

**Minutes
City of Folkston
Regular Monthly Meeting
March 8, 2021**

The Mayor and Council of the City of Folkston met in regular session on March 8, 2021 at City Hall.

Mayor Gowen called the meeting to order at 6:30 pm. He gave the invocation and led the pledge of allegiance.

Members Present: **Lee Gowen, Mayor
Ruby Baker
Marion Davis, Jr.
Rob Roberson
Bruce Young**

Members Absent:

Also Present: **Leonard H. Lloyd, City Manager
Hali Coffey, Deputy Clerk
Wesley Green, Chief of Police
Patrick Brooks, City Attorney**

Visitors: Elaine Bailey, Pastor Terrance Pender, Natasha Donley, Antwon Nixon, Merrill Varn, Chip Campbell and Marla Ogletree with Charlton County Herald.

AGENDA

**Mrs. Baker made a motion to approve the agenda as presented.
Mr. Davis seconded the motion and it passed by unanimous vote.**

MINUTES

The council was presented the minutes from the February 8, 2021 Work Session, February 15, 2021 Public Hearing and February 15, 2021 Regular Meeting.

Mr. Young made a motion to approve the minutes for the February 8, 2021 Work Session, February 15, 2021 Public Hearing and February 15, 2021 Regular Meeting as presented. Mr. Davis seconded the motion and it passed by unanimous vote.

APPROVE INCOME AND EXPENSE STATEMENTS

The income and expense statements for February 2021 were presented.

Mr. Davis made a motion to approve the income and expense statements as presented. Mr. Young seconded the motion and it passed by unanimous vote.

POLICE DEPARTMENT REPORT

Chief Green stated the police department filed 37 incident reports, investigated 6 accidents and answered 1248 calls during the month of February 2021. The police department collected \$13,994.00; the city's portion is \$12,060.11.

CITY MANAGER REPORT

Mr. Lloyd informed the council that the Tower Street project is progressing. He stated the application for the Main Street repaving project should be ready to submit in April. He also informed the council that the Georgia Power franchise check in the amount of \$148,622.04 was received. The amount was down from last year due to the prison closing.

SPANISH CREEK WATERSHED MANAGEMENT PLAN

A copy of the Spanish Creek Watershed Management Plan was presented. Mr. Lloyd, Merrill Varn and Chip Campbell gave a review of the report for the Long Branch, Clay Branch and Hatcher's Branch testing. The committee suggests that testing be reduced to the Clay Branch site to pin point and identify the causes and sources of pollution. Ms. Varn stated more grants will be needed for future studies. The next phase will require the County and City to apply for a Coastal Incentive Grant. (Report Attached)

APPROVE RESOLUTION TO REFINANCE LOAN

Mayor Gowen stated the city is in the process of refinancing the current water and sewer loan in the amount of \$2,295,000 for fifteen years. The lower interest rate will save the city \$213,000. An ad will be run in the paper for two weeks and a public hearing will be held concerning the loan.

Mr. Davis made a motion to approve the Master Bond Resolution as presented and to authorize the Mayor and City Clerk to sign any and all documents to enter into a contract for issuance of new bonds and to take all actions necessary to redeem the 2014 bonds. Mr. Roberson seconded the motion and it passed by unanimous vote. (Resolution Attached)

APPROVE DEVELOPMENT AUTHORITY REQUEST

Mayor Gowen stated the city has received a letter from the Development Authority requesting the reappointment of Jim Gowen to the Board of Directors.

Mr. Roberson made a motion to reappoint Jim Gowen to the Development Authority Board of Directors. Mr. Young seconded the motion and it passed by unanimous vote. (Letter Attached)

GENERAL DISCUSSION

Mayor Gowen stated the special election for city council member will be held on March 16, 2021.

ADJOURN

Mr. Roberson made a motion to adjourn. Mrs. Baker seconded the motion and it passed by unanimous vote.

The meeting adjourned at 7:05 pm.

ATTEST:



Lee Gowen, Mayor



Darlene Williamson, City Clerk

City of Folkston

Sign in Sheet

Regular Monthly Meeting

March 8, 2021

Please Sign In

Please Print

Marla Ogletree

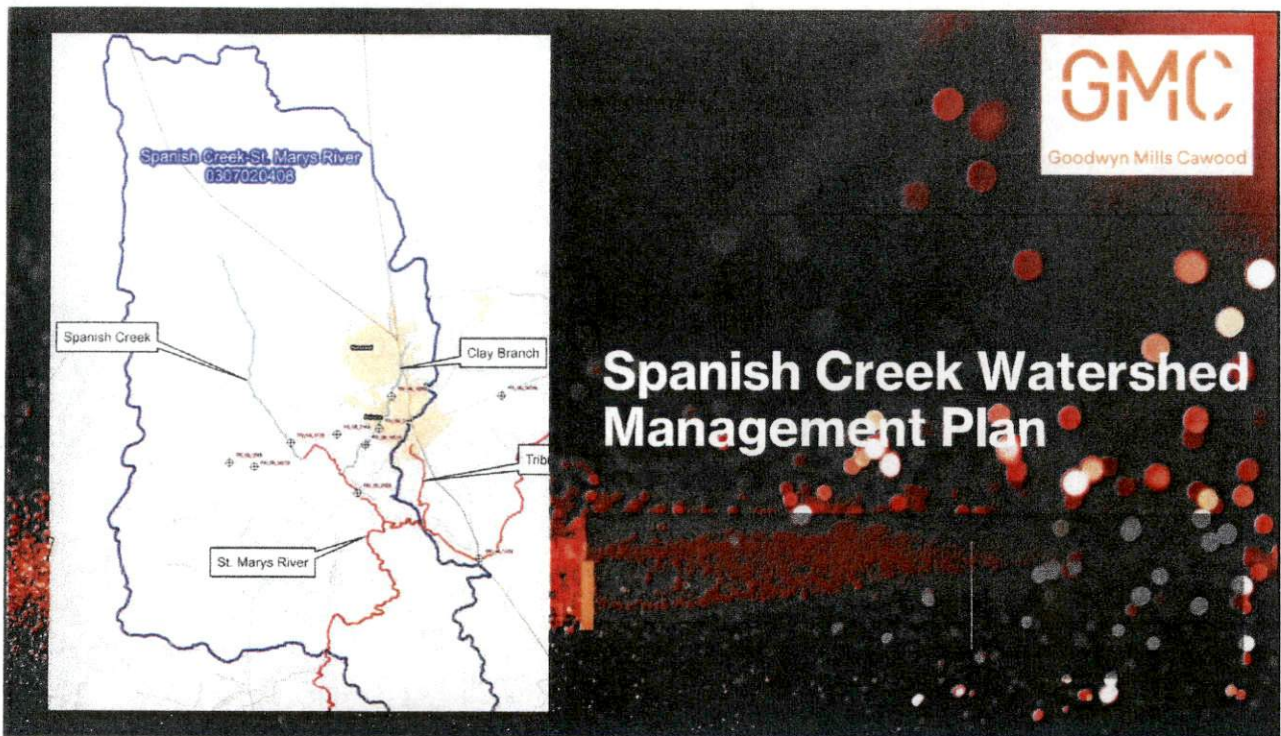
Elaine Bailey

Nakisha Dmley

Anton Nixon

Terrance Ronder

Don Maly

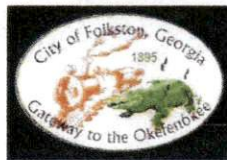


Acknowledgement



- This report was prepared by Charlton County and Goodwyn Mills Cawood, Inc., under grant award #NA19NOS4190151 to the Georgia Department of Natural Resources from the Office for Coastal Management, National Oceanic and Atmospheric Administration. The statements, findings, conclusions, and recommendations are those of the authors and do not necessarily reflect the views of DNR, OCM, or NOAA.

This grant deliverable has been prepared in cooperation with the following partners:



St. Marys Riverkeeper

Background - Watershed Management Planning

EPA's 9 Minimum Elements of Successful Watershed Plans



a. Identify Causes and Sources of Pollution



b. Estimate load reductions expected



c. Describe management measures and targeted critical areas



d. Estimate technical and financial assistance needed



e. Develop an information and education component



f. Development of project schedule



g. Describe interim, measurable milestones



h. Identify indicators to measure progress

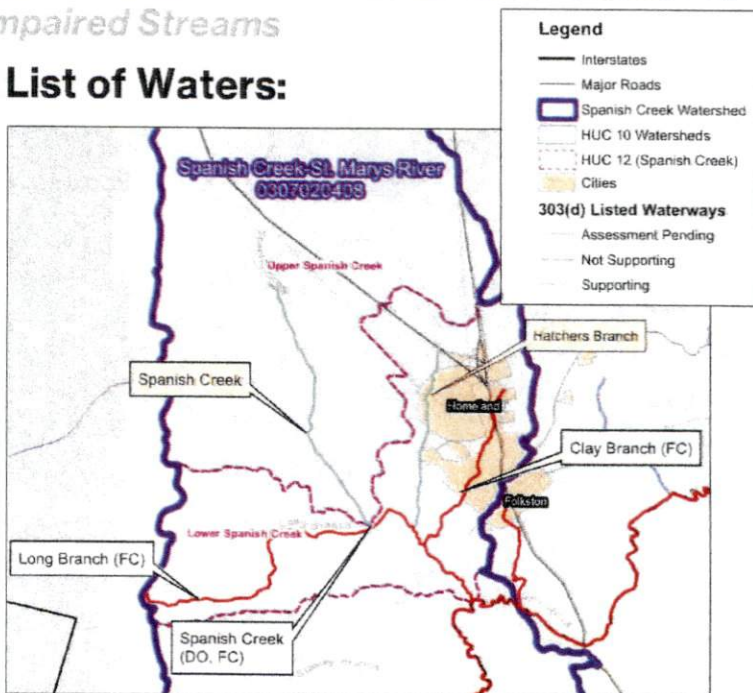


i. Determine Plan implementation effectiveness

Background - List of Impaired Streams

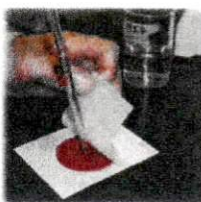
EPD 305(b)/303(d) List of Waters: Updated 2020

- **New impairments for fecal coliform**
 - **Long Branch** from Spanish Creek to headwaters: impaired for **Fecal Coliform**, (pending **DO** assessment).
 - **Clay Branch** from Spanish Creek to headwaters: impaired for **Fecal Coliform** (pending **DO** assessment)
- **New pending assessment for**
 - **Hatcher's Branch** was added with a pending assessment for **DO**



2020 Monitoring Plan

- Charlton County High School student volunteers for sampling & analysis
 - Teachers trained by St. Marys Riverkeeper
 - Adopt-A-Stream sampling/analysis protocol for bacteria
 - DO Meter for dissolved oxygen
- Water Quality Sampling
 1. Winter samples (5 sites, 2 dates)
 2. Summer samples (6 sites, 2 dates)

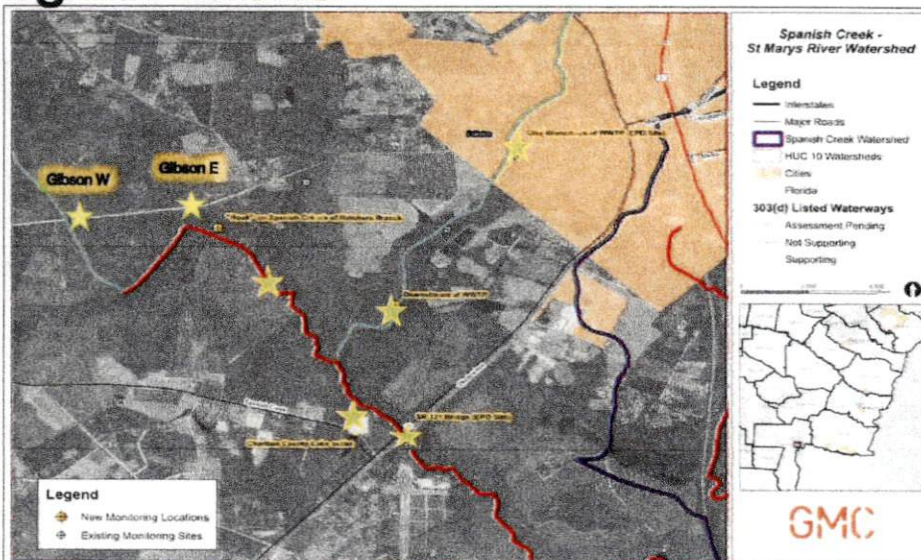


Photos from: "Georgia Adopt-A-Stream Bacterial Monitoring" Guide

Monitoring Locations

Monitoring Locations

- 5 – 6 sites sampled for four events
- Two Sampling Locations added on Gibson Post Rd for Summer 2020

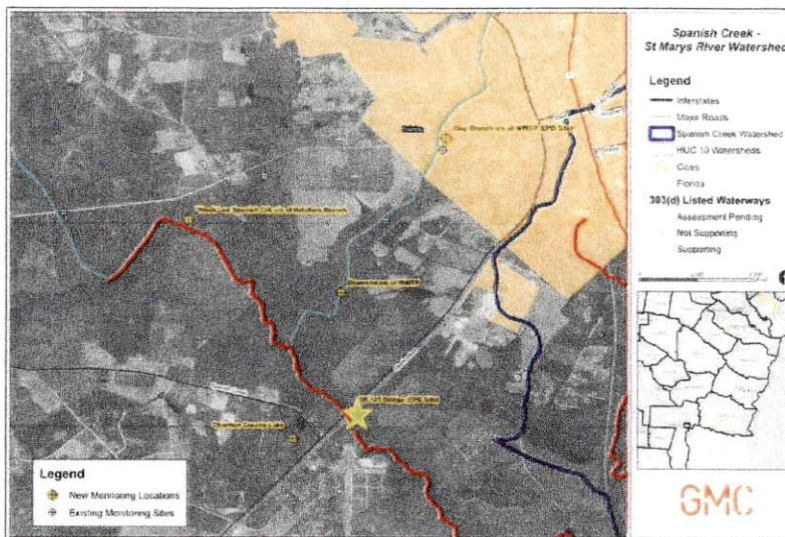


DNA Sampling

- September 30, 2020 Sampling Event included **1 DNA Test Kit**, at SR 121 Bridge:

- *Results:*

- Swine: *Very High*
- Human: *Medium*
- Bovine: N/A
- Poultry: N/A
- Sheep: N/A
- Dog: N/A



Background - Watershed Characterization

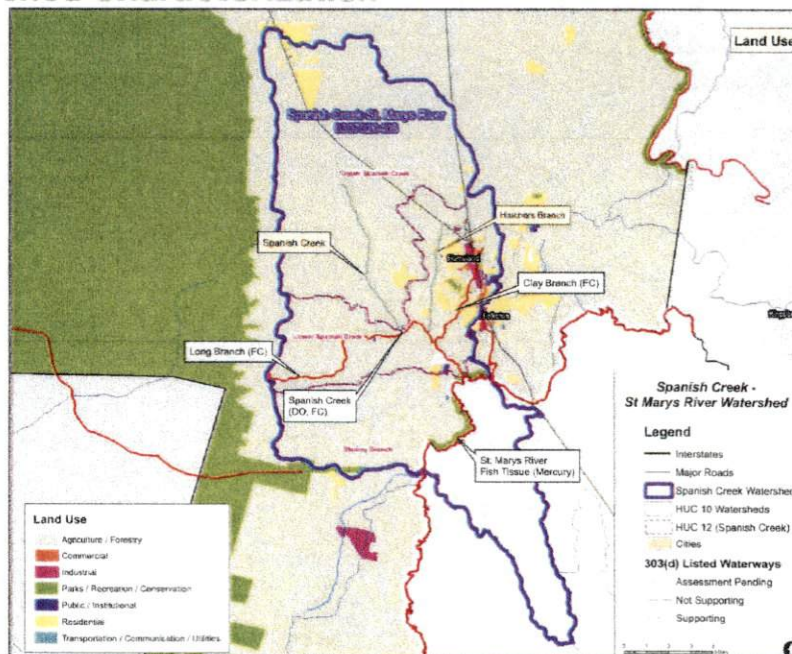
Example: Land Use

Top 2 “Land Uses” (GA)

1. Agriculture/Forestry: 91%
2. Residential: 3.5%

Other Analysis:

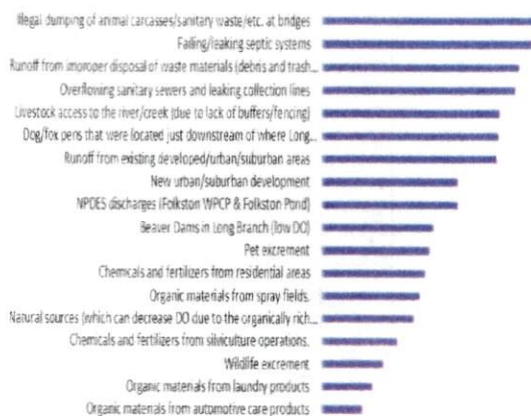
- Wetlands
- Flood Zones
- Topography
- Soils
- Land Cover
- Groundwater Recharge Areas



Spanish Creek WMP

Watershed Advisory Committee Survey & Public Survey

Importance of Pollutant: Survey Results



Relevance of Management Measures: Survey Results



Spanish Creek WMP

The WMP Identified 21 Best Management Practices (BMPs) under 7 Major Categories

1. Forestry Management
2. Development Regulation
3. Watershed / Land Use Planning
4. **Septic System and Sewage Treatment Operations & Maintenance**
5. **Hydrologic Restoration / Protection**
6. **Water Quality Standards & Monitoring**
7. **Littering & Illegal Dumping**

Top 5 Ranked BMPs

Based on:

- BMP Extent
- BMP Effectiveness
- Cost-Effectiveness
- Suitability to Address Bacteria
- WAC Interest

Tied for 2nd
highest rank

1. Establish Illegal Dumping Taskforce
2. Animal/Livestock Management and Restricting Access to Waterways
2. Public Education and Anti-Littering Campaign
2. Implement Long-Term Monitoring Recommendations
5. Educate Property Owners about Septic System Maintenance

Conclusions and Next Steps

- Continue the Adopt-A-Stream Monitoring with the High School and St. Marys Riverkeeper to explore Clay Branch in more detail since it is the most developed/urbanized
- Pursue additional grant funds from DNR-CRD, DNR-EPD, and/or Seven Rivers RC&D for monitoring.
 - Use these grants for the more expensive DNA testing and rigorous bacteria sampling frequencies required by EPD (4 samples per month and 3 or 4 months per year)
- Public Education BMPs can be pursued to cover required local matching funds, specifically Septic System Maintenance and Proper Waste Disposal.

Short-Term Milestones for Other Higher Priority BMPs include:

- Establish task force with Sherriff's Department to address illegal dumping, and hold countywide litter law enforcement training event by Scott Carroll with "423 Law Enforcement" and Georgia DNR-Law Enforcement Division
- Identify priority sites and interested property-owners for BMPs to restrict animals/livestock from accessing waterways, such as streambank fencing and establishing buffers



A detailed 30-40 minute presentation on this project will be held as an online webinar on:

March 24 at 12:00PM

Georgia DNR-Coastal Resources Division
"Virtual Brownbag Presentation" via Zoom

Registration Link:

https://us02web.zoom.us/meeting/register/tZYIdeurj4oHNM0uKUf_y7-vTk97IWWiCfD

Questions?

Contact Information: Rob.Brown@gmcnetwork.com or 912-226-4612

BMP Recommendations

The WAC ranked the relevant management practices listed above in Table 6.1 in a survey, as mentioned before. The ranking used the criteria listed below, where each item was assigned a value of 1 through 5 with 5 being the best or most desirable. Per USEPA's "Nine Minimum Elements to Be Included in a Watershed Plan for Impaired Waters Funded Using Incremental Section 319 Funds", the tables include a description of the nonpoint source management measures that will need to be implemented to achieve load reductions as well as a description of the critical areas to which the selected BMPs should be applied. Furthermore, the criteria below include an estimate of the load reductions expected from management measures as well as estimates of the cost/needed financial assistance to implement each BMP. The specific criteria utilized to rank the selected BMPs are as follows:

- *BMP Extent* – Percentage of sources to which BMP is applicable (widespread, scattered, or negligible)?
- *BMP Effectiveness* – How effective will the management measure be in reducing contamination? What is the load reduction potential (high, medium, or low)?
- *Cost* – Is the practice cost-effective when compared to the impact the measure will have on contamination?
- *Suitability to Address Bacteria* – Is the practice suitable to address and decrease the bacteria load causing impairments?
- *WAC Interest* – Will the measure have public support?

The WAC determined ranking values based on their knowledge of the watershed, applicability to various sources of BOD and FC, likelihood of stakeholder support of the individual practice, implementation, and its relative expense to the responsible party. The following table, Table 6.2, includes the final recommended BMPs as well as their ranking by the WAC. BMPs that were not highly ranked, or were no longer applicable, were eliminated from consideration.

Table 6.2: BMP Recommendations

Applicable BMPs	BMP Extent	BMP Effectiveness	Cost	Suitability to Address Bacteria	WAC Interest	Total Score	Rank
Forestry Management							
Implementation of structural BMPs from “Georgia’s Best Management Practices for Forestry – January 1999” (Forestry Manual)	2	1	3	1	2	9	20 th
Implementation of BMPs from the Forestry Manual will restore natural hydrology and reduce BOD inputs from silviculture, which is identified as a significant source of BOD in this watershed.							
Georgia Forestry Commission BMP Assurance Program	2	1	3	1	2	9	20 th
This program is funded by the Georgia DNR and includes inspections performed by the GFC of active silviculture operations. These surveys are designed to measure the degree to which local forestry sites are complying with BMPs in the Forestry Manual. The goal is to improve Forestry Manual BMP compliance through State-wide biennial BMP surveys and BMP assurance exams, Master Timber Harvester workshops, and continuing logger education.							
Development Regulation							
Part V Environmental Protection Ordinances for Protected River Corridor, Wetland Protection, and Groundwater Recharge	3	3	3	3	2	14	9 th
These criteria, as required by the Georgia DNR, will reduce the impacts of new development in the Spanish Creek Watershed through more stringent buffer requirements and siting requirements for septic drain fields.							
Implementation of the Coastal Stormwater Supplement (CSS) to the Georgia Stormwater Management Manual	2	3	3	3	3	14	9 th
Encourage use of practices from the CSS that help with infiltration and the treatment of stormwater. Implementation of the standards in the CSS reduces pollutants in stormwater runoff, including nutrients, sediment, and bacteria, from developed sites.							
Hire Stormwater Manager	3	2	1	2	2	10	18 th
This person would manage all stormwater permits, programs, monitoring, and plans as well as locate and submit proposals for future funding sources to implement projects regarding stormwater mitigation, water quality monitoring, watershed management, and resiliency.							
Local Government Land Development Review and Regulation Process	2	2	3	1	3	11	16 th
Charlton County, the City of Folkston, and the City of Homeland review site plans, issue permits, and inspect sites active construction for compliance with the E&S ordinance and other stormwater requirements. This BMP limits the amount of sediment, and associated BOD, entering local waterways.							

Applicable BMPs	BMP Extent	BMP Effectiveness	Cost	Suitability to Address Bacteria	WAC Interest	Total Score	Rank
Watershed/Land Use Planning							
Implementation of Folkston's Watershed Assessment & Protection Plans							
The City of Folkston has a completed WSA and developed WPP as required by their NPDES Wastewater Discharge Permit. The WPP requires the implementation of structural and non-structural best management practices to control nonpoint source pollution within their sanitary sewer service areas. These plans also include requirements for long-term water quality monitoring of various parameters including DO, BOD, and bacteria.	3	3	4	2	2	14	9 th
Implementation and Update of Local Comprehensive Plans and Associated Ordinance Amendments							
Charlton County, City of Folkston, and City of Homeland, recently updated and adopted a Comprehensive Plan in Fall 2020. This plan includes recommendations for natural resources protection, community involvement, and land use regulations that would be protective of local water quality.	3	1	3	2	2	11	16 th
Implement the St. Marys River Management Plan							
The SMRMC developed this plan to identify issues and recommend solutions related to the management of the St. Marys River. The SMRMC's goal is to promote and protect the long-term viability of both the environmental and economic resources of the St. Marys River in a way that retains local control, protects property rights, and fosters cooperation among individuals, governments, and agencies at all levels. The St. Marys River Management Plan includes recommended programs to accomplish this goal. Protection of the ecological health of the St. Marys River includes reduction of man-made sources of BOD and bacteria from septic tank management practices.	3	2	3	2	2	12	15 th
Support the St. Marys River Management Committee (SMRMC)							
The SMRMC is an intergovernmental entity of elected and appointed members from four counties along the St. Marys River including Charlton, Camden, Nassau and Baker counties. The committee meets monthly to discuss and provide information to counties in regard to the St. Marys River. The SMRMC is made up of individuals who are involved because of a personal commitment to the St. Marys River. This Committee will provide education and outreach opportunities to address topics of concern in the watershed (e.g., proper lawn fertilizer application, impacts of pet waste, and proper disposal facilities for items commonly dumped/littered within the watershed).	3	2	4	2	3	14	9 th
Septic System and Sewage Treatment Operations & Maintenance							
Septic Tank Inspection and Maintenance Standards and Septic System GIS Inventory							
The CCHD permits new construction and repairs of septic system. Continue the County's program for septic system inspections and expand to Cities of	4	2	4	5	3	18	6 th

Applicable BMPs	BMP Extent	BMP Effectiveness	Cost	Suitability to Address Bacteria	WAC Interest	Total Score	Rank
Folkston and Homeland. Add maintenance requirements to this program. This work must be completed in accordance with standards established by the Department of Public Health (DPH) that are designed to reduce the risk of failure, thereby limiting the input of bacteria, nutrients and other BOD substances from septic tank influent. Complete the County's septic system inventory for inclusion in the WelSTROM database.							
Implement Repairs and Recommendations from 2020 Inflow/Infiltration Study on Sanitary Sewer System	3	3	2	3	2	13	14 th
Addressing inflow and infiltration (I&I) on sanitary sewer system will assist in the minimization of over flowing sanitary sewers and leaking collection lines.							
Establish Local Septage Drop-Off Site	3	3	2	4	3	15	8 th
The septage drop-off station will be established at the WPCP to provide a place for the disposal of sanitary sewage, leachate, and other wastewater sources.							
University of Georgia River Basin Center Septic System Retrofit Program	3	4	2	4	5	18	6 th
The purpose of this project is to assess the extent to which failing septic systems are contributing to fecal coliform levels and to devise a strategy to reduce septic system failure in this area. Follow the Horsepen Creek septic system retrofit program developed for Horsepen Creek, which had objectives: 1) Investigate the extent that failing septic systems contribute to the fecal coliform levels; 2) Install one new septic system as a demonstration project in the challenging conditions found in much of Charlton County; and 3) Conduct a public outreach campaign to support the septic management strategy. Implementation of this project will reduce bacteria and BOD loadings.							
Educate Property Owners about Septic System Maintenance	3	3	5	4	4	19	5 th
The Health Department maintains a website with information on educational materials and programs for owners of septic systems. The Georgia Department of Community Affairs (DCA) produced a door hanger brochure about fixing water leaks to protect your septic system for distribution by the CCHD.							
Hydrologic Restoration/Protection							
Animal/Livestock Management and Restricting Access to Waterways	3	5	4	5	4	21	2 nd
Coordinate with local landowners to restrict access to local waterways (e.g., buffers, native vegetative fencing, install watering holes/feeding stations for animal access away from streams, etc.)							
Water Quality Standards and Monitoring							
NPDES Discharge Permit for Folkston WPCPs	1	2	3	2	2	10	18 th
The City of Folkston has an NPDES Discharge permit for its WPCP. The discharge standards associated with these permits should be consistent with the recommendations of the Spanish Creek TMDLs and any future EPD standards. City of Folkston will continue to operate their WPCPs to remain compliant with these permits.							

