purpose at the designated corporate trust office of the Bond Registrar by the Registered Owner hereof in person, or by such Owner’s duly authorized attorney, upon surrender of this Bond 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, and thereupon a new registered Series 2022 Bond shall be issued to the transferee in exchange therefor as provided in the Resolution and upon payment of any charges therein prescribed. The person in whose name this Bond is registered shall be deemed and regarded as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal and interest due hereon and for all other purposes.

No covenant or agreement contained in this Bond or the Resolution shall be deemed to be a covenant or agreement of any official, officer, agent or employee of the Authority in his or her individual capacity, and neither the members of the Authority nor any official executing this Bond shall be liable personally on this Bond or be subject to any personal liability or accountability by reason of the issuance of this Bond.

It is hereby certified and recited that all conditions, acts, and things required by law and the Resolution to exist, to have happened, and to have been performed precedent to and in the issuance of this Bond, do exist, have happened, and have been performed and that this Bond complies in all respects with the Act and with all applicable laws of the State of Georgia.

This Bond shall not be entitled to any benefit under the Resolution or be valid or become obligatory for any purpose until this Bond shall have been authenticated by execution by the Authentication Agent, by manual signature of the certificate hereon endorsed.

This Bond shall not be entitled to any benefit under the Resolution or be valid or become obligatory for any purpose until this Bond shall have been authenticated by the execution by the Authentication Agent of the certificate of authentication hereon.

IN WITNESS WHEREOF, the Savannah Economic Development Authority has caused this Bond to be executed with the manual or facsimile signature of its President, and has caused its corporate seal to be hereunto impressed and attested with the manual or facsimile signature of its Assistant Secretary, as of the date of its authentication.

SAVANNAH ECONOMIC  
DEVELOPMENT AUTHORITY

By: \_\_\_\_\_ (FORM)  
President

(S E A L)

Attest: \_\_\_\_\_ (FORM)  
Assistant Secretary

AUTHENTICATION CERTIFICATE

This Bond is the Series 2022 Bond described herein.

Date of Authentication: \_\_\_\_\_, 2022

THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A.,  
as Authentication Agent

By: \_\_\_\_\_ (FORM)  
Authorized Signatory

\* \* \* \* \*

STATE OF GEORGIA     )  
                                  )  
CHATHAM COUNTY     )

VALIDATION CERTIFICATE

The undersigned Clerk of Superior Court of Chatham County, Georgia, hereby certifies that the within Bond was validated and confirmed by judgment of the Superior Court of Chatham County, Georgia, on \_\_\_\_\_, 2022.

IN WITNESS WHEREOF, I hereunto have set my hand or caused my official signature and the official seal of the Superior Court of Chatham County, Georgia, to be reproduced hereon.

(S E A L)

\_\_\_\_\_ (FORM)  
Clerk of Superior Court  
Chatham County, Georgia

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto

\_\_\_\_\_  
Social Security Number or  
Other Identifying Number of Assignee:

\_\_\_\_\_  
Please print or type name and address  
(including postal zip code) of Assignee:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints  
\_\_\_\_\_ as Agent to transfer the within Bond on the  
books kept for registration thereof, with full power of substitution in the premises.

\_\_\_\_\_  
(FORM)  
Assignor

NOTICE: The signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Date: \_\_\_\_\_, 20\_\_

Signature Guaranteed:

\_\_\_\_\_  
(FORM)

NOTICE: Signature(s) must be guaranteed by a member firm of the STAMP, SEMP, or MSP signature guarantee medallion programs.

Exhibit B

FORM OF AMENDMENT TO CONTRACT

[Attached.]



ASSISTANT SECRETARY'S CERTIFICATE

The undersigned Assistant Secretary of the Savannah Economic Development Authority (the "Authority") DOES HEREBY CERTIFY that the foregoing constitutes a true and correct copy of a resolution adopted on April 12, 2022, by a majority of the entire membership of the Authority in a meeting duly called and assembled and open to the public at which a quorum of members was present and acting throughout, and that the original of said resolution appears of record in the minute book of the Authority, which is in my custody and control.

(S E A L)

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Assistant Secretary  
Savannah Economic Development Authority