Applicable BMPs	BMP Extent	BMP Effectiveness	Cost	Suitability to Address Bacteria	WAC Interest	Total Score	Rank
Implement Long-Term Monitoring Recommendations							
Long-term monitoring recommendations have been included in this WMP. They include recommendations to monitor bacteria levels in the Spanish Creek and its tributaries. This data will be used to identify trends in bacteria levels that could indicate the success or lack thereof of recommended BMPs. Additional recommendations have been made for monitoring that could help provide more information on the sources of the bacterial impairment and if they are natural or man-made (via DNA testing).	4	4	3	5	5	21	2 nd
Littering and Illegal Dumping							
Establish Illegal Dumping Taskforce							
Develop a taskforce with the Sherriff's department to address the littering and illegal dumping of trash, animal carcasses, and other waste causing impairments. Enforce ordinances and littering laws. Coordinate litter enforcement training (workshops offered by "423 Law Enforcement" Scott Carroll, Georgia DNR game warden).	5	3	4	5	5	22	1 st
Publicize Proper Disposal Locations and Develop Additional Locations							
Provide better advertisement of legal disposal locations, and add additional locations (as needed) for residents to dump hazardous materials and animal carcasses.	3	3	2	3	3	14	9 th
Public Education and Anti-Littering Campaign							
The County and partners will develop an anti-littering campaign that will also include public education regarding proper disposal of waste.	5	3	5	4	4	21	2 nd

MASTER BOND RESOLUTION

ADOPTED MARCH 8, 2021

BY THE COUNCIL OF

THE CITY OF FOLKSTON, GEORGIA

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and is not part of this Master Bond Resolution.

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MASTER BOND RESOLUTION

A MASTER BOND RESOLUTION PROVIDING FOR THE ISSUANCE BY THE CITY OF FOLKSTON, GEORGIA OF ITS WATER AND SEWER REVENUE REFUNDING BOND, SERIES 2021 FOR THE PURPOSE OF REFUNDING ALL OF ITS OUTSTANDING WATER AND SEWER REVENUE REFUNDING BONDS, SERIES 2014; TO PROVIDE TERMS, PROVISIONS, AND CONDITIONS FOR THE ISSUANCE OF ITS WATER AND SEWER REVENUE REFUNDING BOND, SERIES 2021 AND OTHER SERIES OF BONDS; AND FOR OTHER RELATED PURPOSES.

WHEREAS, under and by virtue of the authority of the Constitution and laws of the State of Georgia, including specifically, but without limitation, Article 3 of Chapter 82 of Title 36 of the Official Code of Georgia Annotated, known as the "Revenue Bond Law," as amended (the "Revenue Bond Law"), and the Charter of the City of Folkston, Georgia, as amended, the City of Folkston, Georgia (the "City") is authorized to acquire, construct, reconstruct, improve, better, and extend any systems, plants, works, instrumentalities, and properties (i) used or useful in connection with the obtaining of a water supply and the conservation, treatment, and disposal of water for public and private uses, and (ii) used or useful in connection with the collection, treatment, and disposal of sewage, waste, and storm water, together with all parts of any such undertaking and all appurtenances thereto, including lands, easements, rights in land, water rights, contract rights, franchises, approaches, dams, reservoirs, generating stations, sewage disposal plants, intercepting sewers, trunk connecting and other water and sewer mains, filtration works, pumping stations, and equipment; and

WHEREAS, the Revenue Bond Law authorizes the City to issue revenue bonds to finance, in whole or in part, the cost of the acquisition, construction, reconstruction, improvement, betterment, or extension of any undertaking or any combination of two or more such undertakings, including any undertakings specified above, and to issue revenue bonds at any time to refund or refinance, in whole or in part, all outstanding revenue bonds and all obligations or debt of any nature against any existing undertaking or any combination thereof or its anticipated revenue; and

WHEREAS, the Revenue Bond Law authorizes the City to make all contracts, execute other instruments, and do all things necessary or convenient in the exercise of the powers granted in the Revenue Bond Law, or in the performance of its covenants or duties, or in order to secure the payment of its revenue bonds; and

WHEREAS, the City now owns and operates, a water and sewer system (as further defined herein, the "System") for the purpose of providing water and sewer services and facilities to the City, the residents thereof, and its environs; and

WHEREAS, the City, in order to improve, better, and extend the System, has heretofore, by its Master Bond Ordinance adopted on July 21, 2014, as ratified, reaffirmed, supplemented, and amended by a Supplemental Series 2014 Bond Ordinance adopted on August 18, 2014,

issued and delivered \$3,000,000 in original principal amount of its Water and Sewer Revenue Refunding Bonds, Series 2014 (the "Prior Bonds"), and the Series 2014 Bonds are presently outstanding in the aggregate principal amount of \$2,295,000 and have as security for the payment thereof and interest thereon a first or prior lien on the net revenues of the System; and

WHEREAS, after a thorough and detailed review and upon the recommendation of its financial advisor, Davenport & Company LLC, the City has determined that due to present market conditions and in order to achieve debt service savings, the City at this time should refund all of the outstanding Prior Bonds; and

WHEREAS, Davenport & Company LLC has further recommended and the City has concurred that such refunding of the Prior Bonds should be accomplished by making due and legal provision for the redemption of the Prior Bonds on the date of redemption provided herein by paying the principal amount thereof and the interest to accrue thereon until such date of redemption and the payment of all expenses necessary to accomplish the foregoing, all as hereinafter provided; and

WHEREAS, the City has determined that it is in the best interests of the citizens of the area served by the System for the City to refund all of the outstanding Prior Bonds and to finance the costs of the foregoing by issuing its Water and Sewer Revenue Refunding Bond, Series 2021 (the "Series 2021 Bond") in a principal amount of \$2,243,000 and to pledge to the payment thereof the revenues of the System remaining after the payment of the reasonable and necessary costs of operating, maintaining, and repairing the System; and

WHEREAS, as additions, extensions, and improvements to the System are completed, additional demands are expected to be made for future additions, extensions, and improvements, and in order to provide for such additions, extensions, and improvements, provisions should be made for the issuance of additional water and sewer system revenue bonds for such purpose, such bonds to stand on a parity with and be of equal dignity as to the lien on the net revenues of the System with the Series 2021 Bond hereinafter authorized to be issued;

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE COUNCIL OF THE CITY OF FOLKSTON AND BY THE AUTHORITY THEREOF, AS FOLLOWS:

ARTICLE I

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1. Definitions. The following terms shall have the meanings specified below, unless the context clearly requires otherwise.

"Accreted Value" means, with respect to each Compound Interest Bond, the principal amount of such Compound Interest Bond, plus, on the date of calculation, the interest accrued thereon to such date compounded at the interest rate thereof on each compounding date contained in such Compound Interest Bond, and, with respect to any calculation on a date other than a compounding date, the Accreted Value means the Accreted Value as of the preceding compounding date plus interest on such amount from such compounding date to the date of calculation at a rate equal to the interest rate on such Compound Interest Bond.

"Additional Interest" means, for any period during which any Pledged Bonds are owned by a Liquidity Facility Issuer pursuant to a Liquidity Facility or Liquidity Facility Agreement, the amount of interest accrued on such Pledged Bonds at the Pledged Bond Rate less the amount of interest that would have accrued during such period on an equal principal amount of Bonds at the Bond Rate.

"Annual Budget" means the annual budget of the City relating to the System (which shall include all costs, obligations, and expenses properly allocable to the System), as amended or supplemented in accordance with established procedures of the City, adopted or in effect for a particular Fiscal Year.

"Attesting Officer" means the individual presently holding the office of City Clerk of the City (or any individual presently holding the office of Deputy City Clerk of the City) and any successor who might hereafter hold such office, and any individual, body, or authority to whom or which may hereafter be delegated by law the duties, powers, authority, obligations, or liabilities of such office.

"Authorized Denomination" means (i) with respect to Bonds other than Institutional Bonds, \$5,000 (principal amount, in the case of Current Interest Bonds, and maturity amount, in the case of Compound Interest Bonds) or any integral multiple thereof, and (ii) with respect to Institutional Bonds of each series, the unpaid principal amount of Bonds of such series.

"Balloon Bonds" means any series of Bonds 25% or more of the original principal amount of which (i) is due in any 12-month period or (ii) may, at the option of the Bondholders, be required to be redeemed, prepaid, purchased directly or indirectly by the City, or otherwise paid in any 12-month period; provided that, in calculating the principal amount of such Bonds due or required to be redeemed, prepaid, purchased, or otherwise paid in any 12-month period, such principal amount shall be reduced to the extent that all or any portion of such amount is required to be redeemed or amortized prior to such 12-month period.

"Balloon Date" means any Principal Maturity Date or Put Date on which more than 25% of the original principal amount of related Balloon Bonds mature or are subject to mandatory

redemption or could, at the option of the Bondholders, be required to be redeemed, prepaid, purchased directly or indirectly by the City, or otherwise paid.

“Bond Buyer” means, for purposes of the Series 2021 Bond, Truist Bank.

“Bond Counsel” means any firm of nationally recognized bond counsel experienced in matters relating to tax-exempt financing, appointed by the City.

“Bondholder” or **“holder”** means the registered owner of one or more Bonds.

“Bond Rate” means the rate of interest per annum payable on specified Bonds other than Pledged Bonds.

“Bond Register” means the registration books maintained and to be maintained by the City or by the Bond Registrar on behalf of the City.

“Bond Registrar” means any bank or trust company designated as such by the City in the Bond Resolution with respect to any of the Bonds. Such Bond Registrar shall perform the duties required of the Bond Registrar in the Bond Resolution. There shall be no Bond Registrar for the Institutional Bonds.

“Bond Resolution” means this Master Bond Resolution as it may from time to time be modified, supplemented, or amended by Supplemental Resolutions.

“Bonds” means any revenue bonds authorized by and authenticated and delivered pursuant to the Bond Resolution, including the Series 2021 Bond, any Parity Bonds, and any Subordinate Bonds.

“Bond Year” means a twelve-month period beginning on October 2 of each year and ending on the next succeeding October 1.

“Book Value” means the value of the real property and the personal property comprising the System, net of accumulated depreciation and amortization, as reflected in the most recent audited financial statements of the System that have been prepared in accordance with generally accepted accounting principles.

“Capitalized Interest Account” means the Capitalized Interest Account within the Sinking Fund established in Article IV.

“Chief Officer” means the individual presently holding the office of Mayor of the City and any successor who might hereafter hold such office, and any individual, body, or authority to whom or which may hereafter be delegated by law the duties, powers, authority, obligations, or liabilities of such office.

“City” means the City of Folkston, Georgia, a municipal corporation created and existing under the laws of the State.

"Code" means the Internal Revenue Code of 1986, as amended, and any regulations promulgated or applicable thereunder.

"Commitment," when used with respect to Balloon Bonds, means a binding written commitment from a financial institution, surety, or insurance company to refinance such Bonds on or prior to any Balloon Date thereof, including without limitation any Liquidity Facility for such Bonds.

"Compound Interest Bonds" means Bonds that bear interest that is calculated based on periodic compounding, payable only at maturity or earlier redemption.

"Consultant" means a firm of engineers or utility consultants experienced in the planning and management of water and sewer systems and having a nationally recognized reputation for such work.

"Costs," with respect to any Project, means the total cost, paid or incurred, to study, plan, design, finance, acquire, construct, reconstruct, install, or otherwise develop the Project and shall include, but shall not be limited to, the following costs and expenses relating to such Project and the reimbursement to the City for any such items previously paid by the City:

- (i) the cost of all lands, real or personal properties, rights, easements, and franchises acquired;
- (ii) the cost of all machinery and equipment, financing charges, and interest prior to and during construction and for six months after completion of construction;
- (iii) the cost of the acquisition, construction, reconstruction, or installation of any Project;
- (iv) the cost of engineering, architectural, development, and supervisory services, fiscal agents' and legal expenses, plans and specifications, and other expenses necessary or incident to determining the feasibility or practicability of any Projects, administrative expenses, and such other expenses as may be necessary or incident to any financing by Bonds;
- (v) the cost of placing any Project in operation;
- (vi) the cost of condemnation of property necessary for such construction and operation;
- (vii) the costs of issuing any Bonds to finance any Project or to refund any Bonds; and
- (viii) any other costs that may be incident to any Project.

"Credit Facility" means any letter of credit, insurance policy, guaranty, surety bond, or similar obligation, arrangement, or instrument issued by a bank, insurance company, or other

financial institution that is used by the City to enhance the City's credit by assuring owners of any of the Bonds that principal of and interest on such Bonds will be paid promptly when due. The term Credit Facility shall not include a Reserve Account Credit Facility.

"Credit Facility Agreement" means an agreement between the City and a Credit Facility Issuer pursuant to which the Credit Facility Issuer issues a Credit Facility and may include the promissory note or other instrument evidencing the City's obligations to a Credit Facility Issuer pursuant to a Credit Facility Agreement. The term Credit Facility Agreement shall not include a Reserve Account Credit Facility.

"Credit Facility Issuer" means any issuer of a Credit Facility then in effect for all or part of the Bonds. The term Credit Facility Issuer shall not include any Reserve Account Credit Facility Provider. Whenever in the Bond Resolution the consent of the Credit Facility Issuer is required, such consent shall only be required from the Credit Facility Issuer whose Credit Facility is issued with respect to the Bonds for which the consent is required.

"Current Interest Bonds" means those Bonds that are not Compound Interest Bonds.

"Date of Non-Bank Qualified Status" shall mean the earliest date as of which the Series 2021 Bond was not a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code (or any successor provision) pursuant to a Determination of Non-Bank Qualified Status.

"Date of Taxability" shall mean the earliest date as of which interest on Series 2021 Bond shall have been determined to be includable in the gross income of the Bond Buyer as a result of a Determination of Taxability.

"Debt Service Requirement" means the total principal and interest coming due, whether at maturity or upon mandatory redemption, in any specified period. If any Bonds Outstanding or proposed to be issued shall bear interest at a Variable Rate, the interest coming due in any specified future period shall be determined as if the Variable Rate in effect at all times during such future period equaled, at the option of the City, either (1) the average of the actual Variable Rates that were in effect (weighted according to the length of the period during which each such Variable Rate was in effect) for the most recent twelve-month period immediately preceding the date of calculation for which such information is available (or shorter period if such information is not available for a twelve-month period), or (2) the current average annual long-term fixed rate of interest on securities of similar quality having a similar maturity date as certified by a Financial Advisor. If any Compound Interest Bonds are Outstanding or proposed to be issued, the total principal and interest coming due in any specified period shall be determined, with respect to such Compound Interest Bonds, by Series Resolution of the City authorizing such Compound Interest Bonds. With respect to any Bonds secured by a Financial Facility, Debt Service Requirement shall include (i) any commission or commitment fee obligations with respect to such Financial Facility, (ii) the outstanding amount of any Reimbursement Obligation owed to the relevant Financial Facility Issuer and interest thereon, (iii) any Additional Interest owed on Pledged Bonds to a Liquidity Facility Issuer, and (iv) any remarketing agent fees. With respect to any Hedged Bonds, the interest on such Hedged Bonds during any Hedge Period and for so long as the provider of the related Hedge Agreement has not defaulted on its payment

obligations thereunder shall be calculated by adding (x) the amount of interest payable by the City on such Hedged Bonds pursuant to their terms and (y) the amount of Hedge Payments payable by the City under the related Hedge Agreement and subtracting (z) the amount of Hedge Receipts payable by the provider of the related Hedge Agreement at the rate specified in the related Hedge Agreement; provided, however, that to the extent that the provider of any Hedge Agreement is in default thereunder, the amount of interest payable by the City on the related Hedged Bonds shall be the interest calculated as if such Hedge Agreement had not been executed. In determining the amount of Hedge Payments or Hedge Receipts that are not fixed throughout the Hedge Period (i.e., which are variable), payable or receivable for any future period, such Hedge Payments or Hedge Receipts for any period of calculation (the "Determination Period") shall be computed by assuming that the variables comprising the calculation (e.g., indices) applicable to the Determination Period are equal to the average of the actual variables that were in effect (weighted according to the length of the period during which each such variable was in effect) for the most recent twelve-month period immediately preceding the date of calculation for which such information is available (or shorter period if such information is not available for a twelve-month period). For the purpose of calculating the Debt Service Requirement on Balloon Bonds (1) which are subject to a Commitment or (2) which do not have a Balloon Date within 12 months from the date of calculation, such Bonds shall be assumed to be amortized in substantially equal annual amounts to be paid for principal and interest over an assumed amortization period of 20 years at an assumed interest rate (which shall be the interest rate certified by a Financial Advisor to be the interest rate at which the City could reasonably expect to borrow the same amount by issuing Bonds with the same priority of lien as such Balloon Bonds and with a 20-year term); provided, however, that if the maturity of such Bonds (taking into account the term of any Commitment) is in excess of 20 years from the date of issuance, then such Bonds shall be assumed to be amortized in substantially equal annual amounts to be paid for principal and interest over an assumed amortization period of years equal to the number of years from the date of issuance of such Bonds to maturity (including the Commitment) and at the interest rate applicable to such Bonds. For the purpose of calculating the Debt Service Requirement on Balloon Bonds (1) which are not subject to a Commitment and (2) which have a Balloon Date within 12 months from the date of calculation, the principal payable on such Bonds on the Balloon Date shall be calculated as if paid on the Balloon Date. The principal of and interest on Bonds and Hedge Payments shall be excluded from the determination of Debt Service Requirement to the extent that the same were or are expected to be paid with amounts on deposit on the date of calculation (or Bond proceeds to be deposited on the date of issuance of proposed Bonds) in the Project Fund, the Sinking Fund, or a similar fund for Subordinate Bonds.

"Debt Service Reserve Account" means, individually, each Debt Service Reserve Account and collectively, the Debt Service Reserve Accounts within the Sinking Fund established in Article IV and by a Supplemental Resolution.

"Debt Service Reserve Requirement" means (1) with respect to the Series 2021 Bond, an amount equal to \$-0-, and (2) with respect to any other Debt Service Reserve Account related to any series of Parity Bonds, the amount specified in a Supplemental Resolution to be adopted by the Governing Body relating to such series of Parity Bonds.

“Depository” means the depository of each fund established under the Bond Resolution, and any successor depository of such fund hereafter designated by the City from time to time by Supplemental Resolution.

“Deputy Officer” means the individual presently holding the office of Mayor Pro Tem of the City and any successor who might hereafter hold such office, and any individual, body, or authority to whom or which may hereafter be delegated by law the duties, powers, authority, obligations, or liabilities of such office.

“Determination of Non-Bank Qualified Status” shall mean any determination by the Internal Revenue Service, any federal administrative agency, any court, or by the holder of the Series 2021 Bond based upon a written opinion of nationally recognized bond counsel that the Series 2021 Bond is not a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3) of the Code (or any successor provision).

“Determination of Taxability” shall mean and shall be deemed to have occurred on the first to occur of the following:

(a) on that date when the City files any statement, supplemental statement or other tax schedule, return, or document that discloses that an Event of Taxability shall have in fact occurred;

(b) on the date when the City shall be advised in writing by the Commissioner or any District Director of Internal Revenue (or any other government official or agent exercising the same or a substantially similar function from time to time) that, based upon filings of the City, or upon any review or audit of the City or upon any other ground whatsoever, an Event of Taxability shall have occurred; and

(c) on that date when the City shall receive notice from the Bond Buyer that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of the Bond Buyer the interest on the Series 2021 Bond, individually or collectively, paid to the Bond Buyer due to the occurrence of an Event of Taxability;

provided, however, that no Determination of Taxability shall occur under clauses (b) or (c) above in the definition of Determination of Taxability unless the City has been afforded the opportunity, at its expense, to contest any such assessment; and provided further that no Determination of Taxability shall occur until such contest, if made, has been finally determined; and provided further that upon demand from the Bond Buyer, the City shall immediately reimburse the Bond Buyer for any payments the Bond Buyer shall be obligated to make as a result of the Determination of Taxability during any such contest.

“Event of Taxability” means the taking of any action by the City, or the failure to take any action by the City, or the making by the City of any misrepresentation herein or in any certificate required to be given in connection with the issuance, sale or delivery of the Series 2021 Bond, which has the effect of causing interest paid or payable on the Series 2021 Bond to become includable, in whole or in part, in the gross income of the Bond Buyer for federal income tax purposes.

"Event of Default" means any of the events defined as such in Article VII.

"Expenses of Operation and Maintenance" means all expenses reasonably incurred in connection with the operation and maintenance of the System, including salaries, wages, the cost of materials and supplies, rentals of leased property, if any, management fees, payments to others for the purchase of water, if any, and for the treatment and disposal of sewage, the cost of audits, Paying Agent's and Bond Registrar's fees, payment of premiums for insurance required by the Bond Resolution and other insurance that the City deems prudent to carry on the System and its operations and personnel, and, generally, all expenses, exclusive of interest on the Bonds and depreciation or amortization, that under accounting principles generally accepted for municipal utility purposes are properly allocable to operation and maintenance; however, only such expenses as are reasonably and properly necessary or desirable for the proper operation and maintenance of the System shall be included. "Expenses of Operation and Maintenance" also includes the City's obligations under any contract with any other political subdivision or public agency or authority of one or more political subdivisions pursuant to which the City undertakes to make payments measured by the expenses of operating and maintaining any facility that constitutes part of the System and that is owned or operated in part by the City and in part by others.

"Financial Advisor" means an investment banking or financial advisory firm, commercial bank, or any other Person who or which is appointed by the City for the purpose of passing on questions relating to the availability and terms of specified types of Bonds and is actively engaged in and, in the good faith opinion of the City, has a favorable reputation for skill and experience in underwriting or providing financial advisory services in respect of similar types of securities.

"Financial Facility" means a Credit Facility or a Liquidity Facility.

"Financial Facility Agreement" means a Credit Facility Agreement or a Liquidity Facility Agreement.

"Financial Facility Issuer" means a Credit Facility Issuer or a Liquidity Facility Issuer.

"Fiscal Year" means the 12-month period used by the City for its general accounting purposes, as it may be changed from time to time. The Fiscal Year at the time this Master Bond Resolution was adopted began on January 1 and ended on December 31 of the same calendar year.

"Fitch" means Fitch, Inc., doing business as Fitch Ratings, its successors and their assigns, and, if such corporation is dissolved or liquidated or otherwise ceases to perform securities rating services, such other nationally recognized securities rating agency as may be designated in writing by the City. The notice address of Fitch shall be One State Street Plaza, New York, New York 10004.

"Forecast Period" means a period of five consecutive Fiscal Years commencing with the Fiscal Year after the later of (1) the Fiscal Year in which any proposed Parity Bonds are to be issued or (2) the Fiscal Year in which any Project to be financed with the proceeds of any proposed Parity Bonds is expected to be completed.

“Governing Body” means the Council of the City and any predecessor or successor in office to such present body, and any Person to whom or which may hereafter be delegated by law the duties, powers, authority, obligations, or liabilities of the present body, either in whole or in relation to the System.

“Government Loans” means loans to the City by the government of the United States or the State, or by any department, authority, or agency of either, for the purpose of acquiring, constructing, reconstructing, improving, bettering, or extending any part of the System.

“Government Obligations” means (a) direct obligations of the United States of America for the full and timely payment of which the full faith and credit of the United States of America is pledged or (b) obligations issued by a person controlled or supervised by and acting as an instrumentality of the United States of America, the full and timely payment of the principal of and the interest on which is fully and unconditionally guaranteed as a full faith and credit obligation of the United States of America (including any securities described in (a) or (b) issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), which obligations, in either case, (i) are not subject to redemption or prepayment prior to maturity except at the option of the holder of such obligations and (ii) may include U.S. Treasury Trust Receipts.

“Hedge Agreement” means, without limitation, (i) any contract known as or referred to or which performs the function of an interest rate swap agreement, currency swap agreement, forward payment conversion agreement, or futures contract; (ii) any contract providing for payments based on levels of, or changes or differences in, interest rates, currency exchange rates, or stock or other indices; (iii) any contract to exchange cash flows or payments or series of payments; (iv) any type of contract called, or designed to perform the function of, interest rate floors, collars, or caps, options, puts, or calls, to hedge or minimize any type of financial risk, including, without limitation, payment, currency, rate, or other financial risk; and (v) any other type of contract or arrangement that the City determines is to be used, or is intended to be used, to manage or reduce the cost of any Bonds, to convert any element of any Bonds from one form to another, to maximize or increase investment return, to minimize investment return risk, or to protect against any type of financial risk or uncertainty.

“Hedged Bonds” means any Bonds for which the City shall have entered into a Hedge Agreement.

“Hedge Payments” means amounts payable by the City pursuant to any Hedge Agreement, other than termination payments, fees, expenses, and indemnity payments.

“Hedge Payments Account” means the Hedge Payments Account within the Sinking Fund established in Article IV.

“Hedge Period” means the period during which a Hedge Agreement is in effect.

“Hedge Receipts” means amounts payable by any provider of a Hedge Agreement pursuant to such Hedge Agreement, other than termination payments, fees, expenses, and indemnity payments.

"Independent Certified Public Accountant" means a certified public accountant, or a firm of certified public accountants, who or which is "independent" as that term is defined in Rule 101 and related interpretations of the Code of Professional Ethics of the American Institute of Certified Public Accountants, of recognized standing, who or which does not devote his or its full time to the City (but who or which may be regularly retained by the City).

"Institutional Bonds" means any whole series of Bonds initially purchased for investment purposes and not with a view to distribution by a single institutional investor and designated as such pursuant to the Bond Resolution.

"Interest Account" means the Interest Account within the Sinking Fund established in Article IV.

"Interest Payment Date" means each date on which interest is to become due on any Bonds, as established in the Series Resolution for such Bonds.

"Investment Earnings" means all interest received on and profits derived from investments made with Pledged Revenues or any moneys in the funds and accounts established under Article IV.

"Liquidity Facility" means any letter of credit, standby bond purchase agreement, line of credit, revolving credit agreement, or similar obligation, arrangement, or instrument issued by a bank, insurance company, or other financial institution that is used by the City to perform one or more of the following tasks: (i) providing liquidity for the owners of Bonds through undertaking to cause Bonds to be bought from the owners thereof when submitted pursuant to an arrangement prescribed by a Series Resolution, or (ii) remarketing any Bonds so submitted to the Liquidity Facility Issuer (whether or not the same Liquidity Facility Issuer is remarketing the Bonds).

"Liquidity Facility Agreement" means an agreement between the City and a Liquidity Facility Issuer pursuant to which the Liquidity Facility Issuer issues a Liquidity Facility and may include the promissory note or other instrument evidencing the City's obligations to a Liquidity Facility Issuer pursuant to a Liquidity Facility Agreement.

"Liquidity Facility Issuer" means any issuer of a Liquidity Facility then in effect for all or part of the Bonds.

"Moody's" means Moody's Investors Service, Inc. or, if such corporation is dissolved or liquidated or otherwise ceases to perform securities rating services, such other nationally recognized securities rating agency as may be designated in writing by the City. The notice address of Moody's shall be 99 Church Street, New York, New York 10007.

"Net Operating Revenues" means Operating Revenues, after provision for payment of all Expenses of Operation and Maintenance.

"Non-Bank Qualified Rate" shall mean a rate of interest per annum equal to 2.20%.

“Operating Revenues” means all income and revenue of any nature derived from the operation of the System, including monthly water and sewage billings, service charges, other charges for water and sewage service and the availability thereof (other than any special assessment proceeds), connection or tap fees (whether accounted for as revenues or as contributed capital), hydrant rentals, and local, state, or federal grants or other moneys received for the payment of Expenses of Operation and Maintenance, but excluding local, state, or federal grants, loans, capital improvement contract payments, or other moneys received for capital improvements to the System and excluding Investment Earnings.

“Other System Obligations” means obligations of any kind, including but not limited to, Government Loans, revenue bonds, capital leases, installment purchase agreements, or notes (but excluding Bonds and related obligations to Financial Facility Issuers, Reserve Account Credit Facility Providers, and Qualified Hedge Providers), incurred or issued by the City to finance or refinance the cost of acquiring, constructing, reconstructing, improving, bettering, or extending any part of the System.

“Outstanding” means, when used in reference to the Bonds, all Bonds that have been duly authenticated and delivered under the Bond Resolution, with the exception of (a) Bonds in lieu of which other Bonds have been issued under agreement to replace lost, mutilated, stolen, or destroyed obligations; (b) Bonds surrendered by the owners in exchange for other Bonds under Section 2.9 or Section 3.4; and (c) Bonds for the payment of which provision has been made in accordance with Article IX. In determining the amount of Compound Interest Bonds Outstanding under the Bond Resolution, the Accreted Value of such Compound Interest Bonds at the time of determination shall be used.

“Parity Bonds” means Bonds issued with a right to payment and secured by a lien on a parity with the Series 2021 Bond.

“Paying Agent” means any bank or trust company authorized by the City in the Bond Resolution to pay the principal of, premium, if any, or interest on any Bonds on behalf of the City. Such Paying Agent shall perform the duties required of the Paying Agent in the Bond Resolution. There shall be no Paying Agent for the Institutional Bonds.

“Permitted Investments” means obligations in which the City is permitted to invest moneys of the City pursuant to applicable law that have (or are collateralized by obligations that have) a Rating by any Rating Agency which is equal to or greater than the third highest long-term Rating of such Rating Agency, or that bears (or are collateralized by obligations that bear) the second highest short-term Rating of such Rating Agency. Obligations in which the City is permitted to invest proceeds of Bonds are described, as of the date of adoption of this Master Bond Resolution, in Section 36-82-7 of the Official Code of Georgia Annotated.

“Person” or **“person”** means any individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust, unincorporated organization, body, authority, government, or agency or political subdivision thereof.

“Pledged Bond” means any Bond purchased and held by a Liquidity Facility Issuer pursuant to a Liquidity Facility Agreement. A Bond shall be deemed a Pledged Bond only for

the actual period during which such Bond is owned by a Liquidity Facility Issuer pursuant to a Liquidity Facility Agreement.

“Pledged Bond Rate” means the rate of interest payable on Pledged Bonds, as may be provided in a Liquidity Facility or Liquidity Facility Agreement.

“Pledged Revenues” means Operating Revenues, Investment Earnings, Hedge Receipts, and all moneys paid or required to be paid into, and all moneys and securities on deposit from time to time in, the funds and accounts specified in Section 4.2, but excluding any amounts required in the Bond Resolution to be set aside pending, or used for, rebate to the United States government pursuant to Section 148(f) of the Code, including, but not limited to, amounts in the Rebate Fund.

The term **“principal”** means the principal amount of any Bond and includes the Accreted Value of any Compound Interest Bonds. All references to principal shall be construed as if they were also references to Accreted Value with respect to Compound Interest Bonds.

“Principal Account” means the Principal Account within the Sinking Fund established in Article IV.

“Principal Maturity Date” means each date on which principal is to become due on any Bonds, by maturity or mandatory sinking fund redemption, as established in the Series Resolution for such Bonds.

“Prior Bonds” means the City’s Water and Sewer Revenue Refunding Bonds, Series 2014, issued in the original aggregate principal amount of \$3,000,000 pursuant to the Prior Ordinance.

“Prior Ordinance” means the Master Bond Ordinance adopted on July 21, 2014, as ratified, reaffirmed, supplemented, and amended by a Supplemental Series 2014 Bond Ordinance adopted on August 18, 2014, authorizing the issuance and delivery of the Prior Bonds.

“Project” means the acquisition, construction, reconstruction, improvement, betterment, extension, or equipping of the System, in whole or in part, with the proceeds of any Bonds.

“Project Fund” means the City of Folkston, Georgia Water and Sewer Project Fund established in Article IV.

“Projected Senior Interest Payment” means that sum, redetermined by the City monthly, which would have to be accumulated in the Interest Account by the next Interest Payment Date to pay interest on Senior Bonds that bear interest at a Variable Rate if such Variable Rate should continue to equal the rate borne by such Senior Bonds on the date of calculation.

“Put Date” means any date on which a Bondholder may elect to have Balloon Bonds redeemed, prepaid, purchased directly or indirectly by the City, or otherwise paid.

"Qualified Hedge Provider" means an entity whose senior unsecured long-term obligations, financial program rating, counterparty rating, or claims-paying ability, or whose payment obligations under the related Hedge Agreement are absolutely and unconditionally guaranteed by an entity whose senior unsecured long-term obligations, financial program rating, counterparty rating, or claims-paying ability, are rated either (i) at least as high as the middle range of the third highest rating category of each Rating Agency, but in no event lower than any Rating on the related Hedged Bonds at the time of execution of the Hedge Agreement; or (ii) in any such lower Rating that each Rating Agency indicates in writing to the City will not, by itself, result in a reduction or withdrawal of its Rating on the related Hedged Bonds that is in effect prior to entering into the Hedge Agreement. An entity's status as a "Qualified Hedge Provider" is determined only at the time the City enters into a Hedge Agreement with such entity and cannot be redetermined with respect to that Hedge Agreement.

"Rating" means a rating in one of the categories by a Rating Agency, disregarding pluses, minuses, and numerical gradations.

"Rating Agencies" or **"Rating Agency"** means Fitch, Moody's, and Standard & Poor's or any successors thereto and any other nationally recognized credit rating agency then maintaining a rating on any Bonds at the request of the City. If at any time a particular Rating Agency does not have a rating outstanding with respect to the relevant Bonds, then a reference to Rating Agency or Rating Agencies shall not include such Rating Agency.

"Rebate Fund" means the City of Folkston, Georgia Water and Sewer Rebate Fund, established in Article IV.

"Record Date" means, with respect to any semiannual Interest Payment Date for Bonds other than Institutional Bonds, the 15th day of the calendar month immediately preceding such Interest Payment Date, and, for any Bonds other than Institutional Bonds paying interest other than semiannually, any record dates designated by the City in a Series Resolution. There shall be no Record Dates for Institutional Bonds.

"Reimbursement Obligation" means the obligation of the City to directly reimburse any Financial Facility Issuer for amounts paid by such Financial Facility Issuer under a Financial Facility, whether or not such obligation to so reimburse is evidenced by a promissory note or other similar instrument.

"Renewal and Extension Fund" means the City of Folkston, Georgia Water and Sewer Renewal and Extension Fund established in Article IV.

"Reserve Account Credit Facility" means the letter of credit, insurance policy, line of credit, or surety bond, together with any substitute or replacement therefor, if any, complying with the provisions of the Bond Resolution, thereby fulfilling all or a portion of the Debt Service Reserve Requirement.

"Reserve Account Credit Facility Provider" means any provider of a Reserve Account Credit Facility.

“Revenue Fund” means the City of Folkston, Georgia Water and Sewer Revenue Fund established in Article IV.

“Senior Bonds” means the Series 2021 Bond and any Parity Bonds.

“Senior Hedge Agreements” means Hedge Agreements relating to Hedged Bonds that are Senior Bonds.

“Series Resolution” means a bond resolution or bond resolutions of the City (which may be supplemented by one or more bond resolution(s)) to be adopted prior to and authorizing the issuance and delivery of any series of Bonds. This Master Bond Resolution shall constitute the Series Resolution for the Series 2021 Bond, as well as a Master Bond Resolution for Parity Bonds and Subordinate Bonds. Such a bond resolution as supplemented shall establish the date or dates of the pertinent series of Bonds, the schedule of maturities of such Bonds, whether any such Bonds will be Institutional Bonds, whether any such Bonds will be Compound Interest Bonds, the name of the purchaser(s) of such series of Bonds, the purchase price thereof, the rate or rates of interest to be borne thereby, whether fixed or variable, the interest payment dates for such Bonds, the terms and conditions, if any, under which such Bonds may be made subject to redemption (mandatory or optional) prior to maturity, the form of such Bonds, and such other details as the City may determine.

“Series 2021 Bond” means the City’s Water and Sewer Revenue Refunding Bond, Series 2021, in the original principal amount of \$2,243,000, authorized under Section 2.1.

“Sinking Fund” means the City of Folkston, Georgia Sinking Fund established in Article IV.

“Standard and Poor’s” or **“S&P”** means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., or, if such corporation is dissolved or liquidated or otherwise ceases to perform securities rating services, such other nationally recognized securities rating agency as may be designated in writing by the City. The notice address of Standard & Poor’s shall be 55 Water Street, New York, New York 10041.

“State” means the State of Georgia.

“Stated Rate” shall mean a rate of interest per annum equal to 2.10%.

“Subordinate Bonds” means Bonds issued with a right to payment from the Pledged Revenues and secured by a lien on the Pledged Revenues expressly junior and subordinate to the Senior Bonds.

“Subordinate Hedge Agreements” means Hedge Agreements relating to Hedged Bonds that are Subordinate Bonds.

“Supplemental Resolution” means (a) any Series Resolution and (b) any modification, amendment, or supplement to this Master Bond Resolution other than a Series Resolution.

"System" means the combined water and sewer system of the City, as it now exists and as it may be hereafter added to, extended, improved, and equipped, either from the proceeds of the Bonds or from any other sources at any time hereafter, including, without limitation, (a) all wells, pumping stations, purification plants, and other sources of supply of water and all pipes, mains, and other parts of the facilities for the distribution of water and all equipment and property used in connection therewith; (b) all sanitary sewers, all wastewater disposal and purification plants, and all equipment used in connection therewith, all facilities for the collection, treatment, and disposal of sewage and wastewater, including industrial wastes; and (c) all other facilities or property of any nature or description, real or personal, tangible or intangible, now or hereafter owned or used by the City in the supply, treatment, and distribution of water and in the collection, treatment, and disposal of sewage. The City may own a partial interest in any water or sewer facility, the remaining interest in which may be owned by or on behalf of a political subdivision of the State or any agency or authority thereof. In case of such ownership, the rights and interests possessed by the City in such facility shall be included as part of the System.

"Tax-Exempt Bonds" means any Bonds the interest on which has been determined, in an unqualified opinion of Bond Counsel, to be excludable from the gross income of the owners thereof for federal income tax purposes.

"Taxable Rate" shall mean a rate of interest per annum equal to 2.65%.

"Term Bonds" means Bonds that mature on one Principal Maturity Date yet a portion of which are required to be redeemed, prior to maturity, under a schedule of mandatory redemptions established by the Bond Resolution.

"U.S. Treasury Trust Receipts" means receipts or certificates that evidence an undivided ownership interest in the right to the payment of portions of the principal of or interest on obligations described in clauses (a) or (b) of the term Government Obligations, provided that such obligations are held by a bank or trust company organized under the laws of the United States acting as custodian of such obligations, in a special account separate from the general assets of such custodian.

"Variable Rate" means a rate of interest applicable to the Bonds, other than a fixed rate of interest that applies to a particular maturity of Bonds so long as that maturity of Bonds remains Outstanding.

Section 1.2. Construction of Certain Terms. For all purposes of the Bond Resolution, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction shall apply:

(2) The use of the masculine, feminine, or neuter gender is for convenience only and shall be deemed and construed to include correlative words of the masculine, feminine, or neuter gender, as appropriate.

(3) All references in the Bond Resolution to designated "Articles," "Sections," and other subdivisions are to the designated Articles, Sections, and other subdivisions of the Bond Resolution. The words "herein," "hereof," and "hereunder" and other words of

similar import refer to the Bond Resolution as a whole and not to any particular Article, Section, or other subdivision.

(4) The terms defined in this Article shall have the meanings assigned to them in this Article and include the plural as well as the singular.

(5) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles as promulgated by the American Institute of Certified Public Accountants.

Section 1.3. Table of Contents; Titles and Headings. The table of contents, the titles of the articles, and the headings of the sections of the Bond Resolution are solely for convenience of reference, are not a part of the Bond Resolution, and shall not be deemed to affect the meaning, construction, or effect of any of its provisions.

Section 1.4. Contents of Certificates or Opinions. Every certificate or opinion with respect to the compliance with a condition or covenant provided for in the Bond Resolution shall include: (i) a statement that the person or persons making or giving such certificate or opinion have read such covenant or condition and the definitions herein relating thereto, (ii) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based, (iii) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such covenant or condition has been complied with, and (iv) a statement as to whether, in the opinion of the signers, such condition or covenant has been complied with.

Any such certificate or opinion made or given by an official of the City may be based, insofar as it relates to legal or accounting matters, upon a certificate or an opinion of counsel or an accountant, which certificate or opinion has been given only after due inquiry of the relevant facts and circumstances, unless such official knows that the certificate or opinion with respect to the matters upon which his certificate or opinion may be based as aforesaid is erroneous or in the exercise of reasonable care should have known that the same was erroneous. Any such certificate or opinion made or given by counsel or an accountant may be based (insofar as it relates to factual matters with respect to information that is in the possession of an official of the City or any third party) upon the certificate or opinion of or representations by an official of the City or any third party on whom counsel or an accountant could reasonably rely unless such counsel or such accountant knows that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion may be based as aforesaid are erroneous or in the exercise of reasonable care should have known that the same were erroneous. The same official of the City, or the same counsel or accountant, as the case may be, need not certify or opine to all of the matters required to be certified or opined under any provision of the Bond Resolution, but different officials, counsel, or accountants may certify or opine to different matters, respectively.

[End of Article I]

ARTICLE II

THE BONDS

Section 2.1. Authorization; Designation of Bonds. The Bonds authorized under the Bond Resolution may be issued and sold from time to time in one or more series, shall be designated "City of Folkston, Georgia Water and Sewer Revenue Bonds," and shall be in substantially the form set forth in the related Series Resolution, but such variations, omissions, substitutions, and insertions may be made therein, and such particular series designation, legends, or text may be endorsed thereon, as may be necessary or appropriate to conform to and as required or permitted by this Master Bond Resolution and any Series Resolution or as may be necessary or appropriate to comply with applicable requirements of the Code. The Bonds also may bear such legend or contain such further provisions as may be necessary to comply with or conform to the rules and requirements of any brokerage board, securities exchange, or municipal securities rulemaking board.

The City hereby authorizes the execution, issuance, and delivery of a series of Bonds, in the original principal amount of \$2,243,000, to be designated "City of Folkston, Georgia Water and Sewer Revenue Refunding Bond, Series 2021," which shall be executed, issued, and delivered under, and secured by, this Master Bond Resolution. The Series 2021 Bond shall constitute an Institutional Bond. Parity Bonds may be issued from time to time as provided in, and subject to the limitations set forth in, Article V. Subordinate Bonds may be issued from time to time as provided in, and subject to the limitations set forth in, Section 5.4.

Section 2.2. Bond Details. The Bonds shall be issued in fully registered form in Authorized Denominations and shall be dated as provided in the pertinent Series Resolution. Each Bond (other than an Institutional Bond) authenticated prior to the first Interest Payment Date thereon shall bear interest from its dated date. Each Bond (other than an Institutional Bond) authenticated on or after the first Interest Payment Date thereon shall bear interest from the Interest Payment Date thereon next preceding the date of authentication thereof, unless such date of authentication shall be an Interest Payment Date to which interest on such Bond has been paid in full or duly provided for, in which case from such date of authentication; provided that if, as shown by the records of the Paying Agent, interest on such Bond shall be in default, such Bond shall bear interest from the date to which interest has been paid in full on such Bond or, if no interest has been paid on such Bond, its dated date. Each Bond shall bear interest on overdue principal and, to the extent permitted by law, on overdue premium, if any, and interest at the rate borne by such Bond. No payment due on any Bond (other than an Institutional Bond) shall be overdue if on the due date of such payment sufficient collected funds to make such payment are on deposit with the Paying Agent.

The principal of, premium, if any, and interest on the Bonds shall be payable in any coin or currency of the United States of America that, at the respective dates of payment thereof, is legal tender for the payment of public and private debts.

The Series 2021 Bond shall be dated the date of its issuance and delivery and shall be issued as a single, fully registered bond without coupons in the principal amount of \$2,243,000 and shall be numbered R-1.

The Series 2021 Bond shall bear interest from its dated date on the outstanding principal amount thereof at the rate per annum equal to the Stated Rate, computed on the basis of a 360-day year consisting of twelve 30-day months.

Interest on the Series 2021 Bond shall be payable on October 1, 2021 and semiannually thereafter on each April 1 and October 1 of each year. Principal of the Series 2021 Bond shall be payable on October 1, in the years and in the amounts as follows, unless earlier called for redemption:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2021	\$ 57,000	2029	\$158,000
2022	136,000	2030	162,000
2023	141,000	2031	161,000
2024	141,000	2032	169,000
2025	146,000	2033	171,000
2026	145,000	2034	173,000
2027	155,000	2035	174,000
2028	154,000		

Upon the occurrence of a Determination of Taxability, then, from and after the Date of Taxability, the interest rate used to calculate interest on the Series 2021 Bond, shall be increased to the Taxable Rate, computed on the basis of a 360-day year consisting of twelve 30-day months. After a Determination of Taxability and upon demand of the Bond Buyer (which, for purposes of this Section 2.2 includes the registered owner of the Series 2021 Bond at the time of any Determination of Taxability or Determination of Non-Bank Qualified Status under this Section 2.2 and any prior owner of the Series 2021 Bond), the City shall pay to the Bond Buyer such additional amount as shall be necessary to provide, together with interest received at the Stated Rate, an equivalent amount as if interest on the Series 2021 Bond shall have been payable at the Taxable Rate from the Date of Taxability.

Upon the occurrence of a Determination of Non-Bank Qualified Status, then, from and after the Date of Non-Bank Qualified Status, the interest rate used to calculate interest on the Series 2021 Bond shall be increased to the Non-Bank Qualified Rate, computed on the basis of a 360-day year consisting of twelve 30-day months. After a Determination of Non-Bank Qualified Status and upon demand of the Bond Buyer, the City shall pay to the Bond Buyer such additional amount as shall be necessary to provide, together with interest received at the Stated Rate, an equivalent amount as if interest on the Series 2021 Bond shall have been payable at the Non-Bank Qualified Rate from the Date of Non-Bank Qualified Status.

Upon a Determination of Taxability or a Determination of Non-Bank Qualified Status, the City shall also pay to the Bond Buyer upon demand of the Bond Buyer any taxes, interest, penalties, or other charges assessed against or payable by such owner or prior owner and attributable to such Determination of Taxability or such Determination of Non-Bank Qualified Status and all reasonable administrative, out-of-pocket, and other expenses incurred by the Bond Buyer that are attributable to such event, including, without limitation, the costs incurred by the

Bond Buyer to amend any of its tax returns, notwithstanding the repayment of the entire principal amount of the Series 2021 Bond or any transfer or assignment of the Series 2021 Bond.

Some or all of the Bonds issued after the Series 2021 Bond may be Term Bonds maturing in one or more years yet subject to mandatory redemption prior to maturity. Any requirement for the mandatory redemption of Term Bonds prior to maturity may be satisfied to the extent that any Bonds of the same series and maturity shall have been acquired by the City and presented for cancellation to the Bond Registrar on or prior to the mandatory redemption date.

Section 2.3. Execution and Authentication of Bonds. The Bonds shall be executed by the Chief Officer and Attesting Officer and shall be sealed with the official seal of the City. The facsimile signature of the Chief Officer and the Attesting Officer may be imprinted on Bonds other than Institutional Bonds instead of their manual signatures. A facsimile of the official seal of the City may be reproduced on Bonds other than Institutional Bonds instead of impressed thereon. Bonds bearing the manual or facsimile signatures of a person in office at the time such signature was signed or imprinted shall be fully valid, notwithstanding the fact that before or after delivery of such Bonds such person ceased to hold such office.

Prior to the preparation of definitive Bonds, the City may issue interim receipts, interim certificates, or temporary Bonds, exchangeable in any case for definitive Bonds upon the issuance of definitive Bonds.

Only (i) manually executed Institutional Bonds and (ii) in the case of Bonds other than Institutional Bonds, such Bonds as shall be authenticated by the endorsement thereon of a certificate substantially in the form contained on the form of Bond set forth in the Bond Resolution, executed by the Bond Registrar by the manual signature of one of its authorized signatories, shall be secured by the Bond Resolution or shall be entitled to any benefit under the Bond Resolution. Every such certificate of the Bond Registrar upon any Bond (other than an Institutional Bond) purporting to be secured by the Bond Resolution shall be conclusive evidence that the Bond so certified has been duly issued under the Bond Resolution and that the owner is entitled to the benefit of the Bond Resolution. It shall not be necessary for the same signatory to sign the certificate of authentication on all of the Bonds secured under the Bond Resolution or on all Bonds of any series.

Section 2.4. Registration of Bonds. The City shall keep at its office the Bond Register for the registration and registration of transfers of the Institutional Bonds. The name and address of the Bondholder, each transfer thereof, and the name and address of each transferee of the Institutional Bonds shall be registered in such register.

The City shall cause the Bond Register for the registration and for the transfer of the Bonds (other than Institutional Bonds) as provided in the Bond Resolution to be kept by the Bond Registrar. The Bonds (other than Institutional Bonds) shall be registered as to principal and interest on the Bond Register upon presentation thereof to the Bond Registrar, which shall make notation of such registration thereon; provided that the City reserves the right to issue coupon Bonds payable to bearer whenever to do so would not result in any adverse federal tax consequences.

Section 2.5. Place of Payment. All sums becoming due on the Institutional Bonds for principal, premium, if any, and interest shall be paid in lawful money of the United States by the method and at the address specified for such purpose by the Bondholder in writing to the City, without the presentation or surrender of the Institutional Bonds or the making of any notation thereon, except that upon written request of the City made concurrently with or reasonably promptly after payment or redemption in full of any Institutional Bond, the Bondholder shall surrender such Bond for cancellation, reasonably promptly after any such request, to the City. Prior to any sale or other disposition of the Institutional Bonds, the Bondholder shall endorse thereon the amount of principal paid thereon and the last date to which interest has been paid thereon.

All payments of principal of each Institutional Bond (whether at maturity or upon redemption), including the date and amount of each payment, shall be endorsed by the Bondholder on the Schedule of Payments and Redemptions attached to each Institutional Bond; provided, however, that any failure by the Bondholder to endorse such information on such Schedule shall not in any manner affect the obligation of the City to make payments of principal and interest in accordance with the terms of the Institutional Bonds. The City hereby irrevocably authorizes and directs the registered owner of each Institutional Bond to enter on the Schedule of Payments and Redemptions the date and amount of each payment of principal of each Institutional Bond.

The registered owner of each Institutional Bond shall permit the City at any time during regular business hours to make at such registered owner's principal office an appropriate notation on each Institutional Bond of payments of principal thereof, if at least five days prior thereto the City shall have given written notice of its intention to do so and if it shall not have received from the Bondholder a written confirmation that the requested notation has been made.

The principal of and redemption premium, if any, on any Bonds (other than Institutional Bonds) shall be payable to the Bondholder at the designated corporate trust office of the Paying Agent, upon presentation and surrender of such Bonds. Payment of the interest on each Bond (other than Institutional Bonds) shall be made by the Paying Agent on each Interest Payment Date to the person appearing as the registered owner thereof as of the close of business on the Record Date preceding the Interest Payment Date by check mailed to such registered owner at its address as it appears on the Bond Register, or at such other address as is furnished in writing by such registered owner to the Bond Registrar prior to such Record Date, notwithstanding the cancellation of any such Bonds upon any exchange or transfer thereof subsequent to the Record Date and prior to such Interest Payment Date.

Notwithstanding the foregoing, however, interest on the Bonds (other than Institutional Bonds) of any series shall be payable to any registered owner of more than \$1,000,000 in aggregate principal amount of the Bonds of such series by deposit of immediately available funds to the account of such registered owner maintained with the Paying Agent or transmitted by wire transfer to such registered owner at an account maintained at a commercial bank located within the United States of America, if the Paying Agent receives from such registered owner written deposit or wire transfer instructions prior to the Record Date preceding the Interest Payment Date for which the deposit or wire transfer is requested.

The City may, by Supplemental Resolution, provide for other methods or places of payment, including wire transfer, as it may deem appropriate for any Bonds.

Section 2.6. Persons Treated as Owners. The person in whose name any Bond is registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of either principal or interest shall be made only to or upon the order of the registered owner thereof or such registered owner's attorney duly authorized in writing. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Section 2.7. Transfer and Exchangeability of Bonds. Upon surrender of any Institutional Bond at the office of the City for registration of transfer, duly endorsed or accompanied by a written instrument of transfer duly executed by the registered owner of the Institutional Bond or its attorney duly authorized in writing and accompanied by the address for notices of each transferee of the Institutional Bond, the City shall execute and deliver a new Institutional Bond of the same series in exchange therefor, in a principal amount equal to the unpaid principal amount of each surrendered Institutional Bond. Each such new Institutional Bond shall be payable to such Person as the former Bondholder may request and shall be issued as a single, fully registered bond substantially in the form set forth in the Bond Resolution. Each such new Institutional Bond shall be dated and bear interest from the date to which interest shall have been paid on the surrendered Bond or dated the date of the surrendered Bond if no interest shall have been paid thereon. The City may require payment of a sum sufficient to cover any stamp tax or governmental charge imposed in respect of any such transfer of the Institutional Bonds, but shall not otherwise impose a charge or fee in connection with any such transfer. Each Institutional Bond shall not be transferred in a denomination of less than the unpaid principal amount of the surrendered Bond. No transfer of the Institutional Bonds shall be made until the transferee has executed and delivered to the City an Investment Letter substantially in the form delivered to the City in connection with the initial delivery of the Institutional Bonds being transferred. The City shall not be required to transfer any Institutional Bonds until the certificate of validation on each new Bond shall have been properly executed by the Clerk of the Superior Court of Charlton County.

Bonds (other than Institutional Bonds) may be transferred by surrender for transfer at the designated corporate trust office of the Bond Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or the registered owner's attorney duly authorized in writing. The City shall cause to be executed and the Bond Registrar shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds (other than Institutional Bonds) of the same series, maturity, interest rate, aggregate principal amount, and tenor, of any Authorized Denomination or Denominations, and bearing numbers not then outstanding.

Bonds (other than Institutional Bonds) may be exchanged at the designated corporate trust office of the Bond Registrar for a like aggregate principal amount of Bonds (other than Institutional Bonds) of other Authorized Denominations of the same series, maturity, and interest rate, and bearing numbers not then outstanding. The City shall cause to be executed and the Bond Registrar shall authenticate and deliver Bonds (other than Institutional Bonds) that the Bondholder making the exchange is entitled to receive.

The Bond Registrar shall not be required to transfer or exchange any Bond after notice calling such Bond for redemption has been given or during the period of 15 days (whether or not a business day for the Bond Registrar, but excluding the date of giving such notice of redemption and including such 15th day) immediately preceding the giving of such notice of redemption.

In any exchange or registration of transfer of any Bond other than an Institutional Bond, the owner of the Bond shall not be required to pay any charge or fee; provided, however, if and to whatever extent any tax or governmental charge is at any time imposed on any such exchange or transfer, the City or the Bond Registrar may require payment of a sum sufficient for such tax or charge.

All Bonds (other than Institutional Bonds) surrendered for exchange or transfer of registration shall be cancelled and destroyed by the Bond Registrar in accordance with Section 2.8.

Section 2.8. Destruction of Bonds. All Bonds (other than Institutional Bonds) paid by the Paying Agent at maturity or upon redemption prior to maturity shall be cancelled and delivered to the Bond Registrar for destruction. All Bonds cancelled on account of payment, transfer, or exchange shall be destroyed by the Bond Registrar and shall not be reissued, and a certificate that such Bonds have been destroyed shall be furnished by the Bond Registrar to the City on an annual basis.

Section 2.9. Mutilated, Lost, Stolen, or Destroyed Bonds. Upon receipt by the City of evidence reasonably satisfactory to it of the ownership of and the loss, theft, destruction, or mutilation of any Institutional Bond, and

1. in the case of loss, theft, or destruction, of indemnity reasonably satisfactory to it (provided that if the Bondholder is, or is a nominee for, the Bond Buyer or another Bondholder with a minimum net worth of at least \$25,000,000, such Person's own unsecured agreement of indemnity shall be deemed to be satisfactory); or

2. in the case of mutilation, upon surrender and cancellation thereof,

the City shall execute and deliver, in lieu thereof, a new single, fully registered Bond of the same series, dated and bearing interest from the date to which interest shall have been paid on such lost, stolen, destroyed, or mutilated Bond or dated the date of such lost, stolen, destroyed, or mutilated Bond if no interest shall have been paid thereon.

If any Bond other than an Institutional Bond is mutilated, lost, stolen, or destroyed, the City may execute and deliver a new Bond of the same series, maturity, interest rate, aggregate principal amount, and tenor in lieu of and in substitution for the Bond mutilated, lost, stolen, or destroyed. In the case of any mutilated Bond other than an Institutional Bond, however, such mutilated Bond shall first be surrendered to the Bond Registrar, and, in the case of any lost, stolen, or destroyed Bond other than an Institutional Bond, there shall first be furnished to the Bond Registrar evidence satisfactory to it of the ownership of such Bond and of such loss, theft, or destruction, together with indemnity to the City and the Bond Registrar, satisfactory to each of them. If any such Bond shall have matured or a redemption date pertaining to the Bond shall have passed, instead of issuing a new Bond the City may pay or cause the Paying Agent to pay

the Bond. The City, the Bond Registrar, and the Paying Agent may charge the owner of such Bond with their reasonable fees and expenses for replacing mutilated, lost, stolen, or destroyed Bonds.

In executing a new Bond other than an Institutional Bond and in furnishing the Bond Registrar with the written authorization to deliver a new Bond as provided for in this Section, the City may rely conclusively on a representation of the Bond Registrar that the Bond Registrar is satisfied with the adequacy of the evidence presented concerning the mutilation, loss, theft, or destruction of any Bond.

Section 2.10. Form of Series 2021 Bond. The Series 2021 Bond shall be in substantially the form set out below, with such variations, omissions, substitutions, and insertions as are required or permitted by this Master Bond Resolution or by any Series Resolution.

[FORM OF SERIES 2021 BOND]

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

UNITED STATES OF AMERICA
STATE OF GEORGIA
CITY OF FOLKSTON, GEORGIA
WATER AND SEWER REVENUE REFUNDING BOND,
SERIES 2021

Number R-1

Principal Amount \$2,243,000

Maturity Date:

Dated:

October 1, 2035

_____, 2021

Registered Owner: Truist Bank

KNOW ALL MEN BY THESE PRESENTS that the **CITY OF FOLKSTON, GEORGIA** (the "City"), a municipal corporation duly created and existing under the laws of the State of Georgia, for value received, hereby promises to pay, but only from the source as hereinafter provided, to the registered owner shown above, or registered assigns, the principal sum stated above, or so much of the principal sum stated above as shall be outstanding, as indicated on the Schedule of Payments and Redemptions attached to this Bond, payable as provided herein.

This Bond shall bear interest from its dated date on the outstanding principal amount hereof at the rate per annum equal to the Stated Rate (as hereinafter defined), computed on the basis of a 360-day year consisting of twelve 30-day months.

Interest on this Bond shall be payable on October 1, 2021 and semiannually thereafter on each April 1 and October 1 of each year. Principal of this Bond shall be payable on October 1, in the years and in the amounts as follows, unless earlier called for redemption:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2021	\$ 57,000	2029	\$158,000
2022	136,000	2030	162,000
2023	141,000	2031	161,000
2024	141,000	2032	169,000
2025	146,000	2033	171,000
2026	145,000	2034	173,000
2027	155,000	2035	174,000
2028	154,000		

This Bond shall bear interest on any overdue installment of principal and, to the extent permitted by applicable law, on any overdue premium, if any, and installment of interest, at the aforesaid rate.

Upon the occurrence of a Determination of Taxability (as defined in the Bond Resolution), then, from and after the Date of Taxability (as defined in the Bond Resolution), the interest rate used to calculate interest on this Bond shall be increased to the Taxable Rate (as hereinafter defined), computed on the basis of a 360-day year consisting of twelve 30-day months. After a Determination of Taxability and upon demand of the registered owner of this Bond and any prior registered owner of this Bond, the City shall pay to such owner or prior owner such additional amount as shall be necessary to provide, together with interest received at the Stated Rate, an equivalent amount as if interest on this Bond shall have been payable at the Taxable Rate from the Date of Taxability.

Upon the occurrence of a Determination of Non-Bank Qualified Status (as defined in the Bond Resolution), then, from and after the Date of Non-Bank Qualified Status (as defined in the Bond Resolution), the interest rate used to calculate interest on this Bond shall be increased to the Non-Bank Qualified Rate (as hereinafter defined), computed on the basis of a 360-day year consisting of twelve 30-day months. After a Determination of Non-Bank Qualified Status and upon demand of the registered owner of this Bond and any prior registered owner of this Bond, the City shall pay to such owner or prior owner such additional amount as shall be necessary to provide, together with interest received at the Stated Rate, an equivalent amount as if interest on this Bond shall have been payable at the Non-Bank Qualified Rate from the Date of Non-Bank Qualified Status.

Upon a Determination of Taxability or a Determination of Non-Bank Qualified Status, the City shall also pay to the registered owner of this Bond and any prior registered owner of this Bond upon demand of such owner or prior owner any taxes, interest, penalties, or other charges assessed against or payable by such owner or prior owner and attributable to such Determination of Taxability or such Determination of Non-Bank Qualified Status and all reasonable administrative, out-of-pocket, and other expenses incurred by such owner or prior owner that are attributable to such event, including, without limitation, the costs incurred by such owner or prior owner to amend any of its tax returns, notwithstanding the repayment of the entire principal amount of this Bond or any transfer or assignment of this Bond.

The following words and terms shall have the meanings set forth below for purposes of this Bond:

"Non-Bank Qualified Rate" shall mean a rate of interest per annum equal to 2.20%.

"Stated Rate" shall mean a rate of interest per annum equal to 2.10%.

"Taxable Rate" shall mean a rate of interest per annum equal to 2.65%.

All sums becoming due on this Bond for principal, premium, if any, and interest shall be paid in lawful money of the United States by the method and at the address specified for such purpose by the registered owner of this Bond in writing to the City, without the presentation or surrender of this Bond or the making of any notation hereon, except that upon the written request

of the City made concurrently with or reasonably promptly after payment or redemption in full of this Bond, the registered owner of this Bond shall surrender this Bond for cancellation, reasonably promptly after any such request, to the City. Prior to any sale or other disposition of this Bond the registered owner of this Bond shall endorse hereon the amount of principal paid hereon and the last date to which interest has been paid hereon.

All payments of principal of this Bond (whether at maturity or upon redemption), including the date and amount of each payment, shall be endorsed by the registered owner of this Bond on the Schedule of Payments and Redemptions attached to this Bond; provided, however, that any failure by the registered owner of this Bond to endorse such information on such Schedule shall not in any manner affect the obligation of the City to make payments of principal and interest in accordance with the terms of this Bond. The City hereby irrevocably authorizes and directs the registered owner of this Bond to enter on the Schedule of Payments and Redemptions the date and amount of each payment of principal of this Bond.

This Bond is the only bond of an authorized issue limited in original principal amount to \$2,243,000, designated "City of Folkston, Georgia Water and Sewer Revenue Refunding Bond, Series 2021" issued by the City pursuant to and in full compliance with the provisions of the Constitution and statutes of the State of Georgia, including specifically, but without limitation, Article 3 of Chapter 82 of Title 36 of the Official Code of Georgia Annotated, known as the "Revenue Bond Law," as amended, and the Charter of the City of Folkston, Georgia, as amended. This Bond has been authorized by a Master Bond Resolution (the "Bond Resolution") duly adopted by the City on March 8, 2021, for the purpose of (i) refunding all of the City's Water and Sewer Revenue Refunding Bonds, Series 2014, outstanding in the aggregate principal amount of \$2,295,000; and (ii) to pay the costs of issuing the Series 2021 Bond.

This Bond shall be subject to optional redemption by the City prior to maturity, in whole (but not in part) on any date, at a redemption price equal to one hundred percent (100%) of the principal amount being redeemed plus accrued interest to the redemption date and plus premium equal to one percent (1.00%) of the principal amount redeemed prior to October 1, 2028. As a condition precedent to optional redemption pursuant to the preceding sentence, the registered owner of this Bond shall receive written notice of such optional redemption not less than 10 days and not more than 60 days prior to the date fixed for such redemption. Such notice shall specify the date of redemption, the principal amount of this Bond to be redeemed on such date, and the premium, if any, and accrued interest to be paid on the redemption date with respect to the principal amount being redeemed.

In the case of each redemption of this Bond, the principal amount of this Bond to be redeemed shall mature and become due and payable on the date fixed for such redemption, together with interest on such principal amount accrued to such date and the applicable premium, if any. From and after such date, unless the City shall fail to pay such principal amount when so due and payable, together with the interest and premium, if any, as aforesaid, interest on such principal amount shall cease to accrue.

This Bond shall be issued as a single, fully registered bond without coupons in the original principal amount of \$2,243,000. Upon surrender of this Bond at the office of the City for registration of transfer, duly endorsed or accompanied by a written instrument of transfer

duly executed by the registered owner of this Bond or its attorney duly authorized in writing and accompanied by the address for notices of each transferee of this Bond, the City shall execute and deliver a new Bond in exchange herefor, in a principal amount equal to the unpaid principal amount of the surrendered Bond. Each such new Bond shall be payable to such person as the former registered owner of this Bond may request and shall be issued as a single, fully registered bond. Each such new Bond shall be dated and bear interest from the date to which interest shall have been paid on the surrendered Bond or dated the date of the surrendered Bond if no interest shall have been paid hereon. The City may require payment of a sum sufficient to cover any stamp tax or governmental charge imposed in respect of any such transfer of this Bond but shall not otherwise impose a charge or fee in connection with any such transfer. This Bond shall not be transferred in a denomination of less than the unpaid principal amount of the surrendered Bond. No transfer of this Bond shall be made until the transferee has executed and delivered to the City an Investment Letter substantially in the form delivered to the City in connection with the initial delivery of this Bond.

This Bond and such revenue bonds of the City as may in the future be issued on a parity therewith are equally and ratably secured by pledge of the "Pledged Revenues" of the water and sewer system (the "System") of the City, which are defined in the Bond Resolution to include gross operating revenues, certain amounts payable by any provider of a Hedge Agreement (as defined in the Bond Resolution) pursuant to such Hedge Agreement, moneys and securities from time to time on deposit in the funds and accounts established in the Bond Resolution, and earnings on investments made with the foregoing moneys and securities, excluding any amounts required in the Bond Resolution to be set aside pending, or used for, rebate to the United States government pursuant to Section 148(f) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated with respect to any such rebate requirement.

THIS BOND SHALL NEVER CONSTITUTE AN INDEBTEDNESS OR GENERAL OBLIGATION OF THE CITY, THE STATE OF GEORGIA, OR ANY POLITICAL SUBDIVISION OF THE STATE OF GEORGIA, WITHIN THE MEANING OF ANY CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION WHATSOEVER, NOR A PLEDGE OF THE FAITH AND CREDIT OR TAXING POWER OF ANY OF THE FOREGOING, NOR SHALL ANY OF THE FOREGOING BE SUBJECT TO ANY PECUNIARY LIABILITY HEREON. THIS BOND SHALL NOT BE PAYABLE FROM NOR A CHARGE UPON ANY FUNDS OTHER THAN THE REVENUES PLEDGED TO THE PAYMENT HEREOF AND SHALL BE A LIMITED OR SPECIAL OBLIGATION OF THE CITY PAYABLE SOLELY FROM THE FUNDS PROVIDED THEREFOR IN THE BOND RESOLUTION. THE CITY HAS NO AUTHORITY TO LEVY ANY TAXES TO PAY THIS BOND. NO OWNER OF THIS BOND SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF THE TAXING POWER OF THE CITY, THE STATE OF GEORGIA, OR ANY POLITICAL SUBDIVISION OF THE STATE OF GEORGIA TO PAY THE PRINCIPAL OF THIS BOND OR THE INTEREST OR ANY PREMIUM HEREON, OR TO ENFORCE PAYMENT HEREOF AGAINST ANY PROPERTY OF THE FOREGOING, NOR SHALL THIS BOND CONSTITUTE A CHARGE, LIEN, OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON ANY PROPERTY OF THE FOREGOING. NEITHER THE MEMBERS OF THE GOVERNING BODY OF THE CITY NOR ANY PERSON EXECUTING THIS BOND SHALL BE LIABLE PERSONALLY ON THIS BOND BY REASON OF THE ISSUANCE HEREOF.

The City has covenanted and hereby covenants and agrees at all times while this Bond is outstanding and unpaid to prescribe, fix, maintain, and collect rates, fees, and other charges for the services, facilities, and commodities furnished by the System fully sufficient at all times to: (i) provide for 100% of the expenses of operation and maintenance of the System, and (ii) produce net operating revenues in each Fiscal Year (as defined in the Bond Resolution) that, together with certain investment earnings, will: (a) equal at least 110% of the debt service requirement on all Senior Bonds (as defined in the Bond Resolution) then outstanding and 100% of the debt service requirement on all Subordinate Bonds (as defined in the Bond Resolution) then outstanding; (b) enable the City to make all required payments into the Rebate Fund and to any Financial Facility Issuer, any Reserve Account Credit Facility Provider, and any Qualified Hedge Provider (as each is defined in the Bond Resolution); (c) enable the City to accumulate an amount to be held in the Renewal and Extension Fund (as defined in the Bond Resolution), which in the judgment of the City is adequate to meet the costs of major renewals, replacements, repairs, additions, betterments, and improvements to the System, necessary to keep the same in good operating condition or as is required by any governmental agency having jurisdiction over the System; and (d) remedy all deficiencies in required payments into any of the funds and accounts mentioned in the Bond Resolution from prior Fiscal Years. The City shall have no obligation to fund a Debt Service Reserve Account (as defined in the Bond Resolution) for this Bond.

The Bond Resolution contains a more particular statement of the covenants and provisions securing this Bond, the conditions under which the owner of this Bond may enforce covenants (other than the covenant to pay principal of and interest on this Bond when due from the sources provided, the right to enforce which is unconditional), the conditions upon which additional revenue bonds may be issued on a parity or achieve parity status with this Bond under the Bond Resolution, and the conditions upon which the Bond Resolution may be amended with the consent of the owners of a majority in aggregate principal amount of the Bonds (as defined in the Bond Resolution) of each class (senior and subordinate) outstanding or the issuer of any Credit Facility (as defined in the Bond Resolution), if any, of such Bonds. Upon the occurrence of an Event of Default under the Bond Resolution, the owner of this Bond shall be entitled to the remedies provided by the Bond Resolution and the Revenue Bond Law.

The City has designated this Bond as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

It is hereby certified, recited, and declared that all acts, conditions, and things required to exist, happen, and be performed precedent to and in the issuance of this Bond do exist, have happened, and have been performed in due time, form, and manner as required by law.

IN WITNESS WHEREOF, the City has caused this Bond to be executed by the manual signature of its Mayor and has caused the official seal of the City to be impressed on this Bond and attested by the manual signature of its City Clerk.

CITY OF FOLKSTON, GEORGIA

By: _____
Mayor

(SEAL)

Attest:

City Clerk

[FORM OF VALIDATION CERTIFICATE]

VALIDATION CERTIFICATE

STATE OF GEORGIA)
)
COUNTY OF CHARLTON)

The undersigned Clerk of the Superior Court of Charlton County, State of Georgia, **DOES HEREBY CERTIFY** that this Bond and the security therefor was validated and confirmed by judgment of the Superior Court of Charlton County, in Civil Action File No. _____, on the ____ day of _____ 2021, that no intervention or objection was filed opposing the validation of this Bond and the security therefor, and that no appeal of such judgment of validation has been taken.

IN WITNESS WHEREOF, I have hereunto set my hand and have impressed hereon the official seal of the Superior Court of Charlton County, Georgia.

(SEAL)

Clerk, Superior Court
of Charlton County, Georgia

SCHEDULE OF PAYMENTS AND REDEMPTIONS

[illegible]

SCHEDULE OF PAYMENTS AND REDEMPTIONS

[illegible]

ASSIGNMENT AND TRANSFER

FOR VALUE RECEIVED, the undersigned, _____,
hereby sells, assigns, and transfers unto _____ (Tax Identification or Social
Security No. _____) the within Bond and all rights thereunder and hereby irrevocably
constitutes and appoints _____ attorney to transfer the within Bond on the books
kept for registration thereof, with full power of substitution in the premises.

Dated: _____
Signature _____

NOTICE: The signature(s) 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
whatsoever.

[End of Article II]

ARTICLE III

REDEMPTION OF BONDS

Section 3.1. Optional Redemption of Series 2021 Bond. The Series 2021 Bond shall be subject to optional redemption by the City prior to maturity, in whole (but not in part) on any date, at a redemption price equal to one hundred percent (100%) of the principal amount being redeemed plus accrued interest to the redemption date and plus premium equal to one percent (1.00%) of any principal amount redeemed prior to October 1, 2028. As a condition precedent to optional redemption under this Section 3.1, the Bondholder shall receive written notice of such optional redemption not less than 10 days and not more than 60 days prior to the date fixed for such redemption. Such notice shall specify the date of redemption, the principal amount of the Series 2021 Bond to be redeemed on such date, and the premium, if any, and accrued interest to be paid on the redemption date with respect to the principal amount being redeemed.

In the case of redemption of the Series 2021 Bond pursuant to this Section 3.1, the principal amount of the Series 2021 Bond to be redeemed shall mature and become due and payable on the date fixed for such redemption, together with interest on such principal amount accrued to such date and the applicable premium, if any. From and after such date, unless the City shall fail to pay such principal amount when so due and payable, together with the interest and premium, if any, as aforesaid, interest on such principal amount shall cease to accrue.

Section 3.2. Notice of Redemption. Unless waived by any registered owner of Bonds to be redeemed, official notice of any redemption of Bonds other than Institutional Bonds shall be given by the Bond Registrar on behalf of the City by mailing a copy of an official redemption notice by first class mail, at least 30 days and not more than 60 days prior to the date fixed for redemption to the registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

All official notices of redemption shall be dated, shall contain the complete official name of the Bond issue, and shall state:

- (1) the redemption date;
- (2) the redemption price or formula for calculating the redemption price;
- (3) the interest rate and maturity date of the Bonds being redeemed;
- (4) the date on which notice of redemption will be published;
- (5) if less than all Outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed by CUSIP numbers, date of issue, rates of interest, and maturity date that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after such date;

(6) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after such date;

(7) the place where such Bonds are to be surrendered for payment of the redemption price (which place of payment shall be the principal corporate trust office of the Paying Agent) and the name, address, and telephone number of a person or persons at the Paying Agent who may be contacted with respect to the redemption; and

(8) any conditions to such redemption.

Prior to any redemption date, the City shall deposit with the Paying Agent an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds, other than Institutional Bonds, that are to be redeemed on that date.

Upon the payment of the redemption price of Bonds, other than Institutional Bonds, being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Not less than 60 days after the redemption date, the Bond Registrar shall send a second copy of the official notice of redemption to the registered owner of any Bond or Bonds to be redeemed if, by such date, such registered owner has not surrendered its Bond or Bonds for redemption. Such notice shall be sent by registered or certified mail, with a return receipt requested.

Any defect in any notice of redemption shall not affect the validity of proceedings for redemption of the Bonds.

The Paying Agent shall hold amounts payable on redemption for Bonds, other than Institutional Bonds, that have not been surrendered for redemption for a period of not less than one year after the final maturity date of the Bonds or any earlier date when all of the Bonds have been refunded or redeemed.

Section 3.3. City or Bond Registrar May Give Notice of Redemption. Notice of redemption of Bonds to be redeemed shall be given by the City or by the Bond Registrar for and on behalf of the City whenever either: (i) such redemption is required to be made under the Series Resolution for such Bonds, or (ii) such redemption is permitted to be made under the terms of such Bonds and the City requests that such redemption be made.

Section 3.4. Effect of Notice of Redemption. Official notice of redemption of Bonds, other than Institutional Bonds, having been given in the manner and under the conditions provided in this Article, and moneys for payment of the redemption price being held by the Paying Agent as provided in the Bond Resolution, the Bonds or portions of Bonds called for redemption shall, on the redemption date designated in such notice, become and be due and payable at the redemption price provided for redemption of such Bonds or portions of Bonds on such date, and from and after such date interest on the Bonds or portions of Bonds called for redemption shall cease to accrue, such Bonds or portions of Bonds shall cease to be entitled to

any lien, benefit, or security under the Bond Resolution, and the owners of such Bonds or portions of Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof. Upon surrender for partial redemption of any Bond other than an Institutional Bond, there shall be prepared for and delivered to the registered owner a new Bond or Bonds of the same series, maturity, and interest rate in the amount of the unpaid principal.

Section 3.5. Redemption Among Series. Subject to the redemption provisions of any Series Resolution authorizing Bonds, the City in its discretion may redeem the Bonds of any series, or a portion of the Bonds of any such series, before it redeems the Bonds of any other series. Within any particular series, any redemption of Bonds shall be effected in the manner provided in this Master Bond Resolution and in any Series Resolution.

Section 3.6. Selection of Bonds to be Redeemed. If less than all of the Bonds, other than Institutional Bonds, of like maturity of any series shall be called for redemption, the particular Bonds, or portions of Bonds, to be redeemed shall be selected by lot by the City or in such other manner as the City in its discretion may deem proper. The portion of any Bond other than an Institutional Bond of a denomination of more than \$5,000 to be redeemed shall be in the principal amount of \$5,000 or an integral multiple thereof, and, in selecting portions of such Bonds for redemption, the City shall treat each such Bond as representing that number of Bonds which is obtained by dividing the principal amount of such Bond to be redeemed in part by \$5,000.

Section 3.7. Purchase in Open Market. Nothing herein contained shall be construed to limit the right of the City to purchase with any excess moneys in the Interest Account or the Principal Account (i.e., moneys not needed in the then current Bond Year to pay principal of and interest on any Senior Bonds) and for Sinking Fund purposes, any Senior Bonds in the open market at a price not exceeding the callable price. Any such Senior Bonds so purchased shall not be reissued and shall be cancelled.

[End of Article III]

ARTICLE IV

PLEDGED REVENUES AND FLOW OF FUNDS

Section 4.1. Pledge of Revenues; Limited Obligations. (a) All Pledged Revenues shall be and are hereby pledged to the prompt payment of the principal of, premium, if any, and interest on the Bonds. Such moneys and securities 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 City and against all other persons having claims against the City, whether such claims shall have arisen in tort, contract, or otherwise, and regardless of whether such persons have notice of the lien of this pledge. This pledge shall rank superior to all other pledges that may hereafter be made of any of the Pledged Revenues, except for pledges of the Pledged Revenues hereafter made by the City in the Hedge Agreements to secure Hedge Payments, which may rank on a parity with this pledge as to the related Hedged Bonds. The lien of the pledge made in this Section 4.1 does not secure any obligation of the City other than the Bonds.

(b) The Bonds shall be limited obligations of the City as provided therein payable solely from the Pledged Revenues. The Bonds and the interest thereon shall not constitute a general or moral obligation of, nor a debt, indebtedness, or obligation of, or a pledge of the faith and credit of the City or the State, or any political subdivision thereof, within the meaning of any constitutional or statutory provision whatsoever. Neither the faith and credit nor the taxing power of the State, the City, or any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds or other costs incident thereto. The City has no authority to levy any taxes to pay the Bonds. Neither the members of the Governing Body nor any person executing the Bonds shall be liable personally on the Bonds by reason of the issuance thereof.

Section 4.2. Funds and Accounts. The City hereby establishes the following funds and accounts, and the moneys deposited in such funds and accounts shall be held in trust for the purposes set forth in the Bond Resolution:

4.2.1. City of Folkston, Georgia Water and Sewer Revenue Fund, to be held by FNB South, Folkston, Georgia, as Depository for the account of the City.

4.2.2. City of Folkston, Georgia Water and Sewer Sinking Fund, to be held by FNB South, Folkston, Georgia, as Depository for the account of the City.

- (a) Interest Account.
- (b) Hedge Payments Account.
- (c) Principal Account.
- (d) Capitalized Interest Account.
- (e) Debt Service Reserve Account.

4.2.3. City of Folkston, Georgia Water and Sewer Renewal and Extension Fund, to be held by FNB South, Folkston, Georgia, as Depository for the account of the City.

4.2.4. City of Folkston, Georgia Water and Sewer Rebate Fund, to be held by FNB South, Folkston, Georgia, as Depository for the account of the City.

4.2.5. City of Folkston, Georgia Water and Sewer Project Fund, to be held by FNB South, Folkston, Georgia, as Depository for the account of the City.

Each account listed above shall be held within the fund under which it is created. All funds and accounts listed above are further described in this Article, except for (i) the Rebate Fund and (ii) the Project Fund, which are further described in Article VI and Article XII, respectively.

Section 4.3. Revenue Fund. The City shall deposit and continue to deposit all Operating Revenues in the Revenue Fund from time to time as and when received. Moneys in the Revenue Fund shall be applied by the City from time to time to the following purposes and in the following order of priority:

4.3.1. First: The City shall make withdrawals as needed from the Revenue Fund in amounts necessary to pay Expenses of Operation and Maintenance.

4.3.2. Second: There shall next be deposited monthly into the Interest Account the amount required by Section 4.4 (a) hereof.

4.3.3. Third: There shall next be deposited monthly into the Hedge Payments Account the amount required by Section 4.4(b) hereof.

4.3.4. Fourth: There shall next be deposited monthly into the Principal Account the amount required by Section 4.4(c) hereof.

4.3.5. Fifth: There shall next be deposited monthly any amounts required to be deposited into the Rebate Fund, as estimated by the City, or as estimated for the City and approved by the City, for purposes of complying with the requirement for rebate to the United States government under Section 148(f) of the Code. Deposits may be made in monthly installments and may be adjusted as the City deems necessary to provide the amount that it estimates to be necessary, as revised from time to time, within any Fiscal Year.

4.3.6. Sixth: There shall next be paid monthly to any Financial Facility Issuer securing Senior Bonds all amounts required to be paid to such Financial Facility Issuer as compensation for the Financial Facility securing Senior Bonds and as satisfaction of any other amounts due under the Financial Facility Agreement that are not considered to be subrogated payments of principal and interest on Senior Bonds under Section 7.6, including Additional Interest on Senior Bonds.

4.3.7. Seventh: There shall next be deposited monthly into each Debt Service Reserve Account and paid monthly to any Reserve Account Credit Facility Provider, on a pro rata basis based upon the Debt Service Reserve Requirement for each Debt Service Reserve Account, the amount required by Section 4.4(f) hereof.

4.3.8. Eighth: There shall next be paid monthly repayments of any draw-down on any Reserve Account Credit Facility (other than repayments that reinstate the Reserve Account Credit Facility) and any interest or fees due the Reserve Account Credit Facility Provider under such Reserve Account Credit Facility.

4.3.9. Ninth: There shall next be deposited monthly the amounts required to be deposited into the funds and accounts created by any Series Resolution authorizing the issuance of Subordinate Bonds, for the purpose of paying principal of (whether at maturity or upon mandatory redemption) and interest on Subordinate Bonds, making Hedge Payments under Subordinate Hedge Agreements, and accumulating reserves for such payments. Any money withdrawn from such funds and accounts for use in making such payments shall be released from the lien of the Bond Resolution. If at any time the amounts in any account of the Sinking Fund are less than the amounts required by the Bond Resolution, and there are not on deposit in the Renewal and Extension Fund available moneys sufficient to cure any such deficiency, then the City shall withdraw from the funds and accounts relating to Subordinate Bonds and deposit in such account of the Sinking Fund, as the case may be, the amount necessary (or all the moneys in such funds and accounts, if less than the amount required) to make up such deficiency.

4.3.10. Tenth: There shall next be paid monthly any amounts required to be paid with respect to any Other System Obligations.

4.3.11. Eleventh: There shall next be deposited monthly into the Renewal and Extension Fund all remaining moneys and securities held in the Revenue Fund in excess of not less than 30 nor more than 60 days' estimated Expenses of Operation and Maintenance and after all of the other transfers set forth in this Section 4.3 have been made; provided, no deposits to the Renewal and Extension Fund shall be required so long as the Series 2021 Bond is the only Outstanding Bond.

Notwithstanding anything to the contrary contained in the Bond Resolution, so long as the Series 2021 Bond is the only Outstanding Bond, the City shall be entitled to make all payments of the principal of, redemption premium, if any, and interest on the Series 2021 Bond to the holder of the Series 2021 Bond directly from the Revenue Fund, and no deposits to or withdrawals from the Sinking Fund shall be required.

Section 4.4. Sinking Fund. Sufficient moneys shall be paid in monthly installments from the Revenue Fund into (1) the Interest Account and the Principal Account for the purpose of paying the principal of and interest (excluding Additional Interest) on the Senior Bonds as they become due and payable and (2) the Hedge Payments Account for the purpose of making Hedge Payments under Senior Hedge Agreements. Amounts held in the Interest Account shall not be used to pay Additional Interest.

(a) Interest Account. There shall be paid into the Interest Account monthly, on or before the 20th day of the month, an installment equal to 1/6 of the amount of interest (excluding Additional Interest) falling due and payable on all Outstanding Senior Bonds on the next Interest Payment Date, adjusted to give credit for any other available moneys then in the Interest Account or the Capitalized Interest Account, and further adjusted if necessary to assure the timely accumulation of the required amount in approximately equal installments. To the extent that any of the Senior Bonds bear interest at a Variable Rate, this requirement shall be deemed satisfied with respect to such Senior Bonds if the installment paid into the Interest Account in each month shall be sufficient to accumulate for such Senior Bonds an amount equal to 1/6 of the Projected Senior Interest Payment multiplied by the number of months and fractions of months expired since delivery of such Senior Bonds or the most recent Interest Payment Date. Notwithstanding the foregoing, any Series Resolution that authorizes the issuance of Parity Bonds which pay interest other than semiannually may establish a different method of accumulating money in the Interest Account to pay interest on such Parity Bonds, so long as such method provides for the accumulation, in equal installments of no greater frequency than monthly, of sufficient funds to pay interest due on such Parity Bonds on each Interest Payment Date established for such Parity Bonds. The City shall also deposit and continue to deposit all Hedge Receipts under Senior Hedge Agreements in the Interest Account from time to time as and when received. Moneys in the Interest Account shall be used solely to pay interest (excluding Additional Interest) on the Senior Bonds when due.

(b) Hedge Payments Account. On or before each payment date for Hedge Payments under Senior Hedge Agreements, the City shall deposit in the Hedge Payments Account from moneys in the Revenue Fund an amount which, together with any other moneys already on deposit therein and available to make such payment, is not less than such Hedge Payments coming due on such payment date. In addition, on or before the 20th day of each month, the City shall deposit in the Hedge Payments Account from moneys in the Revenue Fund an amount which, together with an equal amount to be deposited in each such month, if any, occurring prior to the next succeeding payment date for Hedge Payments under Senior Hedge Agreements, will not be less than the amount of such Hedge Payments to become due on such next succeeding payment date for such Hedge Payments. No deposit pursuant to this subsection need be made to the extent that there is a sufficient amount already on deposit in the Hedge Payments Account to pay such Hedge Payments on each such payment date. Moneys in the Hedge Payments Account shall be used solely to pay Hedge Payments under Senior Hedge Agreements when due.

(c) Principal Account. There shall be paid into the Principal Account monthly, on or before the 20th day of the month, an installment equal to 1/12 of the principal amount falling due and payable on all Outstanding Senior Bonds on the next Principal Maturity Date plus whatever additional amounts may be necessary in equal monthly installments to accumulate in the Principal Account the full principal amount falling due in such Bond Year. For purposes of this requirement, the amount of principal falling due in any Bond Year shall include all amounts of principal maturing during the Bond Year and all amounts of principal that are subject to mandatory redemption during the Bond Year. Notwithstanding the foregoing, any Series Resolution that authorizes the issuance of Parity Bonds which pay principal other than annually may establish a different method of accumulating money in the Principal Account to pay principal on such Parity Bonds, so long as such method provides for the accumulation, in equal installments of no greater frequency than monthly, of sufficient funds to pay principal on such

Parity Bonds when due. Moneys in the Principal Account shall be used solely for the payment of principal of the Senior Bonds as the same shall become due and payable at maturity or upon redemption.

(d) No further payments need be made into the Interest Account or the Principal Account whenever the amount available in the Interest Account and the Principal Account, if added to the amount then in the Debt Service Reserve Account (without taking into account any amount available to be drawn on any Reserve Account Credit Facility), is sufficient to retire all Senior Bonds then Outstanding and to pay all unpaid interest accrued and to accrue prior to such retirement. No moneys in the Interest Account or the Principal Account shall be used or applied to the optional purchase or redemption of Senior Bonds prior to maturity unless: (i) provision shall have been made for the payment of all of the Senior Bonds; or (ii) such moneys are applied to the purchase and cancellation of Senior Bonds that are subject to mandatory redemption on the next mandatory redemption date, which falls due within 12 months, such Senior Bonds are purchased at a price not more than would be required for mandatory redemption, and such Senior Bonds are cancelled upon purchase; or (iii) such moneys are applied to the purchase and cancellation of Senior Bonds at a price less than the amount of principal that would be payable on such Senior Bonds, together with interest accrued through the date of purchase, and such Senior Bonds are cancelled upon purchase; or (iv) such moneys are in excess of the then required balance of the Interest Account or the Principal Account and are applied to redeem a part of the Senior Bonds Outstanding on the next succeeding redemption date for which the required notice of redemption may be given.

(e) Capitalized Interest Account. There shall be deposited into the Capitalized Interest Account the amounts specified in Series Resolutions with respect to Parity Bonds. Amounts deposited in the Capitalized Interest Account shall be applied to the payment of interest on the Senior Bonds and shall be transferred to the Interest Account to pay interest on the Senior Bonds or to reimburse any Credit Facility Issuer for amounts drawn on a Credit Facility for such purposes. Such transferred amounts shall be limited to amounts necessary to enable the City to make all required deposits into the Interest Account, thereby leaving sufficient Net Operating Revenues to enable the City to make all required deposits to the other funds and accounts established under the Bond Resolution. Upon filing with the Depository the certificate required by Section 12.5, all amounts then on deposit in the Capitalized Interest Account shall be transferred to the Interest Account.

(f) Debt Service Reserve Account. The City shall have no obligation to fund a Debt Service Reserve Account relating to the Series 2021 Bond. There shall be deposited into each Debt Service Reserve Account relating to any series of Parity Bonds the amount specified in the Series Resolution with respect to such related series of Parity Bonds. The balance of each Debt Service Reserve Account shall be maintained at an amount equal to the Debt Service Reserve Requirement for such related series (or such lesser amount that is required to be accumulated in each Debt Service Reserve Account upon the failure of the City to provide a substitute Reserve Account Credit Facility in certain events). There shall be transferred from the Revenue Fund on a pro rata basis (1) to each Debt Service Reserve Account the amount necessary to restore the amount of cash and securities in such Debt Service Reserve Account to an amount equal to the difference between (a) the Debt Service Reserve Requirement (or such lesser monthly amount that is required to be deposited into the Debt Service Reserve Account after the issuance of

Parity Bonds or upon the failure of the City to provide a substitute Reserve Account Credit Facility in certain events) and (b) the portion of the required balance of the Debt Service Reserve Account satisfied by means of a Reserve Account Credit Facility, and (2) to any Reserve Account Credit Facility Provider the amount necessary to reinstate any Reserve Account Credit Facility that has been drawn down. Whenever for any reason the amount in the Interest Account or the Principal Account is insufficient to pay all interest or principal falling due on the Senior Bonds within the next seven days, the City shall make up any deficiency by transfers from the Renewal and Extension Fund. Whenever, on the date that such interest or principal is due, there are insufficient moneys in the Interest Account or the Principal Account available to make such payment, the City shall, without further instructions, apply so much as may be needed of the moneys in each Debt Service Reserve Account to prevent default in the payment of such interest or principal, with priority to interest payments for each series of Senior Bonds to which such Debt Service Reserve Account relates. Whenever by reason of any such application or otherwise the amount remaining to the credit of a Debt Service Reserve Account is less than the amount then required to be in such Debt Service Reserve Account, such deficiency shall be remedied by monthly deposits from the Revenue Fund in accordance with the priority set forth in Section 4.3, to the extent funds are available in the Revenue Fund for such purpose.

The City may elect to satisfy in whole or in part the Debt Service Reserve Requirement for any Debt Service Reserve Account by means of a Reserve Account Credit Facility, subject to the following requirements: (A) the Reserve Account Credit Facility Provider must have a credit rating issued by a Rating Agency not less than the then current credit rating (taking into account pluses, minuses, and numerical gradations) on the series of Bonds for which the Reserve Account Credit Facility is being purchased; (B) the City shall not secure any obligation to the Reserve Account Credit Facility Provider by a lien equal to or superior to the lien granted to the related series of Senior Bonds; (C) each Reserve Account Credit Facility shall have a term of at least one (1) year (or, if less, the remaining term of the related series of Senior Bonds) and shall entitle the City to draw upon or demand payment and receive the amount so requested in immediately available funds on the date of such draw or demand; (D) the Reserve Account Credit Facility shall permit a drawing by the City for the full stated amount in the event (i) the Reserve Account Credit Facility expires or terminates for any reason prior to the final maturity of the related series of Senior Bonds, and (ii) the City fails to satisfy the Debt Service Reserve Requirement by the deposit to the Debt Service Reserve Account of cash, securities, a substitute Reserve Account Credit Facility, or any combination thereof, on or before the date of such expiration or termination; (E) if the credit rating issued by the Rating Agency to the Reserve Account Credit Facility Provider is withdrawn or reduced below the credit rating (taking into account pluses, minuses, and numerical gradations) issued by the Rating Agency to the Reserve Account Credit Facility Provider at the time the Reserve Account Credit Facility was purchased, the City shall provide a substitute Reserve Account Credit Facility within sixty (60) days after such rating change, and, if no substitute Reserve Account Credit Facility is obtained by such date, shall fund the Debt Service Reserve Requirement in not more than twenty-four (24) equal monthly deposits commencing not later than the first day of the month immediately succeeding the date representing the end of such sixty (60) day period; and (F) if the Reserve Account Credit Facility Provider commences any insolvency proceedings or is determined to be insolvent or fails to make payments when due on its obligations, the City shall provide a substitute Reserve Account Credit Facility within sixty (60) days thereafter, and, if no substitute Reserve Account Credit Facility is obtained by such date, shall fund the Debt Service Reserve Requirement in not

more than twenty-four (24) equal monthly deposits commencing not later than the first day of the month immediately succeeding the date representing the end of such sixty (60) day period. If the events described in either clauses (E) or (F) above occur, the City shall not relinquish the Reserve Account Credit Facility at issue until after the Debt Service Reserve Requirement is fully satisfied by the provision of cash, securities, or a substitute Reserve Account Credit Facility or any combination thereof. Any amount received from the Reserve Account Credit Facility shall be deposited directly into the Interest Account and the Principal Account, and such deposit shall constitute the application of amounts in the Debt Service Reserve Account. Repayment of any draw-down on the Reserve Account Credit Facility (other than repayments that reinstate the Reserve Account Credit Facility) and any interest or fees due the Reserve Account Credit Facility Provider under such Reserve Account Credit Facility shall be secured by a lien on the Pledged Revenues subordinate to payments into the Sinking Fund and the Rebate Fund and payments to any Financial Facility Issuer securing Senior Bonds.

Any such Reserve Account Credit Facility shall be pledged to the benefit of the owners of the series of Senior Bonds to which such Reserve Account Credit Facility relates. The City reserves the right, if it deems it necessary in order to acquire such a Reserve Account Credit Facility, to amend the Bond Ordinance without the consent of any of the owners of the Bonds in order to grant to the Reserve Account Credit Facility Provider such additional rights as it may demand, provided that such amendment shall not, in the written opinion of Bond Counsel filed with the City, impair or reduce the security granted to the owners of Senior Bonds or any of them.

Notwithstanding anything to the contrary contained in the Bond Resolution, amounts on deposit in any Debt Service Reserve Account relating to any series of Parity Bonds shall only be used to pay the principal of and interest on such series of the Parity Bonds.

Section 4.5. Renewal and Extension Fund. In addition to the deposits to be made to the Renewal and Extension Fund pursuant to Section 4.3, the City shall deposit in the Renewal and Extension Fund all termination payments received under any Hedge Agreements. All sums accumulated and retained in the Renewal and Extension Fund shall be used first to prevent default in the payment of interest on or principal of the Senior Bonds when due and then shall be applied by the City from time to time, as and when the City shall determine, to the following purposes and in the following order of priority:

4.5.1. First: To the payment of Expenses of Operation and Maintenance, to the extent moneys are not available for such purpose in the Revenue Fund;

4.5.2. Second: To the restoration of the Interest Account, the Principal Account, and the Hedge Payments Account to the respective amounts required at that time to be held therein;

4.5.3. Third: To the restoration of the Rebate Fund to the amount required at that time to be held therein;

4.5.4. Fourth: To the payment of any and all amounts that may then be due and owing to any Financial Facility Issuer securing Senior Bonds;

4.5.5. Fifth: To the restoration of each Debt Service Reserve Account (including the reinstatement of any Reserve Account Credit Facility), on a pro rata basis, to the amount required at that time to be held in each such account;

4.5.6. Sixth: To the payment of any and all amounts that may then be due and owing to any Reserve Account Credit Facility Provider;

4.5.7. Seventh: To prevent default in the payment of interest on or principal of the Subordinate Bonds when due;

4.5.8. Eighth: To the restoration of the funds and accounts relating to Subordinate Bonds to the respective amounts required at that time to be held therein;

4.5.9. Ninth: To the payment of any and all amounts that may then be due and owing under any Hedge Agreement (including termination payments, fees, expenses, and indemnity payments);

4.5.10. Tenth: To the payment of any and all governmental charges and assessments against the System or any part thereof that may then be due and owing;

4.5.11. Eleventh: To the payment of any and all amounts that may then be due and owing under any Other System Obligation;

4.5.12. Twelfth: To make acquisitions, betterments, extensions, repairs, or replacements or other capital improvements (including the purchase of equipment) to the System deemed necessary by the City (including payments under contracts with vendors, suppliers, and contractors for the foregoing purposes); and

4.5.13. Thirteenth: At the option of the City, to the acquisition of Senior Bonds by redemption or by purchase in the open market at a price not exceeding the callable price as provided and in accordance with the terms and conditions of the Bond Resolution, which Senior Bonds may be any of the Senior Bonds, prior to their respective maturities, and when so used for such purposes the moneys shall be withdrawn from the Renewal and Extension Fund and deposited into the Interest Account and the Principal Account for the Senior Bonds to be so redeemed or purchased.

Section 4.6. Deposits and Security of Funds and Accounts. All moneys in the funds and accounts established under the Bond Resolution shall be held by the City in one or more Depositories qualified for use by the City. Uninvested moneys shall, at least to the extent not guaranteed by the Federal Deposit Insurance Corporation, be secured to the fullest extent required by the laws of the State for the security of public funds.

Section 4.7. Investment of Funds and Accounts. Moneys in the funds and accounts established under the Bond Resolution shall be invested and reinvested in Permitted Investments bearing interest at the highest rates reasonably available (except to the extent that a restricted yield is required or advisable under Section 148 of the Code). Moneys in the Revenue Fund may be invested by the City in Permitted Investments maturing within 90 days from the date of purchase. Moneys in the Interest Account and the Capitalized Interest Account may be invested

by the City in Permitted Investments maturing or redeemable at the option of the holder prior to the next Interest Payment Date, but whenever prior to any Interest Payment Date the aggregate of the available moneys in such accounts exceeds the amount necessary to pay interest falling due on such Interest Payment Date, such excess may be invested in Permitted Investments maturing or redeemable at the option of the holder prior to the next following Interest Payment Date. Moneys in the Principal Account may be invested by the City in Permitted Investments maturing or redeemable at the option of the holder prior to the next Principal Maturity Date, but whenever prior to any Principal Maturity Date the aggregate of the available moneys in such account exceeds the amount necessary to pay principal falling due on such Principal Maturity Date, such excess may be invested in Permitted Investments maturing or redeemable at the option of the holder prior to the next following Principal Maturity Date. Moneys in the Hedge Payments Account may be invested by the City in Permitted Investments maturing or redeemable at the option of the holder prior to the next due date of related Hedge Payments, but whenever prior to any due date of related Hedge Payments the aggregate of the available moneys in such account exceeds the amount necessary to pay related Hedge Payments falling due on such date, such excess may be invested in Permitted Investments maturing or redeemable at the option of the holder prior to the next following due date of related Hedge Payments. Moneys in each Debt Service Reserve Account shall be invested by the City in Permitted Investments that mature or are redeemable at the option of the holder within 5 years from the date of purchase. Moneys in the Renewal and Extension Fund may be invested by the City in Permitted Investments, and on the date of purchase of each such Permitted Investment at least 65% of all Permitted Investments held in the Renewal and Extension Fund must mature or be redeemable at the option of the holder not later than 5 years from the date of such purchase. Whenever any moneys in the Debt Service Reserve Account or the Renewal and Extension Fund invested as above provided are needed for the payment of currently maturing principal of or interest on the Senior Bonds, the City shall cause such investments to be liquidated at current market prices, to produce the amount required, without further instructions, and shall cause the proceeds of such liquidation to be applied to the payment of such principal and interest.

Investment Earnings in each fund and account (except for those established pursuant to Article IX) shall be allocated as follows:

- (a) Investment Earnings from the investment of moneys of each account held in the Sinking Fund (except for the Debt Service Reserve Account) shall be retained in the account of the Sinking Fund to which such investments relate;
- (b) Investment Earnings from the investment of moneys of each account held in the Project Fund shall be retained in the account of the Project Fund to which such investments relate;
- (c) Investment Earnings from the investment of moneys in each Debt Service Reserve Account shall be retained in such Debt Service Reserve Account at all times the balance is less than the related Debt Service Reserve Requirement; thereafter and at all times the balance of each Debt Service Reserve Account is equal to or greater than the related Debt Service Reserve Requirement, such Investment Earnings shall be deposited in the Interest Account;

(d) Investment Earnings from the investment of moneys in the Rebate Fund shall be retained in the Rebate Fund;

(e) Investment Earnings from the investment of moneys in the Renewal and Extension Fund shall be retained in the Renewal and Extension Fund; and

(f) Investment Earnings from the investment of moneys in the Revenue Fund shall be retained in the Revenue Fund.

The Series Resolution authorizing the issuance of any Subordinate Bonds shall specify any maturity limitations and allocations of Investment Earnings on investments of moneys in the funds and accounts relating to such Subordinate Bonds.

Moneys in each of such funds shall be accounted for as a separate and special fund apart from all other City funds, provided that investments of moneys therein may be made in a pool of investments together with other moneys of the City so long as sufficient Permitted Investments in such pool, not allocated to other investments of contractually or legally limited duration, are available to meet the requirements of the foregoing provisions.

Section 4.8. Valuation of Investments. All investments made under the Bond Resolution shall, for purposes of the Bond Resolution, be valued at fair market value on each Interest Payment Date.

Section 4.9. Application of Excess in Sinking Fund. Whenever at the end of each Bond Year the amount of moneys in any account of the Sinking Fund exceeds the amount then currently required to be held therein, the excess shall be transferred to the Revenue Fund.

Section 4.10. Disposition of Moneys After Payment of Bonds. Any amounts remaining in any fund or account established under the Bond Resolution after payment in full of the principal of, redemption premium, if any, and interest on the Bonds (or after provision for payment thereof has been made); the fees, charges, and expenses of the Paying Agent and Bond Registrar; all amounts owing to any Financial Facility Issuer, any Reserve Account Credit Facility Provider, and any Qualified Hedge Provider; and all other amounts required to be paid under the Bond Resolution (including amounts required to be paid into the Rebate Fund), shall be promptly paid to the City.

[End of Article IV]

ARTICLE V

PARITY BONDS AND SUBORDINATE BONDS

Section 5.1. No Prior Lien Bonds nor Parity Bonds Except as Permitted in the Bond Resolution. Except as provided in Section 4.4(f) with respect to the Debt Service Reserve Account, all Senior Bonds shall have complete parity of lien on the Pledged Revenues despite the fact that any of the Senior Bonds may be delivered at an earlier date than any other of the Senior Bonds. The City may issue Parity Bonds in accordance with the Bond Resolution, and the City shall issue no other obligations of any kind or nature payable from or enjoying a lien on the Pledged Revenues or any part thereof having priority over or (except as permitted in the Bond Resolution) on a parity with the Series 2021 Bond.

Section 5.2. Refunding Bonds. Any or all of the Senior Bonds may be refunded at maturity, upon redemption in accordance with their terms, or with the consent of the owners of such Senior Bonds, and the refunding Bonds so issued shall constitute Parity Bonds, if:

5.2.1. The City shall have executed a certificate: (i) setting forth the aggregate amount of interest and principal of the Senior Bonds falling due during the then current Fiscal Year and for each subsequent Fiscal Year to and including the Fiscal Year of the last maturity of any Senior Bonds then Outstanding (A) with respect to all Senior Bonds Outstanding immediately prior to the date of authentication and delivery of such refunding Bonds and (B) with respect to all Senior Bonds to be Outstanding immediately thereafter; and (ii) demonstrating that the amount set forth for each Fiscal Year pursuant to (i)(B) above is no greater than the amount set forth for such Fiscal Year pursuant to (i)(A) above.

5.2.2. As an alternative to, and in lieu of, satisfying the requirements of Section 5.2.1, all Outstanding Senior Bonds are being refunded under arrangements that immediately result in making provision for the payment of the refunded Bonds in accordance with Article IX hereof.

5.2.3. The requirements of Section 5.3.4 and 5.3.6 are met with respect to such refunding Bonds.

Section 5.3. Parity Bonds Generally. Bonds (including refunding Bonds that do not meet the requirements of Section 5.2) may also be issued on a parity with the Series 2021 Bond pursuant to a Series Resolution, and the Bonds so issued shall constitute Parity Bonds, if all of the following conditions are satisfied:

5.3.1. Except in the case of Parity Bonds issued for refunding purposes pursuant to Section 5.2, there shall have been procured and filed with the City either:

(a) a report by an Independent Certified Public Accountant to the effect that the historical Net Operating Revenues and Investment Earnings

(excluding Investment Earnings, if any, on the Project Fund) for a period of 12 consecutive months of the most recent 18 consecutive months prior to the issuance of the proposed Parity Bonds were equal to at least 110% of the maximum annual Debt Service Requirement on all Senior Bonds that will be Outstanding immediately after the issuance of the proposed Parity Bonds, in the then current or any succeeding Fiscal Year; or

(b) (1) a report by an Independent Certified Public Accountant to the effect that the historical Net Operating Revenues and Investment Earnings (excluding Investment Earnings, if any, on the Project Fund) for a period of 12 consecutive months of the most recent 18 consecutive months prior to the issuance of the proposed Parity Bonds were equal to at least 120% of the historical Debt Service Requirement on all Senior Bonds that were Outstanding during such 12-month period; and

(2) a report by a Consultant to the effect that (A) the forecasted Net Operating Revenues and Investment Earnings (excluding Investment Earnings, if any, on the Project Fund) for the period beginning on the expected date of issuance of the proposed Parity Bonds and ending on the date of commencement of the Forecast Period are expected to equal at least 100% of the Debt Service Requirement during such period on all Senior Bonds that will be Outstanding immediately after the issuance of the proposed Parity Bonds, after taking into account amounts deposited into the Capitalized Interest Account, and (B) the forecasted Net Operating Revenues and Investment Earnings (excluding Investment Earnings, if any, on the Project Fund) for each Fiscal Year in the Forecast Period are expected to equal at least 115% of the maximum annual Debt Service Requirement on all Senior Bonds that will be Outstanding immediately after the issuance of the proposed Parity Bonds, in the then current or any succeeding Fiscal Year.

The reports by the Independent Certified Public Accountant that are required by this Section 5.3.1 may contain pro forma adjustments to historical Net Operating Revenues equal to 100% of the increased annual amount attributable to any revision in the schedule of rates, fees, and charges for the services, facilities, and commodities furnished by the System, imposed prior to the date of delivery of the proposed Parity Bonds and not fully reflected in the historical Net Operating Revenues actually received during such 12-month period. Such pro forma adjustments shall be based upon a report of a Consultant as to the amount of Operating Revenues that would have been received during such 12-month period had the new rate schedule been in effect throughout such 12-month period.

The report by the Consultant that is required by Section 5.3.1(b)(2) may not take into consideration any rate schedule to be imposed in the future, unless such rate schedule has been adopted by resolution of the Governing Body. Such rate schedule adopted by resolution may contain, however, future effective dates.

5.3.2. The City shall have received, at or before issuance of the Parity Bonds, a report from an Independent Certified Public Accountant to the effect that the payments required to be made into each account of the Sinking Fund have been made and the balance in each account of the Sinking Fund is not less than the balance required by the Bond Resolution as of the date of issuance of the proposed Parity Bonds.

5.3.3. The Series Resolution authorizing the proposed Parity Bonds must require the proceeds of such proposed Parity Bonds to be used solely to make capital improvements to the System, to fund interest on the proposed Parity Bonds, to acquire existing or proposed water or sewer utilities, to refund other obligations issued for such purposes (whether or not such refunding Bonds satisfy the requirements of Section 5.2), and to pay expenses incidental thereto and to the issuance of the proposed Parity Bonds.

5.3.4. If any Parity Bonds would bear interest at a Variable Rate, the Series Resolution under which such Parity Bonds are issued shall provide a maximum rate of interest per annum that such Parity Bonds may bear.

5.3.5. The Chief Officer shall have certified, by written certificate dated as of the date of issuance of the Parity Bonds, that the City is in compliance with all requirements of the Bond Resolution.

5.3.6. The City shall have received an opinion of Bond Counsel, dated as of the date of issuance of the Parity Bonds, to the effect that the Series Resolution and any related Supplemental Resolution authorizing the issuance of Parity Bonds have been duly adopted by the City.

Section 5.4. Subordinate Bonds. (a) Bonds may also be issued on a subordinate basis with the Series 2021 Bond pursuant to a Series Resolution, payable from moneys that would otherwise be deposited in the Renewal and Extension Fund, and the Bonds so issued shall constitute Subordinate Bonds, if all of the following conditions are satisfied:

(2) The Series Resolution authorizing the Subordinate Bonds shall provide that such Subordinate Bonds shall be junior and subordinate in lien and right of payment to all Senior Bonds Outstanding at any time.

(3) The Series Resolution authorizing the Subordinate Bonds shall establish funds and accounts for the moneys that would otherwise be deposited in the Renewal and Extension Fund, to be used to pay debt service on the Subordinate Bonds, to pay Hedge Payments under Subordinate Hedge Agreements, and to provide reserves therefor.

(4) The requirements of Section 5.3.3, 5.3.4, and 5.3.6 are met with respect to such Subordinate Bonds (as if such Bonds constituted Parity Bonds).

(b) In the event of any insolvency or bankruptcy proceedings, and any receivership, liquidation, reorganization, or other similar proceedings in connection therewith, relative to the City or to its creditors, as such, or to its property, and in the event of any proceedings for voluntary liquidation, dissolution, or other winding up of the City, whether or not involving insolvency or bankruptcy, the owners of all Senior Bonds then Outstanding and related Qualified

Hedge Providers shall be entitled to receive payment in full of all principal and interest due on all such Senior Bonds in accordance with the provisions of the Bond Resolution and related Hedge Payments in accordance with the provisions of the Senior Hedge Agreements before the owners of the Subordinate Bonds or related Qualified Hedge Providers are entitled to receive any payment from the Pledged Revenues or the amounts held in the funds and accounts created under the Bond Resolution on account of principal of, premium, if any, or interest on the Subordinate Bonds or Hedge Payments under Subordinate Hedge Agreements.

(c) In the event that any of the Subordinate Bonds are declared due and payable before their expressed maturities because of the occurrence of an event of default (under circumstances when the provisions of paragraph (b) shall not be applicable), the owners of all Senior Bonds Outstanding and related Qualified Hedge Providers at the time such Subordinate Bonds so become due and payable because of the occurrence of such an event of default shall be entitled to receive payment in full of all principal and interest on all such Senior Bonds and all Hedge Payments under related Senior Hedge Agreements before the owners of the Subordinate Bonds or related Qualified Hedge Providers are entitled to receive any accelerated payment from the Pledged Revenues or the amounts held in the funds and accounts created under the Bond Resolution of principal of, premium, if any, or interest on the Subordinate Bonds or Hedge Payments under Subordinate Hedge Agreements.

(d) If any Event of Default shall have occurred and be continuing (under circumstances when the provisions of paragraph (b) shall not be applicable), the owners of all Senior Bonds then Outstanding and related Qualified Hedge Providers shall be entitled to receive payment in full of all principal and interest then due on all such Senior Bonds and all Hedge Payments under related Senior Hedge Agreements before the owners of the Subordinate Bonds or related Qualified Hedge Providers are entitled to receive any payment from the Pledged Revenues or the amounts held in the funds and accounts created under the Bond Resolution of principal of, premium, if any, or interest on the Subordinate Bonds or Hedge Payments under Subordinate Hedge Agreements.

(e) No owner of Senior Bonds or any related Qualified Hedge Provider shall be prejudiced in its right to enforce subordination of the Subordinate Bonds and Subordinate Hedge Agreements by any act or failure to act on the part of the City.

(f) The obligations of the City to pay to the owners of the Subordinate Bonds the principal of, premium, if any, and interest thereon in accordance with their terms and to pay to related Qualified Hedge Providers Hedge Payments in accordance with the terms of the Subordinate Hedge Agreements shall be unconditional and absolute. Nothing in the Bond Resolution shall prevent the owners of the Subordinate Bonds or related Qualified Hedge Providers from exercising all remedies otherwise permitted by applicable law or under the Bond Resolution or the Subordinate Hedge Agreements upon default thereunder, subject to the rights contained in the Bond Resolution of the owners of Senior Bonds and related Qualified Hedge Providers to receive cash, property, or securities otherwise payable or deliverable to the owners of the Subordinate Bonds and related Qualified Hedge Providers, and any Series Resolution authorizing Subordinate Bonds may provide that, insofar as a trustee or paying agent for the Subordinate Bonds is concerned, the foregoing provisions shall not prevent the application by such trustee or paying agent of any moneys deposited with such trustee or paying agent for the

purpose of the payment of or on account of the principal of, premium, if any, and interest on such Subordinate Bonds and Hedge Payments under Subordinate Hedge Agreements if such trustee or paying agent did not have knowledge at the time of such application that such payment was prohibited by the foregoing provisions.

(g) Any series of Subordinate Bonds and related Subordinate Hedge Agreements may have such rank or priority with respect to any other series of Subordinate Bonds and related Subordinate Hedge Agreements as may be provided in the Series Resolution authorizing such series of Subordinate Bonds and may contain such other provisions as are not in conflict with the provisions of the Bond Resolution.

Section 5.5. Accession of Subordinate Bonds and related Subordinate Hedge Agreements to Parity Status. By proceedings authorizing Subordinate Bonds, the City may provide for the accession of such Subordinate Bonds and related Subordinate Hedge Agreements to the status of complete parity with the Senior Bonds and related Senior Hedge Agreements if, as of the date of accession, the conditions of Section 5.3.1(a) and 5.3.6 are satisfied, on a basis that includes all Outstanding Senior Bonds and such Subordinate Bonds, and if on the date of accession:

5.5.1. each Debt Service Reserve Account contains an amount equal to the related Debt Service Reserve Requirement; and

5.5.2. the Interest Account, the Principal Account, and the Hedge Payments Account contain the amounts that would have been required to be accumulated therein on the date of accession if the Subordinate Bonds had originally been issued as Parity Bonds.

Section 5.6. Adoption of Proceedings and Validation. The City shall adopt a Series Resolution authorizing the issuance of any additional Bonds and reciting that the requirements of this Article have been satisfied, and shall set forth in such proceedings, among other things, the date or dates such additional Bonds shall bear and the rate or rates of interest, interest payment date or dates, maturity date or dates, and redemption provisions with respect to such additional Bonds and any other matters applicable to such additional Bonds as the City may deem advisable.

Any such Series Resolution shall restate and reaffirm, by reference, all of the applicable terms, conditions, and provisions of the Bond Resolution not modified by the Series Resolution.

All additional Bonds, any Series Resolution providing for additional Bonds, and all proceedings relative thereto and the security therefor shall be validated as then prescribed by law.

Section 5.7. Proceedings Authorizing Additional Bonds. No Series Resolution authorizing the issuance of additional Bonds as permitted under this Article shall conflict with the terms and conditions of the Bond Resolution, except to the extent that the Series Resolution is adopted for one of the purposes set forth in Section 10.1 and complies with the provisions of Section 10.1 for the adoption of Supplemental Resolutions without the consent of Bondholders.

Section 5.8. Applicability to Additional Bonds. The provisions of the Bond Resolution shall be construed as including and being applicable to any future series of Bonds, and any such Bonds shall be treated, unless otherwise specifically stated, just as if they had been issued together with the Series 2021 Bond and pursuant to the terms of this Master Bond Resolution.

Section 5.9. Financial Facilities and Hedge Agreements. (a) In connection with the issuance of any Bonds under the Bond Resolution, the City may obtain or cause to be obtained one or more Financial Facilities providing for payment of all or a portion of the principal of, premium, if any, or interest due or to become due on such Bonds, providing for the purchase of such Bonds by the Financial Facility Issuer, or providing funds for the purchase of such Bonds by the City. In connection therewith the City shall enter into Financial Facility Agreements with such Financial Facility Issuers providing for, among other things, (i) the payment of fees and expenses to such Financial Facility Issuers for the issuance of such Financial Facilities, (ii) the terms and conditions of such Financial Facilities and the Bonds affected thereby, and (iii) the security, if any, to be provided for the issuance of such Financial Facilities. The City may secure any Financial Facility by an agreement providing for the purchase of the Bonds secured thereby with such adjustments to the rate of interest, method of determining interest, maturity, or redemption provisions as are specified by the City in the applicable Series Resolution. The City may in a Financial Facility Agreement agree to directly reimburse such Financial Facility Issuer for amounts paid under the terms of such Financial Facility, together with interest thereon; provided, however, that no Reimbursement Obligation shall be created for purposes of the Bond Resolution until amounts are paid under such Financial Facility. Any such Reimbursement Obligation shall be deemed to be a part of the Bonds to which the Financial Facility relates that gave rise to such Reimbursement Obligation, and references to principal and interest payments with respect to such Bonds shall include principal and interest (except for Additional Interest and principal amortization requirements with respect to the Reimbursement Obligation that are more accelerated than the amortization requirements for the related Bonds, without acceleration) due on the Reimbursement Obligation incurred as a result of payment of such Bonds with the Financial Facility. All other amounts payable under the Financial Facility Agreement (including any Additional Interest and principal amortization requirements with respect to the Reimbursement Obligation that are more accelerated than the amortization requirements for the related Bonds, without acceleration) shall be fully subordinate to the payment of debt service on the related class of Bonds. Any such Financial Facility shall be for the benefit of and secure such Bonds or portion thereof as specified in the applicable Series Resolution.

(b) In connection with the issuance of any Bonds or at any time thereafter so long as such Bonds remain Outstanding, the City may enter into Hedge Agreements with Qualified Hedge Providers, and no other providers, with respect to any Bonds. The City shall authorize the execution, delivery, and performance of each Hedge Agreement in a Supplemental Resolution, in which it shall designate the related Hedged Bonds. The City's obligation to pay Hedge Payments may be secured by a pledge of, and lien on, the Pledged Revenues on a parity with the lien created by Section 4.1 to secure the related Hedged Bonds, or may be subordinated in lien and right of payment to the payment of the Bonds, as determined by the City.

Section 5.10. Other Obligations. The City expressly reserves the right, at any time, to adopt one or more other bond resolutions and reserves the right, at any time, to issue any other obligations not secured by the amounts pledged under the Bond Resolution.

[End of Article V]

ARTICLE VI

GENERAL PROVISIONS

Section 6.1. Rate Covenant. The City shall continuously own, control, operate, and maintain the System in an efficient and economical manner and on a revenue producing basis and shall at all times prescribe, fix, maintain, and collect rates, fees, and other charges for the services, facilities, and commodities furnished by the System fully sufficient at all times to:

6.1.1. provide for 100% of the Expenses of Operation and Maintenance and for the accumulation in the Revenue Fund of a reasonable reserve therefor; and

6.1.2. produce Net Operating Revenues in each Fiscal Year that (together with Investment Earnings, other than Investment Earnings on the Project Fund):

(a) will equal at least 110% of the Debt Service Requirement on all Senior Bonds then Outstanding for the year of computation and 100% of the Debt Service Requirement on all Subordinate Bonds then Outstanding for the year of computation;

(b) will enable the City to make all required payments, if any, into each Debt Service Reserve Account and the Rebate Fund and to any Financial Facility Issuer, any Reserve Account Credit Facility Provider, and any Qualified Hedge Provider;

(c) will enable the City to accumulate an amount to be held in the Renewal and Extension Fund, which in the judgment of the City is adequate to meet the costs of major renewals, replacements, repairs, additions, betterments, and improvements to the System, necessary to keep the same in good operating condition or as is required by any governmental agency having jurisdiction over the System; and

(d) will remedy all deficiencies in required payments into any of the funds and accounts mentioned in the Bond Resolution from prior Fiscal Years.

If the City fails to prescribe, fix, maintain, and collect rates, fees, and other charges, or to revise such rates, fees, and other charges, in accordance with the provisions of this Section, the owners of not less than 25% in aggregate principal amount of the Senior Bonds then Outstanding, without regard to whether any Event of Default shall have occurred, may institute and prosecute in any court of competent jurisdiction an appropriate action to compel the City to prescribe, fix, maintain, or collect such rates, fees, and other charges, or to revise such rates, fees, and other charges, in accordance with the requirements of this Section.

The rates, fees, and other charges shall be classified in a reasonable manner to cover users of the services and facilities furnished by the System so that, as nearly as practicable, such rates, fees, and other charges shall be uniform in application to all users falling within any reasonable class. Except as may be provided in any agreement for water or sewer services entered into by the City and any customer prior to the effective date of this Master Bond

Resolution, no free services shall at any time be furnished from the System. All service shall be on a metered basis except public parks, fire hydrants, and fire sprinklers. All services shall be furnished in accordance with rates now or hereafter established.

Section 6.2. Maintenance of the System in Good Condition. The City covenants that it has and will continue to enforce reasonable rules and regulations governing the System and the operation thereof; that all compensation, salaries, fees, and wages paid by it in connection with the operation, maintenance, and repair of the System will be reasonable, and that no more persons will be employed by it than are necessary; that it will operate the System in an efficient and economical manner and will at all times maintain the System in good repair and in sound operating condition; that it will make all necessary repairs, renewals, and replacements to the System; and that it will comply with all valid acts, rules, regulations, orders, and directions of any legislative, executive, administrative, or judicial body applicable to the System and the City's operation thereof.

Section 6.3. Insurance. With respect to the System, the City will carry adequate public liability, fidelity, and property insurance, such as is maintained by similar utilities as the System, including but not limited to the following:

(a) comprehensive general liability insurance on an occurrence or claims made basis with limits of at least \$1,000,000 per occurrence; and

(b) the following properties will at all times be insured to the full insurable value thereof with a responsible insurance company or companies, authorized and qualified under the laws of the State to assume the risks thereof against loss or damage from the following causes: (i) all buildings and all machinery and equipment therein against loss or damage by fire, lightning, tornado, winds, and explosions; and (ii) all other property against loss or damage by fire or lightning if the same is not fireproof, and against loss or damage from other causes customarily insured against by similar utilities of like size; and

(c) fidelity bonds or policies covering all agents, employees, and officials of the City whose duties involve the receipt, custody, investment, or disbursement of Operating Revenues, Investment Earnings, Hedge Receipts, or other Pledged Revenues, including proceeds from the sale of Bonds, in an amount not less than the greatest amount reasonably anticipated to be within the custody or control of such officer, agent, or employee at one time.

The City shall indemnify itself against the usual hazards incident to the construction of any Project, and without in any way limiting the generality of the above, shall: (a) require each construction contractor and each subcontractor to furnish a bond, or bonds, of such type and in amounts adequate to assure the faithful performance of their contracts and the payment of all bills and claims for labor and material arising by virtue of such contracts; and (b) require each construction contractor or the subcontractor to maintain at all times until the completion and acceptance of the Project adequate compensation insurance for all of their employees and adequate public liability and property damage insurance for the full and complete protection of the City from any and all claims of every kind and character that may arise by virtue of the

operations under their contracts, whether such operations be by themselves or by anyone directly or indirectly for them, or under their control.

All such policies shall be for the benefit of and made payable to the City and shall be on deposit with the City; provided, however, the City may elect to be a self-insurer with respect to any risks for which insurance is required under this Section 6.3. The cost of such insurance may be paid as an Expense of Operation and Maintenance.

All moneys received for losses under any such insurance policies, except public liability policies, are hereby pledged by the City as security for the Bonds until and unless such proceeds are paid out in making good the loss or damage in respect of which such proceeds are received, either by repairing the property damaged or replacing the property destroyed or by depositing the same in the Renewal and Extension Fund. Adequate provision for making good such loss and damage shall be made within 120 days from the date of the loss. Insurance proceeds not used in making such provision shall be deposited in the Renewal and Extension Fund on the expiration of such 120-day period. Such insurance proceeds shall be payable to the City by appropriate clause to be attached to or inserted in the policies.

Section 6.4. No Sale, Lease, or Encumbrance; Exceptions. Except as expressly permitted in the Bond Resolution, the City irrevocably covenants, binds, and obligates itself not to sell, lease, encumber, or in any manner dispose of the System as a whole or in part until all of the Bonds and all interest thereon shall have been paid in full or provision for payment has been made in accordance with Article IX.

The City shall have and hereby reserves the right to sell, lease, or otherwise dispose of any of the property comprising a part of the System in the following manner, if any one of the following conditions exists: (i) such property is not necessary for the operation of the System, (ii) such property is not useful in the operation of the System, (iii) such property is not profitable in the operation of the System, or (iv) the disposition of such property will be advantageous to the System and will not adversely affect the security for the Bondholders. All proceeds of any such sale shall be deposited in the Renewal and Extension Fund.

In addition, the City reserves the right to sell any portion of the System not exceeding 10% of Book Value to any political subdivision or authority or agency of one or more political subdivisions of the State, provided that there shall be first filed with the City: (i) an opinion of Bond Counsel to the effect that such sale will not adversely affect the extent to which interest on any Tax-Exempt Bonds is excluded from gross income for federal income tax purposes; and (ii) an opinion of a Consultant expressing the view that such sale will not result in any diminution of Net Operating Revenues to the extent that in any future Fiscal Year the Net Operating Revenues and Investment Earnings will be less than 125% of the maximum annual Debt Service Requirement on all Senior Bonds to be Outstanding after such sale, in the then current or any succeeding Fiscal Year. In reaching this conclusion, the Consultant shall take into consideration such factors as the Consultant may deem significant, including (i) anticipated diminution of Operating Revenues, (ii) anticipated increase or decrease in Expenses of Operation and Maintenance attributable to the sale, and (iii) reduction in the annual Debt Service Requirement attributable to the application of the sale proceeds to the provision for payment of Bonds theretofore Outstanding. Such sale may include a partial interest in a water or sewer facility

owned or to be owned in whole or in part by the City. All proceeds of any such sale shall be deposited in the Renewal and Extension Fund.

The City reserves the right to transfer the System as a whole to any political subdivision or authority or agency of one or more political subdivisions of the State to which may be delegated the legal authority to own and operate the System, or any portion thereof, on behalf of the public, and which undertakes in writing, filed with the City, the City's obligations under the Bond Resolution, provided that there shall be first filed with the City: (i) an opinion of Bond Counsel to the effect that such transfer will not adversely affect the extent to which interest on any Tax-Exempt Bonds is excluded from gross income for federal income tax purposes, and (ii) an opinion of a Consultant expressing the view that such transfer will not result in any diminution of Net Operating Revenues to the extent that in any future Fiscal Year the Net Operating Revenues and Investment Earnings will be less than 125% of the maximum annual Debt Service Requirement on all Senior Bonds to be Outstanding after such transfer, in the then current or any succeeding Fiscal Year. In reaching this conclusion, the Consultant shall take into consideration such factors as the Consultant may deem significant, including any rate schedule to be imposed by the transferee political subdivision, authority, or agency.

Section 6.5. Books, Records, and Accounts. The City shall, after the close of each Fiscal Year, cause the books, records, and accounts of the System to be properly audited by an Independent Certified Public Accountant and shall require such Independent Certified Public Accountant to complete its report within 270 days after the close of the Fiscal Year. The audit report shall cover, but shall not be limited to, a balance sheet, an income statement, a cash flow statement, and any other statement required by law or accounting convention, and a report by such Independent Certified Public Accountant disclosing any material financial default on the part of the City in the performance of any covenant in the Bond Resolution. A copy of such annual audit report shall be made available to any Bondholder, Financial Facility Issuer, Qualified Hedge Provider, or Reserve Account Credit Facility Provider on request.

Section 6.6. Rights of Inspection. The owner or owners of \$1,000,000 or more in aggregate principal amount of Bonds, any Institutional Bondholder, any Financial Facility Issuer, any Qualified Hedge Provider, or any Reserve Account Credit Facility Provider shall have the right at all reasonable times to inspect the System and all records, accounts, and data of the City relating thereto. Upon request the City will furnish to such persons such financial statements and other available information relating to the City and the System as such persons may from time to time reasonably require.

Section 6.7. Employees' Salaries. No part of the salary of any City employee shall be charged against the Operating Revenues unless, and only to the extent that, the duties and performance of such employee pertain to the operation of the System.

Section 6.8. No Impairment of Rights. The City shall not enter into any contract or contracts, nor take any action, the results of which might materially impair the rights of any Bondholders.

Section 6.9. Satisfaction of Liens. The City will from time to time duly pay and discharge or cause to be paid and discharged all taxes, assessments, and other governmental

charges, if any, lawfully imposed upon the System or any part thereof or upon the Pledged Revenues, as well as any lawful claims for labor, materials, or supplies that if unpaid might by law become a lien or charge upon the System or the Pledged Revenues or any part thereof or that might impair the security of the Bonds, except when the City in good faith contests its liability to pay the same.

Section 6.10. Compulsory Sewer Connections. In consideration of the purchase of the Bonds and in order better to secure the prompt payment of principal and interest thereon, as well as for the purpose of protecting the health and welfare of the inhabitants of the area served by the City, and acting under authority of the general laws of the State, the City will, to the extent permitted by law, and to the extent not prevented by physical impediments, require every owner of each lot and parcel of land in the jurisdiction that is served by the City and that abuts upon any street or public way containing a sewage line forming a part of the System and upon which lot a building shall subsequently be constructed for residential, commercial, or industrial use, to connect such building to such sewage line and to refrain from using any other method for the disposal of sewage.

Section 6.11. Enforcement of Charges and Connections. The City shall compel the prompt payment of rates, fees, and charges imposed for service rendered on every lot or parcel connected with the System, and to that end will vigorously enforce all of the provisions of any resolution or ordinance of the City having to do with water and sewer connections and with water and sewer charges, and all of the rights and remedies permitted the City under law. The City by this Section expressly covenants and agrees that such charges will be enforced and promptly collected to the full extent permitted by law, including the requirement for the making of reasonable deposits by customers of the System to the extent required by the City and the securing of injunctions against the disposal of sewage or industrial waste into the System by any premises delinquent in the payment of such charges.

Section 6.12. Disconnection of Water for Non-Payment. The City shall diligently enforce payment of all bills for services supplied by the System. If a bill becomes delinquent and remains so for a period to be determined in accordance with City policy from time to time, the City will discontinue water service in accordance with State law to any premises the owner or occupant of which shall be so delinquent, and will not recommence such service to such premises until all delinquent charges with penalties shall have been paid in full or provisions for such payment satisfactory to the City shall have been made. The City will do all things and exercise all remedies reasonably available to assure the prompt payment of charges for all services supplied by the System.

Section 6.13. Payments. All payments falling due on the Bonds for principal and interest shall be made by the City from the Pledged Revenues or, at the City's option, other legally available revenues to the owners thereof when due in full, and all reasonable and authorized charges made by the Bond Registrar and any Paying Agent shall be paid by the City when due.

Section 6.14. No Loss of Lien on Revenues. The City shall not do, or omit to do, or permit to be done or to be omitted any matter or thing whatsoever whereby the lien of the Bond Resolution on the Pledged Revenues or any part thereof might or could be lost or impaired.

Section 6.15. Annual Budget. The City agrees to adopt an Annual Budget for the System for each Fiscal Year in compliance with the rate covenants as stated in Section 6.1.

Section 6.16. Tax Provisions. The City recognizes that the purchasers and owners of Tax-Exempt Bonds will have accepted the Tax-Exempt Bonds on, and paid for the Tax-Exempt Bonds a price that reflects, the understanding that interest on such Tax-Exempt Bonds is not included in the gross income of the owners for federal income tax purposes under laws in force at the time the Tax-Exempt Bonds shall have been delivered.

The City shall take any and all action that may be required from time to time in order to assure that interest on the Tax-Exempt Bonds shall remain excludable from the gross income of the owners of the Tax-Exempt Bonds for federal income tax purposes and shall refrain from taking any action that would adversely affect such status.

Prior to or contemporaneously with delivery of each series of Tax-Exempt Bonds, the Chief Officer and the Attesting Officer shall execute a Certificate as to Arbitrage Matters on behalf of the City respecting the investment of the proceeds of such series of Tax-Exempt Bonds. Such certificate shall be a representation and certification of the City, and an executed copy thereof shall be delivered to the Bond Registrar or the registered owner of any Institutional Bonds. The City shall not knowingly invest or participate in the investment of any moneys held under the Bond Resolution if such investment would cause interest on any Tax-Exempt Bonds to become included in gross income for federal income tax purposes.

The Chief Officer or the Attesting Officer may also execute and deliver, on behalf of the City: (i) such agreements, filings, and other writings as may be necessary or desirable to cause or bind the City to comply with any requirements for rebate under Section 148(f) of the Code, or (ii) such certificate or other writing as may be necessary or desirable to qualify for exemption from such rebate requirements.

The City shall calculate, from time to time, as required in order to comply with the provisions of Section 148(f) of the Code, the amounts required to be rebated (including penalties) to the United States and shall deposit or cause to be deposited into the Rebate Fund any and all of such amounts promptly following a determination of any such amount.

The City shall direct the Depository of the Rebate Fund to keep all moneys held therein invested in Permitted Investments. To the extent and at the times required in order to comply with Section 148(f) of the Code, the City may withdraw funds from the Rebate Fund for the purpose of making rebate payments (including penalties) to the United States as required by Section 148(f) of the Code. Except as otherwise specifically provided in this Section, moneys in the Rebate Fund may not be withdrawn from the Rebate Fund for any other purpose.

All earnings on investments held in the Rebate Fund shall be retained in the Rebate Fund and shall become part of the Rebate Fund. Moneys held in the Rebate Fund, including the investment earnings thereon, if any, shall not be subject to a pledge in favor of the owners of the Bonds under the Bond Resolution and may not be used to pay amounts due on the Bonds or under any Financial Facility Agreements or Hedge Agreements or amounts required for the operation, maintenance, enlargement, or extension of the System.

The City shall have the right to create special accounts, from time to time, in the Rebate Fund as it may deem desirable.

If the City shall deliver to the Depository of the Rebate Fund a certificate, signed by an officer of the City, certifying that the City has filed all reports required to be filed with the United States pursuant to Section 148(f) of the Code and has made all payments required to be made to the United States pursuant to Section 148(f) of the Code, then the Depository of the Rebate Fund shall transfer to, or upon the order of, the City all moneys or investments remaining in the Rebate Fund, and such moneys and investments may be used by the City for any lawful purpose.

The City may employ any rebate analyst or other expert to perform any of the City's duties with respect to the Rebate Fund, other than payment of moneys into the Rebate Fund.

The City hereby covenants and agrees that it will not use or permit any use of the proceeds of the sale of any Tax-Exempt Bonds, or any other moneys arising out of the ownership or operation of the System or otherwise, or use or permit the use of any of the facilities being financed or refinanced thereby or any other portion of the System, which would cause any Tax-Exempt Bonds or any portion thereof to be "private activity bonds" within the meaning of Section 141 of the Code.

The City hereby designates the Series 2021 Bond as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Code and covenants that the Series 2021 Bond does not constitute "private activity bonds," as defined in Section 141 of the Code, and that not more than \$10,000,000 in aggregate principal amount of obligations the interest on which is excludable from gross income for federal income tax purposes (excluding, however, private activity bonds, as defined in Section 141 of the Code, other than qualified 501(c)(3) bonds, as defined in Section 145 of the Code), including the Series 2021 Bond, shall be issued by the City, including all subordinate entities of the City and all entities that issue obligations on behalf of the City, during the calendar year 2021.

The covenants, certifications, representations, and warranties contained in this Section shall survive payment in full or provision for payment in full of the Tax-Exempt Bonds.

Section 6.17. Payments to City Must be in Money. The City shall require all payments to be made to the City as water and sewer service charges to be made in lawful moneys of the United States of America.

[End of Article VI]

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

Section 7.1. Definition of Events of Default. An "Event of Default" shall mean the occurrence of any one or more of the following:

7.1.1. failure to pay the principal or redemption price of any Senior Bond when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise; or

7.1.2. failure to pay any installment of interest on any Senior Bond when and as such installment of interest shall become due and payable; or

7.1.3. default shall be made by the City in the performance of any obligation in respect to any Debt Service Reserve Account and such default shall continue for 30 days thereafter; or

7.1.4. the City shall (1) admit in writing its inability to pay its debts generally as they become due, (2) file a petition in bankruptcy or take advantage of any insolvency act, (3) make an assignment for the benefit of its creditors, (4) consent to the appointment of a receiver of itself or of the whole or any substantial part of its property, or (5) be adjudicated a bankrupt; or

7.1.5. a court of competent jurisdiction shall enter an order, judgment, or decree appointing a receiver of the System or any of the funds or accounts established in Article IV or Article XII, or of the whole or any substantial part of the City's property, or approving a petition seeking reorganization of the City under the federal bankruptcy laws or any other applicable law or statute of the United States of America or the State, and such order, judgment, or decree shall not be vacated or set aside or stayed within 60 days from the date of the entry thereof; or

7.1.6. under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of any of the funds or accounts established in Article IV or Article XII, or of the City or of the whole or any substantial part of the City's property, and such custody or control shall not be terminated or stayed within 60 days from the date of assumption of such custody or control; or

7.1.7. the City shall fail to perform any of the other covenants, conditions, agreements, and provisions contained in the Senior Bonds or in the Bond Resolution on the part of the City to be performed, and such failure shall continue for 90 days after written notice specifying such failure and requiring it to be remedied shall have been given to the City by the owners of not less than, or a Credit Facility Issuer securing not less than, 25% in aggregate principal amount of the Senior Bonds; provided, however, if the failure stated in such notice can be corrected, but not within such 90 day period, the City shall have 180 days after such written notice to cure such default if corrective action is instituted by the City within such 90 day period and diligently pursued until the failure is corrected; or

7.1.8. an Event of Default under any Series Resolution relating to Senior Bonds shall occur; or

7.1.9. failure by any Liquidity Facility Issuer to pay the purchase price of Senior Bonds under any Liquidity Facility then in effect; or

7.1.10. delivery to the City by a Credit Facility Issuer of written notice stating that an "Event of Default" has occurred under any Credit Facility Agreement relating to Senior Bonds; or

7.1.11. delivery to the City by a Qualified Hedge Provider of written notice stating that an "Event of Default" has occurred under any Senior Hedge Agreement.

Section 7.2. Remedies. (a) Upon the happening and continuance of any Event of Default specified in Section 7.1 (except in Section 7.1.9, 7.1.10, and 7.1.11), then and in every such case, upon the written declaration of the owners of more than 50% in aggregate principal amount of all Senior Bonds then Outstanding or upon the written demand of a Credit Facility Issuer securing more than 50% in aggregate principal amount of the Senior Bonds then Outstanding, the principal of all Senior Bonds then Outstanding shall become due and payable immediately, together with the interest accrued thereon to the date of such acceleration, at the place of payment provided therein, and interest on the Senior Bonds shall cease to accrue after the date of such acceleration, anything in the Bond Resolution or in the Senior Bonds to the contrary notwithstanding.

Upon any declaration of acceleration under the Bond Resolution, the City shall immediately draw under the applicable Credit Facility to the extent permitted by the terms thereof that amount which, together with other amounts on deposit under the Bond Resolution, shall be sufficient to pay the principal of and accrued interest on the related Senior Bonds so accelerated.

The above provisions, however, are subject to the condition that if, after the principal of the Senior Bonds shall have been so accelerated, all arrears of interest upon such Bonds, and interest on overdue installments of interest at the rate on such Bonds, shall have been paid by the City, the principal of such Bonds that has matured (except the principal of any Bonds not then due by their terms except as provided above) has been paid, and the City shall also have performed all other things in respect to which it may have been in default under the Bond Resolution, and the Credit Facility Issuer shall have reinstated the Credit Facility in the full amount available to be drawn thereunder by written notice to the City, then, in every such case, the owners of more than 50% in aggregate principal amount of all Senior Bonds then Outstanding by written notice to the City, may waive such default and its consequences and such waiver shall be binding upon the City and upon all owners of the Bonds; but no such waiver shall extend to or affect any subsequent default or impair any right or remedy consequent thereon. Notwithstanding the foregoing, as long as the applicable Credit Facility Issuer shall not then continue to dishonor draws under the Credit Facility, no Event of Default with respect to the related Senior Bonds may be waived without the express written consent of such Credit Facility Issuer.

(b) Upon the happening and continuance of any Event of Default, any owner of Senior Bonds then Outstanding affected by the Event of Default or a duly authorized agent for such owner may proceed to protect and enforce its rights and the rights of the owners of Senior Bonds by such of the following remedies as it shall deem most effectual to protect and enforce such rights:

(1) by mandamus or other suit, action, or proceeding at law or in equity, enforce all rights of the owners of Senior Bonds, including the right to require the appointment of a receiver for the System or to exercise any other right or remedy provided by the Revenue Bond Law and to require the City to perform any other covenant or agreement contained in the Bond Resolution and to perform its duties under the Revenue Bond Law;

(2) by bringing suit upon the Senior Bonds;

(3) by action or suit in equity, require the City to account as if it were the trustee of an express trust for the owners of the Senior Bonds;

(4) by action or suit in equity, enjoin any acts or things that may be unlawful or in violation of the rights of the owners of the Senior Bonds; or

(5) by pursuing any other available remedy at law or in equity or by statute.

In the enforcement of any remedy under the Bond Resolution, owners of Senior Bonds shall be entitled to sue for, enforce payment on, and receive any and all amounts then or during any default becoming, and at any time remaining, due from the City for principal, redemption premium, interest, or otherwise, under any provision of the Bond Resolution or of the Senior Bonds, and unpaid, with interest on overdue payments at the rate or rates of interest specified in such Senior Bonds, together with any and all costs and expenses of collection and of all proceedings under the Bond Resolution and under such Senior Bonds, without prejudice to any other right or remedy of the owners of Senior Bonds, and to recover and enforce a judgment or decree against the City for any portion of such amounts remaining unpaid, with interest, costs, and expenses, and to collect from any moneys available for such purpose, in any manner provided by law, the moneys adjudged or decreed to be payable.

Section 7.3. Remedies Cumulative. No remedy conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Bond Resolution or now or hereafter existing at law or in equity or by statute.

Section 7.4. Waiver of Default. No delay or omission of any Bondholder 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 an acquiescence therein, and every power and remedy given by the Bond Resolution to the Bondholders may be exercised from time to time and as often as may be deemed expedient.

Section 7.5. Application of Moneys After Default. If an Event of Default occurs and shall not have been remedied, the City or a receiver appointed for the purpose shall apply all Pledged Revenues as follows and in the following order of priority:

7.5.1. Expenses of Receiver and Paying Agent and Bond Registrar - to the payment of the reasonable and proper charges, expenses, and liabilities of the receiver and the Paying Agent and Bond Registrar under the Bond Resolution and to the payment of any and all costs and expenses of collection and of all proceedings under the Bond Resolution and Senior Bonds;

7.5.2. Expenses of Operation and Maintenance and Renewals and Replacements - to the payment of all reasonable and necessary Expenses of Operation and Maintenance and major renewals and replacements to the System;

7.5.3. Principal or Redemption Price, Interest, and Hedge Payments - to the payment of the interest and principal or redemption price then due on the Senior Bonds and Hedge Payments then due under Senior Hedge Agreements, as follows:

(a) Unless the principal of all the Senior Bonds shall have become due and payable, all such moneys shall be applied as follows:

First: to the payment to the persons entitled thereto of all installments of interest then due on the Senior Bonds, in the order of the maturity of such installments (with interest on defaulted installments of interest at the rate or rates borne by the Senior Bonds with respect to which such interest is due, but only to the extent permitted by law), and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference. As to any Compound Interest Bond that is a Senior Bond, such interest shall accrue on the Accreted Value of such Bond and be set aside on a daily basis until the next compounding date for such Bonds, whereupon it shall be paid to the owner of such Bond as interest on a defaulted obligation and only the unpaid portion of such interest (if any) shall be treated as principal of such Bond.

Second: to the payment of the Hedge Payments due under any Senior Hedge Agreements pursuant to their terms.

Third: to the payment to the persons entitled thereto of the unpaid principal of any of the Senior Bonds that shall have become due at maturity or upon mandatory redemption prior to maturity (other than Senior Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of Article IX), in the order of their due dates, with interest upon such Senior Bonds from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full Senior Bonds

due on any particular date, together with such interest, then to the payment first of such interest, ratably according to the amount of such interest due on such date, and then to the payment of such principal, ratably according to the amount of such principal due on such date, to the persons entitled thereto without any discrimination or preference. The Accreted Value of a Compound Interest Bond that is a Senior Bond (except for interest that shall have been paid under paragraph first) shall be treated as principal for purposes of this paragraph third.

Fourth: to the payment of the redemption premium on and the principal of any Senior Bonds called for optional redemption pursuant to their terms.

(b) If the principal of all the Senior Bonds shall have become due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Senior Bonds, with interest thereon as aforesaid, and due and unpaid Hedge Payments under Senior Hedge Agreements, without preference or priority of principal over interest or Hedge Payments or of interest over principal or Hedge Payments, or of Hedge Payments over principal or interest, or of any installment of interest over any other installment of interest, or of any Senior Bond over any other Senior Bonds, or of any such Hedge Payment over any other such Hedge Payment, ratably, according to the amounts due respectively for principal, interest, and Hedge Payments, to the persons entitled thereto without any discrimination or preference.

Section 7.6. Rights of Credit Facility Issuer. Notwithstanding any other provision of the Bond Resolution, in the event that the City shall draw under a Credit Facility any amount for the payment of principal of or interest on any Bonds, then upon such payment the related Credit Facility Issuer shall succeed to and become subrogated to the rights of the recipients of such payments and such principal or interest shall be deemed to continue to be unpaid and Outstanding for all purposes and shall continue to be fully secured by the Bond Resolution until the Credit Facility Issuer, as successor and subrogee, has been paid all amounts owing in respect of such subrogated payments of principal and interest. Such rights shall be limited and evidenced by having the City note the Credit Facility Issuer's rights as successor and subrogee on its records, and the City shall, upon request, deliver to the Credit Facility Issuer (i) in the case of interest on the Bonds, an acknowledgment of the Credit Facility Issuer's ownership of interest to be paid on the Bonds specifying the amount of interest owed, the period represented by such interest, and the numbers of the Bonds on which such interest is owed and (ii) in the case of principal of the Bonds, either the Bonds themselves duly assigned to the Credit Facility Issuer or new Bonds registered in the name of the Credit Facility Issuer or in such other name as the Credit Facility Issuer shall specify. Whenever moneys become available for the payment of any interest then overdue, the Credit Facility Issuer shall be treated as to interest owed to it as successor and subrogee as if it had been the Bondholder of the Bonds on which such interest is payable on any special record date therefor.

[End of Article VII]

ARTICLE VIII

BOND OWNERSHIP

Section 8.1. Manner of Evidencing Ownership of Bonds. Any request, direction, or other instrument required by the Bond Resolution to be signed or executed by Bondholders may be in any number of counterparts or writings of similar tenor and may be signed or executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such request, direction, or other instrument, or of the writing appointing such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any purpose of the Bond Resolution.

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 the laws thereof, has power to take acknowledgments within such jurisdiction, to the effect that the person signing such writing acknowledged before him the execution thereof, or by an affidavit of a witness to such execution; provided that the execution of the form of assignment on the back of each Bond (other than Institutional Bonds) may be guaranteed only by an eligible guarantor institution (such as banks, stockbrokers, savings and loan associations, and credit unions) with membership in an approved Signature Guarantee Medallion Program pursuant to S.E.C. Rule 17Ad-15. The fact of ownership of the Bonds by any Bondholder, the amount and issue numbers of such Bonds, and the date of ownership shall be proved by the Bond Register.

Section 8.2. Call of Meetings of Bondholders. The City or the owners of not less than 25% in aggregate principal amount of the Bonds of either the senior class or the subordinate class may at any time call a meeting of the Bondholders for any one or more of the following purposes:

- (a) to consent to, approve, request, or direct any action required to be consented to or approved by the Bondholders of the affected class under the Bond Resolution or which they may request or direct under the Bond Resolution to be taken;
- (b) to give any notices to the City;
- (c) to take any other action that the Bondholders of the affected class may take under the Bond Resolution; and
- (d) for any other purpose concerning the payment, security, or enforcement of the Bonds of the affected class.

Any such meeting shall be held at such place in the City of Atlanta, Georgia, or in the City of New York, New York, as may be specified in the notice calling such meeting. Written notice of such meeting, stating the place and time of the meeting and in general terms the business to be submitted, shall be mailed by the City or the Bondholders calling such meeting to the Bondholders of the affected class at their addresses then appearing upon the Bond Register not less than 30 days nor more than 60 days before such meeting. The mailing of such notice shall not, however, be a condition precedent to the validity of any action taken at any such meeting. Any meeting of Bondholders shall be valid without notice if the Bondholders of the

affected class are present in person or by proxy or if notice is waived in writing before or within 30 days after the meeting by the Bondholders of the affected class not so present.

Section 8.3. Proxies and Proof of Ownership of Bonds. Attendance and voting by Bondholders at such meetings may be in person or by proxy. The Bondholders may, by an instrument in writing, appoint any person or persons, with full power of substitution, as their proxy to vote at any meeting for them. The right of a proxy for a Bondholder to attend a meeting and act and vote may be proved (subject to the right of the City to require additional proof) by a written instrument executed by such Bondholder.

Any registered owner of Bonds of the affected class shall be entitled in person or by proxy to attend and vote at such meeting without producing the Bonds registered in such Bondholder's name; provided, however, that such persons and their proxies shall, if required, produce such proof of personal identity as shall be satisfactory to the secretary of the meeting. All other persons seeking to attend or vote at such meeting must produce the Bonds claimed to be owned or represented at such meeting.

The vote of any Bondholder shall be binding upon such Bondholder and upon every subsequent owner of such Bond (whether or not such subsequent Bondholder has notice of that vote).

Section 8.4. Appointment of Officers at Meeting of Bondholders. A chairman and a secretary of any meeting of the Bondholders shall be elected by the Bondholders of the affected class, by a majority in principal amount of the Bonds of the affected class represented at such meeting in person or by proxy. The chairman shall appoint two (2) inspectors of votes who shall count all votes cast at such meeting, except votes on the election of chairman and secretary, and who shall make and file with the secretary and with the City their verified report of all such votes cast at the meeting.

Section 8.5. Quorum at Meetings of Bondholders. The owners of not less than the principal amount of the Bonds of the affected class required for any action to be taken at such meeting must be present at such meeting in person or by proxy in order to constitute a quorum for the transaction of business.

Section 8.6. Meetings. Meetings shall be conducted in accordance with rules, regulations, orders, and procedures established by the chairman of the meeting.

[End of Article VIII]

ARTICLE IX

DEFEASANCE

Section 9.1. Provision for Payment. Bonds for the payment or redemption of which sufficient moneys or sufficient Government Obligations shall have been deposited with the Paying Agent or the Depository of the Sinking Fund (whether upon or prior to the maturity or the redemption date of such Bonds) shall be deemed to be paid and no longer Outstanding under the Bond Resolution; provided, however, that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been duly given as provided in Article III or firm and irrevocable arrangements shall have been made for the giving of such notice. Government Obligations shall be considered sufficient for purposes of this Article IX only: (i) if such Government Obligations are not callable by the issuer of the Government Obligations prior to their stated maturity, and (ii) if such Government Obligations fall due and bear interest in such amounts and at such times as will assure sufficient cash (whether or not such Government Obligations are redeemed by the City pursuant to any right of redemption) to pay currently maturing interest and to pay principal and redemption premiums, if any, when due on the Bonds without rendering the interest on any Tax-Exempt Bonds includable in gross income of any owner thereof for federal income tax purposes.

The City may at any time surrender to the Bond Registrar for cancellation by it any Bonds previously authenticated and delivered under the Bond Resolution, which the City may have acquired in any manner whatsoever. All such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

[End of Article IX]

ARTICLE X

SUPPLEMENTAL RESOLUTIONS

Section 10.1. Supplemental Resolutions Not Requiring Consent of Bondholders.

The City, from time to time and at any time, subject to the conditions and restrictions in the Bond Resolution, may adopt one or more Supplemental Resolutions, which thereafter shall form a part of the Bond Resolution, for any one or more or all of the following purposes:

10.1.1. To add to the covenants and agreements of the City in the Bond Resolution other covenants and agreements thereafter to be observed or to surrender, restrict, or limit any right or power reserved in the Bond Resolution to or conferred upon the City (including but not limited to the right to issue Parity Bonds);

10.1.2. To make such provisions for the purpose of curing any ambiguity, or of curing, correcting, or supplementing any defective provision contained in the Bond Resolution, or in regard to matters or questions arising under the Bond Resolution, as the City may deem necessary or desirable and not inconsistent with the Bond Resolution;

10.1.3. To grant to or confer any additional rights, remedies, powers, or authorities that may be lawfully granted to or conferred upon the owners of the Bonds;

10.1.4. To subject to the lien and pledge of the Bond Resolution additional revenues, receipts, properties, or other collateral;

10.1.5. To evidence the appointment of successors to any Depositories, Paying Agent(s), or Bond Registrar(s);

10.1.6. To modify, amend, or supplement the Bond Resolution in such manner as to permit the qualification of the Bond Resolution under the Trust Indenture Act of 1939 or any federal statute hereafter in effect, and similarly to add to the Bond Resolution such other terms, conditions, and provisions as may be permitted or required by such Trust Indenture Act of 1939 or any similar federal statute;

10.1.7. To make any modification or amendment of the Bond Resolution required in order to make any Bonds eligible for acceptance by The Depository Trust Company or any similar holding institution or to permit the issuance of any Bonds or interests therein in book-entry form;

10.1.8. To modify any of the provisions of the Bond Resolution in any respect if such modification shall not become effective until after the Bonds Outstanding immediately prior to the effective date of such Supplemental Resolution shall cease to be Outstanding and if any Bonds issued contemporaneously with or after the effective date of such Supplemental Resolution shall contain a specific reference to the modifications contained in such subsequent proceedings;

10.1.9. Subject to the provisions of Article XII, to modify the provisions of the Bond Resolution with respect to the disposition of any moneys remaining in the Project Fund upon the completion of any Project;

10.1.10. To modify the Bond Resolution to permit the qualification of any Bonds for offer or sale under the securities laws of any state in the United States of America;

10.1.11. To modify the Bond Resolution to provide for the issuance of Parity Bonds or Subordinate Bonds, and such modification may deal with any subjects and make any provisions that the City deems necessary or desirable for that purpose;

10.1.12. To make such modifications in the provisions of the Bond Resolution as may be deemed necessary by the City to accommodate the issuance of Bonds that (i) are Compound Interest Bonds (including, but not limited to, provisions for determining the Debt Service Requirement for such Compound Interest Bonds and for treatment of Accreted Value in making such determination) or (ii) bear interest at a Variable Rate; and

10.1.13. To modify any of the provisions of the Bond Resolution in any respect (other than a modification of the type described in Section 10.2 requiring the unanimous written consent of the Bondholders); provided that for (i) any Outstanding Bonds that are assigned a Rating and which are not secured by a Credit Facility providing for the payment of the full amount of principal and interest to be paid thereon, each Rating Agency shall have given written notification to the City that such modification will not cause the then applicable Rating on any Bonds to be reduced or withdrawn, (ii) any Outstanding Bonds that are secured by Credit Facilities providing for the payment of the full amount of the principal and interest to be paid thereon, each Credit Facility Issuer shall have consented in writing to such modification, and (iii) any Outstanding Bonds that are Institutional Bonds, each Bondholder of each such Institutional Bond shall have consented in writing to such modification.

Any Supplemental Resolution authorized by the provisions of this Section may be adopted by the City without the consent of or notice to the owners of any of the Bonds at the time Outstanding, notwithstanding any of the provisions of Section 10.2.

Any Supplemental Resolution of the City may modify the provisions of the Bond Resolution in such a manner, and to such extent and containing such provisions, as the City may deem necessary or desirable to effect any of the purposes stated above.

As used in this Section, the term "modify" shall mean "modify, amend, or supplement" and the term "modification" shall mean "modification, amendment, or supplement."

Section 10.2. Supplemental Resolutions Requiring Consent of Bondholders. With the consent (evidenced as provided in Article VIII) of the owners of not less than a majority in aggregate principal amount of the Outstanding Bonds of each class (senior and subordinate), voting separately by class, the City may from time to time and at any time adopt a Supplemental Resolution for the purpose of adding any provisions to or changing in any manner or eliminating

any of the provisions of the Bond Resolution or of any Supplemental Resolution; provided, however, that no such Supplemental Resolution shall: (1) extend the maturity date or due date of any mandatory sinking fund redemption with respect to any Bond Outstanding under the Bond Resolution; (2) reduce or extend the time for payment of principal of, redemption premium, or interest on any Bond Outstanding under the Bond Resolution; (3) reduce any premium payable upon the redemption of any Bond under the Bond Resolution or advance the date upon which any Bond may first be called for redemption prior to its stated maturity date; (4) give to any Senior Bond or Senior Bonds (or related Senior Hedge Agreements) a preference over any other Senior Bond or Senior Bonds (or related Senior Hedge Agreements); (5) permit the creation of any lien or any other encumbrance on the Pledged Revenues having a lien equal to or prior to the lien created under the Bond Resolution for the Senior Bonds; (6) reduce the percentage of owners of either class of Bonds required to approve any such Supplemental Resolution; or (7) deprive the owners of the Bonds of the right to payment of the Bonds or from the Pledged Revenues, without, in each case, the consent of the owners of all the Bonds then Outstanding. No amendment may be made under this Section that affects the rights or duties of any Financial Facility Issuer securing any of the Bonds or any Qualified Hedge Provider under any Hedge Agreement without its written consent.

If the City intends to enter into or adopt any Supplemental Resolution as described in this Section, the City shall mail, by registered or certified mail, to the registered owners of the Bonds at their addresses as shown on the Bond Register, a notice of such intention along with a description of such Supplemental Resolution not less than 30 days prior to the proposed effective date of such Supplemental Resolution. The consents of the registered owners of the Bonds need not approve the particular form of wording of the proposed Supplemental Resolution, but it shall be sufficient if such consents approve the substance thereof. Failure of the owner of any Bond to receive the notice required in the Bond Resolution shall not affect the validity of any Supplemental Resolution if the required number of owners of the Bonds of each class shall provide their written consent to such Supplemental Resolution.

Notwithstanding any provision of the Bond Resolution to the contrary, upon the issuance of a Credit Facility to secure any Bonds and for the period in which such Credit Facility is outstanding, the Credit Facility Issuer may have the consent rights of the owners of the Bonds that are secured by such Credit Facility pertaining to some or all of the amendments or modifications of the Bond Resolution, to the extent provided in the applicable Series Resolution. Notwithstanding the foregoing, if a Credit Facility Issuer is granted the consent rights of the owners of any Bonds in a Series Resolution and refuses to exercise such consent rights, either affirmatively or negatively, then the registered owners of the Bonds secured by the related Credit Facility may exercise such consent rights.

Section 10.3. Notice of Supplemental Resolutions. The City shall, or shall cause the Bond Registrar to, mail a notice by registered or certified mail to the registered owners of all Bonds Outstanding, at their addresses shown on the Bond Register or at such other address as has been furnished in writing by such registered owner to the Bond Registrar, setting forth in general terms the substance of any Supplemental Resolution that has been: (i) adopted by the City pursuant to Section 10.1 or (ii) approved by Bondholders or any Credit Facility Issuer and adopted by the City pursuant to Section 10.2.

[End of Article X]

ARTICLE XI

SALE OF SERIES 2021 BOND AND APPLICATION OF PROCEEDS

Section 11.1. Sale of Series 2021 Bond. The Series 2021 Bond shall be sold to the Bond Buyer, and each series of additional Bonds shall be sold from time to time as the City may determine by Series Resolutions. A certified copy of each Series Resolution shall be filed with the Bond Registrar.

Section 11.2. Application of Series 2021 Bond Proceeds. The City, when it agrees with the Bond Buyer, shall execute and deliver the Series 2021 Bond to the Bond Buyer and shall receive a receipt for the Series 2021 Bond. The City shall apply the proceeds from the sale of the Series 2021 Bond as follows:

11.21. The sum of \$ 2,122,190.12, or such other amount as shall be necessary, shall be applied to pay the costs of redeeming the Prior Bonds on the date of issuance and delivery of the Series 2021 Bond or as soon as practicable thereafter.

11.22. All remaining proceeds (\$120,809.88 or such other remaining amount) shall be retained by the City and applied to pay the costs of issuing of the Series 2021 Bond, and in the event any proceeds remain after such application, such excess proceeds shall be deposited into the Interest Account.

Section 11.3. Transfers from Prior Ordinance. Upon the issuance and delivery of the Series 2021 Bond, the City shall apply the amounts held in the funds and accounts under the Prior Ordinance as follows:

11.31. The sum of \$174,144.94, or such other amount as shall be necessary, held in the Sinking Fund under the Prior Ordinance shall be applied to pay the costs of redeeming the Prior Bonds on the date of issuance and delivery of the Series 2021 Bond or as soon as practicable thereafter.

11.32. All moneys held in the Renewal and Replacement Fund under the Prior Ordinance shall be deposited in the Renewal and Replacement Fund.

11.32. All moneys held in the Revenue Fund under the Prior Ordinance or held in any other fund or account under the Prior Ordinance and not otherwise applied pursuant to this Section 11.3 shall be deposited in the Revenue Fund.

Section 11.4. Redemption of Prior Bonds. (a) The City hereby exercises its rights under the Prior Ordinance to redeem all of the outstanding Prior Bonds on the date of issuance and delivery of the Series 2021 Bond at a redemption price equal to par plus accrued interest to the redemption date or as soon as practicable thereafter.

(b) To implement the City's determination to exercise its rights to redeem all of the Prior Bonds on the date of issuance and delivery of the Series 2021 Bond or as soon as practicable thereafter at a redemption price of par plus accrued interest to the redemption date, the Chief

Officer is hereby irrevocably authorized and directed on behalf of the City to comply with the procedural and notice requirements of the Prior Ordinance, or to obtain a waiver from such requirements from the owners of the Prior Bonds, in order to effect the redemption of all of the Prior Bonds on the date of issuance and delivery of the Series 2021 Bond or as soon as practicable thereafter, at a redemption price of par plus accrued interest to the redemption date.

(c) The City acknowledges and intends that, by virtue of the application of amounts specified in Section 11.21 and Section 11.31, the Prior Bonds shall be deemed to have been paid and that, consequently, the rights granted to the owners of the Prior Bonds under the Prior Ordinance (except for purposes of registration, exchange, and transfer) shall cease, determine, and become void.

[End of Article XI]

ARTICLE XII

PROJECT FUND

Section 12.1. Project Fund. The City shall establish within the Project Fund a separate account for each Project. Moneys in the Project Fund shall be held by FNB South, Folkston, Georgia, as Depository, or such other bank as may from time to time be designated by the City, and applied to the payment of the Costs of the Project, or for the repayment of advances made for that purpose in accordance with and subject to the provisions and restrictions set forth in this Article. The City covenants that it will not cause or permit to be paid from the Project Fund any sums except in accordance with such provisions and restrictions; provided, however, that any moneys in the Project Fund not presently needed for the payment of current obligations during the course of construction may be invested in Permitted Investments maturing not later than (i) the date upon which such moneys will be needed according to a schedule of anticipated payments from the Project Fund filed with the City by the engineer in charge of the Project or (ii) in the absence of such schedule, 36 months from the date of purchase, in either case upon written direction of the City. Any such investments shall be held by the Depository, in trust, for the account of the Project 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 the Depository in the Project Fund and shall be disposed of in the manner and for the purposes provided in the Bond Resolution.

Section 12.2. Purposes of Payments. Moneys in each separate account in the Project Fund shall be used for the payment or reimbursement of the Costs of the Project for which such account was established as provided in this Article XII.

Section 12.3. Documentation of Payments. All payments from the Project Fund shall be made upon draft except as provided in the Bond Resolution, signed by the officers of the City properly authorized to sign on its behalf, but before they shall sign any such draft, there shall be filed with the Depository:

12.3.1. A requisition for such payment (the above mentioned draft may be deemed a requisition for the purpose of this Section), stating each amount to be paid and the name of the person to whom payment is due.

12.3.2. A certificate executed by such officers attached to the requisition and certifying:

(a) that an obligation in the stated amount has been incurred by the City and that the same is a proper charge against the Project Fund and has not been paid and stating that the bill or statement of account for such obligation, or a copy thereof, is on file in the office of the City;

(b) that the signers have no notice of any vendor's, mechanic's, or other liens or rights to liens, chattel mortgages, or conditional sales contracts that should be satisfied or discharged before such payment is made; and

(c) that such requisition contains no item representing payment on account of any retained percentages that the City is, at the date of any such certificate, entitled to retain.

12.3.3. No requisition for payment shall be made until the City has been furnished with a proper certificate of the supervising engineer that insofar as such obligation was incurred for work, material, supplies, or equipment in connection with the undertaking, 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.

In the event the United States government or government of the State, or any department, authority, or agency of either, agrees to allocate moneys to be used to defray any part of the Cost of any Project upon the condition that the City appropriate a designated amount of moneys for such purpose, and it is required of the City that its share of such cost be deposited in a special account, the City shall have the right to withdraw any sum so required from the Project Fund by appropriate transfer and deposit the same in a special account for that particular Project; provided, however, that all payments thereafter made from such special account shall be made only in accordance with the requirements set forth in this Section.

Withdrawals for investment purposes only may be made by the Depository to comply with written directions from the City without any requisition other than such direction.

Section 12.4. Retention of Payment Documents. All requisitions and certificates required by this Article shall be retained for at least five years by the Depository subject at all times to inspection by any officer of the City and the Bondholders.

Section 12.5. Funds Remaining on Completion of Projects. The City shall, when a Project has been completed, and may, when a Project has been substantially completed, file with the Depository a certificate signed by the Chief Officer estimating what portion of the funds remaining in the separate account relating to such Project will be required by the City for the payment or reimbursement of the Costs of such Project. The Chief Officer shall attach to his certificate a certificate of the supervising engineer certifying that such Project has been completed or substantially completed, as the case may be, in accordance with the plans and specifications therefor and approving the estimates of the Chief Officer with respect to the portion of funds in the account required for Costs of the Project. Such funds that will not be used shall be (1) transferred to the Principal Account and used to redeem Bonds of the related series on the next redemption date or to pay principal of such Bonds on the next Principal Maturity Date; or (2) transferred to the Interest Account and used to pay interest on Bonds of the related series, provided that the City shall first obtain an opinion of Bond Counsel to the effect that, under existing law, the application of such moneys to pay interest on such Bonds (a) is allowed under State law, and (b) if such Bonds are Tax-Exempt Bonds, will not, by itself and without more, adversely affect the exclusion from gross income for federal income tax purposes of interest payable on such Bonds. When all moneys have been withdrawn or transferred from any separate account within the Project Fund in accordance with the provisions of this Article XII, such separate account shall terminate and cease to exist.

[End of Article XII]

ARTICLE XIII

MISCELLANEOUS PROVISIONS

Section 13.1. Severability. In case any one or more of the provisions of the Bond Resolution or of the Bonds shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of the Bond Resolution or of the Bonds, but the Bond Resolution and the Bonds shall be construed and enforced as if such illegal or invalid provision had not been contained therein. In case any covenant, stipulation, obligation, or agreement contained in the Bonds or in the Bond Resolution shall for any reason be held to be unenforceable or in violation of law, then such covenant, stipulation, obligation, or agreement shall be deemed to be the covenant, stipulation, obligation, or agreement of the City to the full extent that the power to incur such obligation or to make such covenant, stipulation, or agreement shall have been conferred on the City by law.

Section 13.2. Requests of City. Whenever any action is to be taken by the Bond Registrar or the Paying Agent at the request of the City under the Bond Resolution, if no other means of authenticating such request is required, such request shall be evidenced by a written instrument signed by the Chief Officer and Attesting Officer or by such other City official or employee (one or more) as may from time to time be designated in writing by the Chief Officer and Attesting Officer. A duly certified copy of such designation must be filed with the Bond Registrar and the Paying Agent.

Section 13.3. Validation of Series 2021 Bond. The City shall deliver a certified copy of this Master Bond Resolution with an appropriate notice signed by the Attesting Officer to the District Attorney for the Waycross Judicial Circuit accompanied by the request that the District Attorney proceed with the validation of the Series 2021 Bond.

Section 13.4. Deputy Officer May Act. Notwithstanding anything in the Bond Resolution to the contrary, any action that the Chief Officer is required, permitted, or otherwise authorized to take may be taken by the Deputy Officer, in the absence at the time or in the event of a vacancy in the office of the Chief Officer or the incapacity at the time of the Chief Officer. These actions shall include execution, delivery, or performance of any certificate, agreement, instrument, document, or other writing, including the execution of the Bonds. To this end, the Bond Resolution shall be construed so that all references to the Chief Officer may also be considered to be references to the Deputy Officer. The Attesting Officer shall determine whether the Chief Officer is absent or incapacitated or whether there is a vacancy in the office of Chief Officer such that the Deputy Officer may act under this Section, and the determination of the Attesting Officer shall be binding and conclusive.

Section 13.5. Payments Due on Saturdays, Sundays, etc. Whenever a date upon which a payment is to be made under the Bond Resolution falls on a Saturday, a Sunday, a legal holiday, or any other day on which banking institutions are authorized to be closed in the state in which the payment is to be made, such payment may be made on the next succeeding business day without interest for the intervening period.

Section 13.6. Effective Date. This Master Bond Resolution shall take effect immediately upon its adoption.

Section 13.7. Applicable Provisions of Law. The Bond Resolution shall be governed by and construed and enforced in accordance with the laws of the State.

Section 13.8. Repeal of Conflicting Resolutions. Any and all resolutions, or parts of resolutions, if any, in conflict with the Bond Resolution are hereby repealed.

Section 13.9. No Individual Responsibility of Members and Officers of City. No stipulations, obligations, or agreements of any member of the Governing Body or of any officer of the City shall be deemed to be stipulations, obligations, or agreements of any such member or officer in his or her individual capacity.

Section 13.10. Sale of Series 2021 Bond. The City shall sell the Series 2021 Bond to the Bond Buyer for the price of \$2,243,000. The Chief Officer is hereby authorized to execute and deliver, on behalf of the City, a purchase contract between the City and the Bond Buyer, providing for the sale of the Series 2021 Bond. The execution and delivery of a purchase contract by the Chief Officer shall constitute conclusive evidence of the ratification, confirmation, and approval by the City of the terms and conditions of the purchase contract.

Section 13.11. General Authorization. From and after the date of adoption of this Master Bond Resolution, the officials, employees, and agents of the City are hereby authorized to do all such acts and things and to execute and deliver any and all other documents, agreements, certificates, and instruments as may be necessary or desirable in connection with the execution, delivery, and sale of the Series 2021 Bond, the investment of the proceeds of the Series 2021 Bond, and the transactions contemplated on the part of the City by the Bond Resolution. The Chief Officer and Attesting Officer are hereby authorized and directed to prepare and furnish to the Bond Buyer, when the Series 2021 Bond is issued, certified copies of all proceedings and records of the City relating to the Series 2021 Bond or to this Master Bond Resolution, and such other affidavits and certificates as may be required to show the facts relating to the legality and marketability of the Series 2021 Bond as such facts appear from the books and records in the officers' custody and control or as otherwise known to them. All such certified copies, certificates, and affidavits, including any heretofore furnished, shall constitute representations of the City as to the truth of all statements contained therein.

Section 13.12. Waiver of Bond Audit. The City hereby approves the publication of the requisite legal notice waiving the performance audit and performance review requirements of Section 36-82-100 of the Official Code of Georgia Annotated.

Section 13.13. Bond Resolution Constitutes a Contract. The Bond Resolution constitutes a contract with the Bondholders binding the City, and therefore it is proper and appropriate for the Chief Officer to execute the same on behalf of the City and for the Attesting Officer to attest the same.

CITY OF FOLKSTON, GEORGIA

(SEAL)

By: _____

Mayor

Attest:

Darlene Williams
City Clerk

**STATE OF GEORGIA
CHARLTON COUNTY**

CITY CLERK'S CERTIFICATE

I, **DARLENE L. WILLIAMSON**, City Clerk of the City of Folkston, Georgia, **DO HEREBY CERTIFY** that the foregoing pages constitute a true and correct copy of a Master Bond Resolution adopted by the Council of the City of Folkston, Georgia (the "Governing Body") at an open public meeting duly called and lawfully assembled at 6:30 p.m., on the 8th day of March 2021, in connection with the issuance and sale of \$2,243,000 in original principal amount of City of Folkston, Georgia Water and Sewer Revenue Refunding Bond, Series 2021, the original of such Master Bond Resolution being duly recorded in the Minute Book of the Governing Body, which Minute Book is in my custody and control.

I do hereby further certify that the following members of the Governing Body were present at such meeting:

Lee Gowen, Mayor
Marion G. Davis, Jr., Mayor Pro Tempore
Ruby Baker
Rob Roberson
Bruce Young

and that the following members were absent:

and that such Master Bond Resolution was duly adopted by a vote of:

Aye 4 Nay 0.

WITNESS my hand and the official seal of the City, this the 8th day of March 2021.

Darlene Williamson
City Clerk

(SEAL)

Charlton County and the City of Folkston Development Authority

P.O Box 82 Folkston, Georgia 31537

January 20, 2020

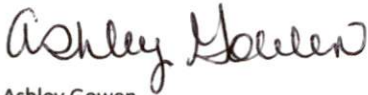
City of Folkston
City Manager Pender Lloyd
541 1st Street
Folkston, GA 31537

Mayor, City Council and Mr. Lloyd,

The City of Folkston appointments to the Charlton County and City of Folkston Industrial Development Authority will expire 12/31/2020. The Development Authority respectfully request that the reappointment of Jim Gowen, the Board of Directors. Jim has served the city well and is a valuable member of the Development Authority board. Jim has expressed a desire to continue as your representatives to the board.

Jim Gowen has served as a member of the board since 2018. His knowledge of the authority is invaluable.

Thank you for considering the re-appointment of these fine citizens to the Charlton County and City of Folkston Industrial Development Authority.



Ashley Gowen

Executive Director

912-390-9573

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